

WINDSHIRE PARK METROPOLITAN DISTRICT No. 1 & No. 2

CONSOLIDATED SERVICE PLAN

TOWN OF WINDSOR, WELD COUNTY
COLORADO

MAY 2005

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WINDSHIRE PARK METROPOLITAN DISTRICTS NOS. 1 & 2

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WINDSHIRE PARK METROPOLITAN DISTRICTS NOS. 1 & 2

CONSOLIDATED SERVICE PLAN

CHAPTER I. INTRODUCTION

A. General Overview. This consolidated service plan (“Service Plan”) for Windshire Park Metropolitan Districts Nos. 1 and 2 (individually referred to as “District” or collectively referred to as the “Districts”) constitutes a combined service plan for two Title 32 special districts within the boundaries of the Town of Windsor (“Windsor” or the “Town”) proposed to be organized to serve the needs of a new community which will be known as “Windshire Park” or the “Project” owned and developed by Windsor Farm Investments, LLC, a Colorado limited liability company (“Developer”). Windshire Park Metropolitan District No. 1 shall hereinafter be known as “the Service District,” and Windshire Park Metropolitan District No. 2 shall hereinafter be known as “the Financing District.”

The limited and specific purpose of the proposed Districts is to establish public entities that can provide financing, participate in Intergovernmental Agreements and provide for operations for additional enhancements to the standard community wide infrastructure and public facilities and services that will serve Windshire Park (the “Enhancements”). The standard public facilities and infrastructure for the Project shall be provided by the Developer pursuant to a Windshire Park Subdivision Development Agreement currently being negotiated between the Town and Developer (the “Development Agreement”). An Addendum to the Development Agreement shall be executed in conjunction with and as a precondition to the formation of these Districts. The public improvement Enhancements for the Windshire Park area outlined below shall be either dedicated to the Town of Windsor, Colorado pursuant to Intergovernmental Agreements, retained by the Service District for the use and benefit of the Districts' inhabitants and taxpayers, or dedicated to another public entity pursuant to approved Intergovernmental Agreements for ownership, operations and maintenance. Without the Districts, the financing for the Enhancements would be more expensive than necessary and the cohesive development of Windshire Park as well as the ongoing operation and maintenance of public improvements would be less certain.

Enhancements to be provided by the Districts shall include the types of facilities and improvements described in Chapter III below. This Service Plan addresses the Enhancements which are expected to be provided by the Districts and demonstrates how the Districts will work together to provide the Enhancements to the standard public improvements.

Windshire Park is located generally west of 15th Street - Weld County Road #15, east of 17th Street, and north of Jacoby Road - Weld County Road 68.5. The Districts are anticipated to consist of approximately 202.645 acres divided into two or more development areas planned for primarily residential development and possibly commercial development within boundaries of the Financing District. Figure I - 1, at the end of this Chapter, contains a general “Development Plan” for the community, followed by Table I - 1, containing development projections. The

Developer anticipates the need for only one Financing District at this time, but reserves the right to divide the Financing District into two or more Financing Districts with the same rights and obligations to coincide with the multiple development phases in Windshire Park subject to Town Approval.

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

The additional public infrastructure Enhancements being constructed by the special districts shall fit within the standard special district powers and services and are expected to include those facilities and infrastructure as hereinafter described in Chapter III below. The Town of Windsor has requested that new special districts seeking to recover costs for public improvements provide these District "Enhancements" to the standard public improvements typical to special districts. Windshire Park Metropolitan District No. 1 will serve as the Service District and pay for operation and maintenance of those facilities and infrastructure "Enhancements" not dedicated to the Town or any other public entity for ownership and operation. This Service Plan addresses the Enhancements which will be provided by the special districts and demonstrates how these two districts will serve the needs of the Windshire Park service area.

1. Multiple District Structure. This Service Plan is submitted in accordance with Part 2 of the Special District Act (§ 32-1-201, et seq., C.R.S.). It defines the powers and authorities of, as well as the limitations and restrictions on, Windshire Park Metropolitan District Nos. 1 and 2. Windshire Park Metropolitan District No. 1 shall be referred to as "Service District," and Windshire Park Metropolitan District No. 2 (and any future division into additional districts) shall be referred to as "Financing District(s)." Service District and Financing District are sometimes collectively referred to as "the Districts" and individually as "District."

The use of a consolidated Service Plan for the Districts will help assure proper coordination of the powers and authorities of the independent Districts, and will help avoid confusion regarding the separate, but coordinated, purposes of the Districts which could arise if separate service plans were used. Unless otherwise specifically noted herein, general provisions of this Service Plan apply to all Windshire Park Metropolitan Districts. Where possible, however, specific reference is made to an individual District to help distinguish the powers and authorities of each District. The "Combined Financial Plan" discussed in Chapter V refers to a collective financial plan for all Districts. It is intended to be read as a unified financial plan, which may be used for public improvements for Windshire Park.

Service District will be responsible for managing the construction and operation of facilities and improvement Enhancements for Windshire Park as well as coordinating the financing and management of the Enhancements, public facilities and services as approved by the Town of Windsor throughout Windshire Park. The Financing District will be responsible for producing property tax and other revenue sufficient to pay the costs of operations and debt service expenses incurred for the public improvements, until such obligations are discharged, creating mutual benefits for Windshire Park and the Town.

Various agreements are expected to be executed by the Districts as necessary to clarify the nature of the functions and services to be provided by each District. The agreements will be designed to help assure the orderly development of essential services and facilities resulting in a community which will be both an aesthetic and economic asset to Windsor. Additionally, an intergovernmental agreement (“Town IGA”) may be entered into between Service District and Windsor setting forth how the two entities will work together to provide long-term operations and maintenance of all facilities, and how they will work in tandem to streamline the review and approval of each phase of development within Windshire Park.

The establishment of Windshire Park Metropolitan District No. 1 as Service District which will own and operate the public facilities throughout Windshire Park, and the establishment of Windshire Park Metropolitan Districts No. 2 as Financing District which will generate the tax revenue sufficient to pay the costs of the capital improvements and maintenance, will create several benefits for the inhabitants of the community and Windsor. In general, those benefits are: (a) coordinated administration of construction and operation of public improvements, and delivery of those improvements in a timely manner; (b) maintenance of reasonably uniform mill levies and reasonable tax burdens on all areas of Windshire Park through proper management of the financing and operation of public improvements; and (c) assured compliance with state laws regarding taxation in a manner which permits the issuance of tax exempt debt at the most favorable interest rates possible. Each of these concepts is addressed in greater detail in the following paragraphs.

2. Benefits of Multiple District Structure.

a. Coordinated Services. As presently planned, development of Windshire Park will proceed in several phases, each of which will require the extension of public services and facilities. The multiple district structure will assure that the construction and operation of each phase of public facilities will be primarily administered by a single board of directors consistent with a long-term construction and operations program. Use of Service District as the entity responsible for construction of each phase of improvements and for management of operations will facilitate a well-planned financing effort through all phases of construction and will assist in assuring coordinated extension of services.

The multiple district structure will also help assure that Enhancements will be provided when they are needed, and not sooner. Appropriate development agreements between Service District and the developer will allow the postponement of financing for improvements which are not needed until well into the future, thereby helping residents avoid the long-term carrying costs associated with financing improvements too early. This, in turn,

allows the full costs of public improvements to be allocated over the full build-out of Windshire Park and helps avoid disproportionate cost burdens being imposed on the early phases of development.

b. Uniform Mill Levy. Allocation of the responsibility for paying debt for capital improvements will be managed through development of a unified financing plan for those improvements and through development of an integrated operating plan for long-term operations and maintenance. Use of Service District to manage these functions will help assure that no area within Windshire Park becomes obligated for more than its share of the costs of Enhancements and their operation and maintenance. Low-density areas will not bear a disproportionate burden of debt and operating costs, nor will high valued areas bear disproportionate burdens. Intergovernmental agreements among the Districts will assure that mill levies remain reasonably uniform throughout Windshire Park.

c. Bond Interest Rates. Some have asserted that Colorado law may require that before Financing District may raise mill levies or increase other revenues to pay debt service on bonds, they must fully exhaust their operating revenue. This has the potential result of rendering a district operationally bankrupt before it can raise mill levies for payment of debt service. This requirement, if ultimately upheld by the Colorado courts, adversely affects the ability of a district to issue bonds at attractive rates since the bond markets may dictate unreasonably high interest rates in a single district structure to compensate for this risk. Separation of the financing and service functions of the Districts into two or more districts will help eliminate this problem. Consequently, the multiple district structure is less risky and will allow bonds or other obligations to be issued to finance public improvements at lower rates than if a single special district is organized.

3. Configuration of Districts. In order to implement the multiple district structure, the boundaries of Service District and Financing District were configured to approximate the original plan for phases of development. A map showing the boundaries of the Districts is provided in Exhibit C. The combined acreage of the Districts covers all acreage within Windshire Park. Legal descriptions and a map of the property within the boundaries of the Districts are attached to the end of this Service Plan as part of Exhibits B and C. The boundaries of the individual Districts may change through future inclusions and exclusions and/or through future division of the Financing District into two or more Financing Districts to coincide with the phases of development in Windshire Park as referenced herein.

The “service area” (the area legally permitted to be served) for Service District will consist of the entire Windshire Park community, including the property within Financing District’s boundaries. This area may be expanded to serve new development. Service District will have power to impose taxes only within its legal boundaries, but will be permitted to provide public services to the entire community as well as to property or individuals outside of Windshire Park. Financing District will have power to assess taxes and other charges permitted by law.

It is currently anticipated that no residential units will be located within Service District, and that at build-out Service District will include only open space, park and/or

reservoir uses, although development could occur at some future date. The Developer has projected the build-out of the Windshire Park Development based upon present market forecasts. The Development projections are incorporated into the Financial Plan set forth in Exhibit F. These projections estimate that the Financing District will contain primarily residential properties within Windshire Park, expected to consist of approximately 616 residential units, comprised of 550 single-family units and 66 multi-family units (town homes). The projected population of Windshire Park at full build-out is 1,540 persons (based upon an average of 2.5 per residence), and the projected total valuation is approximately \$192,350,000, at \$350,000 per single-family unit for 250 units, \$300,000 per single-family unit for 300 units, and \$225,000 per multi-family unit (town home) for 66 units. The assessed valuation of property within the Financing District set forth below and shown in the Financial Plan is based upon the Developer's projections of actual values of improved property and present State property tax law.

Any changes in the boundaries of either the Service District or the Financing District shall be approved administratively on the condition that all property originally in one of the districts remains in one of the Windshire Park Metropolitan Districts. Otherwise, the inclusion or exclusion of any property into or from the boundaries of the Districts shall be subject to the prior approval of the Board of Trustees for the Town of Windsor.

Additional property may be included in the Districts in accordance with the provisions of the Act, subject to compliance with Section 32-1-401(1) (c), C.R.S. Under the Act, the fee owner or owners of 100% of any property proposed for inclusion may petition the Board of either District for the inclusion of property into such District. Further, less than all of the owners of an area may petition either District for inclusion, or the Board may adopt a resolution calling for an election on inclusion of the property within such area. Property may also be excluded from the District. The Boards of the Districts will have discretion to approve inclusions or exclusions without an amendment or modification of the Service Plan, subject to all limitations and Town Approvals set forth in the Town IGA. Districts acknowledge that if property is included within their boundaries, the construction of improvements therein shall be subject to approval by the Town.

4. Long-Term District Plan. After all bonds or other debt instruments have been issued by the Districts and adequate provision has been made for payment of all debt of Service District and Financing District, the electorate of the Districts will have the opportunity to consider either the consolidation of Service District and Financing District into a single entity, or the dissolution of Financing District in accordance with state law. Service District and Financing District will consider consolidation and/or dissolution at the time each District's debt has been paid and adequate provision has been made for operation of all Service District facilities. Ultimately, control of these decisions will rest with the electorate in each District; but it is planned that Service District will continue in perpetuity to operate and maintain the signage, greenbelts and open spaces, clubhouse and/or pool, raw water system, maintenance facilities, and landscaping for the Districts. The non-potable water irrigation water system, and any extension of the non-potable water irrigation system to the lots, is expected to be operated and maintained through the Service District as well.

5. Existing Services and Districts. There are currently no other entities in existence in the Windshire Park area which have the ability and/or desire to undertake the design, financing and construction of Enhancements planned for the community. Of the standard public infrastructure being constructed by the Developer in accordance with the Development Agreement and other agreements and understandings, the Town of Windsor is anticipated to provide service for streets and roadway improvements pursuant to agreements reached with the Developer upon dedication of those facilities to the appropriate entity. It is the Developer's understanding that these public entities do not consider it feasible or practicable for their entities to provide the Enhancements outlined in this Service Plan for the Windshire Park community. Consequently, use of the Districts is deemed necessary for the provision of these additional enhancements to the standard public improvements to Windshire Park.

In order to minimize the proliferation of new governmental structures and personnel, Service District intends to utilize existing entities as much as possible for operations and maintenance of public improvements. The timing for conveyance of improvements to Windsor will be developed by mutual agreement between Service District and Windsor as generally described above and in Chapter VI hereof.

It is possible that other key operations and maintenance services may be provided by other entities by appropriate agreements with Service District. Consequently, while Service District and Financing District will exist to finance capital improvements and coordinate the provision of services, they are expected to utilize existing entities and personnel as much as possible.

6. Property Owner Associations. The Districts will work with the applicable property owners association.

B. General Financial Information and Assumptions.

The current estimated assessed value based upon information currently available for the property within the Districts boundaries for the tax year ending 2004 is estimated to be negligible.

The Financing Plan is set forth in Exhibit F and demonstrates that the financial operations of the Districts will (i) provide economic and sufficient services within the Districts; (ii) have the financial ability to discharge the proposed Districts indebtedness on a reasonable basis; (iii) protect future property owners from onerous property taxes or District bond defaults; and (iv) not subject the Town to any present or future liability with respect to District bonds or other obligations.

The Districts may levy a small property tax for operating purposes, and such levies may be exempt from spending limits, if voter approval is obtained pursuant to Article X, Section 20 of the Colorado Constitution ("TABOR"). The Districts may issue revenue or bond anticipation notes to fund the costs of the Enhancements to public improvements and other interim expenses, until such time as bond proceeds and other revenues are available from the Districts or other sources. The Districts may also borrow funds from Developer or other parties

or enter into funding agreements with such parties to initiate the capital plan pending the issuance of the District bonds. Any funds advanced by Developer or other parties will be reimbursed from available revenue sources of the Districts.

The Financing Plan shows how the financial operations of the District may be implemented. Preliminary debt repayment schedules for the Districts limited tax cash flow bonds (assuming a 30-year term, no credit enhancement, a 35.0 mill cap, and an interest rate of 8.0%) are attached as Exhibit F. The Districts bonds will be issued in multiple series. The final bond financing plan, together with supporting documentation, will be filed with the Town.

Prior to the issuance of long-term bonds, the Districts may issue bond anticipation notes or other multiple-fiscal year financial obligations secured by the revenues generated from property taxes and non-potable irrigation system fees collected by the Districts. Credit enhancement may be provided for any obligation of the Districts, if necessary. The Districts may make multiple-fiscal year financial obligation pledges secured by property taxes, specific ownership taxes and the revenue from irrigation system impact fees (defined below) to fund the acquisition and installation of the Enhancements to public improvements for Windshire Park. Revenue from property taxes, specific ownership taxes and irrigation system impact fees and from other available sources will be used to retire District bonds, other debt or multiple-fiscal year financial obligations.

The Service District intends to issue limited tax general obligation and/or cash flow bonds secured primarily by (i) property taxes from levies not to exceed 35.0 mills, and (ii) revenue from the irrigation system impact fee, unless otherwise approved by the Town. The one-time irrigation system impact fee against the Windshire Park property is anticipated by the Developer to be assessed at rates of \$2,750 per dwelling unit and, which amounts the Districts may decrease or eliminate. The obligation of the landowner to pay the irrigation system impact fee shall create a perpetual statutory lien on the Windshire Park property pursuant to Section 32-1-1001(1) (j), C.R.S. The property tax levy of the Districts is expected to be 35.0 mills for both operating and debt repayment purposes as shown in Exhibit F. The Districts debt will be sized and phased based upon reasonable development assumptions, irrigation system impact fee revenue, property tax projections, and interest rates.

The 35.0 mill levy cap projected herein may, however, be increased or decreased as provided hereafter. The 35.0 mill tax rate may be increased to compensate for any decreases in the assessed valuation of the property within the Districts necessitated by state law pursuant to Article X, Section 3 of the Colorado Constitution commonly referred to as the Gallagher Amendment, requirements for tax cuts or decreases in tax revenue mandated by TABOR, or any other legislation causing a reduction in the assessed valuation of residential properties. In the event of legislation implementing changes in the ratio of actual valuation to assessed valuation for residential real property, pursuant to Article X, Section 3(1)(b) of the Colorado Constitution, the mill levy limitation provided herein will be increased or decreased as to all taxable property in the Districts to reflect such changes; so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes.

The 35-mills limitation on the property tax levy of the Districts for any series of bonds shall terminate at such time as the assessed valuation of all property within the Districts is at least 200% of the aggregate outstanding principal indebtedness of the Districts.

No provision of the Service Plan shall be construed to restrict the issuance of any form or type of bond, note or other multiple-fiscal year financial obligation of the Districts; provided that the projections in the Service Plan are not materially modified. The Financing Plan illustrates that adequate revenues are available from various sources for the payment of debt issued to provide public improvements for Windshire Park, thus eliminating risks of excessive property tax levies or bond defaults or other potential risks of financing.

Alternate financing plans may also be implemented without having to amend or modify the Service Plan, if subsequently determined by the Districts to be in its best interests and if in material compliance with the projections in the Service Plan. The Districts may issue variable rate bonds or notes, if interest and other issuance costs are less than the financing costs projected in the Financing Plan. Alternatively, the Districts may issue unsecured or partially credit enhanced, non-rated, fixed rate bonds to financial institutions, which might cause interest rates, debt service and other issuance costs to be higher than the financing costs projected in the Financing Plan. In such event, the Districts will reduce the size of the bond issue so that bond repayments can be made from the projected revenue available to the Districts.

The Districts shall, without limiting other financing alternatives or having to amend or modify the Service Plan, be entitled to change the structure of the Financing Plan, including without limitation by enabling the Districts to obtain financing directly from Developer, other developers, financial institutions, or accredited investors in compliance with State law. The Districts may obtain funding directly from Developer and repay and reimburse such obligations from property tax collections, specific ownership taxes, and revenues generated under the irrigation system impact fee or from other available funds of the Districts. The Districts shall also be entitled to issue contingent repayment obligations of the debt estimated in the Service Plan on condition that the provisions of such contingent repayment obligations are (i) in compliance with State law, (ii) subordinate to senior debt obligations of the Districts, and (iii) subject to the maximum property tax levy authorized herein. The Districts shall obtain an opinion from bond counsel for any bonds issued to Developer.

Upon approval of the Service Plan, the Districts will continue to develop and refine the cost estimates for the Enhancements to public improvements needed for Windshire Park and to implement a viable bond financing plan therefore. Costs for construction, engineering and contingencies, capitalized interest, reserve requirements, credit enhancement/letter of credit fees, and other costs of financing will be included in the bond financing plan, as appropriate. All construction cost estimates assume construction in compliance with the requirements of the Town and other governmental agencies, if applicable.

The total estimated costs of all public improvements to be financed by the Districts are estimated to be \$21,897,450, of which, \$6,112,800 is estimated to be metropolitan district Enhancements (not including capitalized interest, and related issuance and organizational costs). The Districts shall have the authority to obtain financing for the Enhancement's portion

of the public improvements and shall be authorized to issue or incur limited tax general obligation indebtedness (secured by a property tax levy not to exceed 35.0 mills), revenue debt, and other multiple-fiscal year financial obligations in an amount sufficient to finance and construct all public improvements specified under the Service Plan, if not greater than \$7,400,000, without the need to obtain the Approval of the Town or to process any amendment or modification of the Service Plan. The Districts shall not (i) seek authorization from its electorate to incur indebtedness greater than \$7,400,000, exclusive of refundings or other refinancings, without the Approval of the Town. Modifications of all capital cost estimates shall likewise be permitted, if the total costs of all estimates are not materially greater than the estimates set forth in the Service Plan. All ballot questions will be filed with the Town prior to certification pursuant to State election laws. Authorization to issue bonds and enter into the various agreements described herein will be sought from the Districts' electorate pursuant to the Act and Colorado Constitution.

Contractual debt obligations as are contained in the Master IGA shall not count against the total combined new money debt limit ("debt limit") as set forth below. The maximum allowable contractual debt limit hereunder shall be \$7,400,000, although the Financing Plan anticipates only \$5,785,000 in debt currently, the difference is intended to allow flexibility in refinancings, refundings, re-issuance, restructuring of debt, inflation, organization and capitalized interest costs. This \$7,400,000 debt limit is exclusive of construction financing notes (i.e. notes or other financial obligations, if any, issued by the District to the Developer to evidence the Districts' obligation to repay the Developer's advances for construction costs). The financing assumptions are set forth in the attached Financial Plan. For purposes of this Service Plan, debt shall be considered any financial obligations of the Districts payable wholly or in part from *ad valorem* taxes collected on real property in the District and for the purposes of financing, acquiring, constructing, or improving any of the public improvements contemplated herein. The debt limit shall not be increased unless approved by the Town of Windsor and as permitted by statute. Any change in debt limit shall be considered a material modification of the Service Plan unless otherwise permitted herein.

The anticipated costs of the Enhancements and the standard public infrastructure are contained in Chapter IV. The Districts may obtain financing for the Enhancements to capital improvements needed for Windshire Park through the issuance of general obligation bonds or other debt instruments by Service District and from revenue bonds or other instruments issued by Service District. General obligation debt will be payable from revenues derived from ad valorem property taxes and from other sources within Financing District. It is currently anticipated that significant credit enhancement and security for debt issued by Service District will be provided by the Developer, or more likely that debt obligations will be issued to the developer in exchange for improvements. Service District will issue general obligation debt after determination that the assessed valuation of Financing District is sufficient to pay debt service with reasonable mill levies, thereby reducing risk to property owners. The preliminary financial forecast for the Districts is contained in Exhibit F to this Service Plan. This "Combined Financial Plan" demonstrates one method, which might be used by the Districts to finance the cost of infrastructure. At the time bonds or other debt instruments are proposed to be issued, alternative financing plans may be employed and may be utilized by the Districts. If expected increases in property values, and resulting increases in property taxes, are not realized the bonds proposed to

be issued to the developer as shown in the Combined Financial Plan, may not be fully retired at maturity. The unpaid obligation therefore, however, will cease to exist and the developer will not be fully reimbursed.

