

**STONERIDGE  
METROPOLITAN DISTRICT  
SERVICE PLAN**

**TOWN OF FIRESTONE, COLORADO**

**AMENDED AND RESTATED**

**APRIL 22, 2004**

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## **STONERIDGE METROPOLITAN DISTRICT SERVICE PLAN**

### **I. INTRODUCTION**

The District shall be named the Stoneridge Metropolitan District (the "District") The purpose of the District is to finance certain streets, street lighting, traffic and safety controls, water, landscaping, storm drainage and park and recreation improvements for a development to be known as the Stoneridge planned unit development ("Stoneridge") The developer of Stoneridge and the petitioner for the formation of the District is Best Buy Homes Colorado, Inc , a Colorado corporation (the "Developer") The District is intended to provide for the financing of public improvements for the Stoneridge development, but is not intended to be a District with perpetual existence The District will consist of approximately one hundred fifty-eight (158) acres and no changes in the District's boundaries are anticipated or authorized The District shall be dissolved when its financial obligations are paid or provided for or when the Town of Firestone, Colorado (the "Town") requests dissolution, provided then-applicable statutory requirements are met, all as further described in this Service Plan (the "Service Plan")

Except as expressly provided in this Service Plan, all public improvements and facilities that are financed, constructed, installed or acquired by the District shall be dedicated and conveyed to the Town or its designee and will be operated and maintained by the Town or its designee upon Town acceptance and completion of the District's warranty obligations. The Town may require that specific landscaping improvements that are dedicated and conveyed to the Town be maintained by a homeowners' association formed for the Stoneridge development, for the use and benefit of residents, taxpayers and property owners The District shall not provide fire protection or emergency services, which fire protection and emergency services

shall be provided by the Frederick-Firestone Area Fire Protection District. The District may exercise those powers of a metropolitan district set forth in §§32-1-1001 and -1004, C.R.S. only to implement the provisions of this Service Plan and only to the extent authorized by and in a manner consistent with this Service Plan.

The District is generally located at the southeast corner of the Sable Drive and Birch Street intersection. The proposed boundaries of the District are limited to those boundaries described in **Exhibit A**, attached hereto.

This Service Plan has been prepared by the following Developer and participating consultants (the "Organizers"):

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Pursuant to the requirements of the Special District Control Act, §§ 32-1-201, *et seq* , C R S , this Service Plan consists of a financial analysis and an engineering plan showing how the proposed facilities and services of the District will be provided and financed. As required by § 31-1-202(2), C R S , the following items are included in this Service Plan:

- a A description of the proposed services;
- b A financing plan showing how the proposed services are to be financed, including all elements required by § 32-1-202(2)(b), C R S ;
- c A preliminary engineering or architectural survey showing how the proposed services are to be provided;
- d A map of the proposed District's boundaries and an estimate of the population and valuation for assessment of the proposed District;
- e A general description of the facilities to be constructed and the standards for construction, including a statement of how the facility and service standards of the proposed

District are compatible with facility and service standards of the Town and special districts which are interested parties pursuant to § 32-1-204(1), C R S ;

f A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts and other major expenses related to the organization and initial operation of the District; and

g A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the proposed District and such other political subdivision and, if applicable, a form of the agreement

## **II. PURPOSE OF THE PROPOSED DISTRICT**

The District will finance the construction of public improvements for the Stoneridge development, which improvements shall be constructed to Town standards, warranted by the District, and dedicated and conveyed to the Town or its designee as provided in this Service Plan, or as otherwise required by the Town. The Town may require that specific landscaping improvements that are dedicated and conveyed to the Town be operated and maintained by a homeowners' association formed for the Stoneridge development, for the use and benefit of residents, taxpayers and property owners. The public improvements shall be financed, in part, through the issuance of indebtedness as set forth in Article V, "Financing Plan". Except as specified in or pursuant to this Service Plan, the District shall not construct or own any improvements, shall not provide for any maintenance, repair or operation of any improvements, and shall not perform any services without the consent of the Town as evidenced by a resolution of approval of the Town of Firestone Board of Trustees (the "Board of Trustees"). In addition,

the District will not contract with any other governmental entity to receive any services which are or may become available from the Town, or to provide any services to or within any other governmental entity without the prior written consent of the Town. The District shall not provide any services or facilities within any area of the District overlapping with the service area of another district without first obtaining the written consent of each and every district whose service area is so overlapped.

The District shall dissolve when its financial obligations are paid or provided for, or otherwise upon request of the Town, subject to then-applicable statutory requirements, all as further provided in Article VIII.

### **III. BOUNDARIES, POPULATION & VALUATION**

The District consists of approximately one hundred fifty-eight (158) acres located entirely within the boundaries of the Town, as more particularly set forth in the legal description attached hereto as **Exhibit A** and as shown on the boundary map, attached hereto as **Exhibit B**, and the vicinity map, attached hereto as **Exhibit C**. The petitioner, also the Developer of the District property, has received the consents of the property owners to the formation of this District, which consents, for the owners of all property to be located within the District, are attached hereto as **Exhibit D** and incorporated herein by this reference.

The Stoneridge subdivision is being developed for the anticipated construction of three hundred sixty (360) single-family homes by the Developer. The current population of the District is zero. The estimated population of the District at full build-out is one thousand forty-eight (1,048) people subject to development approval by the Town. It is acknowledged that Town development standards and requirements may affect the foregoing numbers of anticipated



homes and population. The estimated assessed value at full build-out is Six Million Three Hundred Thousand Fifty-Eight Dollars (\$6,300,058.00). The property is currently zoned planned unit development (PUD) for single-family residential uses. The current assessed value is approximately Twenty-Two Thousand Three Hundred Ninety Dollars (\$22,390.00). The total overlapping mill levy imposed upon the property within the proposed District for tax collection year 2002 was seventy-five and twenty-seven one hundredths of one mill (.75270) mills.

The District shall be required to obtain written approval from the Town of a Service Plan modification prior to any inclusion or exclusion of property to or from the District, or any other change in its boundaries. Any such approval may be granted or denied by resolution of the Board of Trustees, in its discretion. Any inclusion may be on the condition that all property originally in the District remain in the District, and on such other conditions as the Town may impose. Any exclusion may be on the condition that there is no detriment to the remaining residents and taxpayers within the District, or to the District's bondholders, and on such other conditions as the Town may impose. No changes in the boundaries of the District shall be made, unless the prior written approval of the Board of Trustees has been obtained as part of a Service Plan modification, as provided herein.

#### **IV. DESCRIPTION OF PROPOSED FACILITIES**

##### **a. Type of Improvements.**

The District will provide for the financing, construction, acquisition and installation of streets, street lighting, traffic and safety controls, water, landscaping, storm drainage and park and recreation improvements and facilities (as the foregoing terms are defined in § 32-1-1004(2), C.R.S. and the sections referenced therein) within the boundaries of the District. The District is

also authorized to finance park and recreation or other capital improvements identified by the Town and located outside of the District, that benefit the Town and the District, as provided in Article V c, below. With the exception of those public improvements specifically identified in **Exhibit F** and authorized by this Service Plan, specifically including the off-site street improvements to County Road 22 between 11<sup>th</sup> and 13<sup>th</sup> streets, and, with the exception of the Seven Hundred Twenty-Eight Thousand Nine Hundred Ninety-Three Dollars (\$728,993.00) paid to the Town which may be utilized by the Town as described in Article V c hereof and the intergovernmental agreement attached hereto as **Exhibit N**, the District shall not finance, construct, acquire or install any improvements outside the boundaries of the District unless: (1) the Town, by written determination of its Town Engineer, determines that such improvements are necessary to connect service for the District to the facilities of the Town or other entities involved in providing services to the District; or (2) such proposed improvements are approved in advance by resolution of the Board of Trustees.

The property within the District will receive water service from the Town. The District may finance water system improvements and facilities located within the boundaries of the District. However, the water systems improvements within the District shall be dedicated and conveyed to and owned by the Town or the Central Weld County Water District upon Town or Central Weld County Water District acceptance and completion of the District's warranty obligations. All water rights for water service to the property shall be owned by the Town; the District shall not purchase, own, manage, adjudicate or develop any water rights or water resources.

The Organizers of the District have prepared a preliminary engineering report based on the Town's construction standards. The table, attached hereto as **Exhibit E**, lists all facilities

which the District, subject to development approval of the Town, will be authorized to finance, acquire, design, construct, and install, including the costs in current dollars of each, together with an explanation of the methods, basis and/or assumptions used. A letter concerning the reasonableness of the cost estimates, and of the methods, bases and assumptions used, is included in **Exhibit E**. Subject to the Debt Limitations set forth in Article V of this Service Plan and the requirements of Article V c, the District will be authorized to fund any combination of the improvements. The combined estimated cost of the improvements is Five Million Seventy-Three Thousand Two Hundred Nineteen Dollars and Eighteen Cents (\$5,073,219.18), which exceeds the estimated debt capacity of the District. Funding for improvements not funded by the District shall remain the responsibility of the Developer of the property. The Town is not responsible for assuming any of the costs of the improvements funded by the District or necessary for service to the proposed Stoneridge development.

A map showing the location of the public improvements to be financed by the District is attached hereto as **Exhibit F**. All water improvements are anticipated to be constructed within street right-of-way, unless otherwise required by the Town. The District shall be authorized to finance, acquire, design, construct and install those types of public improvements and facilities which are authorized under this Article IV and which are generally shown on **Exhibit F**, subject to the specific final design and approval thereof by the Town. Phasing of construction shall be determined by the District to meet the needs of the residents and taxpayers within its boundaries; provided, however, that improvements shall be installed in compliance with any phasing plan approved for the Stoneridge development at the request of the Developer.

**b. Description of Existing Conditions.**

The area is predominantly undeveloped.

**c. Anticipated Development.**

The Developer anticipates total build-out to occur by 2009, with the construction of fifteen (15) single family homes in 2004, fifty-eight (58) single family homes in 2005, sixty-eight (68) single family homes in 2006, seventy-three (73) single family homes in 2007, seventy-two (72) single family homes in 2008 and seventy-four (74) single family homes in 2009, subject to final design and development approval by the Town. It is acknowledged by the Developer that Town development standards and requirements may affect the foregoing numbers of anticipated homes and the foregoing anticipated build-out schedule.

**d. Public Improvement Schedule.**

Construction of the public improvements will commence as soon as possible following approval of the Service Plan. The public improvements will be phased to meet the development schedule, and shall be installed in compliance with any phasing plan approved for the Stoneridge development at the request of the Developer.

**e. Town Construction Standards**

All proposed facilities and improvements shall be designed and constructed in accordance with the standards and specifications established by the Town and in effect from time to time, and with applicable standards and specifications of the federal government and State of Colorado. All proposed facilities and improvements shall be compatible with those of the Town. The District and its engineer have designed and shall design the facilities and improvements to meet such standards, specifications and compatibility requirements of the Town. The District will obtain approval of civil engineering plans and permits for construction and installation of

facilities improvements from the Town prior to the construction or installation of any facilities or improvements. The District shall be subject to all applicable provisions of the Firestone Municipal Code and to all Town rules, regulations and policies with respect to the conduct of its work on the improvements, as in effect from time to time.

f. **Limitation on Eminent Domain**

The District shall not exercise any power of dominant eminent domain against the Town and shall not exercise any power of eminent domain within the Town without the prior written consent of the Town. No exercise of eminent domain by the District is contemplated or authorized in this Service Plan, and any proposed use thereof shall be considered a material modification of this Service Plan, and shall be subject to the Town's prior written approval.

g. **Dedication of Improvements to the Town.**

Except as specifically set forth within this Service Plan, the District shall dedicate and convey to the Town or its designee, or cause to be dedicated and conveyed to the Town or its designee, all public improvements and facilities, including, but not necessarily limited to, all streets, street lighting, traffic safety controls, water, landscaping, storm drainage and park and recreation improvements and facilities, as well as all rights-of-way, fee interests and easements necessary for access to and operation and maintenance of such improvements and facilities, to the extent such property interests have not been acquired by the Town through the land use approval process. The District shall not operate or maintain any public improvements, except as necessary to comply with its warranty obligations hereunder. The District shall also dedicate and convey to the Town or its designee any other facilities and improvements contemplated in this Service Plan, together with necessary rights-of-way, fee interests and easements. All such improvements, facilities, easements and rights-of-way shall be conveyed to the Town or its

designee immediately upon completion of construction, installation and expiration of the two (2) year warranty period that commences after the Town has issued a Conditional Acceptance as set forth below. All improvements, facilities, rights-of-way, fee interests and easements shall be conveyed and dedicated to the Town or its designee by instruments acceptable to the Town, free and clear of all liens and encumbrances, except those which are acceptable to the Town at its sole discretion. Failure to comply with the requirements of this Article IV shall be deemed to be a material modification of this Service Plan.

Once a public improvement to be dedicated to the Town is constructed and installed, the Town shall issue an "Conditional Acceptance" letter stating that the improvement has been constructed or installed in conformance with the Town's standards, or shall issue a letter stating the corrections necessary to bring the improvement into compliance with Town standards for the issuance of such a "Conditional Acceptance" letter. The District at its expense shall promptly undertake any necessary corrections. Upon issuance of the "Conditional Acceptance" letter, the public improvements shall be warranted for two (2) calendar years from the date of such "Conditional Acceptance", during which time the District shall maintain the improvements and correct all deficiencies therein as directed by the Town. At the conclusion of such two (2) year period, the Town shall issue a "Final Acceptance" letter if the public improvements conform to the Town's specifications and standards, or shall issue a letter stating the correction necessary to bring the improvement into compliance with Town standards for the issuance of such a "Final Acceptance" letter. The District at its expense shall promptly undertake any necessary corrections. A "Final Acceptance closing" shall then be arranged and held (such closing in no event to occur more than one hundred twenty (120) days after the issuance of the "Final Acceptance" letter), at which time the Town will issue a "Final Acceptance" for all public improvements to be accepted by

it, and the District will execute and deliver to the Town all necessary instruments to dedicate and convey to the Town the improvements and facilities, and all necessary rights-of-way, fee interests and easements

**h. Ownership and Operation of Facilities by the District.**

The District shall not be authorized to own or operate any improvements or facilities to be provided pursuant to this Service Plan, other than as necessary to permit the financing and construction thereof (including compliance by the District with its warranty obligations as provided in Article IV g above), except through approval by the Town by resolution or through an amendment to this Service Plan. Nothing herein shall limit the Town's authority to require that improvements and facilities be operated or maintained by a homeowners' association formed for the Stoneridge development.

**i. Acquisition of Land for Public Improvements.**

The District shall acquire at no cost to the Town all lands or interests in land required by the Town for construction of streets, street lighting, traffic and safety controls, water, landscaping, storm drainage and park and recreation improvements being constructed or installed by the District. Such land or interests in land may be acquired by the District by instruments of conveyance and/or plat dedication, in form and substance acceptable to the Town. All land and interests in land shall be conveyed to the Town or its designee at no cost to the Town at such times and by such instruments of conveyance as the Town may reasonably require (but in no event shall such conveyances be made later than the "Final Acceptance closing" described in Article IV g, above), free and clear of all liens and encumbrances, except those which are acceptable to the Town. Exceptions must be approved by the Town in advance and in writing.

Failure to comply with this provision shall be deemed to be a material modification of this Service Plan

**j. Services to be Provided by other Governmental Entities.**

The District proposes to finance, construct, acquire and install the public improvements necessary to serve the District's residents and taxpayers, but is not authorized to and shall not provide any ongoing services within the District. The District shall receive sanitary sewer service from the St. Vrain Sanitation District. The District shall not provide any sanitary sewer services. The District has obtained a letter from the Carbon Valley Park and Recreation District consenting to the overlapping boundaries for financing purposes only. The District shall not provide ongoing park and recreation services. The District shall obtain a resolution from the Central Weld County Water District consenting to the overlapping boundaries for financing purposes only. The District shall not provide ongoing water services to the District. Nothing herein shall limit or discharge the District's responsibilities for operation, maintenance and repair of public improvements prior to their acceptance by the Town and conveyance to the Town or its designee, or limit or discharge the District's warranty obligations.

**k. Integration.**

All facilities and improvements shall be constructed so as to be integrated with existing and planned facilities and improvements of the Town and other entities providing service to the Stoneridge development. The District shall obtain from such other serving entities approval of the proposed plans for the facilities and improvements. The District shall provide the Town with copies of any submittals to such entities at the time of their submittal, and with copies of any approvals from such entities upon receipt.



## V. FINANCIAL INFORMATION

This Article V describes the nature, basis, method of funding and debt and mill levy limitations associated with the District's public improvements program and operations. A detailed Financing Plan, consisting of the Accountant's Forecasted Cash Surplus Balances and Cash Receipts and Disbursements (including a Summary of Significant Forecast Assumptions), the Market Projection Consultant's Analysis, and the form of the Developer's Letter in Support of the Market Projections is contained in **Exhibit G**, attached hereto and incorporated herein. The Financing Plan includes estimated operations and administration costs (including estimated costs of warranty maintenance), proposed indebtedness and estimated interest rates and discounts and other major expenses related to the organization and operation of the District. The Financing Plan projects the issuance of the debt and the anticipated repayment based on the development assumptions (including the market projections and absorption forecasts set forth therein) for property within the boundaries of the District. The Financing Plan demonstrates that, at the projected level of development, and with the projected Developer support, the proposed District has the ability to finance the facilities identified herein, and will be capable of discharging the proposed indebtedness on a reasonable basis.

### a General.

The provision of improvements and facilities by the proposed District will be financed through the issuance of general obligation bonds (the "Bonds"), secured by the *ad valorem* taxing authority of the proposed District and other District revenues, limited as discussed below. The Financing Plan anticipates the issuance of one (1) series of Bonds in 2007. The term of any Bonds issued by the District shall not exceed thirty (30) years. The combined total estimated cost of the improvements is Five Million Seventy-Three Thousand Two Hundred Nineteen Dollars and

Eighteen Cents (\$5,073,219.18). The District has the capacity to issue general obligation bonds in the aggregate principal amount of approximately Three Million Four Hundred Thousand Dollars (\$3,400,000.00), projected to yield net bond proceeds of Two Million Nine Hundred Fifteen Thousand Nine Hundred Seventy Dollars and Fifty Cents (\$2,915,970.50) (which will be further reduced by the District's contribution of Seven Hundred Twenty-Eight Thousand Nine Hundred Ninety-Three Dollars (\$728,993.00) to the Town as provided in Article V c, below). Accordingly, it is currently anticipated that the bond proceeds will be insufficient to allow for repayment of Two Million Eight Hundred Eighty-Six Thousand Two Hundred Forty-One Dollars and Sixty-Eight Cents (\$2,886,241.68), which will be contributed by the Developer; however, if the financing capability of the District changes and will permit repayment in the future (due to higher than anticipated assessment values, lower interest rates or any other circumstance), the District may agree to repay the Developer for unreimbursed public infrastructure costs so long as the District has the capacity to make such payments without exceeding the debt limit or Mill Levy Limit provided in this Service Plan. Payments made to the Developer by the District are expected to be made principally from Bond proceeds and shall not exceed the amount advanced for capital costs by the Developer. The Accountant's Forecasted Cash Surplus Balance and Cash Receipts and Disbursements in **Exhibit G** do not include the above-described Developer contribution to the costs of public improvements.

**b. Debt Issuance.**

The District intends to issue one (1) series of general obligation bonds in the aggregate principal amount of approximately Three Million Four Hundred Thousand Dollars (\$3,400,000.00). A total debt limitation of Four Million Dollars (\$4,000,000.00) in aggregate principal amount is approved in this Service Plan; such debt limitation is to apply to the aggregate outstanding amount of both general obligation bonds and construction financing notes.

(i.e., notes or other financial obligations, if any, issued by the District to the Developer to evidence the District's obligation to repay the Developer's advances for construction costs)

The Bonds will be issued in the approximate amount of Three Million Four Hundred Thousand Dollars (\$3,400,000.00), at such time as one hundred forty-one (141) homes (representing, together with undeveloped land in the District, a total of approximately Two Million Eight Hundred Thousand Five Hundred Forty-Six Dollars (\$2,800,546.00) in assessed valuation) have received building permits and all public improvements serving such homes have been completed and accepted by the Town, all of which is anticipated to occur in December 2006 as shown in **Exhibit G**. The Developer expects that sales of the Bonds (to financial institutions or institutional investors as further provided below) would be made on the basis that, builder activity having commenced within the District (as demonstrated by the development levels required by the immediately preceding sentence), there is a reasonable likelihood that projected future development will occur and will result in increased assessed valuation levels to support payment of the Bonds.

**c. Required Transfers of Bond Proceeds to Town.**

The District will pay to the Town for deposit into the Town's capital improvements fund Seven Hundred Twenty-Eight Thousand Nine Hundred Ninety-Three Dollars (\$728,993.00) of the District's total net bond proceeds which shall be paid to the Town concurrently with the delivery of the Bonds. Pursuant to an agreement to be executed between the Town and the District, the funds so paid to the Town shall be used by the Town to finance improvements (whether inside or outside the boundaries of the District) that the Town and the District would otherwise be empowered to construct, and for which the District is authorized to incur indebtedness (i.e., streets, street lighting, traffic safety controls, water, landscaping, storm

drainage or park and recreation improvements and facilities), which improvements shall be of benefit to the Town and the District and shall be specifically identified in an amendment to the intergovernmental agreement between the Town and the District, which amendment shall be fully executed prior to the issuance of any District bonds

The Developer and other Organizers of the District acknowledge that the foregoing provisions for allocation of bond proceeds to the Town's capital improvements fund for capital improvements are material considerations in, and conditions of, the Town's approval of this Service Plan, and the Town has relied thereon in approving this Service Plan. The District shall not issue bonds without including in such issuance the concurrent allocation and delivery to the Town of the funds required by this Article V c, and such delivery of funds to the Town shall be a condition of closing for the Bonds. Further, the District shall not be authorized to issue bonds until the governing body of the District, upon formation thereof, has executed: (1) the intergovernmental agreement provided for in Article XIII and **Exhibit M**, with such amendments as the parties may mutually agree, stating its agreement to comply with the provisions of this Article V c; and (2) the District indemnity letter provided for in Part II of Exhibit K

**d. Other Financial Restrictions, Limitations and Requirements.**

The District shall request voter authorization for such amount of general obligation debt as the District deems sufficient to allow for allocation of the amounts deposited in the Town's capital improvements fund (as described in Article V c, above) among the District's powers, unforeseen contingencies, increases in construction costs due to inflation and all costs of issuance, including capitalized interest, reserve funds, discounts, legal fees and other incidental costs of issuance; provided, however, that the amount of general obligation debt (together with construction financing notes) actually issued by the District shall not exceed the debt limitation

of Four Million Dollars (\$4,000,000.00) as stated in Article V b, above. All bonds of the District will be sold for cash. The authorized maximum voted interest rate is fifteen percent (15%) per annum and the maximum underwriting discount is four percent (4%) of bond principal. The actual interest rates and discounts, within such maximum voted amounts, will be determined at the time the bonds are sold by the District and will reflect market conditions at the time of sale; provided, however, that the actual interest rate shall not exceed three hundred (300) basis points above the thirty (30) year 'AAA' Municipal Market Data rate in effect at the time the bonds are sold.

