

SERVICE PLAN

FOR

HERITAGE RIDGE METROPOLITAN DISTRICT

TOWN OF BERTHOUD, COLORADO

Prepared

by

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DIV OF LOCAL GOVERNMENT

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I. INTRODUCTION

A. Purpose and Intent.

This Service Plan is being submitted for the Heritage Ridge Metropolitan District. The District is an independent unit of local government, separate and distinct from the Town, as hereinafter defined, and, except as may otherwise be provided for by the State, as hereinafter defined, or local law or this Service Plan, its activities are subject to review by the Town only insofar as they may deviate in a material manner from the requirements of the Service Plan or the Intergovernmental Agreement between the Town and the District. It is intended that the District will provide a part or all of the Public Improvements, as hereinafter defined, for the use and benefit of the inhabitants and taxpayers of the District. The primary purpose of the District will be to finance the construction of these Public Improvements.

B. Need for the District.

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

C. Objective of the Town Regarding District's Service Plan.

The Town's objective in approving the Service Plan for the District is to authorize the District to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the Public Improvements from the proceeds of Debt, as hereinafter defined, to be issued by the District. All Debt is expected to be repaid by taxes, fees, rates tolls and other legally available revenues, as further set forth in the Service Plan. No debt service mill levy shall be imposed and collected at a level higher than the Maximum Debt Mill Levy, as hereinafter defined. Debt that is issued within these parameters, as further described in the Financial Plan, as hereinafter defined, will insulate property owners from excessive tax burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

This Service Plan is intended to establish both a limited purpose for the District and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with development and regional needs. Operational and maintenance activities are allowed, but only as authorized by Section V.A(1) of this Service Plan and by the Intergovernmental Agreement.

The District shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from tax revenues and other legally available revenue collected from a mill levy which shall not exceed the Maximum Debt Mill Levy. It is the intent of this Service Plan to assure to the extent possible that no property bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy even under bankruptcy or other unusual

situations. Generally, the costs of Public Improvements that cannot be funded within these parameters are not costs to be paid by the District.

II. DEFINITIONS

In this Service Plan, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Approved Development Plan: means a development plan or other process established by the Town for identifying, among other things, Public Improvements necessary for facilitating development of property within the Service Area as approved by the Town pursuant to the Development Code as the same may be amended from time to time.

Board: means the board of directors of the District.

Board of Trustees: means the Board of Trustees of the Town of Berthoud, Colorado.

Bond, Bonds or Debt: means bonds or other obligations for the payment of which the District has promised to impose an *ad valorem* property tax mill levy, and other refunding and similar obligations of the District related to the Public Improvements.

Development Code: means the Development Code of the Town of Berthoud, Colorado.

District: means Heritage Ridge Metropolitan District.

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

Financial Plan: means the Financial Plan of the District as described in Section VI, which describes (i) how the Public Improvements are to be financed; (ii) how the Debt is expected to be incurred; and (iii) the estimated operating revenue derived from property taxes for the first budget year.

Inclusion Area Boundaries: means the boundaries of the area described in the Inclusion Area Boundary Map.

Inclusion Area Boundary Map: means the map attached hereto as **Exhibit C-2**.

Initial District Boundaries: means the boundaries of the area described in the Initial District Boundary Map.

Initial District Boundary Map: means the map attached hereto as **Exhibit C-1**, describing the District's initial boundaries.

Intergovernmental Agreement: means the intergovernmental agreement attached hereto as **Exhibit D** between the District and the Town of Berthoud, Colorado.

Maximum Debt Mill Levy: means the maximum mill levy the District is permitted to impose for payment of Debt as set forth in Section VI.C below.

Project: means the development or property commonly referred to as Heritage Ridge.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act, except as specifically limited in Section V below, to serve the future taxpayers and inhabitants of the Service Area, as determined by the Board.

Service Area: means the property within the Initial District Boundary Map and the Inclusion Area Boundary Map.

Service Plan: means this service plan for the District as approved by the Board of Trustees.

Service Plan Amendment: means an amendment to the Service Plan as approved by the Board of Trustees in accordance with the Town's ordinances and the applicable State law.

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

State: means the State of Colorado.

Taxable Property: means real or personal property within the Service Area subject to *ad valorem* taxes imposed by the District.

Total Debt Issuance Limitation: means the total amount of Debt that the District may issue as set forth in Section V.A.8 below.

Town: means the Town of Berthoud, Colorado.

III. BOUNDARIES

The area of the Initial District Boundaries includes approximately 69.160 acres and the total area proposed to be included in the Inclusion Area Boundaries is approximately 76.744 acres. A legal description of the Initial District Boundaries is attached hereto as **Exhibit A-1** and a legal description of the Inclusion Area Boundaries is attached hereto as **Exhibit A-2**. A vicinity map is attached hereto as **Exhibit B**. A map of the Initial District Boundaries is attached hereto as **Exhibit C-1**, and a map of the Inclusion Area Boundaries is attached hereto as **Exhibit**

C-2. It is anticipated that the District's boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Article V below.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION

The Service Area consists of approximately one hundred forty six (146) acres of land. The current assessed valuation of the Service Area is \$-0- for purposes of this Service Plan and, at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. The estimated assessed valuation of the Service Area at build out, subject to the following assumptions and qualifications, is estimated to be Twelve Million Nine Hundred Thirty Four Dollars (\$12,934,000). The foregoing estimated assessed valuation is based upon certain present day assumptions with regard to the District's ability to issue Debt; the ability of the developers of the Project to finance, construct, sell, lease and operate the Project; appreciation of real property values, population figures and other assumptions. The estimated assessed valuation is conditioned, and will be dependent, upon market and economic factors wholly outside the control of the District. The estimated assessed valuation is an estimate only; the District makes no guarantees, warranties or representations with regard to the estimated assessed valuation. The population of the District at build-out is estimated to be approximately One Thousand Fifty (1,050) people.

Approval of this Service Plan by the Town does not imply approval of the development of a specific area within the District, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto, unless the same is contained within an Approved Development Plan.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the District and Service Plan Amendment.

The District shall have the power and authority to plan for, design, acquire, construct, install, relocate, redevelop, provide and finance the Public Improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is described in the Special District Act and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein.

1. Operations and Maintenance Limitation. The purpose of the District is to plan for, design, acquire, construct, install, relocate, redevelop, provide and finance the Public Improvements. It is not the District's intention to own any Public Improvements that are of the type that would normally be dedicated to the Town or other governmental entities. The District shall dedicate the Public Improvements to the appropriate jurisdiction in a manner consistent with the Approved Development Plan and other rules and regulations of the Town and applicable provisions of the Development Code.

Those Public Improvements that are not conveyed to the Town, or other governmental entities, may be conveyed to an owners association, as appropriate and in compliance with State

law. With regard to those Public Improvements that may be dedicated to an owners association, the District shall undertake the operations and maintenance responsibilities for the improvements until such time as they are accepted by an owners association. The District is expected to undertake all ownership, operations and maintenance responsibilities for the Public Improvements that are not conveyed to the Town or other governmental entities, or an owners association, as appropriate, and will do so either itself or by contract with an owners association(s). Additionally, the District shall be authorized to provide ongoing services related to the maintenance of landscaping improvements and related to covenant enforcement, as provided under Section 32-1-1004(8)(a), C.R.S. During the period that the District operates any such facilities, revenue to pay the expenses of operations may be obtained from fees legally imposed, to the extent permitted by the Service Plan, by the District or other legally available revenues of the District. User fees for use of recreational facilities, to the extent permitted by the Service Plan, may be different for residents of the District than for outside users.

2. Acquisition of Land for Public Improvements and Easements. The District agrees to acquire by easement, plat dedication, condemnation (subject to the limitation set forth in Section V.A.3), or cause the dedication to the Town of all land required by the Town, the Development Code and any Approved Development Plan, for construction of Public Improvements being provided by the District that will be conveyed to the Town. Exceptions must be approved by the Town in writing. Failure to comply with this provision shall be deemed to be a material modification of this Service Plan.

3. Eminent Domain Limitation. The District may exercise its powers of eminent domain, as allowed under the Special District Act, with regard to any land located within the Initial District Boundaries and the Inclusion Area Boundaries, but shall not exercise such powers with regard to any land located outside of the Initial District Boundaries and the Inclusion Area Boundaries without the prior written consent of the Town, which consent may be withheld for any reason within the Town's discretion. The District shall not exercise its power of eminent domain with regard to any property owned by the Town, without the Town's prior written consent.

4. Construction Standards Limitation. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the Town or other governmental entities having proper jurisdiction. The District will obtain the Town's approval of civil engineering plans and will obtain applicable permits for the construction and installation of Public Improvements prior to performing such work.

5. Privately Placed Debt Limit: Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows:

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

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the

designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

6. Inclusion Limitation. The District shall not include within its boundaries any property outside the Inclusion Area Boundaries without the prior written consent of the Board of Trustees. The District shall not include within its boundaries any property inside the Inclusion Area Boundaries without the prior written consent of the Town except upon petition of the fee owner or owners of one hundred percent (100%) of such property as provided in Section 32-1-401(1)(a), C.R.S. The District shall not exclude any property from its boundaries without the prior written consent of the Board of Trustees.

7. Overlap Limitation. The District shall not consent to the organization of any other district organized under the Special District Act within the District's boundaries or within the Inclusion Area Boundaries that will overlap the boundaries of the District or the Inclusion Area Boundaries without the prior written consent of the Board of Trustees; provided, however, if the Town, Larimer County, or any State agency requests an overlap with a Town, Larimer County, or State agency-initiated district, the District shall not object to the organization of said overlapping district. In the event the property within the Inclusion Area Boundaries is included within the boundaries of any other special district, said property may not be included within the boundaries of the District without the prior written consent of the Board of Trustees.

8. Total Debt Issuance Limitation. The District shall not issue Debt in excess of the Total Debt Issuance Limitation, which shall be Sixteen Million Dollars (\$16,000,000).

9. Monies from Other Governments/Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the Town is eligible to apply for, except pursuant to an intergovernmental agreement with the Town. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the District without any limitation.

10. Consolidation Limitation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the Town.

11. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, have been established under the authority of the Town to approve a Service Plan with conditions, pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) Are, together with all other requirements of Colorado law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or that results in a pledge, that exceeds the Maximum Debt Mill Levy or the Total Debt Issuance Limitation, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S., and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the Town as part of a Service Plan Amendment.

12. Additional Services. In addition to the other powers of the District set forth in this Section V, the District shall also have the power and authority to, but shall not be obligated to, provide any and all of such additional services and exercise such powers as are expressly or impliedly granted to special districts by Colorado law; provided, however, the District shall not establish any subdistrict pursuant to Section 32-1-1101, C.R.S., or any special improvement district pursuant to Section 32-1-1101.7, C.R.S. without the prior written consent of the Board of Trustees.

13. Solar Farm Operation Limitation. In the event that, at any time in the future, applicable State law, or the interpretation thereof, permits, empowers or authorizes the District to plan for, design, acquire, construct, install, relocate, redevelop, provide, finance maintain and/or operate solar energy production facilities, the District will obtain the written consent of the Board of Trustees prior to performing any such activities or services (it being understood that the provision of such activities or services shall not constitute an amendment to this Service Plan if provided by the District after receipt of the Town’s consent).

14. Service Plan Amendment Requirement. This Service Plan has been designed with sufficient flexibility to enable the District to provide required services and facilities under evolving circumstances without the need for numerous amendments. Actions of the District that violate the limitations set forth in this Service Plan or the Intergovernmental Agreement shall be deemed to be material modifications to this Service Plan and breaches of the Intergovernmental Agreement, and the Town shall be entitled to all remedies available at law or in equity under State and local law.