Due to the credit enhancement and other support expected to be received from the developer, the Combined Financial Plan demonstrates that the cost of infrastructure described herein can be provided with reasonable mill levies, specifically established at 35 mills. The figures contained herein depicting costs of infrastructure and operations will not constitute legal limits on the financial powers of the Districts; provided, however, that the Districts shall not be permitted to issue bonds which are not in compliance with the bond registration and issuance requirements of Colorado law.

The financial structure contemplated in the Combined Financial Plan demonstrates that the risks associated with development of Windshire Park will be borne initially by the developer of the project. The entire risk of development will rest with the developers until such time as Service District has the ability to issue or pay upon general obligation debt. At such time as general obligation debt is issued, the responsibility for payment of the costs of infrastructure needed for Windshire Park will be shifted, incrementally, to Service District. General obligation debt issued by Service District will limit the responsibility for repayment of such debt to Financing District. In this manner, Windsor can be assured that the risks of development and the responsibility for repayment of debt issued for Windshire Park will be borne solely by the residents and property owners of Windshire Park, and will not become the responsibility, in any degree, of Windsor. Additionally, Windsor can be assured that mill levies paid by Windshire Park residents cannot exceed acceptable levels, because a cap of 35 mills will be established subject to "Gallagher adjustments" (as defined below) and the 35-mills limitation terminating only at such time as the assessed valuation of all property within the Districts is at least 200% of the aggregate outstanding principal indebtedness of the Districts.

C. Contents of Service Plan.

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

The assumptions contained within this Service Plan were derived from a variety of sources. Information regarding the present status of property within the Districts, as well as the current status and projected future level of similar services was obtained from the developer. Construction cost estimates were assembled by Northern Engineering Services, Inc. and Summit Land Management Services, both of which have experience in the costing and construction of similar facilities. Financial recommendations and advice in the preparation of the Service Plan were provided by Stan Bernstein and Associates, Inc., which has experience as financial consultants to numerous special districts. This Service Plan was assembled by White Bear and Ankele, Professional Corporation, 1805 Shea Center Drive, Suite 100, Highlands Ranch,

Colorado, 80129, telephone 303-858-1800, District Counsel, which represents numerous special districts.

D. Modification of Service Plan.

This Consolidated Service Plan has been designed with sufficient flexibility to enable the Districts to provide required services and facilities for Windshire Park under evolving circumstances without the need for numerous amendments. While the assumptions upon which this Service Plan are generally based are reflective of current zoning for the property within Windshire Park, the cost estimates and Combined Financial Plan are sufficiently flexible to enable the Districts to provide the Enhancements to the general services and facilities without the need to amend this Service Plan as zoning changes. Modification of the Enhancement services and facilities, and changes in proposed configurations, locations, or dimensions of the Enhancements shall be permitted to accommodate development needs consistent with then-current zoning for the property. Modification of the Enhancements and other changes contemplated in the preceding sentence, shall be subject to approval by Windsor pursuant to the Intergovernmental Agreement which is set forth in Exhibit G hereof.

FIGURE I - 1
Development Plan

TABLE I - 1**Development Projections**

	2005	2006	2007	2008	2009	2010	2011	Total
Single Family – Price Point A - \$350,000/unit (Windshire Park Metropolitan Dist. No. 2)	-----	40	60	60	60	30	-----	250
Single Family – Price Point B - \$300,000/unit (Windshire Park Metropolitan Dist. No. 2)	-----	50	70	70	70	40	-----	300
Multi-Family Townhomes - \$225,000 per unit) (Windshire Park Metropolitan Dist. No. 2)	-----	-----	--- --	18	36	12	-----	66
<u>SERVICE DISTRICT PARCEL</u> (Windshire Park Metropolitan Dist. No. 1)	-----	-----	-----	-----	-----	-----	-----	-----
<i>TOTAL UNITS</i>		90	130	148	166	82	-----	616

CHAPTER II - NEED FOR DISTRICTS AND GENERAL POWERS

A. Need for Metropolitan Districts.

The property in the Windshire Park Metropolitan Districts is currently being developed. Additional construction and expansion in the future is contemplated. No other entities exist which will finance the construction of the Enhancements contemplated herein. Operations and maintenance of some Enhancements will be assumed by Windsor in the future. The IGAs referred to in Chapter VI hereof address and define the activities to be undertaken by various entities, including Windsor, with regard to public improvements.

B. General Powers of Districts.

Each District has power and authority to provide the services and facilities described in this Chapter both within and outside its boundaries in accordance with law. The powers and authorities of each District may be further allocated and further refined in an Intergovernmental Agreement between the Districts (“Master IGA”) which may be voted upon and approved by their respective electorates. For purposes of the Control Act and applicable laws, the Master IGA shall not constitute an amendment of this Service Plan, but shall constitute an integral element of the plan for the Districts and shall be considered a binding agreement between the Districts regarding implementation of the powers contained in this Service Plan.

Contractual debt obligations as are contained in the Master IGA shall not count against the total combined new money debt limit (“debt limit”) as set forth herein. The maximum allowable contractual debt limit for financing the metropolitan district enhancements outlined herein shall not exceed \$7,400,000 as set forth in this Service Plan without additional approval of Town.

Recognizing that the standard public infrastructure within Windshire Park shall be provided pursuant to the Development Agreement and any amendment thereto, and further recognizing that the specific and limited purpose of this Consolidated Service Plan is to provide for Metropolitan District “Enhancements”, each of the Districts shall have authority to provide those services, facilities, and infrastructure as described in Chapter III below as well as the following:

1. Legal Powers. The powers of the Districts will be exercised by their Boards of Directors to the extent necessary to provide the services contemplated in this Service Plan. The improvements and services as described in this Service Plan, 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.

2. Other. In addition to the powers enumerated above, the Boards of Directors of the Districts shall also have the following authority:

a. To amend this Service Plan as needed, subject to the appropriate statutory procedures, including, by written notice to Windsor pursuant to § 32-1-207, C.R.S., notice of actions which the Districts believe are permitted by this Service Plan but which may be unclear. In the event Windsor elects not to seek to enjoin any such activities under said statute, such election shall constitute agreement by Windsor that such activities are within the scope of this Service Plan. The Districts shall have the right to amend this Service Plan independent of participation of the other Districts; provided, that the Districts shall not be permitted to amend those portions of this Service Plan which affect, impair, or impinge upon the rights or powers of the other Districts without such District's consent; and

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

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

d. To exercise all necessary and implied powers under Title 32, C.R.S., in the reasonable discretion of the Boards of Directors of the Districts; and

e. Any amendments to this Service Plan, or other changes with respect to the construction of improvements or the provision of additional services, shall be subject, in all circumstances, to approval by Windsor and/or pursuant to the Town Intergovernmental Agreement (if applicable) which is set forth in Exhibit G hereof.

C. Consolidation.

The Windshire Park Metropolitan Districts shall be permitted to file a request with the Weld County District Court to consolidate its Districts after notice and approval of the Town of Windsor without the necessity of a Service Plan Amendment.

CHAPTER III - DESCRIPTION OF POWERS, FACILITIES AND IMPROVEMENTS

The following section describes the powers, facilities and improvements expected to be provided by the Districts both within and without their boundaries. This description is preliminary only and will be subject to modification and revision as engineering plans, financial factors, and construction scheduling and costs may require. The Service District

and Financing District will be permitted to exercise their statutory powers and their respective authority set forth in this Service Plan. The improvements shall be subject to the limitations on the powers of the Districts as set forth in this Service Plan. Improvements not specifically described herein shall be permitted as long as they are necessary and appurtenant to those improvements generally contemplated in the Service Plan and are within the Districts' financial ability to provide such improvements. As noted herein, the Financing District will finance and pay its taxes and other revenue over to the Service District for construction, operation, and maintenance of the public facilities and improvements needed to serve Windshire Park. The Service District will be permitted to exercise its statutory powers and authority set forth herein to finance, construct, acquire, install, operate and maintain the public facilities and the public facilities and improvements to be furnished by the District, either directly or by contract, or by acquisition from the Developer or other persons as further described in this Service Plan. Where appropriate, the Service District will contract with various public and/or private entities to undertake such functions, including a Master IGA with the Financing District, an Addendum to the Development Agreement (if necessary), and an Intergovernmental Agreement with the Town of Windsor, as further described herein.

The descriptions contained in this Chapter show the conceptual plan for the enhancements to the standard public facilities and improvements described in Chapter II hereof. Detailed information for each type of Enhancement needed for Windshire Park is set forth in the following pages. It is important to note that the descriptions contained in this Chapter are conceptual in nature only, and that modifications to the type, configuration, and location of improvements will be necessary as development proceeds. All facilities will be designed in such a way as to assure that the facility and service standards will be compatible with those of Windsor and of other entities which may be affected thereby.

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

The combined initial total estimated cost of all of the public facilities and improvements that shall be constructed within the Districts and built in accordance with the Town's applicable standards is approximately \$21,897,450 (not including other infrastructure within and without Windshire Park which will be constructed and financed by Developer) inclusive of contingencies, engineering, construction management, and offsite improvements, and exclusive of costs of organization. Of this total amount, approximately \$6,112,800 is estimated to consist of Metropolitan District Enhancements. Diagrams showing the general layout of the proposed facilities and improvements are attached hereto as Exhibit E.

Upon approval of this Service Plan, the Districts will continue to develop and refine cost estimates contained herein and prepare for bond issues. Reasonable

modifications of public facilities and cost estimates shall be permitted. 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.

The following sections contain general descriptions of the contemplated facilities and improvements which are enhancements to the standard public infrastructure and which will be financed by Financing 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, Windsor's requirements, and construction scheduling may require.

B. General Design Standards.

Improvements within the Districts will be designed and installed by Service District in general conformance with applicable current standards adopted by Service District and the Town. The Town has specific design standards and any applicable design and contract documents that are required by the Town ordinances, regulations, and rules to be submitted to the Town for these enhanced public improvements must be reviewed and approved by the Town. A Town IGA as described in Chapter VI hereof (if required) and the Addendum to the Development Agreement (if required) executed contemporaneously with the approval of this Service Plan describe the procedures which will be followed to assure compliance with the requirements of this Service Plan and applicable Town standards.

C. Non-Potable Water System.

1. District Powers. For the limited and specific purpose of providing Enhancements, each District shall have the authority to provide the design, financing, acquisition, installation, operation, construction, and/or operation and maintenance of a non-potable raw water irrigation system, including but not limited to, water rights, water supply, treatment, storage, transmission and distribution systems for 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 such facilities and systems within and without the boundaries of the Districts.

2. Overall Plan. The majority of parks, greenbelts, and recreational landscapes will be irrigated through infrastructure and distribution systems necessary to provide raw water. The non-potable Irrigation Water System will be constructed in accordance with applicable Town standards and financed through the Districts to service the greenbelts, open spaces, landscaping and common areas within the Districts. The raw water needed to service a non-potable irrigation water system shall be provided pursuant to a Lease-Purchase Agreement with the Developer.

The non-potable raw water irrigation system will allow the homeowners to avoid having to purchase potable water taps and pay for potable water through an association for this use. The Districts are extending this non-potable raw water irrigation system to serve each lot for use in the yards within the District. The Districts are proposing to own or lease and maintain those parts of the system as well as provide for all of the irrigation water needed for this system. The raw water required by the non-potable water irrigation system according to the requirements of the Town (in accordance with the Town's applicable Non-Potable Irrigation and Distribution System standards) shall be provided through a Lease-Purchase agreement or other contractual agreement with the Developer. Initially water shall be leased to the Districts through an Agreement with the Developer with an ultimate dedication of the necessary water rights to occur upon a date certain pursuant to a Water Rights Agreement to be executed between the Service District and the Developer.

The Districts shall be empowered to provide such a non-potable raw water irrigation system. Any necessary approvals from the Town of Windsor shall be sought and obtained prior to completion of any raw water system provided within the Districts. The Districts expect to recover a portion of the costs of the construction and installation of the extension of the non-potable system to the lots through imposition of appropriate irrigation water system tap fees or impact fees. Current estimates anticipate an additional estimated \$3.0 million of the \$21.9 million in total capital improvements within the Districts to be spent for the residential non-potable irrigation system.

The costs along with a plan for construction and implementation of the non-potable raw water irrigation system shall be submitted to the Town of Windsor for its review prior to installation and implementation as appropriate. The Districts expect to implement an irrigation water system impact fee on each home, and that these revenues will be used to pay annual debt service on capital costs incurred to construct the Enhancements.

3. Cost Estimates. The estimated construction costs for the development of the non-potable water systems for Windshire Park are presented in Exhibit E. Additionally, for information purposes, the estimated construction costs for the development of the domestic water system in accordance with the Development Plan are also presented in Exhibit E.

D. Street and Roadway Improvements.

1. District Powers. For the limited and specific purpose of providing Enhancements, each District shall have the authority to provide the design, financing, acquisition, construction, relocation, completion, installation and/or operation and maintenance of street and roadway improvements, including curbs, gutters, culverts, and other drainage facilities, pedestrian ways, bridges, parking facilities, paving, lighting, grading, landscaping, irrigation, and structures; and street-related electric, telephone, and gas; together with all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the boundaries of the District. All roadway improvements will be constructed to Town of Windsor standards and are anticipated to be dedicated to the Town for perpetual ownership, operation, and maintenance.

2. Overall Plan. In addition to all general street improvements contemplated by the Development Agreement, the Districts shall build or cause to be built enhanced roadways and parkways within Windshire Park, including enhanced landscaping and an irrigation system. The Districts have the right and ability to participate in the sharing of costs associated with additional Street and Roadway improvements as may be required.

3. Street and Roadway Infrastructure. All public streets and streets dedicated by plat within the Districts will be owned, operated and maintained by the Town. The standard streets, roadway infrastructure, snow removal and roadway maintenance provisions are addressed within the Development Agreement with the Town.

4. Enhanced Street Landscaping, Signage, Monuments, Lighting. The Districts will also construct, own and maintain several substantial masonry monument signs within the project. These signs, monuments and lighting will be provided in conjunction with enhanced landscaping and streetscaping to provide an enhanced appearance to the entire development, including, but not limited to fencing, identification markers, landscape buffers, shrub and flower beds, mulch beds, irrigated and non-irrigated turf and native grasses, subdivision identification markers, trees, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems and other enhanced landscape features and streetscape design. All such facilities or features shall comply with all Town of Windsor standards, regulations and ordinances in effect at the time any such facilities or features are constructed.

5. Cost Estimates. The estimated construction costs for the development of the street and roadway system for the project are shown on Exhibit E.

E. Safety Protection.

1. District Powers. For the limited and specific purpose of providing Enhancements, each District shall have the authority to provide the design, financing, acquisition, installation, and construction of traffic and safety protection facilities and

services, including but not limited to traffic and safety controls, devices on streets and highways and at railroad crossings, environmental monitoring, access gates, signage, signalization, 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 or systems. The Districts may potentially financially assist Windsor, rather than build their own facilities.

2. Overall Plan. After conveyance by the Developer of the street rights-of-way or appropriate easements to the Service District or the Town, the Service District or the Town is expected to construct standard paving, lighting, landscaping and other necessary traffic and safety protection devices and controls in accordance with the Development Agreement. The Districts have the right and ability to participate in the sharing of costs associated traffic and safety protection improvements as may be required.

3. Cost Estimates. The estimated construction costs for the development of the traffic and safety protection facilities and improvements for the project are shown on Exhibit

F. Park and Recreation Improvements.

1. District Powers. For the limited and specific purpose of providing Enhancements, each District shall have the authority to provide the design, financing, acquisition, construction, relocation, completion, installation and/or operation and maintenance of public parks and recreation facilities including, but not limited to, grading, soil preparation, sprinkler systems, playgrounds, playfields, parks, bike paths and pedestrian ways, trails, open space, landscaping, cultural activities, picnic areas, pools, ponds, lakes, common area landscaping and weed control, greenbelts, community recreational facilities, clubhouses, irrigation facilities, and other active and passive recreational facilities and programs, and all necessary, incidental and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the boundaries of the District. The Districts may potentially financially assist Windsor, rather than build their own facilities.

2. Parks and Open Space. The Districts anticipate providing significant enhancements to the park and open space improvements expected to be constructed within the Districts:

a. Tract C Open Space Park Site. Tract C is a park site that has been or shall be dedicated to the Town of Windsor. The Districts will provide funding for the construction and additional enhancements to the park including equipment, enhanced landscaping, public art, and a non-potable irrigation system in accordance with Town Standards. All enhancements and facilities constructed in the

public parks within the Districts shall be dedicated to the Town for ownership, operation and maintenance in accordance with the Development Agreement and Addendum, and shall be open and available to the general public and Town citizens free of charge.

b. Open Space Landscape, Trees, Grassing, Greenbelts. The Districts are currently proposed to contain enhanced open space tracts, greenbelts, enhanced landscaping, and non-potable irrigation that the Districts will turf and landscape.

c. Project Signage, Monuments, Entry Features, Open Space. The Districts will design, construct and maintain signage, monumentation and entry features throughout the project. Homeowners will benefit from a more communal continuity of the development. All such facilities or features shall comply with all Town of Windsor standards, regulations and ordinances in effect at the time any such facilities or features are constructed.

d. Stormwater Pond. This additional stormwater pond and drainage area will be provided as an amenity to the residents of Windshire Park and will be owned and maintained by the Districts.

e. Irrigation System Enhancements. The Districts will receive non-potable water for its irrigation system through offsite improvements and agreements reached with the Developer. The Irrigation System Enhancements may include offsite ponds or onsite ponds, a pumphouse, and a pressurized system to provide non-potable water to the lots provided as an amenity to the residents of Windshire Park, which will further enhance, support and supply the non-potable irrigation water within Windshire Park and onsite improvements will be owned and maintained by the Districts and constructed in accordance with Town of Windsor ordinances and regulations.

f. Enhancements to Open Space, Trails and Parks. Numerous open space tracts and pocket parks are currently in the development review process with the Town of Windsor. The Developer is proposing that the District construct, own and maintain open space tracts, pocket parks, with or without irrigated areas in multiple areas throughout Windshire Park. A public trail system is also proposed. All open spaces within Windshire Park will be turfed, landscaped, and maintained by the Districts. The non-potable system currently proposed would be extended to serve most or all of these common areas.

g. Town of Windsor Trails. The Developer is proposing to provide an enhanced trail to be incorporated into the Town of Windsor system of trails and pedestrian walkways.

h. Recreation/Roadway Enhancements – Bike Paths. The Developer is proposing to provide an enhanced recreation/roadway bike path system that incorporates bike paths and bike lanes into some or all of the internal roadways within Windshire Park. These schematics and proposed enhancements are included within

Exhibit E and are in the development review process with the Town. These roadway bike lanes will be constructed by the Districts and maintained by the Town as part of the Districts' roadway system dedicated to the Town. The bike paths will be constructed by the Districts and maintained by the Districts.

3. Enhanced Recreation Improvements. Standard Recreation improvements are proposed to be distributed throughout the development in accordance with the Development Agreement. Currently, most recreational facilities are expected to be operated by a property owners association; although the Districts may assume this. The Districts will also design, construct and maintain a clubhouse/pool complex with cabana, restrooms, and parking. This amenity will be open to all residents as well as their guests.

4. Trails. Public trails are proposed to provide linkage between the major development parcels and other major roadways or other features within the property or immediately adjacent thereto. The public trail system is anticipated to include a combination of concrete walkways, gravel trails, necessary signage and identification markers and other ancillary trail hardscape such as benches and tables. All public trails shall be open and available to the general public and Town citizens free of charge and shall be dedicated to the Town for ownership, operations and maintenance.

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

G. Sanitation and Drainage Improvements.

1. District Powers. For the limited and specific purpose of providing Enhancements, each District shall have the authority to provide the design, financing, acquisition, construction, relocation, completion, installation and/or operation and maintenance of storm or sanitary sewers, or both, flood and surface drainage, gutters, culverts, storm sewers and other drainage facilities, detention ponds, retaining walls and appurtenances, wastewater treatment and disposal works and facilities, water quality 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 within and without the boundaries of the Districts. All sanitation and drainage improvements will be constructed to applicable Town of Windsor standards and are anticipated to be dedicated to the Town for perpetual ownership, operation, and maintenance.

2. Overall Plan. The sanitary sewer collection system is expected to include buried sewer mains, manholes and related appurtenances located predominately within the Financing District' boundaries. The Districts shall dedicate to the Town all public wastewater facilities traditionally owned, operated and maintained by Windsor. The Town will charge system users for its services in accordance with its Town policies.

The plans for the exact configuration of the sanitary sewer collection system has already been reviewed and approved by the Town.

3. Storm Drainage. The Developer is expected to construct culverts, drainage ditches, box culverts, tunnels and drainage facility improvements, including but not limited to detention ponds, water quality ponds, and off-site drainage facilities as necessary and in accordance with the Development Agreement. The Districts shall dedicate to the Town all storm drainage facilities traditionally owned, operated and maintained by Windsor. The Town, where applicable, will charge drainage system users for its services in accordance with its Town policies. The plans for the exact configuration of the storm drainage system has already been reviewed and approved by the Town.

4. Cost Estimates. The estimated construction costs for development of the sanitary sewer collection system and storm drainage improvements for Windshire Park are shown in Exhibit E.

CHAPTER IV - COSTS AND REVENUE SOURCES

A. Cost of Construction and Operation.

1. Public Infrastructure - Capital Costs. The estimated construction costs for development of the potable and non-potable water systems streets and roadway improvements, sanitation and drainage improvements, as well as parks and recreation improvements are shown in Exhibit E. These costs contain a contingency for unknowns.

2. Metropolitan District Enhancements – Capital Costs. The Town of Windsor has requested that new special districts seeking to recover costs for public improvements provide “District Enhancements” to the standard public improvements typical to special districts. Currently the Districts’ capital (infrastructure) costs are estimated to total approximately \$21,897,450 million (in uninflated dollars). It is assumed that these costs will be paid for by the Developer. It is assumed that approximately 26.4% of these costs (\$5,785,000) will be recouped by the Developer from Limited Tax Cash Flow Bonds issued by the Districts to the Developer.

Of the total estimated capital infrastructure costs of \$21,897,450, the Developer has identified the following \$6,112,800 in “District Enhancements” projects for which the Districts’ seek authorization to issue \$7.4 million of Limited Tax Cash Flow Bonds to pay for a portion:

• Recreation Trail	\$ 250,000
• Non-Potable Irrigation System & Storage	\$1,300,000
• Non-Potable Irrigation Lot Service	\$1,700,000
• Pool/Clubhouse & Parking Facilities	\$ 950,000
• Open Space, Landscaping	\$1,100,000

- Project Signage, Monuments, Entry Features \$ 360,000

Totals without contingency	<u>\$5,660,000</u>
Totals with 8% contingency allowance	<u>\$6,112,800</u>

\$3.0 million of the \$21,897,450 of total capital improvements is estimated to be spent for the extension of non-potable raw irrigation system to the residential lots. The District would also impose a \$2,750 Irrigation System Impact Fee on each home, and that it is expected that these revenues will be paid to the Developers as they are collected by the District pursuant to a Cost Recovery Agreement.

