

**SERVICE PLAN
FOR HANCE RANCH METROPOLITAN DISTRICT**

Prepared
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TABLE OF CONTENTS

I.	INTRODUCTION.....	1
A.	Purpose and Intent.....	1
B.	Need for the District.....	1
C.	Objective of the City Regarding Service Plan	1
II.	DEFINITIONS	2
III.	BOUNDARIES PROPOSED LAND USE/POPULATION PROJECTIONS/ ASSESSED VALUATION	4
IV.	DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES	4
A.	Powers of the District and Service Plan Amendment	4
1.	Operations and Maintenance Limitation.....	4
2.	Fire Protection Limitation.....	4
3.	Construction Standards Limitation	5
4.	Inclusion Limitation.....	5
5.	Overlap Limitation.....	5
6.	Total Debt Issuance Limitation.....	5
7.	Privately Placed Debt Limitation.....	5
8.	Fee Limitation	5
9.	Consolidation Limitation	6
10.	Bankruptcy Limitation	6
11.	Service Plan Amendment Requirement	6
B.	Preliminary Engineering Survey.....	6
C.	Other Powers.....	7
1.	Service Plan Amendments	7
2.	Phasing, Deferral.....	7
3.	Additional Services	7

D.	Facilities to be Constructed and/or Acquired.....	7
V.	FINANCIAL PLAN	8
A.	General	8
B.	Maximum Voted Interest Rate and Maximum Underwriting Discount	8
C.	Maximum Debt Mill Levy	9
D.	Maximum Debt Mill Levy Imposition Term	9
E.	Debt Repayment Sources	10
F.	Security for Debt.....	10
G.	TABOR Compliance.....	10
H.	District’s Operating Costs	10
VI.	ANNUAL REPORT	10
A.	General	10
B.	Reporting of Significant Events.....	11
VII.	DISSOLUTION.....	11
VIII.	DISCLOSURE TO PURCHASERS.....	12
IX.	INTERGOVERNMENTAL AGREEMENT.....	12
X.	CONCLUSION	12

LIST OF EXHIBITS

EXHIBIT A Legal Description of District

EXHIBIT B District Boundaries Map

EXHIBIT C City of Wheat Ridge Vicinity Map

EXHIBIT D Inclusion Area Legal Description and Boundary Map

EXHIBIT E Intergovernmental Agreement between the District and the City of Wheat Ridge

EXHIBIT F Capital Plan

EXHIBIT G Financial Plan

I. INTRODUCTION

A. Purpose and Intent.

The purpose of the District will be to provide all or a portion of Public Improvements as further defined and described in this Service Plan (within and without the District boundaries as will be determined by the Board to be in the best interest of the District and in accordance with the Service Plan), for the benefit of the residents and taxpayers located within the Project. The primary purpose of the District will be to finance the construction of these Public Improvements and have authorization as is necessary to own, operate and maintain Public Improvements not otherwise transferred to another public entity. The District shall also be authorized, but not required, to provide covenant enforcement and design review services in accordance with the Special District Act. Upon completion to City standards, the District will convey to the City such Public Improvements as are constructed by the District in accordance with the Approved Development Plan. The District is an independent unit of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Service Plan, its activities are subject to review by the City only insofar as they may deviate in a material matter from the requirements of the Service Plan.

B. Need for the District.

The Project is not presently served with the facilities and/or services proposed to be provided by the District, nor does the City nor any other special district have any plans to provide such services within a reasonable time and on a comparable basis. There are currently no other governmental entities, including the City, 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. The District is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible. Approval of this Service Plan shall not indicate, implicitly or expressly, that any land use applications now on file with the City or any land use applications filed in the future will be approved by the City.

C. Objective of the City Regarding Service Plan.

The City's objective in approving the Service Plan for the District is to authorize the District to provide for the planning, design, acquisition, demolition, construction, installation, relocation and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the District and to further authorize the District to own, operate and maintain certain of the Public Improvements. All Debt is expected to be repaid by taxes imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term and at a mill levy no higher than the Maximum Debt Mill Levy, and/or repaid by Fees as limited by Section IV.A.8. Debt which is issued within these parameters will insulate property owners from excessive tax and Fee burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt. 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 in amount and that no property bear an economic burden for Debt that is greater than that associated with the Maximum Debt Mill Levy Imposition Term in duration even under bankruptcy or other unusual

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

This Service Plan is intended to establish financial constraints and requirements associated with the District that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements and services associated with the Project and regional needs.

II. DEFINITIONS

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

Approved Development Plan: means a development plan, subdivision improvement plan, or other process established by the City (including but not limited to approval of a final plat, minor development plat or site plan) for identifying, among other things, Public Improvements necessary for facilitating development for property within the Service Area, as approved by the City pursuant to the City Code, and as may be amended pursuant to the City Code from time to time.

Board: means the board of directors of the District.

Capital Plan: means the capital plan attached hereto as **Exhibit F** and referenced in Section IV.B which includes (i) a description of the type of capital facilities to be developed by the District; (ii) an estimate of the cost of the proposed facilities; and (iii) a capital expenditure plan correlating expenditures with development.

City: means the City of Wheat Ridge, Colorado.

City Council: means the City Council of the City of Wheat Ridge, Colorado.

C.R.S.: means Colorado Revised Statutes.

Debt: means bonds, notes or other multiple fiscal year financial obligations for the payment of which the District has pledged to impose an ad valorem property tax mill levy.

District: means Hance Ranch Metropolitan District.

District Boundaries: means the legal boundaries of the District as described in **Exhibit A** attached hereto.

District Boundary Map: means the map attached hereto as **Exhibit B**, depicting the boundaries of the District.

End User: means any owner, or tenant of any owner, of any platted Taxable Property within the District for which a certificate of occupancy has been issued. By way of illustration, a resident homeowner, renter, commercial property owner, or commercial

tenant is an End User. The business entity that constructs homes or commercial structures is not an End User.

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.

Fees: means any fee imposed by the District for services, programs or facilities provided by the District, as described in Section IV.A.8 below.

Financial Plan: means the Financial Plan described in Section V which generally describes (i) how the Public Improvements are anticipated 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. Such Financial Plan may be adjusted by the Board in the future as is necessary to accommodate phasing or other financial or development considerations so long as any such adjustment does not exceed either the Maximum Debt Mill Levy or the Maximum Debt Mill Levy Imposition Term. The Financial Plan is based upon current estimates and will change based on actual development of the Project.

Inclusion Area Boundaries: means the legal description and map attached hereto as **Exhibit D** which describes the property proposed for inclusion within the District.

Maximum Debt Mill Levy: means the maximum mill levy the District is permitted to impose for payment of Debt as further set forth in Section V.C below, including adjustments to the Maximum Debt Mill Levy as are permitted under Section V.C.

Maximum Debt Mill Levy Imposition Term: means the maximum term for imposition of a debt service mill levy on a particular property as set forth in Section V.D below.

Project: means the development or property commonly referred to as Hance Ranch.

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 IV below, to serve the future taxpayers and inhabitants of the Service Area as determined by the Board.

Service Area: means the property within the District Boundaries and the Inclusion Area Boundaries.

Service Plan: means this Service Plan for the District approved by City Council.

Service Plan Amendment: means an amendment to the Service Plan approved by City Council in accordance with the City Code and applicable state law.

Special District Act: means Section 32-1-101, et seq., C.R.S., as amended from time to time.

State: means the State of Colorado.

TABOR: the Colorado Taxpayer's Bill of Rights.

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

III. BOUNDARIES PROPOSED LAND USE/POPULATION PROJECTIONS/ ASSESSED VALUATION

The area of the District Boundaries includes approximately 3.91 acres and the area of the Inclusion Area Boundaries is approximately 2.66 acres. A legal description of the District Boundaries is attached hereto as **Exhibit A**. A District Boundary Map is attached hereto as **Exhibit B**. A vicinity map is attached hereto as **Exhibit C**. An Inclusion Area Legal Description and Boundary Map is attached hereto as **Exhibit D**. It is anticipated that a 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 Section IV below.