B. Preliminary Engineering Survey.

The District shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements within and without the boundaries of the District, to be more specifically defined in an Approved Development Plan and as generally depicted on **Exhibit D-1** attached hereto. An estimate of the costs of the Public Improvements that may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed was prepared based upon a preliminary engineering survey and estimates derived from the zoning on the property in the Service Area and is approximately Sixteen Million Dollars (\$16,000,000), as more particularly described on **Exhibit D-2** attached hereto.

All of the Public Improvements will be designed in such a way as to assure that the Public Improvements' standards will be compatible with those of the Town and shall be in accordance with the requirements of the Approved Development Plan and the Development Code. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

VI. FINANCIAL PLAN

A. General.

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its revenues and by and through the proceeds of Debt to be issued by the District. The Financial Plan for the District shall be to issue such Debt as the District can reasonably pay from revenues derived from the Maximum Debt Mill Levy and other legally available revenues, which may include revenue assigned by third parties. A copy of the proposed Financial Plan is attached hereto as **Exhibit E**. The total Debt that the District shall be permitted to issue shall not exceed the Total Debt Issuance Limitation and shall be permitted to be issued on a schedule and in such year or years as the District determines shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including general *ad valorem* taxes to be imposed upon all taxable property within the District, subject to the limitations provided herein. The District will also rely upon various other revenue sources authorized by law, subject to the limitations provided herein. These will include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time, and as limited as provided herein, and may include revenue assigned by third parties.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. In the event of a default, the maximum interest rate submitted to the District's electors on any Debt shall not exceed eighteen percent (18%). The maximum underwriting discount shall not exceed five percent (5%). Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

C. Maximum Debt Mill Levy.

The "Maximum Debt Mill Levy" shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Debt and such Maximum Debt Mill Levy shall not exceed fifty (50) mills, except that the Maximum Debt Mill Levy may be adjusted to account for any changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, certificate or abatement. The mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes

occurring after January 1, 2015, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

D. Debt Repayment Sources.

The District may impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance. The District may also rely upon various other revenue sources authorized by law and as permitted by this Service Plan. At the District's discretion, and subject to the limitations provided by this Service Plan, these may include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(l), C.R.S., as amended from time to time, and may include revenue assigned by third parties. The District shall not impose fees, rates, tolls, penalties, or charges for access to or use of any regional trail system or park system that must be made available for public use as determined by the Town. In no event shall the debt service mill levy in the District exceed the Maximum Debt Mill Levy.

E. Debt Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting Debt, the District shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond and in the Service Plan for creation of the District.

Similar language describing the limitations in respect of the payment of the principal of and interest on Debt set forth in this Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, a developer of property within the boundaries of the District.

F. Security for Debt.

The District shall not pledge any revenue or property of the Town as security for the indebtedness set forth in this Service Plan. Approval of this Service Plan shall not be construed as a guarantee by the Town of payment of any of the District's obligations; nor shall anything in the Service Plan be construed so as to create any responsibility or liability on the part of the Town in the event of default by the District in the payment of any such obligation.

G. TABOR Compliance.

The District will comply with the provisions of TABOR. Any enterprises or any conduit issuers, such as a 6320 Corporation, that the Board desires to establish will require the prior written consent of the Town (it being understood that the establishment of any such enterprise or conduit issuer shall not constitute an amendment to the Service Plan if established by the District after the receipt of the Town's consent). To the extent allowed by law, any entity established by

the District will remain under the control of the District's Board, subject to any additional limitations contained in any Town consent to the establishment of such entity.

H. District's Operating Costs.

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the District's organization and initial operations, is part of the estimated cost of Public Improvements, which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the District will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained. The first year's operating budget for the District is anticipated to be approximately Thirty Thousand Dollars (\$30,000) and will be derived from property taxes, developer advances and other revenues.

The Maximum Debt Mill Levy for the repayment of Debt shall not apply to the District's ability to set its mill levy as necessary for the provision of operation and maintenance services to its taxpayers and service users; provided, however, that the mill levy for the provision of operation and maintenance services shall not exceed fifteen (15) mills without the prior written consent of the Town. A mill levy for the provision of operation and maintenance services in excess of fifteen (15) mills shall not constitute an amendment to this Service Plan if imposed by the District after receipt of the Town's consent.

VII. ANNUAL REPORT

A. General.

The District shall be responsible for submitting an annual report to the Town Attorney's office no later than August 15th of each year following the year in which the Order and Decree creating the District has been issued.

B. Report Contents.

The annual report shall include information as to any of the following:

1. Boundary changes made or proposed to the District's boundary as of December 31st of the prior year.
2. Agreements with other governmental entities, either entered into or proposed as of December 31st of the prior year.
3. A list of all facilities and improvements constructed or acquired by the District and those that have been dedicated to and accepted by the Town as of December 31st of the prior year.

4. Audit of the District's financial statements, for the year ending December 31st of the previous year, prepared in accordance with generally accepted accounting principles or audit exemptions, if applicable.

5. Notice of continuing disclosure undertaking for events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.

6. Any inability of the District to pay its obligations as they come due in accordance with the terms of and Debt instruments, which continue beyond a ninety (90) day period.

VIII. DISSOLUTION

Upon an independent determination of the Board of Trustees that the purposes for which the District was created have been accomplished, the District agrees to file a petition in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all its outstanding indebtedness and other financial obligations as required pursuant to State statutes.

IX. DISCLOSURE TO PURCHASERS

The District will use reasonable efforts to assure that all developers of the property located within the District provide written notice to all purchasers of property in the District regarding the Maximum Debt Mill Levy, as well as a general description of the District's authority to impose and collect rates, fees, tolls, charges and other amounts. The District will cause to be recorded with the Larimer County Clerk and Recorder's Office a one-page summary of such written notice, which recorded document will provide a website address where specific contact information will be provided where further information can be found.

X. INTERGOVERNMENTAL AGREEMENT

The form of the Intergovernmental Agreement is attached hereto as **Exhibit F**. The District shall approve and execute the Intergovernmental Agreement within ninety (90) days of the date of organization. Failure of the District to execute the Intergovernmental Agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment. The Board of Trustees shall approve the Intergovernmental Agreement in the form attached as **Exhibit F** at the public hearing approving the Service Plan. The Intergovernmental Agreement may be amended by mutual agreement of the Town and District, which amendment shall not require this Service Plan to be amended. In the event of conflict between the Intergovernmental Agreement and this Service Plan, the Intergovernmental Agreement shall govern.

XI. CONCLUSION

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

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

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

3. The District is capable of providing economical and sufficient service to the area within its proposed boundaries;

4. The area to be included in the District 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 the Town or county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

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

7. The proposal is in substantial compliance with a comprehensive plan adopted pursuant to the Development Code;

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

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

EXHIBIT A-1

Legal Description of the Initial District Boundaries



DESCRIPTION:

A tract of land located in the Southeast Quarter of Section 23, Township 4 North, Range 69 West of the 6th Principal Meridian, Town of Berthoud, County of Larimer, State of Colorado being more particularly described as follows:

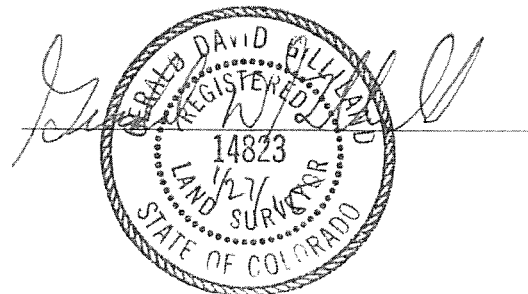
Considering the West line of the Southeast Quarter of Section 23 as bearing North 00° 18' 12" West and with all bearings contained herein relative thereto:

COMMENCING at the Center Quarter Corner of Section 23; thence along said West line, South 00° 18' 12" East, 30.00 feet to the South right-of-way line of Spartan Avenue, said point being the POINT OF BEGINNING; thence along said South line, North 89° 35' 45" East, 757.50 feet; thence, North 00° 18' 23" West, 30.00 feet to the North line of the Southeast Quarter of Section 23; thence along said North line, North 89° 35' 45" East, 185.81 feet; thence, South 00° 24' 17" East, 406.72 feet; thence, South 00° 23' 46" East, 49.58 feet; thence, South 07° 54' 40" East, 73.01 feet; thence, South 07° 13' 28" East, 10.00 feet; thence, South 82° 46' 32" West, 158.51 feet; thence along a curve concave to the southeast having a central angle of 92° 40' 18" with a radius of 5.00 feet, an arc length of 8.09 feet and the chord of which bears South 36° 26' 23" West, 7.23 feet; thence along a curve concave to the northeast having a central angle of 20° 26' 53" with a radius of 949.00 feet, an arc length of 338.69 feet and the chord of which bears South 20° 07' 12" East, 336.89 feet; thence, South 30° 20' 39" East, 761.45 feet; thence along a curve concave to the southwest having a central angle of 29° 59' 44" with a radius of 607.00 feet, an arc length of 317.78 feet and the chord of which bears South 15° 20' 47" East, 314.16 feet; thence, South 00° 20' 55" East, 808.14 feet to the South line of the Southeast Quarter of Section 23; thence along said South line, South 89° 39' 04" West, 1370.87 feet to the South Quarter Corner of Section 23; thence along the West line of the Southeast Quarter of Section 23, North 00° 18' 12" West, 2620.56 feet to the Point of Beginning.

The above described area contains 69.160 acres more or less and is subject to all easements and rights of way now existing or of record.

Surveyor's Certificate: To Kenneth and Virginia Schleiger Living Trust dated March 17, 1993 and Edward Michael Davis: This is to certify that this Description and Exhibit is based on a field survey completed in April, 2014 by Northern Engineering and the records of the Clerk and Recorder of Larimer County. This description does not represent a monumented boundary survey.

For and on Behalf of Northern Engineering Services, Inc.
Gerald D. Gilliland
Reg. Land Surveyor
Colorado Reg. No. 14823



January 27, 2015
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EXHIBIT A-2

Legal Description of the Inclusion Area Boundaries



**NORTHERN
ENGINEERING**

DESCRIPTION:

A tract of land located in the Southeast Quarter of Section 23, Township 4 North, Range 69 West of the 6th Principal Meridian, Town of Berthoud, County of Larimer, State of Colorado being more particularly described as follows:

Considering the North line of the Southeast Quarter of Section 23 as bearing North $89^{\circ} 35' 45''$ East and with all bearings contained herein relative thereto:

COMMENCING at the Center Quarter Corner of Section 23; thence along said North line, North $89^{\circ} 35' 45''$ East, 943.31 feet to the POINT OF BEGINNING; thence, North $89^{\circ} 35' 45''$ East, 794.28 feet; thence, South $64^{\circ} 45' 47''$ East, 177.65 feet; thence along a non-tangent curve concave to the northeast having a central angle of $10^{\circ} 29' 26''$ with a radius of 2654.51 feet, an arc length of 486.03 feet and the chord of which bears South $26^{\circ} 03' 47''$ East, 485.35 feet; thence, South $31^{\circ} 18' 30''$ East, 255.12 feet; thence along a curve concave to the southwest having a central angle of $16^{\circ} 48' 01''$ with a radius of 2635.89 feet, an arc length of 772.89 feet and the chord of which bears South $22^{\circ} 54' 30''$ East, 770.13 feet; thence, South $14^{\circ} 30' 29''$ East, 220.70 feet; thence along a curve concave to the southwest having a central angle of $02^{\circ} 41' 40''$ with a radius of 6088.82 feet, an arc length of 286.35 feet and the chord of which bears South $13^{\circ} 09' 39''$ East, 286.32 feet; thence, South $00^{\circ} 21' 21''$ East, 715.06 feet; thence, South $89^{\circ} 39' 04''$ West, 1283.90 feet; thence, North $00^{\circ} 20' 55''$ West, 808.14 feet; thence along a curve concave to the southwest having a central angle of $29^{\circ} 59' 44''$ with a radius of 607.00 feet, an arc length of 317.78 feet and the chord of which bears North $15^{\circ} 20' 47''$ West, 314.16 feet; thence, North $30^{\circ} 20' 39''$ West, 761.45 feet; thence along a curve concave to the northeast having a central angle of $20^{\circ} 26' 53''$ with a radius of 949.00 feet, an arc length of 338.69 feet and the chord of which bears North $20^{\circ} 07' 12''$ West, 336.89 feet; thence along a curve concave to the southeast having a central angle of $92^{\circ} 40' 18''$ with a radius of 5.00 feet, an arc length of 8.09 feet and the chord of which bears North $36^{\circ} 26' 23''$ East, 7.23 feet; thence, North $82^{\circ} 46' 32''$ East, 158.51 feet; thence, North $07^{\circ} 13' 28''$ West, 10.00 feet; thence, North $07^{\circ} 54' 40''$ West, 73.01 feet; thence, North $00^{\circ} 23' 46''$ West, 49.58 feet; thence, North $00^{\circ} 24' 17''$ West, 406.72 feet to the Point of Beginning.

The above described area contains 76.744 acres more or less and is subject to all easements and rights of way now existing or of record.

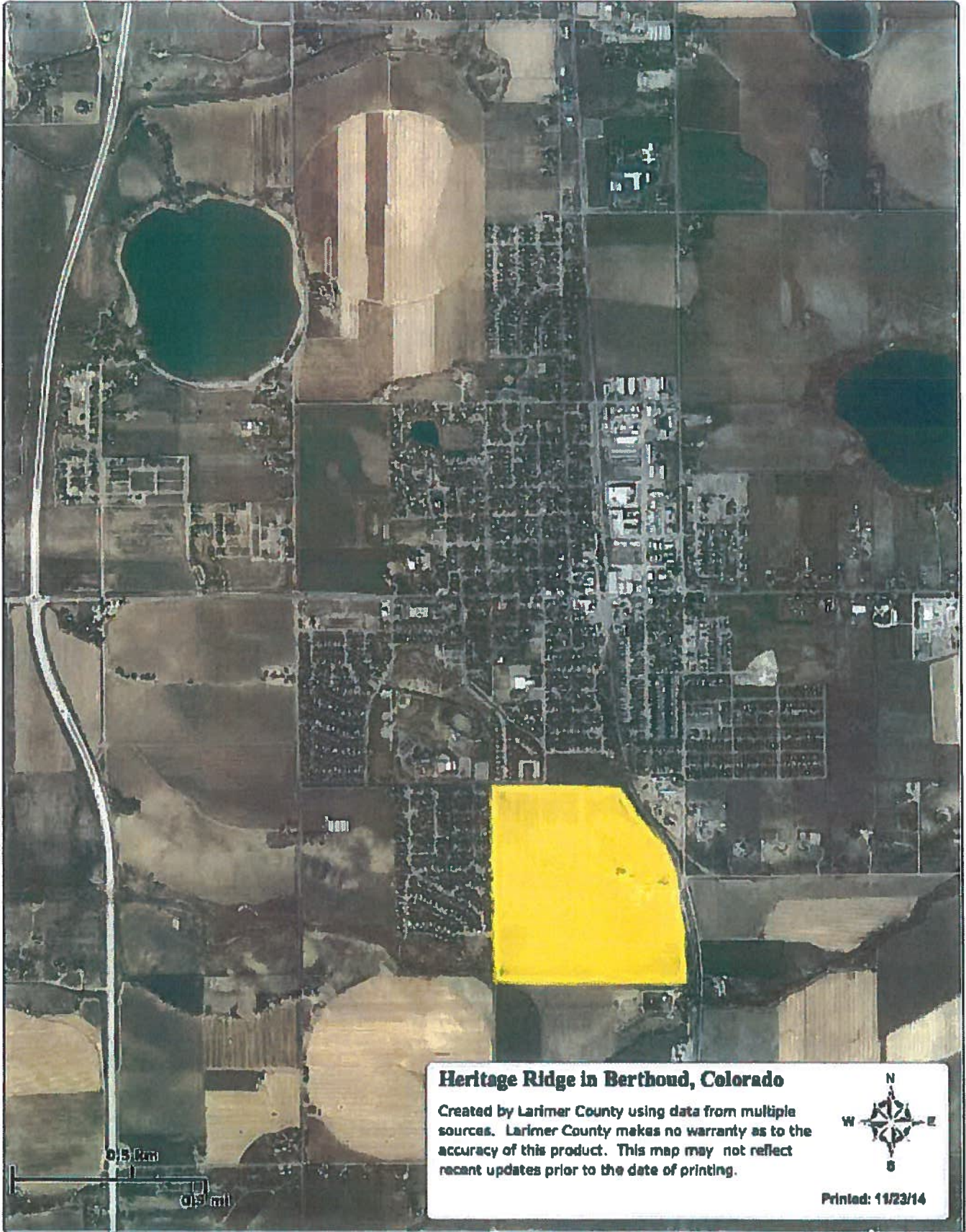
LMS

June 8, 2015

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EXHIBIT B

Vicinity Map



0.5 km

0.5 mi

Heritage Ridge in Berthoud, Colorado

Created by Larimer County using data from multiple sources. Larimer County makes no warranty as to the accuracy of this product. This map may not reflect recent updates prior to the date of printing.



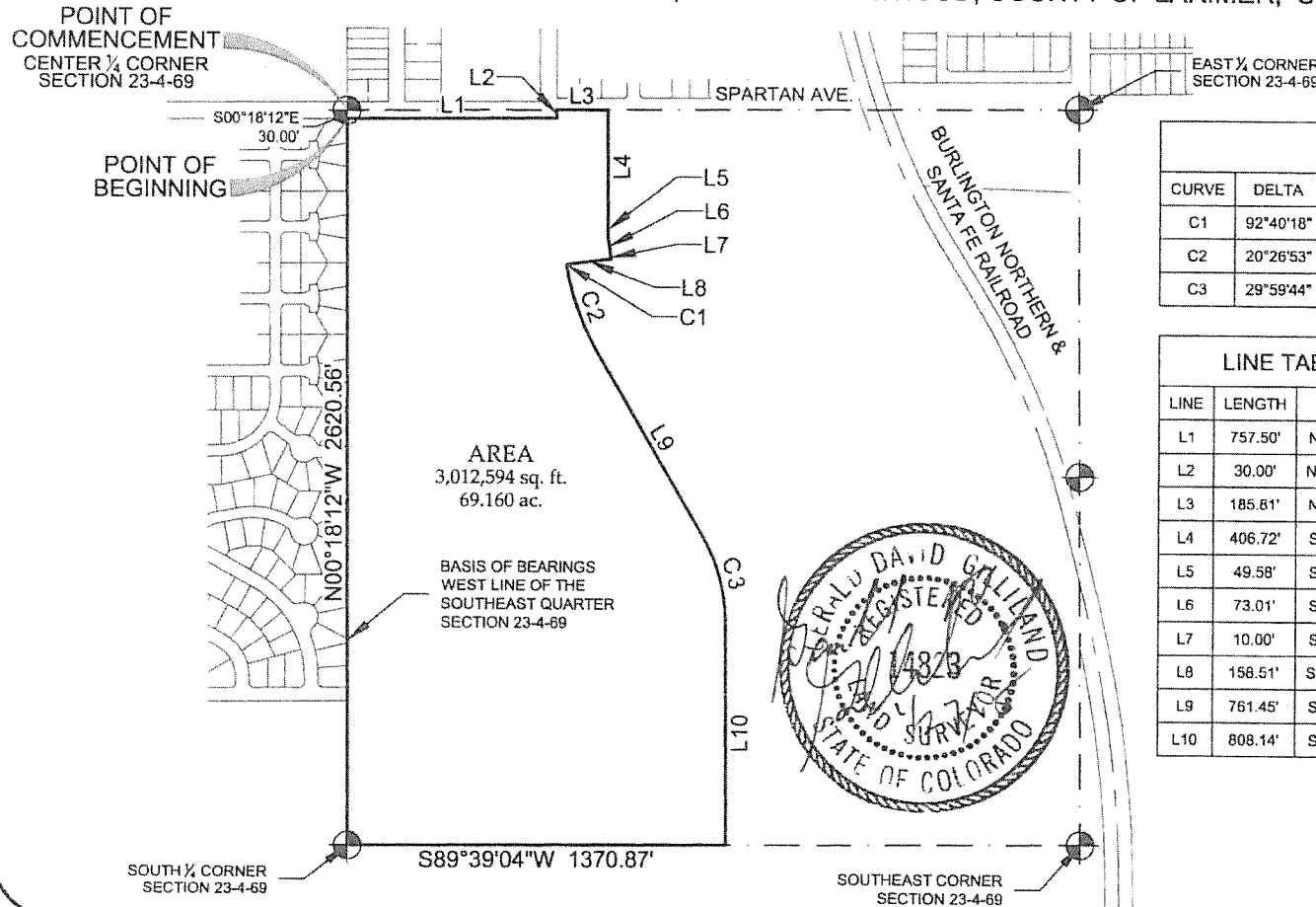
Printed: 11/23/14

EXHIBIT C-1

Initial District Boundary Map

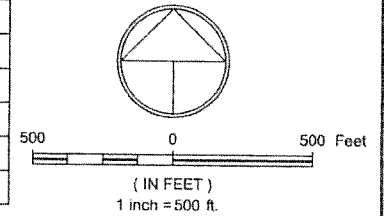
EXHIBIT

A TRACT OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 23, TOWNSHIP 4 NORTH,
RANGE 69 WEST OF THE 6TH P.M., TOWN OF BERTHOUD, COUNTY OF LARIMER, STATE OF COLORADO



CURVE TABLE					
CURVE	DELTA	RADIUS	LENGTH	BEARING	CHORD
C1	92°40'18"	5.00'	8.09'	S36°26'23"W	7.23'
C2	20°26'53"	949.00'	338.69'	S20°07'12"E	336.89'
C3	29°59'44"	607.00'	317.78'	S15°20'47"E	314.16'

LINE TABLE		
LINE	LENGTH	BEARING
L1	757.50'	N89° 35' 45"E
L2	30.00'	N00° 18' 23"W
L3	185.81'	N89° 35' 45"E
L4	406.72'	S00° 24' 17"E
L5	49.58'	S00° 23' 46"E
L6	73.01'	S07° 54' 40"E
L7	10.00'	S07° 13' 28"E
L8	158.51'	S82° 46' 32"W
L9	761.45'	S30° 20' 39"E
L10	808.14'	S00° 20' 55"E



NE | **NORTHERN
ENGINEERING**

331 North Fowle Street, Suite 100
Fort Collins, Colorado 80501

PHONE: 970.221.4158 FAX: 970.221.4159
www.northernengineering.com

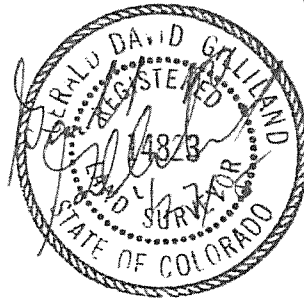
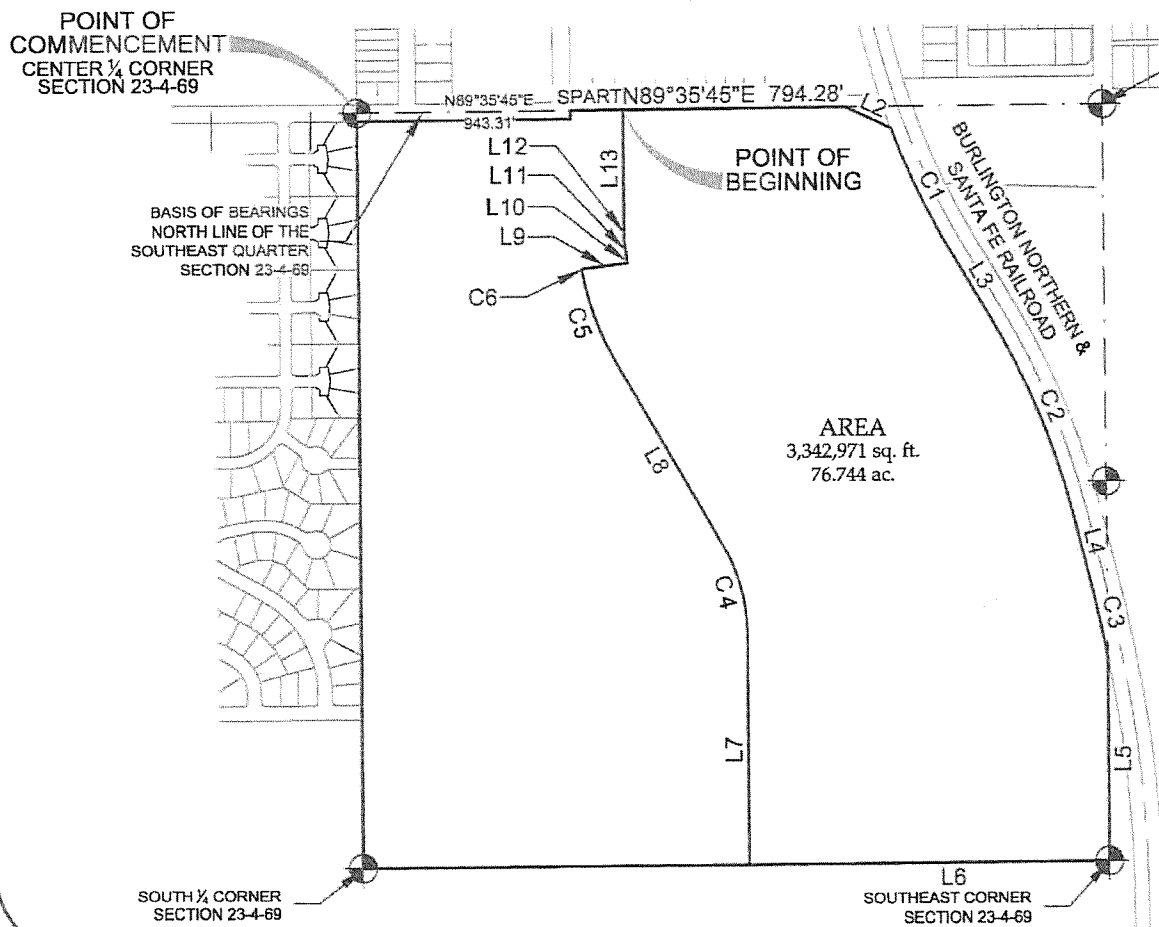


EXHIBIT C-2

Inclusion Area Boundary Map

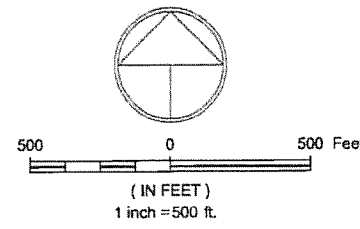
EXHIBIT

A TRACT OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 23, TOWNSHIP 4 NORTH,
RANGE 69 WEST OF THE 6TH P.M., TOWN OF BERTHOUD, COUNTY OF LARIMER, STATE OF COLORADO



CURVE TABLE					
CURVE	DELTA	RADIUS	LENGTH	BEARING	CHORD
C1	10°29'26"	2654.51'	486.03'	S26°03'47"E	485.35'
C2	16°48'01"	2635.89'	772.89'	S22°54'30"E	770.13'
C3	2°41'40"	6088.82'	286.35'	S13°09'39"E	286.32'
C4	29°59'44"	607.00'	317.78'	N15°20'47"W	314.16'
C5	20°26'53"	949.00'	338.69'	N20°07'12"W	336.89'
C6	92°40'18"	5.00'	8.09'	N36°26'23"E	7.23'

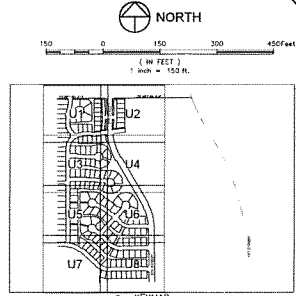
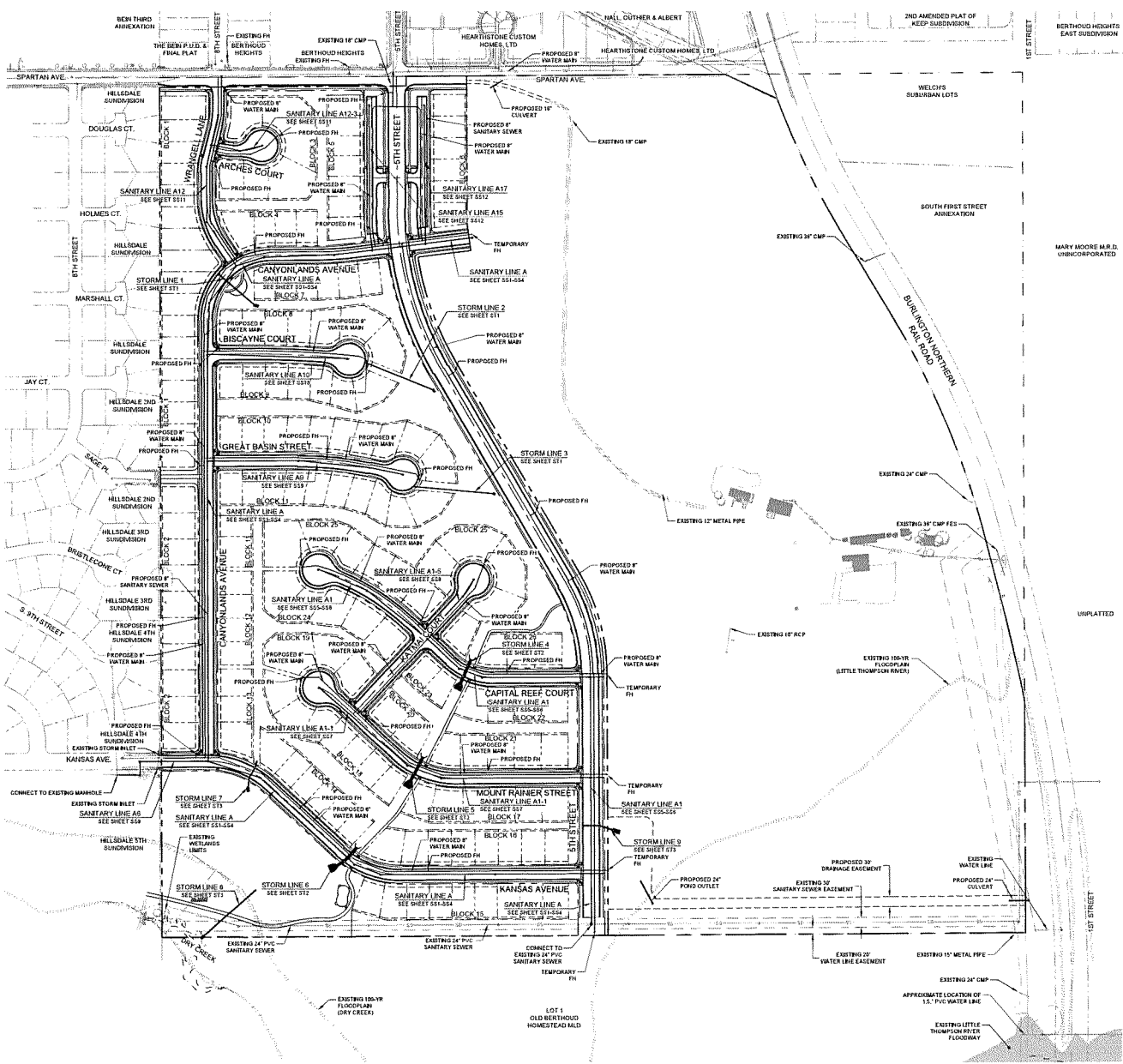
LINE TABLE		
LINE	LENGTH	BEARING
L1	794.28'	N89° 35' 45"E
L2	177.65'	S64° 45' 47"E
L3	255.12'	S31° 18' 30"E
L4	220.70'	S14° 30' 29"E
L5	715.06'	S00° 21' 21"E
L6	1283.90'	S89° 39' 04"W
L7	808.14'	N00° 20' 55"W
L8	761.45'	N30° 20' 39"W
L9	158.51'	N82° 46' 32"E
L10	10.00'	N07° 13' 28"W
L11	73.01'	N07° 54' 40"W
L12	49.58'	N00° 23' 46"W
L13	406.72'	N00° 24' 17"W



NE NORTHERN ENGINEERING
301 North House Street, Suite 100
 Fort Collins, Colorado 80521
PHONE: 970.221.4155
 www.northernengineering.com

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EXHIBIT D-1
PUBLIC IMPROVEMENT DEPICTION



LEGEND:

PROPOSED WATER MAIN	---
EXISTING WATER MAIN	---
PROPOSED SANITARY SEWER	---
EXISTING SANITARY SEWER	---
PROPOSED SEWER SERVICE	---
PROPOSED WATER SERVICE	---
PROPOSED FIRE HYDRANT	---
EXISTING FIRE HYDRANT	---
PROPOSED STORM SEWER	---
EXISTING STORM SEWER	---
PROPOSED ELECTRIC	---
EXISTING TELEPHONE	---
EXISTING GAS	---
PROPOSED CURB & GUTTER	---
PROPERTY BOUNDARY	---
EXISTING LOTLINE	---
EASEMENT LINE	---
PROPOSED STORM BILET	---
EXISTING 100-YR FLOODPLAIN	---
EXISTING TREES	---

- NOTES:**
1. THE SIZE, TYPE AND LOCATION OF ALL KNOWN UNDERGROUND UTILITIES ARE APPROXIMATELY SHOWN ON THESE DRAWINGS. IT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR TO VERIFY THE EXISTENCE OF ALL UNDERGROUND UTILITIES IN THE AREA OF THE WORK. BEFORE COMMENCING ANY CONSTRUCTION, THE CONTRACTOR SHALL BE RESPONSIBLE FOR LOCATING ALL UNDERGROUND UTILITIES AND SHALL BE RESPONSIBLE FOR ALL UNKNOWN UNDERGROUND UTILITIES.
 2. ALL WATER CONSTRUCTION SHALL BE PER THE CITY OF DENVER WATER ENGINEERING STANDARDS, LATEST EDITION, EXCEPT FOR THE STANDARDS RELATED TO THE WATER SERVICES, WHICH SHALL BE PER TOWN OF BERTHOUD STANDARDS.
 3. ALL SEWER CONSTRUCTION SHALL BE PER CITY & COUNTY OF DENVER DEPARTMENT OF PUBLIC WORKS SANITARY SEWER DESIGN TECHNICAL CRITERIA MANUAL, LATEST EDITION.
 4. ALL WATER FITTINGS AND VALVES ARE ONLY GRAPHICALLY REPRESENTED AND ARE NOT TO SCALE.
 5. ALL WATER LINES SHALL HAVE A MINIMUM COVER OF 5' AND MAXIMUM COVER OF 8' FROM FINISHED GRADE TO TOP OF PIPE.
 6. UTILITY SERVICES ARE SHOWN IN A SCHEMATIC FASHION ONLY. EXACT LOCATIONS SHALL BE PER THE REQUIREMENTS OF THE RESPECTIVE UTILITY PROVIDERS AND ARE SUBJECT TO CHANGE IN THE FIELD.
 7. MAINTAIN 10' HORIZONTAL AND 10' VERTICAL MINIMUM SEPARATION BETWEEN ALL SANITARY SEWER MAINS, WATER MAINS & SERVICES.
 8. REFER TO THE PLAN FOR LOT AREAS, TRACT DECS, EASEMENTS, LOT DIMENSIONS, UTILITY EASEMENTS, OTHER EASEMENTS, AND OTHER SURVEY INFORMATION.
 9. ALL MANHOLE RIM ELEVATIONS ARE TO BE ADJUSTED TO 10' BELOW FINISHED GRADE. IF NECESSARY, CURVE SECTIONS SHALL BE ROTATED TO PREVENT LIDS REPLICATED WITHIN VEHICLE OR BI-CYCLE WHEEL PATHS.
 10. ALL EXISTING RIGHTS-OF-WAY, LOT LINES & EASEMENTS ARE SHOWN PER FILE NUMBER F2221371310 DATED FEBRUARY 20, 2014, PREPARED BY LAND TITLE GUARANTEE COMPANY.



TOWN OF BERTHOUD, COLORADO
DRAWING APPROVAL

PROJECT NO. 15-001
DATE: 11/15/15
SCALE: 1" = 30'
DESIGNED BY: E. JAMES
CHECKED BY: J. JAMES
DRAWN BY: J. JAMES
DATE: 11/15/15

REVIEW SET
 NOT FOR CONSTRUCTION
 DATE: 11/15/15

NORTHERN ENGINEERING
 111 N. W. 10th Street, Suite 100
 Fort Lauderdale, FL 33304
 Phone: 954.333.1111
 Fax: 954.333.1112

HERITAGE RIDGE SUBDIVISION
 OVERALL UTILITY PLAN

Sheet
OU1
 Of 83 Sheets

EXHIBIT D-2

Public Improvement Costs

PUBLIC IMPROVEMENT COST SUMMARY FOR HERITAGE RIDGE METRO DISTRICT

Item Description	Parcel A Cost	Parcel B Cost
Civil Engineering Consultants	\$ 172,500	\$ 226,000
Geotechnical Testing and Monitoring	\$ 80,000	\$ 105,000
Sanitary Sewer	\$ 815,000	\$ 1,020,000
Storm Sewer	\$ 275,000	\$ 365,000
SWPPP Monitoring	\$ 40,000	\$ 53,175
Mobilization/General Site Conditions	\$ 40,000	\$ 55,000
Erosion Control	\$ 46,500	62,000
Entry Signage	\$ 30,000	\$ 40,000
Excavation (Streets Only)	\$ 330,000	\$ 420,000
Paving	\$ 880,000	1,170,000
Curb, Gutter and Sidewalk	\$ 630,000	\$ 835,000
Water Main w/o laterals	\$ 640,000	\$ 855,000
Construction Staking (Streets Only)	\$ 42,000	\$ 66,000
Amenity Center Architectural	\$ 25,000	\$ 25,000
Amenity Center (Pool Club House)	\$ 500,000	\$ 600,000
Purchase Irrigation Water	\$ 275,000	\$ 365,200
Irrigation Systems	\$ 435,000	\$ 580,000
Landscaping/Trails	\$ 600,000	\$ 800,000
Consultants/Development Fees	\$ 155,000	\$ 207,500
SUBTOTAL PUBLIC INFRASTRUCTURE	\$ 6,011,000	\$ 7,849,875
TOTAL ALL PARCELS IN DISTRICT	\$ 13,860,875	

EXHIBIT E
Financial Plan

HERITAGE RIDGE METROPOLITAN DISTRICT

Development Projection at 42.00 (target) District Mills

Series 2019, General Obligation Bonds, Non-Rated, 120x @ Cap, 30-yr. Maturity

YEAR	<<<<<< Residential >>>>>>				< Platted/Developed Lots >		Total Assessed Value	District D/S Mill Levy [42.000 target] [50,000 Cap]	District D/S Mill Levy Collections @ 98%	District S.O. Taxes Collected @ 6%	Total Available Revenue
	Total Res'l Units	Mkt Value Biennial Reasses'mt @ 2.0%	Cumulative Market Value	As'ed Value of Market @ 7.96% (2-yr lag)	Cumulative Market Value	As'ed Value of Market @ 29.00% (2-yr lag)					
2014	0		0		0		\$0				0
2015	0		0		3,060,000		0	42.000	\$0	\$0	0
2016	85	0	31,836,240	0	3,187,500	0	0	42.000	0	0	0
2017	85		65,662,245	0	2,975,000	887,400	887,400	42.000	36,525	2,192	38,717
2018	85	1,313,245	99,177,847	2,534,165	3,700,000	924,375	3,458,540	42.000	142,353	8,541	150,895
2019	115		140,028,836	5,226,715	1,750,000	862,750	6,089,465	42.000	250,642	15,039	265,681
2020	50	2,800,577	162,537,255	7,894,557	0	1,073,000	8,967,557	42.000	369,105	22,146	391,251
2021	0		162,537,255	11,146,295	0	507,500	11,653,795	42.000	479,670	28,780	508,450
2022	0	3,250,745	165,788,001	12,937,966	0	0	12,937,966	42.000	532,527	31,952	564,478
2023	0		165,788,001	12,937,966	0	0	12,937,966	42.000	532,527	31,952	564,478
2024	0	3,315,760	169,103,761	13,196,725	0	0	13,196,725	42.000	543,177	32,591	575,768
2025	0		169,103,761	13,196,725	0	0	13,196,725	42.000	543,177	32,591	575,768
2026	0	3,382,075	172,485,836	13,460,659	0	0	13,460,659	42.000	554,041	33,242	587,283
2027	0		172,485,836	13,460,659	0	0	13,460,659	42.000	554,041	33,242	587,283
2028	0	3,449,717	175,935,552	13,729,873	0	0	13,729,873	42.000	565,122	33,907	599,029
2029	0		175,935,552	13,729,873	0	0	13,729,873	42.000	565,122	33,907	599,029
2030	0	3,518,711	179,454,264	14,004,470	0	0	14,004,470	42.000	576,424	34,585	611,009
2031	0		179,454,264	14,004,470	0	0	14,004,470	42.000	576,424	34,585	611,009
2032	0	3,589,085	183,043,349	14,284,559	0	0	14,284,559	42.000	587,952	35,277	623,230
2033	0		183,043,349	14,284,559	0	0	14,284,559	42.000	587,952	35,277	623,230
2034	0	3,660,867	186,704,216	14,570,251	0	0	14,570,251	42.000	599,712	35,983	635,694
2035			186,704,216	14,570,251	0	0	14,570,251	42.000	599,712	35,983	635,694
2036		3,734,084	190,438,300	14,861,656	0	0	14,861,656	42.000	611,706	36,702	648,408
2037			190,438,300	14,861,656	0	0	14,861,656	42.000	611,706	36,702	648,408
2038		3,808,766	194,247,066	15,158,889	0	0	15,158,889	42.000	623,940	37,436	661,376
2039			194,247,066	15,158,889	0	0	15,158,889	42.000	623,940	37,436	661,376
2040		3,884,941	198,132,007	15,462,066	0	0	15,462,066	42.000	636,419	38,185	674,604
2041			198,132,007	15,462,066	0	0	15,462,066	42.000	636,419	38,185	674,604
2042		3,962,640	202,094,648	15,771,308	0	0	15,771,308	42.000	649,147	38,949	688,096
2043			202,094,648	15,771,308	0	0	15,771,308	42.000	649,147	38,949	688,096
2044		4,041,893	206,136,541	16,086,734	0	0	16,086,734	42.000	662,130	39,728	701,858
2045			206,136,541	16,086,734	0	0	16,086,734	42.000	662,130	39,728	701,858
2046		4,122,731	210,259,271	16,408,469	0	0	16,408,469	42.000	675,373	40,522	715,895
2047			210,259,271	16,408,469	0	0	16,408,469	42.000	675,373	40,522	715,895
2048		4,205,185	214,464,457	16,736,638	0	0	16,736,638	42.000	688,880	41,333	730,213
2049			214,464,457	16,736,638	0	0	16,736,638	42.000	688,880	41,333	730,213
	420	56,041,023							18,291,392	1,097,484	19,388,876

HERITAGE RIDGE METROPOLITAN DISTRICT

Development Projection at 42.00 (target) District Mills

Series 2019, General Obligation Bonds, Non-Rated, 120x @ Cap, 30-yr. Maturity

YEAR	Net Available for Debt Svc	Ser. 2019 \$8,870,000 Par [Net \$7,062 MM] Net Debt Service	Annual Surplus	Surplus Release @ 50% D/A to \$887,000	Cumulative Surplus \$887,000 Target	Senior Debt/ Assessed Ratio	Senior Debt/ Act'l Value Ratio	Cov. of Net DS:	Cov. of Net DS:
								@ 42.00 Dist. Mills	@ 50.0 Dist. Mill Cap
2014	0		n/a						
2015	0		n/a		0	n/a	n/a	0.0%	0.0%
2016	0		n/a		0	n/a	n/a	0.0%	0.0%
2017	38,717		n/a		0	0%	0%	0.0%	0.0%
2018	150,895		n/a		0	0%	0%	0.0%	0.0%
2019	265,681	\$0	265,681		265,681	0%	0%	0.0%	0.0%
2020	391,251	0	391,251	0	656,932	99%	5%	0.0%	0.0%
2021	508,450	243,201	265,250	35,181	887,000	76%	5%	209.1%	248.9%
2022	564,478	556,402	8,077	8,077	887,000	69%	5%	101.5%	120.8%
2023	564,478	557,552	6,927	6,927	887,000	68%	5%	101.2%	120.5%
2024	575,768	568,427	7,341	7,341	887,000	66%	5%	101.3%	120.6%
2025	575,768	568,477	7,291	7,291	887,000	65%	5%	101.3%	120.6%
2026	587,283	578,252	9,032	9,032	887,000	63%	5%	101.6%	120.9%
2027	587,283	582,202	5,082	5,082	887,000	63%	5%	100.9%	120.1%
2028	599,029	590,602	8,427	8,427	887,000	61%	5%	101.4%	120.7%
2029	599,029	593,177	5,852	5,852	887,000	60%	5%	101.0%	120.2%
2030	611,009	605,202	5,808	5,808	887,000	57%	4%	101.0%	120.2%
2031	611,009	601,127	9,883	9,883	887,000	56%	4%	101.6%	121.0%
2032	623,230	616,777	6,453	6,453	887,000	54%	4%	101.0%	120.3%
2033	623,230	616,052	7,178	7,178	887,000	53%	4%	101.2%	120.4%
2034	635,694	629,777	5,918	5,918	887,000	50%	4%	100.9%	120.2%
2035	635,694	627,127	8,568	8,568	887,000	48%	4%	101.4%	120.7%
2036	648,408	638,927	9,481	9,481	887,000	46%	4%	101.5%	120.8%
2037	648,408	639,352	9,056	9,056	887,000	44%	3%	101.4%	120.7%
2038	661,376	653,952	7,425	7,425	887,000	41%	3%	101.1%	120.4%
2039	661,376	651,902	9,475	9,475	887,000	39%	3%	101.5%	120.8%
2040	674,604	669,027	5,577	5,577	887,000	37%	3%	100.8%	120.0%
2041	674,604	664,227	10,377	10,377	887,000	34%	3%	101.6%	120.9%
2042	688,096	678,602	9,494	9,494	887,000	31%	2%	101.4%	120.7%
2043	688,096	681,052	7,044	7,044	887,000	29%	2%	101.0%	120.3%
2044	701,858	692,127	9,731	9,731	887,000	25%	2%	101.4%	120.7%
2045	701,858	696,277	5,581	5,581	887,000	22%	2%	100.8%	120.0%
2046	715,895	708,777	7,118	7,118	887,000	19%	1%	101.0%	120.2%
2047	715,895	709,077	6,818	6,818	887,000	16%	1%	101.0%	120.2%
2048	730,213	722,727	7,486	7,486	887,000	12%	1%	101.0%	120.3%
2049	730,213	719,727	10,486	897,486	0	8%	1%	101.5%	120.8%
	19,388,876	18,060,097	1,139,167	1,139,167					

[C:Jul1315 19nrbC]

PV to '19 @ 8.0%:
\$189,973

HERITAGE RIDGE METROPOLITAN DISTRICT

Operations Revenue and Expense Projection

YEAR	Total Assessed Value	Oper'n's Mill Levy	Total Collections @ 98%	S.O. Taxes Collected @ 6%	Total Available For O&M	Total Mills
2014						
2015	0	8.000	0	0	0	50.000
2016	0	8.000	0	0	0	50.000
2017	887,400	8.000	6,957	417	7,375	50.000
2018	3,458,540	8.000	27,115	1,627	28,742	50.000
2019	6,089,465	8.000	47,741	2,864	50,606	50.000
2020	8,967,557	8.000	70,306	4,218	74,524	50.000
2021	11,653,795	8.000	91,366	5,482	96,848	50.000
2022	12,937,966	8.000	101,434	6,086	107,520	50.000
2023	12,937,966	8.000	101,434	6,086	107,520	50.000
2024	13,196,725	8.000	103,462	6,208	109,670	50.000
2025	13,196,725	8.000	103,462	6,208	109,670	50.000
2026	13,460,659	8.000	105,532	6,332	111,863	50.000
2027	13,460,659	8.000	105,532	6,332	111,863	50.000
2028	13,729,873	8.000	107,642	6,459	114,101	50.000
2029	13,729,873	8.000	107,642	6,459	114,101	50.000
2030	14,004,470	8.000	109,795	6,588	116,383	50.000
2031	14,004,470	8.000	109,795	6,588	116,383	50.000
2032	14,284,559	8.000	111,991	6,719	118,710	50.000
2033	14,284,559	8.000	111,991	6,719	118,710	50.000
2034	14,570,251	8.000	114,231	6,854	121,085	50.000
2035	14,570,251	8.000	114,231	6,854	121,085	50.000
2036	14,861,656	8.000	116,515	6,991	123,506	50.000
2037	14,861,656	8.000	116,515	6,991	123,506	50.000
2038	15,158,889	8.000	118,846	7,131	125,976	50.000
2039	15,158,889	8.000	118,846	7,131	125,976	50.000
2040	15,462,066	8.000	121,223	7,273	128,496	50.000
2041	15,462,066	8.000	121,223	7,273	128,496	50.000
2042	15,771,308	8.000	123,647	7,419	131,066	50.000
2043	15,771,308	8.000	123,647	7,419	131,066	50.000
2044	16,086,734	8.000	126,120	7,567	133,687	50.000
2045	16,086,734	8.000	126,120	7,567	133,687	50.000
2046	16,408,469	8.000	128,642	7,719	136,361	50.000
2047	16,408,469	8.000	128,642	7,719	136,361	50.000
2048	16,736,638	8.000	131,215	7,873	139,088	50.000
2049	16,736,638	8.000	131,215	7,873	139,088	50.000
			6,027,026	361,622	6,388,648	

HERITAGE RIDGE METROPOLITAN DISTRICT

Development Projection -- Buildout Plan (updated 7/13/15)

Residential Development

YEAR	<u>SFDs (\$360K)</u>					<u>SFDs (\$375K)</u>					<u>SFDs (\$350K)</u>				
	Incr/(Decr) in		# Units	Price		Incr/(Decr) in		# Units	Price		Incr/(Decr) in		# Units	Price	
	# Lots	Value @		Completed	Inflated @	Market	# Lots		Value @	Completed	Inflated @	Market		# Lots	Value @
Devel'd	10%	85 target	2%	Value	Devel'd	10%	85 target	2%	Value	Devel'd	10%	185 target	2%	Value	
2014	0	0		\$360,000	0	0	0		\$375,000	0	0	0		\$350,000	0
2015	85	3,060,000		367,200	0	0	0		382,500	0	0	0		357,000	0
2016	0	(3,060,000)	85	374,544	31,836,240	85	3,187,500		390,150	0	0	0		364,140	0
2017	0	0	0	382,035	0	0	(3,187,500)	85	397,953	33,826,005	85	2,975,000		371,423	0
2018	0	0	0	389,676	0	0	0	0	405,912	0	50	(1,225,000)	85	378,851	32,202,357
2019	0	0	0	397,469	0	0	0	0	414,030	0	50	0	50	386,428	19,321,414
2020	0	0	0	405,418	0	0	0	0	422,311	0	0	(1,750,000)	50	394,157	19,707,842
2021	0	0	0	413,527	0	0	0	0	430,757	0	0	0	0	402,040	0
2022	0	0	0	421,797	0	0	0	0	439,372	0	0	0	0	410,081	0
2023	0	0	0	430,233	0	0	0	0	448,160	0	0	0	0	418,282	0
2024	0	0	0	438,838	0	0	0	0	457,123	0	0	0	0	426,648	0
2025	0	0	0	447,615	0	0	0	0	466,265	0	0	0	0	435,181	0
2026	0	0	0	456,567	0	0	0	0	475,591	0	0	0	0	443,885	0
2027	0	0	0	465,698	0	0	0	0	485,102	0	0	0	0	452,762	0
2028	0	0	0	475,012	0	0	0	0	494,805	0	0	0	0	461,818	0
2029	0	0	0	484,513	0	0	0	0	504,701	0	0	0	0	471,054	0
2030	0	0	0	494,203	0	0	0	0	514,795	0	0	0	0	480,475	0
2031	0	0	0	504,087	0	0	0	0	525,091	0	0	0	0	490,084	0
2032	0	0	0	514,169	0	0	0	0	535,592	0	0	0	0	499,886	0
2033	0	0	0	524,452	0	0	0	0	546,304	0	0	0	0	509,884	0
2034	0	0	0	534,941	0	0	0	0	557,230	0	0	0	0	520,082	0
	85	0	85		31,836,240	85	0	85		33,826,005	185	0	185		71,231,613

HERITAGE RIDGE METROPOLITAN DISTRICT

Development Projection -- Buildout Plan (updated 7/13/15)

Residential Summary

YEAR	<u>SFDs (\$300K)</u>					Total Residential Market Value	Total SFD Units	Value of Platted & Developed Lots	
	Incr/(Decr) in Finished Lot Value @ 10%	# Units Completed 65 target	Price Inflated @ 2%	Market Value	Adjustment ¹			Adjusted Value	
2014	0	0		\$300,000	0	\$0	0	0	0
2015	0	0		306,000	0	0	0	0	3,060,000
2016	0	0		312,120	0	31,836,240	85	0	127,500
2017	0	0		318,362	0	33,826,005	85	0	(212,500)
2018	65	1,950,000		324,730	0	32,202,357	85	0	725,000
2019	0	(1,950,000)	65	331,224	21,529,576	40,850,990	115	0	(1,950,000)
2020	0	0	0	337,849	0	19,707,842	50	0	(1,750,000)
2021	0	0	0	344,606	0	0	0	0	0
2022	0	0	0	351,498	0	0	0	0	0
2023	0	0	0	358,528	0	0	0	0	0
2024	0	0	0	365,698	0	0	0	0	0
2025	0	0	0	373,012	0	0	0	0	0
2026	0	0	0	380,473	0	0	0	0	0
2027	0	0	0	388,082	0	0	0	0	0
2028	0	0	0	395,844	0	0	0	0	0
2029	0	0	0	403,761	0	0	0	0	0
2030	0	0	0	411,836	0	0	0	0	0
2031	0	0	0	420,072	0	0	0	0	0
2032	0	0	0	428,474	0	0	0	0	0
2033	0	0	0	437,043	0	0	0	0	0
2034	0	0	0	445,784	0	0	0	0	0
	65	0	65		21,529,576	158,423,434	420	0	0

[1] Adj. to actual/prelim AV

SOURCES AND USES OF FUNDS

**HERITAGE RIDGE METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2019
Non-Rated, 120x, 30-yr. Maturity
(Sized on All Growth)
[Preliminary -- for discussion only]**

Dated Date 12/01/2019
Delivery Date 12/01/2019

Sources:

Bond Proceeds:	
Par Amount	8,870,000.00
	<u>8,870,000.00</u>

Uses:

Project Fund Deposits:	
Project Fund	7,062,151.53
Other Fund Deposits:	
Capitalized Interest Fund	728,873.47
Debt Service Reserve Fund	<u>724,175.00</u>
	1,453,048.47
Delivery Date Expenses:	
Cost of Issuance (est.)	354,800.00
	<u>8,870,000.00</u>

BOND SUMMARY STATISTICS

**HERITAGE RIDGE METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2019**

**Non-Rated, 120x, 30-yr. Maturity
(Sized on All Growth)**

[Preliminary -- for discussion only]

Dated Date	12/01/2019
Delivery Date	12/01/2019
First Coupon	06/01/2020
Last Maturity	12/01/2049
Arbitrage Yield	5.500000%
True Interest Cost (TIC)	5.500000%
Net Interest Cost (NIC)	5.500000%
All-In TIC	5.839175%
Average Coupon	5.500000%
Average Life (years)	21.907
Duration of Issue (years)	12.496
Par Amount	8,870,000.00
Bond Proceeds	8,870,000.00
Total Interest	10,687,325.00
Net Interest	10,687,325.00
Bond Years from Dated Date	194,315,000.00
Bond Years from Delivery Date	194,315,000.00
Total Debt Service	19,557,325.00
Maximum Annual Debt Service	1,445,350.00
Average Annual Debt Service	651,910.83
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
30-yr Term Bond	8,870,000.00	100.000	5.500%	21.907	12,950.20
	8,870,000.00			21.907	12,950.20

	TIC	All-In TIC	Arbitrage Yield
Par Value	8,870,000.00	8,870,000.00	8,870,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts		-354,800.00	
Target Value	8,870,000.00	8,515,200.00	8,870,000.00
Target Date	12/01/2019	12/01/2019	12/01/2019
Yield	5.500000%	5.839175%	5.500000%

BOND DEBT SERVICE

**HERITAGE RIDGE METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2019**

Non-Rated, 120x, 30-yr. Maturity

(Sized on All Growth)

[Preliminary -- for discussion only]

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2020			243,925.00	243,925.00	
12/01/2020			243,925.00	243,925.00	487,850
06/01/2021			243,925.00	243,925.00	
12/01/2021			243,925.00	243,925.00	487,850
06/01/2022			243,925.00	243,925.00	
12/01/2022	70,000	5.500%	243,925.00	313,925.00	557,850
06/01/2023			242,000.00	242,000.00	
12/01/2023	75,000	5.500%	242,000.00	317,000.00	559,000
06/01/2024			239,937.50	239,937.50	
12/01/2024	90,000	5.500%	239,937.50	329,937.50	569,875
06/01/2025			237,462.50	237,462.50	
12/01/2025	95,000	5.500%	237,462.50	332,462.50	569,925
06/01/2026			234,850.00	234,850.00	
12/01/2026	110,000	5.500%	234,850.00	344,850.00	579,700
06/01/2027			231,825.00	231,825.00	
12/01/2027	120,000	5.500%	231,825.00	351,825.00	583,650
06/01/2028			228,525.00	228,525.00	
12/01/2028	135,000	5.500%	228,525.00	363,525.00	592,050
06/01/2029			224,812.50	224,812.50	
12/01/2029	145,000	5.500%	224,812.50	369,812.50	594,625
06/01/2030			220,825.00	220,825.00	
12/01/2030	165,000	5.500%	220,825.00	385,825.00	606,650
06/01/2031			216,287.50	216,287.50	
12/01/2031	170,000	5.500%	216,287.50	386,287.50	602,575
06/01/2032			211,612.50	211,612.50	
12/01/2032	195,000	5.500%	211,612.50	406,612.50	618,225
06/01/2033			206,250.00	206,250.00	
12/01/2033	205,000	5.500%	206,250.00	411,250.00	617,500
06/01/2034			200,612.50	200,612.50	
12/01/2034	230,000	5.500%	200,612.50	430,612.50	631,225
06/01/2035			194,287.50	194,287.50	
12/01/2035	240,000	5.500%	194,287.50	434,287.50	628,575
06/01/2036			187,687.50	187,687.50	
12/01/2036	265,000	5.500%	187,687.50	452,687.50	640,375
06/01/2037			180,400.00	180,400.00	
12/01/2037	280,000	5.500%	180,400.00	460,400.00	640,800
06/01/2038			172,700.00	172,700.00	
12/01/2038	310,000	5.500%	172,700.00	482,700.00	655,400
06/01/2039			164,175.00	164,175.00	
12/01/2039	325,000	5.500%	164,175.00	489,175.00	653,350
06/01/2040			155,237.50	155,237.50	
12/01/2040	360,000	5.500%	155,237.50	515,237.50	670,475
06/01/2041			145,337.50	145,337.50	
12/01/2041	375,000	5.500%	145,337.50	520,337.50	665,675
06/01/2042			135,025.00	135,025.00	
12/01/2042	410,000	5.500%	135,025.00	545,025.00	680,050
06/01/2043			123,750.00	123,750.00	
12/01/2043	435,000	5.500%	123,750.00	558,750.00	682,500
06/01/2044			111,787.50	111,787.50	
12/01/2044	470,000	5.500%	111,787.50	581,787.50	693,575
06/01/2045			98,862.50	98,862.50	
12/01/2045	500,000	5.500%	98,862.50	598,862.50	697,725
06/01/2046			85,112.50	85,112.50	
12/01/2046	540,000	5.500%	85,112.50	625,112.50	710,225
06/01/2047			70,262.50	70,262.50	
12/01/2047	570,000	5.500%	70,262.50	640,262.50	710,525
06/01/2048			54,587.50	54,587.50	
12/01/2048	615,000	5.500%	54,587.50	669,587.50	724,175
06/01/2049			37,675.00	37,675.00	
12/01/2049	1,370,000	5.500%	37,675.00	1,407,675.00	1,445,350
	8,870,000		10,687,325.00	19,557,325.00	19,557,325

NET DEBT SERVICE

**HERITAGE RIDGE METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2019
Non-Rated, 120x, 30-yr. Maturity
(Sized on All Growth)
[Preliminary -- for discussion only]**

Period Ending	Principal	Interest	Total Debt Service	Debt Service Reserve Fund	Capitalized Interest Fund	Net Debt Service
12/01/2020		487,850	487,850		-487,850	
12/01/2021		487,850	487,850	-724.18	-243,925	243,200.82
12/01/2022	70,000	487,850	557,850	-1,448.36		556,401.64
12/01/2023	75,000	484,000	559,000	-1,448.36		557,551.64
12/01/2024	90,000	479,875	569,875	-1,448.36		568,426.64
12/01/2025	95,000	474,925	569,925	-1,448.36		568,476.64
12/01/2026	110,000	469,700	579,700	-1,448.36		578,251.64
12/01/2027	120,000	463,650	583,650	-1,448.36		582,201.64
12/01/2028	135,000	457,050	592,050	-1,448.36		590,601.64
12/01/2029	145,000	449,625	594,625	-1,448.36		593,176.64
12/01/2030	165,000	441,650	606,650	-1,448.36		605,201.64
12/01/2031	170,000	432,575	602,575	-1,448.36		601,126.64
12/01/2032	195,000	423,225	618,225	-1,448.36		616,776.64
12/01/2033	205,000	412,500	617,500	-1,448.36		616,051.64
12/01/2034	230,000	401,225	631,225	-1,448.36		629,776.64
12/01/2035	240,000	388,575	628,575	-1,448.36		627,126.64
12/01/2036	265,000	375,375	640,375	-1,448.36		638,926.64
12/01/2037	280,000	360,800	640,800	-1,448.36		639,351.64
12/01/2038	310,000	345,400	655,400	-1,448.36		653,951.64
12/01/2039	325,000	328,350	653,350	-1,448.36		651,901.64
12/01/2040	360,000	310,475	670,475	-1,448.36		669,026.64
12/01/2041	375,000	290,675	665,675	-1,448.36		664,226.64
12/01/2042	410,000	270,050	680,050	-1,448.36		678,601.64
12/01/2043	435,000	247,500	682,500	-1,448.36		681,051.64
12/01/2044	470,000	223,575	693,575	-1,448.36		692,126.64
12/01/2045	500,000	197,725	697,725	-1,448.36		696,276.64
12/01/2046	540,000	170,225	710,225	-1,448.36		708,776.64
12/01/2047	570,000	140,525	710,525	-1,448.36		709,076.64
12/01/2048	615,000	109,175	724,175	-1,448.36		722,726.64
12/01/2049	1,370,000	75,350	1,445,350	-725,623.36		719,726.64
	8,870,000	10,687,325	19,557,325	-765,453.26	-731,775	18,060,096.74

BOND SOLUTION

HERITAGE RIDGE METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2019

Non-Rated, 120x, 30-yr. Maturity

(Sized on All Growth)

[Preliminary -- for discussion only]

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2020		487,850	-487,850		465,775	465,775	
12/01/2021		487,850	-244,649	243,201	605,298	362,097	248.88819%
12/01/2022	70,000	557,850	-1,448	556,402	671,998	115,596	120.77569%
12/01/2023	75,000	559,000	-1,448	557,552	671,998	114,446	120.52658%
12/01/2024	90,000	569,875	-1,448	568,427	685,438	117,011	120.58511%
12/01/2025	95,000	569,925	-1,448	568,477	685,438	116,961	120.57450%
12/01/2026	110,000	579,700	-1,448	578,252	699,147	120,895	120.90699%
12/01/2027	120,000	583,650	-1,448	582,202	699,147	116,945	120.08669%
12/01/2028	135,000	592,050	-1,448	590,602	713,130	122,528	120.74629%
12/01/2029	145,000	594,625	-1,448	593,177	713,130	119,953	120.22213%
12/01/2030	165,000	606,650	-1,448	605,202	727,392	122,191	120.19005%
12/01/2031	170,000	602,575	-1,448	601,127	727,392	126,266	121.00481%
12/01/2032	195,000	618,225	-1,448	616,777	741,940	125,163	120.29314%
12/01/2033	205,000	617,500	-1,448	616,052	741,940	125,888	120.43471%
12/01/2034	230,000	631,225	-1,448	629,777	756,779	127,002	120.16622%
12/01/2035	240,000	628,575	-1,448	627,127	756,779	129,652	120.67400%
12/01/2036	265,000	640,375	-1,448	638,927	771,914	132,988	120.81424%
12/01/2037	280,000	640,800	-1,448	639,352	771,914	132,563	120.73393%
12/01/2038	310,000	655,400	-1,448	653,952	787,353	133,401	120.39922%
12/01/2039	325,000	653,350	-1,448	651,902	787,353	135,451	120.77783%
12/01/2040	360,000	670,475	-1,448	669,027	803,100	134,073	120.04002%
12/01/2041	375,000	665,675	-1,448	664,227	803,100	138,873	120.90749%
12/01/2042	410,000	680,050	-1,448	678,602	819,162	140,560	120.71320%
12/01/2043	435,000	682,500	-1,448	681,052	819,162	138,110	120.27895%
12/01/2044	470,000	693,575	-1,448	692,127	835,545	143,418	120.72140%
12/01/2045	500,000	697,725	-1,448	696,277	835,545	139,268	120.00187%
12/01/2046	540,000	710,225	-1,448	708,777	852,256	143,479	120.24322%
12/01/2047	570,000	710,525	-1,448	709,077	852,256	143,179	120.19235%
12/01/2048	615,000	724,175	-1,448	722,727	869,301	146,574	120.28074%
12/01/2049	1,370,000	1,445,350	-725,623	719,727	869,301	149,574	120.78210%
	8,870,000	19,557,325	-1,497,228	18,060,097	22,539,980	4,479,883	

EXHIBIT F
Intergovernmental Agreement

**INTERGOVERNMENTAL AGREEMENT BETWEEN
THE TOWN OF BERTHOUD, COLORADO
AND
HERITAGE RIDGE METROPOLITAN DISTRICT**

THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement") is made and entered into as of this ____ day of _____, 2015, by and between the TOWN OF BERTHOUD, a municipal corporation of the State of Colorado ("Town"), and HERITAGE RIDGE METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"). The Town and the District are collectively referred to as the "Parties."

RECITALS

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

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

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

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

COVENANTS AND AGREEMENTS

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

2. Operations and Maintenance. The District shall dedicate the Public Improvements (as defined in the Service Plan) to the Town, other jurisdiction, or an owners association, as appropriate, in a manner consistent with the Approved Development Plan and other rules and regulations of the Town and applicable provisions of the Development Code.

The District is expected to undertake all ownership, operations and maintenance responsibilities for the Public Improvements that are not conveyed to the Town or other governmental entities, or an owners association, as appropriate, and will do so either itself or by contract with an owners association. The District is authorized to provide for the ongoing operations and maintenance of landscaping improvements, and is authorized to provide covenant enforcement services, in accordance with Section 32-1-1004(8)(a), C.R.S. Revenue to pay the expenses of operations may be obtained from fees legally imposed by the District or other legally available revenues of the District subject to any limitations in the Service Plan. Whether the facilities are operated directly by District, or are operated by an owners association, user fees

may be obtained by the District to offset the expenses. User fees for use of recreational facilities may be different for residents of the District than for outside users.

The District shall not impose fees, rates, tolls, penalties, or charges for access to or use of any regional trail system or park system that must be made available for public use as determined by the Town.

3. Acquisition of Land for Public Improvements and Easements. The District agrees to acquire by easement, plat dedication, condemnation (subject to the limitation set forth in Section 4), or cause the dedication to the Town of, all land required by the Town for construction of public improvements being provided by the District that will be conveyed to the Town. Exceptions must be approved by the Town in writing. Failure to comply with this provision shall be deemed to be a material modification of the Service Plan. The District agrees to acquire all land needed by the Town for construction of normal street improvements required by the Town through dedication by the District's developers or by condemnation (subject to the limitation set forth in Section 4). Exceptions must be approved by the Town in writing. Failure to acquire all land needed by the Town for such construction of street improvements shall be deemed to be a material modification of the Service Plan.

4. Eminent Domain Limitation. The District may exercise its powers of eminent domain, as allowed under the Special District Act (Section 32-1-101, et seq., of the Colorado Revised Statutes, as amended from time to time), with regard to any land located within the Initial District Boundaries and the Inclusion Area Boundaries, but shall not exercise such powers with regard to any land located outside of the Initial District Boundaries and the Inclusion Area Boundaries without the prior written consent of the Town, which consent may be withheld for any reason within the Town's discretion. Further, the District shall not exercise its power of dominant eminent domain with regard to any property owned by the Town without the Town's prior written consent.

5. Solar Farm Operation Limitation. In the event that, at any time in the future, applicable State law, or the interpretation thereof, permits, empowers or authorizes the District to plan for, design, acquire, construct, install, relocate, redevelop, provide, finance maintain and/or operate solar energy production facilities, the District will obtain written consent of the Board of Trustees prior to performing any such activities or services (it being understood that the provision of such activities or services shall not constitute an amendment to the Service Plan if provided by the District after receipt of the Town's consent).

6. Construction Standards. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the Town and of other governmental entities having proper jurisdiction and in accordance with the requirements of the Approved Development Plan. The District will obtain the Town's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

7. Issuance of Privately Placed Debt. Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows:

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

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

8. Inclusion/Exclusion. The District shall not include within its boundaries any property outside the Inclusion Area Boundaries without the prior written consent of the Board of Trustees. The District shall not include within any of its boundaries any property inside the Inclusion Area Boundaries without the prior written consent of the Town except upon petition of the fee owner or owners of one hundred percent (100%) of such property as provided in Section 32-1-401(1)(A), C.R.S. The District shall not exclude any property from its boundaries without the prior written consent of the Board of Trustees.

9. Overlap Limitation. The District shall not consent to the organization of any other district organized under the Special District Act within the District's boundaries or within the Inclusion Area Boundaries that will overlap the boundaries of the District or the Inclusion Area Boundaries without the prior written consent of the Board of Trustees; provided, however, if the Town, Larimer County, or any State agency requests an overlap with a Town, Larimer County, or State agency-initiated district, the District shall not object to the organization of said overlapping district. In the event the property within the Inclusion Area Boundaries is included within the boundaries of any other special district, said property may not be included within the boundaries of the District without the prior written consent of the Board of Trustees, aggregate mill levy rate for the payment of Debt shall not include any mill levy of such Town-initiated district.

10. Monies from Other Governments/Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the Town is eligible to apply for, except pursuant to an intergovernmental agreement with the Town. This section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the District without any limitation.

11. Total Debt Issuance. The District shall not issue Debt in excess of the Total Debt Issuance Limitation, as such term is defined in the Service Plan.

12. Additional Services The District shall have the power and authority to, but shall not be obligated to, provide any and all of such additional services and exercise such powers as are expressly or impliedly granted to special districts by Colorado law; provided, however, the District shall not establish any subdistrict pursuant to Section 32-1-1101, C.R.S., or any special improvement district pursuant to Section 32-1-1101.7, C.R.S. without the prior written consent of the Board of Trustees. Consolidation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the Town, unless such consolidation is with one or more of the District.

14. Bankruptcy Limitation. All of the limitations contained in this Agreement, including, but not limited to, those pertaining to the Maximum Debt Mill Levy have been established under the authority of the Town to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) Are, together with all other requirements of Colorado law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt issued with a pledge or that results in a pledge that exceeds the Maximum Debt Mill Levy shall be deemed a material modification of the Service Plan, and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the Town as part of a Service Plan Amendment.

15. Dissolution. Upon an independent determination of the Board of Trustees that the purposes for which the District was created have been accomplished, the District agrees to file a petition in the appropriate District Court for dissolution pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations as required pursuant to State statutes.

16. Disclosure to Purchasers. The District will use reasonable efforts to assure that all developers of the property located within the District provide written notice to all purchasers of property in the District regarding the Maximum Debt Mill Levy, as well as a general description of the District’s authority to impose and collect rates, fees, tolls, charges and other amounts. The District will cause to be recorded with the Larimer County Clerk and Recorder’s Office a one-page summary of such written notice, which recorded document will provide a website address where specific contact information will be provided where further information can be found.

17. TABOR Compliance. The District will comply with the provisions of TABOR. Any enterprises or any conduit issuers, such as a 6320 Corporation, that the Board desires to establish will require the prior written consent of the Town (it being understood that the establishment of any such enterprise or conduit issuer shall not constitute an amendment to the

Service Plan if established by the District after the receipt of the Town's consent). To the extent allowed by law, any entity established by the District will remain under the control of the District's Board, subject to any additional limitations contained in any Town consent to the establishment of such entity.

18. Service Plan Amendment Requirement. Actions of the District that violate the limitations set forth in the Service Plan or this Agreement shall be deemed to be material modifications to the Service Plan and breaches of this Agreement and the Town shall be entitled to all remedies available at law or in equity under State and local law.

19. Annual Report. The District shall be responsible for submitting an annual report to the Town no later than August 15th of each year following the year in which the Order and Decree creating the District has been issued.

The annual report shall include information as to any of the following:

- A. Boundary changes made or proposed to the District's boundary as of December 31st of the prior year;
- B. Agreements with other governmental entities, either entered into or proposed as of December 31st of the prior year;
- C. A list of all facilities and improvements constructed or acquired by the District and those that have been dedicated to and accepted by the Town as of December 31st of the prior year;
- D. Audit of the District's financial statements for the year ending December 31st of the previous year prepared in accordance with generally accepted accounting principles or audit exemptions, if applicable;
- E. Notice of continuing disclosure undertaking for events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument; and
- F. Any inability of the District to pay its obligations as they come due in accordance with the term of any Debt instruments, which continue beyond a ninety (90) day period.

20. Maximum Debt Mill Levy. The "Maximum Debt Mill Levy" shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Debt and such Maximum Debt Mill Levy shall not exceed fifty (50) mills, except that the Maximum Debt Mill Levy may be adjusted to account for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement. The mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes. Such increases or decreases are to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2015, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a

change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

21. Debt Instrument Disclosure Requirement. In the text of each Bond and any other instrument representing and constituting Debt, the District shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond and in the Service Plan for creation of the District.

Similar language describing the limitations in respect to the payment of the principal of and interest on Debt set forth in this Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, a developer of property within the boundaries of the District.

22. Security for Debt. The District shall not pledge any revenue or property of the Town as security for the indebtedness set forth in the Service Plan. Approval of the Service Plan and this Agreement shall not be construed as a guarantee by the Town of payment of any of the District's obligations, nor shall anything in the Service Plan or this Agreement be construed so as to create any responsibility or liability on the part of the Town in the event of default by the District in the payment of any such obligation.

23. Operations and Maintenance Mill Levy. The Maximum Debt Mill Levy for the repayment of Debt shall not apply to the District's ability to set its mill levy as necessary for the provision of operation and maintenance services to its taxpayers and service users; provided, however, that the mill levy for the provision of operation and maintenance services shall not exceed fifteen (15) mills without the prior written consent of the Town. A mill levy for the provision of operation and maintenance services in excess of fifteen (15) mills shall not constitute an amendment to the Service Plan if imposed by the District after receipt of the Town's consent.

24. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the address or by courier delivery, via Federal Express or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the District:	Heritage Ridge Metropolitan District c/o Megan Becher, Esq. 450 E. 17th Ave., Suite 400 Denver, CO 80203
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To the Town: Town of Berthoud
 Attention: Town Attorney
 Town Hall, 328 Massachusetts Ave.
 P.O. Box 1229
 Berthoud, Colorado 80513

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

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

26. Assignment. Neither Party hereto shall assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent of the other Party, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

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

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

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

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

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

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

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

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

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[SIGNATURE PAGE FOR INTERGOVERNMENTAL AGREEMENT]

HERITAGE RIDGE METROPOLITAN
DISTRICT

By: _____
President

Attest:

Secretary

TOWN OF BERTHOUD, COLORADO

By: _____
Mayor

Attest:

By: _____
Its: _____

APPROVED AS TO FORM: _____

RECEIVED

DEC 10 2015

DIV OF LOCAL GOVERNMENT

RESOLUTION NO. 17-15**A RESOLUTION APPROVING THE SERVICE PLAN FOR THE
HERITAGE RIDGE METROPOLITAN DISTRICT**

THE BOARD OF TRUSTEES OF THE TOWN OF BERTHOUD, LARIMER
COUNTY, COLORADO, RESOLVES:

1. THE BOARD OF TRUSTEES FINDS THAT:

- (a) A Service Plan for the organization of the Heritage Ridge Metropolitan District was filed in the office of the Board of Trustees of the Town of Berthoud; and
- (b) Pursuant to statute, the Board of Trustees of the Town of Berthoud has authority to review the Service Plan with reference to need, service and economic feasibility; and
- (c) The Board of Trustees of the Town of Berthoud has reviewed the Service Plan, the evidence and related exhibits, and has determined that the same meets the municipal approval criteria under the Special District Act and, therefore, has determined to adopt a resolution of approval of the Service Plan for the proposed Heritage Ridge Metropolitan District.

2. Upon consideration of the Service Plan for the proposed Heritage Ridge Metropolitan District, and evidence at the duly noticed public hearing on the Service Plan, the Board of Trustees of the Town of Berthoud does find, determine and declare, as required by Section 32-1-203(2), C.R.S., as follows:

- (a) That there is sufficient existing and projected need for organized service in the area to be serviced by the proposed District;
- (b) That the existing service in the area to be served by the proposed District is inadequate for present and projected needs;
- (c) That the proposed District is capable of providing economical and sufficient service to the area within its proposed boundaries; and
- (d) That the area to be included in the proposed District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

3. Upon consideration of the Service Plan, and all evidence disclosed at the public hearing on the Service Plan, the Service Plan for the Heritage Ridge Metropolitan District shall be and the same is hereby approved.

4. The Board of Trustees further finds that it is in the best interests of the citizens of the Town to authorize the appropriate Town officials to enter into an Intergovernmental Agreement ("IGA") with the proposed District for the purpose of assigning the relative rights and responsibilities between the Town and the proposed District with respect to certain functions, operations, and obligations of the proposed District.

Passed and adopted this 25th day of August, 2015, after public hearing on July 28, 2015, continued to August 25, 2015, and publication as required by statute.

TOWN OF BERTHOUD


BY: 

David Gregg, Mayor

ATTEST:


Mary K. Cowdin, Town Clerk

APPROVED AS TO FORM:


Gregory S. Bell, Town Attorney