The Districts shall be empowered to provide such a raw water system, which will be reviewed and considered by the Town of Windsor prior to installation and implementation. Any necessary approvals from the Town of Windsor shall be sought and obtained prior to completion of any raw water system provided within the Districts.

3. Annual Operation and Maintenance Costs. Initial anticipated costs of general administration and operations of the Districts are set forth in the Financing Plan. These costs have been estimated based upon typical expenses incurred for special districts in general. These estimates are preliminary only and will be subject to modification and revision as engineering plans, financial factors, and construction, operation, and maintenance costs are determined upon final design and construction. Any increases in such costs over time will be funded by property taxes, fees, charges, and other revenue sources generally available for such purposes as determined during the annual budget process in accordance with the Master Intergovernmental Agreements between the Districts.

At full development, the annual operational and maintenance costs of the District Enhancements are initially estimated to total approximately \$319,225 as detailed below.

Irrigation Water System Operations and Maintenance Allowance	\$147,840*
Irrigation and Raw Water Costs – Lease and Contingency Allowance	\$36,960**
Landscape, Median, and Open Space Bike Path Maintenance Contingency Allowance	\$ 45,000
Metropolitan District Administration, Management, Auditing, Legal, and Financial Costs	\$ 50,000

Administrative Contingency Allowance	\$ 25,000
County Treasurer or other fees	\$ 14,425
<i>TOTAL</i>	<u>\$ 319,225</u>

* This assumes the District constructs, operates and maintains a raw water irrigation system serving residential lots, greenbelts, and open spaces.

** Raw water may be purchased outright to avoid annual costs.

At full development, the annual operational and maintenance costs for Windshire Park Enhancements as estimated are shown in Exhibit E.

4. Debt Service. Initially, until the District's assessed valuation can support bonds in the open markets, it is the intention of the proponents to issue a limited general obligation note to the developer for reimbursement of the above-stated \$7,400,000 million of capital costs. The Service District may issue variable rate bonds or notes, if interest and other issuance costs thereon are less than the financing costs projected in the Financing Plan, particularly during the initial years of development until the assessed valuation of the property within the Districts is sufficient to comply with the statutory debt to assessed valuation ratios. Alternatively, the District may issue unsecured or partially credit enhanced, non-rated bonds with fixed interest rates to institutional or accredited investors, which might cause interest rates, debt service and other issuance costs to be higher than the financing costs in the Financing Plan. In such event, the District will reduce the size of the bond issue so that debt service payments can reasonably be made from the projected revenue expected to be available to the Districts.

This limited general obligation currently provides for a maximum total mill levy of the District of 35.0 mills, so that no unexpected burden will occur to the residents of Windshire Park. Accordingly, the debt service schedule would depend upon the ability of the Districts to produce funds available for debt service at the established rates from the revenue sources detailed in the following subsection.

5. Description of Cost Estimates. The cost estimates for all improvements summarized in Exhibit E are based on quantities taken from preliminary development plans and preliminary utility and drainage plans. The unit prices, based on recent bids or contracts, were multiplied by the individual quantities. A contingency is added to the subtotals for each system for unforeseen matters, engineering, staking, and for construction management to arrive at the total cost estimates. The cost estimates for improvements and Enhancements and the Financing Plan have been designed to be sufficiently flexible to enable the Districts to provide necessary services and facilities without the need for repeated amendments to the Service Plan. Modification of the initial cost estimates shall be permitted to accommodate development needs consistent with zoning and future development approvals for the property.

B. Revenue Sources.

1. Property Taxes. A maximum mill levy of 35.0 mills is proposed to be assessed, raising approximately \$870 per year from the average single-family residence. This property tax will be in lieu of any homeowner's association dues or fees, will be income tax deductible to the property owner, and from which will have all landscape maintenance and Districts' operation expenses paid.

2. Water Service Charges. The actual cost of operations and maintenance of the non-potable raw water irrigation water system extended to the residential lots, including a reasonable amount for depreciation and repair, is estimated at build-out to total \$240 per year. The annual water right lease cost, is estimated at build-out to total \$60 per year for a total annual irrigation water user fee charges of \$300 per year or \$25 per month, per unit, for irrigation water use for each lot. These service charges will fluctuate from time to time based upon actual operation, maintenance and depreciation allowance required.

3. Irrigation System Impact Fees. The District will impose a \$2,750 Irrigation System Impact Fee on each home to extend the non-potable irrigation water system to each residential lot. It is expected that these revenues will either be paid to the Developers as they are collected by the District pursuant to a Cost Recovery Agreement or upon bond issue, will be used as revenues for debt service.

4. Specific Ownership Taxes and Interest Income. These revenue sources are, of course, expected to be received; but, for conservative estimating purposes, are not shown.

CHAPTER V - FINANCIAL PLAN SUMMARY

A. Administration and Operation Costs.

Initial costs of general administration and operations of the Districts are set forth in the Financing Plan. These costs have been estimated based upon typical expenses incurred for special districts in general. Any increases in such costs over time will be funded by property taxes, fees, charges, and other revenue sources generally available for such purposes as determined during the annual budget process in accordance with the Town and District IGAs. It is anticipated that once all of the Districts' debt is retired or redeemed, the Districts' mill levy would be reduced, after the year the final debt payment is made, to that which the Boards of Directors determine is necessary for operations and maintenance of District facilities and services.

B. Financing Plan.

The Financing Plan as set forth in Exhibit F demonstrates that the consolidated financial management and operations of the Districts will (i) provide economic and sufficient services within the Districts, (ii) result in the discharge of the

Districts' proposed indebtedness on a reasonable basis, and (iii) protect future property owners within the Financing District from unreasonable property taxes and bond defaults.

The Financing Plan includes projected revenues derived from property taxes collected within the Financing District, developer fees from the Developer Fee Agreement, capital fees, specific ownership taxes, and other revenue generally available each year. The Master IGA will provide that the obligation of the Financing District to pay the Service District for the costs of financing the public improvements to be furnished by the Service District and for annual service costs shall constitute voter-approved multiple-fiscal year financial obligations of the Financing District. Accordingly, the Financing District property tax levies certified to make necessary payments to the Service District may be characterized as financial obligations exempt from spending limits, after voter approval is obtained pursuant to Article X, Section 20 of the Colorado Constitution ("TABOR"). The Service District may enter into funding, acquisition and reimbursement agreements with the Developer or other developers, and may issue revenue bonds, bond anticipation notes or other multiple-fiscal year financial obligations to fund the costs of the public improvements and other interim expenses, until such time as revenues are available from the Financing District or other sources and the Financing Plan can be reasonably implemented. Any funds advanced by the Developer or other persons for the purposes of designing, constructing and installing the improvements may be reimbursed from property taxes collected by the Financing District and other available revenue sources.

Attached to this Service Plan as Exhibit F is a Combined Financial Plan which shows how the proposed services and facilities may be financed and operated by the Districts. The Combined Financial Plan includes the proposed operating revenue derived from ad valorem property taxes to be used by Service District. The Master IGAs are expected to provide that the obligation of Financing District to pay Service District for operating expenses incurred for provision of services to property within Financing District shall constitute "debt" of Financing District. Accordingly, mill levies certified to make necessary payments to Service District will be characterized as debt service mill levies notwithstanding that they are imposed to pay contractual obligations for operations and maintenance services provided by Service District. Service District anticipates borrowing its initial operating funds from the developer until such time as it is able to generate operating revenues from Financing District.

The Combined Financial Plan includes the proposed debt issuance by Service District and Financing District and shows how the financial operations of the Districts will be coordinated. Financing District is expected to issue general obligation debt supported by ad valorem mill levies, but limited to the revenue available from a 35.0 mill levy including property taxes required for operating needs. This mechanism will help assure the transition of appropriate tax revenue to the payment of debt issued to provide services for Windshire Park. It is presently anticipated that Service District will issue revenue bonds to the developer or secured by the developer and by financial commitments received from Financing District. Other financing structures may be used.

Districts shall be entitled to modify the proposed structure of the Combined Financial Plan by causing Service District to obtain funding directly from the developer, its lender, or assigns of developer, provided that all such borrowing shall comply with the requirements of state law regarding limitations on the amount of general obligation debt which may be issued. For example, Service District shall be entitled to obtain funding from the developer rather than issuing revenue bonds and agree to repay the developer from revenue sources to which Service District might otherwise become entitled pursuant to the Master IGA or other agreements. Repayment of any advances made by the developer to the District that is not completed by the later of 30 years from the date the debt is certified to and accepted by the Districts or 40 years from the organization of the Districts shall be considered a material modification of this Service Plan subject to approval by Windsor in accordance with the provisions of § 32-1-207, C.R.S. Districts shall also be entitled to issue contingent repayment obligations in amounts which exceed the estimated general obligation debt estimated in this Service Plan on condition that the provisions of such contingent repayment obligations are in compliance with state law and are subject to the limitations of state law regarding the limitations on issuance of general obligation debt. Districts shall have the ability to utilize excess debt capacity which may be developed within Districts if the assumptions contained in Combined Financial Plan are more conservative than what actually develops within Windshire Park.

The 35.0 mill tax rate may be increased to compensate for any decreases in the assessed valuation of the property within the District necessitated by state law pursuant to Article X, Section 3 of the Colorado Constitution commonly referred to as the Gallagher Amendment or any other legislation causing a reduction in the assessed valuation of residential properties. In the event of legislation implementing changes in the ratio of actual valuation to assessed valuation for residential real property, pursuant to Article X, Section 3(1)(b) of the Colorado Constitution, the mill levy limitation provided herein will be increased or decreased as to all taxable property in the District to reflect such changes; so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes.

The District intends to issue limited tax general obligation and/or revenue bonds funded primarily by property taxes from a levy of 35.0 mills and any applicable fees, tolls, charges, and (if applicable) specific ownership taxes. The District debt will be sized based upon reasonable development assumptions, fee revenue and property tax projections, and interest rates. The property tax levy may, however, be increased, if necessary to cover debt service because of (i) decreases in the assessed valuation of property within the District necessitated by State law (“Gallagher adjustments”), or (ii) requirements for tax cuts or decreases in tax revenue mandated by TABOR. The District shall provide disclosure documents explaining the mill levy to be recorded on the property within the Districts after the Districts are organized.

The balance of the information contained in this Chapter of this Service Plan is preliminary in nature. All dollars are stated in 2005, uninflated dollars. Upon approval of this Service Plan, the Districts 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 will be added. All construction cost estimates assume construction to applicable local, state or federal requirements.

The maximum general obligation indebtedness for Financing District shall not exceed \$7,400,000. The Districts shall have authority to finance and construct all facilities contemplated herein without the need to seek approval of any modification of this Service Plan. The Districts shall also be permitted to seek debt authorization from their electorates in excess of this amount to account for contingencies. Reasonable modifications of facilities and cost estimates shall likewise be permitted. Final determination of the amount of debt for which approval will be sought from each District's electorate from time to time will be made by the Board of Directors of each District based on then-current estimates of construction costs, issuance costs, and contingencies. Authorization to issue bonds and enter into various agreements described herein will be sought from each 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, and in order to offset the expenses of the anticipated construction and Service District operations and maintenance costs, the Districts 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. The Combined Financial Plan assumes various sources of revenue, including ad valorem property taxes, specific ownership taxes, and user charges, together with interest earnings on retained amounts. It is possible that a metered system of user charges will be established.

The Combined Financial Plan does not project any significant accumulation of fund balances which might represent receipt of revenues in excess of expenditures under the TABOR Amendment. It is anticipated that the operations of Service District will qualify as "enterprises" under the TABOR Amendment. If its operations do not qualify as enterprises under TABOR, revenues from all sources which exceed the permitted level of expenditures in a given year will be refunded to taxpayers, unless a vote approving the retention of such revenues is obtained. To the extent annual District revenues exceed expenditures in this manner, the Districts will comply with the provisions of TABOR and either refund the excess or obtain voter approval to retain such amounts.

The estimated costs of the facilities and improvements to be constructed and installed by the Districts, including the costs of acquisition of land, contingencies, construction management, offsite improvements, and engineering services, legal services, administrative services, initial proposed indebtedness, and other major expenses related to the facilities and improvements to be constructed and installed, are not expected to exceed \$21,897,450. Organizational and general administration costs will be reimbursed to the developer by the Districts out of their initial revenue sources including debt instruments.

The maximum voted interest rate for bonds will be 11%. The proposed maximum underwriting discount will be voted at 5%, but are expected not to exist because these are to be directly placed, limited obligation securities. It is estimated that the limited general obligation bonds, limited obligation revenue bonds, or notes, when issued, will mature not more than forty (40) years from date of issuance, as required by statute.

In the discretion of the Boards of Directors, the Districts 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 Districts will remain under the control of its Board of Directors.

The Combined Financial Plan demonstrates that each 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 Combined Financial Plan.

C. Risk Disclosure.

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

CHAPTER VI - PROPOSED AND EXISTING AGREEMENTS

A. Master Intergovernmental Agreements.

As noted in this Service Plan, the relationship between Service District and Financing District, including the means for approving, financing, constructing, and operating the public services and improvements needed to serve Windshire Park will be established by means of Master IGAs to be executed by the Districts. The Master IGAs will establish extensive procedures and standards for the approval of the design of facilities, transfer of funds between the Districts, and operation and maintenance of the facilities. The Master IGAs will also provide for coordinated administration of management services for the Districts.

B. Town IGA.

To the extent necessary, Windsor and Service District will enter into an IGA (“Town IGA”) regarding the nature of the relationship between Service District and the Town, and setting forth various procedures and agreements regarding the construction, ownership, operation and maintenance of improvements constructed by Service District in substantially the same form as contained in Exhibit G. Once executed, the executed agreement shall be attached to this Service Plan. The Town IGA generally provides that Service District will be responsible for dealing with developers within Windshire Park for the covered improvements and that Windsor shall not be required to do so. Service District shall be responsible for initial review and approval of all plans for construction of improvements within Windshire Park. Developers of property in Windshire Park will be required to submit plans for such improvements to Service District which shall make an initial determination of whether such plans and specifications are complete and consistent with this Service Plan. Service District shall be responsible to submit plans for enhanced improvements which it will construct, and plans for enhanced improvements which developers will construct, to the Town for approval in accordance with the applicable Town Regulations and/or Town IGA. The purpose of this structure is to eliminate any need for Windsor to be involved with developers in the day-to-day review and approval of District improvements within Windshire Park and to minimize the number of individuals with whom the Town must deal in plan review and approval process. Windsor will work only with representatives of the District or the Developer responsible for constructing and installing the infrastructure who will retain responsibility for assuring that plans submitted to the Town for approval are consistent with this Service Plan.

C. Other Agreements/Authority.

To the extent necessary, Service District may enter into additional intergovernmental and private agreements better to ensure long-term provision of the public facilities, improvements and services needed for the Windshire Park Service Area and for the effective management of District affairs. Agreements may also be executed with the Developer, owner associations, and other service providers to discharge any facility or service responsibility of the Districts. All such agreements are authorized to be provided by each, pursuant to Colorado Constitution, Article XIV, Section 18 (2) (a) and Section 29-1-201, et seq., Colorado Revised Statutes.

CHAPTER VII - OTHER REQUIREMENTS AND CONCLUSIONS

A. Requirements.

Financing District and Service District shall be subject to the following additional requirements:

1. Submission of annual reports as described in §§ 32-1-207(3), C.R.S., in the form prescribed by Windsor.

2. Material modifications of this Service Plan, except as contemplated herein, shall be subject to approval by Windsor in accordance with the provisions of § 32-1-207, C.R.S.

3. 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 District mill levies, as well as a general description of the Districts' authority to impose and collect rates, fees, tolls and charges.

B. Conclusions.

It is submitted that this Service Plan for Windshire Park Metropolitan Districts No. 1 and No. 2 as required by § 32-1-203(2), C.R.S., has established that:

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

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

3. The Districts are capable of providing economical and sufficient service to the area within their boundaries;

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

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

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

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

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

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

Therefore, it is requested that the Board of Trustees of the Town of Windsor, Colorado, which has jurisdiction to approve this Service Plan by virtue of §§ 32-1-204.5, C.R.S., et seq., as amended, adopt an Ordinance which approves this consolidated "Service Plan for Windshire Park Metropolitan Districts No. 1 and No. 2," as submitted.

Respectfully submitted,

White, Bear & Ankele
A Professional Corporation

By: 
David S. O'Leary
Counsel to proponents for the
Windshire Park Metropolitan Districts 1 & 2

EXHIBIT A
Draft Ordinance Approving Service Plan of Districts

TOWN OF WINDSOR, COLORADO

ORDINANCE NO. _____

BEING AN ORDINANCE OF THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, APPROVING THE CONSOLIDATED SERVICE PLAN FOR WINDSHIRE PARK METROPOLITAN DISTRICT NOS. 1 AND 2 AND AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN AND THE DISTRICTS

WHEREAS, the Town of Windsor, Colorado (the "Town"), is a home rule municipality duly organized and existing under Article XX of the Colorado Constitution; and

WHEREAS, the members of the Windsor Town Board (the "Town Board") have been duly elected, chosen and qualified; and

WHEREAS, pursuant to the provisions of the "Special District Control Act", Part 2 of Article 1, Title 32, C.R.S., the representatives of the Windshire Park Metropolitan Districts No. 1 and No. 2 (the "Districts") submitted to the Town Board a Service Plan dated January 2005 ("Service Plan") which outlines the terms and conditions under which the Districts will be authorized to exist; and

WHEREAS, pursuant to Sections 32-1-203 and 204.5, C.R.S., as amended, the Consolidated Service Plan (the "Service Plan") for the Districts has been reviewed and recommended for approval by the Town Attorney and Town Planning Department, and has now been submitted to the Town Board for the Town of Windsor, Weld County, Colorado (the "Town Board") for its final approval; and

WHEREAS, pursuant to Article XV of the Town of Windsor Home Rule Charter (the "Town Charter"), the Town Board has full authority to create by ordinance special districts within the Town; and

WHEREAS, pursuant to the provisions of Title 32, Article 1, C.R.S., as amended, and Article IV of the Town Charter, the Town Board introduced and approved this ordinance on the Service Plan (the "Ordinance") at the first reading at the meeting of the Town Board held on June 13, 2005 at 7:00 p.m. and at the second reading at the meeting of the Town Board held on June 27, 2005 at 7:00 p.m.; and

WHEREAS, notice of the date, time and location and purpose of the Ordinance was duly posted by the Town as required by the Town Charter, and forwarded to the petitioners as well as the Division of Local Government as required by law; and

WHEREAS, prior to taking final action on this Ordinance, the Town Board did on June 13, 2005, permit public comments on the ordinance, and held a vote to adopt this Ordinance and take such other action as it deems appropriate; and

WHEREAS, the proposed Districts lie wholly within the corporate limits of the Town;
and

WHEREAS, Sections 32-1-204.5(1), 32-1-205(1) and 32-1-301(3), C.R.S. require that any petition to the District Court for the creation of a special district, pursuant to the Act, which is confined exclusively within the boundaries of any municipality, shall be approved by the governing body of the municipality, which approval will be based upon the presentation of a Service Plan defining the powers and authorities of the proposed Districts; and

WHEREAS, the Town Board has considered the Service Plan, and all other testimony and evidence presented at the first and second reading of this Ordinance; and

WHEREAS, Town Board's approval of the Consolidated Service Plan is subject to and based upon those conditions and limitations contained in the Consolidated Service Plan and attached to this Ordinance, if any.

WHEREAS, the Town Board further finds that it is in the best interests of the citizens of Windsor to enter into an Intergovernmental Agreement with the Districts at the time of their formation for the purpose of assigning the relative rights and responsibilities between the Town and the Districts with respect to certain functions, operations, and obligations of the Districts.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO:

Section 1. The Town Board hereby determines that all of the jurisdictional and other requirements of Section 32-1-202(2) and 32-1-204.5(1), C.R.S., and the Town Charter have been fulfilled, including those relating to the filing and form of the Service Plan and that notice and/or posting of the public meetings on this Ordinance was given in the time and manner required by law and the Town Charter.

Section 2. The Town Board further determines that all pertinent facts, matters and issues were submitted at the first and second reading of this Ordinance; that all interested parties were heard or had the opportunity to be heard; and, that evidence satisfactory to the Town Board of each of the following was presented:

- a. There is sufficient existing and projected need for organized service in the area to be served by the proposed Districts;
- b. The existing service in the area to be served by the proposed Districts is not adequate for present and projected needs;
- c. The proposed Districts are capable of providing economical and sufficient services to the area they intend upon serving;
- d. The area to be included within the proposed Districts has, or will have the financial ability to discharge the proposed indebtedness on a reasonable basis;

- e. The facility and service standards of the proposed Districts are compatible with the facility and service standards of the Town;
- f. The proposal is in substantial compliance with the comprehensive master plan (Windshire Park Development Plan) and the Addendum thereto designating the enhancements to the standard public infrastructure to be constructed by the Districts as approved by the Town;
- g. The proposal is in compliance with any duly adopted long-range water quality management for the area;
- h. The creation of the proposed Districts will be in the best interests of the area to be served;
- i. The development proposed for the area to be included within the proposed Districts will enhance the quality of the entire community.

Section 3. The Town Board hereby grants and approves by this Ordinance the Consolidated Service Plan. The services and facilities to be provided by the Districts and the powers provided by the Districts shall be subject to the limitations expressed in the Service Plan. Any material departure by the proposed Districts from the provisions of the Service Plan must be approved by resolution or ordinance of the Town Board as applicable.

Section 4. The officers of the Town are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance.

Section 5. This Ordinance shall take effect ten (10) days after publication following final adoption.

Section 6. The Mayor and the Town Clerk are hereby authorized to execute, on behalf of the Town of Windsor, the Intergovernmental Agreement between the Town of Windsor, Colorado, and the Windshire Park Metropolitan Districts No. 1 (the "Town IGA") in substantially the form presented with this Ordinance, with such technical additions, deletions, and variations as the Town Attorney may deem necessary or appropriate and not inconsistent with this Ordinance.

Section 7. The performance of the Town IGA by the Town shall be contingent upon the formation of and the issuance of debt by the proposed Districts for the purpose of securing sufficient funds for their obligations under the Town IGA.

Section 8. The proposed Districts shall not be authorized to incur any indebtedness until such time as the Districts have approved and executed the Town IGA.

Section 9. The proposed Districts may not be allowed to issue debt or levy taxes until such time as the Town approves the Addendum to the Windshire Park Development Plan.

Section 10. Repealer. All acts, orders, resolutions, or parts thereof, of the Town that are inconsistent or in conflict with this Ordinance, are hereby repealed to the extent only of such inconsistency or conflict.

Section 11. Severability. Should any part or provision of this Ordinance be adjudged unenforceable or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance, it being the intention that the various provisions hereof are severable.