Estimated interest rates used in **Exhibit G** are based on information furnished by the underwriters identified in **Exhibit H**. In the event bonds are issued at an interest rate higher than the estimated rates used in **Exhibit G**, the principal amount of bonds will be reduced so as to result in total debt service payments approximately equal to those projected in **Exhibit G**, and so that debt service on the bonds can be paid from the revenue sources contemplated in this Service Plan. If actual increases in District assessed valuation attributable to inflation and biennial revaluation factors are less than the projected increases for those factors as shown in the **Exhibit G** forecasts, it is expected that the District would compensate by increasing its mill levy (subject to the Limited Mill Levy) or reducing the principal amount of the bonds issued.

The Developer acknowledges and accepts the risk that, if all or a part of the general obligation bonds proposed to be issued by the District are not issued, because of changes in financial conditions or for any other reason, the Developer may not be paid or reimbursed for the cost of public improvements or other advances to the District.

No bonds issued by the District shall provide for acceleration as a remedy upon default, unless the District has received the prior written administrative approval of the Town, which

approval may be granted only by the Town Administrator or the Board of Trustees. Except as provided below, with respect to notes issued to the Developer for construction financing, this Service Plan authorizes only the issuance of general obligation bonds and only within the above stated limits, and subject to the provisions as to the Limited Mill Levy as set forth below. The District may be authorized to issue revenue bonds, certificates, debentures or other evidences of indebtedness or to enter into lease-purchase transactions, only upon approval of an amendment to this Service Plan, and such an amendment shall be considered a material modification of the Service Plan. The District does not anticipate the imposition of development fees at this time, and may be authorized to impose such fees only upon the prior written approval of the Board of Trustees.

All bonds of the District shall be structured utilizing a commercial bank with trust powers as trustee to hold the bond proceeds and debt service funds and to pursue remedies on behalf of the bondholders.

Any bonds issued by the District pursuant to this Service Plan shall be in compliance with all applicable legal requirements, including without limitation § 32-1-1101(6), C.R.S., and article 59 of title 11, C.R.S., and shall be approved by nationally recognized bond counsel. An opinion shall also be obtained from bond counsel or counsel to the District that the bonds comply with all requirements of this Service Plan.

e. **Limited Mill Levy.**

“Limited Mill Levy” shall mean an ad valorem mill levy (a mill being equal to 1/10 of 1¢) imposed upon all taxable property in the District each year in an amount sufficient to pay the principal of, premium if any, and interest on the bonds as the same become due and payable, and to make up any deficiencies in any debt service reserve for the bonds, but, together with all other

District mill levies (including, without limitation, all mill levies for administration, warranty maintenance, and other operating expenses), such mill levy shall not exceed fifty (50 000) mills; provided however, that in the event of changes in the ratio of actual valuation to assessed valuation for residential real property, pursuant to Article X, section 3(1)(b) of the Colorado Constitution and legislation implementing such constitutional provision, the fifty (50.000) mill levy limitation provided herein will be increased or decreased (as to all taxable property in the District, including both residential and commercial property) to reflect such changes so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes (“Gallagher adjustment”) The Limited Mill Levy shall be an enforceable limit on all District mill levies

In addition to the Limited Mill Levy applicable to all District mill levies, the total District mill levy for administration, warranty maintenance and other operating expenses shall be limited to seven and one-half (7.500) mills, as adjusted by the Gallagher adjustment

**f Investor Suitability.**

In addition, the District bond issue (anticipated in 2007, as described above) shall be issued only to financial institutions or institutional investors within the meaning of § 32-1-1101(6)(a)(IV), § 32-1-103(6.5) and § 11-59-103(8), C.R.S. The District shall provide for and shall utilize mechanisms and procedures for transfers and exchanges of bonds which are reasonably designed to insure continuing compliance with such limitation of sales to institutional investors. If the District’s bonds are rated in one of the four highest investment grade rating categories by one or more nationally recognized organizations which regularly rate such obligations, compliance with the institutional investor limitation set forth above shall not be required

**g. Refunding bonds.**

General obligation refunding bonds may be issued by the District to defease original issue bonds in compliance with applicable law, but any such refunding shall not extend the maturity of the bonds being refunded nor increase the total debt service thereon and shall meet the requirements of § 32-1-1101(6)(a), C R S Any issuance of refunding bonds must comply with paragraph (f) above (“Investor Suitability”) Additionally, all limitations, restrictions and requirements of this Service Plan with respect to general obligation bonds of the District shall be applicable to refunding bonds, including, without limitation, Limited Mill Levy, debt limit, maximum interest rate, maximum discount, maximum term, prohibition on acceleration, bank trustee requirement and opinion requirements

**h. Construction Financing Notes Issued to Developer.**

The District may issue construction financing notes to the Developer to evidence the District’s obligation to reimburse the Developer’s advances for construction costs; any Developer advances which are not so reimbursed shall be treated as Developer contributions as described in Article V a, above Such notes shall be subject to the following restrictions set forth above for general obligation bonds: Limited Mill Levy, debt limitation, maximum term, prohibition on acceleration, and opinion as to Service Plan compliance; but such notes shall not be subject to the above-stated bank trustee requirement, or bond counsel opinion requirements Such notes shall not be general obligations of the District, shall bear no interest (see **Exhibit G**), shall be issued only to the Developer (and therefore shall be not be subject to any underwriting discount), and shall not be transferred, assigned, participated or used as security for any borrowing The Developer hereby represents that it is an accredited investor, as that term is defined under §§ 3(b) and (4)(2) of the federal “Securities Act of 1933” by regulation adopted



thereunder by the Securities and Exchange Commission. Such notes shall be paid from proceeds of the District's general obligation bonds (when and if received by the District, and subject to prior payment of amounts payable to the Town as provided in Article V c, above); otherwise the notes will be unsecured obligations of the District. To the extent that any of such notes are outstanding when the District's general obligation bonds are also outstanding, payments on the notes may be made only if such payments do not adversely affect the District's ability to pay its general obligation bonds. The Developer solely assumes the risk of nonpayment or other default on such notes, including, without limitation, delay, inability or failure of the District to sell or issue its general obligation bonds.

**i. Identification of District Revenue.**

The District will impose a mill levy on all taxable property in the District as the primary source of revenue for repayment of debt service and for operations and administration. The mill levy imposed by the District shall not exceed fifty (50 000) mills, except for Gallagher adjustments permitted under V b, above. Although the mill levy imposed may vary depending on the phasing of facilities anticipated to be funded, it is estimated that a mill levy of approximately forty (40 000) mills will produce revenue sufficient to support debt service and operations and warranty maintenance expenses throughout the repayment period. No fees or user charges shall be imposed by the District.

**j. Security for Debt.**

The District will not pledge any Town funds or assets for security for the indebtedness set forth in the Financing Plan of the District.

**k Services of District**

The District will require sufficient operating funds to plan and cause the public improvements to be constructed. The costs are expected to include: organizational costs, legal, engineering, accounting and debt issuance costs, compliance with warranty obligations, compliance with state reporting and other administrative requirements. The first year's operating budget (for 2004) is estimated to be Fifty Thousand Dollars (\$50,000) and the second year's operation budget (for 2005) is estimated to be Thirty Thousand Dollars (\$30,000). The operating budget amounts shown in Exhibit G are expected to be sufficient to enable the District to comply with its warranty obligations as described in Article IV g above.

**l. Quinquennial Review.**

Pursuant to § 32-1-1101 5, C R S., the District shall submit application for a quinquennial finding of reasonable diligence in every fifth (5<sup>th</sup>) calendar year after the calendar year in which the District's ballot issue to incur general obligation indebtedness is approved by its electorate. Upon such application, the Board of Trustees may accept such application or hold a public hearing thereon and take such actions as are permitted by law. The District shall be responsible for payment of the Town consultant and administrative costs associated with such review, and the Town may require a deposit of the estimated costs thereof. The Town shall have all powers concerning the quinquennial review as provided by statutes in effect from time to time.

**m. Letters.**

There is attached hereto as **Exhibit H** an underwriter's letter stating its intention to underwrite the District's financial obligations as proposed in this Financing Plan. There is attached hereto as **Exhibit I** a letter from legal counsel for the District stating that the petition for organization of the District, this Service Plan, notice and hearing procedures in connection therewith, and provisions thereof (including without limitation provisions as to the District's

bonds, fees and revenue sources) meet the requirements of titles 11 and 32, C.R.S., and other applicable law. There is attached hereto as **Exhibit J** a letter from bond counsel for the District (i) stating that provisions for payments of bond proceeds to the Town for deposit into the Town's capital improvements funds are authorized and permissible under currently applicable laws, and that the District is authorized by currently applicable laws to undertake such borrowing and make such payments of bond proceeds to the Town; and (ii) describing any significant legal or tax requirements or restrictions that the Town will be expected to comply with in connection with such payments.

#### **VI. LANDOWNERS' OBLIGATIONS AS TO PUBLIC IMPROVEMENTS**

The creation of the District shall not relieve the Developer, the landowner or any subdivider of property within the District, or any of their respective successors or assigns, of obligations to construct public improvements for the Stoneridge development, of the obligation to enter into a subdivision improvements agreement regarding such improvements, or of obligations to provide to the Town letters of credit as required by the Town to ensure the completion of such public improvements, or of any other obligations to the Town under Town ordinances, rules, regulations or policies, or under other agreements affecting the property within the District or the Stoneridge development, or any other agreement between the Town and the Developer (or any such landowner, subdivider or successors or assigns).

#### **VII. ANNUAL REPORT**

The District shall be responsible for submitting an annual report to the Town within one hundred twenty (120) days from the conclusion of the District's fiscal year. Failure of the District to submit such report shall not constitute a material modification hereof, unless the

District refuses to submit such report within thirty (30) days after a written request from the Town to do so. The District's fiscal year shall end on December 31<sup>st</sup> of each year. The content of the annual report shall include information as to the following matters which occurred during the year:

- a Boundary changes made or proposed;
- b Intergovernmental Agreements entered into or proposed;
- c Changes or proposed changes in the District's policies;
- d Changes or proposed changes in the District's operations;
- e Any changes in the financial status of the District including any issuance of financial obligations or any change in revenue projections or operating costs;
- f A summary of any litigation and notices of claim involving the District;
- g Proposed plans for the year immediately following the year summarized in the annual report;
- h Status of construction of public improvements;
- i The current assessed valuation in the District; and
- j A schedule of all taxes imposed and tax or other revenues received in the report year, and proposed taxes to be imposed, and identified revenues to be received in the following year and the revenues raised or proposed to be raised therefrom

The foregoing list shall not be construed to excuse the requirement for prior written Town approval of those matters that are considered material modifications of this Service Plan or for any other required Town approval. The annual report shall be signed by the President and attested by the Secretary of the District. Along with the annual report, and at any more frequent intervals as reasonably requested by the Town, the District shall provide to the Town a currently

dated and written certificate, signed by the President and Secretary of the District, certifying that the District is in full compliance with this Service Plan. If the District is not in full compliance with this Service Plan, the certificate shall include a detailed statement describing such noncompliance, and the District shall cooperate fully with the Town in providing further information as to, and promptly remedying, any such noncompliance. The Town reserves the right, pursuant to § 32-1-207(3)(c), C.R.S., to request reports from the District beyond the mandatory statutory five (5) year reporting report. In addition to the foregoing, the District shall cooperate with the Town by providing prompt responses to all reasonable requests by the Town for information, and the District shall permit the Town to inspect all public improvements and facilities and all books and records of the District.

#### **VIII. DISSOLUTION**

Promptly when all of the general obligation bonds to be issued by the District have been paid (or when provision for payment thereof has been made through establishment of an escrow as provided by § 32-1-702(3)(b), C.R.S.), the District will so notify the Town and will cooperate fully with the Town in taking all steps necessary under then applicable law to dissolve the District (including, without limitation: formulating a plan of dissolution; executing the District's consent to dissolve pursuant to § 32-1-704(3)(b), C.R.S.; making any necessary agreements as to continuation or transfer of warranty maintenance and other services, if any, which are then being provided by the District; submitting a petition for dissolution to the District Court; and, conducting any required dissolution election).

In addition, at any time after issuance of the District's general obligation bonds, upon the Town's request, the District will cooperate fully with the Town to dissolve the District (without

such payment of outstanding general obligation bonds of the District or establishment of an escrow therefor) as provided in §§ 32-1-702(3)(c) and 32-1-707(2)(c), C R S Also, on or after December 31, 2009, if the District has not issued any of its general obligation bonds, the Town shall have the right to require the District to dissolve in accordance with applicable law, and the District will cooperate fully with the Town to dissolve the District

To the maximum extent permitted by law, the above-stated agreements to cooperate in dissolution of the District shall be binding on the undersigned Developer and other landowners signing the Consent contained in **Exhibit D** to this Service Plan (together constituting the owners of one hundred percent (100%) of the land in the District) and shall also be binding on their successors in title to any and all land in the District (including the nominees for the initial Board of Directors set forth in Article X hereof and succeeding directors who own land within the District); and such agreements shall obligate all such persons to cooperate fully with the Town as described above, including without limitation, the signing of petitions, execution of consents, and voting in favor of dissolution in any required election.

## **IX. CONSOLIDATION**

The District shall not file a request with the District Court to consolidate with another district without the prior written approval of the Board of Trustees

## **X ELECTIONS**

Following approval of this Service Plan by the Town, and after acceptance of the organizational petition and issuance of orders from the District Court, elections on the questions of organizing the District and approving bonded indebtedness and various agreements described

herein, including the intergovernmental agreement between the Town and the District contemplated in Article XIII and Exhibit N hereof, will be scheduled. All elections will be conducted as provided in the court orders, the Uniform Election Code of 1992 (as substantially amended by House Bill 93-1255 and as otherwise amended from time to time), and Article X §20 of the Colorado Constitution (the "TABOR Amendment"), and are currently planned for May 4, 2004, but may be held on any legally permitted date. The election questions are expected to include whether to organize the District, election of initial directors, and TABOR Amendment ballot issues and questions. Thus, the ballot may deal with the following topics (in several questions, but not necessarily using the exact divisions shown here):

- a Whether to organize the District,
- b Membership and terms of the initial board members,
- c Approval of new taxes,
- d Approval of maximum operational mill levies,
- e Approval of bond and other indebtedness limits,
- f Approval of an initial property tax revenue limit,
- g Approval of an initial total revenue limit,
- h Approval of an initial fiscal year spending limit, and
- i Approval of a four (4) year delay in voting on ballot issues

Ballot issues may be consolidated as approved in court orders. The petitioners intend to follow both the letter and the spirit of the Special District Act, the Uniform Election Code and the TABOR Amendment during organization of the District. Future elections to comply with the TABOR Amendment may be held as determined by the elected Board of Directors of the District.

The following persons, who are or will be owners of property within the District, are anticipated to be nominated for the initial board of directors of the District:

Bailey E Dotson  
Best Buy Homes Colorado, Inc  
1011 South Valentia Street, #36  
Denver, Colorado 80231  
(303) 751-9910

Marilou Dotson  
1011 South Valentia Street, #36  
Denver, Colorado 80231  
(303) 751-9910

Richard Cavalli  
34523 Upper Bear Creek Road  
Evergreen, Colorado 80439  
(303) 670-9888

Lindsay Cavalli  
34523 Upper Bear Creek Road  
Evergreen, Colorado 80439  
(303) 670-9888

Stephen R Parry  
5336 Flatrock Court  
Morrison, Colorado 80465  
(303) 931-4498

## **XI INDEMNITIES**

The fully executed Best Buy Homes Colorado, Inc Indemnity Letter attached hereto as Part 1 of **Exhibit K** is submitted by the Developer to the Town as part of this Service Plan. The form of the District Indemnity Letter attached hereto as Part 2 of **Exhibit K** shall be executed by the District and delivered to the Town immediately upon formation of the District. The execution of such Indemnity Letters are material considerations in the Town's approval of this Service Plan, and the Town has relied thereon in approving this Plan.

## **XII. DISCLOSURE AND DISCLAIMER; NO THIRD-PARTY RIGHTS**

The District will also record a statement against the property within the District which will include notice of the existence of the District, anticipated mill levy and maximum allowed mill levy. The form of the notice is attached hereto and incorporated herein as **Exhibit L**,



subject to any changes requested by the Town in the future. In addition, there is attached hereto as **Exhibit M** a form of the Town's disclaimer statement. The District shall conspicuously include this disclaimer statement, or any modified or substitute statement hereafter furnished by the Town, in all offering materials used in connection with any bonds or other financial obligations of the District (or, if no offering materials are used, the District shall deliver the disclaimer statement to any prospective purchaser of such bonds or financial obligations). No changes shall be made to the disclosure and the disclaimer set forth in **Exhibits L and M**, respectively, except as directed by the Town. Neither this Service Plan nor any other related agreements shall be construed to impose upon the Town any duties to or confer any rights against the Town upon, any bondholders or other third parties.

### **XIII. INTERGOVERNMENTAL AGREEMENTS**

The District shall enter into an intergovernmental agreement with the Town which shall be in substantially the form set forth in **Exhibit N**. The District shall execute and deliver the intergovernmental agreement to the Town immediately upon formation of the District. The execution of such Agreement is a material consideration in the Town's approval of this Service Plan, and the Town has relied thereon in approving this Plan. No other intergovernmental agreements are proposed at this time. Any intergovernmental agreements proposed regarding the subject matter of this Service Plan shall be subject to review and approval by the Board of Trustees prior to their execution by the District. Failure of the District to obtain such approval shall constitute a material modification of this Service Plan.

#### **XIV. CONSERVATION TRUST FUND**

The District shall not apply for or claim any entitlement to funds from the Conservation Trust Fund which is derived from lottery proceeds, or other funds available from or through governmental or nonprofit entities for which the Town is eligible to apply. The District shall remit to the Town any and all conservation trust funds which it receives.

#### **XV. MODIFICATION OF SERVICE PLAN**

The District shall obtain the prior written approval of the Town before making any material modifications to this Service Plan. Material modifications require a Service Plan amendment and include modifications of a basic or essential nature, including, but not limited to, the following:

1. Any change in the stated purposes of the District or additions to the types of facilities, improvements or programs provided by the District;
2. Any issuance by the District of financial obligations not expressly authorized by this Service Plan, or under circumstances inconsistent with the District's financial ability to discharge such obligations as shown in the build out, assessed valuation and other forecasts contained in **Exhibit G**, or any change in debt limit, change in revenue type or change in maximum mill levy (except for any necessary Gallagher adjustment as provided in Article V b, above);
3. Any change in the types of improvements or estimated costs of improvements from what is stated in **Exhibit E** of this Service Plan;

4 Failure by the District to comply with the requirements of Article V c of this Service Plan or Section 6 of the intergovernmental agreement (the form of which is attached hereto as **Exhibit N**) concerning transfer of bond proceeds to the Town; or

5 Failure by the District to enter into the intergovernmental agreement (the form of which is attached hereto as **Exhibit N**) immediately upon the District's formation as provided in Article XIII of this Service Plan.

6 Failure to comply with the requirements of this Service Plan concerning the dedication of improvements or the acquisition and conveyance of lands or interests in land;

7 The failure of the District to develop any capital facility proposed in its Service Plan when necessary to service approved development within the District;

8 Any proposed use of the powers set forth in §§ 32-1-1101(1)(f) and -1101(1 5), C R S , respecting division of the District;

9 The occurrence of any event or condition which is defined under the Service Plan or intergovernmental agreement as necessitating a service plan amendment;

10 The default by the District under any intergovernmental agreement;

11 Any of the events or conditions enumerated in § 32-1-207(2), C R S , of the Special District Act; or

12 Any action or proposed action by the District which would interfere with or delay the planned dissolution of the District as provided in Article VII hereof

(The examples above are only examples and are not an exclusive list of all actions which may be identified as a material modification )

The District will pay all reasonable expenses of the Town, its attorneys and consultants, as well as the Town's reasonable processing fees, in connection with any request by the District

for modification of this Service Plan or administrative approval by the Town of any request hereunder. The Town may require a deposit of such estimated costs.

#### **XVI. FAILURE TO COMPLY WITH SERVICE PLAN**

In the event it is determined that the District has undertaken any act or omission which violates the Service Plan or constitutes a material departure from the Service Plan, the Town may utilize the remedies set forth in the statutes to seek to enjoin the actions of the District, or may withhold issuance of any permit, authorization, acceptance or other administrative approval for the Stoneridge development, or may pursue any other remedy available at law or in equity, including affirmative injunctive relief to require the District to act in accordance with the provisions of this Service Plan. The District shall pay any and all costs, including attorneys' fees, incurred by the Town in enforcing any provision of the Service Plan. To the extent permitted by law, the District hereby waives the provisions of § 32-1-207(3)(b), C.R.S., and agrees it will not rely on such provisions as a bar to the enforcement by the Town of any provisions of this Service Plan.

#### **XVII. RESOLUTION OF APPROVAL**

The Developer and other proponents of the proposed District agree to and shall incorporate the Board of Trustees' Resolution of Approval, including any conditions on such approval, into the Service Plan presented to the appropriate district court. Such resolution shall be attached as **Exhibit O**.

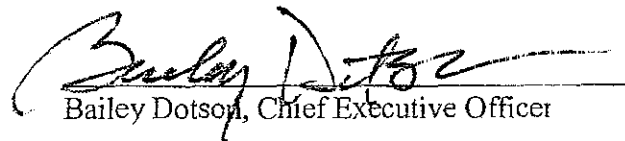
## **XVIII. SEVERABILITY**

If any portion of this Service Plan is held invalid or unenforceable for any reason by a court of competent jurisdiction, such portion shall be deemed severable and its invalidity or its unenforceability shall not cause the entire Service Plan to be terminated. Further, with respect to any portion so held invalid or unenforceable, the District and Town agree to pursue a Service Plan amendment or take such other actions as may be necessary to achieve to the greatest degree possible the intent of the affected portion.

## **XIX. CERTIFICATION**

This Service Plan is submitted to the Town by the undersigned Developer, which is the District petitioner, and with the consent of all property owners of all property within the boundaries of the proposed District. The undersigned will cause written notice of the Town's hearing on the proposed Service Plan to be duly given to all "interested parties" within the meaning of § 32-1-204, C.R.S., and will or has caused all other required filings to be made and all other applicable procedural requirements to be met. The information contained in this Service Plan is true and correct as of this date.