Approval of this Service Plan by the City does not imply approval of the development of a specific area within the Service Area, nor does it imply approval of the number of residential units identified in this Service Plan or any of the exhibits attached thereto, unless the same is contained within an Approved Development Plan.

IV. 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 provide the Public Improvements and related ownership, 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 State 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 and finance the Public Improvements. The District shall dedicate the Public Improvements to the City or other appropriate jurisdiction in a manner contemplated under the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code. The District shall be authorized, but not obligated, to own, operate and maintain Public Improvements not otherwise dedicated to the City or other public entity.

2. Fire Protection Limitation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an

intergovernmental agreement with the City. The authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system shall not be limited by this provision. Fire protection and emergency response services will be provided by the Arvada Fire Protection District.

3. Construction Standards Limitation. The District will ensure that Public Improvements constructed by the District are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction, including the Colorado Department of Health, and other applicable local, state or federal agencies.

4. Inclusion Limitation. The District shall not include within its boundaries any property outside the Service Area without the prior written consent of the City.

5. Overlap Limitation. The District shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the District unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the District.

6. Total Debt Issuance Limitation. The District shall not issue Debt in excess of Six Million Dollars (\$6,000,000). Debt that is issued for the purpose of refunding outstanding Debt shall not be counted against such total debt issuance limitation, provided, however, that if the aggregate principal amount of the refunding Debt exceeds the outstanding aggregate principal amount of the refunded Debt, the increase in principal amount shall be counted against such debt limitation.

7. Privately Placed Debt Limitation. 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 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. Fee Limitation. The District may impose and collect Fees as a source of revenue for repayment of Debt, capital costs, and/or for operations and maintenance. No Fee related to repayment of Debt shall be authorized to be imposed upon or collected from Taxable Property owned or occupied by an End User. Notwithstanding any of the foregoing, the restrictions in this definition shall not apply to any Fee imposed upon or collected from Taxable

Property for the purpose of funding operation and maintenance costs of the District, including the establishment of a reserve fund for future repairs or replacement costs.

9. Consolidation Limitation. The District shall not file a request with any Court to consolidate with another district organized under the Special District Act, without the prior written consent of the City.

10. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, Maximum Debt Mill Levy Imposition Term and the Fees have been established under the authority of the City 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 State 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 which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, 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 City as part of a Service Plan Amendment.

11. Service Plan Amendment Requirement. This Service Plan has been designed with sufficient flexibility to enable the District to provide Public Improvements and services and facilities under evolving circumstances without the need for numerous amendments. The District may seek formal approval from the City of modifications to this Service Plan which are not material, but for which the District may desire a written amendment and approval by the City. Such approval may be evidenced by any instrument executed by the City Manager, City Attorney, or other designated representative of the City as to the matters set forth therein and shall be conclusive and final.

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. An estimate of the costs of the Public Improvements which 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 preliminary zoning on the property in the Service Area and is approximately (\$1,865,825). The Capital Plan attached hereto as **Exhibit F** includes a description of the types of capital facilities to be developed by the District, an estimate of the cost of the proposed facilities, and a capital expenditure plan correlating expenditures with

development. The actual Public Improvements to be constructed will be determined by the Approved Development Plan, notwithstanding the Capital Plan, and are necessary and for the benefit of all homeowners, residents and property owners within the District in order to provide for a coordinated system of Public Improvements for the development of the Project.

All of the Public Improvements constructed by the District will be designed in such a way as to assure that the Public Improvements will be compatible with those of the City and shall be in accordance with the requirements of the City. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements. The actual Public Improvements to be constructed will be determined by the City and the District, and variations from the Capital Plan or Financial Plan shall not constitute a material modification of this Service Plan. All Public Improvements contemplated for the Project benefit the residents, property owners, and taxpayers of the District, and such benefit accrues to such residents, property owners, and taxpayers of the District regardless of the specific or general location of the various Public Improvements.

The Public Improvements generally depicted and described in the Capital Plan or Financial Plan have been presented for illustration only, and the exact design, subphasing of construction and location of the Public Improvements will be determined at the time of City approvals and public works approval and such decisions shall not be considered to be a material modification of the Service Plan.

C. Other Powers.

The District shall also have the following authority:

1. Service Plan Amendments. To amend the Service Plan as needed, subject to the appropriate statutory procedures and City Code.

2. Phasing, Deferral. Without amending this Service Plan, to defer, forego, reschedule, or restructure the financing and/or construction of Public Improvements and facilities, to better accommodate the pace of growth, resource availability, and potential inclusions of property within the District.

3. Additional Services. Except as specifically provided herein, to provide such additional services and exercise such powers as are expressly or impliedly granted by Colorado law, as may be amended from time to time.

D. Facilities to be Constructed and/or Acquired.

The District proposes to provide and/or acquire Public Improvements necessary and for the benefit of the Project, and the residents, property owners and taxpayers of the District as are set forth in the Approved Development Plan.

Notwithstanding anything in this Service Plan to the contrary, the District shall have the authority to enter into any intergovernmental agreements deemed necessary to effectuate the plans of the District without further approval from the City. In addition, the District shall have the

authority to seek electorate authorization to effectuate all purposes set forth in this Service Plan in order to comply with all applicable constitutional and statutory requirements.

V. 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 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 within the Maximum Debt Mill Levy Imposition Term from revenues derived from the Maximum Debt Mill Levy, Fees and other legally available revenues. A Financial Plan is attached hereto as **Exhibit G**, which provides preliminary projections demonstrating that the District can reasonably discharge the proposed Debt, consistent with the requirements of the Special District Act. The total Debt that the District shall be permitted to issue shall not exceed Six Million Dollars (\$6,000,000) and shall be permitted to be issued in amounts and on a schedule in such year or years as the District, in its discretion, determines is necessary to serve development as it occurs and can be issued within the parameters established herein. All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including, but not limited to, ad valorem taxes and Fees. The District will also rely upon various other revenue sources authorized by law. These will include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time.

The parameters in the Financial Plan are based upon current estimates and will change based on actual development of the Project. The Financial Plan is one projection of the issuance of Debt by the District based on certain development assumptions. It is expected that actual development (including, but not limited to product types, market values, and absorption rates) will vary from that projected and illustrated in the Financial Plan, which variations and deviations shall not constitute a material modification of this Service Plan.

Notwithstanding anything in this Service Plan to the contrary, the projections set forth in this Service Plan and the Financial Plan are projections based upon current market conditions. The actual amounts, interest rates, and terms of any Debt will likely change from that reflected in the Financial Plan, and each issue of Debt will be based upon the actual conditions existing at the time of issuance, subject to the limitations of the Service Plan.

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 proposed maximum interest rate on any Debt is not expected to exceed eighteen percent (18%). The proposed maximum underwriting discount will be 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 shall be determined as follows:

1. For the portion of any aggregate Debt which exceeds fifty percent (50%) of the District’s assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be sixty (60) mills less the number of mills necessary to pay unlimited mill levy Debt described in Section V.C.2 below; provided that if, on or after January 1, 2018, changes are made in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board 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, 2018, 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.

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

3. For purposes of the foregoing, once Debt has been determined to be within Section V.C.2 above, such that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, such District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in such District’s Debt to assessed ratio. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

To the extent that the District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term “District” as used herein shall be deemed to refer to the District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of the definitions and limitations herein.

D. Maximum Debt Mill Levy Imposition Term.

The District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds forty (40) years after the year of the initial imposition of such Debt mill levy unless a majority of the Board of the District imposing the mill levy are residents of the District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101, C.R.S.; et seq., as may be amended from time to time.

E. Debt Repayment Sources.

All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including, but not limited to, general ad valorem taxes and Fees. The District will also rely upon various other revenue sources authorized by law. These will include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time. In no event shall the debt service mill levy in the District exceed the Maximum Debt Mill Levy or the Maximum Debt Mill Levy Imposition Term, except pursuant to an intergovernmental agreement between a District and the City.