Section 12. The Town Clerk is hereby directed to advise the representatives of the Districts in writing of this action and to attach a certified copy of this Ordinance for the purpose of filing the same with the District Court of Weld County.

Section 13. Any reconsideration of this Ordinance is hereby waived.

INTRODUCED, READ, AND ORDERED PUBLISHED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS MEETING HELD ON THE 13th DAY OF JUNE, 2005.

TOWN BOARD
TOWN OF WINDSOR

By: _____
_____, Mayor

I hereby certify that the above Ordinance was introduced to the Town Board of the Town of Windsor at its meeting of _____, 2005, and posted or published in accordance with the Town Charter on _____, 2005.

ATTEST:

SEAL

By: _____
_____, Town Clerk

FINALLY ADOPTED, PASSED, APPROVED AND ORDERED PUBLISHED BY TITLE AND WITH ANY AMENDMENTS, BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS MEETING HELD ON THE 27th DAY OF JUNE, 2005, BY A VOTE OF _____ IN FAVOR AND _____ AGAINST.

TOWN BOARD
TOWN OF WINDSOR

By: _____,
_____, Mayor

APPROVED AS TO FORM:

Town Attorney

Town Manager

I hereby certify that the above Ordinance was finally adopted by the Town Board of the Town of Windsor at its meeting of the _____ of _____, 2005, and published by title only, with amendments if any, one time by the *Windsor Beacon* newspaper on _____, 2005.

ATTEST:

SEAL

By: _____,
_____, Town Clerk

Conditions of Approval

1. The Consolidated Service Plan for the Windshire Park Metropolitan District Nos. 1 & 2 provides that the standard public facilities and infrastructure for the Project shall be provided by the Developer pursuant to the Windshire Park Subdivision Development Agreement dated May 9, 2005 (the "Development Agreement") and the public improvement enhancements (the "Enhancements") will be constructed, dedicated, operated and maintained in accordance with the terms of this Consolidated Service Plan.
2. An Addendum to the Development Agreement shall be executed in conjunction with and as a precondition to the formation of these Districts.
3. The public improvement Enhancements for the Windsor Highlands area outlined in the Service Plan shall be either dedicated to the Town of Windsor, Colorado, pursuant to Intergovernmental Agreements, retained by the Service District for the use and benefit of the Districts' inhabitants and taxpayers, or dedicated to another public entity pursuant to approved Intergovernmental Agreements for ownership, operations and maintenance.

EXHIBIT B
Legal Descriptions

PROPERTY DESCRIPTION

A plat of a parcel of land in the TOWN OF WINDSOR, Colorado, being a part of the Southeast Quarter (SE1/4) of Section Seven (7), and part of the Northeast Quarter (NE1/4) of Section Eighteen (18), all in Township Six North (T.6N.), Range Sixty-seven West (R.67W.) of the Sixth Principal Meridian (6th P.M.), and more particularly described as follows:

COMMENCING at the Northeast Corner of said Section 18 and assuming the East line of said NE1/4 to bear South 00°23'10" East with all other bearings contained herein relative thereto:

THENCE South 00°23'10" East along said East line a distance of 129.31 feet to the Southwesterly Right-Of-Way (ROW) line of the Burlington Northern Railroad (Formerly the Greeley Salt Lake and Pacific Railroad), said point being the POINT OF BEGINNING;

THENCE continuing South 00°23'10" East along the East line of said NE1/4 a distance of 2314.62 feet to the Southeast Corner of said NE1/4;

THENCE South 89°04'28" West along the South line of said NE1/4 a distance of 2463.79 feet to the Center Quarter (C1/4) of said Section 18;

THENCE North 00°09'36" West along the West line of said NE1/4 a distance of 2657.94 feet to the Northwest Corner of said NE1/4;

THENCE North 00°29'33" West along the West line of the SE1/4 of said Section 7 a distance of 1984.88 feet to the Southwesterly ROW line of the aforesaid Burlington Northern Railroad;

THENCE along said Southwesterly ROW line by the following three courses and distances:

THENCE South 50°19'06" East a distance of 3063.56 feet to the South line of said SE1/4;

THENCE South 85°22'40" West along said South line a distance of 38.65 feet;

THENCE South 50°19'06" East a distance of 199.91 feet to the POINT OF BEGINNING.

Containing 282.645 Acres, more or less (±) and is subject to any rights-of-way or other encumbrances as granted or reserved by instruments of record or as now existing on said described parcel of land.

SURVEYOR'S CERTIFICATE

I, Lawrence S. Popok, a Colorado Registered Professional Land Surveyor do hereby state that this Property Description was prepared under my personal supervision and checking, and that it is true and correct to the best of my knowledge and belief.

Lawrence S. Popok
Colorado Registered Professional
Land Surveyor #33642



EDG SURVEYORS, INC.
9209 Eastman Park Drive
Windsor, Colorado 80550
(970) 686-3011

IN: 2011206

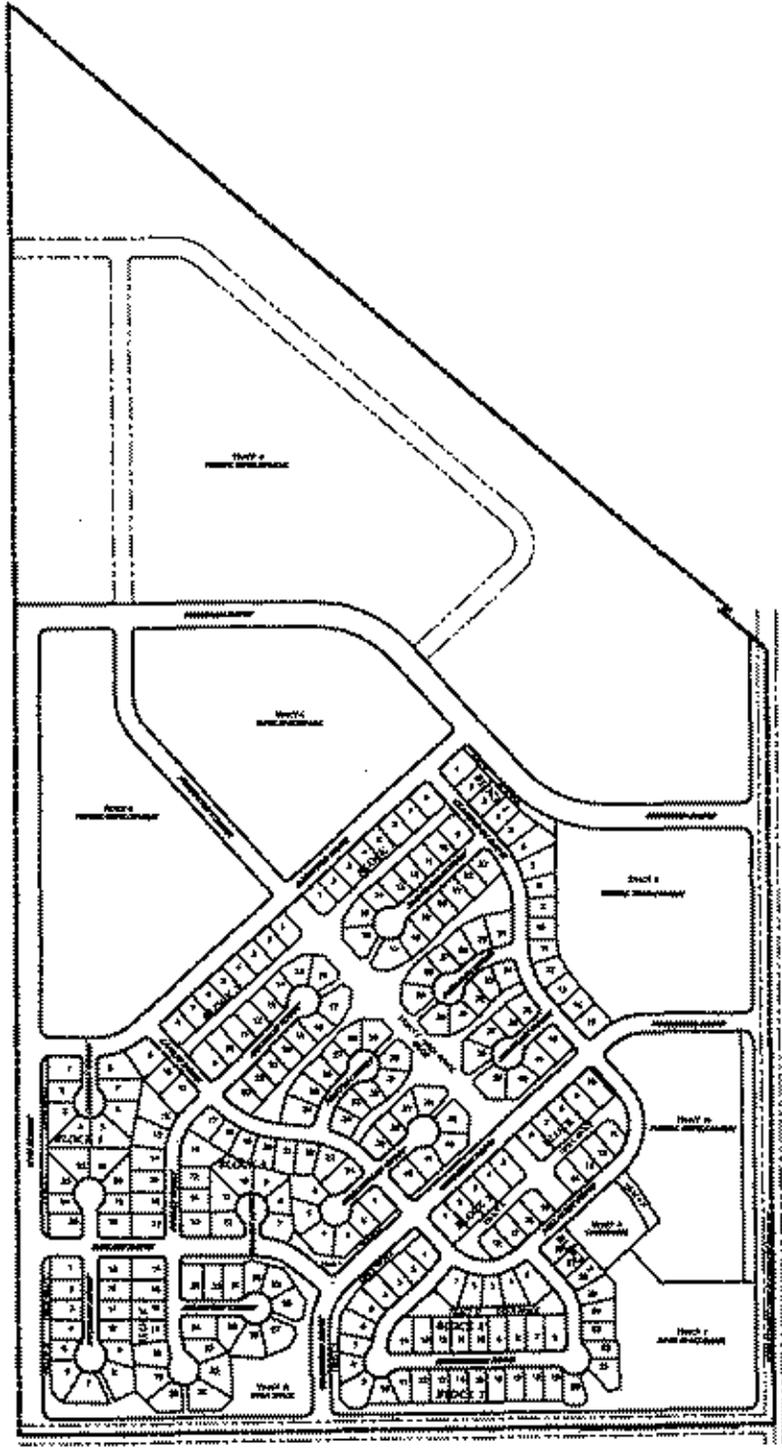
District 1 Legal Description

Tract I, Windshire Park Subdivision, Town of Windsor, County of Weld, State of Colorado, consisting of approximately 0.294 acres.

District 2 Legal Description

All of Windshire Park Subdivision, except Tract 1, Town of Windsor, County of Weld, State of Colorado, consisting of approximately 202.351 acres.

EXHIBIT C
Maps of District



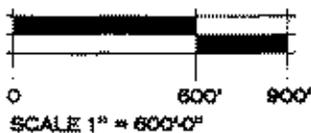
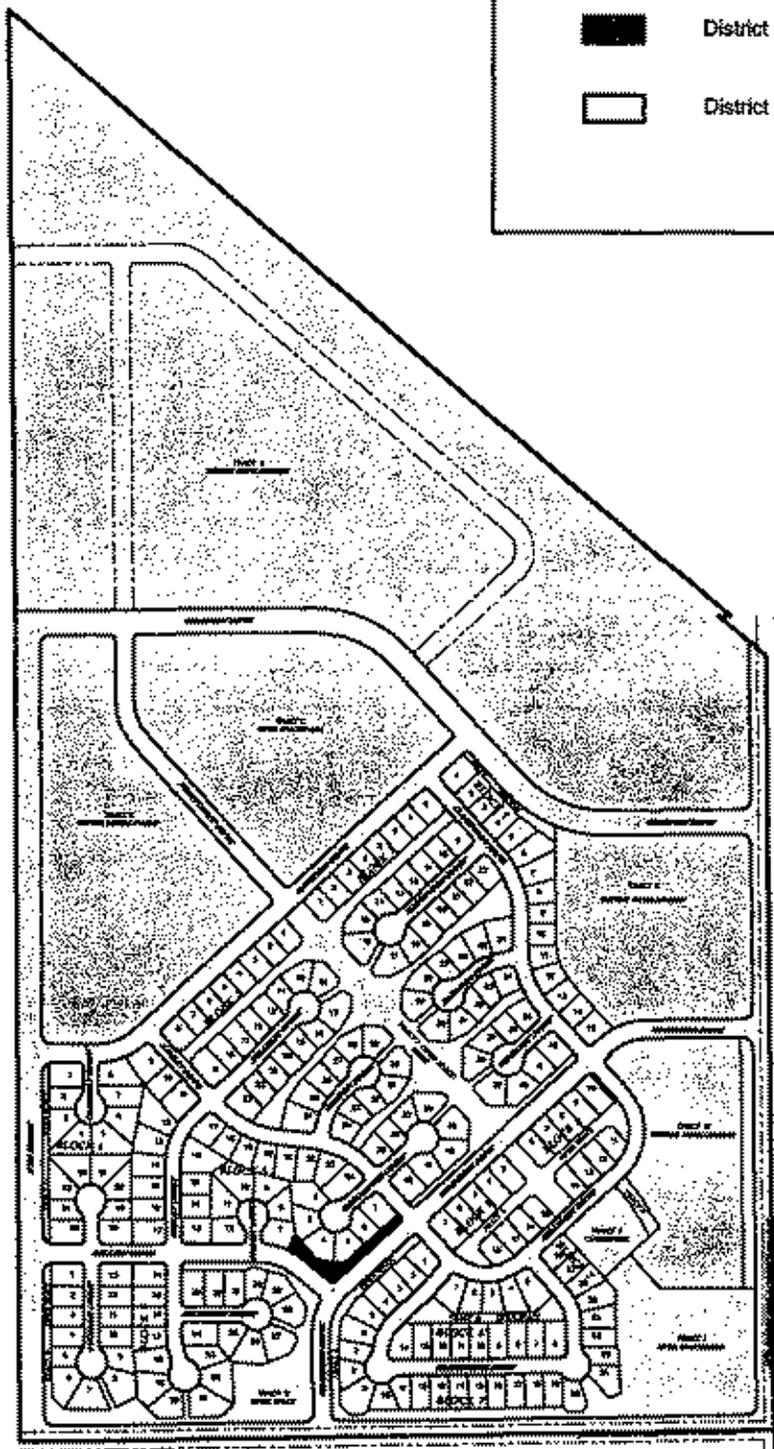
**WINDSHIRE
PARK**
METROPOLITAN DISTRICTS

EXHIBIT 1:
**DEVELOPMENT
PLAN**

LEGEND:

 District 1

 District 2



**WINDSHIRE
PARK**
METROPOLITAN DISTRICTS

EXHIBIT 2:

MAP OF DISTRICTS

EXHIBIT D
Statutory Contents of this Service Plan

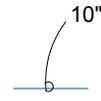
1. A description of the proposed services;
2. A financial plan showing how the proposed services are to be financed;
3. A preliminary engineering or architectural survey showing how the proposed services are to be provided;
4. A map of the Districts' boundaries and an estimate of the population and valuation for assessment of the Districts;
5. A general description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of the Districts are compatible with facility and service standards of Windsor and of municipalities and special districts which are interested parties;
6. A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the Districts;
7. A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the Districts and such other political subdivisions;
8. Information satisfactory to establish that each of the following criteria as set forth in § 32-1-203, C.R.S., has been met:
 - a. That there is sufficient existing and projected need for organized service in the area to be served by the Districts;
 - b. That the existing service in the area to be served by the Districts is inadequate for the present and projected needs;
 - c. That the Districts are capable of providing economical and sufficient service to the area within their boundaries;
 - d. That the area to be included in the Districts has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;
 - e. That adequate service is not, or will not be available to the area through Windsor, other existing municipal or quasi-municipal corporations,

including existing special districts, within a reasonable time and on a comparable basis;

- f. That the facility and service standards of the Districts are compatible with the facility and service standards of Windsor within which the Districts are to be located and each municipality which is an interested party under § 32-1-204(1), C.R.S.;
- g. That the proposal is in substantial compliance with any master plan adopted pursuant to § 30-28-106, C.R.S.;
- h. That the proposal is in compliance with any duly adopted city, county, regional, or state long-range water quality management plan for the area; and
- i. That the continued existence of the Districts will be in the best interests of the area proposed to be served.

EXHIBIT E
Facilities Diagrams and Estimated Capital Costs

LEGEND:



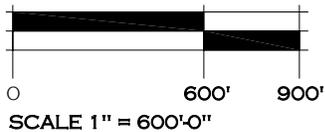
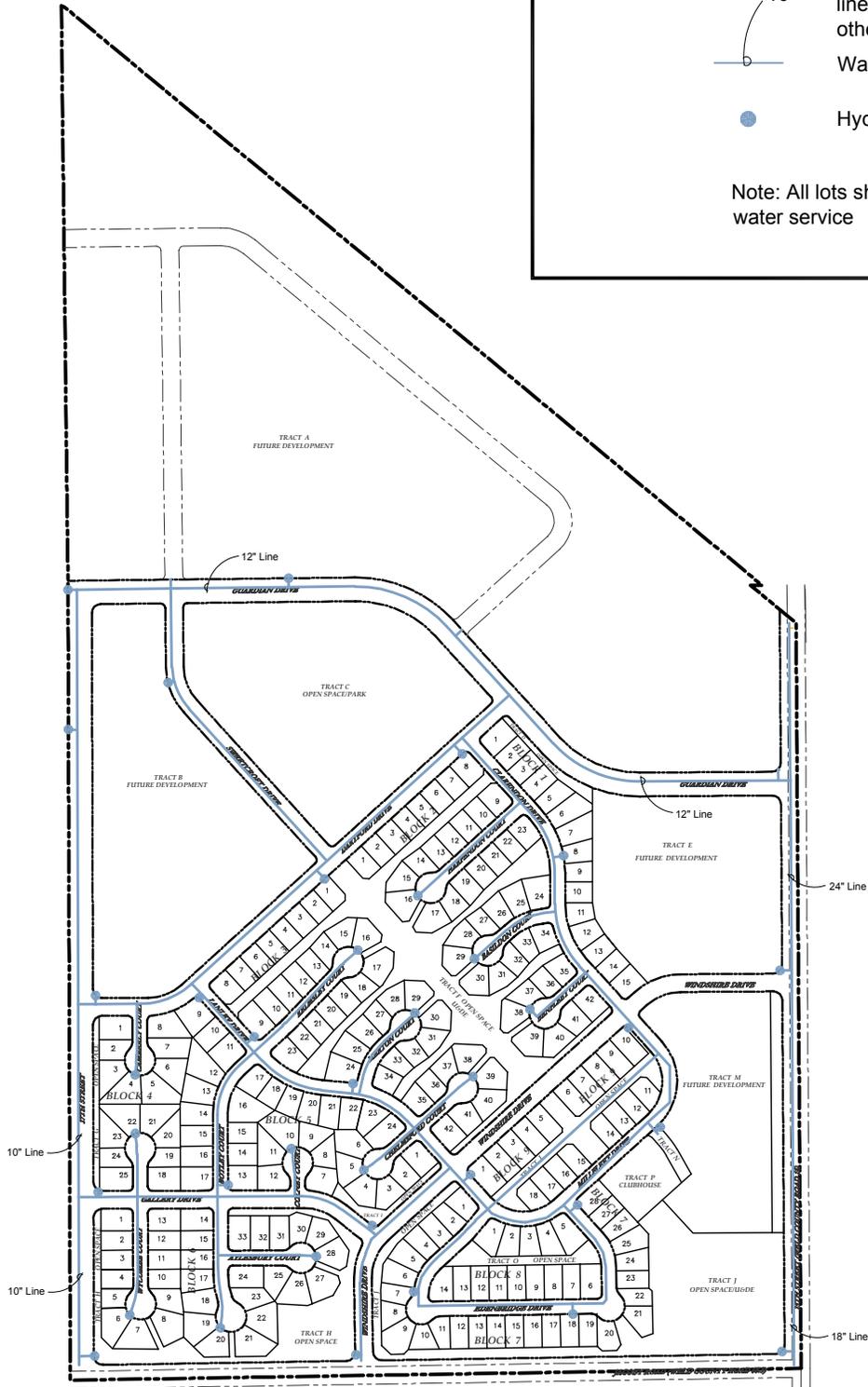
10"
Water Line Size (all water lines shall be 8" unless otherwise noted)

Water Line



Hydrant / Blowoff, typical

Note: All lots shall be provided a water service

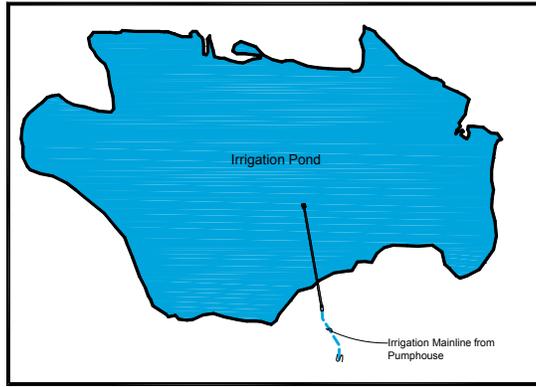


**WINDSHIRE
PARK
METROPOLITAN DISTRICTS**

EXHIBIT 3:

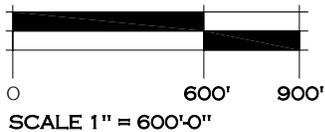
**POTABLE WATER
SYSTEM**

IRRIGATION POND AND PUMPHOUSE (NOT TO SCALE)



LEGEND:

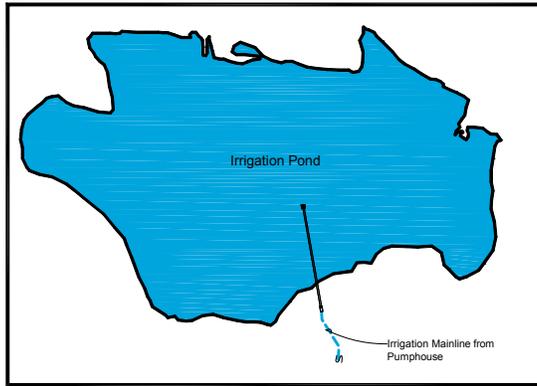
-  Irrigation Mainline
-  Irrigation Pond (not to scale)
-  Open Space and Tracts, typ.