**BEST BUY HOMES COLORADO, INC.**  
A Colorado corporation

  
Bailey Dotson, Chief Executive Officer

**EXHIBIT A**  
Legal Description

A parcel of land being part of the Northwest Quarter (NW1/4) of Section Thirteen (13) and part of the East Half (E1/2) of Section Fourteen (14), all in Township Two North (T 2N ), Range Sixty-eight West (R 68W ) of the Sixth Principal Meridian (6th P M ), County of Weld, State of Colorado and being more particularly described as follows:

BEGINNING at the Northwest Corner of said Section 13 and assuming the North line of said NW1/4 as bearing South 89°31'25" East, being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/92, a distance of 2699 37 feet with all other bearings contained herein relative thereto From said point the West Quarter Corner of said Section 13 bears South 00°30'11" East a distance of 2650 68 feet:

THENCE South 00°30'11" East along the West line of said NW1/4 a distance of 30 00 feet to the intersection with the Southerly Right-Of-Way (ROW) line of Weld County Road #22 (WCR #22). Said point being the TRUE POINT OF BEGINNING Said point also being on the Southerly line of Firestone Sixth Annexation (FSA) as recorded May 5, 1997 in Book 1604 as Reception Number 2546405 of the records of the Weld County Clerk and Recorder (WCCR);

THENCE South 89°31'25" East along the Southerly ROW line of said WCR #22, also being the Southerly line of said FSA a distance of 2699 16 feet to the East line of said NW1/4; THENCE South 00°06'24" East along said East line a distance of 2183 38 feet to the Northeast Corner of that parcel of land as described in that Warranty Deed as recorded May 20, 1999 as Reception Number 2694995 of the records of the WCCR. From said point the Center Quarter Corner of said Section 13 bears South 00°06'24" East a distance of 420 00 feet; Thence along the Northerly and Westerly line of the aforesaid parcel of land by the following Two (2) courses and distances: THENCE North 89°53'17" West along a line parallel with the South line of said NW1/4 a distance of 420 00 feet; THENCE South 00°06'24" East along a line parallel with the East line of said NW1/4 a distance of 420 00 feet to the South line of said NW1/4 and being the Southwest Corner of the aforesaid parcel of land From said point the Center Quarter Corner of said Section 13 bears South 89°53'17" East a distance of 420 00 feet; THENCE North 89°53'17" West along the South line of said NW1/4 a distance of 2230 92 feet to the Westerly ROW line of Weld County Road #11 (WCR #11) Said point also being on the Easterly of Weld County Road 11 and 22 Annexation as recorded February 10, 2000 as Reception Number 2749171 of the records of the WCCR; Thence along the Easterly and Northerly line of the aforesaid annexation by the following Three (3) courses and distances: THENCE North 00°28'13" West a distance of 0.31 feet; THENCE South 89°31'47" West a distance of 30 00 feet to the West Quarter Corner of said

Section 13; THENCE South 89°31'47" West a distance of 30 00 feet to the Westerly ROW line of said WCR #11; THENCE North 00°30'11" West along said Westerly ROW line a distance of 2620 95 feet to the Southerly ROW line of said WCR #22; THENCE South 89°56'30" East along said Southerly ROW line a distance of 30 00 feet to the TRUE POINT OF BEGINNING.

Said described parcel of land contains 159 050 Acres, more or less (±) and is subject to any rights-of-way or other easements as granted or reserved by instruments of record or as now existing on said described parcel of land

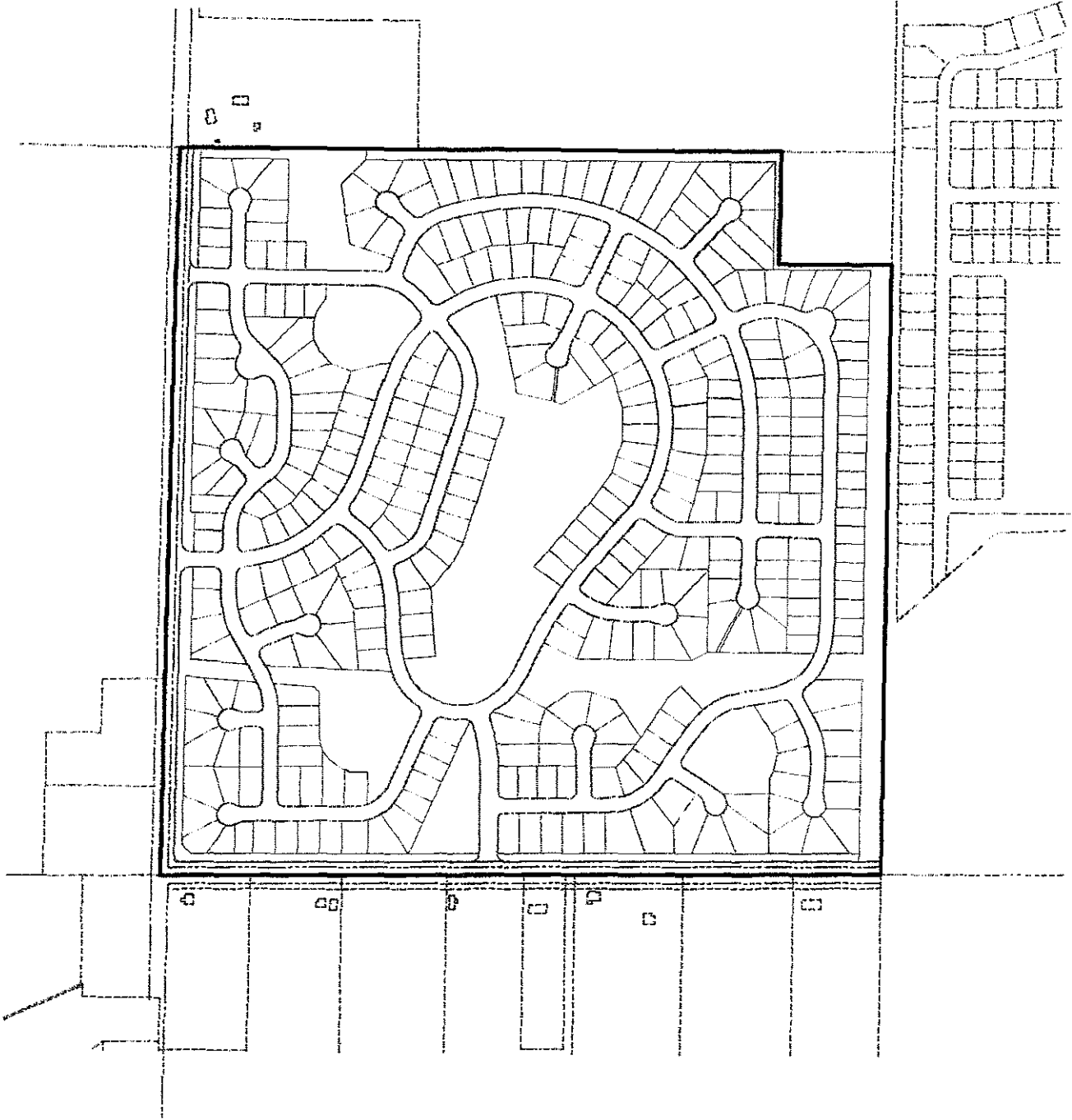


**EXHIBIT B**  
Boundary Map

STONERIDGE  
BOUNDARY  
EXHIBIT



N.T.S.



**EXHIBIT C**  
Vicinity Map

**EXHIBIT D**  
Property Owners' Consents

May 29, 2003

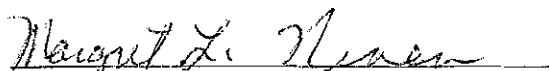
Town of Firestone  
P O Box 100  
Firestone, Colorado 80520

**RE: Proposed Stone Ridge Metropolitan District (the "District")**

To Whom It May Concern:


The Margret L Niven Revocable Trust, dated March 26, 2002, is an owner of the property attached hereto as **Exhibit A**, which property is proposed to constitute the boundaries of the District. The purpose of this letter is to advise that I, Grant V Niven, as co-trustee of the Margret L Niven Revocable Trust, dated March 26, 2002, consent to the organization of the District.

MARGRET L NIVEN REVOCABLE TRUST,  
dated March 26, 2002

  
Grant V. Niven, co-trustee  
MARGRET L NIVEN

STATE OF COLORADO KANSAS )  
 ) ss  
COUNTY OF Shawnee )

Subscribed and sworn to before me on this 30<sup>th</sup> day of May 2003, by Grant V Niven as co-trustee of the Margret L Niven Revocable Trust, dated March 26, 2002

 **Scott L. Burnett**  
Notary Public  
State of Kansas  
My Appt Expires 3-16-4

  
Notary Public

My commission expires MARCH 16, 2004

**EXHIBIT A**

A parcel of land being part of the Northwest Quarter (NW1/4) of Section Thirteen (13) and part of the East Half (E1/2) of Section Fourteen (14), all in Township Two North (12N), Range Sixty-eight West (R 68W) of the Sixth Principal Meridian (6th P M), County of Weld, State of Colorado and being more particularly described as follows:

BEGINNING at the Northwest Corner of said Section 13 and assuming the North line of said NW1/4 as bearing South 89°31'25" East, being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/92, a distance of 2699.37 feet with all other bearings contained herein relative thereto From said point the West Quarter Corner of said Section 13 bears South 00°30'11" East a distance of 2650.68 feet:

THENCE South 00°30'11" East along the West line of said NW1/4 a distance of 30.00 feet to the intersection with the Southerly Right-Of-Way (ROW) line of Weld County Road #22 (WCR #22) Said point being the TRUE POINT OF BEGINNING Said point also being on the Southerly line of Firestone Sixth Annexation (FSA) as recorded May 5, 1997 in Book 1604 as Reception Number 2546405 of the records of the Weld County Clerk and Recorder (WCCR);

THENCE South 89°31'25" East along the Southerly ROW line of said WCR #22, also being the Southerly line of said FSA a distance of 2699.16 feet to the East line of said NW1/4; THENCE South 00°06'24" East along said East line a distance of 2183.38 feet to the Northeast Corner of that parcel of land as described in that Warranty Deed as recorded May 20, 1999 as Reception Number 2694995 of the records of the WCCR From said point the Center Quarter Corner of said Section 13 bears South 00°06'24" East a distance of 420.00 feet; Thence along the Northerly and Westerly line of the aforesaid parcel of land by the following Two (2) courses and distances: THENCE North 89°53'17" West along a line parallel with the South line of said NW1/4 a distance of 420.00 feet; THENCE South 00°06'24" East along a line parallel with the East line of said NW1/4 a distance of 420.00 feet to the South line of said NW1/4 and being the Southwest Corner of the aforesaid parcel of land. From said point the Center Quarter Corner of said Section 13 bears South 89°53'17" East a distance of 420.00 feet; THENCE North 89°53'17" West along the South line of said NW1/4 a distance of 2230.92 feet to the Westerly ROW line of Weld County Road #11 (WCR #11). Said point also being on the Easterly of Weld County Road 11 and 22 Annexation as recorded February 10, 2000 as Reception Number 2749171 of the records of the WCCR; Thence along the Easterly and Northerly line of the aforesaid annexation by the following Three (3) courses and distances: THENCE North 00°28'13" West a distance of 0.31 feet; THENCE South 89°31'47" West a distance of 30.00 feet to the West Quarter Corner of said

Section 13; THENCE South 89°31'47" West a distance of 30.00 feet to the Westerly ROW line of said WCR #11; THENCE North 00°30'11" West along said Westerly ROW line a distance of 2620.95 feet to the Southerly ROW line of said WCR #22; THENCE South 89°56'30" East along said Southerly ROW line a distance of 30.00 feet to the TRUE POINT OF BEGINNING

Said described parcel of land contains 159.050 Acres, more or less (±) and is subject to any rights-of-way or other easements as granted or reserved by instruments of record or as now existing on said described parcel of land.

May 29, 2003

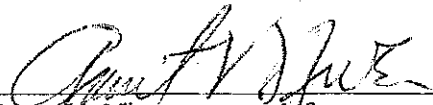
Town of Firestone  
P O Box 100  
Firestone, Colorado 80520

**RE: Proposed Stone Ridge Metropolitan District (the "District")**

To Whom It May Concern:

The Elda Mae Johnson and The Elizabeth N Doores Trust, dated October 8, 1996, is an owner of the property attached hereto as **Exhibit A**, which property is proposed to constitute the boundaries of the District. The purpose of this letter is to advise that I, Grant V Niven, having the power of attorney for the Elda Mae Johnson and The Elizabeth N Doores Trust, dated October 8, 1996, consent to the organization of the District.

THE ELDA MAE JOHNSON AND  
THE ELIZABETH N. DOORES TRUST,  
dated October 8, 1996

  
\_\_\_\_\_  
Grant V Niven, power of attorney

STATE OF ~~COLORADO~~ KANSAS )  
 ) ss  
COUNTY OF SHAWNEE )

Subscribed and sworn to before me on this 30<sup>th</sup> day of May 2003, by Grant V Niven as co-trustee of the Elda Mae Johnson and The Elizabeth N Doores Trust, dated October 8, 1996



**Scott L. Burnett**  
Notary Public  
State of Kansas

My Appt Expires 3-16-04

  
\_\_\_\_\_  
Notary Public

My commission expires MARCH 16, 2004



**EXHIBIT A**

A parcel of land being part of the Northwest Quarter (NW1/4) of Section Thirteen (13) and part of the East Half (E1/2) of Section Fourteen (14), all in Township Two North (T 2N), Range Sixty-eight West (R 68W ) of the Sixth Principal Meridian (6th P M ), County of Weld, State of Colorado and being more particularly described as follows:

BEGINNING at the Northwest Corner of said Section 13 and assuming the North line of said NW1/4 as bearing South 89°31'25" East, being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/92, a distance of 2699.37 feet with all other bearings contained herein relative thereto From said point the West Quarter Corner of said Section 13 bears South 00°30'11" East a distance of 2650 68 feet:

THENCE South 00°30'11" East along the West line of said NW1/4 a distance of 30 00 feet to the intersection with the Southerly Right-Of-Way (ROW) line of Weld County Road #22 (WCR #22) Said point being the TRUE POINT OF BEGINNING Said point also being on the Southerly line of Firestone Sixth Annexation (FSA) as recorded May 5, 1997 in Book 1604 as Reception Number 2546405 of the records of the Weld County Clerk and Recorder (WCCR);

THENCE South 89°31'25" East along the Southerly ROW line of said WCR #22, also being the Southerly line of said FSA a distance of 2699.16 feet to the East line of said NW1/4; THENCE South 00°06'24" East along said East line a distance of 2183 38 feet to the Northeast Corner of that parcel of land as described in that Warranty Deed as recorded May 20, 1999 as Reception Number 2694995 of the records of the WCCR From said point the Center Quarter Corner of said Section 13 bears South 00°06'24" East a distance of 420 00 feet; Thence along the Northerly and Westerly line of the aforesaid parcel of land by the following Two (2) courses and distances: THENCE North 89°53'17" West along a line parallel with the South line of said NW1/4 a distance of 420 00 feet; THENCE South 00°06'24" East along a line parallel with the East line of said NW1/4 a distance of 420 00 feet to the South line of said NW1/4 and being the Southwest Corner of the aforesaid parcel of land From said point the Center Quarter Corner of said Section 13 bears South 89°53'17" East a distance of 420 00 feet; THENCE North 89°53'17" West along the South line of said NW1/4 a distance of 2230 92 feet to the Westerly ROW line of Weld County Road #11 (WCR #11) Said point also being on the Easterly of Weld County Road 11 and 22 Annexation as recorded February 10, 2000 as Reception Number 2749171 of the records of the WCCR; Thence along the Easterly and Northerly line of the aforesaid annexation by the following Three (3) courses and distances: THENCE North 00°28'13" West a distance of 0.31 feet; THENCE South 89°31'47" West a distance of 30 00 feet to the West Quarter Corner of said

Section 13; THENCE South 89°31'47" West a distance of 30 00 feet to the Westerly ROW line of said WCR #11; THENCE North 00°30'11" West along said Westerly ROW line a distance of 2620 95 feet to the Southerly ROW line of said WCR #22; THENCE South 89°56'30" East along said Southerly ROW line a distance of 30 00 feet to the TRUE POINT OF BEGINNING

Said described parcel of land contains 159 050 Acres, more or less (±) and is subject to any rights-of-way or other easements as granted or reserved by instruments of record or as now existing on said described parcel of land

## SPECIAL POWER OF ATTORNEY

I, ELIZABETH N DOORES, as trustee of the ELIZABETH N DOORES TRUST, under agreement dated October 8, 1996, the principal, of 1373 N. Cherry Street, Galesburg, Illinois 61401, designate GRANT V NIVEN of 215 S W Yorkshire Road, Topeka, Kansas 66606, my attorney in fact and agent (subsequently called agent) in my name and for my benefit:

1. Grant of Power. I grant to my agent full power and authority to exercise or perform any act, power, duty, right or obligation whatsoever that I now have or may hereafter acquire, relating specifically to the ownership, management, maintenance, lease, trade or sale of the following described real property located in Weld County, Colorado, to wit:

The Northwest quarter (NW ¼) of Section 13,  
Township 2 North, Range 68 West of the 6<sup>th</sup>  
P M, Weld Co, Colorado


The Northeast quarter (NE ¼) of Section 34,  
Township 1 North, Range 68 West of the 6<sup>th</sup>  
P M, Broomfield Co, Colorado

With respect to the above-described property, I grant to my agent full power and authority to do everything necessary in exercising any of the powers herein granted as fully as I might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that my agent shall lawfully do or cause to be done by virtue of this power of attorney and the powers herein granted.

- a. Powers of Collection and Payment. To forgive, request, demand, sue for, recover, collect, receive, hold all such sums of money, debts, dues, commercial paper, checks, drafts, accounts, deposits, notes, interests, certificates of deposit, and other contractual benefits and proceeds, all documents of title, all property, real or personal, intangible and tangible property and property rights, and demands whatsoever, liquidated or unliquidated, now or hereafter owned by, or due, owing, payable or belonging to me or in which I have or may hereafter acquire an interest; to have, use, and take all lawful means and equitable and legal remedies and proceedings in my name for the collection and recovery thereof, and to adjust, sell, compromise, and agree for the same, and to execute and deliver for me, on my behalf, and in my name, all endorsements, releases, receipts, or other sufficient discharges for the same;

- b Power to Acquire and Sell. To acquire, purchase, exchange, grant options to sell, and sell and convey said real property or interest therein on such terms and conditions as my agent shall deem proper
- c Management Powers. To maintain, repair, improve, invest, manage, insure, rent, lease, encumber, and in any manner deal with said real property, or any interest thereon, that I now own or may hereafter acquire, in my name and for my benefit, upon such terms and conditions as my agent shall deem proper;
- d Banking Powers. To make, receive and endorse checks and drafts, deposit and withdraw funds, acquire and redeem certificates of deposit, in banks, savings and loan associations and other institutions, execute or release such deeds of trust or other security agreements as may be necessary or proper in the exercise of the rights and powers herein granted;
- 2 Interpretation. This instrument is to be construed and interpreted as a limited power of attorney. The specific powers herein granted to my agent are limited to control over the above-described real property and monies generated from it
- 3 Third Party Reliance. Third parties may rely upon the representations of my agent as to all matters relating to any power granted to my agent, and no person who may act in reliance upon the representations of my agent or the authority granted to my agent shall incur any liability to me or my estate as a result of permitting my agent to exercise any power
- 4 Disability of Principal. This Power of Attorney shall not be affected by my disability
- 5 Fiduciary Powers. Notwithstanding any other provision of this Power of Attorney, my agent shall have no rights or powers hereunder with respect to any act, power, duty, right or obligation, relating to any person, matter, transaction or property, owned by me or in my custody as a trustee, custodian, personal representative or other fiduciary capacity

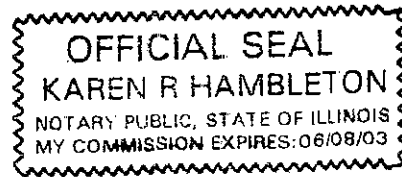
Dated: \_\_\_\_\_

  
ELIZABETH N. DOORES, TRUSTEE OF  
THE ELIZABETH N. DOORES TRUST  
UNDER AGREEMENT DATED  
OCTOBER 8, 1996

STATE OF ILLINOIS                    )  
  ) ss:  
COUNTY OF KNOX                    )

The foregoing instrument was acknowledged before me this 19th day of October, 2002, by Elizabeth N Doores, Trustee of the Elizabeth N Doores Trust Under Agreement Dated October 8, 1996

WITNESS my hand and official seal  
My commission expires: 6-8-03



Karen R Hambleton  
Notary Public

## SPECIAL POWER OF ATTORNEY

I, ELDA MAE JOHNSON, the principal, of 710 North 44<sup>th</sup> Avenue, Yakima, Washington 98908, designate GRANT V NIVEN of 215 SW Yorkshire Road, Topeka, Kansas 66606, my attorney in fact and agent (subsequently called agent) in my name and for my benefit:

- 1 Grant of Power. I grant to my agent full power and authority to exercise or perform any act, power, duty, right or obligation whatsoever that I now have or may hereafter acquire, relating specifically to the ownership, management, maintenance, lease, trade or sale of the following described real property located in Weld County, Colorado, to wit:

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The Northeast quarter (NE ¼) of Section 34,  
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- b Power to Acquire and Sell. To acquire, purchase, exchange, grant options to sell, and sell and convey said real property or interest therein on such terms and conditions as my agent shall deem proper
  
  - c Management Powers. To maintain, repair, improve, invest, manage, insure, rent, lease, encumber, and in any manner deal with said real property, or any interest thereon, that I now own or may hereafter acquire, in my name and for my benefit, upon such terms and conditions as my agent shall deem proper;
  
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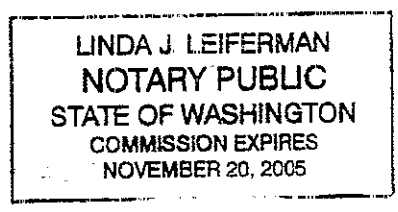
Dated: 10-18-02

Elda Mae Johnson  
ELDA MAE JOHNSON

STATE OF WASHINGTON )  
 ) ss:  
COUNTY OF YAKIMA )

The foregoing instrument was acknowledged before me this 15 day of October, 2002, by Elda Mae Johnson.

WITNESS my hand and official seal  
My commission expires: NOV 20, 2005



Linda J Leiferman  
Notary Public



May 29, 2003

Town of Firestone  
P.O. Box 100  
Firestone, Colorado 80520

**RE: Proposed Stone Ridge Metropolitan District (the "District")**

To Whom It May Concern:


The Grant V Niven Revocable Trust, dated March 26, 2002, is an owner of the property attached hereto as **Exhibit A**, which property is proposed to constitute the boundaries of the District. The purpose of this letter is to advise that I, Grant V Niven, as co-trustee of the Grant V. Niven Revocable Trust, dated March 26, 2002, consent to the organization of the District.