F. Security for Debt.

The District shall not pledge any revenue or property of the City as security for the indebtedness. Approval of this Service Plan shall not be construed as a guarantee by the City 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 City 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. In the discretion of the Board, the District may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the District will remain under the control of the District's Board.

H. District's Operating Costs.

The estimated cost of planning services, engineering services, legal services and administrative services, together with the estimated costs of the District's initial operations, are anticipated to be One Hundred Thousand Dollars (\$100,000), 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 owned, operated and maintained by the District. The 2019 operating budget is estimated to be Fifty Thousand Dollars (\$50,000) which is anticipated to be derived from property taxes and other revenues.

The Maximum Debt Mill Levy for the repayment of Debt shall not apply to the District's ability to increase its mill levy as necessary for the provision of administrative, operation and maintenance services.

VI. ANNUAL REPORT

A. General.

The District shall be responsible for submitting an annual report to the City Clerk at the City's administrative offices no later than September 1st of each year following the year in

which the Service Plan is approved by the City Council. The annual report shall reflect activity and financial events of the District through the preceding December 31st (the “Report Year”).

B. Reporting of Significant Events.

1. The annual report shall include information as to any of the following:
2. A narrative summary of the progress of the District in implementing its service plan for the Report Year.
3. Except when an exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the District for the Report Year including a statement of financial condition (i.e. balance sheet) as of December 31 of the report year and the statement of operations (i.e. revenues and expenditures) for the Report Year.
4. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of public facilities in a Report Year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the report year.
5. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the District at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the Report Year, the amount of payment or retirement of existing indebtedness of the District in the Report Year, the total assessed valuation of all taxable properties within the District as of January 1 of the Report Year, and the current mill levy of the District pledged to debt retirement in the Report Year.
6. The District’s budget for the calendar year in which the annual report is submitted.
7. A summary of residential and commercial development which has occurred within the District for the report year.
8. A summary of all fees, charges and assessments imposed by the District as of January 1 of the Report Year.
9. The name, business address and telephone number of each member of the Board and its chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Board.

VII. DISSOLUTION

Upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the District agree 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.

VIII. DISCLOSURE TO PURCHASERS

The District will use reasonable efforts to assure that all developers of the property located within the District provides 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 and charges. The form of notice shall be filed with the City prior to the initial issuance of the Debt of the District and shall be recorded in the Service Area.

IX. INTERGOVERNMENTAL AGREEMENT

The form of the intergovernmental agreement, relating to the limitations imposed on the District's activities, is attached hereto as **Exhibit E**. The District shall approve the intergovernmental agreement in the form attached as **Exhibit E** at its first Board meeting after approval of the Service Plan by the City. The City Council shall approve the intergovernmental agreement in the form attached as **Exhibit E** at the public hearing approving the Service Plan.

X. 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; and
4. Adequate service is not, and will not be, available to the area through the City or county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.
5. The facility and service standards of the District are compatible with the facility and service standards of the City 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.
6. The proposal is in substantial compliance with a master plan adopted pursuant to Section 30-28-108, Colorado Revised Statutes;
7. The proposal is in compliance with any duly adopted City, regional or state long-range water quality management plan for the area.
8. The creation of the District is in the best interests of the area proposed to be served.

EXHIBIT A

Legal Description of the District

EXHIBIT A

LEGAL DESCRIPTION OF THE DISTRICT

LOCATED IN A PORTION OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 3 SOUTH, RANGE 69 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF WHEAT RIDGE, COUNTY OF JEFFERSON, STATE OF COLORADO;

LOTS 1 THROUGH 17, INCLUSIVE BLOCK 1;

LOTS 1 THROUGH 12, INCLUSIVE BLOCK 2;

LOTS 1 THROUGH 12, INCLUSIVE BLOCK 3;

LOTS 1 THROUGH 11, INCLUSIVE BLOCK 4;

LOTS 1 THROUGH 11, INCLUSIVE BLOCK 5;

AND TRACTS A THROUGH H INCLUSIVE; HANCE’S SUBDIVISION REPLAT NO. 2, AS RECORDED AT RECEPTION NUMBER 2018087433 IN THE OFFICIAL RECORDS OF THE COUNTY OF JEFFERSON, STATE OF COLORADO.

ALSO DESCRIBED AS FOLLOWS:

COMMENCING AT SAID EAST QUARTER CORNER OF SECTION 17; THENCE S 89°11’07” W ALONG SAID NORTH LINE OF THE SOUTHEAST QUARTER OF SECTION 17 A DISTANCE OF 1058.53 FEET; THENCE S 00°18’02” E A DISTANCE OF 30.00 FEET TO THE NORTHWEST CORNER OF TRACT E, HANCE’S SUBDIVISION REPLAT NO. 2, AND THE POINT OF BEGINNING;

THENCE THE FOLLOWING FIVE (5) COURSES:

1. S 00°18’02” E A DISTANCE OF 391.10 FEET, ALSO BEING THE EAST RIGHT-OF-WAY LINE OF TAFT COURT TO THE NORTH RIGHT-OF-WAY LINE OF WEST FIFTY-FIRST (51 ST) STREET;
2. N 89°43’26” E ALONG SAID NORTH RIGHT-OF-WAY LINE OF WEST FIFTY-FIRST (51 ST) STREET A DISTANCE OF 433.54 FEET, TO THE WEST RIGHT-OF-WAY LINE OF TABOR STREET;
3. N 00°16’34” W ALONG SAID WEST RIGHT-OF-WAY LINE OF TABOR STREET A DISTANCE OF 394.72 FEET, TO A POINT OF A NON-TANGENT CURVE;
4. ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 14°01’54”, A RADIUS OF 15.00 FEET, AN ARC LENGTH OF 3.67 FEET, AND WHOSE CHORD BEARS N 83°47’55” W A DISTANCE OF 3.66 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF WEST 52ND AVENUE;
5. THENCE S 89°11’07” W ALONG SAID SOUTH RIGHT-OF-WAY LINE OF WEST 52ND AVENUE A DISTANCE OF 430.08 FEET TO THE POINT OF BEGINNING.


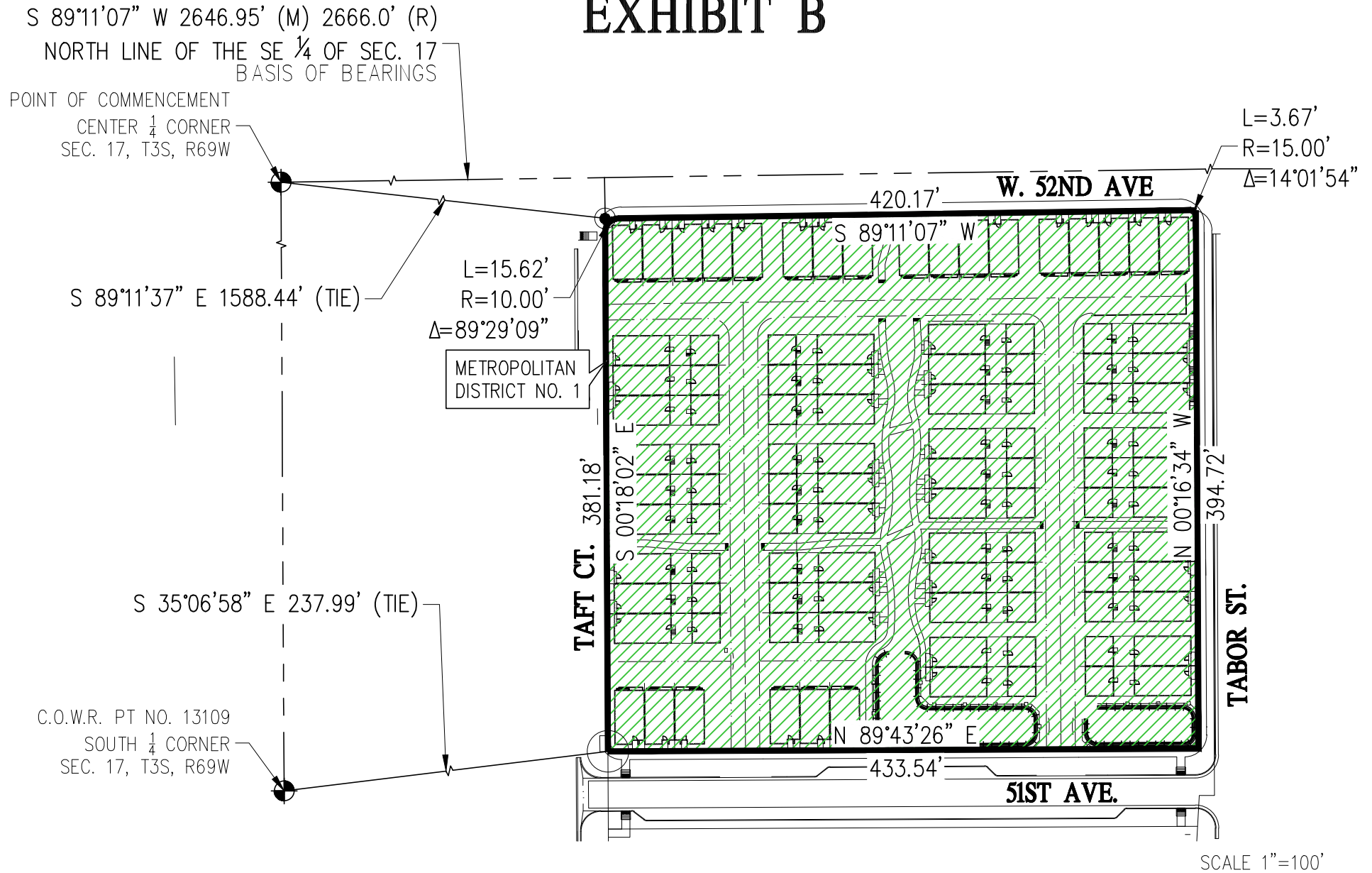
 <p>112 N RUBEY DRIVE, SUITE 210 • GOLDEN, COLORADO 80403 P: 303.940.8966 • F: 303.940.8959 • www.baselinecorp.com</p>	REVISION	DESCRIPTION	PREPARED BY	DATE	DESIGNED BY	HANCE RANCH DEVELOPMENT, LLC		INITIAL SUBMITTAL	05.01.2019	
					XXX	WHEAT RIDGE HANCE RANCH 11818 W. 52ND AVE. LEGAL DESCRIPTION		DRAWING SIZE	8.5" X 11"	
					DRAWN BY			XXX	SURVEY FIRM	BASELINE
					CHECKED BY			XXX	SURVEY DATE	07.11.2016
									JOB NO.	C03206
								DRAWING NAME	3206 DESCRIPTIONS.dwg	
								SHEET	1 OF 1	
								A		

EXHIBIT B

District Boundaries Map

EXHIBIT B



BASELINE

Engineering - Planning - Surveying

112 N RUBEY DRIVE, SUITE 210 • GOLDEN, COLORADO 80403
P: 303.940.8966 • F: 303.940.8969 • www.baselinecorp.com

REVISION	DESCRIPTION	PREPARED BY	DATE	DESIGNED BY
				XXX
				DRAWN BY
				XXX
				CHECKED BY
				XXX

HANCE RANCH DEVELOPMENT, LLC

WHEAT RIDGE

HANCE RANCH
11818 W. 52ND AVE.
DISTRICT BOUNDARIES MAP

JEFFERSON COUNTY

INITIAL SUBMITTAL	05.01.2019
DRAWING SIZE	8.5" X 11"
SURVEY FIRM	BASELINE
SURVEY DATE	07.11.2016
JOB NO.	C03206
DRAWING NAME	3206 DESCRIPTIONS.dwg
SHEET	1 OF 1
	B


EXHIBIT C

City of Wheat Ridge Vicinity Map

EXHIBIT C



VICINITY MAP
SCALE: 1" = 1000'



Engineering - Planning - Surveying

112 N RUBEY DRIVE, SUITE 210 • GOLDEN, COLORADO 80403
P: 303.940.8966 • F: 303.940.8959 • www.baselinecorp.com

REVISION	DESCRIPTION	PREPARED BY	DATE

DESIGNED BY	XXX
DRAWN BY	XXX
CHECKED BY	XXX

HANCE RANCH DEVELOPMENT, LLC

WHEAT RIDGE

HANCE RANCH

11818 W. 52ND AVE.

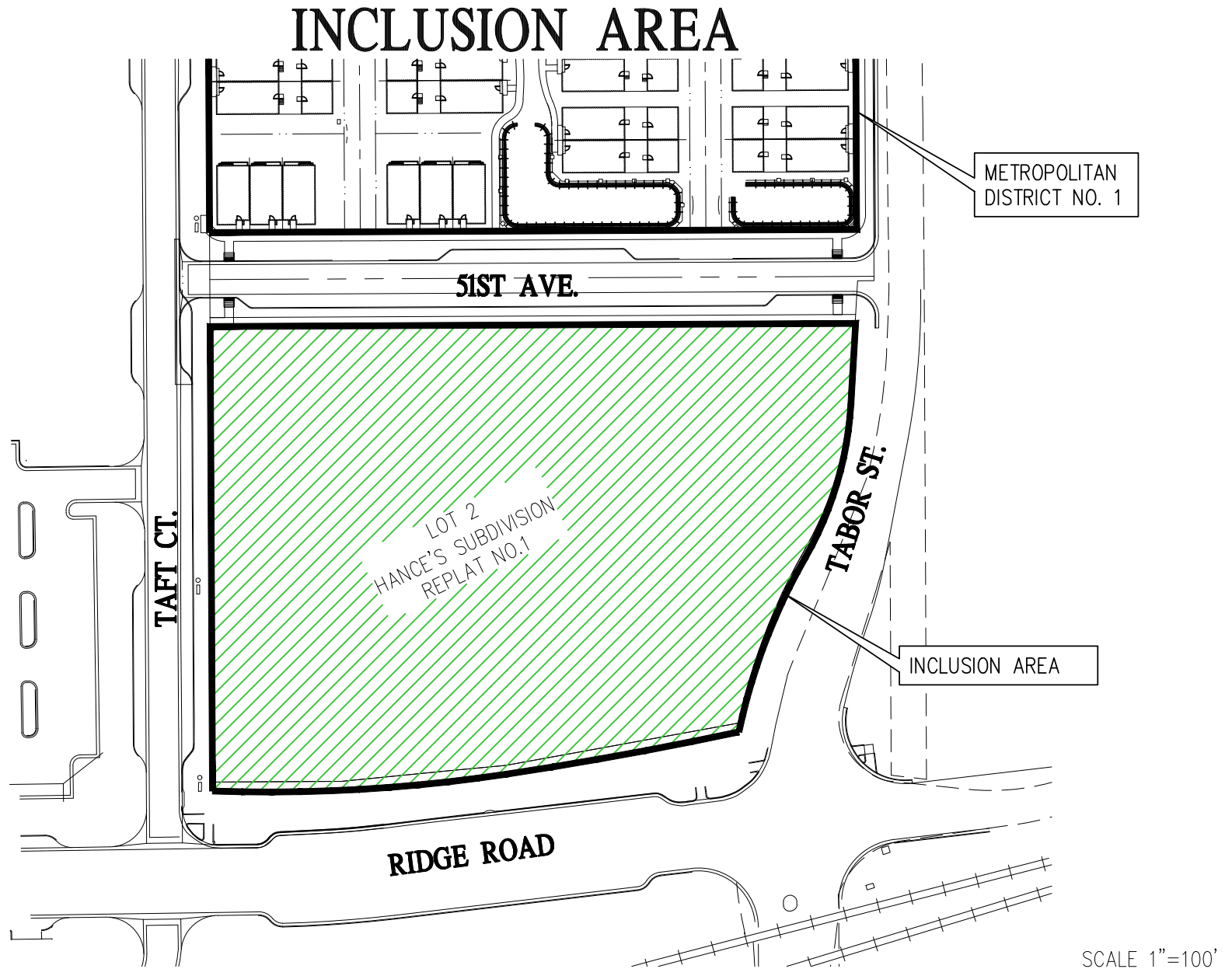
VICINITY MAP

JEFFERSON COUNTY

INITIAL SUBMITTAL	05.01.2019
DRAWING SIZE	8.5" X 11"
SURVEY FIRM	BASELINE
SURVEY DATE	07.11.2016
JOB NO.	C03206
DRAWING NAME	3206 DESCRIPTIONS.dwg
SHEET	1 OF 1
C	

EXHIBIT D

Inclusion Area Legal Description and Boundary Map



BASELINE

Engineering - Planning - Surveying

112 N RUBEY DRIVE, SUITE 210 • GOLDEN, COLORADO 80403
P: 303.940.8986 • F: 303.940.8959 • www.baselinecorp.com

REVISION	DESCRIPTION	PREPARED BY	DATE	DESIGNED BY
				XXX
				DRAWN BY
				XXX
				CHECKED BY
				XXX

HANCE RANCH DEVELOPMENT, LLC

WHEAT RIDGE

HANCE RANCH
11818 W. 52ND AVE.
INCLUSION AREA EXHIBIT

JEFFERSON COUNTY

INITIAL SUBMITTAL	05.01.2019
DRAWING SIZE	8.5" X 11"
SURVEY FIRM	BASELINE
SURVEY DATE	07.11.2016
JOB NO.	C03206
DRAWING NAME	3206 DESCRIPTIONS.dwg
SHEET	1 OF 1
EX	

LEGAL DESCRIPTION OF THE INCLUSION AREA

LOCATED IN A PORTION OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 3 SOUTH, RANGE 69 WEST OF THE 6TH
PRINCIPAL MERIDIAN, CITY OF WHEAT RIDGE, COUNTY OF JEFFERSON, STATE OF COLORADO;
LOT 2 HANCE'S SUBDIVISION REPLAT NO.1 , AS RECORDED AT RECEPTION NUMBER 2017076231 IN THE OFFICIAL RECORDS OF
THE COUNTY OF JEFFERSON, STATE OF COLORADO.


 <p>BASLINE</p> <p>Engineering - Planning - Surveying</p> <p>112 N RUBEY DRIVE, SUITE 210 - GOLDEN, COLORADO 80403 P: 303.940.9966 - F: 303.940.9969 - www.baselinecorp.com</p>	REVISION	DESCRIPTION	PREPARED BY	DATE	DESIGNED BY	HANCE RANCH DEVELOPMENT, LLC		INITIAL SUBMITTAL	05.01.2019				
					XXX	WHEAT RIDGE	HANCE RANCH 11818 W. 52ND AVE. INCLUSION AREA LEGAL DESCRIPTION	JEFFERSON COUNTY	DRAWING SIZE	8.5" X 11"			
					DRAWN BY				XXX	SURVEY FIRM	SURVEY DATE	BASELINE	07.11.2016
					CHECKED BY				XXX	JOB NO.	C03206		
										DRAWING NAME	3206 DESCRIPTIONS.dwg		
										SHEET	1 OF 1		
									EX				

EXHIBIT E

Intergovernmental Agreement between District and City of Wheat Ridge

INTERGOVERNMENTAL AGREEMENT BETWEEN
THE CITY OF WHEAT RIDGE, COLORADO
AND HANCE RANCH METROPOLITAN DISTRICT

THIS INTERGOVERNMENTAL AGREEMENT (the “**Agreement**”) is made and entered into as of this ____ day of _____, 2019, by, between and among the CITY OF WHEAT RIDGE, Colorado (“**City**”), and HANCE RANCH METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”). The City and the District are each referred to herein as a “**Party**” and together referred to herein 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 Service Plan for Hance Ranch Metropolitan District, approved by the City on _____, 2019 (“**Service Plan**”); and

WHEREAS, the Service Plan requires that the District approves this Agreement after approval of the Service Plan by the City; and

WHEREAS, the City 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; and

WHEREAS, all defined terms set forth herein shall have the same meaning as set forth in the Service Plan.

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. Operations and Maintenance. The District shall dedicate the Public Improvements to the City or other appropriate jurisdiction in a manner contemplated under the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code. The District shall be authorized, but not obligated, to own, operate and maintain Public Improvements not otherwise dedicated to the City or other public entity.

2. Construction Standards. The District will ensure that Public Improvements constructed by the District are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction, including the Colorado Department of Health, and other applicable local, state or federal agencies.

3. Inclusion of Property. The District shall not include within its boundaries any property outside the Service Area without the prior written consent of the City.

4. Total Debt Issuance. The District shall not issue Debt in excess of Six Million Dollars (\$6,000,000). Debt that is issued for the purpose of refunding outstanding District Debt shall not be counted against such debt limitation, provided, however, that if the aggregate principal amount of the refunding Debt exceeds the outstanding aggregate principal amount of the refunded Debt, the increase in principal amount shall be counted against such debt limitation.

5. Bankruptcy. All of the limitations contained in the Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, Maximum Debt Mill Levy Imposition Term and the Fees have been established under the authority of the City to approve the 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 State 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 which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, 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 City as part of a Service Plan Amendment.

7. Dissolution. Upon an independent determination of the City Council 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.

8. 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 and charges. The form of notice shall be filed with the City prior to the initial issuance of the Debt by the District and shall be recorded in the Service Area.

9. Annual Report. The District shall be responsible for submitting an annual report to the City Clerk at the City’s administrative offices by no later than September 1st of each year following the year in which the Service Plan is approved by the City Council. The annual report shall reflect activity and financial events of the District during the Report Year.

10. 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 shall be determined as follows:

(a) For the portion of any aggregate Debt which exceeds fifty percent (50%) of the District’s assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be Sixty (60) mills less the number of mills necessary to pay unlimited mill levy Debt described in Section (b) below; provided that if, on or after January 1, 2018, changes are made in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board 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, 2018, 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.

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

(c) For purposes of the foregoing, once Debt has been determined to be within Section (b) above, such that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, the District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in such District’s Debt to assessed ratio. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

To the extent that the District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term “District” as used herein shall be deemed to refer to the District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of the definitions and limitations herein.

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

To the District:

Hance Ranch Metropolitan District
2154 East Commons Ave., Suite 2000
Centennial, CO 80122
ATTN: Kristin Tompkins, Esq.
Phone: (303) 858-1800
Fax: (303) 858-1801
Email: ktompkins@wbapc.com

To the City:

City of Wheat Ridge
7500 W. 29th Ave.,
Wheat Ridge, CO 80033
ATTN: Patrick Goff, City Manager
Phone: (303) 235-2805
Email: pgoff@ci.wheatridge.co.us

With a copy to:

Murray Dahl Kuechenmeister & Renaud LLP
710 Kipling Street, Suite 300
Lakewood, CO 80215
ATTN: Gerald Dahl
Phone: (303) 493-6670
Email: gdahl@mdkrlaw.com

All notices, demands, requests or other communications shall be effective upon such personal delivery or 1 business day after being deposited with United Parcel Service or other nationally recognized overnight air courier service or 3 business days after deposit in the United States mail. By giving the other party hereto at least 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.

12. 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.

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

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

15. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado and venue shall be in the District Court in and for the county in which the District is located.

16. 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.

17. 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.

18. 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 City 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 City shall be for the sole and exclusive benefit of the District and the City.

19. 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.

20. 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.

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

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

(Signature page follows)

IN WITNESS WHEREOF, this Agreement is executed by the City and District as of the date first above written.

**HANCE RANCH METROPOLITAN
DISTRICT**

By: _____

President

Attest:

By: _____

Secretary

CITY OF WHEAT RIDGE, COLORADO

By: _____

Mayor

Attest:

By: _____

Secretary

Janelle Shaver
City Clerk

APPROVED AS TO FORM:

City Attorney

EXHIBIT F

Capital Plan

PROJECT:
OF LOTS:

DESCRIPTION	DISTRICT BUDGET 08/01/19
PREDEVELOPMENT	
PERMIT FEES	\$65,431.96
Subtotal	\$65,431.96
PUBLIC IMPROVEMENTS	
SOIL TESTING	\$71,150.00
SURVEYING	\$85,000.00
MOBILIZATION	\$20,000.00
GRADING	\$107,651.00
DEMOLITION	\$23,239.00
SEWER	\$131,225.00
WATER	\$237,257.00
STORM SEWER	\$161,391.00
STREET LIGHTS	\$129,946.00
CURB, GUTTER & CITY WALK	\$164,854.10
PAVING & ADJUSTMENT	\$196,542.00
SIGNAGE & STRIPING	\$16,500.00
LANDSCAPING	\$291,044.00
Subtotal	\$1,635,799.10
CUMULATIVE SUBTOTAL	\$1,701,231.06
MISCELLANEOUS COSTS	
CONTINGENCY	\$119,086.17
Subtotal	\$119,086.17
CUMULATIVE SUBTOTAL	\$1,820,317.24
MANAGEMENT FEE	\$45,507.93
GRAND TOTAL	\$1,865,825.17

EXHIBIT G

Financial Plan

HANCE RANCH STATION METROPOLITAN DISTRICT



Development Projection at 60.000 (target) District Mills -- SERVICE PLAN

Series 2021, G.O. Bonds, Non-Rated, 100x, 30-yr. Maturity

YEAR	<<<<<<< Residential >>>>>>>			< Platted/Developed Lots >			Total Assessed Value	District D/S Mill Levy [60.000 Target] [60.000 Cap]	District D/S Mill Levy Collections @ 98%	District S.O. Taxes Collected @ 6%	Total Facility Fees Collections	Total Available Revenue
	Total Res'l Units	Mkt Value Biennial Reasses'mt @ 6.0%	Cumulative Market Value	As'ed Value @ 7.20% of Market (2-yr lag)	Cumulative Market Value	As'ed Value @ 29.00% of Market (2-yr lag)						
2017	0		0		\$0		\$0		0	\$0	\$0	\$0
2018	0		0		0		0		0	0	0	0
2019	0		0	0	0	0	0	60.000	0	0	0	0
2020	0	0	0	0	1,440,000	0	0	60.000	0	0	0	0
2021	32		14,981,760	0	1,395,000	0	0	60.000	0	0	0	0
2022	31	898,906	30,684,517	0	0	417,600	417,600	60.000	24,555	1,473	0	26,028
2023	0		30,684,517	1,078,687	0	404,550	1,483,237	60.000	87,214	5,233	0	92,447
2024	0	1,841,071	32,525,588	2,209,285	0	0	2,209,285	60.000	129,906	7,794	0	137,700
2025	0		32,525,588	2,209,285	0	0	2,209,285	60.000	129,906	7,794	0	137,700
2026	0	1,951,535	34,477,124	2,341,842	0	0	2,341,842	60.000	137,700	8,262	0	145,962
2027	0		34,477,124	2,341,842	0	0	2,341,842	60.000	137,700	8,262	0	145,962
2028	0	2,068,627	36,545,751	2,482,353	0	0	2,482,353	60.000	145,962	8,758	0	154,720
2029	0		36,545,751	2,482,353	0	0	2,482,353	60.000	145,962	8,758	0	154,720
2030	0	2,192,745	38,738,496	2,631,294	0	0	2,631,294	60.000	154,720	9,283	0	164,003
2031	0		38,738,496	2,631,294	0	0	2,631,294	60.000	154,720	9,283	0	164,003
2032	0	2,324,310	41,062,806	2,789,172	0	0	2,789,172	60.000	164,003	9,840	0	173,843
2033	0		41,062,806	2,789,172	0	0	2,789,172	60.000	164,003	9,840	0	173,843
2034	0	2,463,768	43,526,574	2,956,522	0	0	2,956,522	60.000	173,843	10,431	0	184,274
2035	0		43,526,574	2,956,522	0	0	2,956,522	60.000	173,843	10,431	0	184,274
2036	0	2,611,594	46,138,169	3,133,913	0	0	3,133,913	60.000	184,274	11,056	0	195,331
2037	0		46,138,169	3,133,913	0	0	3,133,913	60.000	184,274	11,056	0	195,331
2038		2,768,290	48,906,459	3,321,948	0	0	3,321,948	60.000	195,331	11,720		207,050
2039			48,906,459	3,321,948	0	0	3,321,948	60.000	195,331	11,720		207,050
2040		2,934,388	51,840,846	3,521,265	0	0	3,521,265	60.000	207,050	12,423		219,473
2041			51,840,846	3,521,265	0	0	3,521,265	60.000	207,050	12,423		219,473
2042		3,110,451	54,951,297	3,732,541	0	0	3,732,541	60.000	219,473	13,168		232,642
2043			54,951,297	3,732,541	0	0	3,732,541	60.000	219,473	13,168		232,642
2044		3,297,078	58,248,375	3,956,493	0	0	3,956,493	60.000	232,642	13,959		246,600
2045			58,248,375	3,956,493	0	0	3,956,493	60.000	232,642	13,959		246,600
2046		3,494,902	61,743,277	4,193,883	0	0	4,193,883	60.000	246,600	14,796		261,396
2047			61,743,277	4,193,883	0	0	4,193,883	60.000	246,600	14,796		261,396
2048		3,704,597	65,447,874	4,445,516	0	0	4,445,516	60.000	261,396	15,684		277,080
2049			65,447,874	4,445,516	0	0	4,445,516	60.000	261,396	15,684		277,080
2050		3,926,872	69,374,746	4,712,247		0	4,712,247	60.000	277,080	16,625		293,705
2051			69,374,746	4,712,247		0	4,712,247	60.000	277,080	16,625		293,705
	63	39,589,135							5,571,734	334,304	0	5,906,038

HANCE RANCH STATION METROPOLITAN DISTRICT

Development Projection at 60.000 (target) District Mills -- SERVICE PLAN

Series 2021, G.O. Bonds, Non-Rated, 100x, 30-yr. Maturity

YEAR	Net Available for Debt Svc	Series 2021 \$2,855,000 Par [Net \$2.022 MM] Net Debt Service	Annual Surplus	Surplus Release @ to \$285,500	Cumulative Surplus \$285,500 Target	Senior Debt/ Assessed Ratio	Senior Debt/ Act'l Value Ratio	Cov. of Net DS: @ 60.000 Target	Cov. of Net DS: @ 60.000 Cap
2017	\$0								
2018	0								
2019	0								
2020	0								
2021	0	\$0	0		0	0%	0%	0%	0%
2022	26,028	0	26,028	0	26,028	192%	9%	0%	0%
2023	92,447	71,375	21,072	0	47,100	129%	9%	130%	130%
2024	137,700	142,750	(5,050)	0	42,051	129%	9%	97%	97%
2025	137,700	142,750	(5,050)	0	37,001	122%	8%	97%	97%
2026	145,962	142,750	3,212	0	40,213	122%	8%	102%	102%
2027	145,962	142,750	3,212	0	43,426	115%	8%	102%	102%
2028	154,720	152,750	1,970	0	45,396	115%	8%	101%	101%
2029	154,720	152,250	2,470	0	47,866	108%	7%	102%	102%
2030	164,003	161,750	2,253	0	50,119	108%	7%	101%	101%
2031	164,003	160,750	3,253	0	53,372	101%	7%	102%	102%
2032	173,843	169,750	4,093	0	57,466	100%	7%	102%	102%
2033	173,843	173,250	593	0	58,059	94%	6%	100%	100%
2034	184,274	181,500	2,774	0	60,834	92%	6%	102%	102%
2035	184,274	179,250	5,024	0	65,858	86%	6%	103%	103%
2036	195,331	192,000	3,331	0	69,188	84%	6%	102%	102%
2037	195,331	194,000	1,331	0	70,519	78%	5%	101%	101%
2038	207,050	205,750	1,300	0	71,819	76%	5%	101%	101%
2039	207,050	206,750	300	0	72,120	69%	5%	100%	100%
2040	219,473	217,500	1,973	0	74,093	67%	5%	101%	101%
2041	219,473	217,500	1,973	0	76,066	60%	4%	101%	101%
2042	232,642	232,250	392	0	76,458	57%	4%	100%	100%
2043	232,642	231,000	1,642	0	78,100	51%	3%	101%	101%
2044	246,600	244,500	2,100	0	80,200	48%	3%	101%	101%
2045	246,600	242,000	4,600	0	84,801	41%	3%	102%	102%
2046	261,396	259,250	2,146	0	86,947	38%	3%	101%	101%
2047	261,396	260,250	1,146	0	88,093	32%	2%	100%	100%
2048	277,080	275,750	1,330	0	89,423	27%	2%	101%	101%
2049	277,080	275,000	2,080	0	91,504	21%	1%	101%	101%
2050	293,705	288,750	4,955	0	96,458	16%	1%	102%	102%
2051	293,705	289,531	4,174	100,632	0	11%	1%	101%	101%
	5,906,038	5,805,406	100,632	100,632					

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HANCE RANCH STATION 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
2017						
2018						
2019	0	10.000	0	0	0	70.000
2020	0	10.000	0	0	0	70.000
2021	0	10.000	0	0	0	70.000
2022	417,600	10.000	4,092	246	4,338	70.000
2023	1,483,237	10.000	14,536	872	15,408	70.000
2024	2,209,285	10.000	21,651	1,299	22,950	70.000
2025	2,209,285	10.000	21,651	1,299	22,950	70.000
2026	2,341,842	10.000	22,950	1,377	24,327	70.000
2027	2,341,842	10.000	22,950	1,377	24,327	70.000
2028	2,482,353	10.000	24,327	1,460	25,787	70.000
2029	2,482,353	10.000	24,327	1,460	25,787	70.000
2030	2,631,294	10.000	25,787	1,547	27,334	70.000
2031	2,631,294	10.000	25,787	1,547	27,334	70.000
2032	2,789,172	10.000	27,334	1,640	28,974	70.000
2033	2,789,172	10.000	27,334	1,640	28,974	70.000
2034	2,956,522	10.000	28,974	1,738	30,712	70.000
2035	2,956,522	10.000	28,974	1,738	30,712	70.000
2036	3,133,913	10.000	30,712	1,843	32,555	70.000
2037	3,133,913	10.000	30,712	1,843	32,555	70.000
2038	3,321,948	10.000	32,555	1,953	34,508	70.000
2039	3,321,948	10.000	32,555	1,953	34,508	70.000
2040	3,521,265	10.000	34,508	2,071	36,579	70.000
2041	3,521,265	10.000	34,508	2,071	36,579	70.000
2042	3,732,541	10.000	36,579	2,195	38,774	70.000
2043	3,732,541	10.000	36,579	2,195	38,774	70.000
2044	3,956,493	10.000	38,774	2,326	41,100	70.000
2045	3,956,493	10.000	38,774	2,326	41,100	70.000
2046	4,193,883	10.000	41,100	2,466	43,566	70.000
2047	4,193,883	10.000	41,100	2,466	43,566	70.000
2048	4,445,516	10.000	43,566	2,614	46,180	70.000
2049	4,445,516	10.000	43,566	2,614	46,180	70.000
2050	4,712,247	10.000	46,180	2,771	48,951	70.000
2051	4,712,247	10.000	46,180	2,771	48,951	70.000
			928,622	55,717	984,340	

HANCE RANCH STATION METROPOLITAN DISTRICT

Development Projection -- Buildout Plan (updated 4/18/19)

Residential Development						Residential Summary			
YEAR	# Lots Devel'd	<u>SFD</u>		Price Inflated @ 2%	Market Value	Total Residential Market Value	Total Res'l Units	Value +/- of Platted & Developed Lots	
		Incr/(Decr) in Finished Lot Value @ 10%	# Units Completed 63 target					Adjustment	Adjusted Value
2017	0	0		\$450,000	0	\$0	0	0	0
2018	0	0		450,000	0	0	0	0	0
2019	0	0		450,000	0	0	0	0	0
2020	32	1,440,000		459,000	0	0	0	0	1,440,000
2021	31	(45,000)	32	468,180	14,981,760	14,981,760	32	0	(45,000)
2022	0	(1,395,000)	31	477,544	14,803,852	14,803,852	31	0	(1,395,000)
2023	0	0	0	487,094	0	0	0	0	0
2024	0	0	0	496,836	0	0	0	0	0
2025	0	0	0	506,773	0	0	0	0	0
2026	0	0	0	516,909	0	0	0	0	0
2027	0	0	0	527,247	0	0	0	0	0
2028	0	0	0	537,792	0	0	0	0	0
2029	0	0	0	548,547	0	0	0	0	0
2030	0	0	0	559,518	0	0	0	0	0
2031	0	0	0	570,709	0	0	0	0	0
2032	0	0	0	582,123	0	0	0	0	0
2033	0	0	0	593,765	0	0	0	0	0
2034	0	0	0	605,641	0	0	0	0	0
2035	0	0	0	617,754	0	0	0	0	0
2036	0	0	0	630,109	0	0	0	0	0
2037		0	0	642,711	0	0	0	0	0
	63	0	63		29,785,612	29,785,612	63	0	0

SOURCES AND USES OF FUNDS

**HANCE RANCH STATION METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2021
60.000 (target) Mills
Non-Rated, 100x, 30-yr. Maturity
(SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)
[Preliminary -- for discussion only]**

Dated Date	12/01/2021
Delivery Date	12/01/2021

Sources:

Bond Proceeds:	
Par Amount	2,855,000.00
	2,855,000.00

Uses:

Project Fund Deposits:	
Project Fund	2,022,056.25
Other Fund Deposits:	
Capitalized Interest Fund	214,125.00
Debt Service Reserve Fund	261,718.75
	475,843.75
Cost of Issuance:	
Other Cost of Issuance	300,000.00
Delivery Date Expenses:	
Underwriter's Discount	57,100.00
	2,855,000.00

BOND SUMMARY STATISTICS

HANCE RANCH STATION METROPOLITAN DISTRICT

GENERAL OBLIGATION BONDS, SERIES 2021

60.000 (target) Mills

Non-Rated, 100x, 30-yr. Maturity

(SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)

[Preliminary -- for discussion only]

Dated Date	12/01/2021
Delivery Date	12/01/2021
First Coupon	06/01/2022
Last Maturity	12/01/2051
Arbitrage Yield	5.000000%
True Interest Cost (TIC)	5.148830%
Net Interest Cost (NIC)	5.000000%
All-In TIC	6.010454%
Average Coupon	5.000000%
Average Life (years)	24.002
Weighted Average Maturity (years)	24.002
Duration of Issue (years)	13.861
Par Amount	2,855,000.00
Bond Proceeds	2,855,000.00
Total Interest	3,426,250.00
Net Interest	3,483,350.00
Bond Years from Dated Date	68,525,000.00
Bond Years from Delivery Date	68,525,000.00
Total Debt Service	6,281,250.00
Maximum Annual Debt Service	551,250.00
Average Annual Debt Service	209,375.00
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	20.000000
Total Underwriter's Discount	20.000000
Bid Price	98.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Term Bond due 2051	2,855,000.00	100.000	5.000%	24.002	12/01/2045	4,425.25
	2,855,000.00			24.002		4,425.25

	TIC	All-In TIC	Arbitrage Yield
Par Value	2,855,000.00	2,855,000.00	2,855,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-57,100.00	-57,100.00	
- Cost of Issuance Expense		-300,000.00	
- Other Amounts			
Target Value	2,797,900.00	2,497,900.00	2,855,000.00
Target Date	12/01/2021	12/01/2021	12/01/2021
Yield	5.148830%	6.010454%	5.000000%

BOND DEBT SERVICE

**HANCE RANCH STATION METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2021
60.000 (target) Mills
Non-Rated, 100x, 30-yr. Maturity
(SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)
[Preliminary -- for discussion only]**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2022			71,375	71,375	
12/01/2022			71,375	71,375	142,750
06/01/2023			71,375	71,375	
12/01/2023			71,375	71,375	142,750
06/01/2024			71,375	71,375	
12/01/2024			71,375	71,375	142,750
06/01/2025			71,375	71,375	
12/01/2025			71,375	71,375	142,750
06/01/2026			71,375	71,375	
12/01/2026			71,375	71,375	142,750
06/01/2027			71,375	71,375	
12/01/2027			71,375	71,375	142,750
06/01/2028			71,375	71,375	
12/01/2028	10,000	5.000%	71,375	81,375	152,750
06/01/2029			71,125	71,125	
12/01/2029	10,000	5.000%	71,125	81,125	152,250
06/01/2030			70,875	70,875	
12/01/2030	20,000	5.000%	70,875	90,875	161,750
06/01/2031			70,375	70,375	
12/01/2031	20,000	5.000%	70,375	90,375	160,750
06/01/2032			69,875	69,875	
12/01/2032	30,000	5.000%	69,875	99,875	169,750
06/01/2033			69,125	69,125	
12/01/2033	35,000	5.000%	69,125	104,125	173,250
06/01/2034			68,250	68,250	
12/01/2034	45,000	5.000%	68,250	113,250	181,500
06/01/2035			67,125	67,125	
12/01/2035	45,000	5.000%	67,125	112,125	179,250
06/01/2036			66,000	66,000	
12/01/2036	60,000	5.000%	66,000	126,000	192,000
06/01/2037			64,500	64,500	
12/01/2037	65,000	5.000%	64,500	129,500	194,000
06/01/2038			62,875	62,875	
12/01/2038	80,000	5.000%	62,875	142,875	205,750
06/01/2039			60,875	60,875	
12/01/2039	85,000	5.000%	60,875	145,875	206,750
06/01/2040			58,750	58,750	
12/01/2040	100,000	5.000%	58,750	158,750	217,500
06/01/2041			56,250	56,250	
12/01/2041	105,000	5.000%	56,250	161,250	217,500
06/01/2042			53,625	53,625	
12/01/2042	125,000	5.000%	53,625	178,625	232,250
06/01/2043			50,500	50,500	
12/01/2043	130,000	5.000%	50,500	180,500	231,000
06/01/2044			47,250	47,250	
12/01/2044	150,000	5.000%	47,250	197,250	244,500
06/01/2045			43,500	43,500	
12/01/2045	155,000	5.000%	43,500	198,500	242,000
06/01/2046			39,625	39,625	
12/01/2046	180,000	5.000%	39,625	219,625	259,250
06/01/2047			35,125	35,125	
12/01/2047	190,000	5.000%	35,125	225,125	260,250
06/01/2048			30,375	30,375	
12/01/2048	215,000	5.000%	30,375	245,375	275,750
06/01/2049			25,000	25,000	
12/01/2049	225,000	5.000%	25,000	250,000	275,000
06/01/2050			19,375	19,375	
12/01/2050	250,000	5.000%	19,375	269,375	288,750
06/01/2051			13,125	13,125	
12/01/2051	525,000	5.000%	13,125	538,125	551,250
	2,855,000		3,426,250	6,281,250	6,281,250

NET DEBT SERVICE

HANCE RANCH STATION METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2021 60.000 (target) Mills

Non-Rated, 100x, 30-yr. Maturity
(SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)
[Preliminary -- for discussion only]

Period Ending	Principal	Interest	Total Debt Service	Debt Service Reserve Fund	Capitalized Interest Fund	Net Debt Service
12/01/2022		142,750	142,750		142,750	
12/01/2023		142,750	142,750		71,375	71,375.00
12/01/2024		142,750	142,750			142,750.00
12/01/2025		142,750	142,750			142,750.00
12/01/2026		142,750	142,750			142,750.00
12/01/2027		142,750	142,750			142,750.00
12/01/2028	10,000	142,750	152,750			152,750.00
12/01/2029	10,000	142,250	152,250			152,250.00
12/01/2030	20,000	141,750	161,750			161,750.00
12/01/2031	20,000	140,750	160,750			160,750.00
12/01/2032	30,000	139,750	169,750			169,750.00
12/01/2033	35,000	138,250	173,250			173,250.00
12/01/2034	45,000	136,500	181,500			181,500.00
12/01/2035	45,000	134,250	179,250			179,250.00
12/01/2036	60,000	132,000	192,000			192,000.00
12/01/2037	65,000	129,000	194,000			194,000.00
12/01/2038	80,000	125,750	205,750			205,750.00
12/01/2039	85,000	121,750	206,750			206,750.00
12/01/2040	100,000	117,500	217,500			217,500.00
12/01/2041	105,000	112,500	217,500			217,500.00
12/01/2042	125,000	107,250	232,250			232,250.00
12/01/2043	130,000	101,000	231,000			231,000.00
12/01/2044	150,000	94,500	244,500			244,500.00
12/01/2045	155,000	87,000	242,000			242,000.00
12/01/2046	180,000	79,250	259,250			259,250.00
12/01/2047	190,000	70,250	260,250			260,250.00
12/01/2048	215,000	60,750	275,750			275,750.00
12/01/2049	225,000	50,000	275,000			275,000.00
12/01/2050	250,000	38,750	288,750			288,750.00
12/01/2051	525,000	26,250	551,250	261,718.75		289,531.25
	2,855,000	3,426,250	6,281,250	261,718.75	214,125	5,805,406.25

BOND SOLUTION

HANCE RANCH STATION METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2021 60.000 (target) Mills

Non-Rated, 100x, 30-yr. Maturity
(SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)
[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
12/01/2022		142,750	-142,750		26,028	26,028	
12/01/2023		142,750	-71,375	71,375	92,447	21,072	129.52319%
12/01/2024		142,750		142,750	137,700	-5,050	96.46258%
12/01/2025		142,750		142,750	137,700	-5,050	96.46258%
12/01/2026		142,750		142,750	145,962	3,212	102.25033%
12/01/2027		142,750		142,750	145,962	3,212	102.25033%
12/01/2028	10,000	152,750		152,750	154,720	1,970	101.28975%
12/01/2029	10,000	152,250		152,250	154,720	2,470	101.62239%
12/01/2030	20,000	161,750		161,750	164,003	2,253	101.39308%
12/01/2031	20,000	160,750		160,750	164,003	3,253	102.02383%
12/01/2032	30,000	169,750		169,750	173,843	4,093	102.41148%
12/01/2033	35,000	173,250		173,250	173,843	593	100.34256%
12/01/2034	45,000	181,500		181,500	184,274	2,774	101.52843%
12/01/2035	45,000	179,250		179,250	184,274	5,024	102.80285%
12/01/2036	60,000	192,000		192,000	195,331	3,331	101.73466%
12/01/2037	65,000	194,000		194,000	195,331	1,331	100.68585%
12/01/2038	80,000	205,750		205,750	207,050	1,300	100.63202%
12/01/2039	85,000	206,750		206,750	207,050	300	100.14529%
12/01/2040	100,000	217,500		217,500	219,473	1,973	100.90731%
12/01/2041	105,000	217,500		217,500	219,473	1,973	100.90731%
12/01/2042	125,000	232,250		232,250	232,642	392	100.16870%
12/01/2043	130,000	231,000		231,000	232,642	1,642	100.71074%
12/01/2044	150,000	244,500		244,500	246,600	2,100	100.85903%
12/01/2045	155,000	242,000		242,000	246,600	4,600	101.90096%
12/01/2046	180,000	259,250		259,250	261,396	2,146	100.82790%
12/01/2047	190,000	260,250		260,250	261,396	1,146	100.44048%
12/01/2048	215,000	275,750		275,750	277,080	1,330	100.48236%
12/01/2049	225,000	275,000		275,000	277,080	2,080	100.75641%
12/01/2050	250,000	288,750		288,750	293,705	4,955	101.71599%
12/01/2051	525,000	551,250	-261,719	289,531	293,705	4,174	101.44153%
	2,855,000	6,281,250	-475,844	5,805,406	5,906,038	100,632	