**WINDSHIRE
PARK**
METROPOLITAN DISTRICTS

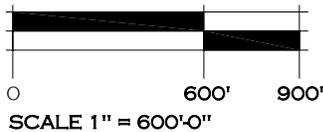
EXHIBIT 4:
**NON-POTABLE
IRRIGATION:
OPEN SPACE & TRACTS**

IRRIGATION POND AND PUMPHOUSE (NOT TO SCALE)



LEGEND:

-  Irrigation Mainline
-  Irrigation Pond (not to scale)
-  Irrigated Lots, typical



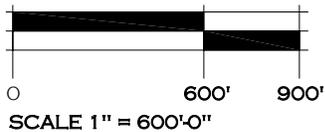
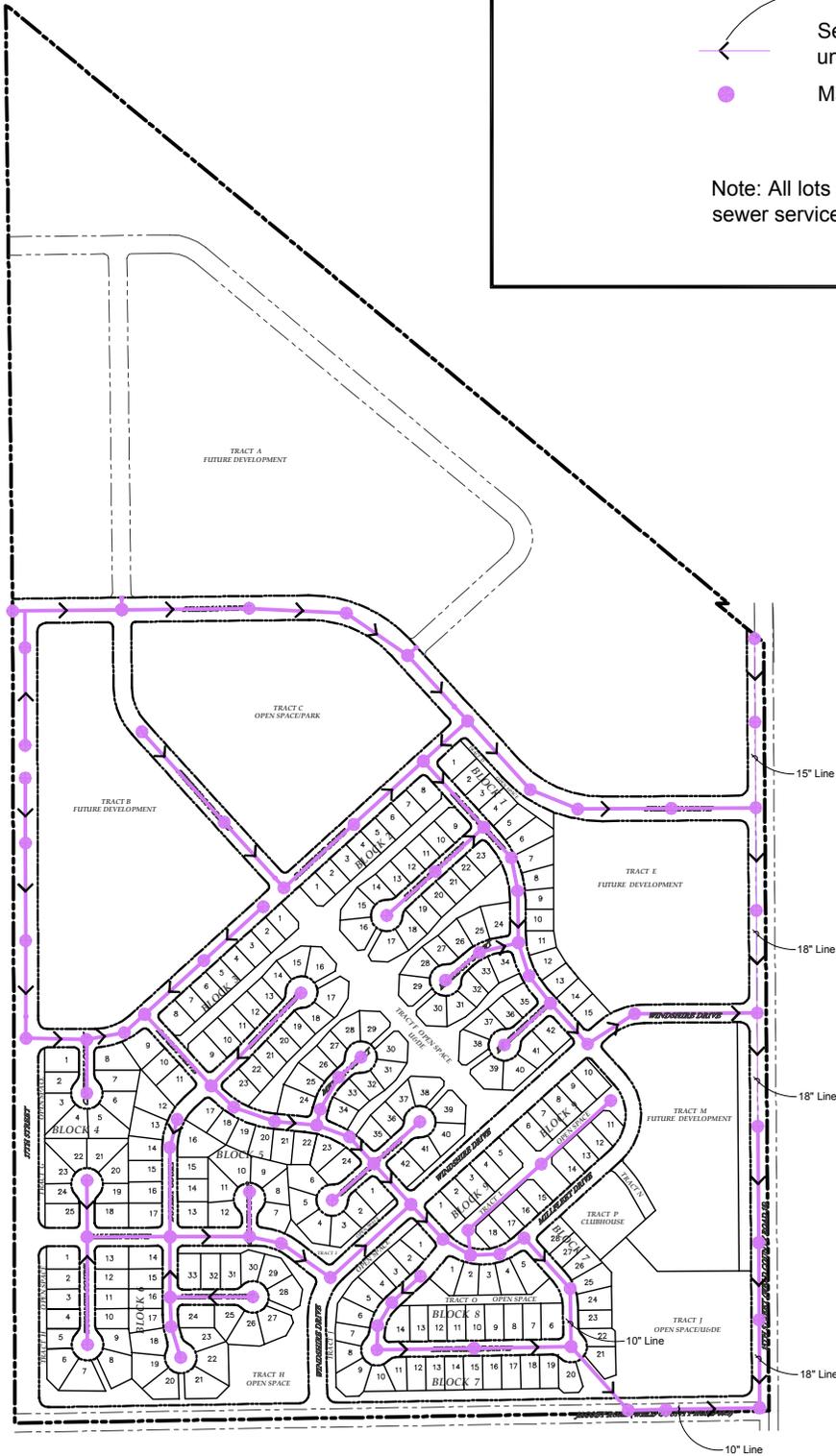
**WINDSHIRE
PARK**
METROPOLITAN DISTRICTS

**EXHIBIT 5:
NON-POTABLE
IRRIGATION:
LOTS**

LEGEND:

-  Direction of Flow
-  Sewer Line - all lines are 8" unless otherwise noted
-  Manhole, typical

Note: All lots shall be provided a sewer service



**WINDSHIRE
PARK
METROPOLITAN DISTRICTS**

EXHIBIT 6:

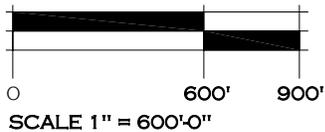
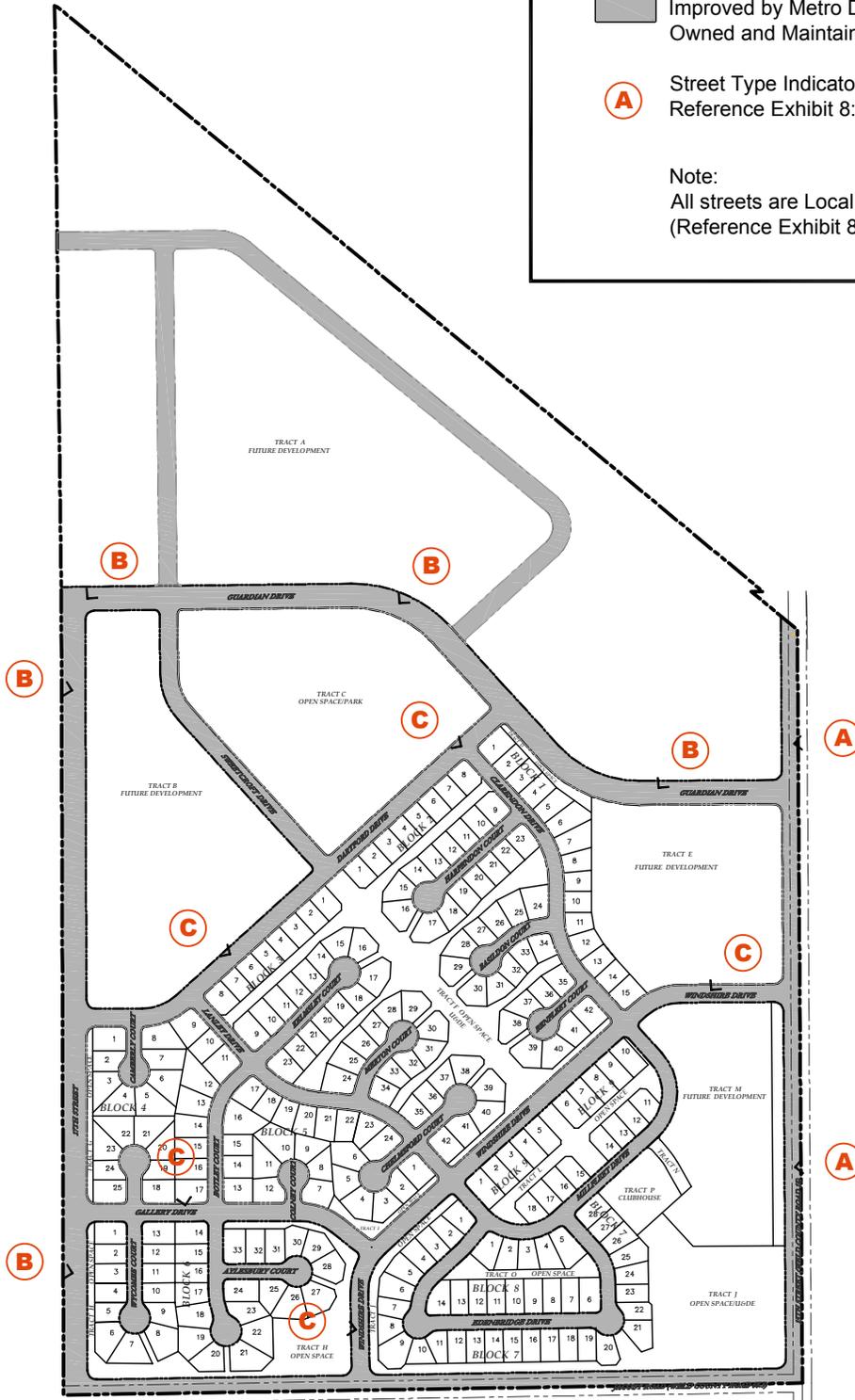
**SANITARY SEWER
SYSTEM**

LEGEND:

 Improved by Metro District -
Owned and Maintained by the Town of Windsor

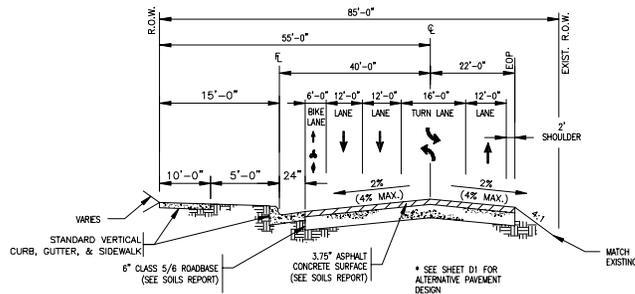
 Street Type Indicator
Reference Exhibit 8: Street Details

Note:
All streets are Local Streets unless otherwise noted
(Reference Exhibit 8: Street Details - Type D).

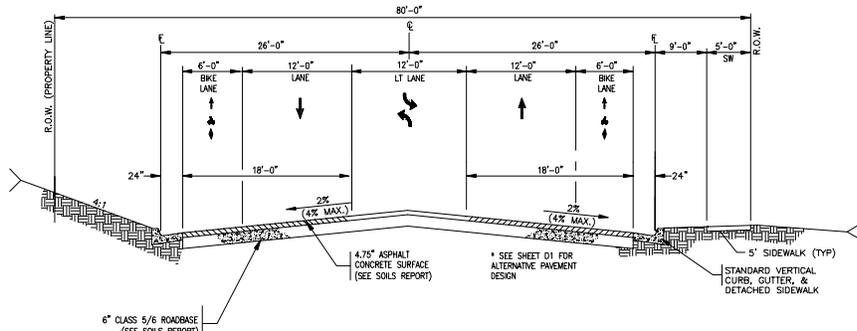


**WINDSHIRE
PARK**
METROPOLITAN DISTRICTS

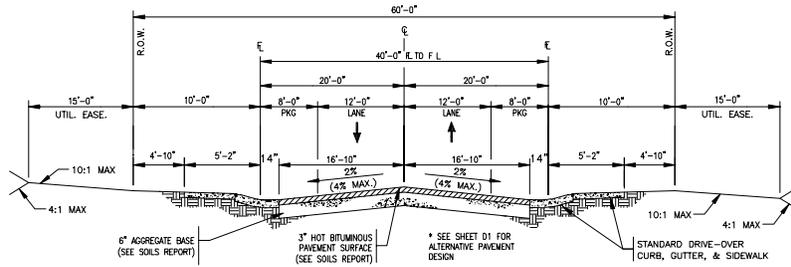
**EXHIBIT 7:
STREET PLAN**



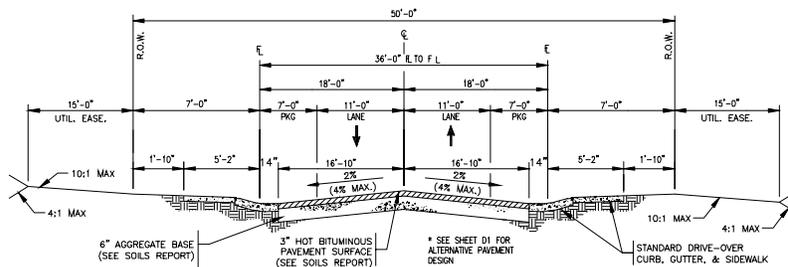
A INTERIM MINOR ARTERIAL STREET
NOT TO SCALE



B URBAN MAJOR COLLECTOR STREET
NOT TO SCALE



C MINOR COLLECTOR STREET
NOT TO SCALE

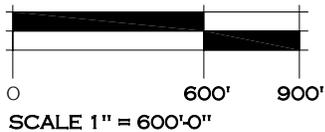
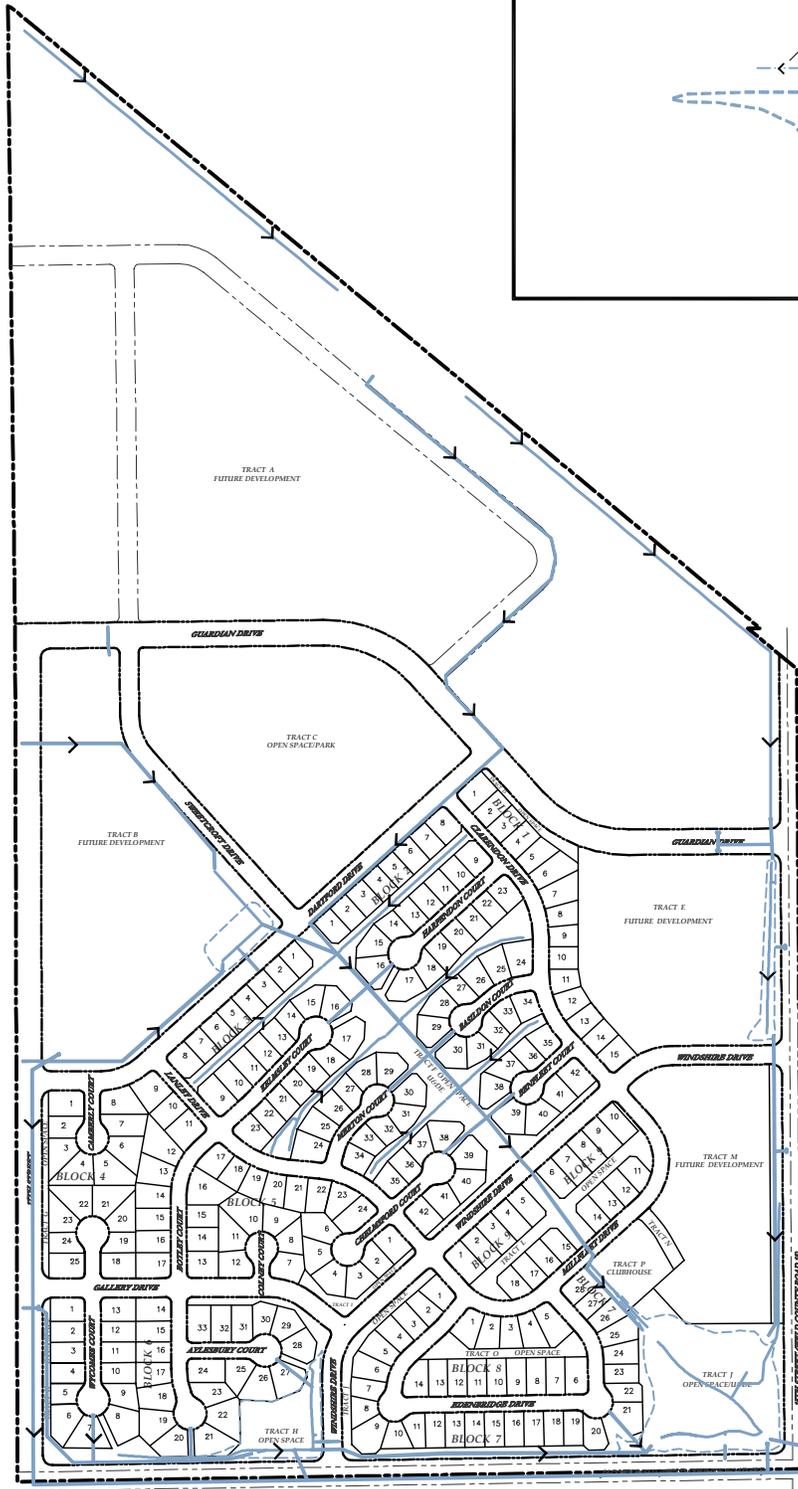
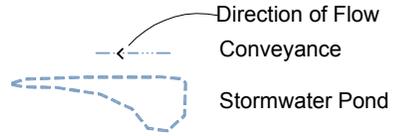


D RESIDENTIAL LOCAL STREET
NOT TO SCALE

**WINDSHIRE
PARK
METROPOLITAN DISTRICTS**

**EXHIBIT 8:
STREET DETAILS**

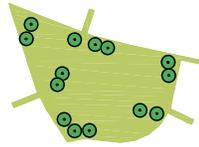
LEGEND:



**WINDSHIRE
PARK**
METROPOLITAN DISTRICTS

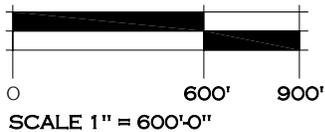
EXHIBIT 9:
**STORM SEWER
SYSTEM**

LEGEND:



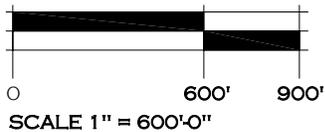
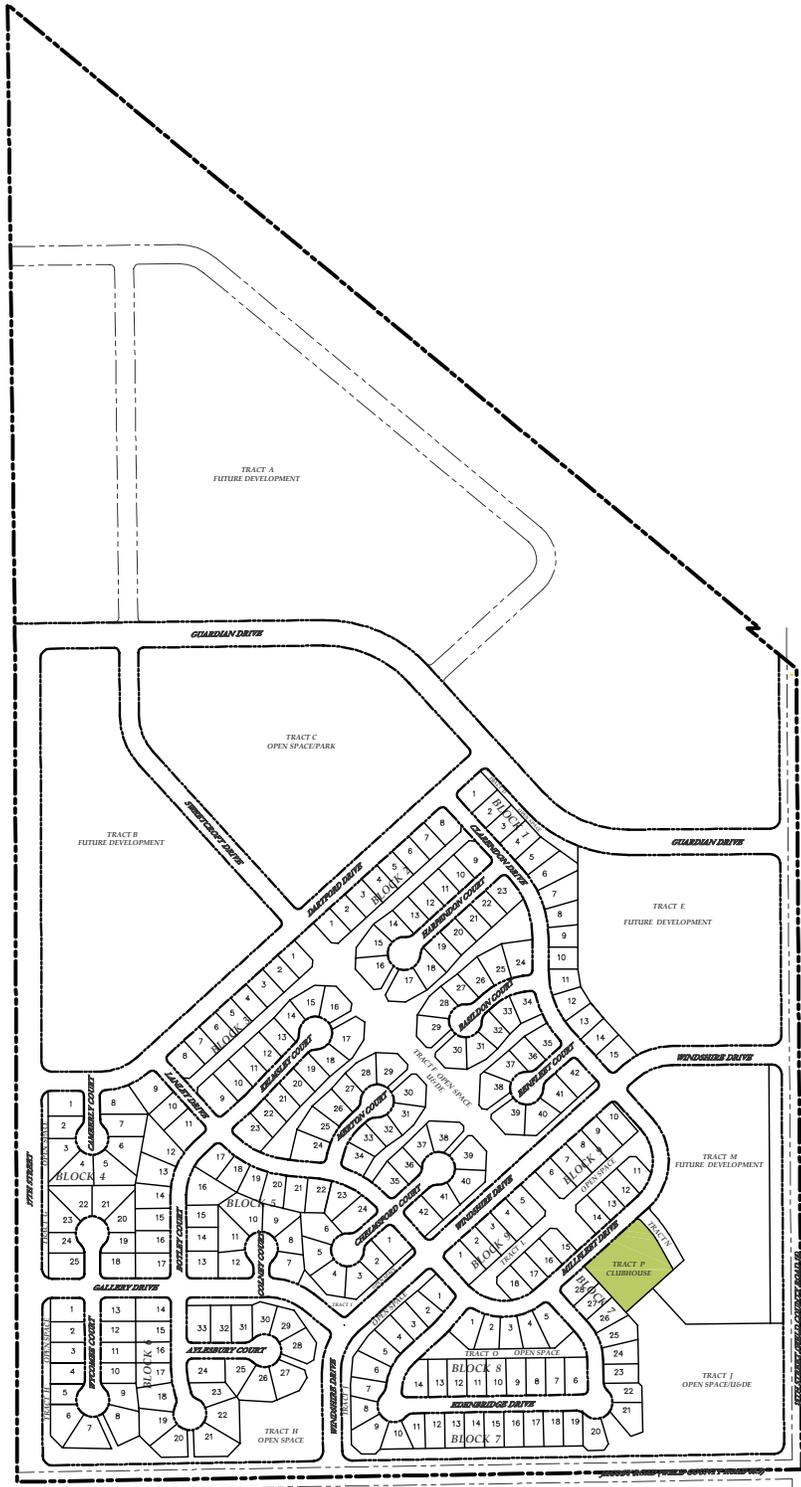
Open Space & Landscape, typ.

● Tree Locations - Locations are conceptual



**WINDSHIRE
PARK
METROPOLITAN DISTRICTS**

**EXHIBIT 10:
OPEN SPACE,
LANDSCAPE, AND
TRAILS**



**WINDSHIRE
PARK**
METROPOLITAN DISTRICTS

EXHIBIT 11:
**CLUBHOUSE
AND
POOL**



Land Development Services

Summit Land Management Services, Inc.

1188 Silver Fir Dr. • Loveland, CO 80538 • Ofc: (970) 267-1511 • Fax: (970) 267-9785
Email: andy@slmsi.com • Web: www.slmsi.com

Estimate of Capital Costs

Project Name: WINDSHIRE

Date: December 6, 2004

616 Residential Lots & Clubhouse Site (Tract P)

SITE DEVELOPMENT COSTS

Table with 3 columns: Item, Amount, and Breakout. Includes categories like LEGAL & ACCOUNTING, SITE OPERATIONS, PROFESSIONAL FEES, PERMITS / FEES, SOILS & SURVEY, EARTHWORK, SANITARY SEWER, WATER UTILITY, STORM DRAINAGE, CONCRETE, ASPHALT PAVING, STREET STABILIZATION, EROSION CONTROL, PUBLIC UTILITIES, FENCING, OFF-SITE IMPROVEMENTS, and CONTINGENCIES. Subtotal is \$15,784,650.00.

METRO DISTRICT ENHANCEMENTS

Table with 3 columns: Item, Amount, and Breakout. Includes categories like RECREATIONAL TRAIL, NON-POTABLE IRRIGATION SYSTEM & STORAGE, NON-POTABLE IRRIGATION LOT SERVICE, POOL / CLUBHOUSE & PARKING FACILITIES, OPEN SPACE LANDSCAPING, PROJECT SIGNAGE, MONUMENTS, ENTRY FEATURES, and CONTINGENCIES. Subtotal is \$6,112,800.00.

Total \$ 21,897,450.00

EXHIBIT F
COMBINED FINANCIAL PLAN
Windshire Park Metropolitan Districts Nos. 1 – 2

Stan Bernstein and Associates, Inc.
Financial Planners and Consultants
For Local Governments, Municipal Bond Underwriters, and Real Estate Developers
8400 East Prentice Ave., Penthouse
Greenwood Village, Colorado 80111
Telephone: 303-409-7611; Fax: 303-409-7612; Email: stamplan@earthlink.net

MEMORANDUM

TO: David Sean O'Leary, Esq.
Dino DiTullio

FROM: Stan Bernstein, Amy Bernstein

SUBJECT: Windshire Park Metropolitan Districts 1 – 2 (Consolidated) – Multi
Year Financial Plan – Draft 2

DATE: February 18, 2005

Attached is the second draft of a consolidated Financial Plan for Windshire Park Metropolitan Districts 1 – 2 (the "Districts"). The Financial Plan is summarized on Exhibit I (page 1, Cash Flow Forecast) and is based on property tax revenues generated from a 35.00 mill levy which would be used to pay (i) estimated administrative, recreation and landscaping maintenance costs; and (ii) the annual debt service on Limited Tax Cash Flow Bonds issued by the Districts and owned by the Developer in exchange for approximately \$5,784,600 of infrastructure costs expected to be contributed to the District by the Developer during 2005 through 2008 (please note that the \$5,784,600 of bondable infrastructure costs represent approximately 26.4% of the estimated total infrastructure costs in the amount of \$21,897,450 expected to be contributed to the Districts by the Developer). Once the Cash Flow Bonds have been redeemed, the Districts' mill levy would be substantially reduced – for the year 2039, the year after the final debt service payment is made, we have estimated that the District's mill levy requirement would be between 6.0 and 7.0 mills.

The Financial Plan is based upon (i) Dino's expected residential land use plan (and related uninflated values and buildout rates) as presented on Schedule 1, page 2; (ii) assessed valuation resulting from the completion of residential living units also presented on Schedule 1, page 5; (iii) Summit Land Management Services, Inc. estimate of capital improvement costs expected to be required by the Districts as presented on Schedule 2, page 6; and (iv) the annual debt service payments associated with the District's issuance of approximately \$5,784,600 of Limited Tax Cash Flow Bonds issued by the District and purchased by the Developer during years 2005 through 2008.