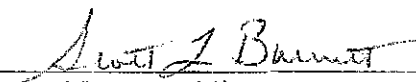
GRANT V NIVEN REVOCABLE TRUST,  
dated March 26, 2002

  
\_\_\_\_\_  
Grant V Niven, co-trustee

STATE OF ~~COLORADO~~ KANSAS )  
 ) ss  
COUNTY OF SHAWNEE )

Subscribed and sworn to before me on this 30<sup>th</sup> day of May 2003, by Grant V Niven as co-trustee of the Grant V Niven Revocable Trust, dated March 26, 2002

 **Scott L. Burnett**  
Notary Public  
State of Kansas  
My Appt Expires 3-16-4

  
\_\_\_\_\_  
Notary Public

My commission expires MARCH 16, 2004

**EXHIBIT A**

A parcel of land being part of the Northwest Quarter (NW1/4) of Section Thirteen (13) and part of the East Half (E1/2) of Section Fourteen (14), all in Township Two North (T 2N), Range Sixty-eight West (R 68W) of the Sixth Principal Meridian (6th P M), County of Weld, State of Colorado and being more particularly described as follows:

BEGINNING at the Northwest Corner of said Section 13 and assuming the North line of said NW1/4 as bearing South 89°31'25" East, being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/92, a distance of 2699.37 feet with all other bearings contained herein relative thereto From said point the West Quarter Corner of said Section 13 bears South 00°30'11" East a distance of 2650.68 feet:

THENCE South 00°30'11" East along the West line of said NW1/4 a distance of 30.00 feet to the intersection with the Southerly Right-Of-Way (ROW) line of Weld County Road #22 (WCR #22) Said point being the TRUE POINT OF BEGINNING Said point also being on the Southerly line of Firestone Sixth Annexation (FSA) as recorded May 5, 1997 in Book 1604 as Reception Number 2546405 of the records of the Weld County Clerk and Recorder (WCCR);

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Section 13; THENCE South 89°31'47" West a distance of 30.00 feet to the Westerly ROW line of said WCR #11; THENCE North 00°30'11" West along said Westerly ROW line a distance of 2620.95 feet to the Southerly ROW line of said WCR #22; THENCE South 89°56'30" East along said Southerly ROW line a distance of 30.00 feet to the TRUE POINT OF BEGINNING

Said described parcel of land contains 159.050 Acres, more or less (±) and is subject to any rights-of-way or other easements as granted or reserved by instruments of record or as now existing on said described parcel of land

**EXHIBIT E**  
Engineering Estimates

**STONERIDGE METROPOLITAN DISTRICT  
PUBLIC IMPROVEMENTS  
ESTIMATE OF PROBABLE CONSTRUCTION COSTS  
3-29-04**

Description	Item	Unit	Unit Qty	Unit Cost	Extension
<b>Inspection Fees Town</b>	Inspections Allow	Est	1	27,000.00	27,000.00
<b>Const Permits other</b>	Permits Allow	Est	1	8,500.00	8,500.00
<b>Construction Engineering</b>	As-Builts & Certs	LS	1	5,500.00	5,500.00
	Construction Changes	LS	1	5,200.00	5,200.00
				<b>Const. Engineering Total:</b>	<b>10,700.00</b>
<b>Construction Survey</b>	Const. Survey	LS	1	188,000.00	188,000.00
	Certs & As Builts	Est	1	11,000.00	11,000.00
				<b>Construction Survey Total:</b>	<b>199,000.00</b>
<b>Geotechnical Eng</b>	Test Soils & Materials	Est LS	1	88,000.00	88,000.00
	Pavement Design	Est LS	1	1,750.00	1,750.00
	Compliance Reports	Est LS	1	1,500.00	1,500.00
				<b>Geotechnical Eng Total:</b>	<b>91,250.00</b>
<b>Grading</b>	Mobilization	LS	1	7,500.00	7,500.00
	Grub & Demo Existing	LS	1	30,000.00	30,000.00
	Disposal	LS	1	7,500.00	7,500.00
	Includes Sable Ave				
	Cut to Fill Streets & Ponds only	CY	84,894	1.25	105,867.50
	Fine Grade ponds & Embankments	Est	1	10,000.00	10,000.00
	Fine Grade PLD Opn Space	Est	1	21,000.00	21,000.00
				<b>Grading Total</b>	<b>181,868</b>
<b>Erosion Control</b>	Silt Fence Perimeter	LF	10,600	1.75	18,550
	VTC Pads	EA	4	800.00	3,200
	Straw Bale Dikes	EA	20	100.00	2,000
	Inlet Protect & Silt Basin	Est/LS	1	5,000.00	5,000
	Temp & Native Seeding	Acre	114	500.00	57,000
	Sable Ave. & Birch St				
	Seeding (Borrow)	Acre	9.3	600.00	5,580.00
	Sable Ave				
	Straw Check Dams	EA	40	100.00	4,000.00
				<b>Erosion Control Total:</b>	<b>95,330</b>
<b>Water System</b>	8" DR 18 PVC	Tot	21,007	14.00	294,098
	8" Bends Horz	EA	107	293.00	31,351
	8" Valve & Box	EA	72	881.00	63,432
	8"x 8" Tee	EA	23	427.00	9,821
	8"x 8" X-tees	EA	5	741.00	3,705
	8"x 8" Swivel Tees	EA	40	312.00	12,480
	8" X 6" Reducer	EA	13	253.00	3,289
	8" Vert Lowering	EA	13	2,015.00	26,195
	FH Assembly	EA	47	2,650.00	124,550
	3/4" K Copper WL	LF	13,454	8.00	107,632
	3/4" W Assm. Sdl corp cs	EA	355	260.00	92,300
	8" Plug/Cap W/2" BO	EA	15	1,088.00	16,320
	2" Ldscp Irrig Svc	EA	1	4,794.00	4,794
	1.5" Ldscp Irrig Svc	EA	2	4,055.00	8,110
	1" Ldscp Irrig Svc	EA	3	932.00	2,796
	.75" Ldscp Irrig Svc	EA		857.00	0
				<b>Water System Total:</b>	<b>800,873</b>
<b>Storm Sewer</b>	6 MH	EA	16	2,700.00	43,200.00
	Typ "C" Outlet	EA	2	2,975.00	5,950.00
	Typ "D" Inlet	EA	1	4,212.00	4,212.00
	Double Typ "D" Outlet	EA	1	7,589.00	7,589.00
	5' Typ "R" Inlet	EA	5	2,550.00	12,750.00
	10' Typ "R" Inlet	EA	3	3,165.00	9,495.00
	15' Typ "R" Inlet	EA	2	4,167.00	8,334.00
	20' Typ "R" Inlet	EA	4	5,335.00	21,340.00
	18" RCP	LF	331	25.00	8,275.00
	24" RCP	LF	117	27.00	3,159.00
	30" RCP	LF	471	33.50	15,778.50
	36" RCP	LF	325	39.00	12,675.00
	42" RCP	LF	1177	48.00	56,496.00
	48" RCP	LF	459	59.00	27,081.00
	19' x 30" HERC CL3	LF	140	44.00	6,160.00
	29' x 45" HERC CL3	LF	229	74.00	16,946.00
	18" FES	EA	6	430.00	2,580.00
	30" FES	EA	1	649.00	649.00
	36" RCP FES	EA	1	795.00	795.00
	Storm Sewer Cont. Sht. 2 42" FES	EA	2	957.00	1,914.00

Description	Item	Unit	Unit Qty	Unit Cost	Extension	
Storm Sewer Cont.	19" x 30" HERC CL3 FES	EA	1	709.00	709.00	
	29" x 45" HERC CL3 FES	EA	1	968.00	968.00	
	48" Hd Wall W/Flap Gate	EA	1	7,719.00	7,719.00	
	Rip Rap Type "M"	SF	471	5.00	2,355.00	
	Pond Overflow Rip Rap	SF	2040	4.00	8,160.00	
	Sable Ave 18" RCP (Culverts)	LF	420	23.00	9,660.00	
	Sable Ave Pipe Extentions	Est/LS	1	600.00	600.00	
	Sable Ave Rip Rap Type "M"	SF	2,100	5.00	10,500.00	
	3' Tkl Pan (Fiber) Incl Prep	LF	1,050	11.20	11,760.00	
	<b>Storm Sewer Total</b>					<b>317,810</b>
<b>Streets</b>	Mobilization	EA	4	1,000.00	4,000.00	
	Inc Sable Ave & Birch St Balance Shape & Prep	SY	104,467	1.20	125,360.00	
	Inc Sable Ave & Birch St Sterilize SG	SY	104,467	0.15	15,670.00	
	4" HBP on 7" ABC	SY	83,817	10.58	886,784.00	
	Sable Ave & Birch St 5" HBP on 8" ABC	SY	20,850	13.15	271,548.00	
	Curb Walk - Prep & BF	LF	42,415	1.20	50,898.00	
	6'-4" Curb Walk	LF	40,465	12.75	515,929.00	
	8'-7" C-Wlk Mntbl	LF	1,950	16.75	32,663.00	
	HDCP Ramps	EA	79	250.00	19,750.00	
	Curb Cuts Drv Entry	EA	5	350.00	1,750.00	
	6" Xpn & Spdri 54 complete	SF	22	2,077.00	45,694.00	
	Color Conc X-walk	EA	3	1,980.00	5,940.00	
	SW Culvert	EA	1	1,650.00	1,650.00	
	Traff Appr & SW widening	SF	400	3.00	1,200.00	
	MH Adjust	EA	128	350.00	44,800.00	
	WV Adjust	EA	72	175.00	12,600.00	
	BO Adjust	EA	6	175.00	1,050.00	
	Birch St Cut Back & Dispose BP	LF	850	3.00	2,550.00	
	Sable Ave. & Birch St Ditch Final shaping	LF	11,260	2.00	22,520.00	
	Sable Ave Drive Entry Restoration	EA	14	400.00	5,600.00	
	<b>Streets Total</b>					<b>2,067,355.06</b>
	<b>Detached Sidewalk</b>	Det Walk/Traff Prep & BF	LF	3,146	1.20	3,775.00
		10'x6" Detached Walk/Trail	LF	1,956	22.00	43,032.00
		8'x6" Detached Walk/Trail	LF	204	17.60	3,590.00
		6'x4" Detached Walk/Trail	LF	986	10.00	9,860.00
<b>Detached Sidewalk Total</b>					<b>60,257.60</b>	
<b>St Signs &amp; Markings</b>	Stop & St Blades	EA	35	350.00	12,250.00	
	Traffic Control Signs	EA	15	150.00	2,250.00	
	Sable Ave. & Birch St Sign & Stripe	Est/LS	1	6,500.00	6,500.00	
<b>St Signs &amp; Markings Total</b>					<b>21,000.00</b>	
<b>Street Lights</b>	Cobra Head	EA	3	3,500.00	10,500.00	
	RSL-350	EA	39	2,500.00	97,500.00	
	<b>Street Lights Total</b>					<b>108,000.00</b>
<b>Const Traffic Control</b>	Sign & Barricade Rental	Est/LS	1	5,000.00	5,000.00	
	Birch & Sable Traffic Control	Est/LS	1	3,500.00	3,500.00	
<b>Const Traffic Control Total</b>					<b>8,500.00</b>	
<b>Barricades &amp; Fence</b>	Sign Rental	Item	1	3,500.00	3,500.00	
	Construction Barricade Rental	Item	1	2,500.00	2,500.00	
	Phase Barricades	Item	1	1,750.00	1,750.00	
	<b>Barricades &amp; Fence Total</b>					<b>7,750.00</b>
<b>Landscape &amp; Irrigation</b>	Ornamental Trees	EA	22	350.00	7,700.00	
	Shade Trees	EA	67	550.00	36,850.00	
	Evergreen Trees	EA	23	400.00	9,200.00	
	Shrubs (5 Gal.)	EA	148	45.00	6,660.00	
	Shrubs (Multi-Stemmed)	EA	72	120.00	8,640.00	
	Perennials	EA	123	20.00	2,460.00	
	Sod / Irrigation	SF	17496	1.10	19,246.00	
	Seed / Irrigation	SF	360470	0.80	288,376.00	
	Mulch (Organic)	SF	14230	0.50	7,115.00	
	River Rock (1 1/2") & Fabric	SF	244	1.00	244.00	
	Edger	LF	1408	5.00	7,040.00	
	Crusher Fines	SF	3391	1.00	3,391.00	
	Arborist Tree Trimming (Existing)	Est/LS	1	3,000.00	3,000.00	
	<b>Structures &amp; Equipment</b>	Picnic Tables	EA	6	1,000.00	6,000.00
		Bench	EA	1	800.00	800.00
		Waste Receptacle	EA	2	450.00	900.00
Shelter		EA	1	30,000.00	30,000.00	
Hardscape		SF	1064	7.00	7,378.00	
<b>Landscape, Irrigation &amp; Structures Total</b>					<b>445,000.00</b>	

**Total of Above Items** 4,450,192.26  
**Contingency @ 10% of Total** 445,019.23  
**Construction Management @ 4% of Total** 178,007.69  
**TOTAL PROJECT PUBLIC IMPROVEMENTS ⇨ \$5,073,219.18**



**Peak Civil Consultants**  
Civil Engineering and Land Development Services

March 29, 2004

Town of Firestone  
151 Grant Street  
Firestone, CO 80520

Re: Proposed Stoneridge Metropolitan District

To Whom It May Concern:

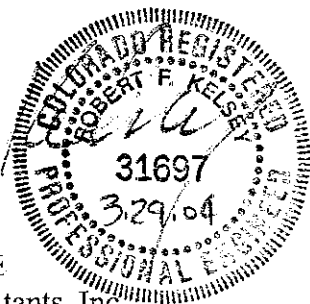
I, Robert Kelsey, a Registered Professional Engineer in the State of Colorado, have reviewed the Stoneridge Metropolitan District Public Improvements Estimate of Probable Construction Costs within the proposed Stoneridge Metropolitan District area. The estimate was prepared by Jerry Bouldin of STF Land Development Consultants, Inc. The estimate was based upon the following assumptions:

1. The quantities for each item are based upon a preliminary version of the Final Utility Plans for Stoneridge Subdivision dated 12/05/03, prepared by Peak Civil Consultants, Inc. Quantities for Sable Avenue are based upon a preliminary version of the Sable Avenue Construction Plans dated 8/15/03, prepared by Peak Civil Consultants, Inc. Landscape quantities are based upon preliminary landscape plans prepared by Staller & Henry, Inc.
2. Unit costs were based upon recent bid cost for similar projects.

Based upon these assumptions, I believe the Public Improvements Estimate of Probable Construction Costs contained within the Service Plan for Stoneridge Metropolitan District is reasonable for the public improvements portion of this project.

Additionally, I have reviewed the exhibits of the location of public improvements within the Service Plan for the District (Streets, Storm Sewer, Sanitary Sewer, and Water Main) and believe the exhibits represent the conceptual design of the public improvements prepared by Peak Civil Consultants, Inc.

Sincerely,

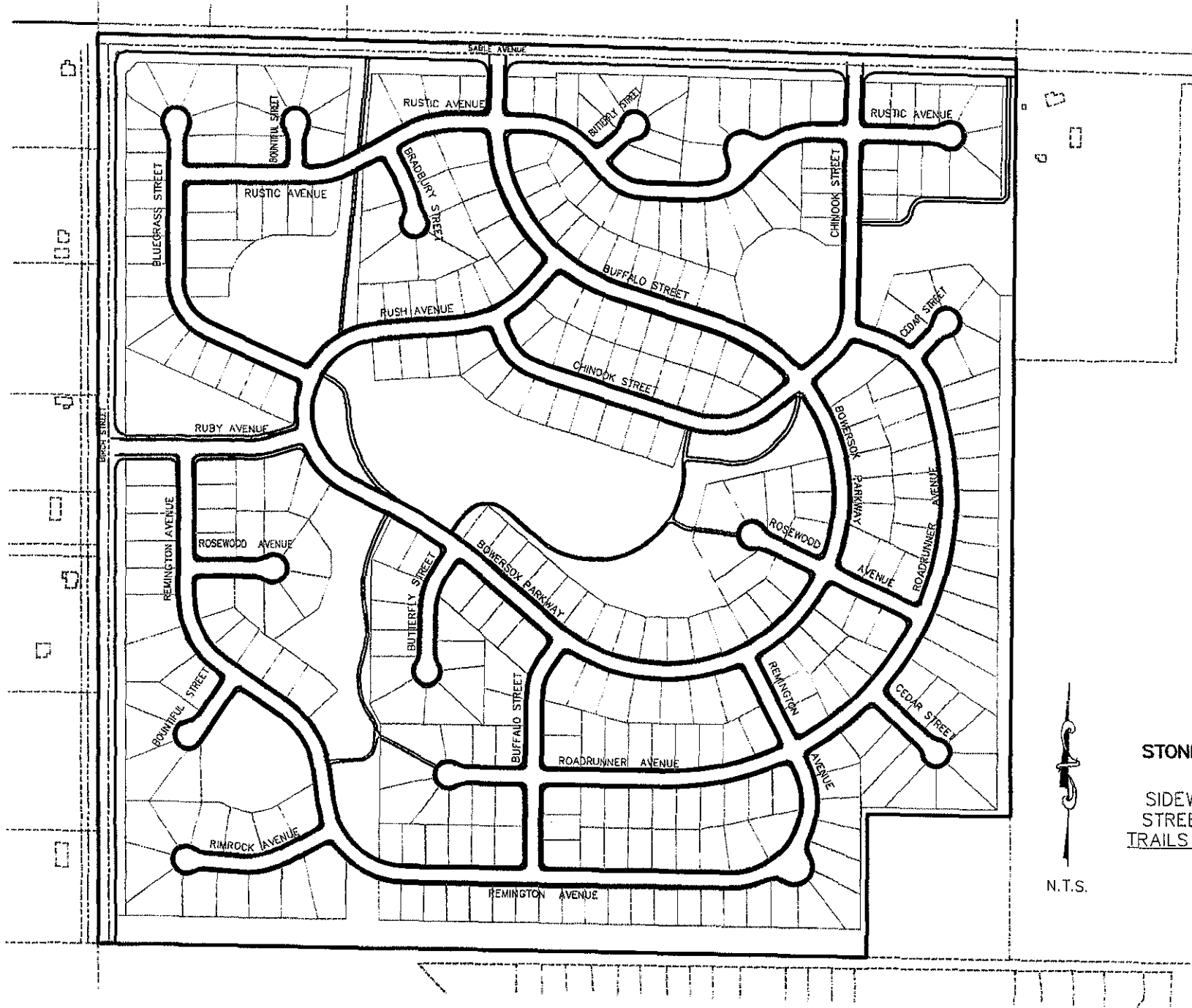


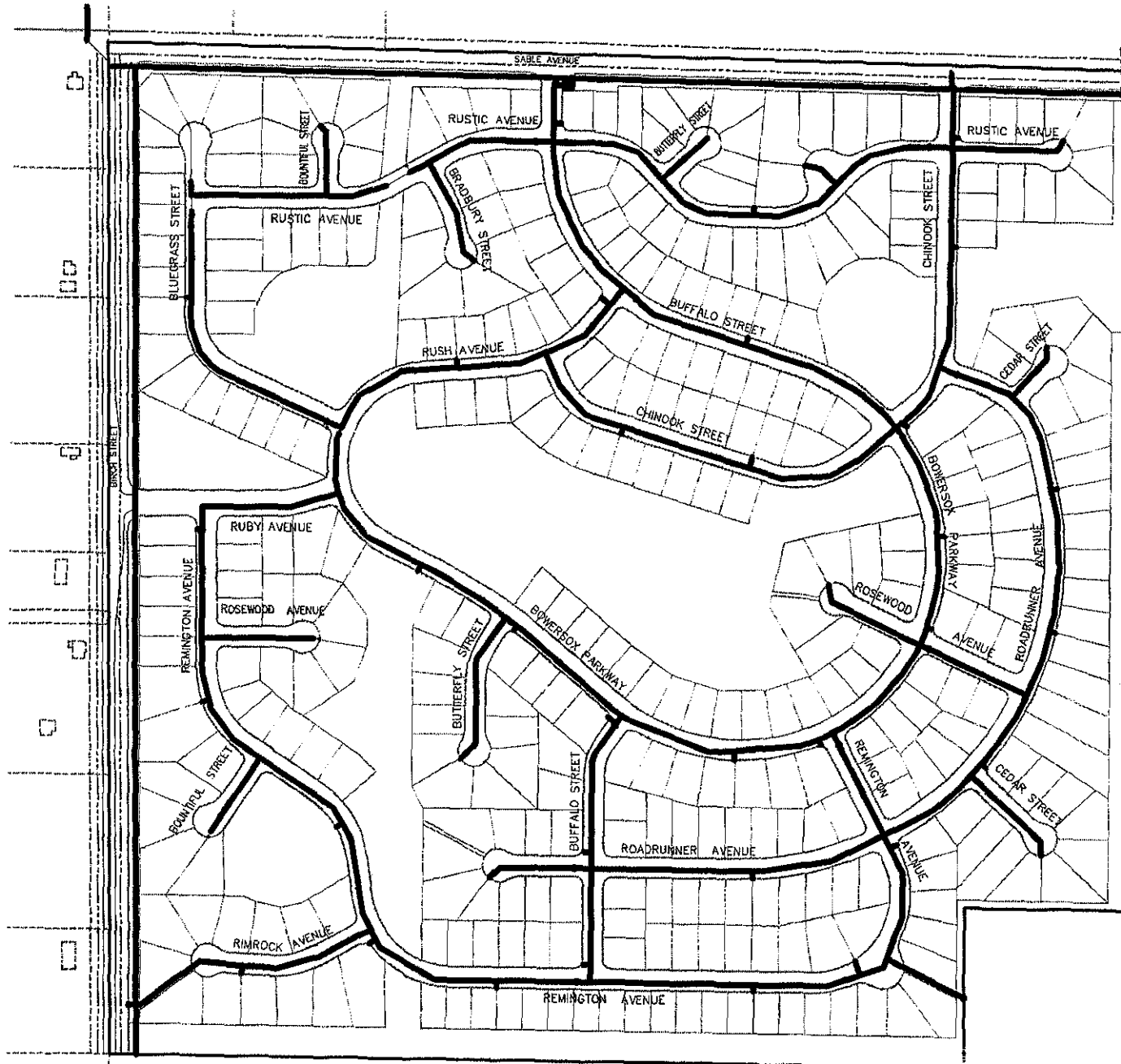
Robert Kelsey, PE  
Peak Civil Consultants, Inc.

Cc: Jerry Bouldin, STF

**EXHIBIT F**  
Location of Public Improvements

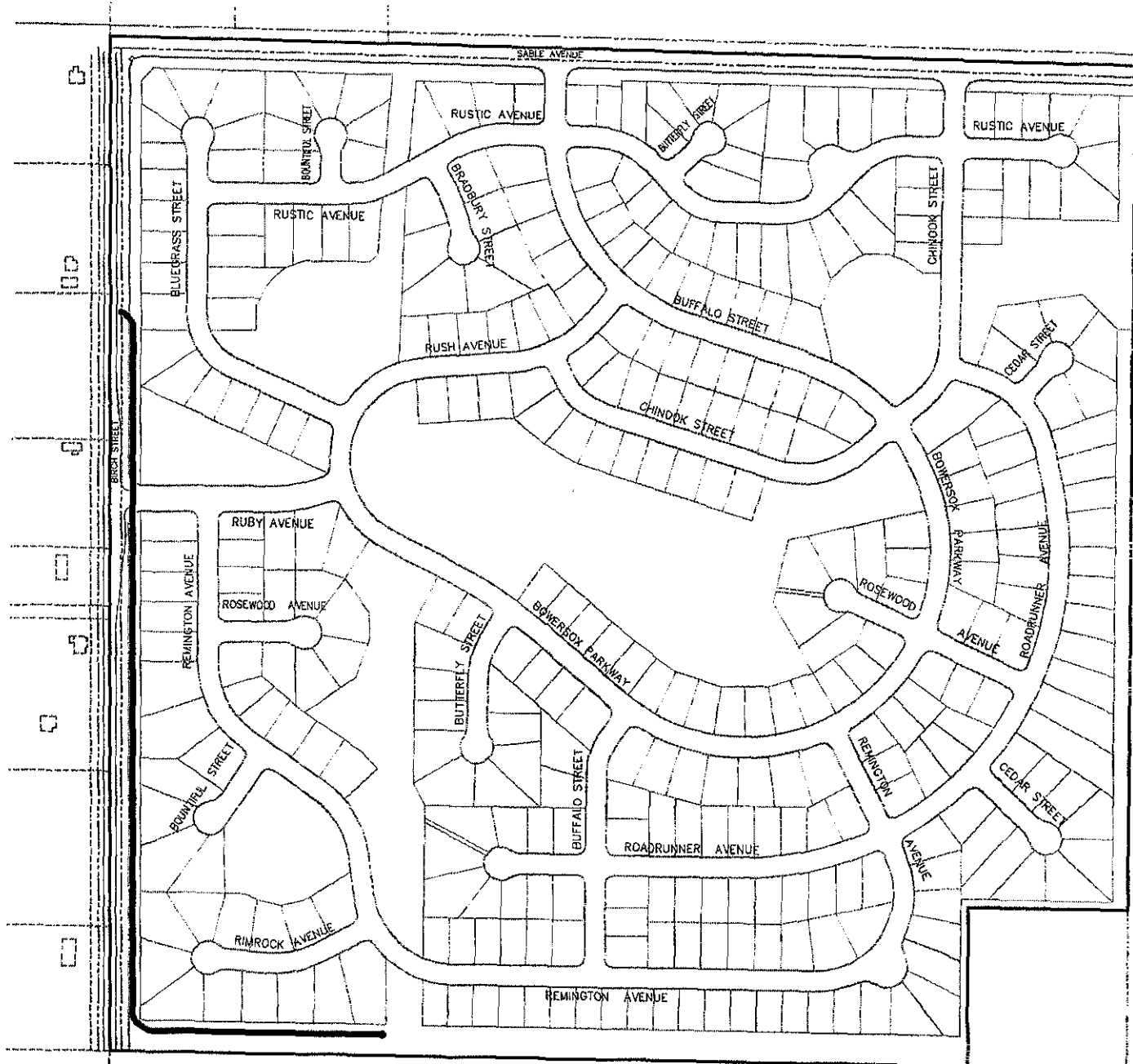






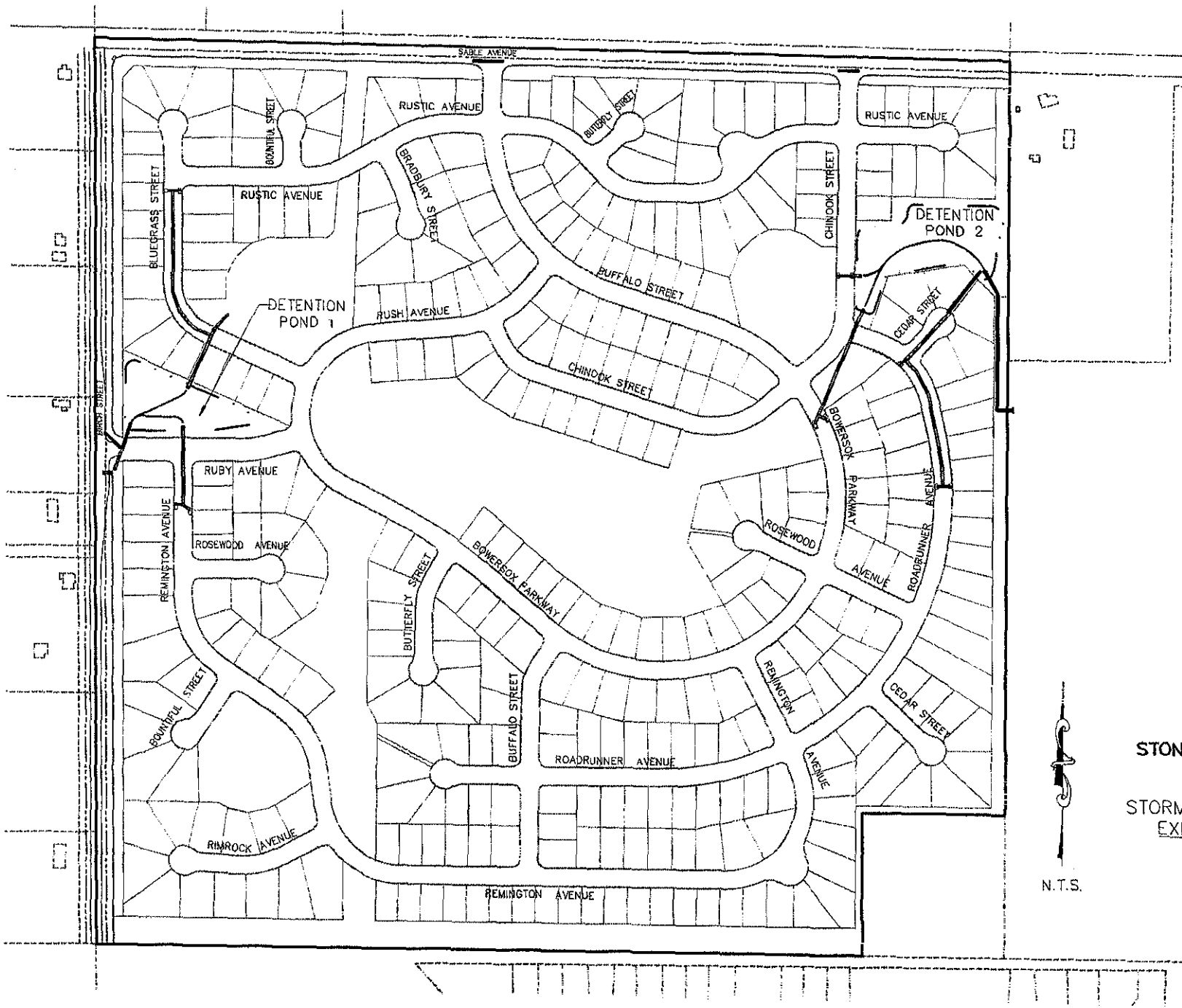
STONERIDGE  
WATERLINE EXHIBIT

N.T.S.



N.T.S.

STONERIDGE  
IRRIGATION PIPE  
EXHIBIT



STONERIDGE

STORM SEWER  
EXHIBIT

N.T.S.

**EXHIBIT G**

Financing Plan

Forecasted Cash Surplus Balances and Cash Receipts and Disbursements

Market Projection Consultant's Analysis (to be provided)

Form of Developer's Letter in Support of Market Projections

STONERIDGE  
METROPOLITAN  
DISTRICT

FORECASTED CASH SURPLUS BALANCES  
AND  
CASH RECEIPTS AND DISBURSEMENTS

APRIL 16, 2004

## Accountant's Report

### **Petitioners for Formation of Stoneridge Metropolitan District Weld County, Colorado**

We have compiled the accompanying forecasted cash surplus balances and cash receipts and disbursements of Stoneridge Metropolitan District (the "District") (in the Formation Stage of Development) as of the date of formation and for the calendar years ending through 2037, in accordance with attestation standards established by the American Institute of Certified Public Accountants

A compilation is limited to presenting in the form of a forecast, information that is the representation of the Petitioners for Formation of the District (collectively, "Management") and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying schedules or assumptions. However, we did become aware of a departure from the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants, which is described in the following paragraph. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

As discussed in Note 4, the forecast is presented on the cash basis of accounting, whereas the historical financial statements for the forecast period are expected to be presented in conformity with generally accepted accounting principles on the accrual basis for government wide statements and the modified accrual basis for individual fund financial statements for all funds of the District by fund type. Guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants require disclosure of the differences resulting from the use of a different basis of accounting in the forecast than that expected to be used in the historical financial statements for the period. Accordingly, if the AICPA presentation guidelines were followed, the forecast would indicate that the presentation reflects – surplus cash balances and the cash received and disbursed rather than fund balances and revenue and expenditures that would be recognized under generally accepted accounting principles based on the accrual basis and the modified accrual basis of accounting.

**Petitioners for Formation of  
Stoneridge Metropolitan District  
Page 2**

As discussed in Note 1, the forecast takes into account events and circumstances that were not anticipated at April 1, 2004, the date a previous forecast was issued for the same period, and that forecast should no longer be relied on. We previously compiled and reported on the previous forecast. Our report on that forecast is withdrawn and should no longer be relied on for any purpose.

*Clifton Henderson LLP*

Greenwood Village, Colorado  
April 16, 2004



**STONERIDGE METROPOLITAN DISTRICT**  
(IN THE FORMATION STAGE OF DEVELOPMENT)

**FORECASTED CASH SURPLUS BALANCES AND CASH RECEIPTS AND DISBURSEMENTS**

**SUMMARY (Page 1 of 2)**

AS OF THE DATE OF FORMATION AND FOR THE CALENDAR YEARS ENDING THROUGH 2037

Year	Assessed Value (from Page 6)	Mill Levy		Total Mill Levy	CASH RECEIPTS					Total Receipts (to Page 4)	Year
		Debr Service	Admun / O & M		Net Property Taxes 98.00%	Specific Ownership Taxes 10.00%	Developer's Advances - Operations & Organization	Capitalized Interest from Bond Proceeds (from Page 7)	interest income 1.50%		
2004	0	0.000	0.000	0.000	0	0	50,000		0	50,000	2004
2005	87,000	0.000	5.000	5.000	426	43	30,000		0	30,469	2005
2006	579,976	0.000	5.000	5.000	2,842	284	28,000		7	31,133	2006
2007	1,598,640	0.000	5.000	5.000	7,833	783	23,000	348,030	15	379,662	2007
2008	2,800,546	35.000	5.000	40.000	109,781	10,978			5,242	126,001	2008
2009	4,052,705	35.000	5.000	40.000	158,866	15,887			3,452	178,204	2009
2010	5,402,549	35.000	5.000	40.000	211,780	21,178			2,368	235,326	2010
2011	6,300,058	35.000	5.000	40.000	246,962	24,696			2,071	273,729	2011
2012	6,426,060	35.000	5.000	40.000	251,902	25,190			2,280	279,372	2012
2013	6,426,060	35.000	5.000	40.000	251,902	25,190			2,039	279,130	2013
2014	6,554,581	35.000	5.000	40.000	256,940	25,694			1,740	284,373	2014
2015	6,554,581	35.000	5.000	40.000	256,940	25,694			1,545	284,179	2015
2016	6,685,672	35.000	5.000	40.000	262,078	26,208			1,530	289,816	2016
2017	6,685,672	35.000	5.000	40.000	262,078	26,208			1,656	289,943	2017
2018	6,819,386	35.000	5.000	40.000	267,320	26,732			1,668	295,720	2018
2019	6,819,386	35.000	5.000	40.000	267,320	26,732			1,735	295,787	2019
2020	6,955,773	35.000	5.000	40.000	272,666	27,267			1,699	301,632	2020
2021	6,955,773	35.000	5.000	40.000	272,666	27,267			1,806	301,739	2021
2022	7,094,889	35.000	5.000	40.000	278,120	27,812			1,820	307,752	2022
2023	7,094,889	35.000	5.000	40.000	278,120	27,812			1,914	307,846	2023
2024	7,236,787	35.000	5.000	40.000	283,682	28,368			1,927	313,978	2024
2025	7,236,787	35.000	5.000	40.000	283,682	28,368			1,960	314,010	2025
2026	7,381,522	35.000	5.000	40.000	289,356	28,936			1,929	320,220	2026
2027	7,381,522	35.000	5.000	40.000	289,356	28,936			1,936	320,227	2027
2028	7,529,153	35.000	5.000	40.000	295,143	29,514			1,896	326,553	2028
2029	7,529,153	35.000	5.000	40.000	295,143	29,514			1,913	326,570	2029
2030	7,679,736	35.000	5.000	40.000	301,046	30,105			1,826	332,977	2030
2031	7,679,736	35.000	5.000	40.000	301,046	30,105			1,820	332,970	2031
2032	7,833,331	35.000	5.000	40.000	307,067	30,707			1,731	339,504	2032
2033	7,833,331	35.000	5.000	40.000	307,067	30,707			1,746	339,519	2033
2034	7,989,997	35.000	5.000	40.000	313,208	31,321			1,626	346,154	2034
2035	7,989,997	35.000	5.000	40.000	313,208	31,321			1,637	346,166	2035
2036	8,149,797	35.000	5.000	40.000	319,472	31,947			1,540	352,959	2036
2037	8,149,797	35.000	5.000	40.000	319,472	31,947			1,529	352,948	2037
					8,134,487	813,449	131,000	348,030	59,602	9,486,568	

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

**STONERIDGE METROPOLITAN DISTRICT**

(IN THE FORMATION STAGE OF DEVELOPMENT)

**FORECASTED CASH SURPLUS BALANCES AND CASH RECEIPTS AND DISBURSEMENTS**

**SUMMARY (Page 2 of 2)**

AS OF THE DATE OF FORMATION AND FOR THE CALENDAR YEARS ENDING THROUGH 2037

Year	Total Receipts (from Page 3)	DISBURSEMENTS		Debt Service (from Page 7)	Repayment of Developer's Adv. - Operations & Organization	Annual Cash Surplus	Cumulative Cash Surplus	Year
		Administration & Operations 2.0%	Available for Debt Service & Repayment of Developer's Advance					
2004	50,000	50,000	0	0		0	0	2004
2005	30,469	30,000	469	0		469	469	2005
2006	31,133	30,600	533	0		533	1,002	2006
2007	379,662	31,212	348,450	0		348,450	349,452	2007
2008	126,001	31,836	94,165	204,000	9,500	(119,335)	230,117	2008
2009	178,204	32,473	145,731	204,000	14,000	(72,269)	157,848	2009
2010	235,326	33,122	202,203	204,000	18,000	(19,797)	138,051	2010
2011	273,729	33,785	239,944	204,000	22,000	13,944	151,996	2011
2012	279,372	34,461	244,911	239,000	22,000	(16,089)	135,907	2012
2013	279,130	35,150	243,981	241,900	22,000	(19,919)	115,987	2013
2014	284,373	35,853	248,521	239,500	22,000	(12,979)	103,008	2014
2015	284,179	36,570	247,609	247,100	1,500	(991)	102,017	2015
2016	289,816	37,301	252,515	244,100		8,415	110,432	2016
2017	289,943	38,047	251,895	251,100		795	111,227	2017
2018	295,720	38,808	256,912	252,500		4,412	115,640	2018
2019	295,787	39,584	256,202	258,600		(2,398)	113,242	2019
2020	301,632	40,376	261,256	254,100		7,156	120,397	2020
2021	301,739	41,184	260,555	259,600		955	121,353	2021
2022	307,752	42,007	265,745	259,500		6,245	127,597	2022
2023	307,846	42,847	264,998	264,100		898	128,495	2023
2024	313,978	43,704	270,273	268,100		2,173	130,669	2024
2025	314,010	44,578	269,432	271,500		(2,068)	128,601	2025
2026	320,220	45,470	274,750	274,300		450	129,051	2026
2027	320,227	46,379	273,848	276,500		(2,652)	126,398	2027
2028	326,553	47,307	279,246	278,100		1,146	127,545	2028
2029	326,570	48,253	278,317	284,100		(5,783)	121,762	2029
2030	332,977	49,218	283,758	284,200		(442)	121,320	2030
2031	332,970	50,203	282,767	288,700		(5,933)	115,388	2031
2032	339,504	51,207	288,297	287,300		997	116,385	2032
2033	339,519	52,231	287,288	295,300		(8,012)	108,373	2033
2034	346,154	53,275	292,879	292,100		779	109,152	2034
2035	346,166	54,341	291,825	298,300		(6,475)	102,677	2035
2036	352,959	55,428	297,532	298,300		(768)	101,909	2036
2037	352,948	56,536	296,412	307,400		(10,988)	90,921	2037
	9,486,568	1,433,347	8,053,221	7,831,300	131,000	90,921		

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

**STONERIDGE METROPOLITAN DISTRICT**  
(IN THE FORMATION STAGE OF DEVELOPMENT)

FORECASTED CASH SURPLUS BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

**SCHEDULE OF ESTIMATED ASSESSED VALUATION (continued)**

AS OF THE DATE OF FORMATION AND FOR THE CALENDAR YEARS ENDING THROUGH 2037

Construction Year	Collection Year	Custom Homes	Est. Market Value per Residence \$200,000	Annual Value of New SF Residences	Est. Biennial Revaluation per State Statute 2%	Cumulative Valuation of New Residences	Estimated Residential Assessment Rate	Residential Assessed Valuation
Inflation compounded annually on base price			2%					
2002	2004			0		0	7.96%	0
2003	2005		200,000	0		0	7.96%	0
2004	2006	15	204,000	3,060,000	0	3,060,000	7.96%	243,576
2005	2007	58	208,080	12,068,640		15,128,640	7.96%	1,204,240
2006	2008	68	212,242	14,432,429	302,573	29,863,642	7.96%	2,377,146
2007	2009	73	216,486	15,803,510		45,667,151	7.96%	3,635,105
2008	2010	72	220,816	15,898,764	913,343	62,479,258	7.96%	4,973,349
2009	2011	74	225,232	16,667,204		79,146,462	7.96%	6,300,058
2010	2012		229,737	0	1,582,929	80,729,391	7.96%	6,426,060
2011	2013		234,332	0		80,729,391	7.96%	6,426,060
2012	2014				1,614,588	82,343,979	7.96%	6,554,581
2013	2015					82,343,979	7.96%	6,554,581
2014	2016				1,646,880	83,990,858	7.96%	6,685,672
2015	2017					83,990,858	7.96%	6,685,672
2016	2018				1,679,817	85,670,675	7.96%	6,819,386
2017	2019					85,670,675	7.96%	6,819,386
2018	2020				1,713,414	87,384,089	7.96%	6,955,773
2019	2021					87,384,089	7.96%	6,955,773
2020	2022				1,747,682	89,131,771	7.96%	7,094,889
2021	2023					89,131,771	7.96%	7,094,889
2022	2024				1,782,635	90,914,406	7.96%	7,236,787
2023	2025					90,914,406	7.96%	7,236,787
2024	2026				1,818,288	92,732,694	7.96%	7,381,522
2025	2027					92,732,694	7.96%	7,381,522
2026	2028				1,854,654	94,587,348	7.96%	7,529,153
2027	2029					94,587,348	7.96%	7,529,153
2028	2030				1,891,747	96,479,095	7.96%	7,679,736
2029	2031					96,479,095	7.96%	7,679,736
2030	2032				1,929,582	98,408,677	7.96%	7,833,331
2031	2033					98,408,677	7.96%	7,833,331
2032	2034				1,968,174	100,376,850	7.96%	7,989,997
2033	2035					100,376,850	7.96%	7,989,997
2034	2036				2,007,537	102,384,387	7.96%	8,149,797
2035	2037					102,384,387	7.96%	8,149,797
		<u>360</u>		<u>77,930,546</u>	<u>24,453,842</u>			

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

**STONERIDGE METROPOLITAN DISTRICT**  
(IN THE FORMATION STAGE OF DEVELOPMENT)

**FORECASTED CASH SURPLUS BALANCES AND CASH RECEIPTS AND DISBURSEMENTS**

Page 6

**SCHEDULE OF ESTIMATED ASSESSED VALUATION**

AS OF THE DATE OF FORMATION AND FOR THE CALENDAR YEARS ENDING THROUGH 2037

Construction Year	Collection Year	Undeveloped Residential Land		Cumulative Actual Value	Assessed Valuation 29%	TOTAL Assessed Valuation
		Finished Lots \$20,000	Lots Developed			
2002	2004		0	0	0	0
2003	2005	300,000	15	300,000	87,000	87,000
2004	2006	860,000	58	1,160,000	336,400	579,976
2005	2007	200,000	68	1,360,000	394,400	1,598,640
2006	2008	100,000	73	1,460,000	423,400	2,800,546
2007	2009	(20,000)	72	1,440,000	417,600	4,052,705
2008	2010	40,000	74	1,480,000	429,200	5,402,549
2009	2011	(1,480,000)	0	0	0	6,300,058
2010	2012	0		0	0	6,426,060
2011	2013	0		0	0	6,426,060
2012	2014			0	0	6,554,581
2013	2015			0	0	6,554,581
2014	2016			0	0	6,685,672
2015	2017			0	0	6,685,672
2016	2018			0	0	6,819,386
2017	2019			0	0	6,819,386
2018	2020			0	0	6,955,773
2019	2021			0	0	6,955,773
2020	2022			0	0	7,094,889
2021	2023			0	0	7,094,889
2022	2024			0	0	7,236,787
2023	2025			0	0	7,236,787
2024	2026			0	0	7,381,522
2025	2027			0	0	7,381,522
2026	2028			0	0	7,529,153
2027	2029			0	0	7,529,153
2028	2030			0	0	7,679,736
2029	2031			0	0	7,679,736
2030	2032			0	0	7,833,331
2031	2033			0	0	7,833,331
2032	2034			0	0	7,989,997
2033	2035			0	0	7,989,997
2034	2036			0	0	8,149,797
2035	2037			0	0	8,149,797
		0	360			

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

**STONERIDGE METROPOLITAN DISTRICT**  
(IN THE FORMATION STAGE OF DEVELOPMENT)

**FORECASTED CASH SURPLUS BALANCES AND CASH RECEIPTS AND DISBURSEMENTS**

Page 7

**DEBT SERVICE**

AS OF THE DATE OF FORMATION AND FOR THE CALENDAR YEARS ENDING THROUGH 2037

Series 2007 Bond Issue					Year
Issued: December 1, 2007                      \$3,400,000					
Interest Rate:                      6.00%					
Principal	Coupon	Interest	Total		
2007		6.00%	0	0	2007
2008		6.00%	204,000	204,000	2008
2009		6.00%	204,000	204,000	2009
2010		6.00%	204,000	204,000	2010
2011	0	6.00%	204,000	204,000	2011
2012	35,000	6.00%	204,000	239,000	2012
2013	40,000	6.00%	201,900	241,900	2013
2014	40,000	6.00%	199,500	239,500	2014
2015	50,000	6.00%	197,100	247,100	2015
2016	50,000	6.00%	194,100	244,100	2016
2017	60,000	6.00%	191,100	251,100	2017
2018	65,000	6.00%	187,500	252,500	2018
2019	75,000	6.00%	183,600	258,600	2019
2020	75,000	6.00%	179,100	254,100	2020
2021	85,000	6.00%	174,600	259,600	2021
2022	90,000	6.00%	169,500	259,500	2022
2023	100,000	6.00%	164,100	264,100	2023
2024	110,000	6.00%	158,100	268,100	2024
2025	120,000	6.00%	151,500	271,500	2025
2026	130,000	6.00%	144,300	274,300	2026
2027	140,000	6.00%	136,500	276,500	2027
2028	150,000	6.00%	128,100	278,100	2028
2029	165,000	6.00%	119,100	284,100	2029
2030	175,000	6.00%	109,200	284,200	2030
2031	190,000	6.00%	98,700	288,700	2031
2032	200,000	6.00%	87,300	287,300	2032
2033	220,000	6.00%	75,300	295,300	2033
2034	230,000	6.00%	62,100	292,100	2034
2035	250,000	6.00%	48,300	298,300	2035
2036	265,000	6.00%	33,300	298,300	2036
2037	290,000	6.00%	17,400	307,400	2037
<b>3,400,000</b>			<b>4,431,300</b>	<b>7,831,300</b>	

<b>USE OF PROCEEDS:</b>	
Construction Costs	2,186,977
Capitalized Interest	348,030
Contribution to Town	728,993
Issuance Costs	136,000
	<u>3,400,000</u>

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

**STONERIDGE METROPOLITAN DISTRICT**  
(In the Formation Stage of Development)  
**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS**  
**AND ACCOUNTING POLICIES**

**April 16, 2004**

**NOTE 1) NATURE AND LIMITATION OF FORECAST**

This forecast of financial information is for the purpose of a financial analysis of the proposed financial plan of Stoneridge Metropolitan District (the "District") (in the Formation Stage of Development) It is to display how the proposed facilities and services are to be provided and financed

The Petitioners for the formation of the District previously submitted a forecast, which was dated April 1, 2004 Subsequent to that date, the Petitioners revised the services and facilities to be provided by the District to exclude sanitary sewer Accordingly, the estimated construction costs have been reduced to \$5,073,219 (see Note 10) There are no changes to the schedules of forecasted cash surplus balances and cash receipts and disbursements

This financial forecast presents, to the best knowledge and belief of Management of the District, the District's expected cash position and results of cash receipts and disbursements for the forecasted periods Accordingly, the forecast reflects Management's judgement, as of April 16, 2004, the date of this forecast, the expected conditions within the District and the District's expected course of action.