ASSESSED VALUATION – SCHEDULE 1, PAGE 5

The Districts' assessed valuation (on a combined District basis) is expected to increase to approximately \$15.9 million at full buildout. This is based upon a total of 616 residential units with an average uninflated actual (market) value of \$312,256 by the end of 2010. It is assumed that the statutory residential assessment rate will be 7.96% of actual value – in reality it is likely that next year's assumed 7.96% residential assessment rate will decrease every other year (beginning for tax collection year 2008) resulting in a loss of residential assessed valuation, but it is also likely that inflationary increases in property values will offset these potential losses in assessed valuation. In other words it is assumed that any future increases in the Districts' assessed valuation caused by inflation will be offset by Gallagher Amendment related decreases in the residential assessment rate – although this financial plan assumes that increases in property values will exceed decreases in the residential assessment rate by an average of 1% annually.

INFRASTRUCTURE COSTS – SCHEDULE 2, Page 6

The Districts' capital (infrastructure) costs, totaling approximately \$21.9 million as estimated by Summit Land Management Services, Inc., are presented in uninflated dollars on Schedule 2. It is assumed that these costs will be paid for by the Developer. It is assumed that approximately 26.4% of these costs (\$5.785 million) will be recouped by the Developer from Limited Tax Cash Flow Bonds issued by the Districts to the Developer.

The \$5.785 million of Limited Tax Cash Flow Bonds will be used to pay for a portion of the following "District Enhancement" projects:

• Recreation Trail	\$ 250,000
• Non-Potable Irrigation System & Storage	\$1,300,000
• Non-Potable Irrigation Lot Service	\$1,700,000
• Pool/Clubhouse & Parking Facilities	\$ 950,000
• Open Space, Landscaping	\$1,100,000
• Project Signage, Monuments, Entry Features	\$ 360,000
• Contingencies @ 8%	\$ <u>452,800</u>
Totals	<u>\$6,112,800</u>

Approximately \$3.0 million of the \$21.9 million of total capital improvements is estimated to be spent for the residential non-potable irrigation system. It is expected that the District will impose a \$2,750 Irrigation System Impact Fee on each home, and that these revenues will be used to pay annual debt service on the bonds owned by the Developer.

Memorandum
February 18, 2005
Page iii

DEBT SERVICE – SCHEDULE 3, Page 7

The Districts' debt service requirements are presented on Schedule 3, page 7. It is assumed that Developer owned Cash Flow Limited Tax Bonds will be issued by District #2 during 2005 through 2008 representing approximately 26.4% of the actual District's infrastructure costs funded by the Developer. It is assumed that these bonds will be amortized over a 30-year period and bear 8.00% interest. In the event that property tax revenues generated from a 35.00 mill levy (less administrative, recreation and landscaping maintenance expenditures) are not sufficient to make annual interest payments, such unpaid interest payments will be waived by the Bondholders. Although not shown in the Financing Plan, it is likely that the Developer owned Cash Flow Bonds will be refunded by limited or general obligation bonds issued by the Districts at lower interest rates when the Districts' assessed valuation increases to appropriate levels.

ADMINISTRATIVE AND LANDSCAPING MAINTENANCE EXPENDITURES – EXHIBIT I, Page 1

Annual allowances for administration of the Districts have been estimated to be \$60,000 by 2007 (including the \$35,000 annual contingency allowance) and may have to be subsidized by the Developers during the early years of the District. Annual recreation and landscaping maintenance costs have been estimated to increase from \$5,000 in 2008 to \$45,000 by year 2016. To the extent that these cost estimates are low, the Districts may not be able to amortize all of the assumed \$5.785 million of Cash Flow Bonds.

WATER RIGHT LEASE AND WATER IRRIGATION SYSTEM OPERATING AND MAINTENANCE COSTS – EXHIBIT I, Page 1

The Developer has estimated annual water right lease costs to be \$60 per year per completed residential living unit. The Developer has assumed that annual water irrigation system operating and maintenance costs will be approximately \$240 per year per completed residential unit. It is assumed that annual irrigation water user fee charges will be implemented in amount of \$25 per month (i.e., \$300 per year) per completed residential unit; and the revenues generated from these user charges will be sufficient to pay for water irrigation system lease and operating costs.

Memorandum
February 18, 2005
PAGE IV

EXHIBIT I – CASH FLOW, Page 1

The Districts' consolidated cash flow forecasts as presented on Exhibit I, page 1, indicate that the Districts' could afford to issue approximately \$5.785 million of bonds based upon a mill levy of 35.00 mills and annual administrative, recreation and landscaping maintenance costs as presented on Exhibit I. To the extent that additional administrative services and landscaping maintenance costs are necessary, it may not be possible to redeem all of the \$5.785 million of bonds without increasing the Districts' mill levy above 35.00 mills.

LIMITATIONS AND DISCLAIMER

Stan Bernstein and Associates, Inc. has assembled the information presented on Exhibit I and Schedules 1, 2 and 3 based on information provided by others. This information has not been independently reviewed by Stan Bernstein and Associates, Inc. Consequently, Stan Bernstein and Associates, Inc. do not vouch for the achievability of the assumptions or the results presented on Exhibit I and Schedules 1, 2 and 3. Furthermore, because events and circumstances regarding future events are speculative and unpredictable, it is likely that the results projected on Exhibit I, and the supporting schedules, will differ from actual results, and such variations could be material. For example, it is possible that many unforeseen events could result in the District's assessed valuation being less than estimated which could result in a District mill levy in excess of the mill levies presented on Exhibit I. It is also possible that administrative, recreation and landscape maintenance costs could be more than presented on Exhibit I. Either of these circumstances could result in the Districts' inability to redeem or make interest payments on the Cash Flow Bonds proposed to be issued by the Districts to the Developer.

WORKING DRAFT, DATED FEBRUARY 18, 2005
SUBJECT TO CHANGE AND REVISION

EXHIBIT I
CONSOLIDATED FINANCIAL PLAN
WINDSHIRE PARK METROPOLITAN DISTRICTS 1 - 2
CASH FLOW FORECASTS
FOR THE YEARS ENDING DECEMBER 31, 2005 THROUGH 2038
2005* - NO INFLATION (for operating revenues and expenditures)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1 ASSESSED VALUATION FOR TAX COLLECTION YEAR (SCH. 1)	0	0	100,000	2,308,400	5,051,000	9,693,524	13,871,243	15,929,827	15,929,827	16,246,219
2 MILL LEVY	0	0	35	35	35	35	35	35	35	35
3 IRRIGATION WATER TAP FEE RATE PER RESIDENCE	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750
4 IRRIGATION WATER USER FEE (MONTHLY AVERAGE)	25	25	25	25	25	25	25	25	25	25
5 INCREMENTAL RESIDENTIAL UNITS COMPLETED (SCH. 1)	0	90	190	148	168	82	0	0	0	0
6 CUMULATIVE RESIDENTIAL UNITS COMPLETED (SCH. 1)	0	90	280	368	536	618	618	618	618	618
7 REVENUES:										
8 PROPERTY TAXES @ 25 MILLS	0	0	3,560	80,794	197,808	332,823	474,893	567,637	587,537	588,888
9 SPECIFIC OWNERSHIP TAXES @ 4% OF PROPERTY TAXES	0	0	140	3,232	7,912	13,305	19,000	22,301	22,301	22,748
10 IRRIGATION WATER TAP FEES	0	247,500	357,500	407,000	456,500	228,500	0	0	0	0
11 IRRIGATION WATER USER FEES	0	0	27,000	96,000	110,400	160,200	184,800	184,800	184,800	184,800
12 DEVELOPER OPERATING ADVANCE	0	0	0	0	0	0	0	0	0	0
13 DEVELOPER INFRASTRUCTURE CONTRIBUTIONS	3,946,183	3,946,183	4,274,363	4,274,363	0	0	0	0	0	0
14 LIMITED TAX CASH-FLOW BONDS ISSUED DISTRICT - 2 (SCH. 3)	1,528,200	1,528,200	1,528,200	1,200,000	0	0	0	0	0	0
15 INTEREST INCOME @ 2% OF BEGINNING FUNDS	0	0	2,504	3,888	4,813	6,438	8,063	4,719	4,638	4,439
16 TOTAL REVENUES	5,474,383	5,721,883	6,895,067	9,035,074	777,231	7,388,067	885,188	789,349	789,277	780,865
17 TOTAL ADMINISTRATIVE AND OPERATIONS EXPENDITURES:										
18 ADMINISTRATIVE ALLOWANCE	0	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
19 WATER RIGHT LEASE CONTINGENCY ALLOWANCE @ \$60/YEAR/UNIT	0	0	9,400	19,700	22,080	19,700	36,980	36,980	36,980	36,980
20 IRRIGATION WATER SYSTEM OPERATIONS/MAINT @ \$240/YEAR/UNIT	0	0	21,800	52,800	88,320	128,180	147,840	147,840	147,840	147,840
21 ADMINISTRATIVE AND MAINTENANCE CONTINGENCY ALLOWANCE	0	0	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
22 LANDSCAPING, OPEN SPACE, PARKS, BIKE PATHS CONTINGENCY	0	0	0	5,000	10,000	15,000	20,000	25,000	30,000	35,000
23 2% COUNTY TREASURER FEE	0	0	70	1,818	3,958	5,862	9,504	11,151	11,151	11,151
24 TOTAL ADMINISTRATIVE AND OPERATIONS	0	0	97,070	132,518	184,358	241,852	274,333	280,951	289,951	291,174
25 TOTAL CAPITAL INFRASTRUCTURE COSTS (SCH. 2)	5,474,383	5,474,383	5,474,383	5,474,383	0	0	0	0	0	0
26 TOTAL ADMIN., OPERATING, AND CAPITAL EXPENDITURES	5,474,383	5,474,383	5,861,483	6,608,979	184,358	241,852	274,333	280,951	289,951	291,174
27 NET REVENUES AVAILABLE FOR DEBT SERVICE:	0	247,500	503,575	428,096	582,873	466,215	410,855	488,398	489,328	489,691
28 DEBT SERVICE (SEE SCHEDULE 3):										
29 DEBT SERVICE - SERIES 2005 \$ 1,528,200, 8% DISTRICT 2	0	122,256	122,256	132,256	136,456	136,286	134,058	132,856	136,656	135,056
30 DEBT SERVICE - SERIES 2006 \$ 1,528,200, 8% DISTRICT 2	0	0	122,256	127,256	136,858	135,858	134,458	133,256	132,056	135,856
31 DEBT SERVICE - SERIES 2007 \$ 1,528,200, 8% DISTRICT 2	0	0	0	122,256	132,258	131,458	130,658	129,858	129,056	133,256
32 DEBT SERVICE - SERIES 2008 \$ 1,200,000, 8% DISTRICT 2	0	0	0	0	30,000	60,000	90,000	99,000	96,000	95,000
33 TOTAL DEBT SERVICE	0	122,256	244,512	381,768	501,568	488,358	495,184	497,858	499,768	500,168
34 EXCESS REVENUES OVER EXPENDITURES	0	125,244	59,063	58,328	91,307	12,153	64,719	10,670	10,442	10,827
35 BEGINNING CASH AVAILABLE - JANUARY 1	0	0	125,244	184,307	230,635	321,942	319,758	215,509	231,939	221,498
36 ENDING CASH AVAILABLE @ DECEMBER 31	0	125,244	184,307	230,635	321,942	319,758	235,509	231,939	221,498	219,821

See Attached Memorandum and Disclosure

EXHIBIT 1
CONSOLIDATED FINANCIAL PLAN
WINDSHIRE PARK METROPOLITAN DISTRICTS 1 - 2
CASH FLOW FORECASTS
FOR THE YEARS ENDING DECEMBER 31, 2003 THROUGH 2038
2003\$ - NO INFLATION (for operating revenues and expenditures)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1 ASSESSED VALUATION FOR TAX COLLECTION YEAR (SCH. 1)	16,248,239	16,273,184	16,273,184	16,273,184	16,273,184	16,273,184	16,273,184	16,273,184	16,273,184	16,273,184	16,273,184	16,273,184
2 MILL LEVY	35	35	35	35	35	35	35	35	35	35	35	35
3 IRRIGATION WATER TAP FEE RATE PER RESIDENCE	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750
4 IRRIGATION WATER USER FEE (MONTHLY AVERAGE)	25	25	25	25	25	25	25	25	25	25	25	25
5 INCREMENTAL RESIDENTIAL UNITS COMPLETED (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0	0
6 CUMULATIVE RESIDENTIAL UNITS COMPLETED (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0	0
7 REVENUES:												
8 PROPERTY TAXES @ 36 MILLS	588,988	590,081	590,081	590,081	591,083	591,083	591,083	591,083	593,406	615,566	615,566	627,877
9 SPECIFIC OWNERSHIP TAXES @ 4% OF PROPERTY TAXES	22,748	23,202	23,202	23,202	23,687	23,687	23,687	23,687	24,140	24,823	24,823	25,115
10 IRRIGATION WATER TAP FEES	0	0	0	0	0	0	0	0	0	0	0	0
11 IRRIGATION WATER USER FEES	184,800	184,800	184,800	184,800	184,800	184,800	184,800	184,800	184,800	184,800	184,800	184,800
12 DEVELOPER OPERATING ADVANCE	0	0	0	0	0	0	0	0	0	0	0	0
13 DEVELOPER INFRASTRUCTURE CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0	0	0
14 LIMITED TAX CASHFLOW BONDS ISSUED DISTRICT - 2 (SCH. 3)	0	0	0	0	0	0	0	0	0	0	0	0
15 INTEREST INCOME @ 2% OF BEGINNING FUNDS	4,218	3,867	3,678	3,470	3,208	2,958	2,700	2,442	2,184	1,926	1,668	1,410
16 TOTAL REVENUES	780,452	791,951	791,742	803,599	803,635	803,635	803,635	803,635	815,958	829,148	829,148	843,070
17 TOTAL ADMINISTRATIVE AND OPERATIONS EXPENDITURES:												
18 ADMINISTRATIVE ALLOWANCE	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
19 WATER RIGHT LEASE CONTINGENCY ALLOWANCE @ \$60/YEAR/UNIT	36,980	36,980	36,980	36,980	36,980	36,980	36,980	36,980	36,980	36,980	36,980	36,980
20 IRRIGATION WATER SYSTEM OPERATIONS/MAINT @ \$240/YEAR/UNIT	147,840	147,840	147,840	147,840	147,840	147,840	147,840	147,840	147,840	147,840	147,840	147,840
21 ADMINISTRATIVE AND MAINTENANCE CONTINGENCY ALLOWANCE	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
22 LANDSCAPING, OPEN SPACE, PARKS, BIKE PATHS CONTINGENCY	40,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
23 2% COUNTY TREASURER FEE	11,874	11,821	11,801	11,832	11,833	11,833	11,833	11,833	12,070	12,311	12,311	12,552
24 TOTAL ADMINISTRATIVE AND OPERATIONS	288,174	301,401	301,401	301,401	301,833	301,833	301,833	301,833	301,870	302,111	302,111	302,339
25 TOTAL CAPITAL INFRASTRUCTURE COSTS (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0	0
26 TOTAL ADMIN., OPERATING, AND CAPITAL EXPENDITURES	288,174	301,401	301,401	301,401	301,833	301,833	301,833	301,833	301,870	302,111	302,111	302,339
27 NET REVENUES AVAILABLE FOR DEBT SERVICE:	492,278	490,549	490,341	502,198	502,002	502,002	502,002	502,002	514,455	527,038	527,038	540,732
28 DEBT SERVICE (SEE SCHEDULE 3):												
29 DEBT SERVICE - SERIES 2005 \$ 1,528,200, 6% DISTRICT 2	133,456	136,858	134,856	134,856	136,856	136,856	136,856	136,856	138,856	140,856	140,856	142,856
30 DEBT SERVICE - SERIES 2006 \$ 1,528,200, 8% DISTRICT 2	134,258	132,658	130,856	129,056	127,256	125,456	123,656	121,856	120,056	118,256	116,456	114,656
31 DEBT SERVICE - SERIES 2007 \$ 1,528,200, 8% DISTRICT 2	137,056	135,456	133,656	131,856	130,056	128,256	126,456	124,656	122,856	121,056	119,256	117,456
32 DEBT SERVICE - SERIES 2008 \$ 1,200,000, 8% DISTRICT 2	98,900	98,000	97,100	96,200	95,300	94,400	93,500	92,600	91,700	90,800	89,900	89,000
33 TOTAL DEBT SERVICE	500,720	500,658	500,738	500,738	500,738	500,738	500,738	500,738	500,738	500,738	500,738	500,738
34 EXCESS REVENUES OVER EXPENDITURES	(18,492)	(10,419)	(10,427)	(1,729)	1,728	2,824	2,824	2,824	13,487	28,868	27,424	39,144
35 BEGINNING CASH AVAILABLE - JANUARY 1	219,821	184,931	163,812	173,485	175,283	175,283	175,283	175,283	184,477	207,064	238,832	263,874
36 ENDING CASH AVAILABLE @ DECEMBER 31	194,331	183,812	173,485	175,283	175,283	175,283	175,283	175,283	207,064	238,832	263,874	303,018

See Attached Memorandum and Dispatchletter

EXHIBIT 1

CONSOLIDATED FINANCIAL PLAN
WINDSHIRE PARK METROPOLITAN DISTRICTS 1 - 2

CASH FLOW FORECASTS

FOR THE YEARS ENDING DECEMBER 31, 2005 THROUGH 2038
2005\$ - NO INFLATION (for operating revenues and expenditures)

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
1 ASSESSED VALUATION FOR TAX COLLECTION YEAR (SCH. 1)	17,020,347	18,208,134	18,208,134	18,208,134	18,208,134	18,208,134	18,208,134	18,208,134	18,208,134	18,208,134	18,208,134	18,208,134
2 MILL LEVY	35	35	35	35	35	35	35	35	35	35	35	35
3 IRRIGATION WATER TAP FEE RATE PER RESIDENCE	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750
4 IRRIGATION WATER USER FEE (MONTHLY AVERAGE)	25	25	25	25	25	25	25	25	25	25	25	25
5 INCREMENTAL RESIDENTIAL UNITS COMPLETED (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0	0
6 CUMULATIVE RESIDENTIAL UNITS COMPLETED (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0	0
7 REVENUES:												
8 PROPERTY TAXES @ 35 MILLS	627,877	640,435	640,435	653,243	653,243	653,243	653,243	666,308	666,308	679,634	679,634	693,227
9 SPECIFIC OWNERSHIP TAXES @ 4% OF PROPERTY TAXES	25,115	25,617	25,617	26,130	26,130	26,130	26,130	26,652	26,652	27,185	27,185	27,729
10 IRRIGATION WATER TAP FEES	0	0	0	0	0	0	0	0	0	0	0	0
11 IRRIGATION WATER USER FEES	184,800	184,800	184,800	184,800	184,800	184,800	184,800	184,800	184,800	184,800	184,800	184,800
12 DEVELOPER OPERATING ADVANCE	0	0	0	0	0	0	0	0	0	0	0	0
13 DEVELOPER INFRASTRUCTURE CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0	0	0
14 LIMITED TAX CASHFLOW BONDS ISSUED DISTRICT - 2 (SCH. 3)	0	0	0	0	0	0	0	0	0	0	0	0
15 INTEREST INCOME @ 2% OF BEGINNING FUNDS	6,090	6,061	6,061	6,431	6,431	6,431	6,431	10,471	11,738	13,082	14,741	16,483
16 TOTAL REVENUES	843,883	857,702	857,702	872,804	872,804	872,804	872,804	888,211	888,211	904,192	904,192	920,249
17 TOTAL ADMINISTRATIVE AND OPERATIONS EXPENDITURES:												
18 ADMINISTRATIVE ALLOWANCE	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
19 WATER RIGHT LEASE CONTINGENCY ALLOWANCE @ \$60/YEAR/UNIT	36,990	36,990	36,990	36,990	36,990	36,990	36,990	36,990	36,990	36,990	36,990	36,990
20 IRRIGATION WATER SYSTEM OPERATIONS/MAINT @ \$240/YEAR/UNIT	147,840	147,840	147,840	147,840	147,840	147,840	147,840	147,840	147,840	147,840	147,840	147,840
21 ADMINISTRATIVE AND MAINTENANCE CONTINGENCY ALLOWANCE	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
22 LANDSCAPING, OPEN SPACE, PARKS, BIKE PATHS CONTINGENCY	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
23 2% COUNTY TREASURER FEE	17,558	17,802	17,802	18,085	18,085	18,085	18,085	18,368	18,651	18,934	19,217	19,500
24 TOTAL ADMINISTRATIVE AND OPERATIONS	307,388	317,632	317,632	317,865	317,865	317,865	317,865	318,128	318,128	318,392	318,392	318,655
25 TOTAL CAPITAL INFRASTRUCTURE COSTS (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0	0
26 TOTAL ADMIN., OPERATING, AND CAPITAL EXPENDITURES	307,388	317,632	317,632	317,865	317,865	317,865	317,865	318,128	318,128	318,392	318,392	318,655
27 NET REVENUES AVAILABLE FOR DEBT SERVICE:	536,495	540,070	540,070	554,939	554,939	554,939	554,939	570,083	571,392	585,800	587,800	601,594
28 DEBT SERVICE (SEE SCHEDULE 3):												
29 DEBT SERVICE - SERIES 2006 \$ 1,528,200, 5% DISTRICT 2	133,806	135,056	135,056	136,856	136,856	136,856	136,856	138,096	138,096	139,336	139,336	140,576
30 DEBT SERVICE - SERIES 2006 \$ 1,528,200, 6% DISTRICT 2	136,466	137,716	137,716	139,256	139,256	139,256	139,256	140,796	140,796	141,836	141,836	142,876
31 DEBT SERVICE - SERIES 2007 \$ 1,528,200, 6% DISTRICT 2	135,858	137,108	137,108	138,648	138,648	138,648	138,648	140,188	140,188	141,228	141,228	142,268
32 DEBT SERVICE - SERIES 2008 \$ 1,200,000, 6% DISTRICT 2	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000
33 TOTAL DEBT SERVICE	504,130	507,880	507,880	514,756	514,756	514,756	514,756	527,080	527,080	531,396	531,396	535,710
34 EXCESS REVENUES OVER EXPENDITURES	29,367	32,190	32,190	40,083	40,083	40,083	40,083	43,005	44,304	46,404	47,404	49,884
35 BEGINNING CASH AVAILABLE - JANUARY 1	303,018	342,545	342,545	421,589	421,589	421,589	421,589	523,599	587,879	654,100	737,041	824,641
36 ENDING CASH AVAILABLE @ DECEMBER 31	342,545	381,072	381,072	472,640	472,640	472,640	472,640	587,879	654,100	737,041	824,641	922,058

See Attached Memorandum and Declaration

EXHIBIT 1
 CONSOLIDATED FINANCIAL PLAN
 WINDSHIRE PARK METROPOLITAN DISTRICTS 1 - 2
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2038
 2004* - NO INFLATION (for operating revenues and expenditures)

	2004	2005	2006	2007	2008	TOTALS
1 ASSESSED VALUATION FOR TAX COLLECTION YEAR (SCH. 1)	18,888,499	20,202,618	20,202,618	20,202,618	20,202,618	20,202,618
2 MILL LEVY	35	35	35	35	35	35
3 IRRIGATION WATER TAP FEE RATE PER RESIDENCE	2,750	2,750	2,750	2,750	2,750	2,750
4 IRRIGATION WATER USER FEE (MONTHLY AVERAGE)	26	26	26	26	26	26
5 INCREMENTAL RESIDENTIAL UNITS COMPLETED (SCH. 1)	0	0	0	0	0	0
6 CUMULATIVE RESIDENTIAL UNITS COMPLETED (SCH. 1)	818	818	818	818	818	818
7 REVENUES:						
8 PROPERTY TAXES @ 36 MBLS	693,227	707,092	707,092	707,092	721,233	18,189,805
9 SPECIFIC OWNERSHIP TAXES @ 4% OF PROPERTY TAXES	27,729	28,284	28,284	28,284	28,949	737,224
10 IRRIGATION WATER TAP FEES	0	0	0	0	0	1,664,000
11 IRRIGATION WATER USER FEES	184,800	184,800	184,800	184,800	184,800	5,538,000
12 DEVELOPER OPERATING ADVANCE	0	0	0	0	0	0
13 DEVELOPER INFRASTRUCTURE CONTRIBUTIONS	0	0	0	0	0	16,112,860
14 LIMITED TAX CASHFLOW BONDS ISSUED DISTRICT - 2 (SCH. 3)	18,841	14,178	12,778	12,778	13,674	5,784,800
15 INTEREST INCOME @ 2% OF BEGINNING FUNDS	924,397	924,352	924,352	924,352	948,558	252,032
16 TOTAL REVENUES	218,658	218,658	218,658	218,658	218,658	48,279,319
17 TOTAL ADMINISTRATIVE AND OPERATIONS EXPENDITURES:						
18 ADMINISTRATIVE ALLOWANCE	25,000	25,000	25,000	25,000	25,000	800,000
19 WATER RIGHT LEASE CONTINGENCY ALLOWANCE @ \$80/YEAR/UNIT	36,980	36,980	36,980	36,980	36,980	1,107,600
20 IRRIGATION WATER SYSTEM OPERATIONS/MAINT @ \$240/YEAR/UNIT	147,840	147,840	147,840	147,840	147,840	4,430,400
21 ADMINISTRATIVE AND MAINTENANCE CONTINGENCY ALLOWANCE	60,000	60,000	60,000	60,000	60,000	1,315,000
22 LANDSCAPING, OPEN SPACE, PARKS, BIKE PATHS CONTINGENCY	45,000	45,000	45,000	45,000	45,000	1,215,000
23 2% COUNTY TREASURER FEE	13,865	14,142	14,142	14,142	14,425	583,612
24 TOTAL ADMINISTRATIVE AND OPERATIONS	318,685	318,942	318,942	318,942	319,225	8,231,612
25 TOTAL CAPITAL INFRASTRUCTURE COSTS (SCH. 2)	0	0	0	0	0	21,897,490
26 TOTAL ADMIN., OPERATING, AND CAPITAL EXPENDITURES	318,685	318,942	318,942	318,942	319,225	31,129,082
27 NET REVENUES AVAILABLE FOR DEBT SERVICE:	605,733	605,716	605,716	605,716	605,732	17,150,238
28 DEBT SERVICE (SEE SCHEDULE 3):						
29 DEBT SERVICE - SERIES 2005 \$ 1,528,200, 8% DISTRICT 2	487,656	0	0	0	0	4,365,880
30 DEBT SERVICE - SERIES 2006 \$ 1,528,200, 8% DISTRICT 2	131,056	457,056	0	0	0	4,333,860
31 DEBT SERVICE - SERIES 2007 \$ 1,528,200, 8% DISTRICT 2	134,056	132,256	473,256	0	0	4,363,480
32 DEBT SERVICE - SERIES 2008 \$ 1,200,000, 6% DISTRICT 2	98,000	98,000	98,000	98,000	1,298,000	4,080,000
33 TOTAL DEBT SERVICE	849,768	687,312	569,256	569,256	1,298,000	17,133,240
34 EXCESS REVENUES OVER EXPENDITURES	622,123	659,902	659,902	659,902	659,902	17,008
35 BEGINNING CASH AVAILABLE - JANUARY 1	933,058	708,823	638,821	638,821	638,821	0
36 ENDING CASH AVAILABLE @ DECEMBER 31	799,823	638,921	638,921	638,921	17,008	17,008

See Attached Memorandum and Disclaimer

SCHEDULE 1
CONSOLIDATED FINANCIAL PLAN
WINDSHIRE PARK METROPOLITAN DISTRICTS 1 - 2
BUILDOUT AND ASSESSED VALUATION
FOR THE YEARS ENDING DECEMBER 31, 2005 - 2011
(Homes assumed to increase in value 1% annually above Gallagher declines)

WORKING DRAFT, DATED FEBRUARY 18, 2005
SUBJECT TO CHANGE AND REVISION

Description of Units	# of Units	Average Actual Value Per Unit	Total Actual Value	
			Per Unit	Total
Townhomes	66	225,000	14,850,000	14,850,000
Single Family - Price point A	250	350,000	87,500,000	87,500,000
Single Family - Price point B	300	300,000	90,000,000	90,000,000
Total - Residential Units	616	312,256	192,350,000	192,350,000

	2005	2006	2007	2008	2009	2010	2011	TOTALS
Projected Actual Valuation:								
Townhomes	0	0	0	18	36	12	0	66
Single Family - Price point A	0	0	80	80	80	30	0	250
Single Family - Price point B	0	0	70	70	70	40	0	300
Total Projected Actual Valuation	0	0	150	148	186	82	0	616
Projected Assessed Valuation:								
Townhomes @ 7.96%	0	0	0	322,380	644,760	214,920	0	1,182,060
Single Family - Price point A @ 7.96%	0	1,114,400	1,671,600	1,671,600	1,671,600	835,800	0	6,985,000
Single Family - Price point B @ 7.96%	0	1,194,000	1,671,600	1,671,600	1,671,600	955,200	0	7,164,000
Total Projected Assessed Valuation from Buildout	0	2,308,400	3,343,200	3,665,560	3,987,960	2,005,920	0	15,311,060
Total Projected Assessed Valuation - Incremental	0	2,308,400	3,343,200	3,665,560	3,987,960	2,005,920	0	15,311,060
Total Projected Assessed Valuation - Cumulative	0	2,308,400	5,651,600	9,317,160	13,305,140	15,311,060	15,311,060	15,311,060
Total Projected Assessed Valuation - Cumulative - with 2% net increase	0	2,308,400	5,651,600	9,503,524	13,571,243	15,929,627	15,929,627	15,929,627
Year Taxes Certified to District 2	2006	2007	2008	2009	2010	2011	2012	
Year Taxes Collected by District 2	2007	2008	2009	2010	2011	2012	2013	

See Attached Memorandum and Disclaimer

SCHEDULE 2
 CONSOLIDATED FINANCIAL PLAN
 WINDSHIRE PARK METROPOLITAN DISTRICTS 1 - 2
 INFRASTRUCTURE COSTS
 FOR THE YEARS ENDING DECEMBER 31, 2005 AND 2010

WORKING DRAFT, DATED FEBRUARY 18, 2005
 SUBJECT TO CHANGE AND REVISION

	2005	2006	2007	2008	2009	2010	TOTAL
2005\$ - NO INFLATION							
SITE DEVELOPMENT COSTS							
LEGAL & ACCOUNTING	25,000	25,000	25,000	25,000	0	0	100,000
SITE OPERATIONS	75,000	75,000	75,000	75,000	0	0	300,000
PROFESSIONAL FEES	7,500	7,500	7,500	7,500	0	0	30,000
PERMITS AND FEES	1,250	1,250	1,250	1,250	0	0	5,000
SOILS AND SURVEY	87,500	87,500	87,500	87,500	0	0	350,000
EARTHWORK	175,000	175,000	175,000	175,000	0	0	700,000
SANITARY SEWER	500,000	500,000	500,000	500,000	0	0	2,000,000
WATER UTILITY	375,000	375,000	375,000	375,000	0	0	1,500,000
STORM DRAINAGE	425,000	425,000	425,000	425,000	0	0	1,700,000
CONCRETE	350,000	350,000	350,000	350,000	0	0	1,400,000
ASPHALT PAVING	475,000	475,000	475,000	475,000	0	0	1,900,000
STREET STABILIZATION	130,000	130,000	130,000	130,000	0	0	520,000
EROSION CONTROL	12,500	12,500	12,500	12,500	0	0	50,000
PUBLIC UTILITIES (ELECT, GAS, TELE, CONDUITS, ETC.)*	550,000	550,000	550,000	550,000	0	0	2,200,000
FENCING	175,000	175,000	175,000	175,000	0	0	700,000
OFF-SITE IMPROVEMENTS (DOES NOT INCLUDE OFFSITE BRIDGE CONST.)	394,500	394,500	394,500	394,500	0	0	1,578,000
COUNTRY ROAD 15	0	0	0	0	0	0	0
COUNTRY ROAD 88 1/2 (JACOBY ROAD)	788,304	0	0	0	0	0	0
17TH STREET	569,892	0	0	0	0	0	0
STREET STABILIZATION	141,804	0	0	0	0	0	0
CONTINGENCIES @ 5%	78,000	0	0	0	0	0	0
TOTAL SITE DEVELOPMENT COSTS	<u>187,913</u>	<u>187,913</u>	<u>187,912</u>	<u>187,913</u>	<u>0</u>	<u>0</u>	<u>751,650</u>
	<u>3,946,163</u>	<u>3,946,163</u>	<u>3,946,163</u>	<u>3,946,163</u>	<u>0</u>	<u>0</u>	<u>15,784,650</u>
METRO DISTRICT ENHANCEMENTS							
RECREATION TRAIL	62,500	62,500	62,500	62,500	0	0	250,000
NON-POTABLE IRRIGATION SYSTEM & STORAGE	325,000	325,000	325,000	325,000	0	0	1,300,000
NON-POTABLE IRRIGATION LOT SERVICE	425,000	425,000	425,000	425,000	0	0	1,700,000
POOL/CLUBHOUSE & PARKING FACILITIES	237,500	237,500	237,500	237,500	0	0	950,000
OPEN SPACE LANDSCAPING	275,000	275,000	275,000	275,000	0	0	1,100,000
PROJECT SIGNAGE, MONUMENTS, ENTRY FEATURES	90,000	90,000	90,000	90,000	0	0	360,000
CONTINGENCIES @ 8%	113,200	113,200	113,200	113,200	0	0	452,800
TOTAL METRO DISTRICT ENHANCEMENTS	<u>1,528,200</u>	<u>1,528,200</u>	<u>1,528,200</u>	<u>1,528,200</u>	<u>0</u>	<u>0</u>	<u>6,112,800</u>
TOTAL SITE DEVELOPMENT & METRO DISTRICT ENHANCEMENTS	<u>5,474,363</u>	<u>5,474,363</u>	<u>5,474,363</u>	<u>5,474,363</u>	<u>0</u>	<u>0</u>	<u>21,897,450</u>

(*) MAY NOT QUALIFY AS METRO DISTRICT EXPENDITURE
 See Attached Memorandum and Disclaimer
 SOURCE: SUMMIT LAND MANAGEMENT SERVICES, INC.

SCHEDULE 3
 CONSOLIDATED FINANCIAL PLAN
 WINDSHIRE PARK METROPOLITAN DISTRICTS 1 - 2
 LIMITED TAX OBLIGATION DEBT SERVICE REQUIREMENTS
 FOR THE YEARS ENDING DECEMBER 31, 2005 - 2014

WORKING DRAFT, DATED FEBRUARY 18, 2005
 SUBJECT TO CHANGE AND REVISION

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>DISTRICT 2 - SERIES 2005 LIMITED TAX CASHFLOW - \$1,528,200, 12/1/05 - 8%</u>										
PRINCIPAL PAYMENTS	0	0	0	10,000	15,000	15,000	15,000	15,000	20,000	20,000
INTEREST PAID	0	122,256	122,256	122,256	121,456	120,256	119,056	117,856	116,656	115,456
TOTAL DEBT SERVICE PAID	0	122,256	122,256	132,256	136,456	135,256	134,056	132,856	130,656	129,456
TOTAL DIST 2 SERIES 2005 BONDS OUTSTANDING @ 12/31	1,528,200	1,528,200	1,528,200	1,518,200	1,503,200	1,488,200	1,473,200	1,458,200	1,438,200	1,418,200
<u>DISTRICT 2 - SERIES 2006 LIMITED TAX CASHFLOW BONDS - \$1,528,200, 12/1/06 - 8%</u>										
PRINCIPAL PAYMENTS	0	0	0	5,000	15,000	15,000	15,000	15,000	15,000	20,000
INTEREST PAID	0	0	122,256	122,256	121,456	120,256	119,056	117,856	116,656	115,456
TOTAL DEBT SERVICE PAID	0	0	122,256	127,256	136,456	135,256	134,056	132,856	130,656	129,456
TOTAL DIST 2 SERIES 2006 BONDS OUTSTANDING @ 12/31	1,528,200	1,528,200	1,528,200	1,523,200	1,508,200	1,493,200	1,478,200	1,463,200	1,448,200	1,428,200
<u>DISTRICT 2 - SERIES 2007 LIMITED TAX CASHFLOW BONDS - \$1,528,200, 12/1/07 - 8%</u>										
PRINCIPAL PAYMENTS	0	0	0	0	10,000	10,000	10,000	10,000	10,000	15,000
INTEREST PAID	0	0	0	122,256	122,256	121,456	120,256	119,056	117,856	116,656
TOTAL DEBT SERVICE PAID	0	0	0	122,256	132,256	131,456	130,256	129,056	127,856	126,656
TOTAL DIST 2 SERIES 2007 BONDS OUTSTANDING @ 12/31	1,528,200	1,528,200	1,528,200	1,528,200	1,518,200	1,508,200	1,498,200	1,488,200	1,478,200	1,463,200
<u>DISTRICT 2 - SERIES 2008 LIMITED TAX CASHFLOW BONDS - \$1,200,000, 12/1/08 - 8%</u>										
PRINCIPAL PAYMENTS	0	0	0	0	0	0	0	0	0	0
INTEREST PAID	0	0	0	0	96,000	96,000	96,000	96,000	96,000	96,000
TOTAL DEBT SERVICE PAID	0	0	0	0	96,000	96,000	96,000	96,000	96,000	96,000
TOTAL DIST 2 SERIES 2008 BONDS OUTSTANDING @ 12/31	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000

See Attached Memorandum and Disclaimer

SCHEDULE 3
 CONSOLIDATED FINANCIAL PLAN
 WINDSHIRE PARK METROPOLITAN DISTRICTS 1 - 2
 LIMITED TAX OBLIGATION DEBT SERVICE REQUIREMENTS
 FOR THE YEARS ENDING DECEMBER 31, 2005 - 2038

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
DISTRICT 2 - SERIES 2005 LIMITED TAX CASHFLOW - \$1,828,200 - 12/31/05 - 1										
PRINCIPAL PAYMENTS	20,000	25,000	25,000	25,000	25,000	30,000	35,000	35,000	40,000	45,000
INTEREST PAID	113,458	109,858	109,858	107,858	105,858	103,458	101,058	98,258	95,458	92,258
TOTAL DEBT SERVICE PAID	133,458	134,858	134,858	132,858	130,858	133,458	136,058	133,258	135,458	137,258
TOTAL DIST 2 SERIES 2005 BONDS OUTSTANDING @ 12/31	1,398,200	1,373,200	1,348,200	1,323,200	1,298,200	1,263,200	1,228,200	1,193,200	1,158,200	1,123,200
DISTRICT 2 - SERIES 2006 LIMITED TAX CASHFLOW BONDS - \$1,628,200 - 1										
PRINCIPAL PAYMENTS	20,000	20,000	25,000	25,000	25,000	30,000	30,000	35,000	35,000	40,000
INTEREST PAID	114,258	112,858	111,058	109,058	107,058	105,058	102,858	100,258	97,458	94,658
TOTAL DEBT SERVICE PAID	134,258	132,858	136,058	134,058	132,058	135,058	132,858	135,258	132,458	134,658
TOTAL DIST 2 SERIES 2006 BONDS OUTSTANDING @ 12/31	1,408,200	1,383,200	1,358,200	1,333,200	1,308,200	1,283,200	1,258,200	1,233,200	1,208,200	1,183,200
DISTRICT 2 - SERIES 2007 LIMITED TAX CASHFLOW BONDS - \$1,428,200 - 1										
PRINCIPAL PAYMENTS	20,000	20,000	20,000	25,000	25,000	25,000	30,000	30,000	35,000	35,000
INTEREST PAID	117,058	115,458	113,858	112,258	110,258	108,258	106,258	103,858	101,458	98,658
TOTAL DEBT SERVICE PAID	137,058	135,458	133,858	132,258	130,258	133,258	136,258	133,858	136,458	133,658
TOTAL DIST 2 SERIES 2007 BONDS OUTSTANDING @ 12/31	1,453,200	1,428,200	1,403,200	1,378,200	1,353,200	1,328,200	1,298,200	1,268,200	1,238,200	1,208,200
DISTRICT 2 - SERIES 2008 LIMITED TAX CASHFLOW BONDS - \$1,200,000 - 1										
PRINCIPAL PAYMENTS	0	0	0	0	0	0	0	0	0	0
INTEREST PAID	96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000
TOTAL DEBT SERVICE PAID	96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000
TOTAL DIST 2 SERIES 2008 BONDS OUTSTANDING @ 12/31	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000

See Attached Memorandum and Disclaimer

SCHEDULE 3
CONSOLIDATED FINANCIAL PLAN
WINDSHIRE PARK METROPOLITAN DISTRICTS 1 - 2
LIMITED TAX OBLIGATION DEBT SERVICE REQUIREMENTS
FOR THE YEARS ENDING DECEMBER 31, 2005 - 2038

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
DISTRICT 1 - SERIES 2001 LIMITED TAX CASHFLOW - \$1,878,200 - 12/1/96 - 1										
PRINCIPAL PAYMENTS	45,000	50,000	55,000	60,000	65,000	70,000	75,000	80,000	85,000	90,000
INTEREST PAID	86,856	86,058	81,058	76,659	71,858	69,856	61,059	55,058	48,856	41,858
TOTAL DEBT SERVICE PAID	131,856	136,058	136,058	136,659	136,858	139,856	136,059	135,058	133,856	131,858
TOTAL DIST 2 SERIES 2006 BONDS OUTSTANDING @ 12/31	1,083,200	1,013,200	958,200	898,200	833,200	763,200	688,200	608,200	523,200	433,200
DISTRICT 2 - SERIES 2006 LIMITED TAX CASHFLOW BONDS - \$1,878,200 - 1										
PRINCIPAL PAYMENTS	45,000	45,000	60,000	65,000	60,000	65,000	70,000	75,000	80,000	85,000
INTEREST PAID	81,456	87,658	84,258	89,258	75,858	71,058	65,858	60,258	54,258	47,858
TOTAL DEBT SERVICE PAID	126,456	132,658	144,258	154,258	135,858	136,058	135,858	135,258	134,258	132,658
TOTAL DIST 2 SERIES 2008 BONDS OUTSTANDING @ 12/31	1,080,200	1,053,200	1,003,200	946,200	888,200	823,200	753,200	678,200	598,200	513,200
DISTRICT 2 - SERIES 2007 LIMITED TAX CASHFLOW BONDS - \$1,878,200 - 1										
PRINCIPAL PAYMENTS	40,000	45,000	45,000	50,000	55,000	60,000	65,000	70,000	75,000	80,000
INTEREST PAID	85,858	82,858	89,858	85,458	81,458	77,058	72,258	67,058	61,458	55,458
TOTAL DEBT SERVICE PAID	125,858	127,858	134,858	135,458	136,458	137,058	137,258	137,058	136,458	135,458
TOTAL DIST 2 SERIES 2007 BONDS OUTSTANDING @ 12/31	1,158,200	1,113,200	1,068,200	1,018,200	963,200	903,200	838,200	768,200	693,200	613,200
DISTRICT 2 - SERIES 2008 LIMITED TAX CASHFLOW BONDS - \$1,200,000 - 1										
PRINCIPAL PAYMENTS	0	0	0	0	0	0	0	0	0	0
INTEREST PAID	96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000
TOTAL DEBT SERVICE PAID	96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000
TOTAL DIST 2 SERIES 2008 BONDS OUTSTANDING @ 12/31	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000

See Attached Memorandum and Disclaimer

SCHEDULE # 3
 CONSOLIDATED FINANCIAL PLAN
 WINDSHIRE PARK METROPOLITAN DISTRICTS 1 - 2
 LIMITED TAX OBLIGATION DEBT SERVICE REQUIREMENTS
 FOR THE YEARS ENDING DECEMBER 31, 2004 - 2038

	2004	2005	2007	2038	TOTALS
DISTRICT 2 - SERIES 2006 LIMITED TAX CASHFLOW BONDS - \$1,528,200, 12/1/06 - 1					
PRINCIPAL PAYMENTS	433,200	0	0	0	1,528,200
INTEREST PAID	34,856	0	0	0	2,827,880
TOTAL DEBT SERVICE PAID	467,856	0	0	0	4,355,880
TOTAL DIST 2 SERIES 2006 BONDS OUTSTANDING @ 12/31	0	0	0	0	0
DISTRICT 2 - SERIES 2008 LIMITED TAX CASHFLOW BONDS - \$1,528,200, 1					
PRINCIPAL PAYMENTS	90,000	423,200	0	0	1,528,200
INTEREST PAID	41,856	33,856	0	0	2,827,880
TOTAL DEBT SERVICE PAID	131,856	457,056	0	0	4,333,880
TOTAL DIST 2 SERIES 2008 BONDS OUTSTANDING @ 12/31	423,200	0	0	0	0
DISTRICT 2 - SERIES 2007 LIMITED TAX CASHFLOW BONDS - \$1,528,200, 1					
PRINCIPAL PAYMENTS	95,000	90,000	438,200	0	1,528,200
INTEREST PAID	49,056	42,256	35,056	0	2,827,880
TOTAL DEBT SERVICE PAID	134,056	132,256	473,256	0	4,333,880
TOTAL DIST 2 SERIES 2007 BONDS OUTSTANDING @ 12/31	528,200	438,200	0	0	0
DISTRICT 1 - SERIES 2008 LIMITED TAX CASHFLOW BONDS - \$1,200,000, 1					
PRINCIPAL PAYMENTS	0	0	0	1,200,000	1,200,000
INTEREST PAID	96,000	96,000	96,000	96,000	2,880,000
TOTAL DEBT SERVICE PAID	96,000	96,000	96,000	1,296,000	4,080,000
TOTAL DIST 1 SERIES 2008 BONDS OUTSTANDING @ 12/31	1,200,000	1,200,000	1,200,000	0	0

See Attached Memorandum and Disclaimer

EXHIBIT C
Intergovernmental Agreements

INTERGOVERNMENTAL IMPROVEMENT AGREEMENT
between
THE TOWN OF WINDSOR, COLORADO
and
WINDSHIRE PARK METROPOLITAN DISTRICT NO. 1

This Intergovernmental Improvement Agreement (the "Agreement" or "Town IGA") is made and entered into as of this _____ day of _____, 2005, by and between the **TOWN OF WINDSOR**, a home rule municipality and political subdivision of the State of Colorado ("Windsor" or the "Town"), and **WINDSHIRE PARK METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District" or the "Service District"). Windsor and the District are collectively referred to as the "Parties".