The assumptions disclosed herein are those that Management believes are significant to the forecast, however, they are not all-inclusive There usually may still be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material

The forecast is expressed in terms of 2004 dollars, with the only adjustments for inflation as follows The market values of residential properties are forecasted to increase 2.00% per year, starting in 2004 through build-out The market values of residential properties are forecasted to increase 2.00% biennially pursuant to the reassessment of property required by State statute The residential assessment ratio is assumed to remain constant for collection year 2006 and beyond, based upon information as explained in Note 5 Administration and operations are assumed to increase by 2.00% per year beginning in 2006

**STONERIDGE METROPOLITAN DISTRICT**  
(In the Formation Stage of Development)  
**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS**  
**AND ACCOUNTING POLICIES**

**April 16, 2004**

**NOTE 2) ORGANIZATION**

The Petitioners for the formation of the District, a quasi-municipal corporation and political subdivision of the State of Colorado, are in the process of organization. The District will be governed pursuant to provisions of the Colorado Special District Act (Title 32). The District will operate under a Service Plan to be approved by the Town of Firestone (the "Town"). The District's service area is anticipated to contain approximately 158 acres of real property, located entirely in Weld County, Colorado, within the Town. The District is being established to provide financing for the design, acquisition, installation and construction of certain streets, traffic and safety controls, street lighting, water, landscaping, storm drainage and park and recreation improvements and facilities. The operation and maintenance of these services and facilities is anticipated to be provided by other entities and not by the District.

As set forth in this forecast, the District is forecasted to issue \$3,400,000 of debt with one bond issue. However, the draft service plan may have a higher debt amount to allow for an under estimate of valuations in this forecast.

Formation of the District is intended to be timed to allow for the proper legislative, judicial and election process to be completed in order for the District's electors to be able to vote for the authorization of debt and TABOR questions in May 2004, and to certify tax levies for tax collections in 2005. The Petitioners expect the favorable approval at the election since they constitute the majority of the current eligible electors within the proposed District's boundaries.

**NOTE 3) PETITIONERS FOR FORMATION**

The Petitioners for Formation of the District are principals of the company that intends to develop the property included within the boundaries of the District. The Developer is Best Buy Homes Colorado, Inc. The landowners are The Grant V. Niven Revocable Trust, dated March 26, 2002, The Margret L. Niven Revocable Trust, dated March 26, 2002, and the Elda Mae Johnson and The Elizabeth N. Doores Trust, dated October 8, 1996. The Developer anticipates developing approximately 158 acres within the District.

The Developer has provided the information regarding the number of units estimated to be built each year and the initial sales values for the residential properties to be developed each year, based upon their knowledge and experience in developing other properties. The Developer anticipates that sales values will be increased by 2.00% for each year starting in 2004.

**STONERIDGE METROPOLITAN DISTRICT**  
(In the Formation Stage of Development)  
**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS**  
**AND ACCOUNTING POLICIES**

**April 16, 2004**

**NOTE 4) BASIS OF ACCOUNTING**

The basis of accounting for this forecast is the cash basis, which is a basis of accounting that is different from that allowed by the generally accepted accounting principles under which the District will prepare its financial statements

**NOTE 5) PROPERTY TAXES**

The primary source of revenue or cash receipts will be ad valorem property taxes. Property taxes are determined annually by the District's Board of Directors and set by County Commissioners as to rate or levy based upon the assessed valuation of the property within the District. The Weld County Assessor determines the assessed valuation. The levy is expressed in terms of mills. A mill is 1/1,000 of the assessed valuation. The forecast assumes that the District will be able to set its initial mill levy at 5.000 mills for collection in 2005 through 2007 for administration and operations. The initial mill levy is forecasted to increase to 40.000 mills for collection in 2008 and throughout the term of the forecast period, for the combined purposes of debt service, administration and operations.

The Gallagher Amendment states that residential assessed values Statewide must be approximately 45% of total assessed values. When the market values of residential property increase faster than the values of nonresidential property, the residential assessment ratio must decline to keep the 45 percent/55 percent ratio.

According to information as set forth in the Colorado Legislative Council Staff Forecasts entitled "Assessed Values and Property Tax Projections" issued in December 2003, the residential assessment rate is projected to decline from its current 7.96% in 2003 (for collection in 2004), to 7.64% in 2005, 7.43% in 2007 and 7.13% in 2009. The projections of the Legislative Council Staff are estimates only, do not have the force of law, and may or may not occur as projected.

This forecast has included the current residential assessment ratio of 7.96% effective for collections in 2006 and throughout the term of the forecast period, since it is assumed that the District's Board will increase the mill levy, (as is anticipated to be allowed under the District's Service Plan and the election questions, up to the adjusted Mill Levy Cap as specified in the District's Service Plan), to maintain a mill levy that produces tax revenue in relation to current assessed valuation equivalent to revenue generated by the mill levy of 40.0 mills as forecasted for collection year 2008.



**STONERIDGE METROPOLITAN DISTRICT**  
(In the Formation Stage of Development)  
**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS**  
**AND ACCOUNTING POLICIES**

April 16, 2004

**NOTE 5) PROPERTY TAXES (continued)**

The assessed valuation for the District is dependent upon the build-out schedule of the residential properties within the District. Management of the District has based the estimate of build-out on their forecasted build-out schedule. The forecasted development build-out schedule and conversion to assessed valuation is presented as a schedule (see pages 5 and 6). The assessed valuation rate for raw ground and developed lots is 29% until a home is constructed. All residential property has been assumed to be assessed at the residential property rates as explained above.

Increases to valuation for the development of infrastructure within the District for finished lots held for build-out are included in the forecasted assessed valuation. No assessed valuation has been assumed for State Assessed property that may be owned by public utilities within the District.

The property taxes resultant from the above mill levy and assessed valuation has been reduced for the Weld County Treasurer's 1.5% fee for collection of the taxes, and further reduced by 0.5% to allow for uncollectible taxes.

**NOTE 6) SPECIFIC OWNERSHIP TAXES**

Specific ownership taxes are set by the State and collected by the County Treasurer primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The forecast assumes that the District's share will be equal to approximately 10% of the property taxes collected. The forecast also assumes that the specific ownership taxes may be needed to fund general operations and may not be entirely pledged to debt service.

**NOTE 7) DEVELOPER ADVANCES**

The forecast assumes that the Developer will advance funds to the District for organization and operations costs and may be reimbursed from bond proceeds for organization costs. The estimated Developer's Advances – Operations & Organization, as well as estimated repayments of Developer's Advances – Operations & Organization from surplus cash balances, are shown on the Summary pages of the forecast.

**STONERIDGE METROPOLITAN DISTRICT**  
(In the Formation Stage of Development)  
**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS**  
**AND ACCOUNTING POLICIES**

April 16, 2004

**NOTE 7) DEVELOPER ADVANCES (continued)**

The forecast also assumes that the Developer will advance all funds needed for construction costs to the District (see Note 10). To the extent that bond proceeds are available for construction payments in any year, the Developer advance would be reduced accordingly. In addition, to the extent that there are surplus cash balances that can be applied towards reducing any Developer advance without creating future cash deficits, the Developer advances will be reduced accordingly. The forecast does not display cash receipts for Developer advances for construction costs and bonds proceeds available for construction costs nor cash disbursements for construction costs. Accordingly, the forecast assumes that any Developer advances for construction would be repaid from bond proceeds and that construction costs would be funded by Developer advances and / or bond proceeds. Any Developer advances which could not be reimbursed would be treated as Developer contributions.

Developer notes would be structured under the terms of the Service Plan. Such notes would not be general obligations of the District and would bear no interest.

**NOTE 8) INTEREST INCOME**

The forecast includes interest income earned on monies that are forecasted to be on deposit or invested by the District at the prior year-end at an interest rate of 1.50%.

**NOTE 9) ADMINISTRATION AND OPERATIONS DISBURSEMENTS**

Administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting and audit, general engineering, insurance, banking, meeting expense, and other administrative expenses. Administrative costs have been included in the forecast at \$50,000 for 2004 (including those costs associated with the organization of the District) and then being reduced to \$30,000 in 2005. Beginning in 2006 these disbursements have been increased for inflation by 2.0% per year throughout the term of the forecast. These administrative services are necessary as long as bonds are outstanding throughout the life of the District.

**STONERIDGE METROPOLITAN DISTRICT**  
(In the Formation Stage of Development)  
**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS**  
**AND ACCOUNTING POLICIES**

April 16, 2004

**NOTE 10) INFRASTRUCTURE IMPROVEMENTS**

The estimated cost of the capital infrastructure improvements is approximately \$5,073,219, plus approximately \$728,993 to be paid to the Town to finance street, park or recreational capital improvements, as expressed in 2004 dollars. The forecast assumes that the Developer will advance funds for all infrastructure costs and be reimbursed from bond proceeds to the extent bonds can be issued, which may be less than the total eligible costs (see Note 7).

The capital infrastructure costs per the engineering estimate exceed the amount that can be reimbursed to the Developer under this Plan. Management expects that the District will allow the Developer to: either advance funds to the District; or to actually construct the improvements under the District's supervision, for reimbursement by the District upon completion of the improvements to the extent bondable; or to contribute funds to the District, should costs exceed the District's capacity for repayment of such costs. The reimbursement of any additional costs is subject to the District's authorized indebtedness and other revenue available to the District. The amount of infrastructure costs not bondable within the limits of the proposed Service Plan would remain a responsibility of the Developer. There may be additional construction costs in the future.

**NOTE 11) DEBT SERVICE**

The District anticipates issuing general obligation bonds on December 1, 2007 in the amount of \$3,400,000. The proceeds of such debt will be used for issuance costs, capitalized interest, and to fund the cost of capital infrastructure improvements or to reimburse the Developer for the advancement of those funds to the extent possible (see Note 7). The bonds are assumed to bear interest at an estimated rate of 6.0% payable semi-annually on June 1 and December 1, with annual principal payments on December 1 of each year. The bonds anticipate starting interest repayments on June 1, 2008 and per the scheduled maturities are payable over a 30 year period with the final payment on December 1, 2037.

Assumptions related to debt principal amounts, bond interest rates, issuance costs, capitalized interest amounts, and other related debt service costs for the proposed Series 2007 Bonds have been provided to Management by Kirkpatrick, Pettis, Smith, Polian Inc., the proposed underwriter of the proposed bond issuance of the District.

This information should be read in connection with the accompanying Accountant's Report and forecast of financial information.

**DRM REAL ESTATE ADVISORS, LLC**

March 26, 2004

City Officials  
**Town of Firestone Colorado**  
151 Grant Avenue  
Firestone, Colorado 80525

**RE: Stone Ridge Subdivision**  
**355 Lot Subdivision**  
**Best Buy Homes**

To whom it may concern:

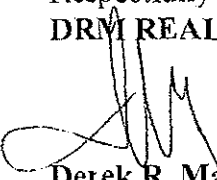
In December 2003, my office prepared an appraisal of the above referenced proposed residential subdivision in the Town of Firestone. Per a recent phone conversation with Bailey Dotson, the developer of the subdivision, he has asked that I provide you with the lot absorption conclusions implicit in the valuation of the property. A summary of the absorption projections for the Stone Ridge development are as follows:

- Pre-sales: 98 lots;
- Year One: No lot sales;
- Year Two: 49 Lots Sales in Qtr. 1 and 48 Lots Sales Qtr. 3;
- Year Three: 49 Lots Sales in Qtr. 1 and 48 Lots Sales Qtr. 3;
- Year Four: 63 Lots Sales in Qtr. 1

Based on the preceding, in my appraisal analysis, I assumed that a total absorption period for the sell-out of all 355 lots would be 39 months from December 1, 2003, the date of Market Value "As Is"

I hope the information provided above is useful and meets the needs of the Town of Firestone. If you have any questions, or require additional information, please feel welcome to call me directly at (970) 214-8291

Respectfully submitted,  
**DRM REAL ESTATE ADVISORS, LLC**

  
**Derek R. Maunsell, MAI**  
Principal  
CO Cert Gen #20002154

# BEST BUY HOMES L.L.C.

Bailey E. Dotson  
Richard A. Cavalli

1011 S. Valentia St #36  
Denver, CO 80247

---

Phone 303-751-9910  
Fax 303-751-9914

email: [bdchy@earthlink.net](mailto:bdchy@earthlink.net)

March 29, 2004

Board of Trustees  
Town of Firestone  
P.O. Box 100  
Firestone, Colorado 80502

RE: Analysis of Absorption Potentials  
Stoneridge development

Dear Town Trustees,

We have reviewed the above-referenced study conducted by Derek R. Maunsell and support its findings. The analysis of Absorption Potentials also satisfactory confirms our projections and we request that it be admitted as a part of the Stoneridge Metropolitan District formation application.

Please do not hesitate to call with any questions you have about this correspondence.

Very truly yours,

BEST BUY HOMES COLORADO, INC  
A Colorado corporation



Bailey E. Dotson, Chief Executive Officer

**EXHIBIT H**  
Underwriter's Letter

# Kirkpatrick Pettis

A Mutual of Omaha Company

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March 29, 2004

City of Firestone  
151 Grant Ave.  
Firestone, Colorado 80520

***RE: Proposed Stoneridge Metropolitan District***

To Whom It May Concern:

As part of the service plan approval process, you have asked about the relationship between the investment bankers and the proposed Stoneridge Metropolitan District. We are engaged with the petitioners of the proposed District as described by the attached Letter of Intent. We have the intention of serving as underwriters for the District's voter authorized debt once sufficient credit support can be identified based on assessed value or guarantees provided by the landowners. The structure represented in the financing plan involves non-rated bonds issued to a third party, which we believe will be marketable based on the growth assumptions also included in this plan. In this example, the debt would be sold to institutional investors.

You also requested an explanation of the level of credit risk associated with the types of financing we are considering for this District. As with most start-up special Districts, this District expects to market bonds to third parties to raise capital for infrastructure before the entire project is complete. The level of risk taken by a bondholder and the interest rate required for the financing, decrease as development occurs. Our recent special district underwritings vary from bonds sold at 8% with land in the District sold to builders and no homes constructed to refunding bonds issued with most of the homes built at interest rates of 5% with "AAA" rated insurance. In the case of "AAA" rated, insured bonds, the underlying Districts generally have debt/AV ratios of 50% or less.

Because the financing in this District is intended to pay for public infrastructure, we issue bonds as close to the time the infrastructure is needed as possible. While this does increase the bondholders' risk, the bondholders understand that risk and are compensated in the interest rate on the bonds. With regard to the Town's risk, we know of no example where a City was implicated in special district default and see no legal argument for such implication.

We hope this letter helps to clarify the financing alternative represented in the financing plan and the current market for special district bonds. Please call if you have any questions or require further clarification.

Sincerely,

A handwritten signature in black ink, appearing to read 'Thomas R. Bishop', written over a horizontal line.

Thomas R. Bishop  
Senior Vice President

A handwritten signature in black ink, appearing to read 'Samuel R. Sharp', written over a horizontal line.

Samuel R. Sharp  
Vice President



# Kirkpatrick Pettis

A Mutual of Omaha Company

*Executed Copy*

Investments Since 1925

April 17, 2003

Petitioners for Stone Ridge Metropolitan District  
c/o Bailey Dotson  
Best Buy Homes, LLC  
1011 S Valentia Street #36  
Denver, CO 80231

**RE: Letter of Intent - Proposed Stone Ridge Metropolitan District**

Dear Petitioners:

The petitioners are in the process of organizing the proposed Stone Ridge Metropolitan District (the "District"). Once the District is organized it is anticipated that the District will authorize and issue improvement and/or refunding bonds (the "Bonds") pursuant to voter-approved election questions. The Petitioner desires to engage the services of Kirkpatrick Pettis regarding the sale of those bonds. This letter confirms the basis upon which we intend to submit an offer to purchase the Bonds from the District after it is organized.

**Section 1. Arrangements Before Sale.** There are several arrangements, which must be made before any sale of bonds can occur. These arrangements include, but are not limited to:

**Developing a Plan of Finance.** In concert with bond counsel and District management, Kirkpatrick Pettis will prepare a plan of expected development, future capital improvements, revenues, expenses, and debt repayment. Once such a plan is prepared and approved by the Proposed Board, various debt structures can be analyzed within the plan to determine what will work best for the District.

**Structuring.** Once a financing structure has been selected by the Proposed Board, the terms of the debt (such as the sources of payment, the nature of the security, maturity schedule, the rights of redemption prior to maturity, etc.) must be determined, taking into account both the interests of the District and the expectations of investors.

*Proposed Stone Ridge Metropolitan District  
Page 2 of 4*

**Legal Counsel.** Legal counsel will be selected and engaged by the District to prepare the legal proceedings necessary to authorize the debt, to assist in the preparation of disclosure documents necessary to sell the securities, and to render certain approving opinions when the securities are delivered. All fees and expenses of legal counsel selected hereunder shall be paid only from the proceeds derived upon sale of the Bonds.

**Ratings.** The ratings which may be obtained for the bonds are likely to have a significant effect on the rates of interest at which the bonds can be sold. If it is determined to be in the District's best interest to obtain these ratings, Kirkpatrick Pettis will assist the District in preparing and submitting applications to the rating agencies along with detailed information about the District, the debt and any credit enhancement.

**Credit Enhancement.** By providing investors with a guarantee of timely payments on the debt, for even a limited time period, the purchase of credit enhancement can produce a net reduction in financing costs. Kirkpatrick Pettis will assist the District in investigating the availability of bond insurance, letters of credit or other forms of credit enhancement and assist the District in determining the cost effectiveness of these products.

**Disclosure to Investors.** In connection with the issuance of bonds by the District and the sale and delivery of securities to ultimate investors, material information about the District and the transaction must be compiled in a disclosure document for distribution to prospective purchasers. As set forth above under Legal Counsel, the District will engage the services of counsel to assist in the preparation of such disclosure documents and advise the District and Underwriter about sales practices, regulatory requirements, and security matters. If disclosure counsel is engaged as the District's counsel, Kirkpatrick Pettis, will expect to receive the benefit of their 10(b)-5 opinion as well.

In contemplation of submitting an offer to underwrite the bonds, we will assist the District in making these arrangements. By accepting this letter and accepting our assistance in making these arrangements, the District will not incur any obligation except to pay from the Bond proceeds the expenses as provided in Sections 4 and 6 of this letter. Our active participation in making these arrangements should not and cannot be construed by the District as a promise to underwrite the bonds or as an assurance that the bonds can be sold.

**Section 2. Underwriting.** At such time as the arrangements for the sale of the securities have been successfully completed, it is our intention to submit for consideration by the Petitioners our offer to underwrite the bonds. Our offer will be submitted in the form of a

**Kirkpatrick Pettis**  
A Mutual of Omaha Company



*Proposed Stone Ridge Metropolitan District  
Page 3 of 4*

bond purchase agreement and will set forth terms of the purchase such as the rates of interest, the amount of any original issue premium or discount, our underwriting compensation (not to exceed 2 percent of the principal amount of the bonds), and the date and conditions for delivery of the bonds. Until the District accepts our offer, there will be no obligation for this firm to purchase the bonds from the District. In consideration for our work performed pursuant to Section 1, above, the District agrees that it will not consider other underwriting proposals unless Kirkpatrick Pettis has first declined to underwrite the transaction on terms and conditions acceptable to the District

**Section 3. Remarketing.** In the event that the District issues bonds that are remarketed within their term, the District will have to engage a remarketing agent qualified to remarket the bonds on each remarketing date. If an underwriting agreement is reached between Kirkpatrick Pettis and the District, Kirkpatrick Pettis will submit an offer to serve as remarketing agent to the District for compensation not to exceed 25 percent of the amount of bonds annually remarketed. In further consideration for our work performed pursuant to Section 1, above, the District agrees that as long as Kirkpatrick Pettis is the lead underwriter, it will provide Kirkpatrick Pettis with the option to submit a proposal to act as remarketing agent and that it will not consider other proposals to act as remarketing agent unless and until the Kirkpatrick Pettis proposal for remarketing has been rejected

**Section 4. Payment of Expenses.** Expenses will be incurred to make the arrangements for the sale of the bonds before their delivery and the receipt of proceeds by the District but such expenses will not be obligations of the District unless advance authorization has been obtained from the District. All of the expenses incurred in connection with the authorization, sale, and delivery of the bonds, including rating application, letter of credit fees and related expenses, insurance premiums, bond disclosure and underwriter's counsel and our out-of-pocket expenses for any travel outside of Colorado shall be paid only from the proceeds derived upon sale of the Bonds.

**Section 5. Not an Offer to Buy.** This letter of intent is not an offer to purchase or a guarantee that we will make an offer to purchase the District's bonds in the future. Our offer to purchase, if made, will only be made by a bond purchase agreement prepared by our counsel and reviewed by the District and its counsel after the successful conclusion of the pre-sale arrangements described in Section 1 and the completion of other preliminary matters. This letter serves to summarize the steps we hope will lead to an underwriting of bonds at a future date at which time both Kirkpatrick Pettis and the District will incur and assume additional obligations as set forth in the bond purchase agreement

**Section 6. Private Placement of Debt.** If the District determines that a private placement of debt to developer or other parties would be in its best interest, the District agrees it will utilize the services of Kirkpatrick Pettis as an advisor for a fee not to exceed 1% of the debt distributed.

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**Kirkpatrick Pettis**  
A Mutual of Omaha Company



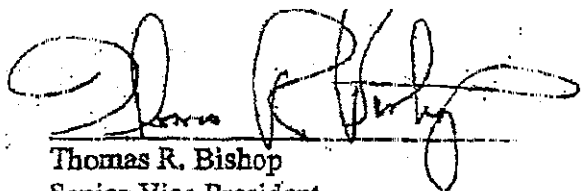
*Proposed Stone Ridge Metropolitan District  
Page 4 of 4*

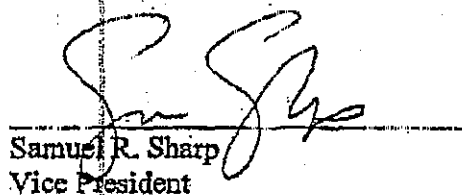
**Section 7. Term of Letter Agreement.** This letter agreement shall remain in full force and effect until such time as the Board of Directors of the District, after formal action by the Board, notifies Kirkpatrick Pettis in writing of its intent to terminate this letter agreement, provided that no such action or notice shall be effective until after December 1, 2006 Kirkpatrick Pettis may resign as investment banker to the District by providing written notification with no less than 60 days notice to the District

**Section 8. Acceptance.** The petitioners or other authorized officers of the developer may indicate their desire to proceed with the delivery of these investment banking services upon the basis set forth in this letter by executing one copy of this letter and returning it to us.

Respectfully submitted,

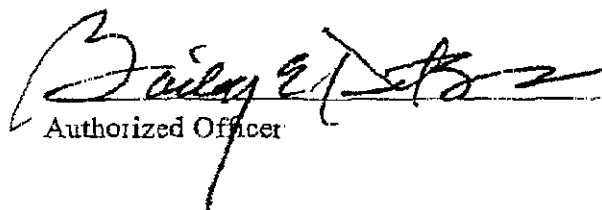
**Kirkpatrick, Pettis, Smith, Polian Inc.**

  
Thomas R. Bishop  
Senior Vice President

  
Samuel R. Sharp  
Vice President

ACCEPTED this 28th day of April 2003

Proposed Stone Ridge Metropolitan District

  
Authorized Officer

**EXHIBIT I**  
Legal Counsel Letter

SANDER SCHEID INGEBRETSEN  
MILLER & PARISH, P C  
A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW  
700 17<sup>TH</sup> STREET, SUITE 2200  
DENVER, COLORADO 80202  
PHONE: 303-285-5300  
FAX: 303-285-5301

DIRECT: 303-285-5304  
Email: dmiller@ssimlaw.com

DIANNE D MILLER

April 22, 2004

Town of Firestone  
Post Office Box 100  
Firestone, Colorado 80520

**RE: Organization of Stoneridge Metropolitan District**

This firm has acted as counsel to the Petitioners in connection with the organization of the Stoneridge Metropolitan District (the "District") Pursuant to the requirements of V m of the Service Plan for the District, this letter confirms that the petition for organization of the District filed with the Town on August 11, 2003, the Service Plan for the District, as approved on April 1, 2004, and as amended on April 22, 2004, and the notice, hearing and other procedures in connection with the approval of the Service Plan and amendment thereto, have met the requirements of the Special District Act, § 32-1-101, *et seq*, C R S , and that the provisions of the Service Plan, as amended, including, without limitation, provisions as to the structure and terms of the District's bonds, fees and revenue sources, are consistent with applicable provisions of titles 11 and 32, C R S , and other applicable law.

Please be advised, however, that this firm has not been engaged as bond counsel to the District, nor will this firm serve as bond counsel at any time for the District This letter does not purport to offer any opinion of the type customarily required to be given by bond counsel with regard to any bond transaction of the District

This letter is limited to the use of the addressee as set forth above, and may not be relied upon by other parties or in connection with any future sale, resale or transfer of bonds and may be relied upon only as stated herein This letter may not be used, quoted or referred to, in whole or in part, for any other purpose without the prior, written consent of the firm

Very truly yours,

SANDER SCHEID INGEBRETSEN  
MILLER & PARISH, P C



Dianne D Miller

**EXHIBIT J**  
Bond Counsel Letter

**Sherman & Howard L.L.C.**

ATTORNEYS & COUNSELORS AT LAW  
633 SEVENTEENTH STREET, SUITE 3000  
DENVER, COLORADO 80202  
TELEPHONE: 303 297-2900  
FAX: 303 298-0940  
OFFICES IN: COLORADO SPRINGS  
RENO • LAS VEGAS • PHOENIX

April 16, 2004

Town of Firestone  
151 Grant Avenue  
Box 100  
Firestone, Colorado 80520

Re: Stoneridge Metropolitan District

Reference is herein made to a letter dated March 30, 2004, from our firm, which addressed certain issues related to a proposed use of bond proceeds by the proposed Stoneridge Metropolitan District (the "District") for the construction of improvements jointly benefitting the Town of Firestone and the District

We have now been informed that the District will no longer be exercising sanitary sewer powers. This does not change the conclusions expressed in the March 30 letter

Sincerely,  
**SHERMAN & HOWARD L.L.C.**

A handwritten signature in black ink, appearing to read 'Blake T. Jordan', is written over a horizontal line.

Blake T. Jordan, Esq



**Sherman & Howard** L.L.C.

ATTORNEYS & COUNSELORS AT LAW  
633 SEVENTEENTH STREET, SUITE 3000  
DENVER, COLORADO 80202  
TELEPHONE: 303 297 2900  
FAX: 303 298-0940  
OFFICES IN: COLORADO SPRINGS  
RENO • LAS VEGAS • PHOENIX

April 1, 2004

Town of Firestone  
151 Grant Avenue  
Box 100  
Firestone, Colorado 80520

Re: Stoneridge Metropolitan District

Reference is herein made to a letter dated March 30, 2004, from our firm, which addressed certain issues related to a proposed use of bond proceeds by the proposed Stoneridge Metropolitan District (the "District") for the construction of improvements jointly benefitting the Town of Firestone and the District. A copy of that letter is attached hereto.

We have now been informed that the amount of proceeds to be so applied has been increased from \$150,000 to \$728,993.

This change in the amount does not change the conclusions expressed in the March 30 letter, assuming that the criteria set forth in that letter still apply. In particular, the improvements still must be those which the District could itself provide, and the improvements still must be of benefit to the District.

Sincerely,  
**SHERMAN & HOWARD L.L.C.**



Blake I. Jordan, Esq.

March 30, 2004

Town of Firestone  
151 Grant Avenue  
Box 100  
Firestone, Colorado 80520

Re: Stoneridge Metropolitan District

We have been asked to write this letter in our capacity as bond counsel to the proposed Stoneridge Metropolitan District (the "District")

The current draft of the Service Plan for the District provides as follows:

"The District will pay to the Town for deposit into the Town's capital improvements fund One Hundred Fifty Thousand Dollars (\$150,000 00) of the District's total net bond proceeds which shall be paid to the Town concurrently with the delivery of the Bonds Pursuant to an agreement to be executed between the Town and the District, the funds so paid to the Town shall be used by the Town to finance improvements (whether inside or outside the boundaries of the District) that the Town and the District would otherwise be empowered to construct, and for which the District is authorized to incur indebtedness (i e., streets, street lighting, traffic safety controls, water, sanitary sewer, landscaping, storm drainage or park and recreation improvements and facilities), which improvements shall be of benefit to the Town and the District "

We have been asked to confirm that the foregoing is an acceptable use of bond proceeds

The answer is in the affirmative The District is specifically authorized by statute to provide improvements which benefit the District, whether such improvement are inside our outside the boundaries of the District, and to enter into intergovernmental agreements Whether the District provides such improvements directly, or does so by contracting with the Town, does not in our view affect the validity or tax-exempt status of the bonds We know of no reason why tax restrictions on this use of bond proceeds would differ from tax restrictions generally applicable to other governmental bond issues for capital purposes

The foregoing presumes that the improvements are of the type the District is

# Sherman & Howard L.L.C.

Town of Firestone, Colorado

March 30, 2004

Page 2

permitted to provide under the Service Plan and organizational documents, and are of benefit to the District and its residents. As with all bond issues, as a condition of giving our opinion on the bonds, we would need certification as to the use of all proceeds, including these proceeds. Such certification would be requested from the District and possibly from the Town, depending upon the circumstances; however, if the Town enters into an agreement to so apply such proceeds, we would rely upon the Town's promises thereunder unless we had knowledge that other factors called that reliance into question.

I hope this responds to your request. If you have further questions, please feel free to call me.

Sincerely,  
**SHERMAN & HOWARD L.L.C.**

A handwritten signature in black ink, appearing to read 'B. T. Jordan', with a long horizontal line extending to the right.

Blake T. Jordan, Esq

**EXHIBIT K**

Part I - Developer Indemnity Letter

Part II - District Indemnity Letter

June 2, 2003

Town of Firestone  
P O Box 100  
Firestone, Colorado 80520

**RE: Stoneridge Metropolitan District**

Ladies and Gentlemen:

This Indemnity Letter (the "Indemnity Letter") is delivered by the undersigned Best Buy Homes Colorado, Inc, a Colorado corporation ("Best Buy") in order to induce the Town of Firestone (the "Town") to approve the Service Plan, including all amendments heretofore or hereafter made thereto (the "Service Plan") for the Stoneridge Metropolitan District (the "District") In consideration of the Town's approval of the Service Plan, Best Buy, for and on behalf of itself and its transferees, successors and assigns, represents, warrants, covenants and agrees to and for the benefit of the Town as follows:

1 Best Buy hereby waives and releases any present or future claims it might have against the Town or the Town's elected or appointed officers, employees, agents or contractors in any manner related to or connected with the Service Plan or any action or omission with respect thereto Best Buy further hereby agrees to indemnify and hold harmless the Town and the Town's elected and appointed officers, employees, agents and contractors, from and against any and all liabilities resulting from any and all claims, demands, suits, actions or other proceedings of whatsoever kind or nature made or brought by any third party, including attorneys' fees and expenses and court costs, which directly or indirectly or purportedly arise out of or are in any manner related to or connected with any of the following: (a) the Service Plan or any document or instrument contained or referred to therein; or (b) the formation of the District or any actions or omissions of Best Buy, the District, the Town or any other person or entity in connection with the District, including, without limitation, any bonds or other financial obligations of the District or any offering documents or other disclosures made in connection therewith Best Buy further agrees to investigate, handle, respond to and to provide defense for and defend against, or at the Town's option to pay the attorneys' fees and expenses for counsel of the Town's choice for any such liabilities, claims, demands, suits, actions or other proceedings It is understood and agreed that the Town does not waive or intend to waive the monetary limits (presently \$150,000 per person and \$600,000 per occurrence) or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq*, C R S., as from time to time amended, or otherwise available to the Town, its officers or its employees

2 Best Buy hereby consents to the Town Disclaimer Statement contained in Exhibit M to the Service Plan, acknowledges the Town's right to modify the Town

Disclaimer Statement, and waives and releases the Town from any claims Best Buy might have based on or relating to the use of or any statements made or to be made in such Town Disclaimer Statement (including any modifications thereto)

3 It is understood and agreed, and Best Buy hereby expressly acknowledges, that the Town, in acting to approve the Service Plan, has relied upon the provisions of this Indemnity Letter.

4 This Indemnity Letter has been duly authorized and executed on behalf of Best Buy

Very truly yours,

BEST BUY HOMES COLORADO, INC ,  
a Colorado corporation

  
Bailey E. Dotson, Chief Executive Officer

\_\_\_\_\_, 2004  
(Date of Organizational Meeting)

Town of Firestone  
P O Box 100  
Firestone, Colorado 80520

**RE: Stoneridge Metropolitan District**

Ladies and Gentlemen:

This Indemnity Letter (the "Indemnity Letter") is delivered by the Stoneridge Metropolitan District (the "District") in order to comply with the Service Plan, including all amendments heretofore or hereafter made thereto (the "Service Plan") for the District. In consideration of the Town's approval of the Service Plan, the District, for and on behalf of itself and its transferees, successors and assigns, represents, warrants, covenants and agrees to and for the benefit of the Town as follows:

1 The District hereby waives and releases any present or future claims it might have against the Town or the Town's elected or appointed officers, employees, agents or contractors in any manner related to or connected with the Service Plan or any action or omission with respect thereto. To the fullest extent permitted by law, the District hereby agrees to indemnify and hold harmless the Town and the Town's elected and appointed officers, employees, agents and contractors, from and against any and all liabilities resulting from any and all claims, demands, suits, actions or other proceedings of whatsoever kind or nature made or brought by any third party, including attorneys' fees and expenses and court costs, which directly or indirectly or purportedly arise out of or are in any manner related to or connected with any of the following: (a) the Service Plan or any document or instrument contained or referred to therein; or (b) the formation of the District or any actions or omissions of the District, the Town, Best Buy Homes Colorado, Inc., a Colorado corporation ("Best Buy"), or any other person or entity in connection with the District, including, without limitation, any bonds or other financial obligations of the District or any offering documents or other disclosures made in connection therewith. The District further agrees to investigate, handle, respond to and to provide defense for and defend against, or at the Town's option to pay the attorneys' fees and expenses for counsel of the Town's choice for, any such liabilities, claims, demands, suits, actions or other proceedings. It is understood and agreed that neither the District nor the Town waives or intends to waive the monetary limits (presently \$150,000 per person and \$600,000 per occurrence) or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S., as from time to time amended, or otherwise available to the Town, the District, its officers, or its employees.

2 The District hereby consents to the Town Disclaimer Statement contained in Exhibit M to the Service Plan; agrees that the District will include such Town Disclaimer Statement or any modified or substitute Town Disclaimer Statement hereafter furnished by the Town to the District in all offering materials used in connection with any bonds or other financial obligations of the District (or, if no offering materials are used, the Town Disclaimer Statement will be given by the District to any prospective purchaser of any bonds or other financial obligations of the District); and waives and releases the Town from any claims the District might have based on or relating to the use of or any statements made or to be made in such Town Disclaimer Statement (including any modifications thereto)

3 It is understood and agreed, and the District hereby expressly acknowledges, that the Town, in acting to approve the Service Plan, has relied upon the provisions of this Indemnity Letter

4 This Indemnity Letter has been duly authorized and executed on behalf of the District

Very truly yours,

STONERIDGE METROPOLITAN DISTRICT

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



**EXHIBIT L**  
Form of Disclosure Notice

# STONERIDGE METROPOLITAN DISTRICT

TOWN OF FIRESTONE  
WELD COUNTY, COLORADO

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## DISCLOSURE STATEMENT

Pursuant to Article XII of the Service Plan  
of Stoneridge Metropolitan District

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### DISTRICT ORGANIZATION:

Stoneridge Metropolitan District (the "District"), Town of Firestone, Weld County, Colorado is a quasi-municipal corporation and political subdivision of the State of Colorado duly organized and existing as a metropolitan district pursuant to Title 32, Colorado Revised Statutes. The District was declared organized and an existing metropolitan district on \_\_\_\_\_, 200\_, pursuant to an Order and Decree Organizing District and Issuance of Certificates of Election for the Stoneridge Metropolitan District, issued in the District Court of Weld County, Colorado. The Order and Decree was recorded in the records of the Weld County Clerk and Recorder on \_\_\_\_\_, 200\_ at Reception # \_\_\_\_\_.

The District is located entirely within the corporate limits of the Town of Firestone, Colorado, in Weld County. The legal description of the property forming the boundaries of the District is described in **Exhibit A**.

### DISTRICT PURPOSE:

Stoneridge Metropolitan District was organized for the purpose of financing streets, street lighting, traffic and safety controls, water, sanitary sewer, landscaping, storm drainage, mosquito control and park and recreation improvements, all in accordance with its Service Plan approved by the Board of Trustees of Firestone. When completed, improvements shall be dedicated to the Town of Firestone or governmental entities, all for the use and benefit of residents and taxpayers, or operated and maintained by contract with a Homeowners' Association formed for the Stoneridge subdivision. The District's Service Plan is on file and available for review at the office of the District's general counsel, Sander Scheid Ingebretsen Miller & Parish, P.C., 700 17<sup>th</sup> Street, Suite 2200, Denver, Colorado 80202, and at the office of the Town Clerk, Town of Firestone, 151 Grant Avenue, Firestone, Colorado 80520.

### TAX LEVY INFORMATION:

The primary source of revenue for the District is *ad valorem* property taxes. Property taxes are determined annually by the District's Board of Directors and set by the Board of County Commissioners for Weld County as to rate or levy based upon the assessed valuation of the property within the District. The levy is expressed in terms of mills. A mill is 1/1,000 of the assessed valuation, and a levy of one mill equals \$1 of tax for each \$1,000 of assessed value. The financial forecast for the District (as set forth in its Service Plan) assumes that the District



**EXHIBIT A**  
(Legal Description of District)

A parcel of land being part of the Northwest Quarter (NW1/4) of Section Thirteen (13) and part of the East Half (E1/2) of Section Fourteen (14), all in Township Two North (T 2N ), Range Sixty-eight West (R 68W ) of the Sixth Principal Meridian (6th P M ), County of Weld, State of Colorado and being more particularly described as follows:

BEGINNING at the Northwest Corner of said Section 13 and assuming the North line of said NW1/4 as bearing South 89°31'25" East, being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/92, a distance of 2699 37 feet with all other bearings contained herein relative thereto From said point the West Quarter Corner of said Section 13 bears South 00°30'11" East a distance of 2650 68 feet:

THENCE South 00°30'11" East along the West line of said NW1/4 a distance of 30 00 feet to the intersection with the Southerly Right-Of-Way (ROW) line of Weld County Road #22 (WCR #22) Said point being the TRUE POINT OF BEGINNING Said point also being on the Southerly line of Firestone Sixth Annexation (FSA) as recorded May 5, 1997 in Book 1604 as Reception Number 2546405 of the records of the Weld County Clerk and Recorder (WCCR);

THENCE South 89°31'25" East along the Southerly ROW line of said WCR #22, also being the Southerly line of said FSA a distance of 2699 16 feet to the East line of said NW1/4; IENCE South 00°06'24" East along said East line a distance of 2183 38 feet to the Northeast Corner of that parcel of land as described in that Warranty Deed as recorded May 20, 1999 as Reception Number 2694995 of the records of the WCCR From said point the Center Quarter Corner of said Section 13 bears South 00°06'24" East a distance of 420 00 feet; Thence along the Northerly and Westerly line of the aforesaid parcel of land by the following Two (2) courses and distances: THENCE North 89°53'17" West along a line parallel with the South line of said NW1/4 a distance of 420.00 feet; THENCE South 00°06'24" East along a line parallel with the East line of said NW1/4 a distance of 420 00 feet to the South line of said NW1/4 and being the Southwest Corner of the aforesaid parcel of land From said point the Center Quarter Corner of said Section 13 bears South 89°53'17" East a distance of 420 00 feet; THENCE North 89°53'17" West along the South line of said NW1/4 a distance of 2230 92 feet to the Westerly ROW line of Weld County Road #11 (WCR #11) Said point also being on the Easterly of Weld County Road 11 and 22 Annexation as recorded February 10, 2000 as Reception Number 2749171 of the records of the WCCR; Thence along the Easterly and Northerly line of the aforesaid annexation by the following Three (3) courses and distances: THENCE North 00°28'13" West a distance of 0 31 feet; THENCE South 89°31'47" West a distance of 30 00 feet to the West Quarter Corner of said Section 13; THENCE South 89°31'47" West a distance of 30 00 feet to the Westerly ROW line of said WCR #11; THENCE North 00°30'11" West along said Westerly ROW line a distance of 2620 95 feet to the Southerly ROW line of said WCR #22; THENCE South 89°56'30" East along said Southerly ROW line a distance of 30 00 feet to the TRUE POINT OF BEGINNING.

Said described parcel of land contains 159 050 Acres, more or less (±) and is subject to any rights-of-way or other easements as granted or reserved by instruments of record or as now existing on said described parcel of land

**EXHIBIT M**  
Form of Town Disclosure Statement

## **TOWN OF FIRESTONE, COLORADO -- DISCLAIMER STATEMENT**

As a requirement imposed in its formation process, the Stoneridge Metropolitan District (the "District") is obligated to the Town of Firestone (the "Town") to include this disclaimer statement in all offering materials used in connection with any bonds or other financial obligations of the District (or, if no offering materials are used, to give this disclaimer statement to any prospective purchaser, investor or lender in connection with any such bonds or other financial obligations of the District) The date of this disclaimer statement is

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The Town has not reviewed or participated in the preparation of any offering materials or any other disclosure documentation relating to any bonds or financial obligations of the District or any other materials to which this Disclaimer Statement is appended Other than this Disclaimer Statement, no other statement of any kind is authorized to be made by or on behalf of the Town in any offering materials or any other disclosure documentation relating to any bonds or other financial obligations of the District

The Town and the District are separate legal entities The Town is not a party to and is not obligated with respect to any borrowings, financings, bonds or other financial obligations of the District As a statutory requirement for the formation of the District, the Town approved a Service Plan containing financial and other information furnished by the District's organizers The Town's approval of the Service Plan was based upon such information furnished by the District's organizers, without independent investigation by the Town The District's Service Plan was prepared in 2004 and not in connection with the offering of any bonds or other financial obligations The Town's approval of the District's Service Plan should not be relied upon by prospective purchasers, bondholders, investors or lenders in evaluating the investment quality of the District's bonds or other financial obligations The Service Plan and related agreements do not impose upon the Town any duties to, nor confer any rights against the Town upon, any purchasers, investors, lenders, bondholders or other third parties

**EXHIBIT N**

Form of Intergovernmental Agreement between District and Town



INTERGOVERNMENTAL AGREEMENT  
BY AND BETWEEN  
THE TOWN OF FIRESTONE, COLORADO  
AND  
STONERIDGE METROPOLITAN DISTRICT

This INTERGOVERNMENTAL AGREEMENT (the "Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_ 2004, by and between the TOWN OF FIRESTONE, COLORADO, a municipal corporation of the State of Colorado (the "Town"), and STONERIDGE METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), collectively referred to herein as the "Parties"

RECITALS

WHEREAS, the District was organized to finance, acquire, design, construct and install certain facilities, and to exercise powers, all as are more specifically set forth in the District's Service Plan, dated April 1, 2004, and approved by the Town on April 1, 2004, by Resolution No 04-19, and amendments approved by the Town on April 22, 2004 (the "Service Plan"); and

WHEREAS, the Service Plan makes reference to and requires 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, for and 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 APPLICATION OF LOCAL LAWS. The District hereby acknowledges that the property within its boundaries shall be subject to all ordinances, rules and regulations of the Town, including without limitation, ordinances, rules and regulations relating to zoning, subdividing, building and land use, and to all related Town land use policies, master plans, related plans and intergovernmental agreements

2 NATURE OF DISTRICT. The District agrees that it is organized for the purpose of financing certain public improvements for the area within its boundaries only (except to the extent otherwise specifically provided in Article V c of the Service Plan), which area is designated as the proposed Stoneridge development, and that the District's purposes, powers, facilities and activities are to be limited and governed by the Service Plan. The District is not intended to and shall not provide facilities or service outside its boundaries (except as otherwise specifically provided in Article V c of the Service Plan). Further, the

District is not intended to and shall not exist perpetually, but instead shall be dissolved in accordance with the Service Plan and this Agreement. The District shall not provide any services or facilities within any area of the District overlapping with the service area of another district without first obtaining the written consent of each and every district whose service area is so overlapped.

3 CHANGE IN BOUNDARIES The District agrees that, as set forth in the Service Plan, inclusion of properties within, or any exclusion of properties from, its boundaries shall constitute a material modification of the Service Plan; any purported inclusion or exclusion that has not been approved by the Town pursuant to the procedures applicable to a material modification of the Service Plan shall be void and of no effect.

4 TOWN APPROVAL REQUIREMENTS; REVIEW OF DISTRICT SUBMITTALS The District agrees that any Town approval requirements contained in the Service Plan (including, without limitation, any Service Plan provisions requiring that any change, request, action, event or occurrence be treated as a Service Plan amendment proposal or be deemed a "material modification" of the Service Plan) shall remain in full force and effect, and such Town approval shall continue to be required, notwithstanding any future change in law modifying or repealing any statutory provision concerning service plans, amendments thereof or modifications thereto. The District agrees to reimburse the Town for all reasonable administrative and consultant costs incurred by the Town for any Town review of reports, plans, submittals, proposed modifications or requests for administrative approvals, or other materials or requests provided to the Town by the District pursuant to the Service Plan, this Agreement, state law or the Firestone Municipal Code. The Town may require a deposit of such estimated costs.

5 OWNERSHIP OF IMPROVEMENTS. The Parties agree that the District shall not be permitted to undertake ownership, operation or maintenance of any public improvements, facilities or services, except as specifically set forth in the Service Plan.

6 ALLOCATION OF FINANCING PROCEEDS. The Parties agree, and the Town's approval of the Service Plan is expressly conditioned upon the requirement, that a total of Seven Hundred Twenty-Eight Thousand Nine Hundred Ninety-Three Dollars (\$728,993.00) will be allocated from the District's net bond financing proceeds to the Town's capital improvements fund, which proceeds shall be paid to the Town at the time proceeds are realized from the issuance of bonds as provided for in the Service Plan. Such allocations shall be made in the amounts and at the times set forth in Article V c of the Service Plan, which Article is incorporated herein by reference as though set forth in full. Such allocations may be used by the Town to finance any street or park or recreation capital improvement (either within or outside the boundaries of the District) that the District would otherwise be authorized to finance, or, upon agreement of the Town and District, for any other capital improvement (either within or outside the boundaries of the District) the District would otherwise be empowered to construct, i.e., streets, traffic safety controls, street lighting, water, storm drainage, or landscaping improvements and facilities.

The District acknowledges and agrees that the provisions of this Agreement and the provisions of the Service Plan for concurrent allocation of bond proceeds to the Town's capital improvements fund for capital improvements are material considerations in, and conditions of, the Town's approval of the District's Service Plan, and that the Town has relied thereon in approving the District's Service Plan. Therefore, the District agrees that it shall include in and make available from the District's bond financing proceeds such Seven Hundred Twenty-Eight Thousand Nine Hundred Ninety-Three Dollars (\$728,993.00) to be paid to the Town's capital improvements fund. The District further agrees that it shall not issue bonds without concurrently allocating and delivering to the Town the funds required by Article V c of the Service Plan. The District further agrees that such delivery of bond proceeds to the Town shall be a condition of closing for each series of bonds. The District specifically agrees that the provisions of this Agreement and of the Service Plan for such concurrent allocation of bond proceeds to the Town shall run in favor of and shall be enforceable by the Town. The District represents and warrants that it has obtained all voter authorizations necessary to implement such provisions of this Agreement and the Service Plan, and that it will exercise its powers in accordance with and in furtherance of such provisions.

7 CONSOLIDATION. The District shall not file a request with the District Court to consolidate with another district without the prior written approval of the Town.

8 DISSOLUTION. The District agrees that it shall take all action necessary to dissolve the District upon payment or defeasance of the District's bonds or otherwise upon the request of the Town, all as provided in the Service Plan.

9 NOTICE OF MEETINGS. The District agrees that it shall submit a copy of the written notice of every regular, special meeting and work session of the District's Board of Directors to the Office of the Firestone Town Administrator, by mail, facsimile or hand delivery, to be received at least three (3) days prior to such meeting. The District agrees that it shall also submit a complete copy of meeting packet materials for any such meeting to the Office of the Firestone Town Administrator, by mail, facsimile or hand delivery, to be received at least one (1) day prior to such meeting.

10 ANNUAL REPORT. The District shall be responsible for submitting an annual report to the Town pursuant to and including the information set forth in Article VII of the Service Plan.

11 ENTIRE AGREEMENT OF THE PARTIES. This written agreement, together with the Service Plan, constitutes the entire agreement between the Parties and supersedes all prior written or oral agreements, negotiations, or representations and understandings of the Parties with respect to the subject matter contained herein.

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. ENFORCEMENT The Parties agree that this Agreement may be enforced in law or in equity for specific performance, injunctive or other appropriate relief, including damages, as may be available according to the laws and statutes of the State of Colorado

14. VENUE Venue for the trial of any action arising out of any dispute hereunder shall be in the appropriate district court of the State of Colorado pursuant to the appropriate rules of civil procedure

15. BENEFICIARIES Except as otherwise stated herein, this Agreement is intended to describe the rights and responsibilities of and between the named parties and is not intended to, and shall not be deemed to confer any rights upon any persons or entities not named as parties

16. EFFECT OF INVALIDITY If any portion of this Agreement is held invalid or unenforceable for any reason by a court of competent jurisdiction as to either party or as to both Parties, such portion shall be deemed severable and its invalidity or its unenforceability shall not cause the entire agreement to be terminated. Further, with respect to any portion so held invalid or unenforceable, the District and Town agree to take such actions as may be necessary to achieve to the greatest degree possible the intent of the affected portion

17. ASSIGNABILITY Other than as specifically provided for in this Agreement, neither the Town nor the District shall assign their rights or delegate their duties hereunder without the prior written consent of the other Parties

18. SUCCESSORS AND ASSIGNS Subject to Paragraph 17 hereof, this Agreement and the rights and obligations created hereby shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns

[Remainder of page intentionally left blank]

STONERIDGE METROPOLITAN  
DISTRICT

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

ATTEST:

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

TOWN OF FIRES ONE

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

ATTEST:

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

**EXHIBIT O**

Resolution of Town of Firestone Approving Service Plan

TOWN OF FIRESTONE, COUNTY OF WELD, STATE OF COLORADO

---

IN RE THE ORGANIZATION OF STONERIDGE METROPOLITAN DISTRICT,  
IN THE TOWN OF FIRESTONE, COUNTY OF WELD, STATE OF COLORADO

---

RESOLUTION NO 04-19

R E S O L U T I O N O F A P P R O V A L

WHEREAS, pursuant to the provisions of Title 32, Article 1, Part 2, C R S as amended, the Board of Trustees of the Town of Firestone, County of Weld, State of Colorado, following due notice, held a public hearing on the Service Plan of the proposed Stoneridge Metropolitan District on the 1st day of April, 2004; and

WHEREAS, the Board of Trustees has considered the Service Plan and all other testimony and evidence presented at the hearing; and

WHEREAS, based upon the testimony and evidence presented at the hearing, it appears that the Service Plan should be approved by the Board of Trustees, subject to certain conditions set forth below, in accordance with Section 32-1-204 5(1)(c), C R S

THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF FIRESTONE, COLORADO:

Section 1 That the Board of Trustees, as the governing body of the Town of Firestone, Colorado, does hereby determine, based on representations by and on behalf of Best Buy Homes Colorado, Inc , a Colorado corporation (the "Developer"), that all of the requirements of Title 32, Article 1, Part 2, C R S , as amended, relating to the filing of a Service Plan for the proposed Stoneridge Metropolitan District have been fulfilled and that notice of the hearing was given in the time and manner required by the Town

Section 2 That, based on representations by and on behalf of the Developer, the Board of Trustees of the Town of Firestone, Colorado, has jurisdiction over the subject matter of this proposed special district pursuant to Title 32, Article 1, part 2, C R S , as amended

Section 3 That, pursuant to Section 32-1-204 5, C R S , Section 32-1-202(2), C R S , and Section 32-1-203(2), C R S , the Board of Trustees of the Town of Firestone, Colorado, does hereby find and determine, based on the Service Plan and other evidence presented by and on behalf of the Developer, that:

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

- (b) The existing service in the area to be served by the proposed District is inadequate for present and projected needs;
- (c) The proposed special district is capable of providing economical and sufficient service to the area within its proposed boundaries;
- (d) 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; and
- (e) The creation of the proposed District will be in the best interests of the area proposed to be served

Section 4 That pursuant to Section 32-1-204 5(1)(c), C R S , the Board of Trustees hereby imposes the following conditions upon its approval of the Service Plan:

- (a) The Developer agrees that the Town Attorney will be given reasonable notice of all proceedings in the District Court of Weld County relating to the organization of the District (including notice as described in Section 32-1-304, C R S ).
- (b) The Developer agrees that, prior to the hearing date set by the District Court of Weld County pursuant to Section 32-1-304, C R S , all fees and expenses which have been submitted to the Developer for payment by or on behalf of the Town or its attorneys or financial or other advisors shall have been paid in full
- (c) Prior to the hearing date set by the District Court of Weld County pursuant to Section 32-1-304, C R S , the District shall fully comply with the provisions of Section 32-1-107(3), C R S with respect to the overlapping of service areas. The District's authorization to provide services or facilities within any overlapping area is expressly conditioned upon the District first obtaining the written consent of each and every district whose service area is so overlapped
- (d) Prior to the Mayor's execution of this Resolution, the fully and properly executed originals of the service plan certification page; property owners' consents; engineer's statement of reasonableness of capital costs; accountant's letter and forecasts; letters in support of market projections and absorption rates; underwriter's letters; legal counsel letter; bond counsel letter, and Developer's indemnity letter that are required under the Service Plan and set forth on page 35 of the service plan text and in Exhibits D, E, G, H, I, J, and Part 1 of Exhibit K, shall be provided to the Town
- (e) At its organizational meeting, the District shall execute the District indemnity letter and intergovernmental agreement with the Town that are required under the Service Plan and set forth in Part 2 of Exhibit K and Exhibit N thereto, and shall provide the fully executed originals of such documents to the Town

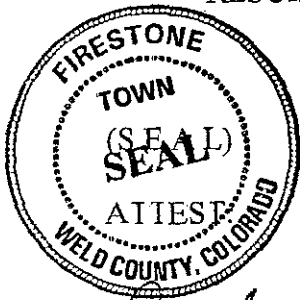


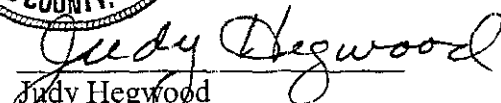
If any of the above-stated conditions (a) through (d) are not met, the Town may file a motion with the District Court of Weld County requesting that the hearing on the organization of the District be delayed until such conditions are met, and Developer has represented that it will not oppose such motion. Further, if any of the above-stated conditions (a) through (e) are not met, the Town may pursue all legal and equitable remedies available to it for failure of compliance with such conditions of approval.

Section 5 That the Service Plan of the proposed Stoneridge Metropolitan District, as set forth in Exhibit A to this Resolution and dated March 30, 2004, is hereby approved subject to the conditions stated in Section 4 above, in accordance with Section 32-1-204 5(1)(c), C.R.S., and subject to the revisions set forth in Exhibit B.

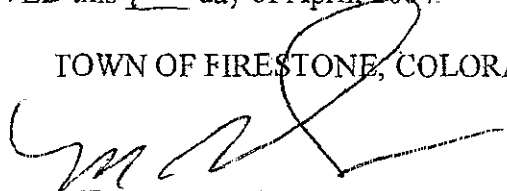
Section 6 That a certified copy of this Resolution be filed in the records of the Town of Firestone and submitted to the Developer for the purpose of filing in the District Court of Weld County for further proceedings concerning the District.

RESOLVED, ADOPTED AND APPROVED this 1<sup>st</sup> day of April, 2004.



  
Judy Hegwood  
Town Clerk

TOWN OF FIRESTONE, COLORADO

  
Michael P. Simone  
Mayor

**EXHIBIT A**

*(Copy of Service Plan)*

**EXHIBIT B**  
**REVISIONS TO STONERIDGE METROPOLITAN DISTRICT SERVICE PLAN**  
**(SECOND SUBMITTAL, MARCH 30, 2004)**  
**(Firestone Board of Trustees Meeting, April 1, 2004)**

- 1 Update Engineer contact information on page 2
- 2 On page 7, line 6, change “One Hundred Fifty Thousand Dollars (\$150,000 00)” to “Seven Hundred Twenty Eight Thousand Nine Hundred and Ninety-Three Dollars (\$728,993 00)”.
- 3 On page 7, line 12, change “and” to “or”
- 4 On page 7, line 15-17, delete “, design, construct and install Town” from line 15; change “all” to “the” in line 16; insert “or the Central Weld County Water District (CWCD)” after the first reference to “Town” in line 17; and insert “or CWCWD” after the second reference to “Town” in line 17
- 5 On page 12, line 14, strike “control”
- 6 On page 13, line 6 and lines 8-9, strike “to the District” in both places
- 7 On page 15, line 5, change “One Hundred Fifty Thousand Dollars (\$150,000 00)” to “Seven Hundred Twenty Eight Thousand Nine Hundred and Ninety-Three Dollars (\$728,993 00)”
- 8 On page 15, line 8, change “Three Million Two Thousand Four Hundred Twenty-Four Dollars and Four Cents (\$3,002,424 04)” to “Three Million Eight Hundred Eighty One Thousand Four Hundred and Seventeen Dollars and Four Cents (\$3,881,417 04)”
- 9 On page 15, line 21, change “Five Million Dollars (\$5,000,000)” to “Four Million Dollars (\$4,000,000)”
- 10 On page 16, line 4, change “seventy three (73)” to “one hundred and forty one (141)”
- 11 On page 16, line 17, change “One Hundred Fifty Thousand Dollars (\$150,000 00)” to “Seven Hundred Twenty Eight Thousand Nine Hundred and Ninety-Three Dollars (\$728,993 00)”.
- 12 On page 17, add the following to the end of line 2: “and shall be specifically identified in an amendment to the IGA between the Town and District, which amendment shall be fully executed prior to issuance of any District bonds ”
- 13 On page 17, line 22, change “Five Million Dollars (\$5,000,000)” to “Four Million Dollars (\$4,000,000)”.

- 14 On page 18, line 2, add “voted” between “maximum” and “amounts” and add the following after the word “sale” on line three: “; provided, however, that the actual interest rate shall not exceed three hundred (300) basis points above the thirty (30) year ‘AAA’ Municipal Market Data rate in effect at the time the bonds are sold ”
- 15 On page 19, line 19, add “warranty” before “maintenance ”
- 16 On page 20, line 8, change “ten (10 000)” to “seven and one-half (7.500)”
- 17 On page 21, line 13, delete “minimum denomination”.
- 18 On page 22, lines 22 and 23, revise “Thirty Thousand Dollars (\$30,000)” to “Fifty Thousand Dollars (\$50,000)” and “Thirty Thousand Six Hundred Dollars (\$30,600)” to “Thirty Thousand Dollars (\$30,000)”
- 19 On page 26, line 12, delete comma after “warranty ”
- 20 Exhibit A, Legal Description: Replace aliquot legal description with final, approved metes and bounds description used for final subdivision plat
- 21 Exhibit G, page 5 of forecast: Correct table to use a 2004 construction start year
- 22 Exhibit G, page 12, note 10 of forecast: Delete “to be funded under the Plan” on line 1 and revise “\$150,000” to “\$728,993” on line 2
- 23 Exhibit J, Bond Counsel Letter: Revise letter to reflect final revenue-sharing contribution provision of service plan text
- 24 Exhibit K, Part 2, District Indemnity Letter: In Item 2, revise Exhibit reference from K to M.
- 25 Exhibit L, Disclosure Statement: Replace Exhibit A aliquot legal description with final, approved metes and bounds description used for final subdivision plat
- 26 Exhibit N, IGA, Section 6: Revise “One Hundred Fifty Thousand Dollars (\$150,000)” in both places to “Seven Hundred Twenty Eight Thousand Nine Hundred and Ninety-Three Dollars (\$728,993 00)”
- 27 Proponents shall obtain a revised consent of the Carbon Valley Park and Recreation District (CVPRD) reflecting that (1) all public improvements and facilities that are financed, constructed, installed or acquired by the District shall be dedicated and conveyed to the Town or its designee; and (2) the Stoneridge District shall not provide park or recreation services, in lieu of language stating the CVPRD is the exclusive provider of such services

C E R T I F I C A T E

I, Judy Hegwood, do hereby certify that the above and foregoing is a true, correct and complete copy of a resolution adopted by the Board of Trustees of the Town of Firestone, Colorado, at a public meeting held on the 1<sup>st</sup> day of April, 2004

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Town of Firestone, Colorado, this 1<sup>st</sup> day of April, 2004



*Judy Hegwood*  
Town Clerk

TOWN OF FIRESTONE, COUNTY OF WELD, STATE OF COLORADO

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IN RE THE AMENDED AND RESTATED SERVICE PLAN FOR  
STONERIDGE METROPOLITAN DISTRICT,  
IN THE TOWN OF FIRESTONE, COUNTY OF WELD, STATE OF COLORADO

---

RESOLUTION NO 04-\_\_\_\_

RESOLUTION OF APPROVAL

WHEREAS, pursuant to Resolution No 04-19, adopted April 1, 2004, the Board of Trustees of the Town of Firestone approved a Service Plan for the Stoneridge Metropolitan District, located in the Town of Firestone, County of Weld, State of Colorado; and

WHEREAS, the proponents of the District have been unable to obtain the consent required pursuant to Section 32-1-107, C R S to enable the District to finance, construct, install, acquire or otherwise provide sanitary sewer improvements or services, as otherwise may be permitted by the Service Plan approved by Resolution No 04-19; and

WHEREAS, the proponents of the District have therefore requested Town approval of amendments to the District Service Plan to delete from the Service Plan the authority to finance, construct, install, acquire or otherwise provide sanitary sewer improvements or services; and

WHEREAS, for such purpose the proponents have submitted an Amended and Restated Service Plan containing the amendments necessary to remove from the District's Service Plan the authority to finance, construct, install, acquire or otherwise provide sanitary sewer improvements or services; and

WHEREAS, pursuant to the provisions of Title 32, Article 1, Part 2, C R S as amended, the Board of Trustees of Firestone, County of Weld, State of Colorado, held a public hearing on the proposed Amended and Restated Service Plan Stoneridge Metropolitan District on the 22nd day of April, 2004; and

WHEREAS, the Board of Trustees has considered the proposed amendments and all other testimony and evidence presented at the hearing; and

WHEREAS, based upon the testimony and evidence presented at the hearing, it appears that the proposed Amended and Restated Service Plan should be approved by the Board of Trustees, subject to certain conditions set forth below

THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF FIRESTONE, COLORADO:

Section 1 That the Board of Trustees, as the governing body of the Town of Firestone, Colorado, does hereby determine, based on representations by and on behalf of Best Buy Homes Colorado, Inc , a Colorado corporation (the “Developer”), that all of the requirements of Title 32, Article 1, Part 2, C R S , as amended, relating to the proposed amendments to the Stoneridge Metropolitan District Service Plan, as set forth in the Amended and Restated Service Plan dated April 16, 2004, have been fulfilled. Such amendments include amendments to the text of the Service Plan and to Exhibits E, I and N to the Service Plan to delete from such Service Plan the authority to finance, construct, install, acquire or otherwise provide sanitary sewer improvements or services

Section 2 That, based on representations by and on behalf of the Developer, the Board of Trustees of the Town of Firestone, Colorado, has jurisdiction over the subject matter of the proposed amendments to Service Plan pursuant to Title 32, Article 1, Part 2, C R S , as amended

Section 3 That, pursuant to Section 32-1-204.5, C R S , Section 32-1-202(2), C R S , and Section 32-1-203(2), C R S , the Board of Trustees of the Town of Firestone, Colorado, does hereby approve the Amended and Restated Service Plan for Stoneridge Metropolitan District, as set forth in Exhibit A to this Resolution and dated April 16, 2004, subject to the conditions stated in Section 4 below.

Section 4 That, pursuant to Section 32-1-204.5(1)(c), C R S , the Board of Trustees hereby imposes the following conditions upon its approval of the Amended and Restated Service Plan for Stoneridge Metropolitan District:

- (a) Prior to the Mayor’s execution of this Resolution, the District shall provide to the Town the fully and properly executed updated originals of the legal counsel letter (Exhibit D), the bond counsel letter (Exhibit J), and financing plan notes (Exhibit G)
- (b) The Amended and Restated Service Plan is and shall remain subject to all requirements and conditions of Resolution No 04-19, which Resolution remains in full force and effect. This Resolution, together with Resolution No 04-19, constitute the Board of Trustees’ resolutions of approval for the service plan for the District

If any of the above-stated conditions are not met, the Mayor shall refuse to execute this Resolution. Further, if any of the above-stated conditions are not met, the Town may pursue all legal and equitable remedies available to it for failure of compliance with such conditions of approval

Section 5 That this Resolution shall become effective only upon approval and execution by the Mayor in accordance with the provision hereof, and that a certified copy of this Resolution shall be filed in the records of the Town and submitted to the proponents of the District

RESOLVED, ADOPTED AND APPROVED this 22nd day of April, 2004

TOWN OF FIRESTONE, COLORADO

(S E A L)

\_\_\_\_\_  
Michael P. Simone  
Mayor

ATTEST:

\_\_\_\_\_  
Judy Hegwood  
Town Clerk

4/20/04 7:36 AM [s]J:\Office\Firestone\MetropolitanDistrict\Stoneridge\StoneridgeAmendmentApprovalResolution



C E R T I F I C A T E

I, Judy Hegwood, do hereby certify that the above and foregoing is a true, correct and complete copy of a resolution adopted by the Board of Trustees of the Town of Firestone, Colorado, at a public meeting held on the \_\_\_\_ day of April, 2004

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Town of Firestone, Colorado, this \_\_\_\_\_ day of April, 2004

(S E A L)

\_\_\_\_\_  
Town Clerk

**EXHIBIT A**

*(Complete Copy of Amended and Restated Service Plan)*