RECITALS

WHEREAS, Windsor has approved by Ordinance the organization of the District and has approved a Consolidated Service Plan ("Service Plan") for Windshire Park Metropolitan District Nos. 1 and 2 (collectively the "Districts"); and

WHEREAS, the District is authorized as a Service District to provide for the construction, installation, operations and maintenance, and financing for the capital facilities and services in connection with the development of a new community to be constructed within the boundaries of Windsor including all properties within the Districts (the "Development"); and

WHEREAS, the Service Plan provides that the standard public facilities and infrastructure within the Districts shall be provided by the Developer pursuant to the Windshire Park Subdivision Development Agreement dated May 9, 2005 (the "Development Agreement"); and

WHEREAS, the limited and specific purpose of the proposed Districts is to establish public entities that can provide financing, participate in Intergovernmental Agreements and provide for operations for additional enhancements to the standard community wide infrastructure and public facilities and services that will serve Windshire Park (the "Enhancements"). The public improvement Enhancements for the Windshire Park area shall be either dedicated to the Town pursuant to Intergovernmental Agreements, retained by the District for the use and benefit of the Districts' inhabitants and taxpayers, or dedicated to another public entity pursuant to approved Intergovernmental Agreements for ownership, operations and maintenance; and

WHEREAS, An Addendum to the Development Agreement shall be executed in conjunction with and as a precondition to the formation of these Districts reflecting the limited scope and purpose of the Districts as well as the obligations of the Developer to provide the standard public infrastructure in accordance with the Development Agreement; and

WHEREAS, the public improvement enhancements (the "Enhancements") the District has authority to provide are as defined and as more fully set forth in the District's Service Plan; and

WHEREAS, Windsor and the District desire to set forth in this Agreement their agreements and understandings regarding the construction, ownership, operations and maintenance of the Enhancements to the standard district public infrastructure for the Development, among other matters set forth herein; and

WHEREAS, the execution and the performance of this Agreement by Windsor and the District shall be contingent upon the execution of an Addendum to the Development Agreement by developers of property within the Development to address the construction, ownership, and operation and maintenance of the standard public infrastructure, improvements, facilities and appurtenances for the Development which will be provided by the Developer and which are not the subject of this Agreement; and

WHEREAS, Windsor and the District have determined it to be in the best interests of their respective taxpayers, residents, property owners, and constituents to enter into this Intergovernmental Improvement Agreement ("Agreement") to promote the coordinated development of the Enhancements to the Windshire Park development property and desire to set forth in this Agreement their agreements and understandings; and

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

1. GENERAL PROVISIONS

1.1 Scope and Purpose of Agreement.

A. The Parties hereto acknowledge that among the purposes of this Agreement is the desire of the Parties to set forth the understandings and agreements of the Parties with respect to the approval, provision, ownership, and maintenance of Enhancements to the standard public improvements needed for the Development. The Parties acknowledge that Windsor continues to require the Developer to adhere to the terms and conditions of the Development Agreement and to assure Windsor of the timely completion of Improvements, and Enhancements with the public infrastructure being sufficiently secured by such developer to protect Windsor from the financial burden of completion of such improvements. Windsor has approved the organization of Districts with sufficient power and authority to construct all Enhancements within the Development. Recognizing that the District is a governmental entity and political subdivision of the State of Colorado with power and authority under its Service Plan to provide for those enhancement to the standard public improvements within the Development and to protect the public health, safety, and welfare of residents therein, the Parties agree that the District shall have the primary responsibility for assuring the adequacy and

completion of the Enhancements for the community and that Windsor shall not bear such responsibility except as contemplated herein. The Districts agree to record a disclosure against the property in the form attached as Exhibit A to provide notice to homeowners of the Districts' functions.

The District contemplates the provision of the Enhancements as defined and described in the Service Plan. The Parties agree that this Agreement shall not be deemed to constitute an amendment or modification of the Service Plan, and that District shall have the day-to-day responsibility and discretion to provide Enhancements within the Development, or to cause such Enhancements to be provided. So long as the District is reasonably implementing its Service Plan, Windsor shall not have responsibility or authority with respect to completion of such Enhancements other than as such responsibility and authority is set forth in this Agreement.

B. The Enhancements which are the subject of this Agreement shall be constructed by the District, or by a developer for and on behalf of the District. Under all circumstances the District shall remain responsible for seeing that said Enhancements are constructed in accordance with its obligations to Windsor as set forth in the Service Plan. The District shall supply to Windsor such certifications of adequacy of construction and completion, including as-built drawings, as may be requested by Windsor.

1.2 Conditions Precedent.

A. The Parties agree that the Districts shall be limited to the approved financing as detailed in the District's Service Plan, as may be amended from time to time, and as Approved by Windsor. The financial ability of District to discharge its obligations hereunder shall be a condition precedent to the obligation of District to construct the Enhancements contemplated herein. The intention of this provision is to assure Windsor that Improvements can be completed within the Development as a condition to waiver by Windsor of the requirement of developers to execute a Development Agreement with Windsor, and to avoid the imposition of financial burdens on residents and property owners of the Development which cannot be reasonably discharged in accordance with the general plan of finance set forth in Service Plan. So long as the District provides reasonable evidence of its ability to implement its general plan of finance, and Windsor concurs that the District is able to implement its general plan of finance, which concurrence shall not be unreasonably withheld, the condition precedent set forth in this Section 1.2A shall be deemed to have been satisfied by the District.

For purposes of demonstration by the District to Windsor of its ability to implement its general plan of finance as contemplated in this Section 1.2 A, the District shall submit the following materials for review by Windsor in connection with each phase of development for which the District desires to effectuate the waiver by Windsor of its requirement for a Development Agreement from a developer:

- (1) Most recent monthly financial statement of the District.
- (2) Most recent annual audit of the District.

- (3) Letter from the District's accountant or financial advisor containing the advisor's statement that the District is financially viable, is reasonably implementing the general plan of finance contained in Service Plan, and is reasonably capable of providing required Improvements.

Upon review of the District's submittal, Windsor shall be deemed to have concurred with the District's assertion of its ability to implement its general plan of finance unless written objection specifying the nature of the deficiency is received from Windsor by the District within ten (10) working days of submittal by the District. District submittals shall be subject to review by the Town administrator and shall not require approval by Windsor's Town Board. If the District's submittal is complete, and unless the material presented by the District fails to reasonably demonstrate that the District has, or can reasonably and timely obtain, sufficient funds to complete the required improvements, the condition precedent of this Section 1.2 A shall be deemed satisfied.

B. The Parties agree that the obligations of the District and Windsor set forth herein are several and are severable with respect to each phase of development to be completed within the Development; meaning, that on condition that the District is able to demonstrate a reasonable financial ability to provide Improvements within any phase of development, the District's obligation to complete such Improvements, or cause them to be completed, and Windsor's waiver of its requirement for a Development Agreement, shall be effective with respect to such phase of development only.

C. The conditions precedent set forth in this Section 1.2 shall be applied and evaluated in conjunction with each phase of development, the Parties recognizing that the conditions precedent may be satisfied with respect to individual phases of development but not necessarily all phases of development. In all phases of development for which the conditions precedent have not been satisfied, developers of property therein shall be required to execute a Development Agreement with Windsor in the form and manner required by Windsor, and the District shall be excused from its obligations arising hereunder to provide Improvements, or to cause such Improvements to be provided, for such phase of development.

2. SPECIFIC PROVISIONS

2.1 Construction of Improvements. The District shall construct, acquire or cause to be constructed the improvements listed below which improvements are intended to be retained in the District's ownership or conveyed to Windsor as set forth below.

A. Irrigation Water Improvements. The District shall construct or cause to be constructed an Irrigation Water System which will provide irrigation water to greenbelts, open space and park facilities as well as provide for the non-potable irrigation system and water for the residential lots for use on the yards within the District's boundaries. The facilities will be constructed in accordance with Windsor's Minimum Design Standards for Non-Potable

Irrigation and Distribution Systems. Non-regulations and ordinances then in effect for such facilities and the District shall maintain as-built drawings of the infrastructure. The District shall also comply with Windsor's Non-Potable Irrigation System standards regarding acquisition of irrigation water rights necessary to operate and supply its customers through the Irrigation Water System. District shall affect adequate guarantees and assurances that the Irrigation Water System and the water rights shall not leave District ownership and shall accrue to Windsor without cost should the District fail to continue the operation and maintenance of the Irrigation Water System. The Developer expects that contracts for a raw water lease purchase agreement for sufficient water rights by the Developer to the District to support the Irrigation Water System will be completed prior to or at the time of completion of the Irrigation Water System.

The parties acknowledge that should at any time in the future that Windsor assume operational responsibility for the ownership or operational responsibility for the Irrigation Water System that Windsor shall adopt a system of fees and charges to the customers in the Districts which will reflect Windsor's actual cost of operation and improvement.

The Districts intend to own, operate and maintain the Irrigation Water Systems as well as provide for all of the irrigation water needed for the system. The Districts expect to recover a portion of the costs of the construction and installation of the non-potable system through imposition of appropriate tap fees or facilities fees. The raw water needed to service a non-potable water system shall be provided pursuant to a Lease-Purchase Agreement with the Developer.

The District shall construct Enhancements which it deems to be in the best interest of residents and property owners within the Development in accordance with applicable Town standards. As-built drawings for any Enhancements will be provided to the Town upon completion of the Enhancements. The Parties acknowledge that District shall not be required to convey or transfer to Windsor any Irrigation Water Improvements.

B. Additional Enhanced Improvements. The District shall cause those additional enhancements to Street Landscape Improvements, Park and Recreation Improvements, Landscaping Improvements, and Open Space Improvements as defined in Chapter III of the Service Plan to be completed in compliance with Service Plan. The District reserves the right to construct those Enhancements which it deems to be in the best interest of residents and property owners within the Development in accordance with Town standards. The District shall own, operate, and maintain all of the Enhancements which Windsor chooses not to own and which are constructed as part of the Enhancements described in the Service Plan and all appurtenances constructed in connection therewith.

Windsor shall enforce any and all ordinances which it now has or may hereafter enact requiring the owners of property adjacent to curbs, gutters, and sidewalks to maintain and repair such Improvements, and to provide snow removal in connection therewith unless District elects to do so.

Additional Enhancements as defined in Chapter III of the Service Plan shall be completed in compliance with the Service Plan and applicable Town or other District standards and shall be owned, operated, and maintained by either Windsor, the District, or the other public entities agreeing to the dedication of any Enhancements in accordance with Service Plan and the rules and regulations to be adopted by the Town or applicable District. Windsor shall have no responsibility or rights in connection with those Enhancements owned, operated and maintained by the District other than as such responsibilities and rights are made available to or imposed upon the public at large.

C. Street Maintenance and Other Services. Until such time as the dedication to the Town of the facilities, infrastructure and obligations to assume operation and maintenance responsibility for Enhancements for the Windshire Park Development shall be maintained by the District to the same standards generally applicable in other areas of the Town through fee assessments or property tax levies dedicated to that purpose.

D. Other Improvements. All "Other Improvements" which are an integral part of any Enhancements referenced in Sections 2.1 or Chapter III of the Service Plan, shall be completed, owned, operated and maintained as part of the Enhancements of which they are an integral part. Other Enhancements which are not an integral part of Enhancements referenced in Sections 2.1 or Chapter III of the Service Plan shall be owned, operated and maintained by District in accordance with Service Plan.

2.2 Conveyance of Improvements. The Irrigation Water System will be completed in accordance with Section 2.1, and is intended to be owned by the District. It shall be available both physically and legally in perpetuity to provide irrigation water to the greenbelts and open spaces within the District. Should the Irrigation Water System be extended to the lots within the District, the extension of the system is intended to be owned by the District.

2.3 Facilities Fees.

The Districts shall be empowered to construct, install, own and operate an Irrigation Water System to serve the greenbelts, open spaces, and to serve each lot for use in the yards within the Districts, which will be reviewed and considered by the Town of Windsor prior to installation and implementation. Any necessary approvals from the Town of Windsor shall be sought and obtained prior to completion of any raw water system provided within the Districts.

The District expects to recover a portion of the costs of the construction and installation of the non-potable system through imposition of appropriate tap fees or facilities fees.

2.4 Service Charges.

A. Monthly service charges shall be imposed and collected by the District from all customers connected to the Irrigation Water System, including Windsor, in accordance with the standard rates established by the District.

B. It is acknowledged by the Parties that the District may charge a Development Fee and Cost of Connection Fee to the Irrigation Water System, including the cost of metering. The District also intends to charge a service charge for irrigation water use, which may fluctuate from time to time. Windsor shall not be obligated to pay the Development Fee for park and open space taps within the Districts.

2.5 Water Rights. Districts or developers are normally required to convey or cause to be conveyed to Windsor one-half acre-foot of water for each single family equivalent residential unit constructed in the Development. The District has negotiated with the Town for provision of water service. Accordingly the Windsor water dedication policy shall apply as agreed upon by the Town in accordance with those agreements between the Town and Developer. Water and Raw Water Improvements shall be constructed in accordance with the requirements of the Town of Windsor policies and procedures.

2.6 Security. In recognition of the status of the District as a governmental entity and political subdivision of the State of Colorado, and in reliance by Windsor upon performance of this Agreement by the District, Windsor agrees that it shall not require bonds or other forms of security from the District or developers within the Development to assure the completion of Improvements for subdivisions within the Development. The District and Windsor agree, however, that failure of the District to perform this Agreement in furtherance of Service Plan may constitute a material modification of such Service Plan which Windsor shall be entitled to seek to enjoin.

2.7 Issuance of Building Permits. In addition to all the requirements necessary to obtain a building permit, no building permit shall be issued by Windsor until the Town receives written confirmation from the District that all fees and charges have been paid to the District for the property for which a building permit is requested.

3. REPRESENTATIONS, DEFAULTS AND REMEDIES

3.1 Representations and Warranties. In addition to the other representations, warranties and covenants made by the Parties herein, the Parties make the following representations, warranties and covenants to each other, and may be held liable for any loss suffered as a consequence of any misrepresentation or breach under this Section 3.1:

A. Each Party has the full right, power and authority to enter into, perform and observe this Agreement.

B. Neither the execution of this Agreement, the consummation of the transactions contemplated hereunder, nor the fulfillment of or by the compliance with the terms and conditions of this Agreement by either Party will conflict with or result in a breach of any terms, conditions, or provisions of, or constitute a default under, or result in the imposition of any prohibited lien, charge, or encumbrance of any nature under any agreement, instrument,

indenture, or any judgment, order, or decree to which either Party is a party or by which either Party is bound.

C. This Agreement is the valid, binding and legally enforceable obligation of the Parties and is enforceable in accordance with its terms.

D. The Parties shall keep and perform all of the covenants and agreements contained herein and shall take no action which could have the effect of rendering this Agreement unenforceable in any manner.

E. When fulfilling its obligations under this Agreement, the District represents that it shall comply with all relevant laws, ordinances, and regulations in effect at the time of final subdivision plat approval. When necessary to protect the public health, safety and welfare, the District agrees that it shall be subject to laws, ordinances and regulations that become effective after final plat approval and before the completion of Improvements.

3.2 Default, Remedies, and Enforcement

A. The failure to perform or observe any covenants, agreements, or conditions in this Agreement on the part of either Party, and to cure such failure within ten (10) days of receipt of notice from the other Party of such failure, shall constitute an Event of Default hereunder.

B. Upon the occurrence of an Event of Default, the Parties hereto shall have the following rights and remedies:

(1) Either Party may ask a court of competent jurisdiction to enter a writ of mandamus to compel the defaulting Party to perform its duties under this Agreement, and either Party may seek from a court of competent jurisdiction temporary and/or permanent restraining orders or orders of specific performance to compel the other to perform in accordance with the obligations set forth under this Agreement.

(2) The Parties may protect and enforce their rights under this Agreement by such suit, action, or special proceedings as they shall deem appropriate, including without limitation any proceedings for the enforcement of any appropriate legal or equitable remedy, or for the recovery of damages caused by breach of this Agreement, including attorneys' fees and all other costs and expenses incurred in enforcing this Agreement.

(3) In the event of a breach of this Agreement by District resulting in the inadequacy of Improvements needed to provide services within one or more approved phases of development, Windsor shall be entitled to withhold building permits for construction in current phases of development and all subsequent phases of development until such breach is cured by the District, and/or to exercise such other remedies that are available to it in law or in equity. In the event of a breach by the District which may require an extended period of time to cure, Windsor agrees to work in good faith with the District to permit construction to continue

and to issue building permits in such phase of development, and in subsequent phases of development, as long as the District is reasonably proceeding with such cure, it being the intention of the Parties that development should be permitted to proceed as long as the District is attempting in good faith to cure its breaches and as long as the interests of Windsor are not materially adversely affected.

(4) To take or cause to be taken such other actions as they reasonably deem necessary.

C. No delay or omission of either Party to exercise any right or power accruing upon any Event of Default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such Event of Default, or acquiescence therein.

D. No waiver of any Event of Default hereunder by either Party shall extend to or affect any subsequent or any other then existing Event of Default or shall impair any rights or remedies consequent thereon. Upon declaration of an Event of Default, all rights and remedies of the Parties provided herein may be exercised with or without notice, shall be cumulative, may be exercised separately, concurrently, or repeatedly, and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

E. Except as otherwise provided by law, no recovery of any judgment by the Parties shall in any manner or to any extent affect any rights, powers, and remedies of the Parties hereunder, but such rights, powers, and remedies of the Parties shall continue unimpaired as before.

F. In case either Party shall have proceeded to enforce any right under this Agreement and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such Party, then and in every such case the Parties shall continue as if no such proceedings had been taken.

4. MISCELLANEOUS PROVISIONS

4.1 Insurance.

A. The Parties shall maintain the following insurance coverage with companies and in amounts acceptable to each Party's governing board with respect to completed Improvements which are owned by such Party:

(1) Sufficient insurance of a type and amount to insure against damage to Improvements which have been completed and for which Acceptance has been accomplished, to provide for full replacement of such Improvements in the event of loss or damage as a result of acts of God, or otherwise, and sufficient insurance of a type and amount to insure against injury to third persons from operation of such Improvements, the latter insurance to be in a minimum amount of \$150,000 per person/per occurrence and \$600,000 total per occurrence, or

in the amount reflecting the current level of governmental immunity provided by statute, whichever is greater.

(2) The Parties shall make provisions for workers' compensation insurance, social security employment insurance, and unemployment compensation for their employees performing this Agreement as required by any law of the State of Colorado or the federal government and shall, upon written request, exhibit evidence thereof to the other Party.

(3) Within thirty (30) days of a written request, each Party shall furnish to the other, certificates or memoranda of insurance showing compliance with the foregoing requirements. Said certificates or memoranda of each Party shall state that the policy or policies will not be canceled or altered without at least thirty (30) days prior written notice to each Party.

4.2 Relationship of Parties. This Agreement does not and shall not be construed as creating a relationship of joint venturers, partners, or employer-employee between the Parties. The Parties intend that this Agreement be interpreted as creating an independent contractor relationship. Pursuant to that intent, it is agreed that the conduct and control of the duties required by this Agreement shall lie solely with each Party respectively which shall be free to exercise reasonable discretion in the performance of its individual duties under this Agreement. Neither Party shall, with respect to any activity, be considered an agent or employee of the other Party.

4.3 Liability of Parties. No provision, covenant or agreement contained in this Agreement, nor any obligations herein imposed upon the Parties nor the breach thereof, nor the issuance and sale of any bonds by either Party, shall constitute or create indebtedness or other financial obligation of the other Party within the meaning of any Colorado constitutional provision or statutory limitation. Neither Party shall have any obligation whatsoever to repay any debt, financial obligation, or liability of the other Party.

4.4 Assignment. Neither this Agreement, nor any of either Party's rights, obligations, duties or authority hereunder may be assigned in whole or in part by either Party without the prior written consent of the other Party which consent shall not be reasonably withheld. Any attempted assignment in violation of this Section 4.4 shall be deemed void and of no force and effect. Consent to one assignment shall not be deemed to be consent to any subsequent assignment, nor the waiver of any right to consent to such subsequent assignment.

4.5 Modification. This Agreement may be modified, amended, changed or terminated, except as otherwise provided herein, in whole or in part, only by an agreement in writing duly authorized and executed by both Parties. No consent of any third party shall be required for the negotiation and execution of any such agreement.

4.6 Severability. Invalidation of any of the provisions of this Agreement or of any paragraph, sentence, clause, phrase, or word herein, or the application thereof in any given

cc: Legal Counsel: David S. O'Leary, Esq.
White Bear & Ankele, P.C.
1805 Shea Center Drive, Suite 100
Highlands Ranch, Colorado 80229

All notices or documents delivered or required to be delivered under the provisions of this Agreement shall be deemed received one (1) day after hand delivery or three (3) days after mailing. Either Party by written notice so provided may change the address to which future notices shall be sent.

4.12 Recovery of Costs. In the event of any litigation between the Parties hereto concerning the subject matter hereof, the prevailing Party in such litigation shall be entitled to receive from the losing Party in addition to the amount of any judgment or other award entered therein, all reasonable costs and expenses, including attorneys' fees, incurred by the prevailing Party in such litigation.

4.13 Compliance with Law. The Parties agree to comply with all federal, state and local laws, rules and regulations which are now, or in the future may become applicable to the Parties, to their business or operations, or to actions required to be undertaken pursuant to this Agreement.

4.14 Instruments of Further Assurance. The Parties each covenant that they will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

4.15 Integration. This Agreement constitutes the entire agreement between the Parties and no statement(s), promise(s), or inducement(s) that is/are not contained in this Agreement and its Exhibits shall be binding on the Parties.

4.16 Recordation. Either Party may record a copy of this Agreement in the Clerk and Recorder's office of Weld County, Colorado.

4.17 Immunity. Nothing contained in this Agreement constitutes a waiver of the Town's sovereign immunity under any applicable state law.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement to be effective as of the day and year first above written.

TOWN OF WINDSOR

Mayor

ATTEST:

