

COMMISSIONERS: CAMI BREMER (CHAIR) CARRIE GEITNER (VICE-CHAIR)

COLORADO

HOLLY WILLIAMS STAN VANDERWERF LONGINOS GONZALEZ, JR.

PLANNING & COMMUNITY DEVELOPMENT

- TO: El Paso County Planning Commission Brain Risley, Chair
- FROM: Kari Parsons, Senior Planner Meggan Herington, AICP, Executive Director
- RE:
 Project File #:
 ID-23-001

 Project Name:
 Sterling Ranch Metropolitan District Nos. 4 and 5

 Parcel Nos.:
 52000-00-553, 52270-00-005, 52270-00-006, 52270-00

 007, 52270-00-008, 52270-05-001, 52280-00-038, 52330

 00-015, and 52340-02-001

APPLICANT:	REPRESENTATIVE:
Classic SRJ, LLC	Spencer Fane, P.C.
2138 Flying Horse Drive	1700 Lincoln Street, Suite 2000
Colorado Springs, CO 80921	Denver, Colorado 80203

Commissioner District: 2

Planning Commission Hearing Date:	4/20/2023
Board of County Commissioners Hearing Date:	5/2/2023 and 5/23/2023

EXECUTIVE SUMMARY

A request by Classic SRJ, LLC, and Spencer Fane P.C., for approval of a Colorado Revised Statutes Title 32 Special District service plan for the Sterling Ranch Metropolitan District Nos. 4 and 5. The 576-acre area included within the request is zoned RR-5 (Residential Rural) and is located south of Arroya Lane, and east of Vollmer Road. The proposed district is within Sections 27, 28, 33, and 34, Township 12 South, Range 65 West of the 6th P.M.

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The proposed service plan includes the following:

- a maximum debt authorization of \$150 million,
- a debt service mill levy of 50 mills for residential,
- and an operations and maintenance mill levy of 15 mills, for a total maximum combined residential mill levy of 65 mills.

The statutory purposes of the district include the provision of the following:

1) street improvements, safety protection;

2) design, construction, and maintenance of drainage facilities;

3) design, land acquisition, construction, and maintenance of recreation facilities;

4) mosquito control;

5)design, acquisition, construction, installation, and operation and maintenance of television relay and translation facilities;

6) covenant enforcement; and

7) design, construction, and maintenance of public water including fire hydrant systems, and sanitation systems.

Title 32 of the Colorado Revised Statutes grants extensive powers and authorities to special districts, such as the power of perpetual existence, the ability to incur debt, the ability to charge fees and adopt ad valorem mill levies, and the ability to perform covenant enforcement and design review. With that said, the applicant has decided to expressly limit the districts' authorities under state statute with respect to the ability to exercise eminent domain powers and limitations to carry a concealed handgun by stating the following in the proposed service plan:

"The Districts may exercise the power of eminent domain or dominant eminent domain only as necessary to further the clear public purposes of the Districts.

The power of eminent domain and/or dominant eminent domain shall be limited to the acquisition of property that the applicable Districts intends to own, control, or maintain by the applicable or other governmental entity and is for the material use or benefit of the general public. The term "material use or benefit for the general public" shall not include the acquisition of property for the furtherance of an economic development plan, nor shall it include as a purpose an intent to convey

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such property or to make such property available to a private entity for economic development purposes. The phrase "furtherance of an economic development plan" does not include condemnation of property to facilitate public infrastructure that is necessary for the development of the Project.

The Districts may exercise such powers as are expressly or impliedly granted by Colorado law, if not otherwise limited by the Service Plan or its conditions of approval.

The Districts shall not adopt or enact an ordinance, resolution, rule, or other regulation that prohibits or restricts an authorized permittee from carrying a concealed handgun in a building or specific area under the direct control or management of the District as provided in C.R.S. § 18-12-214."

Staff is proposing Recommended Condition of Approval No. 3, below, which requires prior approval by the Board of County Commissioners at an open and public hearing before the Districts can exercise eminent domain powers.

If it is determined that the request complies with the El Paso County Land Development Code, the adopted El Paso County Special District Policies, and criteria within Title 32 of the Colorado Revised Statutes for a special district service plan, and if a motion for approval is made, then staff recommends including the recommended conditions of approval and notations identified in Section E below.

A. APPLICABLE RESOLUTIONS:

See attached resolution.

B. APPROVAL CRITERIA

1. STATUTORY COMPLIANCE

The following is a summary of staff's analysis of the compliance of this request with the standards and criteria in Section 32-1-203(1) of the Colorado Revised Statutes.

a. <u>REQUIRED FINDINGS</u>

The following findings are mandatory on the part of the Board of County Commissioners:

Sufficient existing and projected need

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- Existing service is inadequate for present and projected needs
- District is capable of providing economical and sufficient service
- Financial ability to discharge proposed indebtedness

The applicants have provided justification within the service plan document about the mandatory findings the Board of County Commissioners is required to find, to approve the requested Sterling Ranch Metropolitan District Nos. 4 and 5 service plan. The applicants have stated the following in the requested service plan:

"There is a need for creation of the Districts. A multiple district structure has been chosen to account for the Project to be developed in multiple phases. The phasing of development will allow for more efficient financing for the overall project. As further explanation, the Districts will serve a large project with significant infrastructure and phasing will require multiple districts to accommodate any delay in development and for a coordinate approach to infrastructure financing. The multiple district structure also allows debt issuance to be done in the most efficient manner by segregating the debt to completed portions of the development instead of one district being compelled to issue debt early in the project. There are currently no other governmental entities, including the County, located in the immediate vicinity of the Districts that consider it desirable, feasible, or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the Public Improvements needed for the Project. Although the Sterling Ranch Metropolitan District Nos. 1-3 ("District Nos. 1-3") are adjacent to the Districts, District Nos. 1-3 are not able or willing to finance or construct the Public Improvements that are necessary to serve the Project. District Nos. 1-3 are in the process of developing and due to a slowdown in economic conditions, changes in development projections, and increases in construction costs, District Nos. 1-3 will not be able to fund the improvements in the areas proposed for the Districts. District No. 3 is the operating district for the Districts to provide a cohesive and efficient approach to developing the property within all of the Sterling Ranch Metropolitan Districts."

The applicants have also indicated in their letter of intent that by creating the additional districts, the residents within the adjacent Sterling Ranch District Nos.

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COLORADO SPRINGS, CO 80910 PLNWEB@ELPASOCO.COM 1-3 will be able to take control of the Districts' Board advanced of the build-out of the Sterling Ranch development pursuant to the approved sketch plan. The proposed Districts' financial plan indicates that the Districts would have the ability to discharge the proposed indebtedness pursuant to the approval of the concurrently requested rezonings from RR-5 (Residential Rural) to PUD (Planned Unit Development), RR-0.5 (Residential Rural) and RS-5000 (Residential Suburban) zoning districts, and subsequent entitlement processes required to initiate the residential uses within the service plan boundary area.

The plan relies upon a six (6) year development build-out schedule beginning in 2027 and ending in 2033. The applicant is assuming that full build-out will capitalize on the increased demand for single-family attached and detached home development created by the locally accelerated growth rate in the region. The development anticipates 1,602 single-family homes to be constructed. More specifically, the Plan assumes approximately 45 single-family homes with an average value of \$1,250,000; five (5) single-family homes with an average value of \$850,000; 321 single-family homes with an average value of \$800,000; 142 single-family homes with an average value of \$675,000; and 851 single-family homes with an average value of \$650,000 dollars reflecting 2022 market values.

The estimated initial assessed value (uninflated initial market value at time of complete build-out multiplied by 7.15 percent) is \$47,240,050 for District No. 4 and \$33,526,350 for District No. 5. The initial estimated cost of the public improvements needed for the project is \$140,000,000. The requested maximum debt authorization is \$150,000,000. The applicant has stated in their letter of intent that the:

"The maximum term of any bond issue is 30 years for general obligation bonds. The example financial pro forma attached to the Service Plan anticipates an initial bond issuance in 2027 with a 30-year term and then a refinance in 2037, which extends the term to 2067. This structure accommodates any significant drop in assessed valuation and other unknown circumstances. Any bonds the Districts issue will have 30-year terms with the ability to extend to 40 if necessary. If bonds are issued in

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the early part of a project as proposed, the interest rate is generally higher due to the reliance on future projected development. As the development is completed, there is less risk to the bond holders and the initial bonds are refunded and replaced with lower interest rate "permanent" bonds in order to lower the tax impact on residents. This is a common structure for new development bonds."

The applicant's anticipated build-out schedule and absorption rate appear to be consistent with the current market trends. The projected annual inflation rate is one (1) percent of the existing assessed value. *Note: This is consistent with most of the other service plans which project one (1) to two (2) percent biennial inflation on existing assessed values within El Paso County.

b. <u>Discretionary findings</u>

The following findings are discretionary on the part of the Board of County Commissioners:

I. Adequate service is not or will not be available through other sources

The area included within Sterling Ranch Metropolitan District Nos. 4 and 5 were excluded from the Sterling Ranch Metropolitan District No. 2 on June 10, 2022, by Court Order. Although now adjacent to District No. 2, the applicant has stated that District No. 2 does not have the debt capacity to design, construct, and finance the necessary improvements for the development to serve the remaining development area within the Sterling Ranch Sketch Plan. The subject property is within the FAWWA (Falcon Area Water and Wastewater Authority); however, per the applicant, FAWWA, does not have the bonding capacity to design, construct, and finance the water and wastewater improvements necessary to serve the proposed development area. There is no public entity that has available debt capacity and can construct the required water and wastewater infrastructure.

The developer(s) could construct the necessary infrastructure (roadways, sidewalks, drainage facilities, parks, and open space areas, etc.), if financing is available, and create a business owners association that would be

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responsible for the ongoing maintenance of the open space areas and permanent water quality features (detention ponds). Staff does acknowledge, however, that the desire to secure upfront financing to construct the proposed infrastructure and the need to generate ongoing funds to support maintenance efforts are traditional reasons for forming special districts.

II. Facility and service standards compatible

Any public facilities constructed and dedicated to El Paso County will need to meet the applicable El Paso County standards.

III. Compliance with the Master Plan

A finding of general conformity with the El Paso County master plan, is recommended as discussed below.

A. Your El Paso County Master Plan

1. Placetype Character: Suburban Residential

Suburban Residential is characterized by predominantly residential areas with mostly single-family detached housing. This placetype can also include limited single-family attached and multifamily housing, provided such development is not the dominant development type and is supportive of and compatible with the overall single-family character of the area. The Suburban Residential placetype generally supports accessory dwelling units. This placetype often deviates from the traditional grid pattern of streets and contains a more curvilinear pattern.

Although primarily a residential area, this placetype includes limited retail and service uses, typically located at major intersections or along perimeter streets. Utilities, such as water and wastewater services are consolidated and shared by clusters of developments, dependent on the subdivision or area of the County.

Some County suburban areas may be difficult to distinguish from suburban development within city limits. Examples of the Suburban Residential placetype in El Paso County are Security, Widefield, Woodmen Hills, and similar areas in Falcon.

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Recommended Land Uses:

<u>Primary</u>

•Single-Family Detached Residential with lots sizes smaller than 2.5 acres per lot, up to 5 units per acre.

<u>Supporting</u>

- •Single-family Attached
- •Multi-family Residential
- •Parks/Open Space
- Commercial Retail
- Commercial Service
- Institutional

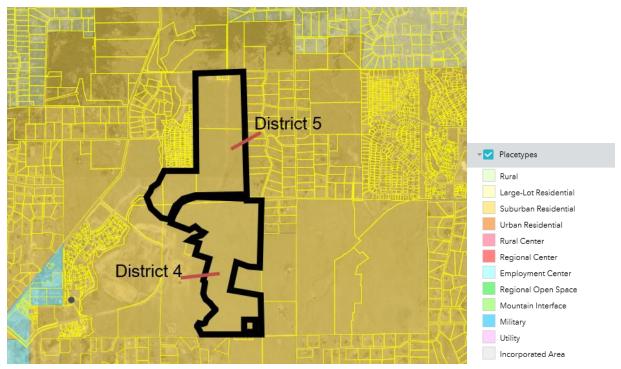


Figure 1: Placetype Map

Analysis:

The property is located within the Suburban Residential placetype. The Suburban Residential placetype comprises the County's traditional residential neighborhoods with supporting commercial uses at key intersections. The anticipated residential land uses are

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consistent with the Suburban Residential Placetype. Relative Policies are as follow:

Goal LU1 – Ensure compatibility with established character and infrastructure capacity.

Goal LU4 – Continue to encourage policies that ensure "development pays for itself."

Priority LU4 – Continue to evaluate development impact fees, requiring adequate private investment to defray the cost of capital improvements needed due to new development so that new development will not overburden County resources, and will be served by adequate infrastructure until they can be incorporated if necessary or desired.

Goal M1 – Support compatible land uses within and in close proximity to bases and associated facilities.

Goal M2 – Ensure coordinated planning efforts for transportation impacts and access.

The service plan is anticipated to enable the Districts to design and construct public and private infrastructure, and own and maintain private infrastructure such as open space, and private roads, to not overburden El Paso County resources.

2. Area of Change Designation: New Development

"These areas will be significantly transformed as new development takes place on lands currently largely designated as undeveloped or agricultural areas. Undeveloped portions of the County that are adjacent to a built-out area will be developed to match the character of that adjacent development or to a different supporting or otherwise complementary one such as an employment hub or business park adjacent to an urban neighborhood."

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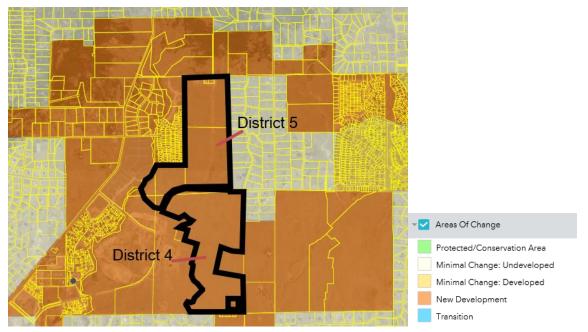


Figure 2: Area of Change Map

Analysis:

The proposed Districts are in an area which is expected to significantly change in character. A relevant strategy is as follows:

Goal LU3 Specific Strategy – The New Development areas will be significantly transformed as new development takes place on lands currently largely designated as undeveloped or agricultural areas. Undeveloped portions of the County that are adjacent to a built out area should be developed to match the character of that adjacent development or to a different supporting or otherwise complementary one such as an employment hub or business park adjacent to an urban neighborhood.

This area is expected to change in character. The proposed Districts may result in a significant change in character east of the Sand Creek Channel which is primarily vacant land. The Districts ability to design, construct and finance the required infrastructure for development is anticipated to ensure growth in the area.

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3. Key Area Influences

El Paso County represents a vast area composed of many distinct areas. These "Key Areas" have their own unique identities and are generally localized into smaller geographic areas with distinct characteristics that distinguish them from other areas of the County. The subject property is located within the Potential or Annexation Key Area.

Potential Areas for Annexation

This Key Area outlines the portions of the County that are anticipated to be annexed as development occurs. It is imperative that the County continue to coordinate with the individual cities and towns as they plan for growth. Collaboration with the individual communities will prevent the unnecessary duplication of efforts, overextension of resources, and spending of funds. The County should coordinate with each of the municipalities experiencing substantial growth.

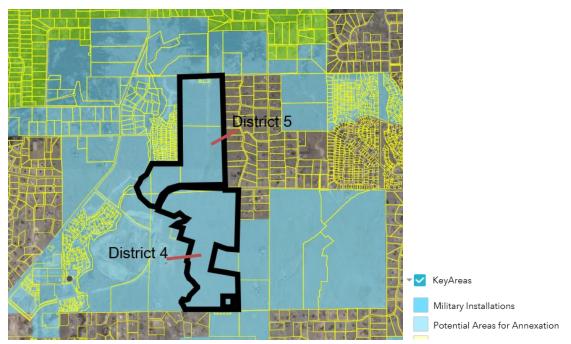


Figure 3: Annexation Potential Map

Analysis:

Potential Areas for Annexation

The subject property is located within the Potential Areas for Annexation. The key area map demonstrates the anticipated urban

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growth areas in unincorporated El Paso County. The applicant, City and County are coordinating on the design of Briargate Parkway/Stapleton Corridor and are anticipated to coordinate on the future Banning Lewis Parkway. If the land within the proposed special district were to annex into the City of Colorado Springs, the Districts' Board would be required to appear before the City of Colorado Springs City Council if the Districts proposed to add additional land to the service area per the proposed service plan.

B. El Paso County Water Master Plan

The El Paso County Water Master Plan (2018) has three main purposes; better understand present conditions of water supply and demand; identify efficiencies that can be achieved; and encourage best practices for water demand management through the comprehensive planning and development review processes. Relevant goals and policies are as follows:

Goal 1.1 – Ensure an adequate water supply in terms of quantity, dependability and quality for existing and future development.

Goal 1.2 – Integrate water and land use planning.

Policy 5.2.4 – Encourage the locating of new development where it can take advantage of existing or proposed water supply projects that would allow shared infrastructure costs.

Policy 6.0.3 – Encourage water and wastewater infrastructure projects to be sited and designed in a manner which promotes compatibility with adjoining uses and provides reasonable mitigation of any adverse visibility and other environmental impacts.

Goal 6.0.11- Continue to limit urban level development to those areas served by centralized services.

The property is located within Planning Region 3 (Falcon Area) of the Plan and is located within an estimated area of development. The Region is identified as potentially having issues regarding long term

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sustainable draw from the Denver Basin aquifer. The land within the proposed Districts is also within the Falcon Area Water and Wastewater Authority; their primary purpose is regional cooperation in the development of water resources, rights, systems, and facilities for the benefit of its member parties. A water authority is a statutory entity, Section 29-1-204.2, C.R.S., and political subdivision of the State of Colorado. Membership is limited to governmental entities only. The anticipated IGA between the proposed districts and FAWWA promoting regional cooperation in the development of water resources, rights, systems, and would facilitate the intent of the Water Master Plan.

A request for a finding of water sufficiency regarding quantity, dependability, and quality is not being requested, nor is it required, with the proposed Sterling Ranch Metropolitan District Nos. 4 and 5 Service Plan but will need to occur at the subdivision stage(s) of development. The long-term plan to extend central water service to the development rather than drilling additional individual groundwater wells is supported by many of the goals and policies of the Water Master Plan.

2. COMPLIANCE WITH 2022 SPECIAL DISTRICT POLICIES

(The County's Special District Policies, adopted November 1, 2022, are included as an attachment. The following is a summary of the analysis of those policies as they apply to this request.)

- I. Conformity with statutory standards (See Statutory Compliance discussion above)
- II. Conformity with County Master Plan and Polices

(See the Discretionary Findings discussion above and below)

III. Content in conformance with statutes

To the knowledge of staff, the process followed to this point has been consistent with the requirements of Colorado statutory law.

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IV. Application Schedule and Review

The applicant submitted the service plan modification application in a timely manner to allow staff adequate time to properly review the application.

V. Mill Levy Caps

The proposed service plan includes the following: a maximum debt authorization of \$150 million, a debt service mill levy of 50 mills for residential, and an operations and maintenance mill levy of 15 mills, for a total maximum combined residential mill levy of 65 mills.

VI. Disclosure, Notice and Annual Reports

The applicant has provided a notice and disclosure form as an exhibit to the proposed service plan. Recommended condition no. 4 requires the annual reporting and disclosure to future lot owners are required.

VII. Non-Proliferation and Need for Districts

As indicated in the applicant's letter of intent and service plan, there are currently no other governmental entities, including the County, located in the immediate vicinity of the requested Sterling Ranch Metropolitan Districts Nos. 4 & 5 boundary area that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the public improvements needed for the project.

The Districts have covenant enforcement authority without a dedicated mill levy. The Districts' covenant enforcement authority would be geographically limited to only those properties located within the District's boundaries. District No. 4 will consist of approximately 275.92 acres and District No. 5 will consist of approximately 299.68 acres.

The Sterling Ranch Metropolitan District No. 3 is anticipated to serve as the operating district via an Intergovernmental Agreement (IGA) with Sterling Ranch Metropolitan District Nos. 4 and 5.

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V. Lands Use Approvals

The Sterling Ranch Sketch Plan, consisting of 1,443.70 acres, was heard and approved by the Board of County Commissioners on November 18, 2008. The original Sketch Plan included 5,225 residential units, 56 acres of commercial development, 57 acres of dedicated school sites, 210 acres of parks and open space, and a two (2) acre utility site. Subsequent minor sketch plan amendments have occurred which consist of relocating, school, density pockets, utility, and park sites. The overall density cap was reduced to 4,880 units pursuant to the 2022 sketch plan amendment.

VI. Development and Financial Analysis

A development analysis has been provided consistent with the adopted Board of County Commissioners policies. A summary of the development analysis is included in Section IV of the service plan. Please see the discussion of the Districts' financial plan in the **<u>Required Findings</u>**, section B.1.a, of this report, above as it relates to the assumptions for development.

The Specific Ownership Tax (SOT) collections are projected as the following:

For District No. 4, in year 1 (2028), EPC SOT collections will be reduced by approximately \$1,522 and growing to \$32,654 at completion of the project in 2031. During the same period, El Paso County's property taxes are expected to grow approximately \$15,887 in 2028 to \$1,214,410 in 2067. For District No. 5, in year 1 (2030), EPC SOT collections will be reduced by approximately \$0 and growing to \$17,606 at completion of the project in 2033. During the same period, El Paso County's property taxes are expected to grow approximately \$0 in 2030 to \$938,956 in 2070. Over the 40-year course of the project 2028-2067 for District No. 4 and 2031-2070 for District No. 5, we estimate total SOT collections will be reduced by \$4,777,626., while property tax collections should increase by \$49,843,389.

VII. Authorization of Debt and Issuance of Bonds

The maximum amount of indebtedness for the Sterling Ranch Metropolitan District Nos. 4 and 5 is proposed to be \$150 million. The

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C. SERVICES

1. WATER

The applicants have provided the following overview regarding water service in the proposed service plan:

"The Districts shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for potable water and irrigation water facilities and systems, including, but not limited to, water rights, water supply, treatment, storage, transmission, and distribution systems for domestic, irrigation, fire control, and other public purposes, together with all necessary and proper reservoirs, treatment facilities, wells, equipment, and appurtenances incident thereto, which may include, but shall not be limited to, transmission lines, pipes, distribution mains and laterals, storage facilities, and ditches, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto. The Districts shall have the power and authority to contract with other private or governmental entities to provide any or all the services the Districts are authorized or empowered to provide. To the extent necessary, the Districts shall dedicate any necessary improvements to one or more governmental entities that provide service ("Provider Jurisdiction") in accordance with the Provider Jurisdiction rules and regulations. It is anticipated that the Districts will construct or cause to be constructed the water infrastructure needed for the Project and will dedicate such infrastructure to the Falcon Area Water and Wastewater Authority (FAWWA) for operation and maintenance. The Districts are anticipated to enter into an IGA with FAWWA for the provision of such services. The water rights associated with the property within the Districts' boundaries have been transferred to FAWWA to facilitate service and FAWWA possesses sufficient water rights to serve such property."

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2. WASTEWATER

The applicants have provided the following overview regarding wastewater treatment in the proposed service plan:

"The Districts shall have the power and authority to finance, design, construct, acquire, install, maintain, assess tap or other facility fees, and provide for sanitary sewers and to transport wastewater to an appropriate wastewater treatment facility, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto. To the extent necessary, the Districts shall dedicate any necessary improvements to one or more governmental entities that provide service ("Provider Jurisdiction") in accordance with the Provider Jurisdiction's rules and regulations. It is anticipated that the Districts will construct or cause to be constructed the sanitary sewer infrastructure needed for the Project and will dedicate such infrastructure to FAWWA for operation and maintenance. The Districts are anticipated to enter into an IGA with FAWWA for the provision of such services."

3. TRANSPORTATION

Approval of the proposed service plan would authorize the Sterling Ranch Metropolitan District Nos. 4 and 5 to finance, design, construct, and maintain arterial and collector street improvements including, but not limited to, roads, bridges, culverts, storm sewers and drainage facilities, retaining walls and appurtenances, sidewalks, lighting, grading, landscaping, streetscaping, and placement of underground utilities.

The El Paso County 2016 Major Transportation Corridors Plan Update (MTCP) identifies two roadway improvement projects within and adjacent to the subject site, construction of Stapleton Drive/Briargate Parkway (Project ID N5) from Towner Road to Black Forest Road as a 4-Lane Principal Arterial, and construction of Banning Lewis Parkway (Project ID N13) from Woodmen Road to Stapleton Drive as a 4-Lane Principal Arterial. Traffic studies and right-of-way dedication for these projects will be required with future subdivision requests in the respective project areas.

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All improvements constructed by the Sterling Ranch Metropolitan Districts located outside of the dedicated right-of-way shall be maintained by the Districts.

The County Road Impact Fee Program (BoCC Resolution 19-471) applies to this development, and any future request for a preliminary plan and final plat will require plat notes indicating that the fee applies.

4. DRAINAGE

Approval of the proposed service plan would authorize the Sterling Ranch Metropolitan District Nos. 4 and 5 to finance, design, construct, own and maintain drainage facilities, including, but not limited to, flood and surface drainage improvements, culverts, dams, retaining walls, access way inlets, detention and retention ponds, paving, roadside swales, curbs and gutters, disposal works and facilities, and water quality facilities. Drainage reports, plans and designs must be submitted to the Planning and Community Development Department for technical review, comment, and approval. The subject area is within the Sand Creek drainage basin which is studied and included in El Paso County Drainage Basin Fee program, requiring drainage and bridge fees upon subsequent final plat recordings.

5. PARKS AND RECREATION

The applicants have provided the following overview regarding park and recreation facilities in the proposed service plan:

"The "Districts shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for public park and public recreation centers and other recreation facilities, services, or programs, including, but not limited to, grading, soil preparation, landscaping, sprinkler systems, fencing, pavilions, playgrounds, playing fields, open space, bike trails, pedestrian trails, pedestrian bridges, picnic areas, common area landscaping, streetscaping, storage buildings and facilities, weed control, paving, decorative paving, outdoor functional and decorative lighting, community events, and other services, programs, and facilities, with all necessary and incidental and appurtenant facilities, land and easements, together with all extensions and improvements thereto.

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To the extent necessary, the Districts shall dedicate any necessary improvements to one or more governmental entities that provide service ("Provider Jurisdiction") in accordance with the Provider Jurisdiction's rules and regulations. It is anticipated that the Districts will own, operate, and maintain the park and recreation improvements and facilities if not otherwise dedicated to another appropriate entity.

The Districts shall not have the authority to apply for or utilize any Conservation Trust ("Lottery") funds without the express prior consent of the Board of County Commissioners. The Districts shall have the authority to apply for and receive any other grant funds, including, but not limited to, Great Outdoors Colorado (GOCO) discretionary grants. Such approval, although required, is not considered to be a material modification which would require the need to revise this Service Plan.

6. FIRE PROTECTION

The applicants have provided the following overview in regard to fire prtoection in the proposed service plan:

"The Districts shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate, or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the applicable fire district. The authority to plan for, design, acquire, construct, install, relocate, redevelop, or finance fire hydrants and related improvements installed as part of the water system shall not be limited by this provision".

7. OTHER FACILITIES OR SERVICES

Black Hills Energy will provide natural gas service north of Briargate Parkway; Colorado Springs Utilities will provide natural gas service south of Briargate Parkway, and Mountain View Electric Association (MVEA) will provide electrical service to the anticipated development within the service area of the proposed District.

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D. SCHOOL DISTRICT IMPACTS OR CONCERNS

Academy School District No. 20 was sent a request for comment on the proposed service plan and has no concerns. Falcon School District No. 49 was sent a request for comment on the proposed service plan and did not respond.

E. RECOMMENDED CONDITIONS OF APPROVAL AND NOTATIONS

CONDITIONS OF APPROVAL

- 1. As stated in the proposed service plan, the maximum combined residential mill levy shall not exceed 65 mills for any property within the Sterling Ranch Metropolitan District Nos. 4 and 5, with no more than 50 mills devoted to residential debt service, no more than 15 mills devoted to operations and maintenance, unless the Districts receive Board of County Commissioner approval to increase the maximum mill levy.
- 2. As stated in the attached service plan, the maximum authorized debt for the Sterling Ranch Metropolitan District Nos. 4 and 5 shall be limited to \$150 million until and unless the Districts receive Board of County Commissioner approval to increase the maximum authorized debt.
- **3.** Approval of the service plan for the Sterling Ranch Metropolitan District Nos. 4 and 5 includes the ability of the Districts to use eminent domain powers for the acquisition of property to be owned, controlled, or maintained by the Districts or another public or non-profit entity and is for the material use or benefit of the general public. The Districts may not use the power of eminent domain without prior approval by the Board of County Commissioners at a publicly noticed hearing after a showing that the use of eminent domain is necessary in order for the Districts to continue to provide service(s) within the Districts' boundaries and that there are no other alternatives that would not result in the need for the use of eminent domain powers.
- **4.** The Sterling Ranch Metropolitan District Nos. 4 and 5 shall provide a disclosure form to future purchasers of property in a manner consistent with the approved Special District Annual Report form. The developer(s) shall provide written notation on each subsequent final plat associated with the development of the annually filed public notice. County staff is authorized to

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administratively approve updates to the disclosure form to reflect current contact information and calculations.

- **5.** The Sterling Ranch Metropolitan District Nos. 4 and 5 are expressly prohibited from creating separate sub-districts except upon prior notice to the Board of County Commissioners, and subject to the Board of County Commissioners right to declare such creation to be a material modification of the service plan, pursuant to C.R.S. § 32-1-1101(1)(f)(I).
- **6.** Approval of this application shall not constitute relinquishment or undermining of the County's authority to require the developer to complete subdivision improvements as required by the Land Development Code and Engineering Criteria Manual and to require subdivision improvement agreements or development agreements and collateral of the developer to guarantee the construction of improvements.
- **7.** Any future proposed development of the subject parcels will require approval of a map amendment (rezone), preliminary plan, and final plat(s), and such final plat(s) must be recorded prior to undertaking land disturbing activities, excluding pre-subdivsion site grading without installation of wet utilities as a separate, stand-alone request.
- **8.** A material change to the land use assumptions identified in the service plan, and associated attachments, or any future material modification to the service plan shall require an amendment(s) to the service plan.

NOTATIONS

- **1.** Approval of this service plan shall in no way be construed to infer a requirement or obligation of the Board of County Commissioners to approve any future land use requests within the boundaries of the District.
- 2. Any expansions, extensions, or construction of new facilities by the Sterling Ranch Metropolitan District Nos. 4 and 5 will require prior review by the Planning and Community Development Department to determine if such actions are subject to the requirements of Appendix B of the Land Development Code, Guidelines and Regulations for Areas and Activities of State Interest (a.ka. "1041 Regulations).

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F. PUBLIC COMMENT AND NOTICE

There is no posting or mailing requirements for hearings before the Planning Commission in C.R.S. Title 32 Special District service plans. However, Planning and Community Development staff did provide a legal notice in *The Gazette* on March 30, 2023, for the hearings. Additionally, there are notice requirements for hearings before the Board of County Commissioners which are to be completed on May 3, 2023, by the Clerk to the Boards Office. The applicant was required to notify all taxing jurisdictions within three (3) miles of the District's boundaries as required by state statute prior to the Board of County Commissioners hearing.

G. ATTACHMENTS

Vicinity Map Letter of Intent Proposed Service Plan and Attachments Exclusion Agreement Draft Resolution

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El Paso County Parcel Information		File Name: Date:
PARCEL	NAME	ADDRESS
5200000553	CLASSIC SRJ LAND LLC	34-12-65
5227000005 5227000006 5227000007	VANTAGE HOMES CORP ARTESIA LOT HOLDINGS LLC CLASSIC SRJ LAND LLC	SEC 27-12-65 SEC 27-12-65 ARROYA LN
El Pas 1675 W. G Colorado	ny parcel discrepancies to: o County Assessor arden of the Gods Rd. o Springs, CO 80907 '19) 520-6600	COPYRIGHT 2022 by the Board of County Commissioners, El Paso County, Colorado. All rights reserved. No part of this document or data contained hereon may be reproduced; used to prepare derivative products; or distributed without the specific written approval of the Board of County Commissioners, El Paso County, Colorado. This document was prepared from the best data available at the time of printing. El Paso County, Colorado, makes no claim as to the completeness or accuracy of the data contained hereon.

SpencerFane

RUSSELL W. DYKSTRA, PARTNER DIRECT DIAL: (303) 839-3845 rdykstra@spencerfane.com

January 20, 2023

El Paso County Planning and Community Development Attn: Kari Parsons 2880 International Circle Colorado Springs, CO 80910

Re: Letter of Intent in Support of Formation of Proposed Sterling Ranch Metropolitan District Nos. 4 & 5

Dear Ms. Parsons:

The proposed formation of Sterling Ranch Metropolitan District Nos. 4 & 5 (collectively, the "Districts") encompasses approximately 581 acres of land generally located southeast of the intersection of Vollmer Road and Arroya Lane in El Paso County, Colorado (Schedule Numbers 5200000553, 5234002001, 5227000008, 5227000006, 5228000038, 5233000015, 5227000005, 5227005001, and 5227000007) (the "Property"). Ultimately, the Districts are anticipated to consist of approximately 1,608 single family residential units. The number of anticipated homes remains an estimate and may be altered depending on the final outcome of the development approval process. We respectfully request consideration of the Districts at the next possible public hearing of the Board of County Commissioners (the "Board") of the County of El Paso (the "County").

A. Purpose of the Districts

One of the primary purposes of the Districts is to provide for the construction, installation, completion, financing and possible ownership, operation and maintenance of public improvements including, but not limited to, roadway (including Briargate Parkway, Banning Lewis Ranch, and major east-west corridors in District No. 4 and Sterling Ranch Road in District No. 5), water, sanitary sewer, drainage, park and recreation, and Sand Creek Channel improvements, and services and powers provided for metropolitan districts authorized by the Special District Act, pursuant to Title 32, C.R.S. and provided within similar districts within the County. The creation of the Districts will ensure the costs of the public improvements are shared by the property owners and taxpayers directly benefitting from such public improvements.

Furthermore, the creation of the Districts is necessary to serve the Property because there are currently no other governmental entities, including the County, located in the immediate vicinity of the Districts that consider it desirable, feasible, or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the public improvements needed to serve the Property. Although the Sterling Ranch Metropolitan District Nos. 1-3 ("District Nos. 1-3") are adjacent to the Districts and the Property is within the service area of the Falcon Area Water and Wastewater Authority ("FAWWA"), District Nos. 1-3 and FAWWA are not able or willing to finance or construct the public improvements necessary for the Property.

The Districts' boundaries will not overlap with the boundaries of District Nos. 1-3. The Property was previously within the boundaries of District No. 3. The property was recently excluded from District No. 3's boundaries pursuant to the El Paso County District Court Order entered on June 10, 2022 and recorded in the El Paso County Real Property Records at Reception No. 222127449 on October 4, 2022 ("Exclusion Order"). A copy of the Exclusion Order is enclosed herewith. The boundaries of District No. 3 and District No. 1 were also slightly adjusted following the inclusion of property previously within the boundaries of District No. 3 into District No. 1. The El Paso County District Court Order for Inclusion entered on June 10, 2022 and recorded in the El Paso County Real Property Records at Reception No. 222127448 on October 4, 2022 is enclosed herewith. There is a small portion of the property with Schedule Number 5228000038 that will be excluded from District No. 2, as it intended to be located within District No. 5.

The primary reason the Property was excluded from District No. 3 pursuant to the Exclusion Order was to allow residents to take control of the Sterling Ranch Districts that are already developed. The formation of the new Sterling Ranch Districts will enable the undeveloped portions of the project to proceed as planned while simultaneously allowing the turnover to residents of the completed portions of the Sterling Ranch project. The formation of the new Sterling Ranch Districts will also accommodate the development phasing and slowdown in building that the market is currently experiencing and may continue to experience. Likewise, as District Nos. 1-3 are in the process of developing and experiencing such slowdowns, along with changes in development projections and increases in construction costs, District Nos. 1-3 are not in a position to fund the improvements in the areas proposed for the Districts. However, the Districts are anticipated to enter into an intergovernmental agreement with District No. 3 will serve as the operating district No. 3's role as the operating district is to provide an integrated and efficient approach to developing the property within all of the Sterling Ranch Districts.

At this time, the Developer anticipates FAWWA will provide water and sanitary sewer services to the Property and the Black Forest Fire Protection District will provide fire protection services to the Property following the construction and installation of the necessary infrastructure, including, but not limited to, water improvements, sewer improvements, and fire hydrants. The Property is currently within the service area of FAWWA, and it is anticipated that upon the formation of the Districts, the Districts will join FAWWA as members and will therefore have seats on FAWWA's Board of Directors. The Developer will establish the sufficiency of water to serve the Project when the preliminary plan for the Project is approved (see below for additional detail). The service plan for the Districts the Districts from issuing debt until the preliminary plan is approved. It is further anticipated that a homeowner's association will created, which will provide covenant enforcement.

To the extent any of the authorized facilities and improvements are dedicated to and accepted by the County, FAWWA, Black Forest Fire Protection District, or other entities having jurisdiction, such

entities shall own, operate, and maintain such accepted facilities and related improvements. The Districts shall be authorized to own, operate and maintain any facilities and improvements not otherwise dedicated to and accepted by any applicable public entity acting as a Provider Jurisdiction (as defined in the proposed Service Plan), subject to any County rules and regulations.

B. Justification and Information Regarding Multiple District Structure

The Districts will serve a large project with significant infrastructure that will be developed over several years. A multi-district structure is being utilized to allow the development to occur in phases. It is anticipated that 1,010 residential units will be constructed in District No. 4 starting in 2027 and completing in 2031. District No. 5 will then include the next large phase of the project, which is anticipated to consist of 598 residential units that will be built between 2031 and 2033. The multi-district structure set forth in the Service Plan will accommodate any delays in development and will provide a coordinated approach to infrastructure financing by segregating the bonds to completed portions of the development instead of a district being forced to issue bonds early in the project and burdening early phases of the development with the costs of the public improvements for the entire project. The Districts will enter into an inter-district agreement further governing their relationship, if necessary.

C. Development and Financial Plans

The Developer of the Property is Classic SRJ, LLC. Developer representatives generated the cost estimates for the proposed public improvements. It should be noted that such costs estimates are preliminary in nature and the ultimate costs may increase or decrease depending on numerous factors, many of which are out of the Developer's control. In particular, these initial cost estimates only include the public improvement portion of costs and the total project improvement costs may be significantly higher. To demonstrate the Districts' ability to finance the public improvement portion of costs of the project, a financial plan is attached to the Service Plan as Exhibit D. This financial plan and the cost estimates provided in Exhibit C to the Service Plan are meant to show the capacity of the Districts to issue debt. Any debt the Districts issue will be within the limitations of the text of the Service Plan.

The Developer and the Districts intend to work with applicable service providers, including FAWWA and Black Forest Fire Protection District, to obtain the necessary consents and/or approvals (as necessary) for the provision of necessary public services to the Districts including, but not limited to, water, sanitary sewer, and fire protection services. Additionally, the Developer and the Districts intend to coordinate the completion of the necessary public improvements in compliance with any approved development plans obtained by, or for the benefit of, the Districts.

D. Compliance with County Master Plans

The Districts will provide the needed facilities and services to the Property, along with representation and the flexibility to respond to the unique needs of the Property. The Developer has limited this request to the formation of two metropolitan districts to allow for conservative phasing of infrastructure construction and financing during the initial and later phases of development.

1. Compliance with Your EPC Master Plan

The Districts are being formed to construct and provide public services in compliance with Your

EPC Master Plan. In addition, the formation of the Districts will continue to encourage policies that ensure "development pays for itself," as discussed further below.

Core Principle: Land Use & Development. The County's Master Plan categorizes the future land use placetype for the Property as "Suburban Residential." This categorization provides a collection of land uses that include mainly single-family detached homes, but also includes single-family attached, multifamily, commercial retail, commercial service, parks and open space and institutional uses. The preliminary plan for the Property will accommodate the densities that are consistent with the Suburban Residential placetype land uses and characteristics. The preliminary plan area for the Property may be identified as a "New Development" area, which will be significantly transformed as new development takes place. These areas are often on undeveloped or agricultural areas and are expected to be complimentary to adjacent development. The formation of the Districts will allow "development to pay for itself," as the properties within the Districts' boundaries will contribute to the financing of the public infrastructure serving such properties.

Core Principle: Housing & Communities. The future land use placetype for the Property is "Suburban Residential." The residential units that are proposed consist of a variety of single-family residential units at different price points.

Core Principle: Economic Development. The creation of approximately 1,608 additional residential units upon the formation of the Districts will help support economic development in the area.

Core Principle: Transportation & Mobility. The Districts will finance, construct, and install extensions of major parkways, collector roads and corridors, bicycle routes, and regional and interior trails. This transportation network will help reduce traffic congestion, promote safe and efficient travel, and promote walkability and bikeability. The public financing tools available to the Districts will provide a cost-efficient method of funding transportation infrastructure and maintenance.

Core Principle: Community Facilities & Infrastructure: The Districts will coordinate the provision of services with surrounding entities, including FAWWA, Black Forest Fire Protection District, and Sterling Ranch Metropolitan District No. 3, to provide high-quality community facilities, services, and infrastructure to enhance the quality of life for the community. The Districts will also ensure adequate utilities are provided to manage growth and development and will coordinate the financing of such utilities and infrastructure.

Core Principle: Recreation & Tourism. The Districts will support high-quality, sustainable outdoor recreation through the construction and installation of parks, open space, trails, and bicycle routes.

Core Principle: Environment & Natural Resources. The environmental impacts from development of the Property will be considered and best practices with regard to development and infrastructure will be promoted.

2. Compliance with Water Master Plan

Compliance with the following Goals and Policies of the Water Master Plan are explained below:

Goal 1.1 – Ensure an adequate water supply in terms of quantity, dependability and quality for existing and future development.

Goal 6.0 – Require adequate water availability for proposed development.

Policy 6.0.8 – Encourage development patterns and higher density, mixed use developments in appropriate locations that propose to incorporate meaningful water conservation measures.

Policy 6.0.11– Continue to limit urban level development to those areas served by centralized utilities.

Falcon Area Water and Wastewater Authority ("FAWWA") which will become the overall service entity for the Sterling Ranch Metropolitan Districts, The Retreat Metropolitan Districts, and future The Ranch Metropolitan Districts. Water rights adjudications have been decreed by the State of Colorado, Water Division 2 District Court, Water Division 1 District Court, and the Colorado Groundwater Commission. The comprehensive rights for the FAWWA service include both decrees and determinations. The most recent water rights added to the Sterling Ranch Inventory are three acquisitions: McCune Ranch 391.33 AC for 300 YRs, Bar-X Ranch 592.78 AF for 300 YRs, and Shamrock West 220.10 AF for 300 yrs. These acquisitions leave 1024.62AF for 300 years net excess of currently available water, and therefore is more than sufficient water supply to meet the needs of Sterling Ranch East Phase 1 on the 300-year basis.

Region 3 contains four growth areas west of Falcon projected to be completed by 2040. Other areas of 2040 growth are projected for the north-central part of the region west of Highway 24 extending from Falcon to 4-Way Ranch. North of Falcon along Highway 24, growth is projected by 2060 on both sides of the highway. Just west of Falcon, another small development, is projected by 2060 on the north and south sides of Woodmen Road. On the east side of Highway 24, three separate areas of growth are projected for development by 2060, with the largest of the three spanning from south of Judge Orr Road to east of Peyton Highway into Region 4c. This development will likely consist of 35-acre lots that will require individual wells to use Denver Basin groundwater. The other two growth areas will be located on the north and south sides of Falcon Highway directly east of Falcon.

FAWWA-owned and currently available on-site non-tributary (NT) and adjudicated not non-tributary (NNT) water totals are 1901.83 AF for 300 YRs.

The FAWWA water system has only been in operation for three years, so little-to-no usable historic information would be reliable for unique, long-term planning. However, substantial nearby data from the Falcon area is available for use. As of the end of 2021, the system had approximately only 300 active users. Therefore, initial projections have been based on area-wide water user characteristics and a linear buildout rate. This rate is considered to be an average annual rate that might be reasonably maintainable over a 10-year period. The average growth rate is projected as 180 units added per year.

• 2040 Scenario: Based on the above factors, the FAWWA system might conservatively anticipate serving 3,710 SFEs in the year 2040. This number is a service area projection and includes the Retreat and The Ranch, as well as the main Sterling Ranch residents. This would require no additional water.

• 2060 Scenario: Based on the same factors, the Sterling system might be expected to serve 7,310 SFEs within its expanded service area, which includes the Retreat and The Ranch. The annual acre-

foot requirement might be 679 annual AF, but supply would include water from The Ranch which has not yet been added to inventory. In addition to adding off-site sources, potential, additional supplies include renewable resources and/or regional projects bringing new water to the area FAWWA's main supply source is centralized at a point that both Cherokee Metropolitan District and Woodmen Hills Metropolitan District have adjacent major storage and delivery facilities. There are currently no arrangements in place to make connections, but in the future, SRMD may seek to have interconnections and possibly share supply. Other actions include conducting cooperative actions with CSU and SRMD to potentially share centralized facilities. Municipal water demand for Sterling Ranch would be met using primarily Arapahoe and Laramie-Fox Hills formation wells in the SRMD area. The first well site will be drilled with an Arapahoe Well (A-1) and Laramie-Fox Hills Well (LFH-1); well site #1 includes both an Arapahoe and a Laramie-Fox Hills well. Additional permits will be obtained as needed to ultimately continue to add to the system as needed. Existing well permits are included in the Water Resources Report completed by JDS Hydro in October 2022.

More detailed information and studies regarding quality, source water monitoring, potential MOU's within future neighboring development interconnects, strategies regarding regional planning goals and dependability/redundancy will be provided in the preliminary plan phase.

3. Compliance with EPC Major Transportation Corridor Plan

The Major Transportation Corridor Plan identifies the extension of Briargate Parkway as a 4-Lane Principal Arterial between Black Forest Rd and Meridian Road by 2040. No additional change of classification or widening is identified on the 2060 Corridor Preservation Map. The County has commissioned a consultant to initiate the design of this road extension and the Sterling Ranch developer has met with the consultant to coordinate intersection locations along Briargate Parkway. Briargate Parkway is to be constructed through Sterling Ranch with future development.

4. Compliance with EPC Parks Master Plan

The preliminary plan for the Property will comply with the EPC Parks Master Plan. It is anticipated that the Districts will own and maintain all parks, trails, and open spaces within the Property unless otherwise dedicated to another entity. The overall Sterling Ranch development includes master planned regional trails, extensions, connections and on-road bicycle routes, including Sand Creek Regional Trail, Woodmen Hills Secondary Regional Trail, Arroyo Lane Primary Regional Trail, and the Vollmer Road Bicycle Route.

E. Service Plan Conformity

The proponents for the formation of the Districts intend that the Service Plan shall be in conformity with the applicable standards contained in C.R.S. § 32-1-203 and shall be compliant with all applicable County rules and regulations including, but not limited to, County requirements for notice, publication, hearings and policies and procedures of the County for approval of a metropolitan district service plan. All pertinent facts, matters and issues shall be submitted to the County and evidence satisfactory to the County that each of the following was presented:

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

The purposes of the Districts are to finance and construct certain public improvements and to provide other additional services necessary to support the Property. The proposed improvements and services are not available to the community through the County or other existing quasi-municipal corporations, including special districts, within a reasonable time and on a comparable basis. Further, to develop the area, significant investment is needed in public infrastructure, including but not limited to, roadway (including Briargate Parkway, Banning Lewis Ranch, and major east-west corridors in District No. 4 and Sterling Ranch Road in District No. 5), water, sanitary sewer, drainage, park and recreation, and Sand Creek Channel improvements. Financing and constructing these public improvements through the Districts will lower costs and ensure the costs are spread among those in the community that will benefit from such development.

2. The existing service in the area to be served by the Districts is not adequate for present and projected needs without the organization of the Districts;

The proposed improvements and services are not and will not be available to the community through the County or other existing municipality or quasi-municipal corporations, including special districts, within a reasonable time and on a comparable basis, as no other governmental entities, including the County, located in the immediate vicinity of the Districts that consider it desirable, feasible, or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the public improvements needed to serve the Property. Although Sterling Ranch Metropolitan District Nos. 1-3 ("District Nos. 1-3") are adjacent to the Districts and the Property is within the service area of the Falcon Area Water and Wastewater Authority ("FAWWA"), District Nos. 1-3 and FAWWA are not able or willing to finance or construct the public improvements necessary for the Property. The formation of the new Districts will allow the turnover of the existing and developed Sterling Ranch Districts to residents of the completed portions of the Sterling Ranch project while simultaneously enabling the undeveloped portions of the project to proceed as planned. Further, as District Nos. 1-3 are in the process of developing and experiencing such slowdowns, along with changes in development projections and increases in construction costs, District Nos. 1-3 are not in a position to fund the improvements in the areas proposed for the Districts. However, the Districts are anticipated to enter into an intergovernmental agreement with District No. 3 whereby District No. 3 will serve as the operating district and the Districts will provide funding to support District No. 3's services. The purpose of District No. 3's role as the operating district is to provide an integrated and efficient approach to developing the property within all of the Sterling Ranch Districts.

3. The Districts are capable of providing economical and sufficient services to the area it intends upon serving and/or financing the public improvements which shall be dedicated to and accepted by the County, or other Provider Jurisdiction;

The formation of the Districts will ensure that the public improvements and other services are sufficient to support the community. The Districts will also ensure the public improvements are constructed within a reasonable period of time for the benefit of the property owners, taxpayers, and residents located in the community. In addition, the public financing tools available to the Districts, including tax-exempt financing, will help lower the costs of the public improvements.

4. The area to be included within the Districts has, or will have the financial ability to discharge the proposed indebtedness of the Districts on a reasonable basis within the mill levy caps and restrictions provided by the County rules and regulations.

The estimated costs of the improvements and facilities to be constructed, installed, and/or acquired by the Districts are approximately \$140,000,000. The Districts will be limited to issuing debt within the confines of the Service Plan and limited to the amount the Districts can reasonably pay from the revenue derived from the debt service mill levy and other legally available revenue. In other words, the anticipated issuance of debt and repayment will be based upon the projected development within the Districts' boundaries, which will allow the Districts to finance the facilities identified in the Service Plan and allow the Districts to discharge the proposed indebtedness on a reasonable basis. The financial plan attached to the Service Plan demonstrates one example of how the Districts may finance the public improvements.

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

The proposed improvements and services are not and will not be available to the community through the County or other existing municipality or quasi-municipal corporations, including special districts, within a reasonable time and on a comparable basis, as no other governmental entities, including the County, located in the immediate vicinity of the Districts that consider it desirable, feasible, or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the public improvements needed to serve the Property. Although District Nos. 1-3 are adjacent to the Districts and the Property is within the service area of FAWWA, District Nos. 1-3 and FAWWA are not able or willing to finance or construct the public improvements necessary for the Property. The formation of the new Districts will allow the turnover of the existing and developed Sterling Ranch Districts to residents of the completed portions of the Sterling Ranch project while simultaneously enabling the undeveloped portions of the project to proceed as planned. Further, as District Nos. 1-3 are in the process of developing and experiencing such slowdowns, along with changes in development projections and increases in construction costs, District Nos. 1-3 are not in a position to fund the improvements in the areas proposed for the Districts. However, the Districts are anticipated to enter into an intergovernmental agreement with District No. 3 whereby District No. 3 will serve as the operating district and the Districts will provide funding to support District No. 3's services. The purpose of District No. 3's role as the operating district is to provide an integrated and efficient approach to developing the property within all of the Sterling Ranch Districts.

6. The facility and service standards of the proposed Districts are compatible with the facility and service standards of the County;

All proposed facilities and services will be constructed in accordance with the standards and specifications of El Paso County, the State of Colorado, and any other appropriate jurisdictions.

7. The proposal is in substantial compliance with the County master plan.

The Developer has reviewed the County's master plan and is aware of the County's desire to, *inter alia*, encourage cooperation and planning among water service providers, to protect and preserve water supplies, and to promote water conscious developments. The Developer contends that the project is compatible with the County's vision for the future and complies with the policies necessary to achieve sustainable growth within the County as expressed in the County master plan.

8. The creation of the proposed Districts is in the best interests of the area proposed to be served.

The proposed improvements and services are not and will not be available to the community through the County or other existing municipality or quasi-municipal corporations, including special districts, within a reasonable time and on a comparable basis, as no other governmental entities, including the County, located in the immediate vicinity of the Districts that consider it desirable, feasible, or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the public improvements needed to serve the Property. Although District Nos. 1-3 are adjacent to the Districts and the Property is within the service area of FAWWA, District Nos. 1-3 and FAWWA are not able or willing to finance or construct the public improvements necessary for the Property. The formation of the new Districts will allow the turnover of the existing and developed Sterling Ranch Districts to residents of the completed portions of the Sterling Ranch project while simultaneously enabling the undeveloped portions of the project to proceed as planned. Further, as District Nos. 1-3 are in the process of developing and experiencing such slowdowns, along with changes in development projections and increases in construction costs, District Nos. 1-3 are not in a position to fund the improvements in the areas proposed for the Districts. However, the Districts are anticipated to enter into an intergovernmental agreement with District No. 3 whereby District No. 3 will serve as the operating district and the Districts will provide funding to support District No. 3's services. The formation of the Districts will ensure that the public improvements and services are sufficient and constructed within a reasonable period of time for the benefit of the property owners located in the community.

F. Major Service Plan Points

- Approximately 581 acres of property within the boundaries of the Districts.
- Completion of an estimated \$140,000,000 of public improvements including, but not limited to, roadway, water, sanitary sewer, drainage, and park and recreation improvements.
- Anticipated development of approximately 1,608 single-family residential units. The rate of absorption provided in the Service Plan is a projection based on information from the developer

and is used for estimating the financial plan. There is no way to accurately predict absorption due to variables such as the economic factors, housing demand, land-use approval timing, building supply chains, and labor availability. In view of these factors, the bond underwriter projects the potential ability of the Districts to discharge the proposed debt per the statutory requirement. If absorption is delayed or accelerated, the bond issuance parameters will reflect those changes at the time of issuance.

- The estimated initial assessed value at time of complete build-out is \$47,240,050 for District No. 4 (based upon an estimated uninflated initial market value at time of complete build-out of \$660,700,000 multiplied by 7.15% for the residential property) and \$33,526,350 for District No. 5 (based upon an estimated uninflated initial market value at time of complete build-out of \$468,900,000 multiplied by 7.15% for the residential property).
- The initial estimated cost of the public improvements needed for the project is \$140,000,000. The foregoing estimates are preliminary in nature and the ultimate costs may increase or decrease depending on numerous factors, many of which are out of Developer's control. In particular, these initial cost estimates only include the public improvement portion of costs and the total project improvement costs (including items such as dry utilities, etc.) will be significantly higher and will materially increase the overall costs.
- Public Improvements need additional financing from the Districts to complete.
- Debt is proposed to be issued in one or more series of bond issuances to allow for financing of constructed infrastructure and expedient completion of the overall project.
- Each District will have a Maximum Mill Levy of 65 mills inclusive of debt (50 mills) and operations and administration (15 mills).
- Requested Debt Authorization of \$150,000,000 allows for contingencies and financing variations based upon changes to construction costs, development build out and absorption of the project.
- Metropolitan district powers allowed by the Special District Act and consistent with other El Paso County metropolitan districts.
- Formation Election after approval of the Service Plan.
- There are no current residents within the Districts and no debt or bonds have been issued.
- Mill levies, interest rate limitations, term limitations and underwriting discounts are consistent with the County's model service plan.
- Maximum term of any bond issue is 30 years for general obligation bonds. The example financial pro forma attached to the Service Plan anticipates an initial bond issuance in 2027 with a 30-year term and then a refinance in 2037, which extends the term to 2067. This structure accommodates any significant drop in assessed valuation and other unknown circumstances. Any bonds the Districts issue will have 30-year terms with the ability to extend to 40 if

necessary. If bonds are issued in the early part of a project as proposed, the interest rate is generally higher due to the reliance on future projected development. As the development is completed, there is less risk to the bond holders and the initial bonds are refunded and replaced with lower interest rate "permanent" bonds in order to lower the tax impact on residents. This is a common structure for new development bonds.

G. Conclusion

The Service Plan for the Sterling Ranch Metropolitan District Nos. 4 & 5 will serve the best interests of the taxpayers, property owners and development of the property within the Property, will minimize non-interested party obligations, and will maximize both development and absorption within the Districts and County without delays in development. The formation of the Districts will allow for financing and development to pay for only those improvements and costs which are a direct benefit to the property within the Districts.

Sincerely, SPENCER FANE LLP

/s/<u>Russell W. Dykstra</u> Russell W. Dykstra, General Counsel

Enclosures



005:

STERLING RANCH METROPOLITAN DISTRICT NOS. 4 & 5

EL PASO COUNTY, COLORADO

DRAFT March 21, 2023

SERVICE PLAN

FOR

STERLING RANCH

METROPOLITAN DISTRICT NOS. 4 & 5

Prepared by:

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- A. Maps and Legal Descriptions
 - 1. Vicinity Map
 - 2. Initially Included Property Map
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 - 4. Additional Included Property Map
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- B. Development Summary
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I. EXECUTIVE SUMMARY

The following is a summary of general information regarding the proposed Districts provided for the convenience of the reviewers of this Service Plan. Please note that the following information is subject in all respects to the more complete descriptions contained elsewhere in this Service Plan.

Proposed Districts:	Sterling Ranch Metropolitan District Nos. 4 & 5				
Property Owners:	Classic SRJ Land, LLC, Mountain View Electric Association Inc., Artesia Lot Holdings LLC, Vantage Homes Corr (Schedule Numbers: 5200000553, 5234002001 5227000008, 5227000006, 5228000038, 5233000015 5227000005, 5227005001, 5227000007).				
Developer:	Classic SRJ, LLC				
Description of Development:	The boundaries of the proposed Districts consist of approximately 576 acres of land located southeast of the intersection of Vollmer Road and Arroya Lane in El Paso County. The property within the Districts' boundaries are anticipated to consist of approximately 45 single family homes with an average value of \$1,250,000, 5 single family homes with an average value of \$850,000, 321 single family homes with an average value of \$800,000, 142 single family homes with an average value of \$675,000, and 857 single family homes with an average value of \$650,000 (see financial plan provided as part of Exhibit D for additional detail). An 11.86 acre school site is anticipated to be located within District No. 4's boundaries. The number of anticipated homes remains an estimate and may be altered depending on the final outcome of the development approval process.				
Proposed Improvements to be Financed:	Proposed completion of an estimated \$140,000,000 of on and off-site public improvements, including, but not limited to, roadway, water, sanitary sewer, drainage, park and recreation, and Sand Creek Channel improvements (including access roads and wetland mitigation). The foregoing cost estimates are preliminary in nature and the ultimate costs may increase or decrease depending on numerous factors, many of which are out of the Developer's control. In particular, these initial cost estimates only include the public improvement portion of costs and the total project improvement costs (including items such as dry utilities, etc.) will be significantly higher and will materially increase the overall development costs.				

Proposed Ongoing Services:	The Developer and the proposed Districts intend to work with existing overlapping service providers to obtain the necessary consents and/or approvals for the provision of necessary services to the Districts including, but not limited to, water, sewer, streets, stormwater and drainage, and parks and recreation. Because the overall development remains in its infancy, the specific services and potential overlapping service providers have yet to be determined, however, it is anticipated that the Falcon Area Water and Wastewater Authority and the Black Forest Fire Protection District will serve the property within the Districts' boundaries once the necessary improvements are constructed. More information can be provided once determined and known. Additionally, the proposed Districts shall have the power and authority to provide other services as authorized under the Special District Act including, but not limited to, mosquito control, television relay and translation, covenant enforcement and design review, and security services.		
Infrastructure Capital Costs:	Approximately \$140,000,000		
Maximum Debt Authorization:	\$150,000,000 (combined for both Districts)		
Proposed Debt Mill Levy:	50 mills		
Proposed O & M Mill Levy:	15 mills		
Proposed Maximum Mill Levies:	65 mills, inclusive of debt (50 mills) and operations and maintenance (15 mills) for each District.		
Proposed Fees:	The Districts anticipate imposing fees, including capital fees, facilities fees, drainage fees, and operations and maintenance fees, including an open space maintenance fee and street lighting fee.		

II. <u>DEFINITIONS</u>

The following terms are specifically defined for use in this Service Plan. For specific definitions of terms not listed below please also refer to the El Paso County Special District Policies, the El Paso County Land Development Code and Colorado Revised Statutes, as may be applicable.

<u>Additional Inclusion Areas</u>: means the property described in Section 3 and depicted on the map found at Exhibit A.3 that is anticipated for future inclusion into the boundaries of the Districts, together with other real property located within a 5-mile radius of the combined area described in Exhibit A.3 and A.5 that may be included upon petition of the property owners thereof.

<u>Annual Report and Disclosure Statement</u>: means the statement of the same name required to be filed annually with the Board of County Commissioners pursuant to Resolution 06-472 as may be amended.

<u>Assessment Rate Adjustment</u>: means, if after approval of this Service Plan, the laws of the State change with respect to the assessment of property for taxation purposes, the method of calculating assessed valuation or any other similar changes occur, an allowed adjustment to the Maximum Debt Service Mill Levy or Maximum Operational Mill Levy to be determined by the Board in good faith so that to the extent possible, the actual tax revenues generated by the Maximum Debt Service Mill Levy and the Maximum Operational Mill Levy are neither diminished nor enhanced as a result of such changes.

<u>Board(s)</u>: means the board of directors of any District, or in the plural, the boards of directors of all the Districts.

<u>Board of County Commissioners</u>: means the Board of County Commissioners of El Paso County.

<u>Conventional Representative District:</u> means a Title 32 special district, which is structured to allow all residents and property owners to participate in elections for the Board of Directors, as otherwise allowed by Statute.

County: means El Paso County, Colorado

<u>Debt:</u> means bonds or other obligations for the payment of which the Districts have promised to impose an *ad valorem* property tax mill levy without such promise being subject to annual appropriation.

<u>Developer Funding Agreement:</u> An agreement of any kind executed between a special district and a Developer as this term is specifically defined below, including but not limited to advance funding agreements, reimbursement agreements or loans to the special district from a Developer, where such an agreement creates an obligation of any kind which may require the special district to re-pay the Developer. The term "Developer" means any person or entity (including but not limited to corporations, venture partners,

proprietorships, estates and trusts) that owns or has a contract to purchase undeveloped taxable real property greater than or equal to ten percent (10%) of all real property located within the boundaries of the special district. The term "Developer Funding Agreement" shall not extend to any such obligation listed above if such obligation has been converted to Debt issued by the special district to evidence the obligation to repay such Developer Funding Agreement, including the purchase of such Debt by a Developer.

<u>District No. 4</u>: means the Sterling Ranch Metropolitan District No. 4, anticipated to consist of residential property.

<u>District No. 5</u>: means the Sterling Ranch Metropolitan District No. 5, anticipated to consist of residential property.

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

<u>Initial District Boundaries</u>: means the initial boundaries of the Districts as described in Section III.J, depicted on the map in Exhibit A.2, and as legally described in the legal description found at Exhibit A.5.

<u>Local Public Improvements</u>: means facilities and other improvements which are or will be dedicated to the County or another governmental or quasi-governmental entity for substantially public use, but which do not qualify under the definition of Regional Public Improvements. Examples would include local streets and appurtenant facilities, water and sewer lines which serve individual properties and drainage facilities that do not qualify as reimbursable under adopted drainage basin planning studies.

<u>Material Modification</u>: has the meaning described in Section 32-1-207, C.R.S., as it may be amended from time to time.

<u>Maximum Combined Mill Levy</u>: The maximum combined ad valorem mill levy the applicable District may certify against any property within said District for any purposes.

<u>Maximum Debt Authorization</u>: means the maximum principal amount of Debt that the Districts combined may have outstanding at any time, which under this Service Plan is \$150,000,000.

<u>Maximum Debt Service Mill Levy:</u> The maximum ad valorem mill levy the applicable District may certify against any property within said District for the purpose of servicing

any Debt incurred by or on behalf of said District.

<u>Maximum Operational Mill Levy</u>: The maximum ad valorem mill levy the applicable District may certify against any property within said District for the purposes providing revenues for ongoing operation, maintenance, administration or any other allowable services and activities other than the servicing of Debt.

<u>Planning and Community Development Department</u>: The department of the County formally charged with administering the development regulations of the County.

<u>Public Improvements</u>: Those improvements constituting Regional Public Improvements and Local Public Improvements collectively.

<u>Regional Public Improvements:</u> Facilities and other improvements which are or will be dedicated to the County or another governmental or quasi-governmental entity for substantially public use, and which serve the needs of the region.

<u>Revenue Obligations</u>: means bonds or other obligations not subject to annual appropriation that are payable from a pledge of revenues other than *ad valorem* property taxes.

Service Plan: means this Service Plan for the Districts.

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

State: means the State of Colorado.

<u>Underlying Land Use Approvals</u>: means Board of County Commissioners approval of the applicable land use plans that form the basis for the need for the Districts and their proposed financing plan and/or services. Such approvals may be in the form of one or a combination of Sketch Plans, site-specific Planned Unit Development (PUD) plans, or subdivision plans.

III. <u>INTRODUCTION</u>

A. <u>Overall Purpose and Intent</u>.

The Districts will be created pursuant to the Special District Act and are being created with a Conventional Representative District structure under El Paso County policies. The Districts are independent units of local government, separate and distinct from the County, and, except as may otherwise be provided for by State or local law or this Service Plan, their activities are subject to review by the County only insofar as they may deviate in a material matter from the requirements of the Service Plan. District No. 4 will consist of approximately 275.92 acres and District No. 5 will consist of approximately 299.68 acres. It is intended that the Districts, in their discretion, will provide a part or all of various Public Improvements necessary and appropriate for the development of a project within the unincorporated County to be known as "Sterling Ranch"

(the "Project"). The Public Improvements will be constructed for the use and benefit of all anticipated inhabitants, property owners and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of these Public Improvements. Additional major purposes may include operating and maintaining Public Improvements not otherwise dedicated to another entity. However, the Districts are intended to be utilized primarily for funding purposes. It is anticipated that Sterling Ranch Metropolitan District No. 3 ("District No. 3") will serve as the operating district and it is intended that the Districts will enter into an IGA with District No. 3 to continue that status.

B. <u>Need For The Districts</u>.

There is a need for creation of the Districts. A multiple district structure has been chosen to account for the Project to be developed in multiple phases. The phasing of development will allow for more efficient financing for the overall project. As further explanation, the Districts will serve a large project with significant infrastructure and phasing will require multiple districts to accommodate any delay in development and for a coordinate approach to infrastructure financing. The multiple district structure also allows debt issuance to be done in the most efficient manner by segregating the debt to completed portions of the development instead of one district being compelled to issue debt early in the project. There are currently no other governmental entities, including the County, located in the immediate vicinity of the Districts that consider it desirable, feasible, or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the Public Improvements needed for the Project. Although the Sterling Ranch Metropolitan District Nos. 1-3 ("District Nos. 1-3") are adjacent to the Districts, District Nos. 1-3 are not able or willing to finance or construct the Public Improvements that are necessary to serve the Project. District Nos. 1-3 are in the process of developing and due to a slowdown in economic conditions, changes in development projections, and increases in construction costs, District Nos. 1-3 will not be able to fund the improvements in the areas proposed for the Districts. District No. 3 is anticipated to be the operating district for the Districts in order to provide a cohesive and efficient approach to developing the property within all of the Sterling Ranch Metropolitan Districts.

C. <u>County Objectives In Forming The Districts</u>.

The County recognizes the Districts as independent quasi-municipal entities which are duly authorized for the purposes and functions identified in the Service Plan. Future County involvement in the affairs of the Districts will generally be limited to functions as required by the Colorado Revised Statutes, reporting and disclosure functions, determinations as to compliance with the limits as set forth in this Service Plan or any conditions attached to its approval, as well as additional activities or relationships as may be stipulated in any intergovernmental agreements which may be entered in to between the Districts and the County in the future.

In approving this Service Plan, the objectives of the County include an intent to allow the applicant reasonable access to public tax-exempt financing for reasonable costs associated with the generally identified Public Improvements and to allow the applicant the ability to prudently obligate future property owners for a reasonable share of the repayment costs of the Public Improvements which will benefit the properties within the Districts. It is the additional objective of the County to allow for the Districts to provide for the identified ongoing services which either cannot or will not be provided by the County and/or other districts.

In approving these Districts as a Conventional Representative Districts, it is also an objective of the County to maximize opportunities for full representative participation on the part of future eligible electors. However, because many of the critical financing decisions will be made prior to the existence of resident electors, it is the further intent of the County to accommodate and allow for reasonable and constructive ongoing notice to future property owners of the probable financial impacts associated with owning property within the Districts.

D. <u>Multiple District Structure</u>.

1. <u>Multiple District Structure</u>. Multiple Districts are being proposed for the Project in order to permit the provision of the Public Improvements according to the phasing and pace of development, as well as to promote equitable allocation of costs among properties within the Project. The Districts are intended to be utilized primarily for funding purposes. Sterling Ranch Metropolitan District No. 3 serves as the operating district for Sterling Ranch Metropolitan District No. 3 to continue that status for the property within the Districts as well.

Each District will be authorized to provide improvements and services, including but not limited to acquisition of completed improvements, to the property within and without their respective legal boundaries, as they may be amended from time to time. Debt may be issued by the Districts as appropriate to deliver the improvements and services to the property within the Project.

Due to the relationship between the Districts and the Project as a whole, various agreements are expected to be executed by one or more of the Districts clarifying the respective responsibilities and the nature of the functions and services to be provided by each District. The agreements will be designed to help assure the orderly development of essential services and facilities resulting in a community that is aesthetic and an economic asset to the County.

2. <u>Benefits of Multiple District Structure</u>. The use of a multiple district structure as described in this Service Plan serves the best interests of the County, the applicant, and the future taxpayers within the Districts. The benefits of using the multiple district structure include: (a) coordinated administration of construction and operation of public improvements and delivery of those improvements in a timely manner; and (b) assurance that improvements required by the County are financed and constructed in a timely and cost-effective manner.

a. <u>Coordinated Services</u>. As presently planned, development of the Project will proceed in phases, which will require the extension of public services and facilities. The multiple district structure will assure that the construction and operation of each phase of Public Improvements will be administered consistent with a long-term construction and operations program. The Districts will be utilized primarily for funding purposes and District No. 3 is anticipated to be the operating district.

b. <u>Debt Allocation</u>. Allocation of the responsibility for paying debt for capital improvements will be managed through development of a unified financing plan for these improvements and through development of an integrated operating plan for long-term operations and maintenance for those improvements that are not dedicated to and accepted by the County but retained by the Districts as appropriate. Intergovernmental agreements will help assure that no area within the Project becomes obligated for more than its share of the costs of capital improvements and operations. Neither high nor low-density areas will bear a disproportionate burden of debt and operating costs. Additionally, equity is also promoted due to the fact that there must be a rational relationship between the land that is subject to a district's mill levy and the improvements or services being funded.

E. <u>Specific Purposes - Facilities and Services</u>.

The Districts are authorized to provide the following facilities and services, both within and without the boundaries of the Districts as may be necessary:

1. Water. The Districts shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for potable water and irrigation water facilities and systems, including, but not limited to, water rights, water supply, treatment, storage, transmission, and distribution systems for domestic, irrigation, fire control, and other public purposes, together with all necessary and proper reservoirs, treatment facilities, wells, equipment, and appurtenances incident thereto, which may include, but shall not be limited to, transmission lines, pipes, distribution mains and laterals, storage facilities, and ditches, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto. The Districts shall have the power and authority to contract with other private or governmental entities to provide any or all of the services the Districts are authorized or empowered to provide. To the extent necessary, the Districts shall dedicate any necessary improvements to one or more governmental entities that provide service ("Provider Jurisdiction") in accordance with the Provider Jurisdiction rules and regulations. It is anticipated that the Districts will construct or cause to be constructed the water infrastructure needed for the Project and will dedicate such infrastructure to the Falcon Area Water and Wastewater Authority ("FAWWA") for operation and maintenance. The Districts are anticipated to enter into an IGA with FAWWA for the provision of such services. The water rights associated with the property within the Districts' boundaries have been transferred to FAWWA to facilitate service and FAWWA possesses sufficient water rights to serve such property.

2. <u>Sanitation</u>. The Districts shall have the power and authority to finance, design, construct, acquire, install, maintain, assess tap or other facility fees, and provide for sanitary sewers and to transport wastewater to an appropriate wastewater treatment facility, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto. To the extent necessary, the Districts shall dedicate any necessary improvements to one or more governmental entities that provide service ("Provider Jurisdiction") in accordance with the Provider Jurisdiction's rules and regulations. It is anticipated that the Districts will construct or cause to be constructed the sanitary sewer infrastructure needed for the Project and will dedicate such infrastructure to FAWWA for operation and maintenance. The Districts are anticipated to enter into an IGA with FAWWA for the provision of such services.

3. <u>Street Improvements, Transportation and Safety Protection</u>. The Districts shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for arterial and collector streets and roadway improvements, including, but not limited to, two major east-west corridors, bridges, curbs, gutters, culverts, storm sewers and drainage facilities, retaining walls and appurtenances, sidewalks, paving, lighting, grading, landscaping, streetscaping, placement of underground utilities, snow removal, tunnels, and other street improvements, and architectural enhancements to any or all of the above, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements, except underground utilities, to the County upon completion and, following acceptance by the County, the County will own, operate, and maintain such street improvements.

4. <u>Drainage</u>. The Districts shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for flood and surface drainage improvements, including, but not limited to, culverts, dams, retaining walls, access way inlets, detention and retention ponds, paving, roadside swales, curbs and gutters, disposal works and facilities, water quality facilities, land and easements, together with extensions and improvements thereto. To the extent necessary, the Districts shall dedicate any necessary improvements to one or more governmental entities that provide service ("Provider Jurisdiction") in accordance with the Provider Jurisdiction's rules and regulations. It is anticipated that the Districts or the FAWWA will maintain drainageways, detention and water quality facilities, unless and until the County develops a stormwater maintenance district, division, or other entity.

5. <u>Parks and Recreation</u>. The Districts shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for public park and public recreation centers and other recreation facilities, services, or programs, including, but not limited to, grading, soil preparation, landscaping, sprinkler systems, fencing, pavilions, playgrounds, playing fields, open space, bike trails, pedestrian trails, pedestrian bridges, picnic areas, common area landscaping, streetscaping, storage buildings and facilities, weed control, paving, decorative paving, outdoor functional and decorative lighting, community events, and other services, programs, and facilities, with all necessary and incidental and appurtenant facilities, land and easements, together with all extensions and improvements thereto. To the extent necessary, the Districts shall dedicate any necessary improvements to one or more governmental entities that provide service ("Provider Jurisdiction") in accordance with the Provider Jurisdiction's rules and regulations. It is anticipated that the Districts will own, operate, and maintain the park and recreation improvements and facilities if not otherwise dedicated to another appropriate entity.

The Districts shall not have the authority to apply for or utilize any Conservation Trust ("Lottery") funds without the express prior consent of the Board of County Commissioners. The Districts shall have the authority to apply for and receive any other grant funds, including, but not limited to, Great Outdoors Colorado (GOCO) discretionary grants. Such approval, although required, is not considered to be a material modification which would require the need to revise this Service Plan.

6. <u>Mosquito Control</u>. The Districts shall have the power and authority to finance, design, construct, acquire, install, operate, maintain and provide for systems and methods for the

eradication and control of mosquitoes, including but not limited to elimination or treatment of breeding grounds and purchase, lease, contracting or other use of equipment or supplies for mosquito control.

7. <u>Fire Protection</u>. The Districts shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate, or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the applicable fire district. The authority to plan for, design, acquire, construct, install, relocate, redevelop, or finance fire hydrants and related improvements installed as part of the water system shall not be limited by this provision.

8. <u>Television Relay and Translation</u>. The Districts shall have the power and authority to finance, design, construct, install, acquire, operate, and maintain television relay and translator facilities, with all necessary and incidental and appurtenant facilities, internet, fiber optics, land and easements, together with extensions and improvements thereto.

9. <u>Covenant Enforcement and Design Review</u>. The Districts shall have the power and authority to provide covenant enforcement and design review services subject to the limitations set forth in C.R.S. § 32-1-1004(8), as it may be amended from time to time, which addresses covenant enforcement and design review services as additional powers of a metropolitan district under certain circumstances. It is anticipated that a homeowners association will provide covenant enforcement and design review services.

10. <u>Security Services</u>. The Districts shall have the power and authority to provide security services within the boundaries of the Districts, subject to the limitations set forth in C.R.S. § 32-1-1004(7), as it may be amended from time to time, which addresses security services as an additional power of a metropolitan district under certain circumstances. In no way is this power and authority intended to limit or supplant the responsibility and authority of local law enforcement (i.e., the El Paso County Sheriff's Department) within the boundaries of the Districts.

11. <u>Solid Waste Disposal</u>. The Districts have no plans to provide solid waste disposal services.

12. <u>General</u>. Because the overall development remains in its infancy, the specific services and potential overlapping service providers have yet to be determined. Based on current information, it is anticipated that the Districts will ultimately utilize other service providers to provide water, sanitary sewer, and fire protection services once the necessary improvements have been constructed. More information can be provided once determined and known. Further, to the extent any of the above-referenced facilities, improvements, and services are dedicated to and accepted by the County, the County shall own, operate, and maintain such accepted facilities and related improvements. The Districts shall be authorized to own, operate, and maintain any facilities, improvements, and accepted by any Provider Jurisdiction, subject to any applicable County rules and regulations.

F. Other Powers.

1. <u>Amendments</u>. The Districts shall have the power to amend this Service Plan as needed, subject to appropriate statutory procedures as set forth in Section 32-1-207, C.R.S. (See material modification).

2. <u>Authority to Modify Implementation of Financing Plan and Public</u> <u>Infrastructure</u>. Without amending this Service Plan, the Districts may defer, forego, reschedule or restructure the financing and construction of certain improvements and facilities, to better accommodate the pace of growth, resources availability, and potential inclusions of property within the Districts.

G. <u>Other Statutory Powers</u>.

The Districts may exercise such powers as are expressly or impliedly granted by Colorado law, if not otherwise limited by the Service Plan or its conditions of approval.

The Districts shall not adopt or enact an ordinance, resolution, rule or other regulation that prohibits or restricts an authorized permittee from carrying a concealed handgun in a building or specific area under the direct control or management of the District as provided in C.R.S. § 18-12-214.

H. <u>Eminent Domain</u>.

The Districts may exercise the power of eminent domain or dominant eminent domain only as necessary to further the clear public purposes of the Districts.

The power of eminent domain and/or dominant eminent domain shall be limited to the acquisition of property that the applicable Districts intends to own, control or maintain by the applicable or other governmental entity and is for the material use or benefit of the general public. The term "material use or benefit for the general public" shall not include the acquisition of property for the furtherance of an economic development plan, nor shall it include as a purpose an intent to convey such property or to make such property available to a private entity for economic development purposes. The phrase "furtherance of an economic development plan" does not include condemnation of property to facilitate public infrastructure that is necessary for the development of the Project.

I. <u>Intergovernmental Agreements (IGAs)</u>.

The Districts are authorized to enter into IGAs to the extent permissible by law. As of the date of approval of this Service Plan, and as noted below, the Districts intend to enter into an intergovernmental agreement which shall govern the relationships between the Districts with respect to the financing, construction, and operation of the Public Improvements contemplated herein. The Districts will establish a mechanism whereby any one or more the Districts may separately or cooperatively fund, construct, install, and operate the improvements. As noted earlier, the multiple district structure fits within an intended multiple phase development plan. The phasing of development will allow for more efficient financing for the overall project. The Districts may also enter into an IGA with Sterling Ranch Metropolitan District No. 3 to govern the responsibilities with respect to operations and maintenance functions and ownership of Public Improvements. The Districts also anticipate entering into an IGA with Falcon Area Water and Wastewater Authority to govern the responsibilities with respect to water and sanitary sewer services as well as possible drainage and stormwater services and EPC Community Services regarding park and recreation facilities.

J. Description Of Proposed Boundaries And Service Area.

1. <u>Initial District Boundaries</u>. A vicinity map showing the general location of the area that may be served by the Districts is included as Exhibit A.1. A map of the initially included properties is included at Exhibit A.2, with a legal description of boundaries found at Exhibit A.5.

2. <u>Additional Inclusion Areas/Boundary Adjustments</u>. Additional inclusion areas are anticipated in addition to the initially included properties. These additional inclusion areas are found at Exhibit A.3, which includes a forty-acre parcel. The Districts shall be authorized to include territory within the Additional Inclusion Area in accordance with applicable provisions of the Special District Act. Further, in order to accommodate the needs of Project phasing and other contingencies, the boundaries of the Districts may be adjusted via the inclusion or exclusion within the combined area of the Initial District Boundaries and the Additional Inclusion Areas in accordance with the applicable provisions of the Special District Act.

Notwithstanding the foregoing, the Districts are prohibited from including additional property within the District's boundaries if the property is within the corporate limits of the City of Colorado Springs without express prior consent of the City of Colorado Springs City Council.

3. <u>Extraterritorial Service Areas</u>. The Districts do not anticipate providing services to areas outside of the Initial District Boundaries and Additional Inclusion Areas.

Analysis Of Alternatives. It is anticipated that the Districts, collectively, will 4 undertake the financing and construction of the Public Improvements. The Districts intend to enter into an intergovernmental agreement which shall govern the relationships between the Districts with respect to the financing, construction, and operation of the Public Improvements contemplated herein. The multiple district structure will support the phased development of the Project and the intergovernmental agreement between the Districts will establish a mechanism whereby either or both of the Districts may separately or cooperatively fund, construct, install, and operate the Public Improvements. There are currently no other governmental entities, including the County, nearby cities or towns, located in the immediate vicinity of the Districts that consider it desirable, feasible, or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the Public Improvements needed for the Project. Although the Sterling Ranch Metropolitan District Nos. 1-3 ("District Nos. 1-3") are adjacent to the Districts, District Nos. 1-3 are not able or willing to finance or construct the Public Improvements. District Nos. 1-3 are in the process of developing and due to a slowdown in economic conditions, changes in development projections, and increases in construction costs, District Nos. 1-3 will not be able to fund the improvements in the areas proposed for the Districts. However, to avoid duplication of services and create inefficiencies, Sterling Ranch Metropolitan District No. 3 is anticipated to serve as the operating district as it does with Sterling Ranch Metropolitan District Nos. 1 & 2 and FAWWA is anticipated to provide water and sanitary sewer services to the property within the Districts' boundaries.

5. <u>Material Modifications/Service Plan Amendment</u>. Material modifications of this Service Plan shall, at a minimum, trigger the need for prior approval of the Board of County Commissioners at an advertised public hearing and may require a need for a complete re-submittal of an amended Service Plan along with a hearing before the County's Planning Commission. For the purpose of this Service Plan the following changes shall be considered material modifications:

a. Any change in the basic services provided by the Districts, including the addition of any types of services not authorized by this Service Plan.

b. Any other matter which is now, or may in the future, be described as a material modification by the Special District Act.

c. Imposition of a mill levy in excess of any of the Maximum Mill Levies as authorized in this approved Service Plan.

d. Issuance of Debt in excess of the Maximum Debt Authorization authorized in this Service Plan

e. Issuance of any Debt with a maturity period of greater than thirty (30) years, from the date of issuance of such Debt.

f. Creation of any sub-districts as contemplated in the Special District Act.

g. Inclusion into any District of any property over five (5) miles from the combined area of the Initial District Boundaries and the property described in Exhibit A.3 unless explicitly contemplated in this Service Plan.

IV. <u>DEVELOPMENT ANALYSIS</u>

A. <u>Existing Developed Conditions.</u>

At the present time, a FAWWA water tank is located at the northern boundary of District No. 5. There is also a Mountain View Electric Association substation constructed and operational in District No. 4. There is no population currently within the Districts' boundaries.

B. <u>Total Development At Project Buildout.</u>

At complete Project build-out, development within the Districts is planned to consist of approximately 45 single family homes with an average value of \$1,250,000, 5 single family homes with an average value of \$850,000, 321 single family homes with an average value of \$800,000, 142 single family homes with an average value of \$700,000, 238 single family homes with an average

value of \$675,000, and 851 single family homes with an average value of \$650,000, all in year 2022 dollars. The total estimated population of the Districts upon completion of development is 4,020 people (1,608 units x 2.5 persons per residential unit). The rate of absorption is a projection based on information from the Developer and is used for estimating the financial plan. There is no way to accurately predict absorption due to variables such as the economic factors, housing demand, land-use approval timing, building supply chains, and labor availability. In view of these factors, the bond underwriter projects the potential ability of the Districts to discharge the proposed debt per the statutory requirement. If absorption is delayed or accelerated, the bond issuance parameters will reflect those changes at the time of issuance.

C. <u>Development Phasing And Absorption.</u>

Absorption of the residential units is projected to take six years, beginning in 2027 and ending in 2033 and is further described in the Development Summary Table found at Exhibit B.

District No. 4 would assess a 50 mill debt service levy on assessed properties in District No. 4 from 2028-2067 and District No. 5 would assess a 50 mill debt service levy on assessed properties in District No. 5 from 2031-2070. Over the 40 years, the effect of collecting property taxes for the Districts will decrease El Paso County's Specific Ownership Taxes (SOT) by an average of \$602,924.95 a year.

For District No. 4, in year 1 (2028), EPC SOT collections will be reduced by approximately \$1,522 and growing to \$32,654 at completion of the project in 2031. During the same time period, El Paso County's property taxes are expected to grow approximately \$15,887 in 2028 to \$1,214,410 in 2067. For District No. 5, in year 1 (2030), EPC SOT collections will be reduced by approximately \$0 and growing to \$17,606 at completion of the project in 2033. During the same time period, El Paso County's property taxes are expected to grow approximately \$0 in 2030 to \$938,956 in 2070. Over the 40-year course of the project (2028-2067 for District No. 4 and 2031-2070 for District No. 5), we estimate total SOT collections will be reduced by \$4,777,626 while property tax collections should increase by \$49,843,389.

D. <u>Status of Underlying Land Use Approvals.</u>

The property within the Districts' boundaries is currently zoned RR-5. The County approved the Sketch Plan Amendment on August 30, 2022, which establishes the densities for the Project upon which this Service Plan relies. Preliminary plats and final plats will be submitted to the County in the future. The Districts shall be prohibited from issuing Debt until the County approves a preliminary plat for the Project.

V. INFRASTRUCTURE SUMMARY

Attached as Exhibit C is summary of the estimated costs of Public Improvements which are anticipated to be required within the Districts. A general description of the categories of Public Improvements is included in Section III.D. of this Service Plan. The total costs of the Public Improvement are estimated to be approximately \$140,000,000, in year 2023 dollars. It is estimated that the Districts will finance approximately \$136,000,000 (or approximately 97%) of this

estimated amount, but the amount ultimately financed by the Districts will be subject to the Maximum Authorized Debt limit. It should be noted, though, the foregoing costs and financing estimates are preliminary in nature and the ultimate costs may increase or decrease depending on numerous factors, many of which are out of the Developer's control. In particular, these initial cost estimates only include the public improvement portion of costs and the total project improvement costs (including items such as dry utilities, etc.) will be significantly higher and will materially increase the overall costs.

All Public Improvements will be designed and constructed in accordance with the standards of the governmental entity to which such Public Improvements will be dedicated (including, with respect to storm sewer and drainage facilities, the applicable National Pollutant Discharge Elimination System standards), and otherwise in accordance with applicable El Paso County standards. The composition of specific Public Improvements will be determined in connection with applicable future land use and development approvals required by El Paso County rules and regulations.

VI. <u>FINANCIAL PLAN SUMMARY</u>.

A. <u>Financial Plan Assumptions and Debt Capacity Model</u>.

Attached at Exhibit D is a summary of development assumptions, projected assessed valuation, description of revenue sources (including applicable mill levies and fees) and expenses for both operations and debt service, and an overall debt capacity model associated with projected future development of the Project. The model demonstrates that the Districts are capable of providing sufficient and economic service within the Project, and that the Districts have or will have the financial ability to discharge the Districts' Debt on a reasonable basis. The financial model attached as Exhibit D is an example of the manner in which the Districts may finance the Public Improvements. The specific structure for financing the Public Improvements shall be determined in the discretion of the Boards of Directors of the Districts, subject to the limitations set forth in this Service Plan.

B. <u>Maximum Authorized Debt</u>.

The Districts are authorized to issue Debt up to \$150,000,000 in principal amount (total combined for all Districts). The debt issuance authorization is based upon the proposed completion of an estimated \$140,000,000 of Public Improvements, including, but not limited to, street, water, sanitary sewer, drainage, and park and recreation improvements. The cost estimates are preliminary in nature and the ultimate costs may increase or decrease depending on numerous factors, many of which are out of the Developer's control. In particular, the initial cost estimates only include the public improvement portion of costs and the total project improvement costs (including items such as dry utilities, etc.) may be significantly higher and will likely materially increase the overall development costs.

C. <u>Maximum Mill Levies</u>.

1. Maximum Debt Service Mill Levy. The Maximum Debt Service Mill Levy shall be fifty (50) mills, subject to Assessment Rate Adjustment. All Debt issued by the

Districts must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

2. <u>Maximum Operational Mill Levy</u>. The Maximum Operational Mill Levy Cap for each District shall be fifteen (15) mills, subject to Assessment Rate Adjustment.

3. <u>Maximum Combined Mill Levy</u>. The Maximum Combined Mill Levy for each District is sixty-five (65) mills, subject to Assessment Rate Adjustment.

D. <u>Maximum Maturity Period For Debt.</u>

The period of maturity for issuance of any Debt (but not including Developer Funding Agreements) shall be limited to no more than thirty (30) years without express, prior approval of the Board of County Commissioners. However, the Districts are specifically authorized to refund or restructure existing Debt so long as the period of maturity for the refunding or restructured Debt is no greater than 30 years from the date of the issuance thereof.

E. <u>Developer Funding Agreements</u>.

The Developer intends to enter into Developer Funding Agreements with the Districts in addition to recovery of the eligible costs associated with creation of the Districts. It is anticipated that in the formative years the Districts will have shortfalls in funding its capital costs and monthly operations and maintenance expenses. The Developer may fund these obligations for the Districts to promote the Project's development subject to the Developer being repaid from future District revenues.

Developer Funding Agreements may allow for the earning of simple interest thereon, but under no circumstances shall any such agreement permit the compounding of interest. The Developer Funding Agreements may permit an interest rate that does not exceed the prime interest rate plus two points thereon.

The maximum term for repayment of a Developer Funding Agreement shall be twenty (20) years from the date the District entering into such agreement becomes obligated to repay the Developer Funding Agreement under the associated contractual obligation. For the purpose of this provision, Developer Funding Agreements are considered repaid once the obligations are fully paid in cash or when converted to bonded indebtedness of the applicable District (including privately placed bonds). Any extension of such term is considered a material modification and must be approved by the Board of County Commissioners.

Required disclosure notices shall clearly identify the potential for the Districts to enter into obligations associated with Developer Funding Agreements.

F. <u>Privately Placed Debt Limitation</u>.

Prior to the issuance of any privately placed Debt, the District proposing such issuance shall obtain the certification of an External Financial Advisor substantially as follows: We are [I

am] an External Financial Advisor within the meaning of this Service Plan.

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

G. <u>Revenue Obligations</u>. The Districts shall also be permitted to issue Revenue Obligations in such amount as the Districts may determine. Amounts issued as Revenue Obligations are not subject to the Maximum Debt Authorization.

VII. <u>OVERLAPPING TAXING ENTITIES, ADJACENT AND NEIGHBORING</u> <u>JURISDICTIONS</u>

A. <u>Overlapping Taxing Entities</u>.

The directly overlapping taxing entities and their respective year 2022 mill levies are

as follows:

El Paso County	7.732 mills
El Paso County Road and Bridge	0.330 mills
School District No. 49	45.159 mills
Pikes Peak Library District (if applicable)	3.512 mills
Black Forest Fire Protection District	14.951 mills
El Paso County Conservation	0.000 mills
Total Existing Mill Levy:	71.684 mills

The total mill levy including the initially proposed District's mill levy is 136.684 mills.

*A portion of the property within the boundaries of District No. 5 (Schedule Nos. 5233000015 and 5228000038) is included in School District No. 20 instead of School District No. 49, and School District No. 20 has a mill levy of 53.030 mills. A portion of the property within the boundaries of District No. 5 is also included in the boundaries of Sterling Ranch Metropolitan District No. 2, however, it is anticipated that the property owner, Classic SRJ Land LLC, will petition to exclude the property from such district.

It is not anticipated that there will be any significant financial impacts to these entities.

B. <u>Neighboring Jurisdictions</u>.

The following additional taxing and or service providing entities include territory within three (3) miles of the Initial District Boundaries (based on information provided by the El Paso County Assessor's Office):

EL PASO COUNTY CITY OF COLORADO SPRINGS PAINT BRUSH HILLS METROPOLITAN DISTRICT ACADEMY SCHOOL NO. 20 EL PASO COUNTY SCHOOL NO. 49 PIKES PEAK LIBRARY BLACK FOREST FIRE PROTECTION FALCON FIRE PROTECTION PARK FOREST WATER DISTRICT UPPER BLACK SQUIRREL CREEK GROUND WATER MANAGEMENT DISTRICT SOUTHEASTERN COLORADO WATER CONSERVANCY WESTMOOR WATER & SANITATION WOODMEN HILLS METROPOLITAN DISTRICT EL PASO COUNTY CONSERVATION DISTRICT CENTRAL COLORADO CONSERVANCY KIOWA CONSERVATION DISTRICT MERIDIAN RANCH METROPOLITAN DISTRICT MERIDIAN SERVICE METROPOLITAN DISTRICT STETSON RIDGE METROPOLITAN DISTRICT NOS. 2 & 3 WOODMEN ROAD METROPOLITAN DISTRICT FALCON HIGHLANDS METROPOLITAN DISTRICT UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT OLD RANCH METROPOLITAN DISTRICT WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1-3 BLACK FOREST FIRE PROTECTION DISTRICT BANNING LEWIS RANCH METROPOLITAN DISTRICT NOS. 1-5, 8-11 BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NOS. 1 & 2 **UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NOS. 2-5** BENT GRASS METROPOLITAN DISTRICT THE SANCTUARY METROPOLITAN DISTRICT DUBLIN NORTH METROPOLITAN DISTRICT NO. 1 STERLING RANCH METROPOLITAN DISTRICT NOS. 1-3 EL PASO COUNTY PID NO. 2 EL PASO COUNTY PID NO. 3 PAINT BRUSH HILLS METROPOLITAN DISTRICT – SUBDISTRICT A MOUNTAIN VALLEY METROPOLITAN DISTRICT MERIDIAN RANCH METROPOLITAN DISTRICT - 2018 SUBDISTRICT MW RETAIL BUSINESS IMPROVEMENT DISTRICT THE RETREAT METROPOLITAN DISTRICT NOS. 1 & 2 FALCON FIELD METROPOLITAN DISTRICT NORTH MEADOW METROPOLITAN DISTRICT NOS. 1-5 THE RANCH METROPOLITAN DISTRICT NOS. 1-4 FREESTYLE METROPOLITAN DISTRICT NO. 2

Anticipated relationships and impacts to these entities: As noted previously the

Developer and the Districts intend to work with any overlapping service providers to obtain the necessary consents and/or approvals for the provision of necessary services to the Districts, including, but not limited to, water, sanitary sewer, and fire protection services. The provision of water to the Project is not proposed to rely upon groundwater resources within the Upper Black Squirrel Creek Aquifer, instead relying on decreed water resources from deeper aquifers in the Denver Basin and/or centralized water service via an IGA with an existing water provider. Therefore, there should be little to no impact to the Upper Black Squirrel Creek Groundwater Management District.

Complete build-out of the Project is projected to significantly increase the value of the property included within the Districts' boundaries, which will result in a substantial increase in the tax revenue for the overlapping taxing entities, including El Paso County School No. 49, Academy School No. 20, Pikes Peak Library District, and Black Forest Fire Protection District, as a result of the current mill levies. In addition, although the County will experience a decrease in its specific ownership tax collections if the Project is developed, the County will experience a much more significant increase in its property tax collections if the Project is developed.

VIII. <u>DISSOLUTION</u>

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

B. <u>Administrative Dissolution</u>. The Districts shall be subject to administrative dissolution by the Division of Local Government as set forth in Section 32-1-710, C.R.S.

IX. <u>COMPLIANCE</u>

A. An Annual Report and Disclosure Form will be required and submitted as described in C.R.S. § 32-1-207(3)(d) and as further articulated by Board of County Commissioners Resolution No. 06-472, as may be amended (a single report may be issued for all the Districts).

B. Material Modifications of this Service Plan shall be subject to the provisions contained in Section 32-1-207, C.R.S., relating to approvals and notices thereof.

X. <u>MISCELLANEOUS</u>.

The following is additional information to further explain the functions of the Districts:

A. <u>Special District Act</u>.

The contemplated municipal services are under the jurisdiction of the Special District Act and not the Public Utilities Commission.

B. <u>Disclosure to Prospective Purchasers</u>.

After formation of the Districts, and in conjunction with final platting of any properties within a particular District, the applicable Board of Directors of the District shall prepare a notice acceptable to the Planning and Community Development Department Staff informing all purchasers of property within the District of the District's existence, purpose and debt, taxing, and other revenue-raising powers and limitations. Such notice obligation shall be deemed satisfied by recording the notice with this Service Plan and each final plat associated with the Project, or by such other means as the Planning and Community Development Department approves. Such notice shall be modified to address the potential for future Debt issuance which may be required to meet the obligations associated with loans incurred by the District. In conjunction with subsequent plat recordings, Planning and Community Development Department staff is authorized to administratively approve updates of the disclosure form to reflect current information.

C. Local Improvements.

Prior to the financing of Local Public Improvements, and if required by County policy uniformly applied, agreements shall be in place to prevent a loss of sales tax revenue from sales of construction materials that would otherwise accrue to the County.

D. <u>Service Plan not a Contract</u>.

The grant of authority contained in this Service Plan does not constitute the agreement or binding commitment of the Districts enforceable by third parties to undertake the activities described, or to undertake such activities exactly as described.

E. Land Use and Development Approvals.

Approval of this Service Plan does not imply approval of the development of a specific area within the Project, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto. All such land use and development approvals shall be processed and obtained in accordance with applicable El Paso County rules, regulations and policies.

XI. <u>CONCLUSION</u>

It is submitted that this Service Plan for the Districts establishes that:

A. There is sufficient existing and projected need for organized service in the area to be serviced by the proposed Districts.

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

C. The proposed Districts are capable of providing economical and sufficient service to the Project.

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

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

F. The facility and service standards of the proposed Districts are compatible with the facility and service standards of the County.

G. The proposal is in substantial compliance with the applicable elements of the El Paso County Master Plan, including but not limited to Your El Paso Master Plan (2021), the El Paso County Water Master Plan (2018), the El Paso County Parks Master Plan (2013), the El Paso County Major Transportation Corridors Plan, and with these Special District Policies.

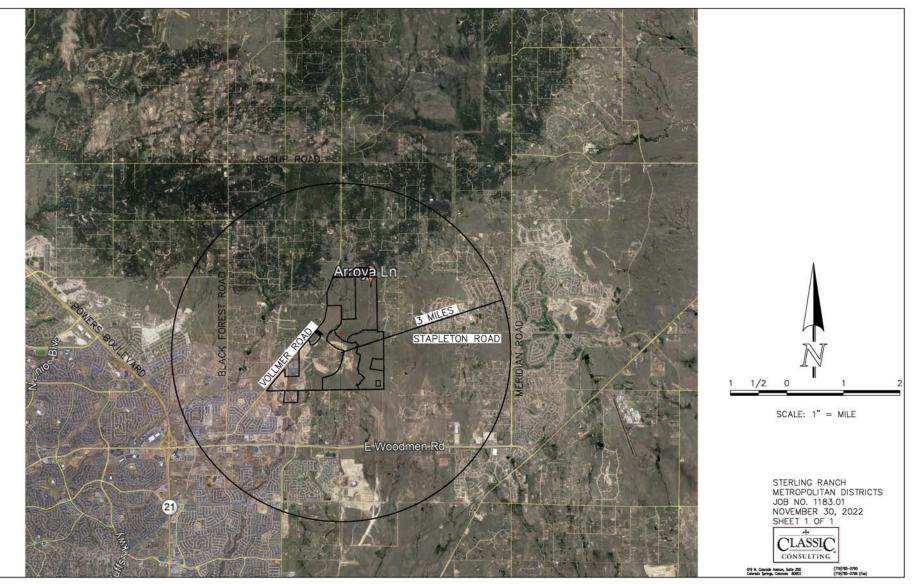
H. The creation of the proposed Districts is in the best interests of the area proposed to be served.

EXHIBIT A

MAPS AND LEGAL DESCRIPTIONS

EXHIBIT A-1 VICINITY MAP

Exhibit A-1, Vicinity Map




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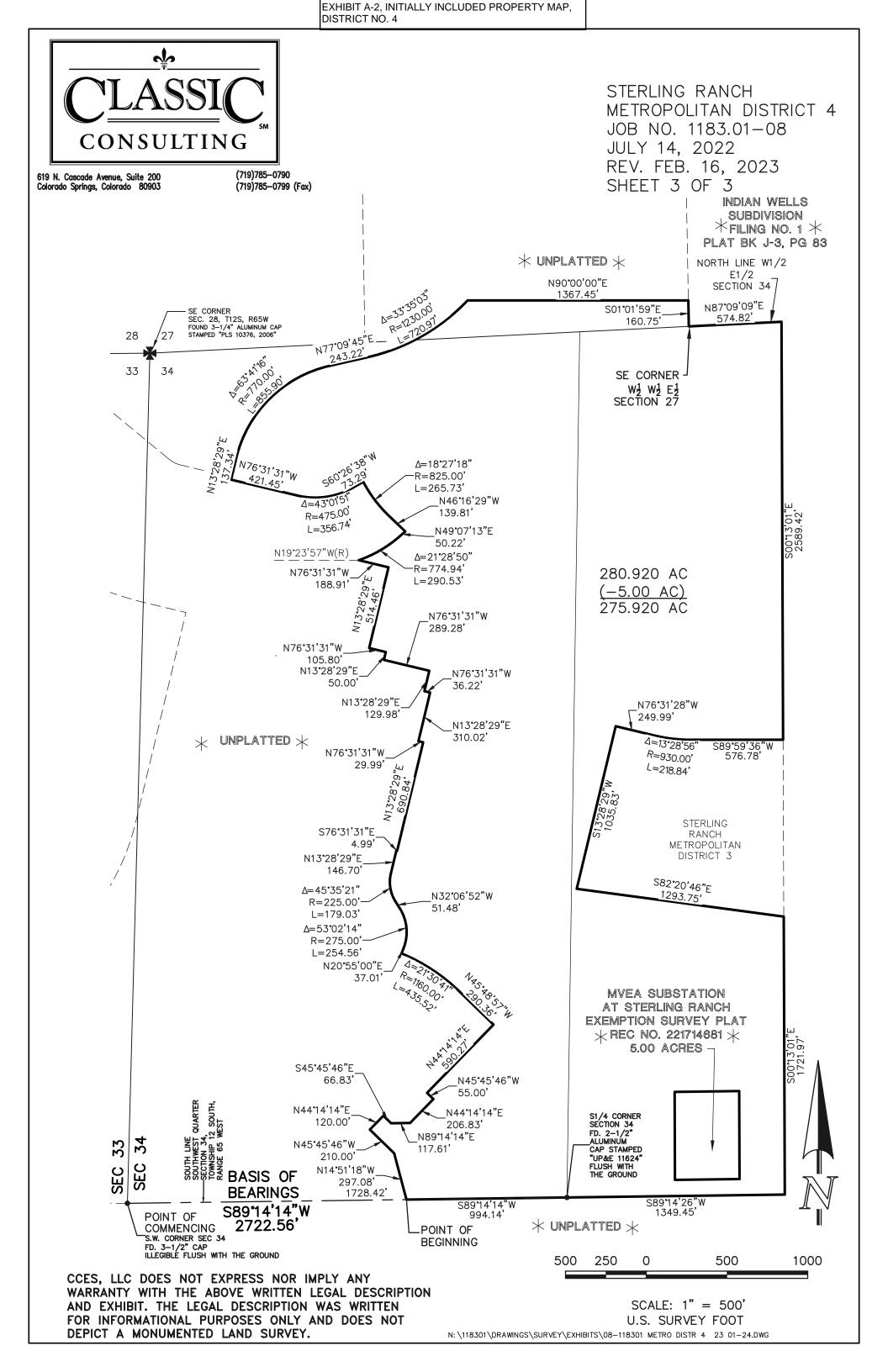
EXHIBIT A-2 INITIALLY INCLUDED PROPERTY MAP

	STERLING RANCH EAST					
	PLATTING SUMMARY					
	7/21/2022					
AREA	FILING	NO. LOTS	SUBMIT	LOT DELIVERY	NOTE	
1	STERLING RANCH EAST FILING NO. 1	294 SF	AUGUST	2023+	260 REQUIRED 34 EXCESS LOTS	
2	STERLING RANCH EAST FILING NO. 2	42 SF	SEPTEMBER	2023+	GROSS 336 SF 76 EXCESS LOTS	
3	STERLING RANCH EAST FILING NO. 3	187 SF	MAY 2023	2024	260 REQUIRED NET 263 W/76 ABOVE	
4	STERLING RANCH EAST FILING NO. 4	238 SF	MAY 2024	2025	260 REQUIRED 241 (238+3)+19 FROM PRELIM PLAN 1	
5	FOURSQUARE AT STERLING EAST RANCH FILING NO. 1	158 FOURSQUARE	SEPTEMBER	2023	CONCURRENT W/ FIL NO. 2	
6	VILLAGES AT STERLING RANCH EAST FILING NO. 1	CLUSTER	OCTOBER	2023	N/A SF	
7	STERLING RANCH EAST FILING NO. 5	115 SF±	MAY 2024	2025	260 REQUIRED CONCURRENT PRELIM/FINAL PLAT 96 EXCESS LOTS	
8	STERLING RANCH EAST FILING NO. 6	216 SF±	MAY 2025	2026	260 REQUIRED CONCURRENT PRELIM/FINAL PLAT 52 EXCESS LOTS FOR 2027	
	STERLING RANCH METROPOLITAN DISTRICT 4					
	STERLING RANCH METROPOLITAN DISTRICT 5					
SF LOT TOTAL		1092 LOTS				

WILL BE EXCLUDED FROM STERLING RANCH METROPOLITAN DISTRICT NO. 2.







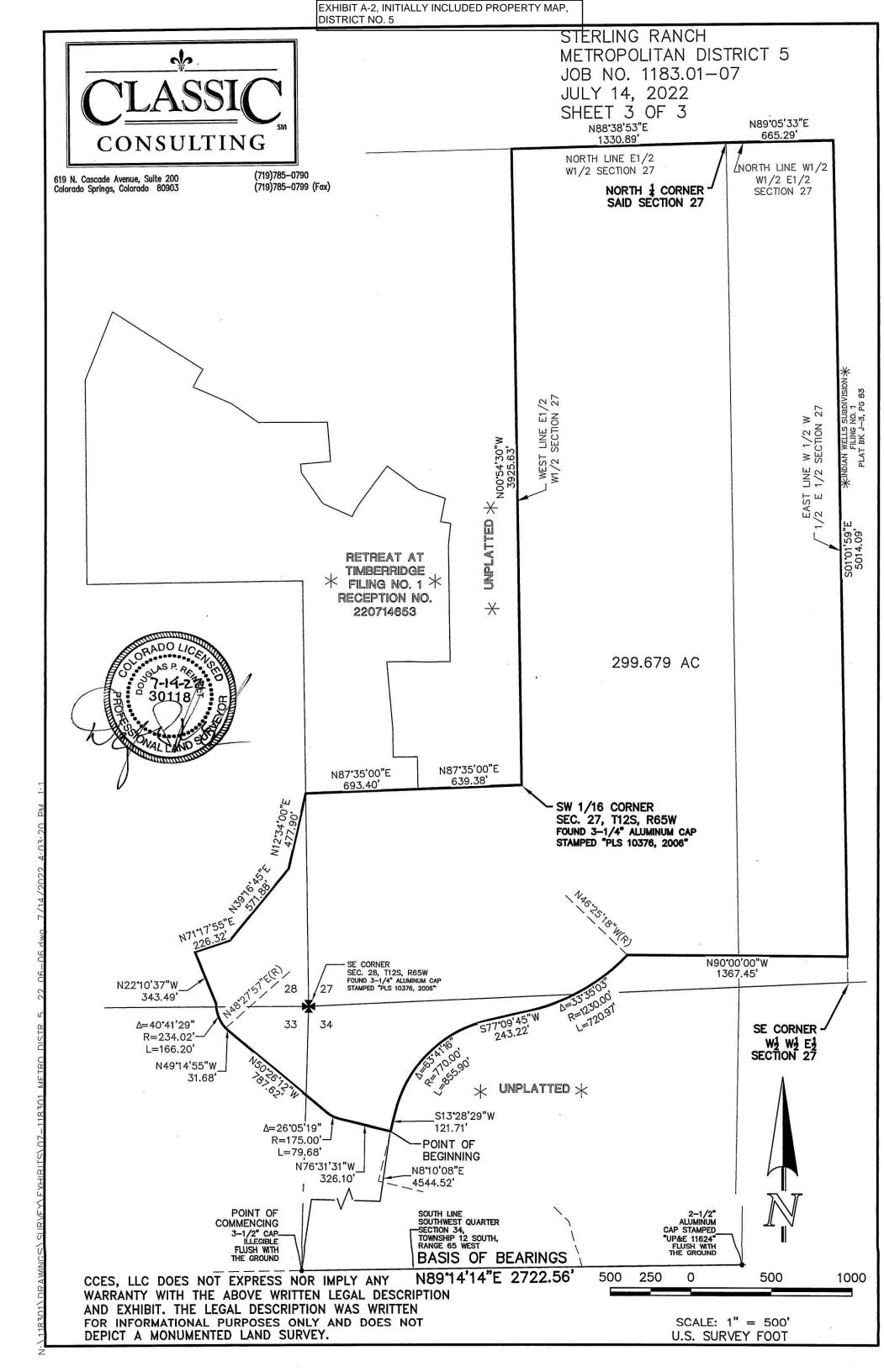
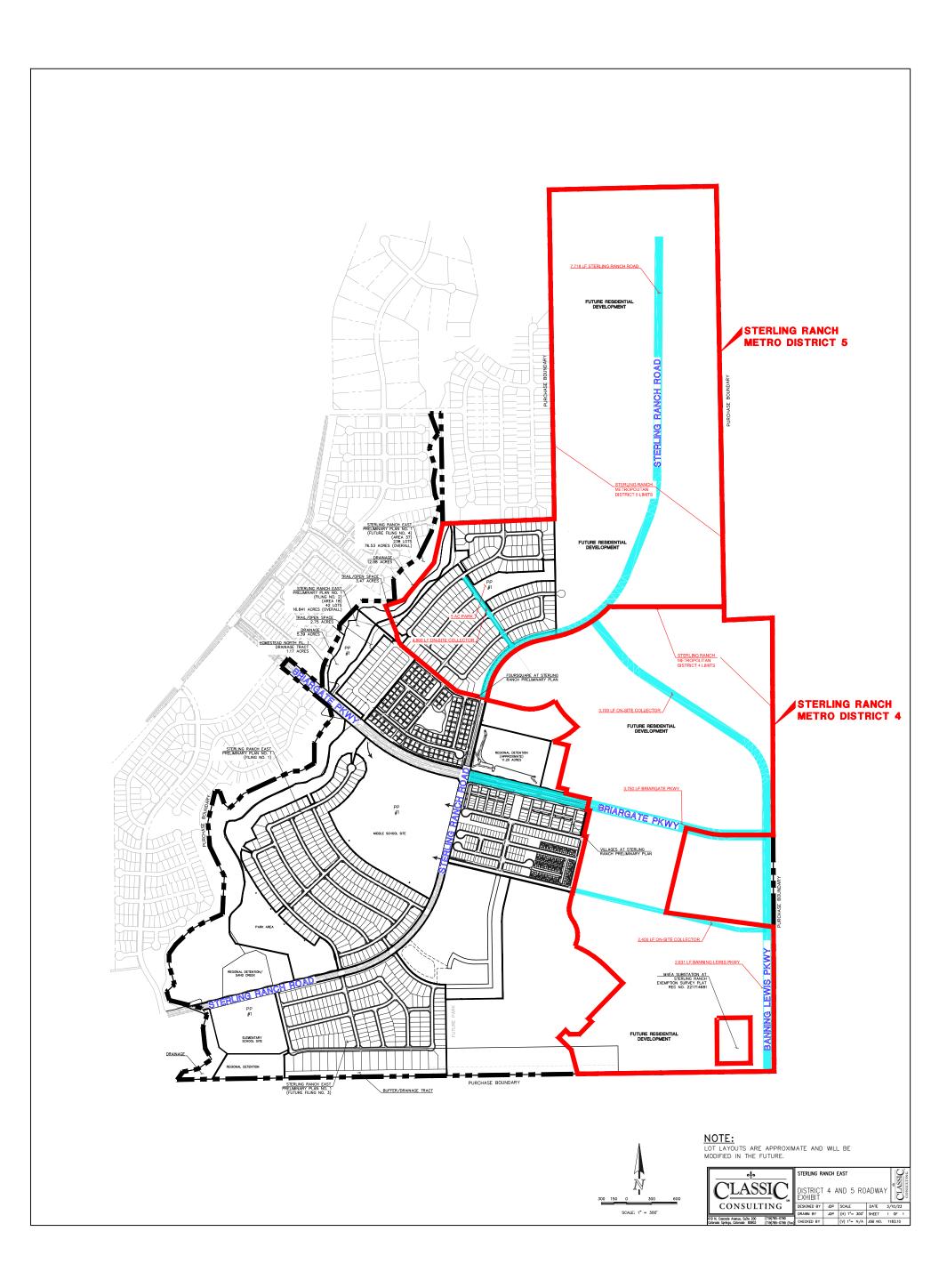
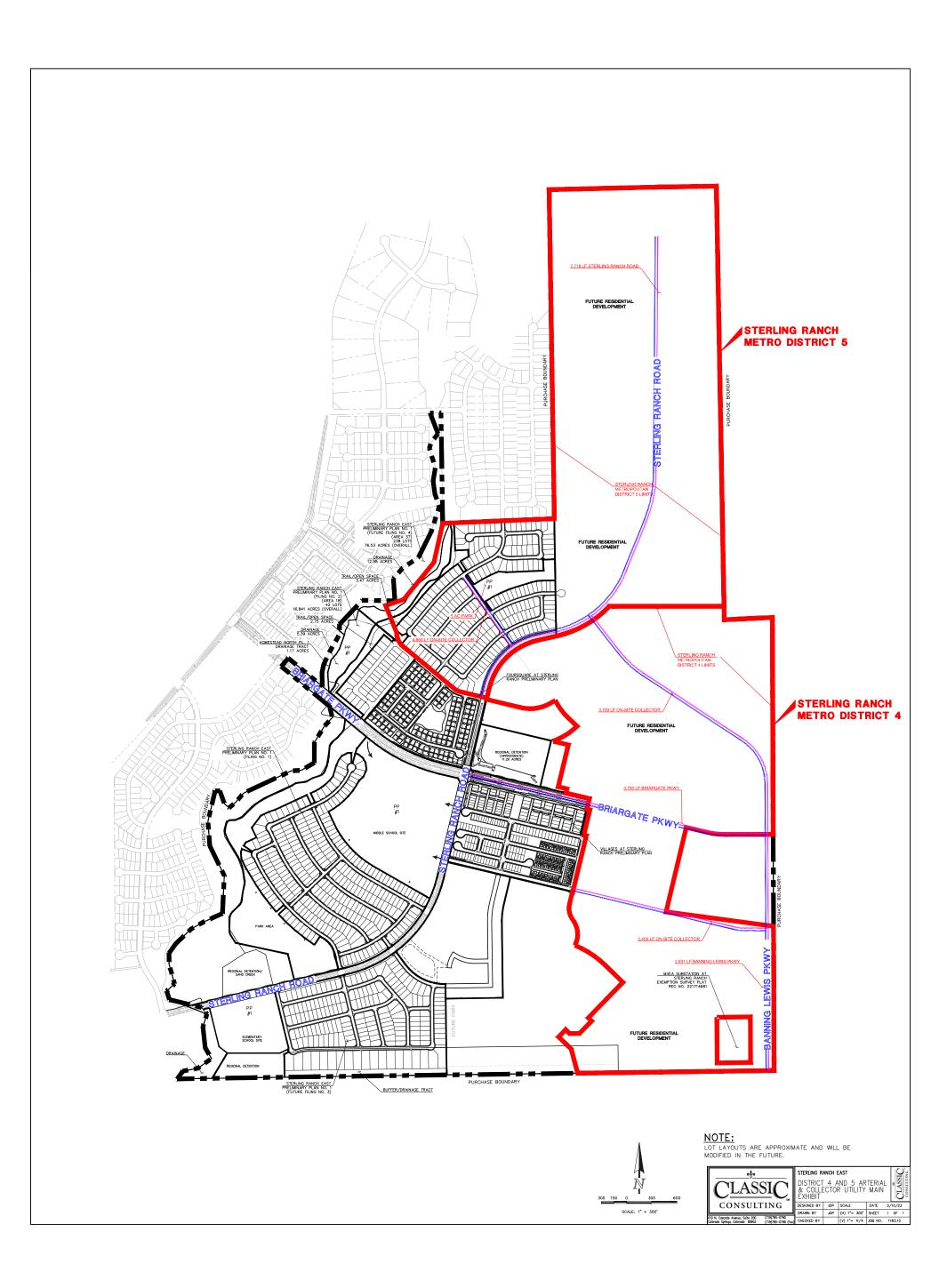
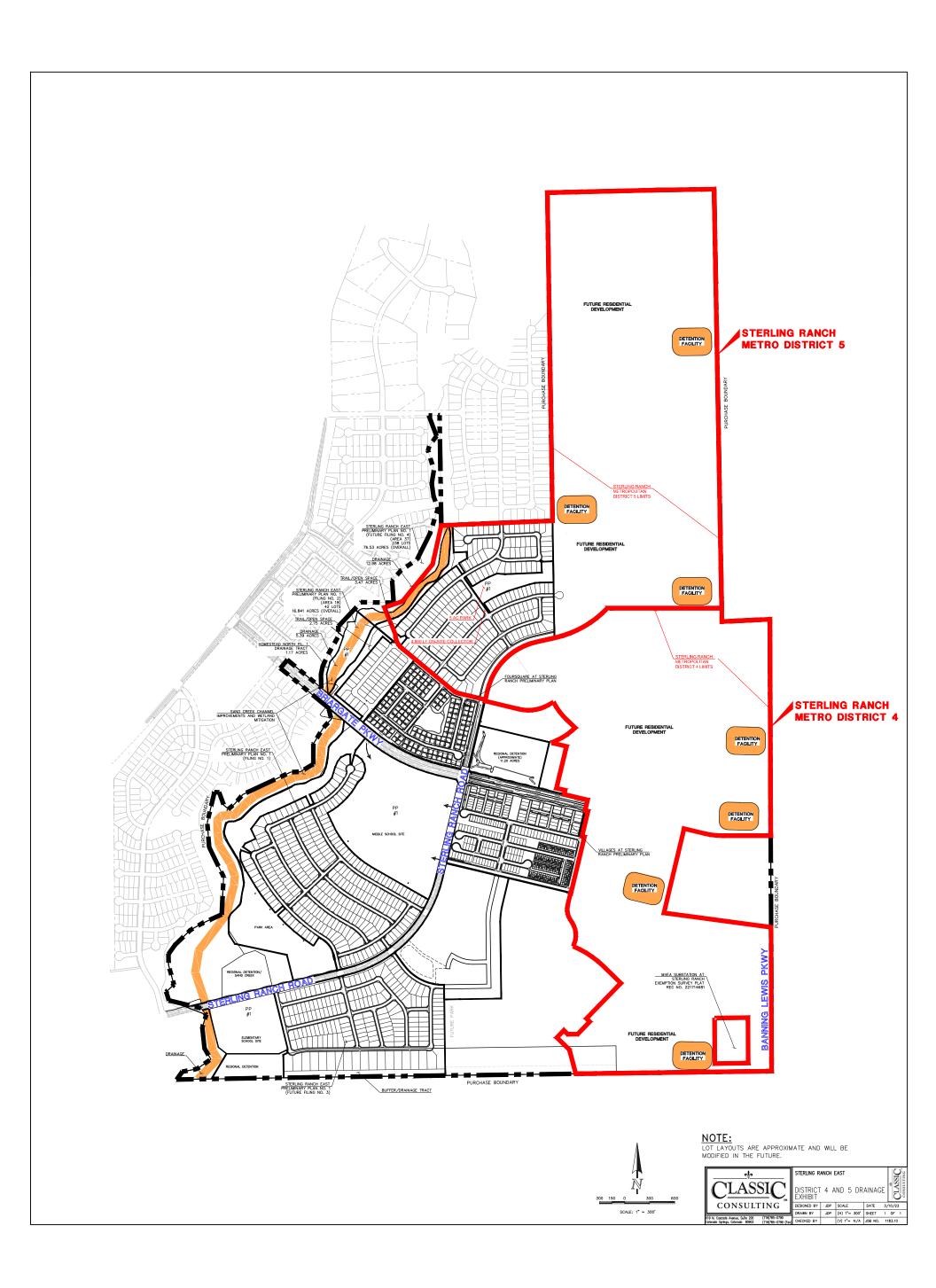


EXHIBIT A-3 PROPOSED INFRASTRUCTURE AND AMENITIES MAP







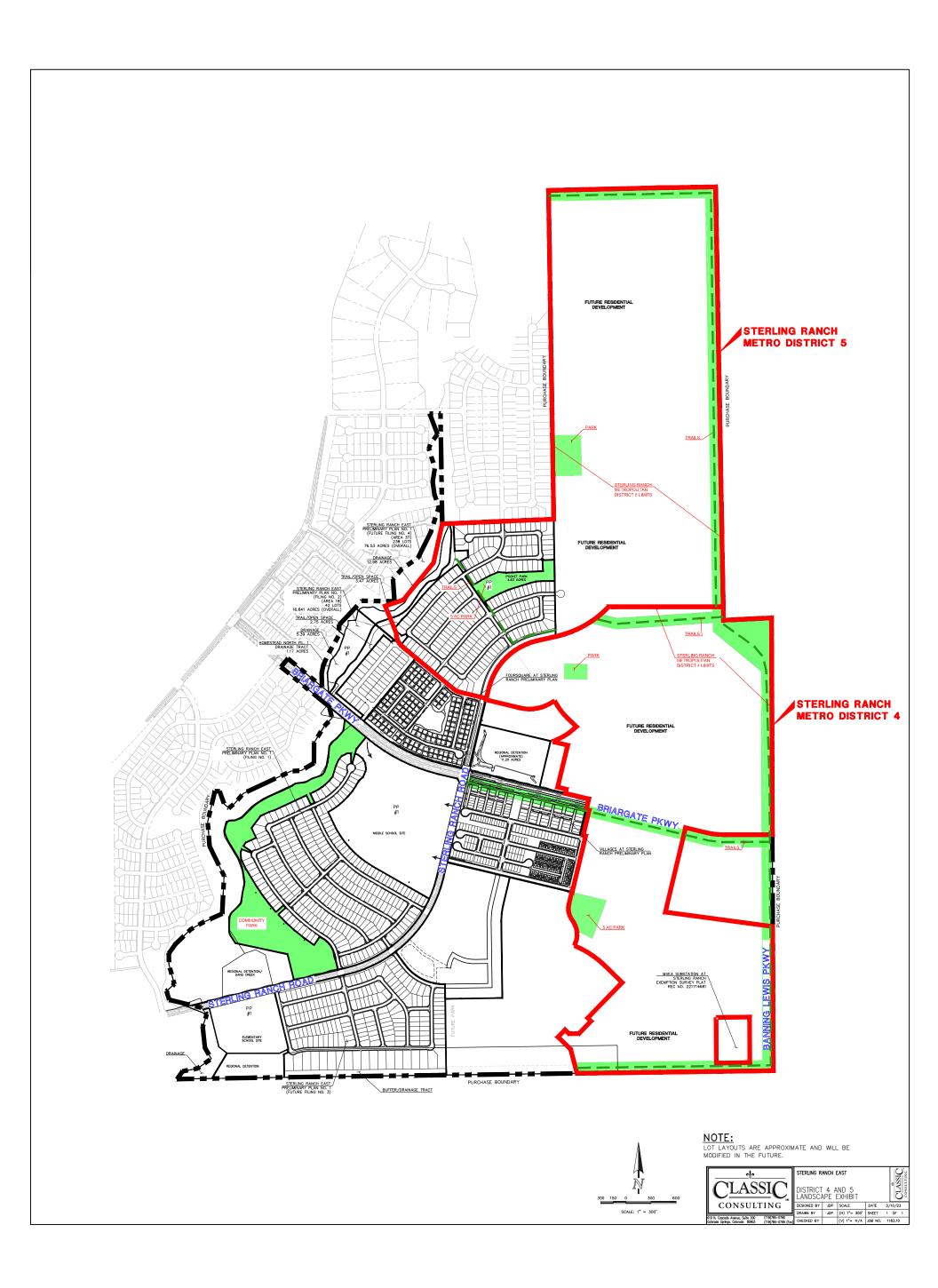


EXHIBIT A-4 ADDITIONAL INCLUDED PROPERTY MAP

Schedule Number: 520000228

EXHIBIT A-4, ADDITIONAL INCLUDED PROPERTY MAP



EXHIBIT A-5 LEGAL DESCRIPTIONS OF INITIALLY INCLUDED PROPERTIES



JOB NO. 1183.01-08 JULY 14, 2022 REV. FEB 16, 2023 PAGE 1 OF 3

619 N. Cascade Avenue, Suite 200(719) 785-0790Colorado Springs, Colorado 80903(719) 785-0799 (Fax)

LEGAL DESCRIPTION: STERLING RANCH METROPOLITAN DISTRICT NO. 4

A PARCEL OF LAND BEING A PORTION OF SECTIONS 27 AND 34, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, BEING MONUMENTED AT THE WEST END BY A #6 REBAR WITH A 3-1/2" ILLEGIBLE CAP FOUND FLUSH WITH THE GROUND AND AT THE EAST END BY A #5 REBAR WITH 2-1/2" ALUMINUM SURVEYORS CAP STAMPED "UP&E 11624" FOUND FLUSH WITH THE GROUND, ASSUMED TO BEAR S89°14'14"W, A DISTANCE OF 2722.56 FEET.

COMMENCE AT THE SOUTHEAST QUARTER CORNER OF SECTION 33, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN EL PASO COUNTY, COLORADO SAID POINT BEING ALSO THE SOUTHWEST QUARTER CORNER OF SECTION 34;

THENCE N89°14'14"E, ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 34, A DISTANCE OF 1728.42 FEET TO THE **POINT OF BEGINNING**;

THENCE N14°51'18"W. A DISTANCE OF 297.08 FEET: THENCE N45°45'46"W, A DISTANCE OF 210.00 FEET; THENCE N44°14'14"E, A DISTANCE OF 120.00 FEET; THENCE S45°45'46"E, A DISTANCE OF 66.83 FEET; THENCE N89°14'14"E, A DISTANCE OF 117.61 FEET; THENCE N44°14'14"E, A DISTANCE OF 206.83 FEET; THENCE N45°45'46"W, A DISTANCE OF 55.00 FEET; THENCE N44°14'14"E, A DISTANCE OF 590.27 FEET; THENCE N45°48'57"W, A DISTANCE OF 290.36 FEET TO A POINT OF CURVE; THENCE ON THE ARC OF A CURVE TO THE LEFT HAVING A DELTA OF 21°30'41", A RADIUS OF 1160.00 FEET AND A DISTANCE OF 435.52 FEET TO A POINT ON CURVE; THENCE N20°55'00"E, A DISTANCE OF 37.01 FEET TO A POINT OF CURVE; THENCE ON THE ARC OF A CURVE TO THE LEFT HAVING A DELTA OF 53°02'14", A RADIUS OF 275.00 FEET AND A DISTANCE OF 254.56 FEET TO A POINT OF TANGENT; THENCE N32°06'52"W, A DISTANCE OF 51.48 FEET TO A POINT OF CURVE; THENCE ON THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF 45°35'21", A RADIUS OF 225.00 FEET AND A DISTANCE OF 179.03 FEET TO A POINT OF TANGENT; THENCE N13°28'29"E, A DISTANCE OF 146.70 FEET; THENCE S76°31'31"E , A DISTANCE 4.99 FEET; THENCE N13°28'29"E, A DISTANCE OF 690.84 FEET; THENCE N76°31'31"W, A DISTANCE 29.99 FEET; THENCE N13°28'29"E, A DISTANCE OF 310.02 FEET; THENCE N76°31'31"W, A DISTANCE 36.22 FEET; THENCE N13°28'29"E, A DISTANCE OF 129.98 FEET; THENCE N76°31'31"W, A DISTANCE 289.28 FEET; THENCE N13°28'29"E, A DISTANCE OF 50.00 FEET; THENCE N76°31'31"W, A DISTANCE 105.80 FEET; THENCE N13°28'29"E, A DISTANCE OF 514.46 FEET; THENCE N76°31'31"W, A DISTANCE 188.91 FEET TO A POINT ON CURVE; THENCE ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS N19°23'57"W, HAVING A DELTA OF 21°28'50", A RADIUS OF 774.94 FEET AND A DISTANCE OF 290.53 FEET TO POINT OF TANGENT; THENCE N49°07'13"E, A DISTANCE OF 50.22 FEET; THENCE N46°16'29"W, A DISTANCE OF 139.81 FEET TO A POINT OF CURVE; THENCE ON THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF 18°27'18", A RADIUS OF 825.00 FEET AND A DISTANCE OF 265.73 FEET TO A POINT ON CURVE; THENCE S60°26'38"W, A DISTANCE OF 73.29 FEET TO A POINT OF CURVE; THENCE ON THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF 43°01'51", A RADIUS OF 475.00 FEET AND A DISTANCE OF 356.74 FEET TO A POINT OF TANGENT:

EXHIBIT A-5, LEGAL DESCRIPTION, DISTRICT NO. 4

JOB NO. 1183.01-08 JULY 14, 2022 REV. FEB 16, 2023 PAGE 2 OF 3

THENCE N76°31'31"W, A DISTANCE 421.45 FEET;

THENCE N13°28'29"E, A DISTANCE OF 137.34 FEET TO A POINT OF CURVE;

THENCE ON THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF 63°41'16", A RADIUS OF 770.00 FEET AND A DISTANCE OF 855.90 FEET TO A POINT OF TANGENT;

THENCE N77°09'45"E, A DISTANCE OF 243.22 FEET TO A POINT OF CURVE;

THENCE ON THE ARC OF A CURVE TO THE LEFT HAVING A DELTA OF 33°35'03", A RADIUS OF 1230.00 FEET AND A DISTANCE OF 720.97 FEET TO A POINT ON CURVE;

THENCE N90°00'00"E, A DISTANCE OF 1367.45 FEET TO A POINT ON THE EAST LINE OF THE WEST ONE-HALF OF THE WEST ONE-HALF OF THE EAST ONE-HALF OF SAID SECTION 27;

THENCE S01°01'59"E, ON THE EAST LINE OF THE WEST ONE-HALF OF THE WEST ONE-HALF OF THE EAST ONE-HALF OF SAID SECTION 27 BEING ALSO ON THE WESTERLY BOUNDARY OF SAID INDIAN WELLS SUBDIVISION FILING NO. 1 RECORDED IN PLAT BOOK J-3 AT PAGE 83, A DISTANCE OF 160.75 FEET TO THE SOUTHEAST CORNER OF THE WEST HALF OF THE WEST HALF OF SAID SECTION 27 BEING ALSO THE SOUTHWESTERLY CORNER OF SAID INDIAN WELLS SUBDIVISION FILING NO. 1;

THENCE N87°09'09"E, ON THE NORTH LINE OF THE WEST HALF OF THE EAST HALF OF SECTION 34, BEING ALSO ON THE SOUTHERLY BOUNDARY OF SAID INDIAN WELLS SUBDIVISION FILING NO. 1, A DISTANCE OF 574.82 FEET;

THENCE S00°13'01"E, A DISTANCE OF 2589.42 FEET;

THENCE S89°59'36"W, A DISTANCE OF 576.78 FEET TO A POINT OF CURVE;

THENCE ON THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF 13°28'56", A RADIUS OF 930.00 FEET AND A DISTANCE OF 218.84 FEET TO A POINT OF TANGENT;

THENCE N76°31'28"W, A DISTANCE OF 249.99 FEET;

THENCE S13°28'29"W, A DISTANCE OF 1035.83 FEET;

THENCE S82°20'46"E, A DISTANCE OF 1293.75 FEET;

THENCE S00°13'01"E, A DISTANCE OF 1721.97 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 34;

THENCE S89°14'26"W, ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 34, A DISTANCE OF 1349.45 FEET TO THE SOUTH QUARTER CORNER OF SAID SOUTHEAST QUARTER OF SECTION 34;

THENCE S89°14'14"W, ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 34, A DISTANCE OF 994.14 FEET TO THE **POINT OF BEGINNING**.

CONTAINING A CALCULATED AREA OF 280.920 ACRES.

EXCEPTING THEREFROM MVEA SUBSTATION AT STERLING RANCH EXEMPTION SURVEY PLAT RECORDED UNDER RECEPTION NO. 221714681, RECORDS OF EL PASO COUNTY, COLORADO.

CONTAINING A CALCULATED AREA OF 5.00 ACRES.

CONTAINING A TOTAL CALCULATED AREA OF 275.920 ACRES,

LEGAL DESCRIPTION STATEMENT:

I, ROBERT L. MEADOWS, JR., A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED UNDER MY RESPONSIBLE CHARGE AND ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF, ARE CORRECT.



ROBERT L. MEADOWS, JR., PROFESSIONAL LAND SURVEYOR COLORADO P.L.S. NO. 34977 FOR AND ON BEHALF OF CLASSIC CONSULTING ENGINEERS AND SURVEYORS, LLC 2-17-23 DATE



JOB NO. 1183.01-07 JULY 14, 2022 PAGE 1 OF 3

619 N. Cascade Avenue, Suite 200 (719) 785-0790 Colorado Springs, Colorado 80903 (719) 785-0799 (Fax)

LEGAL DESCRIPTION: STERLING RANCH METROPOLITAN DISTRICT NO. 5

A PARCEL OF LAND BEING A PORTION OF SECTIONS 27, 28, 33 AND 34, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, BEING MONUMENTED AT THE WEST END BY THE SOUTHWEST CORNER OF SAID SECTION 34, BY A 3-1/2" ILLEGIBLE CAP AND AT THE EAST END BY THE SOUTH QUARTER CORNER OF SAID SECTION 34 BY A 2-1/2" ALUMINUM SURVEYORS CAP STAMPED "UP&E 11624", IS ASSUMED TO BEAR S89°14'14"W, A DISTANCE OF 2722.56 FEET.

COMMENCING AT THE SOUTHEAST QUARTER CORNER OF SECTION 33, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN EL PASO COUNTY, COLORADO SAID POINT BEING ALSO THE SOUTHWEST QUARTER CORNER OF SECTION 34;

THENCE N08°10'08"E, A DISTANCE OF 4544.52 FEET TO THE POINT OF BEGINNING;

THENCE N76°31'31"W, A DISTANCE 326.10 FEET TO A POINT OF CURVE;

THENCE ON THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF 26°05'19", A RADIUS OF 175.00 FEET AND A DISTANCE OF 79.68 FEET TO A POINT OF TANGENT;

THENCE N50°26'12"W, A DISTANCE OF 787.62 FEET;

THENCE N49°14'55"W, A DISTANCE OF 31.68 FEET TO A POINT ON CURVE;

THENCE ON THE ARC OF A CURVE TO THE RIGHT WHOSE CENTER BEARS N48°27'57"E, HAVING A DELTA OF 40°41'29", A RADIUS OF 234.02 FEET AND A DISTANCE OF 166.20 FEET TO A POINT ON CURVE;

THENCE N22°10'37"W, A DISTANCE OF 343.49 FEET;

THENCE N71°17'55"E, A DISTANCE OF 226.32 FEET;

THENCE N39°16'45"E, A DISTANCE OF 571.88 FEET;

THENCE N12°34'00"E, A DISTANCE OF 477.90 FEET TO THE SOUTHWESTERLY CORNER OF RETREAT AT TIMBERRIDGE FILING NO. 1 RECORDED UNDER RECEPTION NO. 220714653;

THENCE N87°35'00"E, ON THE SOUTHERLY BOUNDARY OF SAID RETREAT AT TIMBERRIDGE FILING NO. 1, A DISTANCE OF 693.40 FEET;

THENCE CONTINUING N87°35'00"E, A DISTANCE OF 639.38 FEET TO A POINT ON THE WEST LINE OF THE EAST ONE-HALF OF THE WEST ONE-HALF OF SECTION 27, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO;

THENCE N00°54'30"W, ON THE WEST LINE OF THE EAST ONE-HALF OF THE WEST ONE-HALF OF SAID SECTION 27, A DISTANCE OF 3925.63 FEET TO A POINT ON THE NORTH LINE OF THE EAST HALF OF THE WEST HALF OF SAID SECTION 27;

THENCE N88°38'53"E, ON THE NORTH LINE OF THE EAST HALF OF THE WEST HALF OF SAID SECTION 27 A DISTANCE OF 1330.89 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 27;

THENCE N89°05'33"E, ON THE NORTH LINE OF THE WEST HALF OF THE WEST HALF OF THE EAST HALF OF SAID SECTION 27 A DISTANCE OF 665.29 FEET TO A POINT ON THE EAST LINE OF THE WEST HALF OF THE WEST HALF OF THE WEST HALF OF THE EAST HALF OF SAID SECTION 27 SAID POINT BEING ALSO ON THE WESTERLY BOUNDARY OF INDIAN WELLS SUBDIVISION FILING NO. 1 RECORDED IN PLAT BOOK J-3 AT PAGE 83;

THENCE S01°01'59"E, ON THE EAST LINE OF THE WEST ONE-HALF OF THE WEST ONE-HALF OF THE EAST ONE-HALF OF SAID SECTION 27 BEING ALSO ON THE WESTERLY BOUNDARY OF SAID INDIAN WELLS SUBDIVISION FILING NO. 1, A DISTANCE OF 5014.09 FEET;

THENCE N90°00'00"W, A DISTANCE OF 1367.45 FEET TO A POINT ON CURVE;

THENCE ON THE ARC OF A CURVE TO THE RIGHT WHOSE CENTER BEARS N46°25'18"W, HAVING A DELTA OF 33°35'03", A RADIUS OF 1230.00 FEET AND A DISTANCE OF 720.97 FEET TO A POINT OF TANGENT;

THENCE S77°09'45"W, A DISTANCE OF 243.22 FEET TO A POINT OF CURVE;

THENCE ON THE ARC OF A CURVE TO THE LEFT HAVING A DELTA OF 63°41'16", A RADIUS OF 770.00 FEET AND A DISTANCE OF 855.90 FEET TO A POINT OF TANGENT;

THENCE S13°28'29"W, A DISTANCE OF 121.71 FEET TO THE POINT OF BEGINNING.

JOB NO. 1183.01-07 JULY 14, 2022 PAGE 2 OF 3

CONTAINING A CALCULATED AREA OF 299.679 ACRES.

LEGAL DESCRIPTION STATEMENT:

ENGINEERS AND SURVEYORS, LLC

.

I, DOUGLAS P. REINELT, A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED UNDER MY RESPONSIBLE CHARGE AND ON THE BASIS OF MY KNOWLEDGE, INFORMATI<u>ON AND BELIEF</u>, ARE CORRECT.

KNOWLEDGE, INFORMATION AND BELIEF, ARE CORRECT. ORADO LICEN D LIC 30118 T PROFE 30118 DOUGLAS P. REINELT, COMPANY OF AND ON BEHALF OF CLASSIC CONSULTING

Jus 2022

EXHIBIT A-6 LEGAL DESCRIPTION OF ADDITIONAL INCLUDED PROPERTY

EXHIBIT A-5, LEGAL DESCRIPTION OF ADDITIONAL INCLUDED PROPERTY

EXHIBIT A

The Southeast Quarter of the Northeast Quarter of Section 34, Township 12 South, Range 65 West of the 6th P.M., County of El Paso, State of Colorado, Except that portion thereof falling within Bow Valley Subdivision

Assessor's schedule or parcel number: 52000-00-228

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EXHIBIT B

DEVELOPMENT SUMMARY

The Districts are located southeast of the intersection of Vollmer Road and Arroya Lane in El Paso County. District No. 4 is anticipated to consist of approximately 276 acres and District No. 5 is anticipated to consist of approximately 300 acres. The property within District No. 4's boundaries is anticipated to consist of approximately 5 single family homes with an average value of \$850,000, 6 single family homes with an average value of \$800,000, 142 single family homes with an average value of \$700,000, and 857 single family homes with an average value of \$650,000 in year 2023 dollars. The property within District No. 5's boundaries is anticipated to consist of approximately 45 single family homes with an average value of \$1,250,000, 315 single family homes with an average value of \$800,000, and 238 single family homes with an average value of \$675,000 in year 2023 dollars. It is anticipated that construction will begin in 2027 and the project will be completely developed at the end of 2033. The number of anticipated homes and estimated values remain estimates and may be altered depending on the final outcome of the development approval process. Further, the rate of absorption is a projection based on information from the Developer and is used for estimating the Financial Plan. There is no way to accurately predict absorption due to variables such as economic factors, housing demand, land-use approval timing, building supply chains, and labor availability. In view of these factors, the bond underwriter projects the potential ability of the Districts to discharge the proposed debt per the statutory requirement. If absorption is delayed or accelerated, the bond issuance parameters will reflect those changes at the time of issuance. As noted in the Financial Plan contained in Exhibit D, it is currently estimated that for District No. 4, 103 units will be added in 2027, 300 units will be added in 2028 and in 2029, 287 units will be added in 2030, and 20 units will be added in 2031; and for District No. 5, 280 units will be added in 2031, 278 units will be added in 2032, and 40 units will be added in 2033.

Regarding public improvements, overall costs of approximately \$140,000,000 are currently anticipated, as outlined in **Exhibit C**. The public improvements the Districts are anticipated to finance and construct or cause to be constructed include, but are not limited to, roadway, water, sanitary sewer, drainage, park and recreation, and Sand Creek Channel improvements (including access roads and wetland mitigation). As noted in the Service Plan, the cost estimates remain preliminary in nature and the ultimate costs may be altered depending on numerous factors, many of which are out of the Developer's control. In particular, the initial cost estimates only include the public improvement portion of costs and the total project improvement costs (including items such as dry utilities, etc.) could be significantly higher which would result in a material increase in the overall development costs. The infrastructure and financing plan will be adjusted accordingly if there are delays in the build-out.

EXHIBIT C

ESTIMATED INFRASTRUCTURE CAPITAL COSTS

STERLING RANCH - DISTRICTS 4 & 5 COST ASSUMPTIONS

District 5

	Quantity	Unit	Unit Cost		Total	Cost		Total LF Roa
Engineering	1	LS	\$	100,000.00	\$	100,000.00	Sterling Ranch Rd	7718
Surveying	1	LS	\$	100,000.00	\$	100,000.00	District 5 Collector Roads	4860
Soils / Materials Testing	1	LS	\$	75,000.00	\$	75,000.00	Subtotal	12578
Earthwork/Erosion Control	150000	CY	\$	10.00	\$	1,500,000.00		
WET Utilities	12578	LF	\$	375.00	\$	4,716,750.00		
Drainage/ Detention Ponds	2	EA	\$	2,250,000.00	\$	4,500,000.00		
Curb & Gutter	25156	LF	\$	30.00	\$	754,680.00		
Asphalt Paving	97828	SY	\$	45.00	\$	4,402,260.00		
Landscaping Tracts and ROW	507600	SF	\$	4.00	\$	2,030,400.00		
Parks	5	AC	\$	250,000.00	\$	1,250,000.00		
Tier 1/Interior Trails	7500	LF	\$	30.00	\$	225,000.00		
Intract District 5	Quantity	Unit	Unit Cost	Subtotal	\$ Total	19,654,090.00 Cost		
District 5 - Roads, WET Utilities, & Landscape	598	LOTS	\$	30,000.00	\$	17,940,000.00		
			-	Subtotal	\$	17,940,000.00		
District 4	-				1			Total LF Roc
Engineering	1	LS	\$	100,000.00		100,000.00	Briargate Pwky	3750
Surveying	1	LS	\$	100,000.00		100,000.00	Banning Lewis Ranch Pwky	2831
Soils / Materials Testing		LS	\$	-	\$	75,000.00	District 4 Collector Roads	9202
Earthwork/Erosion Control	200000		\$	10.00	\$	2,000,000.00	Subtotal	15783
WET Utilities	15783		\$	300.00	\$	4,734,900.00		
Drainage/ Detention Ponds	4	EA	\$	2,250,000.00	\$	9,000,000.00		
Curb & Gutter	31566		\$	30.00	\$	946,980.00		
Asphalt Paving	122756		\$		\$	5,524,020.00		
Landscaping Tracts and ROW	473490		\$	4.00	\$	1,893,960.00		
Parks	11	AC	\$	250,000.00	\$	2,750,000.00		
Tier 1/Interior Trails	10100	LF	\$	30.00	\$	303,000.00		
Intract District 4 District 4 - Roads, WET Utilities, & Landscape	Quantity	Unit LOTS	Unit Cost \$	Subtotal 30,000.00	\$ Total \$	27,427,860.00 Cost 30,300,000.00		
	1010	1013	7	Subtotal		30,300,000.00		
Sand Creek Channel Improvements				Subtotui	\$	30,300,000.00		
Engineering	1	LS	\$	100,000.00		100,000.00		
Surveying	1	LS	\$	100,000.00	\$	100,000.00		
Soils / Materials Testing	1	LS	\$	30,000.00	\$	30,000.00		
Earthwork/Erosion Control	500000	CY	\$	3.25	\$	1,625,000.00		
Channel Work	1	LS	\$	6,000,000.00	\$	6,000,000.00		
Channel Access Roads (8' Breeze)	11800	LF	\$	16.00	\$	188,800.00		
Channel Access Roads (8' Concrete)	11800	LF	\$	48.00	\$	566,400.00		
. ,			•	Subtotal		8,043,800.00		
Wetland Mitigation - Sand Creek Chanel Engineering	4	LS	Ś	25.000.00	ć	25,000.00		
rngineering	1	115		25.000.00		25.000.001		

Engineering	1	LS	\$ 25,000.00	\$ 25,000.00
Surveying	1	LS	\$ 25,000.00	\$ 25,000.00
Soils / Materials Testing	1	LS	\$ 20,000.00	\$ 20,000.00
Wetland Mitigation	1	LS	\$ 500,000.00	\$ 500,000.00
			Subtotal	\$ 570,000.00

Community Park

Engineering	1	LS	\$	10,000.00	\$ 10,000.00
Surveying	1	LS	\$	10,000.00	\$ 10,000.00
Soils / Materials Testing	1	LS	\$	5,000.00	\$ 5,000.00
Earthwork/Erosion Control	176000	CY	\$	2.75	\$ 484,000.00
Community Park Materials/Labor	1	LS	\$	7,000,000.00	\$ 7,000,000.00
	·		·	Subtotal	\$ 7,509,000.00

Additional Parks

		20	۲	Subtotal	\$	5,612,500.00
Park Materials/Labor	2	LS	Ś	2,500,000.00	Ś	5,000,000.00
Earthwork/Erosion Control	150000	CY	\$	2.75	\$	412,500.00
Soils / Materials Testing	1	LS	\$	150,000.00	\$	150,000.00
Surveying	1	LS	\$	25,000.00	\$	25,000.00
Engineering	1	LS	\$	25,000.00	\$	25,000.00

Ponds

Engineering	1	LS	\$ 25,000.00	\$ 25,000.00
Surveying	1	LS	\$ 25,000.00	\$ 25,000.00
Soils / Materials Testing	1	LS	\$ 20,000.00	\$ 20,000.00
Ponds	7	LS	\$ 1,200,000.00	\$ 8,400,000.00
			Subtotal	\$ 8,470,000.00

SUBTOTAL	\$ 125,527,250.00
Contingency (10%)	\$ 12,552,725.00
TOTAL	\$ 138,079,975.00

EXHIBIT D

FINANCIAL PLAN SUMMARY



January 18, 2023

Proposed Sterling Ranch Metropolitan District No. 4 Attention: Russ Dykstra, Esq. Spencer Fane LLP 1700 Lincoln Street, Suite 2000 Denver, CO 80203

RE: Proposed Sterling Ranch Metropolitan District No. 4

Dear Mr. Dykstra,

We have analyzed the bonding capacity for the proposed Sterling Ranch Metropolitan District No. 4 (the "District"). The analysis presented herein summarizes information provided on behalf of Classic SRJ, LLC (the "Developer") and does not include independent verification of the accuracy of development information or assumptions.

Plan Assumptions

The following assumptions have been provided by the Developer and form the basis of the analysis. All prices below reflect 2022 market values.

 The residential development is comprised of 1,010 residential units projected to be completed between 2027 and 2031. Overall, approximately 100 units are projected to be completed in 2027, approximately 300 units are projected to be completed in 2028 through 2030, and 20 units are projected to be completed in 2031. The average price is modeled at \$654,158 with a 1% annual inflation rate.

Bond Assumptions

- 1. The residential debt service mill levy target is 50 mills beginning in tax collection year 2028.
- 2. The District is modeled to issue senior bonds in December 2027 in the estimated principal amount of \$57,705,000 and an interest rate of 5.00%. At issuance, it is projected that the District will fund \$250,000 in costs of issuance, \$8,655,750 in capitalized interest, and \$5,221,250 in a Debt Service Reserve Fund from bond proceeds, which constitutes 9.00% of the total 2027 senior bond amount. The Underwriter's discount is modeled as 2% of the principal amount of the senior bonds. The remaining \$42,423,900 is projected to be deposited to the District's project fund to install or pay for the installation of public infrastructure benefiting the District.
 - a. Specific Ownership Tax revenues have been calculated based on applying a factor of 6% to annual property tax revenues.
 - b. It is projected that 98.5% of property taxes levied will be collected and available to the District.
 - c. It is projected that there will be a 6% biennial inflation rate on assessed valuation within the District. The bonding capacity could be higher if the rate of assessment inflation is greater, or lower if the inflation rate is below 6%.

Refinancing Assumptions

- The District is modeled to issue refunding bonds in December 2037 in the estimated principal amount of \$85,600,000, plus estimated funds on hand of \$6,591,250, at an interest rate of 4.00%. At issuance, it is projected that the District will fund \$56,415,000 to refund the Series 2027 bonds and pay for \$200,000 in costs of issuance. The Underwriter's discount is modeled as 0.50% of the principal amount for investment grade senior bonds. The remaining \$35,148,250 is projected to be deposited to the District's project fund to install or pay for the installation of public infrastructure benefiting the District.
 - a. Specific Ownership Tax revenues have been calculated based on applying a factor of 6% to annual property tax revenues.
 - b. It is projected that 98.5% of property taxes levied will be collected and available to the District.
 - c. It is projected that there will be a 2% biennial inflation rate on assessed valuation within the District. The bonding capacity could be higher if the rate of assessment inflation is greater, or lower if the inflation rate is below 2%.
 - d. It is projected that the senior bonds will include an investment grade rating

Estimate of Revenue Projections for first 10 years

The debt service mill levy collection revenues over the first 10 years total \$21,857,734, plus an additional \$1,311,463 in specific ownership taxes associated with the debt levy, for a total of \$23,169,197.

The operations mill levy (maximum of15 mills) collection revenues total \$5,614,505 plus an additional \$336,871 in specific ownership taxes associated with the Operations levy for a total of \$5,951,376.

Based upon the development assumptions provided and the financial assumptions contained in the attached projected Financing Plan, the projected revenue is sufficient to retire all Debt referenced in the Financing Plan within the restrictions set forth in the District's Service Plan, including but not limited to the maximum debt mill levies and maximum maturity period.

Risks Associated with the Bond Financing

Risks to Tax Payers:

- Development is slower than anticipated
- Biennial inflation on assessed values is less than 6%
- District imposes Maximum Debt Mill Levy as described in the Service Plan

The primary risk to tax payers is that the District issues bonds to finance infrastructure and then the absorption of additional property, or its valuation by the Assessor, lags modeled expectations. If that occurs, then the Districts may need to levy the Maximum Debt Mill Levy as described in the Service Plan and would not be able to reduce the levy for a longer period of time.

Risks to Bondholders:

- Development is slower than anticipated
- Biennial inflation on assessed values is less than 6%
- Assurance of the continuation of development is not assured
- Reliance on Federal Tax Code and State laws governing municipal finance and special districts

The primary risk to bondholders is the development does not occur as fast as originally projected and that the revenues generated from the Maximum Debt Mill Levy as described in the Service Plan are not sufficient to meet the Districts' financial obligations. These risks are mitigated by funding a capitalized interest and surplus fund at closing. In addition, these bonds are anticipated to be marketed only to sophisticated investors who understand the risks involved in the transaction.

Disclosures

It is contemplated that D.A. Davidson will provide investment banking services to the District in connection with its future bond financings or other borrowings. D.A. Davidson is not acting as a financial advisor to the District.

The assumptions disclosed in the Financial Plan are those of the Developer and have not been independently reviewed by D.A. Davidson. Those assumptions identified are believed to be the significant factors in determining financial feasibility; however, they are likely not to be all-inclusive. There will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as projected, and those differences may be material. Key assumptions, including those relating to market values of real property improvements and the build out schedule of such property, are particularly sensitive in terms of the timing necessary to create the tax base for the District. A small variation in these variables, and to their timing, can have a large effect on the forecasted results. There is a high probability that the forecasted results will differ from realized future tax base factors and such variations can be material. Additionally, other key assumptions relating to inflation, assessment ratios, interest rates, and infrastructure, administrative, and operating costs may, and likely will, vary from those projected.

Because D.A. Davidson has not independently evaluated or reviewed the assumptions that the financial model is based upon, we do not vouch for the achievability (and disclaim any opinion) of the information provided. Furthermore, because of the inherent nature of future events, which are subject to change and variation as events and circumstances change, the actual results may vary materially from the results presented here. D.A. Davidson has no responsibility or obligation to update this information or this financial model for events occurring after the date of this report.

Respectfully submitted,

D.A. DAVIDSON & CO. FIXED INCOME CAPITAL MARKETS

Jan Afmy

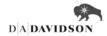
Laci Knowles Managing Director, Public Finance

STERLING RANCH METROPOLITAN DISTRICT #4 El Paso County, Colorado

GENERAL OBLIGATION BONDS, SERIES 2027 GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS, SERIES 2037

SERVICE PLAN

Bond Assumptions	Series 2027	Series 2037	Tota
Closing Date	12/1/2027	12/1/2037	
First Call Date	12/1/2032	12/1/2047	
Final Maturity	12/1/2057	12/1/2067	
Sources of Funds			
Par Amount	57,705,000	85,600,000	143,305,000
Funds on Hand	0	6,591,250	6,591,250
Total	57,705,000	92,191,250	149,896,250
Uses of Funds			
Project Fund	\$42,423,900	\$35,148,250	\$77,572,150
Refunding Escrow	0	56,415,000	56,415,000
Debt Service Reserve	5,221,250	0	5,221,250
Capitalized Interest	8,655,750	0	8,655,750
Costs of Issuance	1,404,100	628,000	2,032,100
Total	57,705,000	92,191,250	149,896,250
Bond Features			
Projected Coverage	100x	100x	
Tax Status	Tax-Exempt	Tax-Exempt	
Rating	Non-Rated	Inv. Grade	
Average Coupon	5.000%	4.000%	
Annual Trustee Fee	\$4,000	\$4,000	
Biennial Reassessment			
Residential	6.00%	6.00%	
Commercial	0.00%	0.00%	
Faxing Authority Assumptions			
Metropolitan District Revenue			
Residential Assessment Ratio			
Service Plan Gallagherization Base	7.15%		
Current Assumption	7.15%		
Debt Service Mills			
Service Plan Mill Levy Cap	50.000		
Maximum Adjusted Cap	50.000		
Target Mill Levy	50.000		
Specific Ownership Taxes	6.00%		
County Treasurer Fee	1.50%		
Operations			
	\$0		
Operations Carve Out			
Operations Carve Out Operations Mill Levy	15.000		



STERLING RANCH METROPOLITAN DISTRICT #4 Development Summary

				Resid	ential			
	39 - Large Lot	27,28,31 - Standard Lot	29 - Standard Lot	32 - Standard Lot	33 - Standard Lot	30,35 - Standard Lot	34 - Standard Lot	36 - Standard Lot
Statutory Actual Value (2023)	\$850,000	\$650,000	\$650,000	\$650,000	\$650,000	\$650,000	\$650,000	\$700,000
2023	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-
2027	5	9	14	75	-	-	-	-
2028	-	-	-	153	106	41	-	-
2029	-	-	-	-	-	300	-	-
2030	-	-	-	-	-	100	59	128
2031	-	-	-	-	-	-	-	14
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-
Total Units	5	9	14	228	106	441	59	142
Total Statutory Actual Value	\$4,250,000	\$5,850,000	\$9,100,000	\$148,200,000	\$68,900,000	\$286,650,000	\$38,350,000	\$99,400,000



STERLING RANCH METROPOLITAN DISTRICT #4 Development Summary

	Residential											
	Smokestack - Standard Lot	Product 10	Product 11	Product 12	Product 13	Product 14	Product 15	Product 16	Total Residential			
Statutory Actual Value (2023)	\$800,000	\$	\$	\$	\$	\$	\$	\$				
2023								-				
2023	-	-	-	-	-	-	-	-	-			
2024	-	_					-					
2026	-		-				-	-				
2027	-	-	-	-	_	_	-	-	103			
2028	-	-	-	-	-	-	-	-	300			
2029	-	-	-	-	-	-	-	-	300			
2030	-	-	-	-	-	-	-	-	287			
2031	6	-	-	-	-	-	-	-	20			
2032	-	-	-	-	-	-	-	-	-			
2033	-	-	-	-	-	-	-	-	-			
2034	-	-	-	-	-	-	-	-	-			
2035	-	-	-	-	-	-	-	-	-			
2036	-	-	-	-	-	-	-	-	-			
2037	-	-	-	-	-	-	-	-	-			
2038	-	-	-	-	-	-	-	-	-			
2039	-	-	-	-	-	-	-	-	-			
2040	-	-	-	-	-	-	-	-	-			
2041	-	-	-	-	-	-	-	-	-			
2042	-	-	-	-	-	-	-	-	-			
2043	-	-	-	-	-	-	-	-	-			
2044	-	-	-	-	-	-	-	-	-			
2045	-	-	-	-	-	-	-	-	-			
2046	-	-	-	-	-	-	-	-	-			
2047	-	-	-	-	-	-	-	-	-			
2048	-	-	-	-	-	-	-	-	-			
2049	-	-	-	-	-	-	-	-	-			
2050	-	-	-	-	-	-	-	-	-			
2051	-	-	-	-	-	-	-	-	-			
2052	-	-	-	-	-	-	-	-	-			
2053	-	-	-	-	-	-	-	-	-			
2054	-	-	-	-	-	-	-	-	-			
Total Units	6							-	1,010			
Total Statutory Actual Value	\$4,800,000	\$	\$	s		\$	\$\$	\$	\$660,700,000			



STERLING RANCH METROPOLITAN DISTRICT #4 Assessed Value Calculation

	Vacant	t Land		Resi	dential		Total
	Cumulative Statutory	Assessed Value	Total	Biennial	Cumulative Statutory	Assessed Value	Assessed Value
	Actual Value ¹	in Collection Year	Residential Units	Reassessment	Actual Value	in Collection Year	in Collection Year
		(2-year lag)				(2-year lag)	(2-year lag)
		29.00%		6.00%		7.15%	
2022	0		0	0	0		
2023	0	0	0		0	0	0
2024	0	0	0	0	0	0	0
2025	0	0	0		0	0	0
2026	6,795,000	0	0	0	0	0	0
2027	19,500,000	0	103		73,551,265	0	0
2028	19,500,000	1,970,550	300	4,413,076	293,260,098	0	1,970,550
2029	19,295,000	5,655,000	300		512,861,770	5,258,915	10,913,915
2030	1,460,000	5,655,000	287	30,771,706	765,272,375	20,968,097	26,623,097
2031	0	5,595,550	20		782,378,602	36,669,617	42,265,167
2032	0	423,400	0	46,942,716	829,321,318	54,716,975	55,140,375
2033	0	0	0		829,321,318	55,940,070	55,940,070
2034	0	0	0	49,759,279	879,080,598	59,296,474	59,296,474
2035	0	0	0		879,080,598	59,296,474	59,296,474
2036	0	0	0	52,744,836	931,825,433	62,854,263	62,854,263
2037	0	0	0		931,825,433	62,854,263	62,854,263
2038	0	0	0	55,909,526	987,734,959	66,625,518	66,625,518
2039	0	0	0		987,734,959	66,625,518	66,625,518
2040	0	0	0	59,264,098	1,046,999,057	70,623,050	70,623,050
2041	0	0	0		1,046,999,057	70,623,050	70,623,050
2042	0	0	0	62,819,943	1,109,819,000	74,860,433	74,860,433
2043	0	0	0		1,109,819,000	74,860,433	74,860,433
2044	0	0	0	66,589,140	1,176,408,140	79,352,059	79,352,059
2045	0	0	0		1,176,408,140	79,352,059	79,352,059
2046	0	0	0	70,584,488	1,246,992,629	84,113,182	84,113,182
2047	0	0	0		1,246,992,629	84,113,182	84,113,182
2048	0	0	0	74,819,558	1,321,812,187	89,159,973	89,159,973
2049	0	0	0		1,321,812,187	89,159,973	89,159,973
2050	0	0	0	79,308,731	1,401,120,918	94,509,571	94,509,571
2051	0	0	0		1,401,120,918	94,509,571	94,509,571
2052	0	0	0	84,067,255	1,485,188,173	100,180,146	100,180,146
2053	0	0	0		1,485,188,173	100,180,146	100,180,146
2054	0	0	0	89,111,290	1,574,299,463	106,190,954	106,190,954
2055	0	0	0		1,574,299,463	106,190,954	106,190,954
2056	0	0	0	94,457,968	1,668,757,431	112,562,412	112,562,412
2057	0	0	0		1,668,757,431	112,562,412	112,562,412
2058	0	0	0	100,125,446	1,768,882,877	119,316,156	119,316,156
2059	0	0	0		1,768,882,877	119,316,156	119,316,156
2060	0	0	0	106,132,973	1,875,015,849	126,475,126	126,475,126
2061	0	0	0		1,875,015,849	126,475,126	126,475,126
2062	0	0	0	112,500,951	1,987,516,800	134,063,633	134,063,633
2063	0	0	0		1,987,516,800	134,063,633	134,063,633
2064	0	0	0	119,251,008	2,106,767,808	142,107,451	142,107,451
2065	0	0	0		2,106,767,808	142,107,451	142,107,451
2066	0	0	0	126,406,069	2,233,173,877	150,633,898	150,633,898
2067	0	0	0		2,233,173,877	150,633,898	150,633,898
Total			1,010	1,485,980,057	-		
			.,	.,,,,,			
L	L						

1. Vacant land value calculated in year prior to construction as 10% of built-out market value



STERLING RANCH METROPOLITAN DISTRICT #4 **Revenue Calculation**

		District Mill Le	evy Revenue		Expe	Total	
	Assessed Value in Collection Year (2-year lag)	Debt Mill Levy 50.000 Cap 50.000 Target	Debt Mill Levy Collections	Specific Ownership Taxes 6.00%	County Treasurer Fee 1.50%	Annual Trustee Fee \$4,000	Revenue Available for Debt Service
2022							
2023	0	0.000	0	0	0	0	0
2024	0	0.000	0	0	0	0	0
2025	0	0.000	0	0	0	0	0
2026	0	0.000	0	0	0	0	0
2027	0	0.000	0	0	0	0	0
2028	1,970,550	50.000	98,528	5,912	(1,567)	(4,000)	98,873
2029	10,913,915	50.000	545,696	32,742	(8,677)	(4,000)	565,761
2030	26,623,097	50.000	1,331,155	79,869	(21,165)	(4,000)	1,385,859
2031 2032	42,265,167	50.000 50.000	2,113,258	126,795 165.421	(33,601)	(4,000)	2,202,453
2032	55,140,375		2,757,019	165,421	(43,837)	(4,000) (4,000)	2,874,603
2033	55,940,070 59,296,474	50.000 50.000	2,797,004 2,964,824	177,889	(44,472)	(4,000)	2,916,351 3,091,572
2034	59,296,474 59,296,474	50.000	2,964,824	177,889	(47,141) (47,141)	(4,000)	3,091,572
2035	62,854,263	50.000	3,142,713	188.563	(49,969)	(4,000)	3,091,372
2036	62,854,263	50.000	3,142,713	188,563	(49,969)	(4,000)	3,277,307
2037	66,625,518	50.000	3,331,276	199.877	(52,967)	(4,000)	3,474,185
2038	66,625,518	50.000	3,331,276	199,877	(52,967)	(4,000)	3,474,185
2033	70,623,050	50.000	3,531,152	211,869	(56,145)	(4,000)	3,682,876
2040	70,623,050	50.000	3,531,152	211,869	(56,145)	(4,000)	3,682,876
2041	74,860,433	50.000	3,743,022	224,581	(59,514)	(4,000)	3,904,089
2042	74,860,433	50.000	3,743,022	224,581	(59,514)	(4,000)	3,904,089
2043	79,352,059	50.000	3,967,603	238,056	(63,085)	(4,000)	4,138,574
2045	79,352,059	50.000	3,967,603	238,056	(63,085)	(4,000)	4,138,574
2046	84,113,182	50.000	4,205,659	252,340	(66,870)	(4,000)	4,387,129
2047	84,113,182	50.000	4,205,659	252,340	(66,870)	(4,000)	4,387,129
2048	89,159,973	50.000	4,457,999	267,480	(70,882)	(4,000)	4,650,596
2049	89,159,973	50.000	4,457,999	267,480	(70,882)	(4,000)	4,650,596
2050	94,509,571	50.000	4,725,479	283,529	(75,135)	(4,000)	4,929,872
2051	94,509,571	50.000	4,725,479	283,529	(75,135)	(4,000)	4,929,872
2052	100,180,146	50.000	5,009,007	300,540	(79,643)	(4,000)	5,225,905
2053	100,180,146	50.000	5,009,007	300,540	(79,643)	(4,000)	5,225,905
2054	106,190,954	50.000	5,309,548	318,573	(84,422)	(4,000)	5,539,699
2055	106,190,954	50.000	5,309,548	318,573	(84,422)	(4,000)	5,539,699
2056	112,562,412	50.000	5,628,121	337,687	(89,487)	(4,000)	5,872,321
2057	112,562,412	50.000	5,628,121	337,687	(89,487)	(4,000)	5,872,321
2058	119,316,156	50.000	5,965,808	357,948	(94,856)	(4,000)	6,224,900
2059	119,316,156	50.000	5,965,808	357,948	(94,856)	(4,000)	6,224,900
2060	126,475,126	50.000	6,323,756	379,425	(100,548)	(4,000)	6,598,634
2061	126,475,126	50.000	6,323,756	379,425	(100,548)	(4,000)	6,598,634
2062	134,063,633	50.000	6,703,182	402,191	(106,581)	(4,000)	6,994,792
2063	134,063,633	50.000	6,703,182	395,802	(106,485)	(4,000)	6,988,499
2064	142,107,451	50.000	7,105,373	419,550	(112,874)	(4,000)	7,408,049
2065	142,107,451	50.000	7,105,373	419,550	(112,874)	(4,000)	7,408,049
2066	150,633,898	50.000	7,531,695	444,723	(119,646)	(4,000)	7,852,772
2067	150,633,898	50.000	7,531,695	444,723	(119,646)	(4,000)	7,852,772
Total			176,935,089	10,581,814	(2,812,754)	(160,000)	184,544,149



STERLING RANCH METROPOLITAN DISTRICT #4 Senior Debt Service

[Total		Net Debt Service			S	enior Surplus Fund		Ratio A	nalysis
		Series 2027	Series 2037	l l			-			
	Revenue Available	Dated: 12/1/27	Dated: 12/1/37	Total	Funds on Hand	Annual	Cumulative	Released	Senior Debt to	Debt Service
	for Debt Service	Par: \$57,705,000	Par: \$85,600,000		as a Source	Surplus	Balance	Revenue	Assessed Value	Coverage
		Proj: \$42,423,900	Proj: \$35,148,250				\$8,560,000 Max			
			Esc: \$56,415,000	-						
2022	0									
2023 2024	0									
2025	0									
2026	0									
2027	0	0		0		0	0	0	n/a	n/a
2028	98,873	0		0		98,873	98,873	0	2928%	n/a
2029	565,761	0		0		565,761	664,634	0	529%	n/a
2030	1,385,859	0		0		1,385,859	2,050,492	0	217%	n/a
2031	2,202,453	2,885,250		2,885,250		(682,797)	1,367,695	0	137%	76%
2032	2,874,603	2,885,250		2,885,250		(10,647)	1,357,049	0	105%	100%
2033 2034	2,916,351 3,091,572	2,915,250 3,088,750		2,915,250 3,088,750		1,101 2,822	1,358,150 1,360,972	0 0	103% 97%	100% 100%
2034	3,091,572	3,088,500		3,088,500		3,072	1,364,045	0	97%	100%
2036	3,277,307	3,272,750		3,272,750		4,557	1,368,602	0	91%	100%
2037	3,277,307	3,272,250	0	3,272,250	\$1,370,000	(1,364,943)	3,658	0	90%	100%
2038	3,474,185	Ref'd by Ser. '37	3,424,000	3,424,000		50,185	53,844	0	128%	101%
2039	3,474,185		3,469,000	3,469,000		5,185	59,029	0	128%	100%
2040	3,682,876		3,682,200	3,682,200		676	59,705	0	121%	100%
2041	3,682,876		3,681,800	3,681,800		1,076	60,781	0	121%	100%
2042	3,904,089		3,901,000	3,901,000		3,089	63,870	0	114%	100%
2043	3,904,089		3,901,000	3,901,000		3,089	66,959	0	113%	100%
2044 2045	4,138,574 4,138,574		4,135,200 4,134,200	4,135,200 4,134,200		3,374 4,374	70,333 74,708	0 0	106% 105%	100% 100%
2045	4,387,129		4,134,200	4,134,200		5,129	79,836	0	98%	100%
2040	4,387,129		4,383,600	4,383,600		3,529	83,365	0	97%	100%
2048	4,650,596		4,648,400	4,648,400		2,196	85,561	0	90%	100%
2049	4,650,596		4,645,800	4,645,800		4,796	90,358	0	88%	100%
2050	4,929,872		4,926,000	4,926,000		3,872	94,230	0	82%	100%
2051	4,929,872		4,927,600	4,927,600		2,272	96,502	0	80%	100%
2052	5,225,905		5,221,200	5,221,200		4,705	101,207	0	73%	100%
2053	5,225,905		5,225,000	5,225,000		905	102,111	0	71%	100%
2054	5,539,699		5,535,000	5,535,000		4,699	106,810	0	65%	100%
2055 2056	5,539,699 5,872,321		5,538,800 5,868,000	5,538,800 5,868,000		899 4,321	107,709 112,029	0 0	62% 56%	100% 100%
2056	5,872,321		5,869,400	5,868,000		4,321 2,921	112,029	0	53%	100%
2057	6,224,900		6,220,400	6,220,400		4,500	119,450	0	47%	100%
2059	6,224,900		6,221,800	6,221,800		3,100	122,550	0	44%	100%
2060	6,598,634		6,596,800	6,596,800		1,834	124,384	0	38%	100%
2061	6,598,634		6,595,200	6,595,200		3,434	127,818	0	34%	100%
2062	6,994,792		6,991,200	6,991,200		3,592	131,410	0	29%	100%
2063	6,988,499		6,993,600	6,993,600		(5,101)	126,308	0	25%	#REF!
2064	7,408,049		7,412,200	7,412,200		(4,151)	122,157	0	19%	#REF!
2065	7,408,049		7,410,000	7,410,000		(1,951)	120,206	0	15%	#REF!
2066 2067	7,852,772		7,857,800	7,857,800 7,857,200		(5,028)	115,177 0	0 110,749	10% 5%	#REF! #REF!
2007	7,852,772		7,857,200	7,857,200		(4,428)	U	110,749	5%	#KEF!
Total	184,544,149	21,408,000	161,655,400	183,063,400	1,370,000	110,749		110,749		
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1/18/2023



STERLING RANCH METROPOLITAN DISTRICT #4

Operations Projection

	Total	Operations Revenue				Total	Total Mills
	Assessed Value in Collection Year (2-year lag)	Operations Mill Levy 15.000 Target	Ops Mill Levy Collections 100%	Specific Ownership Taxes 6%	County Treasurer Fee 1.50%	Revenue Available for Operations	Total District Mills
2022							
2022							
2020							
2025							
2026							
2027	0	15.000	0	0	0	0	15.000
2028	1,970,550	15.000	29,558	1,773	(470)	30,862	65.000
2029	10,913,915	15.000	163,709	9,823	(2,603)	170,928	65.000
2030	26,623,097	15.000	399,346	23,961	(6,350)	416,958	65.000
2031	42,265,167	15.000	633,977	38,039	(10,080)	661,936	65.000
2032	55,140,375	15.000	827,106	49,626	(13,151)	863,581	65.000
2033	55,940,070	15.000	839,101	50,346	(13,342)	876,105	65.000
2034	59,296,474	15.000	889,447	53,367	(14,142)	928,672	65.000
2035	59,296,474	15.000	889,447	53,367	(14,142)	928,672	65.000
2036	62,854,263	15.000	942,814	56,569	(14,991)	984,392	65.000
2037	62,854,263	15.000	942,814	56,569	(14,991)	984,392	65.000
2038	66,625,518	15.000	999,383	59,963	(15,890)	1,043,456	65.000
2039	66,625,518	15.000	999,383	59,963	(15,890)	1,043,456	65.000
2040	70,623,050	15.000	1,059,346	63,561	(16,844)	1,106,063	65.000
2041	70,623,050	15.000	1,059,346	63,561	(16,844)	1,106,063	65.000
2042	74,860,433	15.000	1,122,906	67,374	(17,854)	1,172,427	65.000
2043	74,860,433	15.000	1,122,906	67,374	(17,854)	1,172,427	65.000
2044	79,352,059	15.000	1,190,281	71,417	(18,925)	1,242,772	65.000
2045	79,352,059	15.000	1,190,281	71,417	(18,925)	1,242,772	65.000
2046	84,113,182	15.000	1,261,698	75,702	(20,061)	1,317,339	65.000
2047	84,113,182	15.000	1,261,698	75,702	(20,061)	1,317,339	65.000
2048	89,159,973	15.000	1,337,400	80,244	(21,265)	1,396,379	65.000
2049	89,159,973	15.000	1,337,400	80,244	(21,265)	1,396,379	65.000
2050	94,509,571	15.000	1,417,644	85,059	(22,541)	1,480,162	65.000
2051	94,509,571	15.000	1,417,644	85,059	(22,541)	1,480,162	65.000
2052	100,180,146	15.000	1,502,702	90,162	(23,893)	1,568,971	65.000
2053	100,180,146	15.000	1,502,702	90,162	(23,893)	1,568,971	65.000
2054	106,190,954	15.000	1,592,864	95,572	(25,327)	1,663,110	65.000
2055	106,190,954	15.000	1,592,864	95,572	(25,327)	1,663,110	65.000
2056	112,562,412	15.000	1,688,436	101,306	(26,846)	1,762,896	65.000
2057	112,562,412	15.000	1,688,436	101,306	(26,846)	1,762,896	65.000
2058	119,316,156	15.000	1,789,742	107,385	(28,457)	1,868,670	65.000
2059	119,316,156	15.000	1,789,742	107,385	(28,457)	1,868,670	65.000
2060	126,475,126	15.000	1,897,127	113,828	(30,164)	1,980,790	65.000
2061	126,475,126	15.000	1,897,127	113,828	(30,164)	1,980,790	65.000
2062	134,063,633	15.000	2,010,954	120,657	(31,974)	2,099,638	65.000
2063	134,063,633	15.000	2,010,954	120,657	(31,974)	2,099,638	65.000
2064	142,107,451	15.000	2,131,612	127,897	(33,893)	2,225,616	65.000
2065	142,107,451	15.000	2,131,612	127,897	(33,893)	2,225,616	65.000
2066	150,633,898	15.000	2,259,508	135,571	(35,926)	2,359,153	65.000
2067	150,633,898	15.000	2,259,508	135,571	(35,926)	2,359,153	65.000
Total			53,080,527	3,184,832	(843,980)	55,421,378	



SOURCES AND USES OF FUNDS

STERLING RANCH METROPOLITAN DISTRICT #4 EL PASO COUNTY, COLORADO GENERAL OBLIGATION BONDS, SERIES 2027 50.00 (target) Mills Non-Rated, 100x, 30-yr. Maturity

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

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Dated Date Delivery Date 12/01/2027 12/01/2027

#### Sources:

| Bond Proceeds: |               |
|----------------|---------------|
| Par Amount     | 57,705,000.00 |
|                | 57,705,000.00 |

| Uses:                                                                          |                                                      |
|--------------------------------------------------------------------------------|------------------------------------------------------|
| Project Fund Deposits:<br>Project Fund                                         | 42,423,900.00                                        |
| Other Fund Deposits:<br>Capitalized Interest Fund<br>Debt Service Reserve Fund | 8,655,750.00<br><u>5,221,250.00</u><br>13,877,000.00 |
| Cost of Issuance:<br>Cost of Issuance                                          | 250,000.00                                           |
| Delivery Date Expenses:<br>Underwriter's Discount                              | 1,154,100.00                                         |
|                                                                                | 57,705,000.00                                        |



## BOND SUMMARY STATISTICS

### STERLING RANCH METROPOLITAN DISTRICT #4 EL PASO COUNTY, COLORADO GENERAL OBLIGATION BONDS, SERIES 2027 50.00 (target) Mills Non-Rated, 100x, 30-yr. Maturity

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

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Dated Date	12/01/2027
Delivery Date	12/01/2027
First Coupon	06/01/2028
Last Maturity	12/01/2057
Arbitrage Yield	5.000000%
True Interest Cost (TIC)	5.149025%
Net Interest Cost (NIC)	5.000000%
All-In TIC	5.181889%
Average Coupon	5.000000%
Average Life (years)	23.960
Weighted Average Maturity (years)	23.960
Duration of Issue (years)	13.843
Par Amount	57,705,000.00
Bond Proceeds	57,705,000.00
Total Interest	69,130,250.00
Net Interest	70,284,350.00
Bond Years from Dated Date	1,382,605,000.00
Bond Years from Delivery Date	1,382,605,000.00
Total Debt Service	126,835,250.00
Maximum Annual Debt Service	11,093,250.00
Average Annual Debt Service	4,227,841.67
Underwriter's Fees (per \$1000) Average Takedown Other Fee	20.00000
Total Underwriter's Discount	20.000000
Bid Price	98.00000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Term Bond due 2057	57,705,000.00	100.000	5.000%	23.960	11/16/2051	89,442.75
	57,705,000.00			23.960		89,442.75

	TIC	All-In TIC	Arbitrage Yield
Par Value + Accrued Interest + Premium (Discount)	57,705,000.00	57,705,000.00	57,705,000.00
- Underwriter's Discount - Cost of Issuance Expense - Other Amounts	-1,154,100.00	-1,154,100.00 -250,000.00	
Target Value	56,550,900.00	56,300,900.00	57,705,000.00
Target Date Yield	12/01/2027 5.149025%	12/01/2027 5.181889%	12/01/2027 5.000000%



NET DEBT SERVICE

STERLING RANCH METROPOLITAN DISTRICT #4 EL PASO COUNTY, COLORADO GENERAL OBLIGATION BONDS, SERIES 2027 50.00 (target) Mills Non-Rated, 100x, 30-yr. Maturity (SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)

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| Period<br>Ending | Principal     | Interest      | Total<br>Debt Service | Debt Service<br>Reserve Fund | Capitalized<br>Interest Fund | Net<br>Debt Service |
|------------------|---------------|---------------|-----------------------|------------------------------|------------------------------|---------------------|
| 12/01/2028       |               | 2,885,250.00  | 2,885,250.00          |                              | 2,885,250.00                 |                     |
| 12/01/2029       |               | 2,885,250.00  | 2,885,250.00          |                              | 2,885,250.00                 |                     |
| 12/01/2030       |               | 2,885,250.00  | 2,885,250.00          |                              | 2,885,250.00                 |                     |
| 12/01/2031       |               | 2,885,250.00  | 2,885,250.00          |                              | , ,                          | 2,885,250.00        |
| 12/01/2032       |               | 2,885,250.00  | 2,885,250.00          |                              |                              | 2,885,250.00        |
| 12/01/2033       | 30,000.00     | 2,885,250.00  | 2,915,250.00          |                              |                              | 2,915,250.00        |
| 12/01/2034       | 205,000.00    | 2,883,750.00  | 3,088,750.00          |                              |                              | 3,088,750.00        |
| 12/01/2035       | 215,000.00    | 2,873,500.00  | 3,088,500.00          |                              |                              | 3,088,500.00        |
| 12/01/2036       | 410,000.00    | 2,862,750.00  | 3,272,750.00          |                              |                              | 3,272,750.00        |
| 12/01/2037       | 430,000.00    | 2,842,250.00  | 3,272,250.00          |                              |                              | 3,272,250.00        |
| 12/01/2038       | 650,000.00    | 2,820,750.00  | 3,470,750.00          |                              |                              | 3,470,750.00        |
| 12/01/2039       | 685,000.00    | 2,788,250.00  | 3,473,250.00          |                              |                              | 3,473,250.00        |
| 12/01/2040       | 925,000.00    | 2,754,000.00  | 3,679,000.00          |                              |                              | 3,679,000.00        |
| 12/01/2041       | 975,000.00    | 2,707,750.00  | 3,682,750.00          |                              |                              | 3,682,750.00        |
| 12/01/2042       | 1,240,000.00  | 2,659,000.00  | 3,899,000.00          |                              |                              | 3,899,000.00        |
| 12/01/2043       | 1,305,000.00  | 2,597,000.00  | 3,902,000.00          |                              |                              | 3,902,000.00        |
| 12/01/2044       | 1,605,000.00  | 2,531,750.00  | 4,136,750.00          |                              |                              | 4,136,750.00        |
| 12/01/2045       | 1,685,000.00  | 2,451,500.00  | 4,136,500.00          |                              |                              | 4,136,500.00        |
| 12/01/2046       | 2,015,000.00  | 2,367,250.00  | 4,382,250.00          |                              |                              | 4,382,250.00        |
| 12/01/2047       | 2,120,000.00  | 2,266,500.00  | 4,386,500.00          |                              |                              | 4,386,500.00        |
| 12/01/2048       | 2,485,000.00  | 2,160,500.00  | 4,645,500.00          |                              |                              | 4,645,500.00        |
| 12/01/2049       | 2,610,000.00  | 2,036,250.00  | 4,646,250.00          |                              |                              | 4,646,250.00        |
| 12/01/2050       | 3,020,000.00  | 1,905,750.00  | 4,925,750.00          |                              |                              | 4,925,750.00        |
| 12/01/2051       | 3,170,000.00  | 1,754,750.00  | 4,924,750.00          |                              |                              | 4,924,750.00        |
| 12/01/2052       | 3,625,000.00  | 1,596,250.00  | 5,221,250.00          |                              |                              | 5,221,250.00        |
| 12/01/2053       | 3,810,000.00  | 1,415,000.00  | 5,225,000.00          |                              |                              | 5,225,000.00        |
| 12/01/2054       | 4,310,000.00  | 1,224,500.00  | 5,534,500.00          |                              |                              | 5,534,500.00        |
| 12/01/2055       | 4,530,000.00  | 1,009,000.00  | 5,539,000.00          |                              |                              | 5,539,000.00        |
| 12/01/2056       | 5,085,000.00  | 782,500.00    | 5,867,500.00          |                              |                              | 5,867,500.00        |
| 12/01/2057       | 10,565,000.00 | 528,250.00    | 11,093,250.00         | 5,221,250.00                 |                              | 5,872,000.00        |
|                  | 57,705,000.00 | 69,130,250.00 | 126,835,250.00        | 5,221,250.00                 | 8,655,750.00                 | 112,958,250.00      |



## BOND SOLUTION

### STERLING RANCH METROPOLITAN DISTRICT #4 EL PASO COUNTY, COLORADO GENERAL OBLIGATION BONDS, SERIES 2027 50.00 (target) Mills Non-Rated, 100x, 30-yr. Maturity (SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)

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Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Service Coverage
12/01/2028		2,885,250	-2,885,250		98,873	98,873	
12/01/2029		2,885,250	-2,885,250		565,761	565,761	
12/01/2030		2,885,250	-2,885,250		1,385,859	1,385,859	
12/01/2031		2,885,250	,,	2,885,250	2,202,453	-682,797	76.33%
12/01/2032		2,885,250		2,885,250	2,874,603	-10,647	99.63%
12/01/2033	30.000	2,915,250		2,915,250	2,916,351	1,101	100.04%
12/01/2034	205,000	3,088,750		3,088,750	3,091,572	2,822	100.09%
12/01/2035	215,000	3,088,500		3,088,500	3.091.572	3,072	100.10%
12/01/2036	410,000	3,272,750		3,272,750	3,277,307	4,557	100.14%
12/01/2037	430,000	3,272,250		3,272,250	3.277.307	5,057	100.15%
12/01/2038	650,000	3,470,750		3,470,750	3,474,185	3,435	100.10%
12/01/2039	685,000	3,473,250		3,473,250	3,474,185	935	100.03%
12/01/2040	925,000	3,679,000		3,679,000	3,682,876	3,876	100.11%
12/01/2041	975,000	3,682,750		3,682,750	3,682,876	126	100.00%
12/01/2042	1,240,000	3,899,000		3,899,000	3,904,089	5,089	100.13%
12/01/2043	1,305,000	3,902,000		3,902,000	3,904,089	2,089	100.05%
12/01/2044	1,605,000	4,136,750		4,136,750	4,138,574	1,824	100.04%
12/01/2045	1,685,000	4,136,500		4,136,500	4,138,574	2,074	100.05%
12/01/2046	2,015,000	4,382,250		4,382,250	4,387,129	4,879	100.11%
12/01/2047	2,120,000	4,386,500		4,386,500	4,387,129	629	100.01%
12/01/2048	2,485,000	4,645,500		4,645,500	4,650,596	5,096	100.11%
12/01/2049	2,610,000	4,646,250		4,646,250	4,650,596	4,346	100.09%
12/01/2050	3,020,000	4,925,750		4,925,750	4,929,872	4,122	100.08%
12/01/2051	3,170,000	4.924.750		4,924,750	4,929,872	5,122	100.10%
12/01/2052	3,625,000	5,221,250		5,221,250	5,225,905	4,655	100.09%
12/01/2053	3,810,000	5.225.000		5,225,000	5.225.905	905	100.02%
12/01/2054	4,310,000	5,534,500		5,534,500	5,539,699	5,199	100.09%
12/01/2055	4,530,000	5.539.000		5,539,000	5,539,699	699	100.01%
12/01/2056	5,085,000	5,867,500		5,867,500	5,872,321	4,821	100.08%
12/01/2057	10,565,000	11,093,250	-5,221,250	5,872,000	5,872,321	321	100.01%
	57,705,000	126,835,250	-13,877,000	112,958,250	114,392,150	1,433,900	



SOURCES AND USES OF FUNDS

STERLING RANCH METROPOLITAN DISTRICT #4 EL PASO COUNTY, COLORADO GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS, SERIES 2037 Pay & Cancel Refunding of (proposed) Series 2027 + New Money 50.00 (target) Mills Assumes Investment Grade, 100x, 30-yr. Maturity (SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)

Dated Date 12/01/2037 Delivery Date 12/01/2037 Sources: Bond Proceeds: Par Amount 85,600,000.00 Other Sources of Funds: 1,370,000.00 Funds on Hand* SERIES 2027 - DSRF* 5,221,250.00 6,591,250.00 92,191,250.00 Uses: Project Fund Deposits: Project Fund 35,148,250.00 Refunding Escrow Deposits: Cash Deposit 56,415,000.00 Cost of Issuance: 200,000.00 Cost of Issuance Delivery Date Expenses: Underwriter's Discount 428,000.00 92,191,250.00

[*] Estimated balances (tbd).



BOND SUMMARY STATISTICS

STERLING RANCH METROPOLITAN DISTRICT #4 EL PASO COUNTY, COLORADO GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS, SERIES 2037 Pay & Cancel Refunding of (proposed) Series 2027 + New Money 50.00 (target) Mills Assumes Investment Grade, 100x, 30-yr. Maturity (SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)

Average Takedown Other Fee Total Underwriter's Discount Bid Price	5.000000 5.000000 99.500000
Par Amount Bond Proceeds Total Interest Net Interest Bond Years from Dated Date Bond Years from Delivery Date Total Debt Service Maximum Annual Debt Service Average Annual Debt Service Underwriter's Fees (per \$1000)	$\begin{array}{c} 85,600,000.00\\ 85,600,000.00\\ 76,055,400.00\\ 76,483,400.00\\ 1,901,385,000.00\\ 1,901,385,000.00\\ 161,655,400.00\\ 7,857,800.00\\ 5,388,513.33\end{array}$
All-In TIC	4.051690%
Average Coupon	4.000000%
Average Life (years)	22.212
Weighted Average Maturity (years)	22.212
Duration of Issue (years)	14.525
Arbitrage Yield	4.000000%
True Interest Cost (TIC)	4.035171%
Net Interest Cost (NIC)	4.000000%
Dated Date	12/01/2037
Delivery Date	12/01/2037
First Coupon	06/01/2038
Last Maturity	12/01/2067

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Term Bond due 2067	85,600,000.00	100.000	4.000%	22.212	02/17/2060	148,944.00
	85,600,000.00			22.212		148,944.00

	TIC	All-In TIC	Arbitrage Yield
Par Value + Accrued Interest	85,600,000.00	85,600,000.00	85,600,000.00
+ Premium (Discount) - Underwriter's Discount - Cost of Issuance Expense - Other Amounts	-428,000.00	-428,000.00 -200,000.00	
Target Value	85,172,000.00	84,972,000.00	85,600,000.00
Target Date Yield	12/01/2037 4.035171%	12/01/2037 4.051690%	12/01/2037 4.000000%



NET DEBT SERVICE

Period Ending	Principal	Interest	Total Debt Service	Net Debt Service
12/01/2038		3,424,000.00	3,424,000.00	3,424,000.00
12/01/2039	45,000.00	3,424,000.00	3,469,000.00	3,469,000.00
12/01/2040	260,000.00	3,422,200.00	3,682,200.00	3,682,200.00
12/01/2041	270,000.00	3,411,800.00	3,681,800.00	3,681,800.00
12/01/2042	500,000.00	3,401,000.00	3,901,000.00	3,901,000.00
12/01/2043	520,000.00	3,381,000.00	3,901,000.00	3,901,000.00
12/01/2044	775,000.00	3,360,200.00	4,135,200.00	4,135,200.00
12/01/2045	805,000.00	3,329,200.00	4,134,200.00	4,134,200.00
12/01/2046	1,085,000.00	3,297,000.00	4,382,000.00	4,382,000.00
12/01/2047	1,130,000.00	3,253,600.00	4,383,600.00	4,383,600.00
12/01/2048	1,440,000.00	3,208,400.00	4,648,400.00	4,648,400.00
12/01/2049	1,495,000.00	3,150,800.00	4,645,800.00	4,645,800.00
12/01/2050	1,835,000.00	3,091,000.00	4,926,000.00	4,926,000.00
12/01/2051	1,910,000.00	3,017,600.00	4,927,600.00	4,927,600.00
12/01/2052	2,280,000.00	2,941,200.00	5,221,200.00	5,221,200.00
12/01/2053	2,375,000.00	2,850,000.00	5,225,000.00	5,225,000.00
12/01/2054	2,780,000.00	2,755,000.00	5,535,000.00	5,535,000.00
12/01/2055	2,895,000.00	2,643,800.00	5,538,800.00	5,538,800.00
12/01/2056	3,340,000.00	2,528,000.00	5,868,000.00	5,868,000.00
12/01/2057	3,475,000.00	2,394,400.00	5,869,400.00	5,869,400.00
12/01/2058	3,965,000.00	2,255,400.00	6,220,400.00	6,220,400.00
12/01/2059	4,125,000.00	2,096,800.00	6,221,800.00	6,221,800.00
12/01/2060	4,665,000.00	1,931,800.00	6,596,800.00	6,596,800.00
12/01/2061	4,850,000.00	1,745,200.00	6,595,200.00	6,595,200.00
12/01/2062	5,440,000.00	1,551,200.00	6,991,200.00	6,991,200.00
12/01/2063	5,660,000.00	1,333,600.00	6,993,600.00	6,993,600.00
12/01/2064	6,305,000.00	1,107,200.00	7,412,200.00	7,412,200.00
12/01/2065	6,555,000.00	855,000.00	7,410,000.00	7,410,000.00
12/01/2066	7,265,000.00	592,800.00	7,857,800.00	7,857,800.00
12/01/2067	7,555,000.00	302,200.00	7,857,200.00	7,857,200.00
	85,600,000.00	76,055,400.00	161,655,400.00	161,655,400.00



SUMMARY OF BONDS REFUNDED

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
12/9/22: Ser 27 NR S	SP, 5.00%, 100x, 50	.00mls, FG+6%	BiRE:		
TERM57	12/01/2038	5.000%	650,000.00	12/01/2037	100.000
	12/01/2039	5.000%	685,000.00	12/01/2037	100.000
	12/01/2040	5.000%	925,000.00	12/01/2037	100.000
	12/01/2041	5.000%	975,000.00	12/01/2037	100.000
	12/01/2042	5.000%	1,240,000.00	12/01/2037	100.000
	12/01/2043	5.000%	1,305,000.00	12/01/2037	100.000
	12/01/2044	5.000%	1,605,000.00	12/01/2037	100.000
	12/01/2045	5.000%	1,685,000.00	12/01/2037	100.000
	12/01/2046	5.000%	2,015,000.00	12/01/2037	100.000
	12/01/2047	5.000%	2,120,000.00	12/01/2037	100.000
	12/01/2048	5.000%	2,485,000.00	12/01/2037	100.000
	12/01/2049	5.000%	2,610,000.00	12/01/2037	100.000
	12/01/2050	5.000%	3,020,000.00	12/01/2037	100.000
	12/01/2051	5.000%	3,170,000.00	12/01/2037	100.000
	12/01/2052	5.000%	3,625,000.00	12/01/2037	100.000
	12/01/2053	5.000%	3,810,000.00	12/01/2037	100.000
	12/01/2054	5.000%	4,310,000.00	12/01/2037	100.000
	12/01/2055	5.000%	4,530,000.00	12/01/2037	100.000
	12/01/2056	5.000%	5,085,000.00	12/01/2037	100.000
	12/01/2057	5.000%	10,565,000.00	12/01/2037	100.000
			56,415,000.00		



ESCROW REQUIREMENTS

Dated Da Delivery [12/01/2037 12/01/2037		
Period Ending	Principal Redeemed	Total		
12/01/2037	56,415,000.00	56,415,000.00		
	56,415,000.00	56,415,000.00		



PRIOR BOND DEBT SERVICE

Period Ending	Principal	Coupon	Interest	Debt Service
12/01/2038	650,000.00	5.000%	2,820,750.00	3,470,750.00
12/01/2039	685,000.00	5.000%	2,788,250.00	3,473,250.00
12/01/2040	925,000.00	5.000%	2,754,000.00	3,679,000.00
12/01/2041	975,000.00	5.000%	2,707,750.00	3,682,750.00
12/01/2042	1,240,000.00	5.000%	2,659,000.00	3,899,000.00
12/01/2043	1,305,000.00	5.000%	2,597,000.00	3,902,000.00
12/01/2044	1,605,000.00	5.000%	2,531,750.00	4,136,750.00
12/01/2045	1,685,000.00	5.000%	2,451,500.00	4,136,500.00
12/01/2046	2,015,000.00	5.000%	2,367,250.00	4,382,250.00
12/01/2047	2,120,000.00	5.000%	2,266,500.00	4,386,500.00
12/01/2048	2,485,000.00	5.000%	2,160,500.00	4,645,500.00
12/01/2049	2,610,000.00	5.000%	2,036,250.00	4,646,250.00
12/01/2050	3,020,000.00	5.000%	1,905,750.00	4,925,750.00
12/01/2051	3,170,000.00	5.000%	1,754,750.00	4,924,750.00
12/01/2052	3,625,000.00	5.000%	1,596,250.00	5,221,250.00
12/01/2053	3,810,000.00	5.000%	1,415,000.00	5,225,000.00
12/01/2054	4,310,000.00	5.000%	1,224,500.00	5,534,500.00
12/01/2055	4,530,000.00	5.000%	1,009,000.00	5,539,000.00
12/01/2056	5,085,000.00	5.000%	782,500.00	5,867,500.00
12/01/2057	10,565,000.00	5.000%	528,250.00	11,093,250.00
	56,415,000.00		40,356,500.00	96,771,500.00



BOND SOLUTION

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Service Coverage
12/01/2038		3,424,000	3,424,000	3,474,185	50,185	101.47%
12/01/2039	45,000	3,469,000	3,469,000	3,474,185	5,185	100.15%
12/01/2040	260,000	3,682,200	3,682,200	3,682,876	676	100.02%
12/01/2041	270,000	3,681,800	3,681,800	3,682,876	1,076	100.03%
12/01/2042	500,000	3,901,000	3,901,000	3,904,089	3,089	100.08%
12/01/2043	520,000	3,901,000	3,901,000	3,904,089	3,089	100.08%
12/01/2044	775,000	4,135,200	4,135,200	4,138,574	3,374	100.08%
12/01/2045	805,000	4,134,200	4,134,200	4,138,574	4,374	100.11%
12/01/2046	1,085,000	4,382,000	4,382,000	4,387,129	5,129	100.12%
12/01/2047	1,130,000	4,383,600	4,383,600	4,387,129	3,529	100.08%
12/01/2048	1,440,000	4,648,400	4,648,400	4,650,596	2,196	100.05%
12/01/2049	1,495,000	4,645,800	4,645,800	4,650,596	4,796	100.10%
12/01/2050	1,835,000	4,926,000	4,926,000	4,929,872	3,872	100.08%
12/01/2051	1,910,000	4,927,600	4,927,600	4,929,872	2,272	100.05%
12/01/2052	2,280,000	5,221,200	5,221,200	5,225,905	4,705	100.09%
12/01/2053	2,375,000	5,225,000	5,225,000	5,225,905	905	100.02%
12/01/2054	2,780,000	5,535,000	5,535,000	5,539,699	4,699	100.08%
12/01/2055	2,895,000	5,538,800	5,538,800	5,539,699	899	100.02%
12/01/2056	3,340,000	5,868,000	5,868,000	5,872,321	4,321	100.07%
12/01/2057	3,475,000	5,869,400	5,869,400	5,872,321	2,921	100.05%
12/01/2058	3,965,000	6,220,400	6,220,400	6,224,900	4,500	100.07%
12/01/2059	4,125,000	6,221,800	6,221,800	6,224,900	3,100	100.05%
12/01/2060	4,665,000	6,596,800	6,596,800	6,598,634	1,834	100.03%
12/01/2061	4,850,000	6,595,200	6,595,200	6,598,634	3,434	100.05%
12/01/2062	5,440,000	6,991,200	6,991,200	6,994,792	3,592	100.05%
12/01/2063	5,660,000	6,993,600	6,993,600	6,994,888	1,288	100.02%
12/01/2064	6,305,000	7,412,200	7,412,200	7,414,821	2,621	100.04%
12/01/2065	6,555,000	7,410,000	7,410,000	7,414,821	4,821	100.07%
12/01/2066	7,265,000	7,857,800	7,857,800	7,859,950	2,150	100.03%
12/01/2067	7,555,000	7,857,200	7,857,200	7,859,950	2,750	100.04%
	85,600,000	161,655,400	161,655,400	161,796,782	141,382	



January 18, 2023

Proposed Sterling Ranch Metropolitan District No. 5 Attention: Russ Dykstra, Esq. Spencer Fane LLP 1700 Lincoln Street, Suite 2000 Denver, CO 80203

RE: Proposed Sterling Ranch Metropolitan District No. 5

We have analyzed the bonding capacity for the proposed Sterling Ranch Metropolitan District No. 5 (the "District"). The analysis presented herein summarizes information provided on behalf of Classic Homes (the "Developer") and does not include independent verification of the accuracy of development information or assumptions.

Plan Assumptions

The following assumptions have been provided by the Developer and form the basis of the analysis. All prices below reflect 2022 market values.

1. The residential development is comprised of 598 residential units projected to be completed between 2031 and 2033. Overall, approximately 280 units are projected to be completed in 2031, approximately 278 units are projected to be completed in 2032, and 40 units are projected to be completed in 2033. The average price is modeled at \$784,114 with a 1% annual inflation rate.

Bond Assumptions

- 1. The residential debt service mill levy target is 50 mills beginning in tax collection year 2031.
- 2. The District is modeled to issue senior bonds in December 2030 in the estimated principal amount of \$43,375,000 and an interest rate of 5.00%. At issuance, it is projected that the District will fund \$250,000 in costs of issuance, \$6,506,250 in capitalized interest, and \$3,973,708 in a Debt Service Reserve Fund from bond proceeds, which constitutes 9.20% of the total 2030 senior bond amount. The Underwriter's discount is modeled as 2% of the principal amount of the senior bonds. The remaining \$31,777,542 is projected to be deposited to the District's project fund to install or pay for the installation of public infrastructure benefiting the District.
 - a. Specific Ownership Tax revenues have been calculated based on applying a factor of 6% to annual property tax revenues.
 - b. It is projected that 98.5% of property taxes levied will be collected and available to the District.
 - c. It is projected that there will be a 6% biennial inflation rate on assessed valuation within the District. The bonding capacity could be higher if the rate of assessment inflation is greater, or lower if the inflation rate is below 6%.

Refinancing Assumptions

- The District is modeled to issue refunding bonds in December 2040 in the estimated principal amount of \$64,335,000, plus estimated funds on hand of \$5,228,708, at an interest rate of 4.00%. At issuance, it is projected that the District will fund \$42,355,000 to refund the Series 2030 bonds and pay for \$200,000 in costs of issuance. The Underwriter's discount is modeled as 0.50% of the principal amount for investment grade senior bonds. The remaining \$26,472,583 is projected to be deposited to the District's project fund to install or pay for the installation of public infrastructure benefiting the District.
 - a. Specific Ownership Tax revenues have been calculated based on applying a factor of 6% to annual property tax revenues.
 - b. It is projected that 98.5% of property taxes levied will be collected and available to the District.
 - c. It is projected that there will be a 2% biennial inflation rate on assessed valuation within the District. The bonding capacity could be higher if the rate of assessment inflation is greater, or lower if the inflation rate is below 2%.
 - d. It is projected that the senior bonds will include an investment grade rating.

Estimate of Revenue Projections for first 10 years

The debt service mill levy collection revenues over the first 10 years total \$19,125,608, plus an additional \$1,147,537 in specific ownership taxes associated with the debt levy, for a total of \$20,273,145.

The operations mill levy (maximum of 15 mills) collection revenues total \$4,279,756 plus an additional \$256,786 in specific ownership taxes associated with the Operations levy for a total of \$4,536,542.

Based upon the development assumptions provided and the financial assumptions contained in the attached projected Financing Plan, the projected revenue is sufficient to retire all Debt referenced in the Financing Plan within the restrictions set forth in the District's Service Plan, including but not limited to the maximum debt mill levies and maximum maturity period.

Risks Associated with the Bond Financing

Risks to Tax Payers:

- Development is slower than anticipated
- Biennial inflation on assessed values is less than 6%
- District imposes Maximum Debt Mill Levy as described in the Service Plan

The primary risk to tax payers is that the District issues bonds to finance infrastructure and then the absorption of additional property, or its valuation by the Assessor, lags modeled expectations. If that occurs, then the Districts may need to levy the Maximum Debt Mill Levy as described in the Service Plan and would not be able to reduce the levy for a longer period of time.

Risks to Bondholders:

- Development is slower than anticipated
- Biennial inflation on assessed values is less than 6%

- Assurance of the continuation of development is not assured
- Reliance on Federal Tax Code and State laws governing municipal finance and special districts

The primary risk to bondholders is the development does not occur as fast as originally projected and that the revenues generated from the Maximum Debt Mill Levy as described in the Service Plan are not sufficient to meet the Districts' financial obligations. These risks are mitigated by funding a capitalized interest and surplus fund at closing. In addition, these bonds are anticipated to be marketed only to sophisticated investors who understand the risks involved in the transaction.

Disclosures

It is contemplated that D.A. Davidson will provide investment banking services to the District in connection with its future bond financings or other borrowings. D.A. Davidson is not acting as a financial advisor to the District.

The assumptions disclosed in the Financial Plan are those of the Developer and have not been independently reviewed by D.A. Davidson. Those assumptions identified are believed to be the significant factors in determining financial feasibility; however, they are likely not to be all-inclusive. There will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as projected, and those differences may be material. Key assumptions, including those relating to market values of real property improvements and the build out schedule of such property, are particularly sensitive in terms of the timing necessary to create the tax base for the District. A small variation in these variables, and to their timing, can have a large effect on the forecasted results. There is a high probability that the forecasted results will differ from realized future tax base factors and such variations can be material. Additionally, other key assumptions relating to inflation, assessment ratios, interest rates, and infrastructure, administrative, and operating costs may, and likely will, vary from those projected.

Because D.A. Davidson has not independently evaluated or reviewed the assumptions that the financial model is based upon, we do not vouch for the achievability (and disclaim any opinion) of the information provided. Furthermore, because of the inherent nature of future events, which are subject to change and variation as events and circumstances change, the actual results may vary materially from the results presented here. D.A. Davidson has no responsibility or obligation to update this information or this financial model for events occurring after the date of this report.

Respectfully submitted,

D.A. DAVIDSON & CO. FIXED INCOME CAPITAL MARKETS

Jan Am

Laci Knowles Managing Director, Public Finance

STERLING RANCH METROPOLITAN DISTRICT #5 El Paso County, Colorado

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### GENERAL OBLIGATION BONDS, SERIES 2030 GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS, SERIES 2040

#### SERVICE PLAN

| Bond Assumptions                   | Series 2030  | Series 2040  | Tota         |
|------------------------------------|--------------|--------------|--------------|
| Closing Date                       | 12/1/2030    | 12/1/2040    |              |
| First Call Date                    | 12/1/2030    | 12/1/2040    |              |
| Final Maturity                     | 12/1/2000    | 12/1/2030    |              |
| Final Maturity                     | 12/1/2000    | 12/1/2070    |              |
| Sources of Funds                   |              |              |              |
| Par Amount                         | 43,375,000   | 64,335,000   | 107,710,000  |
| Funds on Hand                      | 0            | 5,228,708    | 5,228,708    |
| Total                              | 43,375,000   | 69,563,708   | 112,938,708  |
| Uses of Funds                      |              |              |              |
| Project Fund                       | \$31,777,542 | \$26,472,583 | \$58,250,125 |
| Refunding Escrow                   | 0            | 42,355,000   | 42,355,000   |
| Debt Service Reserve               | 3,973,708    | 0            | 3,973,708    |
| Capitalized Interest               | 6,506,250    | 214,450      | 6,720,700    |
| Costs of Issuance                  | 1,117,500    | 521,675      | 1,639,175    |
| Total                              | 43,375,000   | 69,563,708   | 112,938,708  |
| Bond Features                      |              |              |              |
| Projected Coverage                 | 100x         | 100x         |              |
| Tax Status                         | Tax-Exempt   | Tax-Exempt   |              |
| Rating                             | Non-Rated    | Inv. Grade   |              |
| Average Coupon                     | 5.000%       | 4.000%       |              |
| Annual Trustee Fee                 | \$4,000      | \$4,000      |              |
| Biennial Reassessment              |              |              |              |
| Residential                        | 6.00%        | 6.00%        |              |
| Commercial                         | 0.00%        | 0.00%        |              |
| Taxing Authority Assumptions       |              |              |              |
| Metropolitan District Revenue      |              |              |              |
| Residential Assessment Ratio       |              |              |              |
| Service Plan Gallagherization Base | 7.15%        |              |              |
| Current Assumption                 | 7.15%        |              |              |
| Debt Service Mills                 |              |              |              |
| Service Plan Mill Levy Cap         | 50.000       |              |              |
| Maximum Adjusted Cap               | 50.000       |              |              |
| Target Mill Levy                   | 50.000       |              |              |
| Specific Ownership Taxes           | 6.00%        |              |              |
| County Treasurer Fee               | 1.50%        |              |              |



#### STERLING RANCH METROPOLITAN DISTRICT #5 Development Summary

|                               | Residential       |                              |                           |           |           |           |           |           |                   |
|-------------------------------|-------------------|------------------------------|---------------------------|-----------|-----------|-----------|-----------|-----------|-------------------|
|                               | 37 - Standard Lot | Smokestack -<br>Standard Lot | Smokestack - Large<br>Lot | Product 4 | Product 5 | Product 6 | Product 7 | Product 8 | Total Residential |
| Statutory Actual Value (2023) | \$675,000         | \$800,000                    | \$1,250,000               | \$        | \$        | \$        | \$        | \$        |                   |
| 2023                          | _                 |                              |                           | _         | _         | _         | _         | -         |                   |
| 2023                          |                   | _                            |                           |           | _         |           |           | -         |                   |
| 2024                          | _                 | _                            | -                         | -         | -         | -         | -         | -         | _                 |
| 2026                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2027                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2028                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2029                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2030                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2031                          | 238               | 42                           | -                         | -         | -         | -         | -         | -         | 280               |
| 2032                          | -                 | 273                          | 5                         | -         | -         | -         | -         | -         | 278               |
| 2033                          | -                 | -                            | 40                        | -         | -         | -         | -         | -         | 40                |
| 2034                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2035                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2036                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2037                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2038                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2039                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2040                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2041                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2042                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2043                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2044                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2045                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2046                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2047                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2048                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2049                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2050                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2051                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2052                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2053                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| 2054                          | -                 | -                            | -                         | -         | -         | -         | -         | -         | -                 |
| Total Units                   | 238               | 315                          | 45                        |           |           | -         | -         | -         | 598               |
| Total Statutory Actual Value  | \$160,650,000     | \$252,000,000                | \$56,250,000              | \$        | \$        | ; \$      | \$        | \$        | \$468,900,000     |

Assessed Value Calculation

|       | Vacant                                            | Land                              |                            | Resid                    | dential                              |                       | Total                             |
|-------|---------------------------------------------------|-----------------------------------|----------------------------|--------------------------|--------------------------------------|-----------------------|-----------------------------------|
|       | Cumulative Statutory<br>Actual Value <sup>1</sup> | Assessed Value in Collection Year | Total<br>Residential Units | Biennial<br>Reassessment | Cumulative Statutory<br>Actual Value | Assessed Value        | Assessed Value in Collection Year |
|       |                                                   | (2-year lag)<br>29.00%            |                            | 6.00%                    |                                      | (2-year lag)<br>7.15% | (2-year lag)                      |
| 2022  | 0                                                 |                                   | 0                          | 0                        | 0                                    |                       |                                   |
| 2023  | 0                                                 | 0                                 | 0                          |                          | 0                                    | 0                     | 0                                 |
| 2024  | 0                                                 | 0                                 | 0                          | 0                        | 0                                    | 0                     | 0                                 |
| 2025  | 0                                                 | 0                                 | 0                          |                          | 0                                    | 0                     | 0                                 |
| 2026  | 0                                                 | 0                                 | 0                          | 0                        | 0                                    | 0                     | 0                                 |
| 2027  | 0                                                 | 0                                 | 0                          |                          | 0                                    | 0                     | 0                                 |
| 2028  | 0                                                 | 0                                 | 0                          | 0                        | 0                                    | 0                     | 0                                 |
| 2029  | 0                                                 | 0                                 | 0                          |                          | 0                                    | 0                     | 0                                 |
| 2030  | 19,425,000                                        | 0                                 | 0                          | 0                        | 0                                    | 0                     | 0                                 |
| 2031  | 22,465,000                                        | 0                                 | 280                        |                          | 227,594,835                          | 0                     | 0                                 |
| 2032  | 5,000,000                                         | 5,633,250                         | 278                        | 13,655,690               | 509,728,070                          | 0                     | 5,633,250                         |
| 2033  | 0                                                 | 6,514,850                         | 40                         |                          | 570,677,791                          | 16,273,031            | 22,787,881                        |
| 2034  | 0                                                 | 1,450,000                         | 0                          | 34,240,667               | 604,918,459                          | 36,445,557            | 37,895,557                        |
| 2035  | 0                                                 | 0                                 | 0                          |                          | 604,918,459                          | 40,803,462            | 40,803,462                        |
| 2036  | 0                                                 | 0                                 | 0                          | 36,295,108               | 641,213,566                          | 43,251,670            | 43,251,670                        |
| 2037  | 0                                                 | 0                                 | 0                          |                          | 641,213,566                          | 43,251,670            | 43,251,670                        |
| 2038  | 0                                                 | 0                                 | 0                          | 38,472,814               | 679,686,380                          | 45,846,770            | 45,846,770                        |
| 2039  | 0                                                 | 0                                 | 0                          |                          | 679,686,380                          | 45,846,770            | 45,846,770                        |
| 2040  | 0                                                 | 0                                 | 0                          | 40,781,183               | 720,467,563                          | 48,597,576            | 48,597,576                        |
| 2041  | 0                                                 | 0                                 | 0                          |                          | 720,467,563                          | 48,597,576            | 48,597,576                        |
| 2042  | 0                                                 | 0                                 | 0                          | 43,228,054               | 763,695,617                          | 51,513,431            | 51,513,431                        |
| 2043  | 0                                                 | 0                                 | 0                          |                          | 763,695,617                          | 51,513,431            | 51,513,431                        |
| 2044  | 0                                                 | 0                                 | 0                          | 45,821,737               | 809,517,354                          | 54,604,237            | 54,604,237                        |
| 2045  | 0                                                 | 0                                 | 0                          |                          | 809,517,354                          | 54,604,237            | 54,604,237                        |
| 2046  | 0                                                 | 0                                 | 0                          | 48,571,041               | 858,088,395                          | 57,880,491            | 57,880,491                        |
| 2047  | 0                                                 | 0                                 | 0                          |                          | 858,088,395                          | 57,880,491            | 57,880,491                        |
| 2048  | 0                                                 | 0                                 | 0                          | 51,485,304               | 909,573,699                          | 61,353,320            | 61,353,320                        |
| 2049  | 0                                                 | 0                                 | 0                          |                          | 909,573,699                          | 61,353,320            | 61,353,320                        |
| 2050  | 0                                                 | 0                                 | 0                          | 54,574,422               | 964,148,121                          | 65,034,519            | 65,034,519                        |
| 2051  | 0                                                 | 0                                 | 0                          |                          | 964,148,121                          | 65,034,519            | 65,034,519                        |
| 2052  | 0                                                 | 0                                 | 0                          | 57,848,887               | 1,021,997,008                        | 68,936,591            | 68,936,591                        |
| 2053  | 0                                                 | 0                                 | 0                          |                          | 1,021,997,008                        | 68,936,591            | 68,936,591                        |
| 2054  | 0                                                 | 0                                 | 0                          | 61,319,820               | 1,083,316,829                        | 73,072,786            | 73,072,786                        |
| 2055  | 0                                                 | 0                                 | 0                          |                          | 1,083,316,829                        | 73,072,786            | 73,072,786                        |
| 2056  | 0                                                 | 0                                 | 0                          | 64,999,010               | 1,148,315,838                        | 77,457,153            | 77,457,153                        |
| 2057  | 0                                                 | 0                                 | 0                          |                          | 1,148,315,838                        | 77,457,153            | 77,457,153                        |
| 2058  | 0                                                 | 0                                 | 0                          | 68,898,950               | 1,217,214,789                        | 82,104,582            | 82,104,582                        |
| 2059  | 0                                                 | 0                                 | 0                          |                          | 1,217,214,789                        | 82,104,582            | 82,104,582                        |
| 2060  | 0                                                 | 0                                 | 0                          | 73,032,887               | 1,290,247,676                        | 87,030,857            | 87,030,857                        |
| 2061  | 0                                                 | 0                                 | 0                          |                          | 1,290,247,676                        | 87,030,857            | 87,030,857                        |
| 2062  | 0                                                 | 0                                 | 0                          | 77,414,861               | 1,367,662,537                        | 92,252,709            | 92,252,709                        |
| 2063  | 0                                                 | 0                                 | 0                          |                          | 1,367,662,537                        | 92,252,709            | 92,252,709                        |
| 2064  | 0                                                 | 0                                 | 0                          | 82,059,752               | 1,449,722,289                        | 97,787,871            | 97,787,871                        |
| 2065  | 0                                                 | 0                                 | 0                          |                          | 1,449,722,289                        | 97,787,871            | 97,787,871                        |
| 2066  | 0                                                 | 0                                 | 0                          | 86,983,337               | 1,536,705,626                        | 103,655,144           | 103,655,144                       |
| 2067  | 0                                                 | 0                                 | 0                          |                          | 1,536,705,626                        | 103,655,144           | 103,655,144                       |
| 2068  | 0                                                 | 0                                 | 0                          | 92,202,338               | 1,628,907,964                        | 109,874,452           | 109,874,452                       |
| 2069  | 0                                                 | 0                                 | 0                          |                          | 1,628,907,964                        | 109,874,452           | 109,874,452                       |
| 2070  | 0                                                 | 0                                 | 0                          | 97,734,478               | 1,726,642,441                        | 116,466,919           | 116,466,919                       |
| Total |                                                   |                                   | 598                        | 1,169,620,340            |                                      |                       |                                   |

1. Vacant land value calculated in year prior to construction as 10% of built-out market value

Revenue Calculation

|       | District Mill Levy Revenue           |                |                               |                             | Exper                   | ises                  | Total                              |
|-------|--------------------------------------|----------------|-------------------------------|-----------------------------|-------------------------|-----------------------|------------------------------------|
|       | Assessed Value<br>in Collection Year | Debt Mill Levy | Debt Mill Levy<br>Collections | Specific Ownership<br>Taxes | County Treasurer<br>Fee | Annual Trustee<br>Fee | Revenue Available for Debt Service |
|       | (2-year lag)                         | 50.000 Cap     |                               | 6.00%                       | 1.50%                   | \$4,000               |                                    |
|       |                                      | 50.000 Target  |                               |                             |                         |                       |                                    |
| 2022  |                                      |                |                               |                             |                         |                       |                                    |
| 2023  | 0                                    | 0.000          | 0                             | 0                           | 0                       | 0                     | 0                                  |
| 2024  | 0                                    | 0.000          | 0                             | 0                           | 0                       | 0                     | 0                                  |
| 2025  | 0                                    | 0.000          | 0                             | 0                           | 0                       | 0                     | 0                                  |
| 2026  | 0                                    | 0.000          | 0                             | 0                           | 0                       | 0                     | 0                                  |
| 2027  | 0                                    | 0.000          | 0                             | 0                           | 0                       | 0                     | 0                                  |
| 2028  | 0                                    | 0.000          | 0                             | 0                           | 0                       | 0                     | 0                                  |
| 2029  | 0                                    | 0.000          | 0                             | 0                           | 0                       | 0                     | 0                                  |
| 2030  | 0                                    | 0.000          | 0                             | 0                           | 0                       | 0                     | 0                                  |
| 2031  | 0                                    | 50.000         | 0                             | 0                           | 0                       | 0                     | 0                                  |
| 2032  | 5,633,250                            | 50.000         | 281,663                       | 16,900                      | (4,478)                 | (4,000)               | 290,084                            |
| 2033  | 22,787,881                           | 50.000         | 1,139,394                     | 68,364                      | (18,116)                | (4,000)               | 1,185,641                          |
| 2034  | 37,895,557                           | 50.000         | 1,894,778                     | 113,687                     | (30,127)                | (4,000)               | 1,974,338                          |
| 2035  | 40,803,462                           | 50.000         | 2,040,173                     | 122,410                     | (32,439)                | (4,000)               | 2,126,145                          |
| 2036  | 43,251,670                           | 50.000         | 2,162,583                     | 129,755                     | (34,385)                | (4,000)               | 2,253,953                          |
| 2037  | 43,251,670                           | 50.000         | 2,162,583                     | 129,755                     | (34,385)                | (4,000)               | 2,253,953                          |
| 2038  | 45,846,770                           | 50.000         | 2,292,338                     | 137,540                     | (36,448)                | (4,000)               | 2,389,431                          |
| 2039  | 45,846,770                           | 50.000         | 2,292,338                     | 137,540                     | (36,448)                | (4,000)               | 2,389,431                          |
| 2040  | 48,597,576                           | 50.000         | 2,429,879                     | 145,793                     | (38,635)                | (4,000)               | 2,533,036                          |
| 2041  | 48,597,576                           | 50.000         | 2,429,879                     | 145,793                     | (38,635)                | (4,000)               | 2,533,036                          |
| 2042  | 51,513,431                           | 50.000         | 2,575,672                     | 154,540                     | (40,953)                | (4,000)               | 2,685,259                          |
| 2043  | 51,513,431                           | 50.000         | 2,575,672                     | 154,540                     | (40,953)                | (4,000)               | 2,685,259                          |
| 2044  | 54,604,237                           | 50.000         | 2,730,212                     | 163,813                     | (43,410)                | (4,000)               | 2,846,614                          |
| 2045  | 54,604,237                           | 50.000         | 2,730,212                     | 163,813                     | (43,410)                | (4,000)               | 2,846,614                          |
| 2046  | 57,880,491                           | 50.000         | 2,894,025                     | 173,641                     | (46,015)                | (4,000)               | 3,017,651                          |
| 2047  | 57,880,491                           | 50.000         | 2,894,025                     | 173,641                     | (46,015)                | (4,000)               | 3,017,651                          |
| 2048  | 61,353,320                           | 50.000         | 3,067,666                     | 184,060                     | (48,776)                | (4,000)               | 3,198,950                          |
| 2049  | 61,353,320                           | 50.000         | 3,067,666                     | 184,060                     | (48,776)                | (4,000)               | 3,198,950                          |
| 2050  | 65,034,519                           | 50.000         | 3,251,726                     | 195,104                     | (51,702)                | (4,000)               | 3,391,127                          |
| 2051  | 65,034,519                           | 50.000         | 3,251,726                     | 195,104                     | (51,702)                | (4,000)               | 3,391,127                          |
| 2052  | 68,936,591                           | 50.000         | 3,446,830                     | 206,810                     | (54,805)                | (4,000)               | 3,594,835                          |
| 2053  | 68,936,591                           | 50.000         | 3,446,830                     | 206,810                     | (54,805)                | (4,000)               | 3,594,835                          |
| 2054  | 73,072,786                           | 50.000         | 3,653,639                     | 219,218                     | (58,093)                | (4,000)               | 3,810,765                          |
| 2055  | 73,072,786                           | 50.000         | 3,653,639                     | 219,218                     | (58,093)                | (4,000)               | 3,810,765                          |
| 2056  | 77,457,153                           | 50.000         | 3,872,858                     | 232,371                     | (61,578)                | (4,000)               | 4,039,651                          |
| 2057  | 77,457,153                           | 50.000         | 3,872,858                     | 232,371                     | (61,578)                | (4,000)               | 4,039,651                          |
| 2058  | 82,104,582                           | 50.000         | 4,105,229                     | 246,314                     | (65,273)                | (4,000)               | 4,282,270                          |
| 2059  | 82,104,582                           | 50.000         | 4,105,229                     | 246,314                     | (65,273)                | (4,000)               | 4,282,270                          |
| 2060  | 87,030,857                           | 50.000         | 4,351,543                     | 261,093                     | (69,190)                | (4,000)               | 4,539,446                          |
| 2061  | 87,030,857                           | 50.000         | 4,351,543                     | 261,093                     | (69,190)                | (4,000)               | 4,539,446                          |
| 2062  | 92,252,709                           | 50.000         | 4,612,635                     | 276,758                     | (73,341)                | (4,000)               | 4,812,053                          |
| 2063  | 92,252,709                           | 50.000         | 4,612,635                     | 272,362                     | (73,275)                | (4,000)               | 4,807,722                          |
| 2064  | 97,787,871                           | 50.000         | 4,889,394                     | 288,703                     | (77,671)                | (4,000)               | 5,096,425                          |
| 2065  | 97,787,871                           | 50.000         | 4,889,394                     | 288,703                     | (77,671)                | (4,000)               | 5,096,425                          |
| 2066  | 103,655,144                          | 50.000         | 5,182,757                     | 306,026                     | (82,332)                | (4,000)               | 5,402,451                          |
| 2067  | 103,655,144                          | 50.000         | 5,182,757                     | 306,026                     | (82,332)                | (4,000)               | 5,402,451                          |
| 2068  | 109,874,452                          | 50.000         | 5,493,723                     | 324,387                     | (87,272)                | (4,000)               | 5,726,838                          |
| 2069  | 109,874,452                          | 50.000         | 5,493,723                     | 324,387                     | (87,272)                | (4,000)               | 5,726,838                          |
| 2070  | 116,466,919                          | 50.000         | 5,823,346                     | 343,850                     | (92,508)                | (4,000)               | 6,070,688                          |
| Total |                                      |                | 133,204,769                   | 7,952,666                   | (2,117,362)             | (156,000)             | 138,884,074                        |
|       |                                      |                |                               |                             |                         |                       |                                    |

Senior Debt Service

|              | Total                  |                    | Net Debt Service       | -                      |               | S                      | enior Surplus Fund     |          | Ratio A        | nalysis      |
|--------------|------------------------|--------------------|------------------------|------------------------|---------------|------------------------|------------------------|----------|----------------|--------------|
|              |                        | Series 2030        | Series 2040            |                        |               |                        |                        |          |                |              |
|              | Revenue Available      | Dated: 12/1/30     | Dated: 12/1/40         | Total                  | Funds on Hand | Annual                 | Cumulative             | Released | Senior Debt to | Debt Service |
|              | for Debt Service       | Par: \$43,375,000  | Par: \$64,335,000      |                        | as a Source   | Surplus                | Balance                | Revenue  | Assessed Value | Coverage     |
|              |                        | Proj: \$31,777,542 | Proj: \$26,472,583     |                        |               |                        | \$6,433,500 Max        |          |                |              |
|              |                        |                    | Esc: \$42,355,000      |                        |               |                        |                        |          |                |              |
| 0000         |                        |                    |                        |                        |               |                        |                        |          |                |              |
| 2022<br>2023 | 0                      |                    |                        |                        |               |                        |                        |          |                |              |
| 2023         | 0                      |                    |                        |                        |               |                        |                        |          |                |              |
| 2025         | 0                      |                    |                        |                        |               |                        |                        |          |                |              |
| 2026         | 0                      |                    |                        |                        |               |                        |                        |          |                |              |
| 2027         | 0                      |                    |                        |                        |               |                        |                        |          |                |              |
| 2028         | 0                      |                    |                        |                        |               |                        |                        |          |                |              |
| 2029         | 0                      |                    |                        |                        |               |                        |                        |          |                |              |
| 2030         | 0                      | 0                  |                        | 0                      |               | 0                      | 0                      | 0        | n/a            | n/a          |
| 2031         | 0                      | 0                  |                        | 0                      |               | 0                      | 0                      | 0        | n/a            | n/a          |
| 2032         | 290,084                | 0                  |                        | 0                      |               | 290,084                | 290,084                | 0        | 770%           | n/a          |
| 2033<br>2034 | 1,185,641<br>1,974,338 | 0<br>2,168,750     |                        | 0<br>2,168,750         |               | 1,185,641<br>(194,412) | 1,475,725              | 0<br>0   | 190%<br>114%   | n/a<br>91%   |
| 2034<br>2035 | 2,126,145              | 2,168,750          |                        | 2,168,750              |               | (194,412) (42,605)     | 1,281,313<br>1,238,707 | 0        | 106%           | 91%<br>98%   |
| 2035         | 2,253,953              | 2,248,750          |                        | 2,100,750              |               | 5,203                  | 1,243,911              | 0        |                | 100%         |
| 2037         | 2,253,953              | 2,249,750          |                        | 2,249,750              |               | 4,203                  | 1,248,114              | 0        | 100%           | 100%         |
| 2038         | 2,389,431              | 2,385,500          |                        | 2,385,500              |               | 3,931                  | 1,252,045              | 0        | 94%            | 100%         |
| 2039         | 2,389,431              | 2,384,250          |                        | 2,384,250              |               | 5,181                  | 1,257,226              | 0        | 94%            | 100%         |
| 2040         | 2,533,036              | 2,532,500          | 0                      | 2,532,500              | \$1,255,000   | (1,254,464)            | 2,762                  | 0        | 88%            | 100%         |
| 2041         | 2,533,036              | Ref'd by Ser. '40  |                        | 2,358,950              |               | 174,086                | 176,848                | 0        | 132%           | 107%         |
| 2042         | 2,685,259              |                    | 2,683,400              | 2,683,400              |               | 1,859                  | 178,707                | 0        | 125%           | 100%         |
| 2043         | 2,685,259              |                    | 2,684,000              | 2,684,000              |               | 1,259                  | 179,966                | 0        | 125%           | 100%         |
| 2044<br>2045 | 2,846,614<br>2,846,614 |                    | 2,844,400<br>2,843,200 | 2,844,400<br>2,843,200 |               | 2,214<br>3,414         | 182,180<br>185,594     | 0        | 117%<br>117%   | 100%<br>100% |
| 2045         | 3,017,651              |                    | 3,016,600              | 3,016,600              |               | 1,051                  | 186,645                | 0        | 110%           | 100%         |
| 2047         | 3,017,651              |                    | 3,012,600              | 3,012,600              |               | 5,051                  | 191,696                | 0        | 109%           | 100%         |
| 2048         | 3,198,950              |                    | 3,198,000              | 3,198,000              |               | 950                    | 192,646                | 0        | 102%           | 100%         |
| 2049         | 3,198,950              |                    | 3,195,200              | 3,195,200              |               | 3,750                  | 196,396                | 0        | 101%           | 100%         |
| 2050         | 3,391,127              |                    | 3,386,400              | 3,386,400              |               | 4,727                  | 201,123                | 0        | 94%            | 100%         |
| 2051         | 3,391,127              |                    | 3,388,800              | 3,388,800              |               | 2,327                  | 203,450                | 0        | 93%            | 100%         |
| 2052         | 3,594,835              |                    | 3,594,600              | 3,594,600              |               | 235                    | 203,685                | 0        | 86%            | 100%         |
| 2053         | 3,594,835              |                    | 3,590,600              | 3,590,600              |               | 4,235                  | 207,920                | 0        | 84%            | 100%         |
| 2054<br>2055 | 3,810,765              |                    | 3,809,800              | 3,809,800              |               | 965                    | 208,885                | 0        | 78%            | 100%         |
| 2055<br>2056 | 3,810,765<br>4,039,651 |                    | 3,808,200<br>4,039,200 | 3,808,200<br>4,039,200 |               | 2,565<br>451           | 211,450<br>211,900     | 0        | 76%<br>69%     | 100%<br>100% |
| 2050         | 4,039,651              |                    | 4,039,200              | 4,038,400              |               | 1,251                  | 213,151                | 0        | 67%            | 100%         |
| 2058         | 4,282,270              |                    | 4,279,600              | 4,279,600              |               | 2,670                  | 215,821                | 0        | 61%            | 100%         |
| 2059         | 4,282,270              |                    | 4,278,000              | 4,278,000              |               | 4,270                  | 220,090                | 0        | 58%            | 100%         |
| 2060         | 4,539,446              |                    | 4,537,800              | 4,537,800              |               | 1,646                  | 221,736                | 0        | 52%            | 100%         |
| 2061         | 4,539,446              |                    | 4,538,400              | 4,538,400              |               | 1,046                  | 222,782                | 0        | 49%            | 100%         |
| 2062         | 4,812,053              |                    | 4,809,600              | 4,809,600              |               | 2,453                  | 225,235                | 0        | 43%            | 100%         |
| 2063         | 4,807,722              |                    | 4,810,400              | 4,810,400              |               | (2,678)                | 222,557                | 0        | 39%            | #REF         |
| 2064         | 5,096,425              |                    | 5,101,000              | 5,101,000              |               | (4,575)                | 217,982                | 0        | 34%            | #REF         |
| 2065<br>2066 | 5,096,425<br>5,402,451 |                    | 5,099,600<br>5,407,200 | 5,099,600<br>5,407,200 |               | (3,175)                | 214,808<br>210,059     | 0        | 30%<br>24%     | #REF         |
| 2066         | 5,402,451              |                    | 5,407,200              | 5,407,200              |               | (4,749)<br>(3,749)     | 206,310                | 0        | 24%            | #REF         |
| 2068         | 5,726,838              |                    | 5,728,200              | 5,728,200              |               | (1,362)                | 204,948                | 0        | 15%            | #REF         |
| 2069         | 5,726,838              |                    | 5,730,000              | 5,730,000              |               | (3,162)                | 201,786                | 0        | 10%            | #REF         |
| 2070         | 6,070,688              |                    | 6,073,600              | 6,073,600              |               | (2,912)                | 0                      | 198,874  | 5%             | #REF         |
| Total        | 138,884,074            | 16,138,250         | 121,291,950            | 137,430,200            | 1,255,000     | 198,874                |                        | 198,874  |                |              |



**Operations Projection** 

|              | Total                                                |                                          | Operation                            | Total                             | Total Mills                      |                                     |                         |
|--------------|------------------------------------------------------|------------------------------------------|--------------------------------------|-----------------------------------|----------------------------------|-------------------------------------|-------------------------|
|              | Assessed Value<br>in Collection Year<br>(2-year lag) | Operations<br>Mill Levy<br>15.000 Target | Ops Mill Levy<br>Collections<br>100% | Specific Ownership<br>Taxes<br>6% | County Treasurer<br>Fee<br>1.50% | Revenue Available<br>for Operations | Total<br>District Mills |
| 2022         |                                                      |                                          |                                      |                                   |                                  |                                     |                         |
| 2023         |                                                      |                                          |                                      |                                   |                                  |                                     |                         |
| 2024         |                                                      |                                          |                                      |                                   |                                  |                                     |                         |
| 2025         |                                                      |                                          |                                      |                                   |                                  |                                     |                         |
| 2026         |                                                      |                                          |                                      |                                   |                                  |                                     |                         |
| 2027         |                                                      |                                          |                                      |                                   |                                  |                                     |                         |
| 2028         |                                                      |                                          |                                      |                                   |                                  |                                     |                         |
| 2029         |                                                      |                                          |                                      |                                   |                                  |                                     |                         |
| 2030         | 0                                                    | 15.000                                   | 0                                    | 0                                 | 0                                | 0                                   | 15.000                  |
| 2031         | 0                                                    | 15.000                                   | 0                                    | 0                                 | 0                                | 0                                   | 65.000                  |
| 2032         | 5,633,250                                            | 15.000                                   | 84,499                               | 5,070                             | (1,344)                          | 88,225                              | 65.000                  |
| 2033         | 22,787,881                                           | 15.000                                   | 341,818                              | 20,509                            | (5,435)                          | 356,892                             | 65.000                  |
| 2034<br>2035 | 37,895,557                                           | 15.000<br>15.000                         | 568,433                              | 34,106<br>36,723                  | (9,038)                          | 593,501<br>639,043                  | 65.000<br>65.000        |
| 2035         | 40,803,462                                           |                                          | 612,052                              |                                   | (9,732)                          |                                     | 65.000                  |
| 2036         | 43,251,670<br>43,251,670                             | 15.000<br>15.000                         | 648,775<br>648,775                   | 38,927<br>38,927                  | (10,316)                         | 677,386                             | 65.000                  |
| 2037         | 45,846,770                                           | 15.000                                   | 687,702                              | 41,262                            | (10,316)<br>(10,934)             | 677,386<br>718,029                  | 65.000                  |
| 2038         | 45,846,770                                           | 15.000                                   | 687,702                              | 41,262                            | (10,934)                         | 718,029                             | 65.000                  |
| 2033         | 48,597,576                                           | 15.000                                   | 728,964                              | 43,738                            | (11,591)                         | 761,111                             | 65.000                  |
| 2040         | 48,597,576                                           | 15.000                                   | 728,964                              | 43,738                            | (11,591)                         | 761,111                             | 65.000                  |
| 2042         | 51,513,431                                           | 15.000                                   | 772,701                              | 46,362                            | (12,286)                         | 806,778                             | 65.000                  |
| 2043         | 51,513,431                                           | 15.000                                   | 772,701                              | 46,362                            | (12,286)                         | 806,778                             | 65.000                  |
| 2044         | 54,604,237                                           | 15.000                                   | 819,064                              | 49,144                            | (13,023)                         | 855,184                             | 65.000                  |
| 2045         | 54,604,237                                           | 15.000                                   | 819,064                              | 49,144                            | (13,023)                         | 855,184                             | 65.000                  |
| 2046         | 57,880,491                                           | 15.000                                   | 868,207                              | 52,092                            | (13,804)                         | 906,495                             | 65.000                  |
| 2047         | 57,880,491                                           | 15.000                                   | 868,207                              | 52,092                            | (13,804)                         | 906,495                             | 65.000                  |
| 2048         | 61,353,320                                           | 15.000                                   | 920,300                              | 55,218                            | (14,633)                         | 960,885                             | 65.000                  |
| 2049         | 61,353,320                                           | 15.000                                   | 920,300                              | 55,218                            | (14,633)                         | 960,885                             | 65.000                  |
| 2050         | 65,034,519                                           | 15.000                                   | 975,518                              | 58,531                            | (15,511)                         | 1,018,538                           | 65.000                  |
| 2051         | 65,034,519                                           | 15.000                                   | 975,518                              | 58,531                            | (15,511)                         | 1,018,538                           | 65.000                  |
| 2052         | 68,936,591                                           | 15.000                                   | 1,034,049                            | 62,043                            | (16,441)                         | 1,079,650                           | 65.000                  |
| 2053         | 68,936,591                                           | 15.000                                   | 1,034,049                            | 62,043                            | (16,441)                         | 1,079,650                           | 65.000                  |
| 2054         | 73,072,786                                           | 15.000                                   | 1,096,092                            | 65,766                            | (17,428)                         | 1,144,429                           | 65.000                  |
| 2055         | 73,072,786                                           | 15.000                                   | 1,096,092                            | 65,766                            | (17,428)                         | 1,144,429                           | 65.000                  |
| 2056         | 77,457,153                                           | 15.000                                   | 1,161,857                            | 69,711                            | (18,474)                         | 1,213,095                           | 65.000                  |
| 2057         | 77,457,153                                           | 15.000                                   | 1,161,857                            | 69,711                            | (18,474)                         | 1,213,095                           | 65.000                  |
| 2058<br>2059 | 82,104,582                                           | 15.000<br>15.000                         | 1,231,569                            | 73,894                            | (19,582)                         | 1,285,881                           | 65.000<br>65.000        |
| 2059         | 82,104,582<br>87,030,857                             | 15.000                                   | 1,231,569<br>1,305,463               | 73,894<br>78,328                  | (19,582)                         | 1,285,881<br>1,363,034              | 65.000                  |
| 2060         | 87,030,857                                           | 15.000                                   | 1,305,463                            | 78,328                            | (20,757)<br>(20,757)             | 1,363,034                           | 65.000                  |
| 2061         | 92,252,709                                           | 15.000                                   | 1,383,791                            | 83,027                            | (22,002)                         | 1,363,034                           | 65.000                  |
| 2062         | 92,252,709                                           | 15.000                                   | 1,383,791                            | 83,027                            | (22,002)                         | 1,444,816                           | 65.000                  |
| 2003         | 97,787,871                                           | 15.000                                   | 1,466,818                            | 88,009                            | (23,322)                         | 1,531,505                           | 65.000                  |
| 2065         | 97,787,871                                           | 15.000                                   | 1,466,818                            | 88,009                            | (23,322)                         | 1,531,505                           | 65.000                  |
| 2066         | 103,655,144                                          | 15.000                                   | 1,554,827                            | 93,290                            | (24,722)                         | 1,623,395                           | 65.000                  |
| 2000         | 103,655,144                                          | 15.000                                   | 1,554,827                            | 93,290                            | (24,722)                         | 1,623,395                           | 65.000                  |
| 2068         | 109,874,452                                          | 15.000                                   | 1,648,117                            | 98,887                            | (26,205)                         | 1,720,799                           | 65.000                  |
| 2069         | 109,874,452                                          | 15.000                                   | 1,648,117                            | 98,887                            | (26,205)                         | 1,720,799                           | 65.000                  |
| 2070         | 116,466,919                                          | 15.000                                   | 1,747,004                            | 104,820                           | (27,777)                         | 1,824,047                           | 65.000                  |
| Total        |                                                      |                                          | 39,961,431                           | 2,397,686                         | (635,387)                        | 41,723,730                          |                         |



### SOURCES AND USES OF FUNDS

#### STERLING RANCH METROPOLITAN DISTRICT #5 EL PASO COUNTY, COLORADO GENERAL OBLIGATION BONDS, SERIES 2030 50.00 (target) Mills Non-Rated, 100x, 30-yr. Maturity

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

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Dated Date Delivery Date 12/01/2030 12/01/2030

Sources:

| Bond Proceeds: | 40.075.000.00 |
|----------------|---------------|
| Par Amount | 43,375,000.00 |

| Uses: | |
|--|--|
| Project Fund Deposits:
Project Fund | 31,777,541.67 |
| Other Fund Deposits:
Capitalized Interest Fund
Debt Service Reserve Fund | 6,506,250.00
<u>3,973,708.33</u>
10,479,958.33 |
| Cost of Issuance:
Cost of Issuance | 250,000.00 |
| Delivery Date Expenses:
Underwriter's Discount | 867,500.00 |
| | 43,375,000.00 |



BOND SUMMARY STATISTICS

STERLING RANCH METROPOLITAN DISTRICT #5 EL PASO COUNTY, COLORADO GENERAL OBLIGATION BONDS, SERIES 2030 50.00 (target) Mills Non-Rated, 100x, 30-yr. Maturity

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

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| Dated Date<br>Delivery Date<br>First Coupon<br>Last Maturity                                                                                                                                                     | 12/01/2030<br>12/01/2030<br>06/01/2031<br>12/01/2060                                                                                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Arbitrage Yield<br>True Interest Cost (TIC)<br>Net Interest Cost (NIC)<br>All-In TIC<br>Average Coupon                                                                                                           | 5.000000%<br>5.148993%<br>5.000000%<br>5.192751%<br>5.000000%                                                                                                                   |
| Average Life (years)<br>Weighted Average Maturity (years)<br>Duration of Issue (years)                                                                                                                           | 23.974<br>23.974<br>13.846                                                                                                                                                      |
| Par Amount<br>Bond Proceeds<br>Total Interest<br>Net Interest<br>Bond Years from Dated Date<br>Bond Years from Delivery Date<br>Total Debt Service<br>Maximum Annual Debt Service<br>Average Annual Debt Service | $\begin{array}{c} 43,375,000.00\\ 43,375,000.00\\ 51,994,000.00\\ 52,861,500.00\\ 1,039,880,000.00\\ 1,039,880,000.00\\ 95,369,000.00\\ 8,510,250.00\\ 3,178,966.67\end{array}$ |
| Underwriter's Fees (per \$1000)<br>Average Takedown<br>Other Fee                                                                                                                                                 | 20.00000                                                                                                                                                                        |
| Total Underwriter's Discount                                                                                                                                                                                     | 20.000000                                                                                                                                                                       |
| Bid Price                                                                                                                                                                                                        | 98.00000                                                                                                                                                                        |
|                                                                                                                                                                                                                  |                                                                                                                                                                                 |

| Bond Component     | Par<br>Value  | Price   | Average<br>Coupon | Average<br>Life | Average<br>Maturity<br>Date | PV of 1 bp<br>change |
|--------------------|---------------|---------|-------------------|-----------------|-----------------------------|----------------------|
| Term Bond due 2060 | 43,375,000.00 | 100.000 | 5.000%            | 23.974          | 11/21/2054                  | 67,231.25            |
|                    | 43,375,000.00 |         |                   | 23.974          |                             | 67,231.25            |

|                                                                           | TIC                     | All-In<br>TIC              | Arbitrage<br>Yield      |
|---------------------------------------------------------------------------|-------------------------|----------------------------|-------------------------|
| Par Value<br>+ Accrued Interest<br>+ Premium (Discount)                   | 43,375,000.00           | 43,375,000.00              | 43,375,000.00           |
| - Underwriter's Discount<br>- Cost of Issuance Expense<br>- Other Amounts | -867,500.00             | -867,500.00<br>-250,000.00 |                         |
| Target Value                                                              | 42,507,500.00           | 42,257,500.00              | 43,375,000.00           |
| Target Date<br>Yield                                                      | 12/01/2030<br>5.148993% | 12/01/2030<br>5.192751%    | 12/01/2030<br>5.000000% |



### NET DEBT SERVICE

#### STERLING RANCH METROPOLITAN DISTRICT #5 EL PASO COUNTY, COLORADO GENERAL OBLIGATION BONDS, SERIES 2030 50.00 (target) Mills Non-Rated, 100x, 30-yr. Maturity (SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)

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| Period
Ending | Principal | Interest | Total
Debt Service | Debt Service
Reserve Fund | Capitalized
Interest Fund | Net
Debt Service |
|------------------|---------------|---------------|-----------------------|------------------------------|------------------------------|---------------------|
| 12/01/2031 | | 2,168,750.00 | 2,168,750.00 | | 2,168,750.00 | |
| 12/01/2032 | | 2,168,750.00 | 2,168,750.00 | | 2,168,750.00 | |
| 12/01/2033 | | 2,168,750.00 | 2,168,750.00 | | 2,168,750.00 | |
| 12/01/2034 | | 2,168,750.00 | 2,168,750.00 | | , , | 2,168,750.00 |
| 12/01/2035 | | 2,168,750.00 | 2,168,750.00 | | | 2,168,750.00 |
| 12/01/2036 | 80,000.00 | 2,168,750.00 | 2,248,750.00 | | | 2,248,750.00 |
| 12/01/2037 | 85,000.00 | 2,164,750.00 | 2,249,750.00 | | | 2,249,750.00 |
| 12/01/2038 | 225,000.00 | 2,160,500.00 | 2,385,500.00 | | | 2,385,500.00 |
| 12/01/2039 | 235,000.00 | 2,149,250.00 | 2,384,250.00 | | | 2,384,250.00 |
| 12/01/2040 | 395,000.00 | 2,137,500.00 | 2,532,500.00 | | | 2,532,500.00 |
| 12/01/2041 | 415,000.00 | 2,117,750.00 | 2,532,750.00 | | | 2,532,750.00 |
| 12/01/2042 | 585,000.00 | 2,097,000.00 | 2,682,000.00 | | | 2,682,000.00 |
| 12/01/2043 | 615,000.00 | 2,067,750.00 | 2,682,750.00 | | | 2,682,750.00 |
| 12/01/2044 | 805,000.00 | 2,037,000.00 | 2,842,000.00 | | | 2,842,000.00 |
| 12/01/2045 | 845,000.00 | 1,996,750.00 | 2,841,750.00 | | | 2,841,750.00 |
| 12/01/2046 | 1,060,000.00 | 1,954,500.00 | 3,014,500.00 | | | 3,014,500.00 |
| 12/01/2047 | 1.115.000.00 | 1.901.500.00 | 3,016,500.00 | | | 3.016.500.00 |
| 12/01/2048 | 1,350,000.00 | 1,845,750.00 | 3,195,750.00 | | | 3,195,750.00 |
| 12/01/2049 | 1,420,000.00 | 1,778,250.00 | 3,198,250.00 | | | 3,198,250.00 |
| 12/01/2050 | 1,680,000.00 | 1,707,250.00 | 3,387,250.00 | | | 3,387,250.00 |
| 12/01/2051 | 1,765,000.00 | 1,623,250.00 | 3,388,250.00 | | | 3,388,250.00 |
| 12/01/2052 | 2,055,000.00 | 1,535,000.00 | 3,590,000.00 | | | 3,590,000.00 |
| 12/01/2053 | 2,160,000.00 | 1,432,250.00 | 3,592,250.00 | | | 3,592,250.00 |
| 12/01/2054 | 2.485.000.00 | 1,324,250.00 | 3,809,250.00 | | | 3,809,250.00 |
| 12/01/2055 | 2.610.000.00 | 1,200,000.00 | 3,810,000.00 | | | 3,810,000.00 |
| 12/01/2056 | 2.965.000.00 | 1,069,500.00 | 4,034,500.00 | | | 4.034.500.00 |
| 12/01/2057 | 3.115.000.00 | 921.250.00 | 4.036.250.00 | | | 4.036.250.00 |
| 12/01/2058 | 3,515,000.00 | 765,500.00 | 4,280,500.00 | | | 4,280,500.00 |
| 12/01/2059 | 3,690,000.00 | 589,750.00 | 4,279,750.00 | | | 4,279,750.00 |
| 12/01/2060 | 8,105,000.00 | 405,250.00 | 8,510,250.00 | 3,973,708.33 | | 4,536,541.67 |
| | 43,375,000.00 | 51,994,000.00 | 95,369,000.00 | 3,973,708.33 | 6,506,250.00 | 84,889,041.67 |



BOND SOLUTION

STERLING RANCH METROPOLITAN DISTRICT #5 EL PASO COUNTY, COLORADO GENERAL OBLIGATION BONDS, SERIES 2030 50.00 (target) Mills Non-Rated, 100x, 30-yr. Maturity (SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)

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| Period<br>Ending | Proposed<br>Principal | Proposed<br>Debt Service | Debt Service<br>Adjustments | Total Adj<br>Debt Service | Revenue<br>Constraints | Unused<br>Revenues | Debt Service<br>Coverage |
|------------------|-----------------------|--------------------------|-----------------------------|---------------------------|------------------------|--------------------|--------------------------|
| 12/01/2031       |                       | 2,168,750                | -2,168,750                  |                           |                        |                    |                          |
| 12/01/2032       |                       | 2,168,750                | -2,168,750                  |                           | 290.084                | 290,084            |                          |
| 12/01/2033       |                       | 2,168,750                | -2,168,750                  |                           | 1,185,641              | 1,185,641          |                          |
| 12/01/2034       |                       | 2,168,750                | , ,                         | 2,168,750                 | 1,974,338              | -194,412           | 91.04%                   |
| 12/01/2035       |                       | 2,168,750                |                             | 2,168,750                 | 2,126,145              | -42,605            | 98.04%                   |
| 12/01/2036       | 80.000                | 2.248.750                |                             | 2,248,750                 | 2.253.953              | 5,203              | 100.23%                  |
| 12/01/2037       | 85,000                | 2,249,750                |                             | 2,249,750                 | 2,253,953              | 4,203              | 100.19%                  |
| 12/01/2038       | 225,000               | 2.385.500                |                             | 2.385.500                 | 2.389.431              | 3,931              | 100.16%                  |
| 12/01/2039       | 235.000               | 2.384.250                |                             | 2,384,250                 | 2,389,431              | 5,181              | 100.22%                  |
| 12/01/2040       | 395,000               | 2,532,500                |                             | 2,532,500                 | 2,533,036              | 536                | 100.02%                  |
| 12/01/2041       | 415.000               | 2.532.750                |                             | 2.532.750                 | 2,533,036              | 286                | 100.01%                  |
| 12/01/2042       | 585,000               | 2,682,000                |                             | 2,682,000                 | 2,685,259              | 3,259              | 100.12%                  |
| 12/01/2043       | 615,000               | 2,682,750                |                             | 2,682,750                 | 2,685,259              | 2,509              | 100.09%                  |
| 12/01/2044       | 805,000               | 2,842,000                |                             | 2,842,000                 | 2,846,614              | 4.614              | 100.16%                  |
| 12/01/2045       | 845,000               | 2,841,750                |                             | 2,841,750                 | 2,846,614              | 4,864              | 100.17%                  |
| 12/01/2046       | 1,060,000             | 3,014,500                |                             | 3,014,500                 | 3,017,651              | 3,151              | 100.10%                  |
| 12/01/2047       | 1,115,000             | 3,016,500                |                             | 3,016,500                 | 3,017,651              | 1,151              | 100.04%                  |
| 12/01/2048       | 1,350,000             | 3,195,750                |                             | 3,195,750                 | 3,198,950              | 3,200              | 100.10%                  |
| 12/01/2049       | 1,420,000             | 3,198,250                |                             | 3,198,250                 | 3,198,950              | 700                | 100.02%                  |
| 12/01/2050       | 1,680,000             | 3,387,250                |                             | 3,387,250                 | 3,391,127              | 3,877              | 100.11%                  |
| 12/01/2051       | 1,765,000             | 3,388,250                |                             | 3,388,250                 | 3.391.127              | 2,877              | 100.08%                  |
| 12/01/2052       | 2,055,000             | 3,590,000                |                             | 3,590,000                 | 3,594,835              | 4,835              | 100.13%                  |
| 12/01/2053       | 2,160,000             | 3.592.250                |                             | 3,592,250                 | 3.594.835              | 2,585              | 100.07%                  |
| 12/01/2054       | 2,485,000             | 3,809,250                |                             | 3,809,250                 | 3,810,765              | 1,515              | 100.04%                  |
| 12/01/2055       | 2.610.000             | 3.810.000                |                             | 3.810.000                 | 3.810.765              | 765                | 100.02%                  |
| 12/01/2056       | 2,965,000             | 4.034.500                |                             | 4,034,500                 | 4,039,651              | 5,151              | 100.13%                  |
| 12/01/2057       | 3,115,000             | 4,036,250                |                             | 4,036,250                 | 4,039,651              | 3,401              | 100.08%                  |
| 12/01/2058       | 3,515,000             | 4.280.500                |                             | 4,280,500                 | 4.282.270              | 1.770              | 100.04%                  |
| 12/01/2059       | 3,690,000             | 4,279,750                |                             | 4,279,750                 | 4,282,270              | 2,520              | 100.06%                  |
| 12/01/2060       | 8,105,000             | 8,510,250                | -3,973,708                  | 4,536,542                 | 4,539,446              | 2,904              | 100.06%                  |
|                  | 43,375,000            | 95,369,000               | -10,479,958                 | 84,889,042                | 86,202,736             | 1,313,695          |                          |



### SOURCES AND USES OF FUNDS

#### STERLING RANCH METROPOLITAN DISTRICT #5 EL PASO COUNTY, COLORADO GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS, SERIES 2040 Pay & Cancel Refunding of (proposed) Series 2030 + New Money 50.00 (target) Mills Assumes Investment Grade, 100x, 30-yr. Maturity (SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)

Dated Date 12/01/2040 Delivery Date 12/01/2040 Sources: Bond Proceeds: Par Amount 64,335,000.00 Other Sources of Funds: 1,255,000.00 Funds on Hand\* SERIES 2030 - DSRF\* 3,973,708.00 5,228,708.00 69,563,708.00 Uses: Project Fund Deposits: Project Fund 26,472,583.00 Refunding Escrow Deposits: Cash Deposit 42,355,000.00 Other Fund Deposits: Capitalized Interest Fund 214,450.00 Cost of Issuance: Cost of Issuance 200,000.00 Delivery Date Expenses: Underwriter's Discount 321,675.00 69,563,708.00

[\*] Estimated balances (tbd).



### BOND SUMMARY STATISTICS

#### STERLING RANCH METROPOLITAN DISTRICT #5 EL PASO COUNTY, COLORADO GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS, SERIES 2040 Pay & Cancel Refunding of (proposed) Series 2030 + New Money 50.00 (target) Mills Assumes Investment Grade, 100x, 30-yr. Maturity (SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)

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| Dated Date<br>Delivery Date<br>First Coupon<br>Last Maturity                                                                                                                                                     | 12/01/2040<br>12/01/2040<br>06/01/2041<br>12/01/2070                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Arbitrage Yield<br>True Interest Cost (TIC)<br>Net Interest Cost (NIC)<br>All-In TIC<br>Average Coupon                                                                                                           | 4.000000%<br>4.035172%<br>4.000000%<br>4.057165%<br>4.000000%                                                                                                                     |
| Average Life (years)<br>Weighted Average Maturity (years)<br>Duration of Issue (years)                                                                                                                           | 22.216<br>22.216<br>14.525                                                                                                                                                        |
| Par Amount<br>Bond Proceeds<br>Total Interest<br>Net Interest<br>Bond Years from Dated Date<br>Bond Years from Delivery Date<br>Total Debt Service<br>Maximum Annual Debt Service<br>Average Annual Debt Service | $\begin{array}{c} 64,335,000.00\\ 64,335,000.00\\ 57,171,400.00\\ 57,493,075.00\\ 1,429,285,000.00\\ 1,429,285,000.00\\ 121,506,400.00\\ 6,073,600.00\\ 4,050,213.33 \end{array}$ |
| Underwriter's Fees (per \$1000)<br>Average Takedown<br>Other Fee                                                                                                                                                 | 5.000000                                                                                                                                                                          |
| -<br>Total Underwriter's Discount                                                                                                                                                                                | 5.000000                                                                                                                                                                          |
| Bid Price                                                                                                                                                                                                        | 99.500000                                                                                                                                                                         |
|                                                                                                                                                                                                                  |                                                                                                                                                                                   |

| Bond Component     | Par<br>Value  | Price   | Average<br>Coupon | Average<br>Life | Average<br>Maturity<br>Date | PV of 1 bp<br>change |
|--------------------|---------------|---------|-------------------|-----------------|-----------------------------|----------------------|
| Term Bond due 2070 | 64,335,000.00 | 100.000 | 4.000%            | 22.216          | 02/18/2063                  | 111,942.90           |
|                    | 64,335,000.00 |         |                   | 22.216          |                             | 111,942.90           |

|                                                                                                   | TIC                     | All-In<br>TIC              | Arbitrage<br>Yield      |
|---------------------------------------------------------------------------------------------------|-------------------------|----------------------------|-------------------------|
| Par Value<br>+ Accrued Interest<br>+ Bramium (Discount)                                           | 64,335,000.00           | 64,335,000.00              | 64,335,000.00           |
| + Premium (Discount)<br>- Underwriter's Discount<br>- Cost of Issuance Expense<br>- Other Amounts | -321,675.00             | -321,675.00<br>-200,000.00 |                         |
| Target Value                                                                                      | 64,013,325.00           | 63,813,325.00              | 64,335,000.00           |
| Target Date<br>Yield                                                                              | 12/01/2040<br>4.035172% | 12/01/2040<br>4.057165%    | 12/01/2040<br>4.000000% |



### NET DEBT SERVICE

| Period<br>Ending | Principal     | Interest      | Total<br>Debt Service | Capitalized<br>Interest Fund | Net<br>Debt Service |
|------------------|---------------|---------------|-----------------------|------------------------------|---------------------|
| 12/01/2041       |               | 2,573,400.00  | 2,573,400.00          | 214,450.00                   | 2,358,950.00        |
| 12/01/2042       | 110,000.00    | 2,573,400.00  | 2,683,400.00          | ,                            | 2,683,400.00        |
| 12/01/2043       | 115,000.00    | 2,569,000.00  | 2,684,000.00          |                              | 2,684,000.00        |
| 12/01/2044       | 280,000.00    | 2,564,400.00  | 2,844,400.00          |                              | 2,844,400.00        |
| 12/01/2045       | 290,000.00    | 2,553,200.00  | 2,843,200.00          |                              | 2,843,200.00        |
| 12/01/2046       | 475,000.00    | 2,541,600.00  | 3,016,600.00          |                              | 3,016,600.00        |
| 12/01/2047       | 490,000.00    | 2,522,600.00  | 3,012,600.00          |                              | 3,012,600.00        |
| 12/01/2048       | 695,000.00    | 2,503,000.00  | 3,198,000.00          |                              | 3,198,000.00        |
| 12/01/2049       | 720,000.00    | 2,475,200.00  | 3,195,200.00          |                              | 3,195,200.00        |
| 12/01/2050       | 940,000.00    | 2,446,400.00  | 3,386,400.00          |                              | 3,386,400.00        |
| 12/01/2051       | 980,000.00    | 2,408,800.00  | 3,388,800.00          |                              | 3,388,800.00        |
| 12/01/2052       | 1,225,000.00  | 2,369,600.00  | 3,594,600.00          |                              | 3,594,600.00        |
| 12/01/2053       | 1,270,000.00  | 2,320,600.00  | 3,590,600.00          |                              | 3,590,600.00        |
| 12/01/2054       | 1,540,000.00  | 2,269,800.00  | 3,809,800.00          |                              | 3,809,800.00        |
| 12/01/2055       | 1,600,000.00  | 2,208,200.00  | 3,808,200.00          |                              | 3,808,200.00        |
| 12/01/2056       | 1,895,000.00  | 2,144,200.00  | 4,039,200.00          |                              | 4,039,200.00        |
| 12/01/2057       | 1,970,000.00  | 2,068,400.00  | 4,038,400.00          |                              | 4,038,400.00        |
| 12/01/2058       | 2,290,000.00  | 1,989,600.00  | 4,279,600.00          |                              | 4,279,600.00        |
| 12/01/2059       | 2,380,000.00  | 1,898,000.00  | 4,278,000.00          |                              | 4,278,000.00        |
| 12/01/2060       | 2,735,000.00  | 1,802,800.00  | 4,537,800.00          |                              | 4,537,800.00        |
| 12/01/2061       | 2,845,000.00  | 1,693,400.00  | 4,538,400.00          |                              | 4,538,400.00        |
| 12/01/2062       | 3,230,000.00  | 1,579,600.00  | 4,809,600.00          |                              | 4,809,600.00        |
| 12/01/2063       | 3,360,000.00  | 1,450,400.00  | 4,810,400.00          |                              | 4,810,400.00        |
| 12/01/2064       | 3,785,000.00  | 1,316,000.00  | 5,101,000.00          |                              | 5,101,000.00        |
| 12/01/2065       | 3,935,000.00  | 1,164,600.00  | 5,099,600.00          |                              | 5,099,600.00        |
| 12/01/2066       | 4,400,000.00  | 1,007,200.00  | 5,407,200.00          |                              | 5,407,200.00        |
| 12/01/2067       | 4,575,000.00  | 831,200.00    | 5,406,200.00          |                              | 5,406,200.00        |
| 12/01/2068       | 5,080,000.00  | 648,200.00    | 5,728,200.00          |                              | 5,728,200.00        |
| 12/01/2069       | 5,285,000.00  | 445,000.00    | 5,730,000.00          |                              | 5,730,000.00        |
| 12/01/2070       | 5,840,000.00  | 233,600.00    | 6,073,600.00          |                              | 6,073,600.00        |
|                  | 64,335,000.00 | 57,171,400.00 | 121,506,400.00        | 214,450.00                   | 121,291,950.00      |



### SUMMARY OF BONDS REFUNDED

| Bond                 | Maturity<br>Date    | Interest<br>Rate | Par<br>Amount | Call<br>Date | Call<br>Price |
|----------------------|---------------------|------------------|---------------|--------------|---------------|
| 12/9/22: Ser 30 NR S | SP, 5.00%, 100x, 50 | .00mls, FG+6%    | BiRE:         |              |               |
| TERM60               | 12/01/2041          | 5.000%           | 415,000.00    | 12/01/2040   | 100.000       |
|                      | 12/01/2042          | 5.000%           | 585,000.00    | 12/01/2040   | 100.000       |
|                      | 12/01/2043          | 5.000%           | 615,000.00    | 12/01/2040   | 100.000       |
|                      | 12/01/2044          | 5.000%           | 805,000.00    | 12/01/2040   | 100.000       |
|                      | 12/01/2045          | 5.000%           | 845,000.00    | 12/01/2040   | 100.000       |
|                      | 12/01/2046          | 5.000%           | 1,060,000.00  | 12/01/2040   | 100.000       |
|                      | 12/01/2047          | 5.000%           | 1,115,000.00  | 12/01/2040   | 100.000       |
|                      | 12/01/2048          | 5.000%           | 1,350,000.00  | 12/01/2040   | 100.000       |
|                      | 12/01/2049          | 5.000%           | 1,420,000.00  | 12/01/2040   | 100.000       |
|                      | 12/01/2050          | 5.000%           | 1,680,000.00  | 12/01/2040   | 100.000       |
|                      | 12/01/2051          | 5.000%           | 1,765,000.00  | 12/01/2040   | 100.000       |
|                      | 12/01/2052          | 5.000%           | 2,055,000.00  | 12/01/2040   | 100.000       |
|                      | 12/01/2053          | 5.000%           | 2,160,000.00  | 12/01/2040   | 100.000       |
|                      | 12/01/2054          | 5.000%           | 2,485,000.00  | 12/01/2040   | 100.000       |
|                      | 12/01/2055          | 5.000%           | 2,610,000.00  | 12/01/2040   | 100.000       |
|                      | 12/01/2056          | 5.000%           | 2,965,000.00  | 12/01/2040   | 100.000       |
|                      | 12/01/2057          | 5.000%           | 3,115,000.00  | 12/01/2040   | 100.000       |
|                      | 12/01/2058          | 5.000%           | 3,515,000.00  | 12/01/2040   | 100.000       |
|                      | 12/01/2059          | 5.000%           | 3,690,000.00  | 12/01/2040   | 100.000       |
|                      | 12/01/2060          | 5.000%           | 8,105,000.00  | 12/01/2040   | 100.000       |
|                      |                     |                  | 42,355,000.00 |              |               |



### **ESCROW REQUIREMENTS**

| Dated Da<br>Delivery I |                       | 1/2040<br>1/2040 |
|------------------------|-----------------------|------------------|
| Period<br>Ending       | Principal<br>Redeemed | Total            |
| 12/01/2040             | 42,355,000.00         | 42,355,000.00    |
|                        | 42,355,000.00         | 42,355,000.00    |



### PRIOR BOND DEBT SERVICE

| Period<br>Ending | Principal     | Coupon | Interest      | Debt Service  |
|------------------|---------------|--------|---------------|---------------|
| 12/01/2041       | 415,000.00    | 5.000% | 2,117,750.00  | 2,532,750.00  |
| 12/01/2042       | 585,000.00    | 5.000% | 2,097,000.00  | 2,682,000.00  |
| 12/01/2043       | 615,000.00    | 5.000% | 2,067,750.00  | 2,682,750.00  |
| 12/01/2044       | 805,000.00    | 5.000% | 2,037,000.00  | 2,842,000.00  |
| 12/01/2045       | 845,000.00    | 5.000% | 1,996,750.00  | 2,841,750.00  |
| 12/01/2046       | 1,060,000.00  | 5.000% | 1,954,500.00  | 3,014,500.00  |
| 12/01/2047       | 1,115,000.00  | 5.000% | 1,901,500.00  | 3,016,500.00  |
| 12/01/2048       | 1,350,000.00  | 5.000% | 1,845,750.00  | 3,195,750.00  |
| 12/01/2049       | 1,420,000.00  | 5.000% | 1,778,250.00  | 3,198,250.00  |
| 12/01/2050       | 1,680,000.00  | 5.000% | 1,707,250.00  | 3,387,250.00  |
| 12/01/2051       | 1,765,000.00  | 5.000% | 1,623,250.00  | 3,388,250.00  |
| 12/01/2052       | 2,055,000.00  | 5.000% | 1,535,000.00  | 3,590,000.00  |
| 12/01/2053       | 2,160,000.00  | 5.000% | 1,432,250.00  | 3,592,250.00  |
| 12/01/2054       | 2,485,000.00  | 5.000% | 1,324,250.00  | 3,809,250.00  |
| 12/01/2055       | 2,610,000.00  | 5.000% | 1,200,000.00  | 3,810,000.00  |
| 12/01/2056       | 2,965,000.00  | 5.000% | 1,069,500.00  | 4,034,500.00  |
| 12/01/2057       | 3,115,000.00  | 5.000% | 921,250.00    | 4,036,250.00  |
| 12/01/2058       | 3,515,000.00  | 5.000% | 765,500.00    | 4,280,500.00  |
| 12/01/2059       | 3,690,000.00  | 5.000% | 589,750.00    | 4,279,750.00  |
| 12/01/2060       | 8,105,000.00  | 5.000% | 405,250.00    | 8,510,250.00  |
|                  | 42,355,000.00 |        | 30,369,500.00 | 72,724,500.00 |



### **BOND SOLUTION**

| Period<br>Ending | Proposed<br>Principal | Proposed<br>Debt Service | Debt Service<br>Adjustments | Total Adj<br>Debt Service | Revenue<br>Constraints | Unused<br>Revenues | Debt Service<br>Coverage |
|------------------|-----------------------|--------------------------|-----------------------------|---------------------------|------------------------|--------------------|--------------------------|
| 12/01/2041       |                       | 2,573,400                | -214,450                    | 2,358,950                 | 2,533,036              | 174,086            | 107.38%                  |
| 12/01/2042       | 110,000               | 2,683,400                |                             | 2,683,400                 | 2,685,259              | 1,859              | 100.07%                  |
| 12/01/2043       | 115,000               | 2,684,000                |                             | 2,684,000                 | 2,685,259              | 1,259              | 100.05%                  |
| 12/01/2044       | 280,000               | 2,844,400                |                             | 2,844,400                 | 2,846,614              | 2,214              | 100.08%                  |
| 12/01/2045       | 290,000               | 2,843,200                |                             | 2,843,200                 | 2,846,614              | 3,414              | 100.12%                  |
| 12/01/2046       | 475,000               | 3,016,600                |                             | 3,016,600                 | 3,017,651              | 1,051              | 100.03%                  |
| 12/01/2047       | 490,000               | 3,012,600                |                             | 3,012,600                 | 3,017,651              | 5,051              | 100.17%                  |
| 12/01/2048       | 695,000               | 3,198,000                |                             | 3,198,000                 | 3,198,950              | 950                | 100.03%                  |
| 12/01/2049       | 720,000               | 3,195,200                |                             | 3,195,200                 | 3,198,950              | 3,750              | 100.12%                  |
| 12/01/2050       | 940,000               | 3,386,400                |                             | 3,386,400                 | 3,391,127              | 4,727              | 100.14%                  |
| 12/01/2051       | 980,000               | 3,388,800                |                             | 3,388,800                 | 3,391,127              | 2,327              | 100.07%                  |
| 12/01/2052       | 1,225,000             | 3,594,600                |                             | 3,594,600                 | 3,594,835              | 235                | 100.01%                  |
| 12/01/2053       | 1,270,000             | 3,590,600                |                             | 3,590,600                 | 3,594,835              | 4,235              | 100.12%                  |
| 12/01/2054       | 1,540,000             | 3,809,800                |                             | 3,809,800                 | 3,810,765              | 965                | 100.03%                  |
| 12/01/2055       | 1,600,000             | 3,808,200                |                             | 3,808,200                 | 3,810,765              | 2,565              | 100.07%                  |
| 12/01/2056       | 1,895,000             | 4,039,200                |                             | 4,039,200                 | 4,039,651              | 451                | 100.01%                  |
| 12/01/2057       | 1,970,000             | 4,038,400                |                             | 4,038,400                 | 4,039,651              | 1,251              | 100.03%                  |
| 12/01/2058       | 2,290,000             | 4,279,600                |                             | 4,279,600                 | 4,282,270              | 2,670              | 100.06%                  |
| 12/01/2059       | 2,380,000             | 4,278,000                |                             | 4,278,000                 | 4,282,270              | 4,270              | 100.10%                  |
| 12/01/2060       | 2,735,000             | 4,537,800                |                             | 4,537,800                 | 4,539,446              | 1,646              | 100.04%                  |
| 12/01/2061       | 2,845,000             | 4,538,400                |                             | 4,538,400                 | 4,539,446              | 1,046              | 100.02%                  |
| 12/01/2062       | 3,230,000             | 4,809,600                |                             | 4,809,600                 | 4,812,053              | 2,453              | 100.05%                  |
| 12/01/2063       | 3,360,000             | 4,810,400                |                             | 4,810,400                 | 4,812,119              | 1,719              | 100.04%                  |
| 12/01/2064       | 3,785,000             | 5,101,000                |                             | 5,101,000                 | 5,101,086              | 86                 | 100.00%                  |
| 12/01/2065       | 3,935,000             | 5,099,600                |                             | 5,099,600                 | 5,101,086              | 1,486              | 100.03%                  |
| 12/01/2066       | 4,400,000             | 5,407,200                |                             | 5,407,200                 | 5,407,391              | 191                | 100.00%                  |
| 12/01/2067       | 4,575,000             | 5,406,200                |                             | 5,406,200                 | 5,407,391              | 1,191              | 100.02%                  |
| 12/01/2068       | 5,080,000             | 5,728,200                |                             | 5,728,200                 | 5,732,074              | 3,874              | 100.07%                  |
| 12/01/2069       | 5,285,000             | 5,730,000                |                             | 5,730,000                 | 5,732,074              | 2,074              | 100.04%                  |
| 12/01/2070       | 5,840,000             | 6,073,600                |                             | 6,073,600                 | 6,076,239              | 2,639              | 100.04%                  |
|                  | 64,335,000            | 121,506,400              | -214,450                    | 121,291,950               | 121,527,682            | 235,732            |                          |

# EXHIBIT E

# ANNUAL REPORT AND DISCLOSURE FORM

(Sample attached)

# EL PASO COUNTY SPECIAL DISTRICTS ANNUAL REPORT and DISCLOSURE FORM

| 1.          | Name of Districts:                                                                                                                                                                                                                                | Sterling Ranch Metropolitan District Nos. 4 & 5                                                                                                                                                                                                                                                                         |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.          | Report for Calendar Year:                                                                                                                                                                                                                         | 2023                                                                                                                                                                                                                                                                                                                    |
| 3.          | Contact Information                                                                                                                                                                                                                               | Spencer Fane LLP<br>Attention: Russell Dykstra<br>1700 Lincoln Street, Suite 2000<br>Denver, Colorado 80203<br>Phone: 303-839-3800<br>Email: rdykstra@spencerfane.com                                                                                                                                                   |
| 4.          | Meeting Information                                                                                                                                                                                                                               | Meeting information can be found by contacting the contact person listed above.                                                                                                                                                                                                                                         |
| 5.<br>Repre | Type of District(s)/ Unique<br>esentational Issues (if any)                                                                                                                                                                                       | Colorado Revised Statutes Title 32 Metropolitan<br>District                                                                                                                                                                                                                                                             |
| 6.          | Authorized Purposes of the Districts                                                                                                                                                                                                              | The Service Plan authorizes all permissible<br>purposes as allowed under Colorado Revised<br>Statutes Title 32                                                                                                                                                                                                          |
| 7.          | Active Purposes of the Districts                                                                                                                                                                                                                  | Proposed design, construction, and completion of<br>an estimated \$140,000,000 of on and off-site<br>public improvements, including, but not limited to,<br>roadway, water, sanitary sewer, drainage, park<br>and recreation, and Sand Creek Channel<br>improvements (including access roads and<br>wetland mitigation) |
| 8. Cu       | rrent Certified Mill Levies<br>a. Debt Service<br>b. Operational<br>c. Total                                                                                                                                                                      | <ul><li>a. 50 mills (subject to adjustment)</li><li>b. 15 mills (subject to adjustment)</li><li>c. 65 mills (subject to adjustment)</li></ul>                                                                                                                                                                           |
| 9.          | Sample Calculation of Current Mill Levy<br>for a Residential and Commercial<br>Property (as applicable).                                                                                                                                          | Assume a residential property with a value of<br>\$700,000 x 6.95% = \$48,650 (assessed value);<br>\$48,650 x 0.065 = \$3,162.25 taxes per year due to<br>the District                                                                                                                                                  |
| 10.         | Maximum Authorized Mill Levy Caps<br>(Note: these are maximum allowable<br>mill levies which could be certified in the<br>future unless there was a change in state<br>statutes or Board of County<br>Commissioners approvals)<br>a. Debt Service | <ul><li>a. 50 mills (subject to adjustment)</li><li>b. 15 mills (subject to adjustment)</li><li>c. 65 mills (subject to adjustment)</li></ul>                                                                                                                                                                           |
|             | b. Operational<br>c. Total                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                         |
| 11.         | Sample Calculation of Mill Levy Cap for<br>a Residential and Commercial Property<br>(as applicable).                                                                                                                                              | See #9 above                                                                                                                                                                                                                                                                                                            |

| 12.<br>(as     | Current Outstanding Debt of the Districts of the end of year of this report)                 | N/A |
|----------------|----------------------------------------------------------------------------------------------|-----|
| 13.<br>Distric | Total voter-authorized debt of the<br>ts (including current debt)                            | N/A |
| 14.            | Debt proposed to be issued, reissued or<br>otherwise obligated in the coming year.           | N/A |
| 15.            | Major facilities/ infrastructure<br>improvements initiated or completed in<br>the prior year | N/A |
| 16.            | Summary of major property exclusion or inclusion activities in the past year.                | N/A |

#### Reminder:

A. As per Colorado Revised Statutes, Section 32-1-306, the special district shall maintain a current, accurate map of its boundaries and shall provide for such map to be on file with the County Assessor.

# Name and Title of Respondent

| Signature of Respondent |
|-------------------------|
|-------------------------|

Date

RETURN COMPLETED FORM TO: El Paso County Board of County Commissioners Attention: Clerk to the Board 1675 W. Garden of the Gods Road, Suite 2201,

Colorado Springs, CO 80907

**\*\*NOTE:** As per CRS Section 32-1-104(2), a copy of this report should also be submitted to:

County Assessor - 1675 W. Garden of the Gods Road, Suite 2300, Colorado Springs, CO 80907

County Treasurer - 1675 W. Garden of the Gods Road, Suite 2100, Colorado Springs, CO 80907

 222127449
 10/4/2022 4:28 PM

 PGS
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 \$38.00
 DF \$0.00

 Electronically Recorded Official Records El Paso County CO

 Chuck Broerman, Clerk and Recorder

 TD1000
 N

| DISTRICT COURT, EL PASO COUNTY, COLORADO                    |                                |                            |
|-------------------------------------------------------------|--------------------------------|----------------------------|
| Court Address:<br>270 S. TEJON, COLORADO SPRINGS, CO, 80903 | FILED: June 10<br>NUMBER: 2010 | ), 2022 8:29 AM<br>DCV5714 |
| In the Matter of: STERLING RANCH METROPOLITAN DISTRICT      |                                |                            |
|                                                             | ∆ cou                          | RT USE ONLY                |
|                                                             | Case Number: 2010CV5714        |                            |
|                                                             | Division: 4                    | Courtroom:                 |

#### Order:District No. 3, Order for Exclusion, Classic SRJ Land, LLC, Artesia Lot Holding, LLC, and Vantage Homes Corp Parcels

The motion/proposed order attached hereto: GRANTED.

Issue Date: 6/10/2022

Alaka

DAVID LEE SHAKES District Court Judge

State of Colorado, County of El Paso Certified to be a true, and correct copy of the original in my custody.

SEP 2 2 2022

SHERI KING ERK OF THE DISTRICT/COUNTY COURT Wassell Deputy



| DISTRICT COURT, EL PASO COUNTY, COLORADO                                                            |                         |
|-----------------------------------------------------------------------------------------------------|-------------------------|
| Court Address: 270 South Tejon St.<br>Colorado Springs, CO 80901                                    |                         |
| Telephone: (719) 452-5000                                                                           |                         |
| Petitioner:                                                                                         |                         |
| STERLING RANCH METROPOLITAN DISTRICT NO. 3                                                          | ▲ COURT USE ONLY ▲      |
| By the Court:                                                                                       | Case Number: 2010CV5714 |
|                                                                                                     | Division: 4             |
|                                                                                                     | Courtroom:              |
| ORDER FOR EXCLUSIC<br>(Classic SRJ Land, LLC, Artesia Lot Holdings. LLC, an<br>from District No. 3) |                         |

THIS MATTER comes before the Court pursuant to § 32-1-501(1), C.R.S., on Motion for an Order for Exclusion of property from the boundaries of the Sterling Ranch Metropolitan District No. 3, El Paso County, Colorado (the "District"). This Court, being fully advised in the premises, and there being no objection filed by any person, hereby ORDERS:

1. That the real property set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Property"), shall be and is hereby excluded from the boundaries of the District.

2. Pursuant to § 32-1-503(1), C.R.S., the Property shall remain obligated for its proportionate share of the principal and interest on the outstanding bonded indebtedness of the District existing immediately prior to the effective date of this Order. As of the date of this Order, there is no outstanding bonded indebtedness of the District for which the Property will be liable.

3. In accordance with § 32-1-503(1), C.R.S., the Property shall not become obligated for any property tax levied by the District for operating costs of the District nor for any bonded indebtedness issued after the date of this Order.

4. The District shall file this order in accordance with the provisions of § 32-1-105, C.R.S.

| DONE AND EFFECTIVE THIS _                | day of             | 2022.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |   |
|------------------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
|                                          | BY THE COURT       | :<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |   |
|                                          |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | · |
|                                          | District Court Jud | ge                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |   |
|                                          |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |   |
|                                          |                    | e de la companya de |   |
|                                          |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |   |
|                                          |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |   |
|                                          |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |   |
|                                          |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |   |
|                                          |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |   |
| en e |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |   |
|                                          |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |   |

### **EXHIBIT A** (Legal Description of Exclusion Property)



JOB NO 1183 01-96 ANUARY 31, 2922 PAGE 1 OF 6

-510 M. Cascado Anac.or, Solice 2000 - (\* 28) 205 (2000) «Estimado Springe, Constanto 2009/20 - (7 15) 265 (2029) (Feed

#### LEGAL DESCRIPTION: STERLING RANCH METROPOLITAN DISTRICT NO. 3 EXCLUSION

A PARCEL OF LAND BEING A PORTION OF SECTIONS 27-28-33 AND 34. TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY. COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, BEING MONUMENTED AT THE WEST END BY THE SOUTHWEST CORNER OF SAID SECTION 34, BY A 3-1/2" ILLEGIBLE CAP AND AT THE EAST END BY THE SOUTH QUARTER CORNER OF SAID SECTION 34 BY A 2-1/2" ALUMINUM SURVEYORS CAP STAMPED TUP&C 11624", IS ASSUMED TO DO BOOM CHARMENT OF 2723 44 EFET. TO BEAR S89"14"14"W, A DISTANCE OF 2722-56 FEET

#### PARCEL 1

COMMENCING AT THE SOUTHEAST OLARTEE CORNER OF SECTION 33, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN EL PASO COUNTY, COLORADO SAID POINT SEING ALSO THE SOUTHWEST QUARTER CORNER OF SECTION 34;

THENCE N89°14'14'E, ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 34, A DISTANCE OF 1728-42 FEET TO THE POINT OF BEGINNING:

34, A DEFIANCE OF 1/23 42 FEET TO THE POINT OF BEGINNING: THENCE N44\*14178', A DISTANCE OF 297.08 FEET; THENCE N44\*1414'E, A DISTANCE OF 200.00 FEET; THENCE N44\*1414'E, A DISTANCE OF 68 03 FEET; THENCE N44\*1414'E, A DISTANCE OF 68 03 FEET; THENCE N44\*1414'E, A DISTANCE OF 69 03 FEET; THENCE N44\*1414'E, A DISTANCE OF 69 03 FEET; THENCE N44\*1414'E, A DISTANCE OF 55 COFFET; THENCE N44\*1414'E, A DISTANCE OF 292 35 FEET TO A POINT OF CURVE; THENCE N44\*1414'E, A DISTANCE OF 292 35 FEET TO A POINT OF CURVE; THENCE N44\*1414'E, A DISTANCE OF 292 35 FEET TO A POINT OF CURVE; THENCE N44\*1414'E, A DISTANCE OF 292 35 FEET TO A POINT OF CURVE; THENCE N20'5522'E, A DISTANCE OF 292 35 FEET TO A POINT OF CURVE; THENCE N20'5622'E, A DISTANCE OF 97 01 FEET TO A POINT OF CURVE; THENCE N20'5622'E, A DISTANCE OF 97 01 FEET TO A POINT OF CURVE; THENCE N20'5622'E, A DISTANCE OF 97 01 FEET TO A POINT OF CURVE; THENCE N20'5652'E, A DISTANCE OF 97 03 FEET TO A POINT OF CURVE; THENCE N20'5652'E, A DISTANCE OF 97 03 FEET TO A POINT OF CURVE; THENCE N32'28'29'E, A DISTANCE OF 98 05 FEET; THENCE N32'28'29'E, A DISTANCE OF 98 05 FEET; THENCE N13'28'29'E, A DISTANCE OF 98 05 FEET; THENCE N13'28'29'E, A DISTANCE OF 98 05 FEET; THENCE N13'28'29'E, A DISTANCE OF 386 78 FEET TO A POINT OF CURVE; THENCE N13'28'29'E, A DISTANCE OF 386 78 FEET TO A POINT OF CURVE; THENCE N13'28'29'E, A DISTANCE OF 386 78 FEET TO A POINT OF CURVE; THENCE N13'28'29'E, A DISTANCE OF 386 78 FEET TO A POINT OF CURVE; THENCE N13'28'29'E, A DISTANCE OF 386 78 FEET TO A POINT OF CURVE; THENCE N37'3'W A DISTANCE OF 285 78 FEET TO A POINT OF CURVE; THENCE N37'3'WA DISTANCE OF 286 78 FEET TO A POINT OF CURVE; THENCE N47'13'E, A DISTANCE OF 136 81 FEET TO A POINT OF CURVE; THENCE N47'13'E, A DISTANCE OF 280 78 FEET TO A POINT OF CURVE; THENCE N47'13'E, A DISTANCE OF 7329 FEET TO A POINT OF CURVE; THENCE N47'13'E, A TO A POINT ON CURVE: THENCE N50'49'01'W, A DISTANCE OF 595.53 FEET,

JOB NO. 1185.01-05 JANUARY 31, 2022 PAGE 2 OF 6

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SAID SECTION 33, A DISTANCE OF 1333.66 FEET TO A POINT ON THE EASTERLY RIGHT OF

S89"12'38"W, A DISTANCE OF 412,10 PEET TO THE POINT OF BEGINNING: THENCE CONTINUING \$89°12'35'W. ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF

SAID POINT BEING ALSO THE SOUTHWEST QUARTER CORNER OF SECTION 34: THENCE ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 33 THE FOLLOWING THREE (3) COURSES:

CONTAINING A CALCULATED AREA OF 590 481 ACRES

2 S89°14'14'W. A DISTANCE OF 994.14 FEET TO THE POINT OF BEGINNING.

2.

COMMENCING AT THE SOUTHEAST QUARTER CORNER OF SECTION 33, TOWNSHIP 12. SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN EL PASO COUNTY, COLORADO

PARCEL 2

SECTION 34 A DISTANCE OF 574.82 FEET, THENCE S00"13'01"E. A DISTANCE OF 2589 42 FEET: THENCE \$89'59'36'W, A DISTANCE OF 576 76 FEET TO A POINT OF CURVE: THENCE ON THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF 13'28 58'. A RADIUS OF \$30.00 FEET AND A DISTANCE OF 218.84 FEET TO A POINT OF TANGENT;

THENCE \$00°13'01'E, A DISTANCE OF 1721.97 FEST TO A POINT ON THE SOUTH LINE OF THE

THENCE ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 34 THE

SECTION 27 A DISTANCE OF 1333.89 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 27 THENCE N89'99'33'E, ON THE NORTH LINE OF THE WEST HALF OF THE WES'I NALF OF THE

EAST HALF OF SAID SECTION 27 A DISTANCE OF 665 29 FEET TO A POINT ON THE EAST LINE. OF THE WEST HALF OF THE WEST HALF OF THE EAST HALF OF SAID SECTION 27 SAID POINT. BEING ALSO ON THE WESTERLY BOUNDARY OF INDIAN WELLS SUBDIVISION FILING NO. 1.

THENCE SO1"01'59'E, ON THE EAST LINE OF THE WEST ONE-HALF OF THE WEST ONE-HALF. OF THE EAST ONE-HALF OF SAID SECTION 27 BEING ALSO ON THE WESTERLY BOUNDARY. OF SAID INDIAN WELLS SUBDIVISION FILING NO 1 A DISTANCE OF 5174.84 FEET; THENCE N87\*09'09'E, ON THE NORTH LINE OF THE WEST HALF OF THE EAST HALF OF

THENCE NS8'33'53'E, ON THE NORTH LINE OF THE EAST HALF OF THE WEST HALF OF SAID

THENCE NOC'54'30'W, ON THE WEST LINE OF THE CAST ONE-HALF OF THE WEST ONE-HALF. OF SAID SECTION 27, A DISTANCE OF 3925 53 FEET TO A POINT ON THE NORTH LINE OF THE EAST HALF OF THE WEST HALF OF SAID SECTION 27;

RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO

THENCE CONTINUING NR7\*35'00' E. A DISTANCE OF 639.38 FEET TO A POINT ON THE WEST LINE OF THE BAST ONE-HALF OF THE WEST ONE-HALF OF SECTION 27. TOWNSHIP 12 SOUTH,

THENCE N87"35-00'E, ON THE SOUTHERLY BOUNDARY OF SAID RETREAT AT TIMBERRIDGE FILING NO. 1, A DISTANCE OF 693.40 FEET;

THENCE N12\*34'00'E, A DISTANCE OF 477 90 FEET TO THE SOUTHWESTERLY CORNER OF RETREAT AT TIMBERRIDGE FILING NO. 1 RECORDED UNDER RECEPTION NO. 2207/4653

THENCE ON THE ARC OF A CURVE TO THE RIGHT WHOSE CENTER BEARS N48'27'57'E.

THENCE N22" 10'37"W, A DISTANCE OF 343.49 FEET; THENCE N71' 17'55'E, A DISTANCE OF 228.32 FEET; THENCE N39\*\*6'45"E, A DISTANCE OF 571.88 FEET;

RECORDED IN PLAT BOOK J-3 AT PAGE \$3.

THENCE N76"31'28"W. A DISTANCE OF 250.00 FEET; THENCE \$13"28'29"W, A DISTANCE OF 1035.83 FEET; THENCE \$82'20'46'E, A DISTANCE OF 1293.73 FEFT;

S89°14'26'W, A DISTANCE OF 1349 45 FEET;

S89°13'48'W, A DISTANCE OF 1401.41 FREET

S89'04'30"W, A DISTANCE OF 3757 59 FEET;

SOUTHWEST QUARTER OF SAID SECTION 34.

FOLLOWING TWO (2) COURSES:

WAY LINE OF VOLMER ROAD,

HAVING A DELTA OF 40'41'29', A RADIUS OF 234 02 FEET AND A DISTANCE OF \$66 20 FEET. TO A POINT ON CURVE:

THENCE N49114/551W, A DISTANCE OF 232.43 FEET TO A POINT ON CURVE;

سا با جام دې و زر دې PAGE 3 OF 6

THENCE ON THE EASTERLY RIGHT OF WAY LINE OF SAID VOLMER ROAD THE FOLLOWING TWO (2) COURSES.

- 1. N36°15'39'E. A DISTANCE OF 707'24 FEET, 2. N40°15'29'E. A DISTANCE OF 172.13 FEET;

THENCE \$49"38"29"E, A DISTANCE OF 1055.10 FEET TO THE POINT OF BEGINNING.

CONTAINING A GALCULATED AREA OF 19.725 ACRES.

CONTAINING A TOTAL CALCULATED AREA OF 601.206 ACRES.

#### LEGAL DESCRIPTION STATEMENT:

I, DOUGLAS P, REINELT, A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO: DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED UNDER MY RESPONSIBLE CHARGE AND ON THE BASIS OF MY KNOWLEDGE. INFORMATION PELIEF, ARE CORRECT.

30118 퓑

FOR 09,2012 OATÉ

DOUGLAS P. REINELT, PROFESSIONAL LAND SURVEYOR COLORADO P.L.S. MJ. 30115 FOR AND ON BEHALF OF CLASSIC CONSULTING ENGINEERS AND SURVEYORS, LLC

222127448<br/>PGS10/4/2022<br/>\$33.004:28 PM<br/>DF \$0.00Electronically Recorded Official Records El Paso County CO<br/>Chuck Broerman, Clerk and RecorderTD1000N

|                                                             | Division: 4 Courtroom:            |    |
|-------------------------------------------------------------|-----------------------------------|----|
|                                                             | Case Number: 2010CV5714           |    |
|                                                             |                                   | ۲Δ |
| n the Matter of: STERLING RANCH METROPOLITAN DISTRICT       |                                   |    |
|                                                             | CASE NUMBER: 2010CV5714           | *1 |
| Court Address:<br>270 S. TEJON, COLORADO SPRINGS, CO, 80903 | DATE_FILED: June 10, 2022 8:29 A1 | л  |
| DISTRICT COURT, EL PASO COUNTY, COLORADO                    |                                   |    |

#### Order: District No. 1, Order for Inclusion, Classic SRJ Land

The motion/proposed order attached hereto: GRANTED.

Issue Date: 6/10/2022

Alter

DAVID LEE SHAKES District Court Judge

State of Colorado, County of El Paso Certified to be a true, and correct copy of the original in my custody.

SEP 2 2 2022





| DISTRICT COURT, EL PASO COUNTY, COLORA                           | DO                                      |
|------------------------------------------------------------------|-----------------------------------------|
| Court Address: 270 South Tejon St.<br>Colorado Springs, CO 80901 |                                         |
| Telephone: (719) 452-5000                                        | 54<br>2007 - 10<br>10<br>10<br>10<br>10 |
| Petitioner:                                                      |                                         |
| STERLING RANCH METROPOLITAN DISTRICT                             | NO. 1                                   |
| By the Court:                                                    | Case Number: 2010CV5714                 |
|                                                                  |                                         |
|                                                                  | Division: 4                             |
|                                                                  | Courtroom:                              |
| ORDER FOR INC<br>(Classic SRJ Land, LLC Pr                       |                                         |

THIS MATTER comes before the Court pursuant to § 32-1-401(1), C.R.S., on Motion for an Order for Inclusion of property into the boundaries of the Sterling Ranch Metropolitan District No. 1, El Paso County, Colorado (the "District"). This Court, being fully advised in the premises, and there being no objection filed by any person, hereby ORDERS:

1. That the real property set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Property"), shall be and is hereby included within the boundaries of the District.

2. That in accordance with § 32-1-402(1)(b), C.R.S., after the date of this Order, the Property shall be subject to all of the taxes and charges imposed by the District and shall be liable for its proportionate share of existing bonded indebtedness of the District, except as owners may be exempt by law.

3. In accordance with § 32-1-402(1)(c), C.R.S., the Property shall be liable for its proportionate share of annual operation and maintenance charges and the cost of facilities of the District and taxes, rates, fees, tolls or charges shall be certified and levied or assessed therefor.

4. In accordance with § 32-1-402(1)(f), C.R.S., the District's facility and service standards which are applied within the included area shall be compatible with the facility and service standards of adjacent municipalities.

5. The District shall file this order in accordance with the provisions of § 32-1-105, C.R.S.

DONE AND EFFECTIVE THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2022. BY THE COURT: District Court Judge

### EXHIBIT A (Legal Description of Inclusion Property)



JOB NO 1183 01-10 APRIL 5, 2022 PAGE 1 CF 3

1919 N. Connels Anna 2, Santa 200 - (\* 19) 28341854 Calamila Sprains, Connecto 2000 - († 18) 195079 (Part

#### LEGAL DESCRIPTION: STERLING RANCH METROPOLITAN DISTRICT NO. 1 INCLUSIONS

THREE (3) PARCELS OF LAND BEING A PORTION OF SECTIONS 33 AND 34. TOWNSHIP 12. SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS

BASIS OF BCARINGS — THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 12 SOUTH RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, BEING MONUMENTED AT THE WEST END BY THE SOUTHWEST CORNER OF SAID SECTION 34, BY A 3-1/2" ILLEGIBLE CAP AND AT THE EAST END BY THE SOUTH QUARTER CORNER OF SAID SECTION 34 BY A 2-1/2" ALUMINUM SURVEYORS CAP STAMPED "UP&E 11624", IS ASSUMED TO BEAR 589" (4'14"W. A DISTANCE OF 2722.56 FEET.

#### PARCEL 1

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 33, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN EL PASO COUNTY, COLORADO SAID POINT BEING ALSO THE SOUTHWEST QUARTER CORNER OF SECTION 34,

THENCE N08'09'02'E, A DISTANCE OF 4528.95 FEET TO THE POINT OF BEGINNING;

THENCE N76"31"31 "W, A DISTANCE OF 290.32 FEET TO A POINT ON CURVE, THENCE ON THE ARC OF A CURVE TO THE RIGHT WHOSE CENTER BEARS N12"56:02"F, HAVING A DELTA OF 32"26'46", A RADIUS OF 195.42 FEET AND A DISTANCE OF 110.66 FEET TO A POINT ON CURVE, THENCE N50"49:01"W, A DISTANCE OF 595:53 FEET; THENCE N49"14:56"W, A DISTANCE OF 201:60 FEET; THENCE S50"26"12"E, A DISTANCE OF 788:50 FEET TO A POINT OF CURVE; THENCE S50"26"12"E, A DISTANCE OF 788:50 FEET TO A POINT OF CURVE; THENCE ON THE ARC OF A CURVE TO THE LEFT HAVING A DELTA OF 26"05"19", A RADIUS OF 175:00 FEET AND A DISTANCE OF 79.98 FEET TO A POINT OF TANGENT THENCE S15"3"31"L, A DISTANCE OF 79.01 TO FEET; THENCE S15"28"W, A DISTANCE OF 15:03 FEET TO THE POINT OF BEGINNING

CONTAINING A CALCULATED AREA OF 0.167 ACRES.

#### PARCEL 2

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 33, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN EL PASO COUNTY, COLORADO SAID POINT BEING ALSO THE SOUTHWEST QUARTER CORNER OF SECTION 34;

THENCE N15\*10'55'E, A DISTANCE OF 35\*5.63 FEET TO THE POINT OF BEGINNING;

THENCE N13'28'29'E. A DISTANCE OF 386 78 FEET TO A POINT OF CURVE; THENCE ON THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF 73'28'59', A RADIUS OF 225'00 FEET AND A DISTANCE OF 288'44 FEET TO A POINT OF REVERSE CURVE; THENCE ON THE ARC OF A CURVE TO THE LEFT HAVING A DELTA OF 16'19'23', A RADIUS OF 774.94 FEET AND A DISTANCE OF 220'77 FEET TO A POINT ON CURVE; THENCE S76'31'31'E, A DISTANCE OF 128.92 FEET; THENCE S13'28'29'W, A DISTANCE OF 105'80'FEET; THENCE S13'28'29'W, A DISTANCE OF 50:00 FEET; THENCE S76'31'31'E, A DISTANCE OF 289'8 FEET; THENCE S76'31'31'E, A DISTANCE OF 289'86'FEET; THENCE S76'31'31'E, A DISTANCE OF 129'80'FEET; THENCE S13'28'29'W, A DISTANCE OF 129'80'FEET; THENCE S13'28'29'W, A DISTANCE OF 129'80'FEET; THENCE S13'29'29'W, A DISTANCE OF 129'80'FEET; THENCE S13'29'29'W, A DISTANCE OF 129'80'FEET; THENCE N75'31'31'W, A DISTANCE OF 944'78'FEET TO THE POINT OF BEGINNING

CONTAINING A CALCULATED AREA OF 9.275 ACRES,

JOB NO 1183.01-10 APR/L 5, 2022 PAGE 2 OF 3

#### PARCEL 3

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 33, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN EL PASO COUNTY, COLORADO SAIO POINT BEING ALSO THE SOUTHWEST QUARTER CORNER OF SECTION 34;

THENCE N37°24'49'E. A DISTANCE OF 2749 74 FEET TO THE POINT OF BEGINNING.

THENCE N79°31°31°31′W. A DISTANCE OF 4.99 FEET. THENCE N13°28°29′E, A DISTANCE OF 60.03 FEET; THENCE N76°31°31′W. A DISTANCE OF 25:00 FEET. THENCE N13°28°29′F. A DISTANCE OF 630.60 FEET, THENCE S76°31°31′E, A DISTANCE OF 29:99 FEET; THENCE S13°28°29′W. A DISTANCE OF 590.84 FEET TO THE POINT OF BEGINNING.

CONTAINING A CALCULATED AREA OF 0.441 ACRES

#### CONTAINING A TOTAL CALCULATED AREA OF 9.084 ACRES.

#### LEGAL DESCRIPTION STATEMENT:

I DOUGLAS P. REINELT, A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED UNDER MY RESPONSIBLE CHARGE AND ON THE BASIS OF MY KNOWLEDGE, INFORMATION DEFLICE, ARE CORRECT.

30118

APRILOG, 202.7

DOUGLAS P. REINELTI PROFESSIONAL LAND SURVEYOR COLORADO P.L.S. NO 30118 FOR AND ON BEHALP OF CLASSIC CONSULTING ENGINEERS AND SURVEYORS, LLC

# <u>SPECIAL DISTRICT SERVICE PLAN</u> (Recommend Approval)

\_\_\_\_ moved that the following Resolution be adopted:

# BEFORE THE PLANNING COMMISSION

# OF THE COUNTY OF EL PASO

# STATE OF COLORADO

# RESOLUTION NO. ID-23-001 STERLING RANCH METROPOLITAN DISTRICT NOS. 4 AND 5

WHEREAS, Classic SRJ, LLC, did file an application with the Planning and Community Development Department of El Paso County, pursuant to § 32-1-204 (2), Colorado Revised Statutes (C.R.S.), for the review of a draft service plan for Meadow Lake Metropolitan District Nos. 1-3 for property more particularly described in Exhibit A, which is attached hereto and incorporated by reference; and

WHEREAS, a public hearing was held by this Commission on April 20, 2023; and

WHEREAS, based on the evidence, testimony, exhibits, consideration of the master plan for the unincorporated area of the County, study of the proposed service plan for Sterling Ranch Metropolitan District Nos. 4 and 5, presentation and comments of the El Paso County Planning and Community Development Department and other County representatives, comments of public officials and agencies, and comments from all interested persons, and comments by the El Paso County Planning the hearing, this Commission finds as follows:

- 1. That the application for the draft service plan for the Special District was properly submitted for consideration by the Planning Commission.
- 2. That proper posting, publication and public notice were provided as required by law for the hearing before the Planning Commission.
- 3. That the hearing before the Planning Commission was extensive and complete, that all pertinent facts, matters and issues were submitted and that all interested persons were heard at that hearing.
- 4. That all exhibits were received into evidence.
- 5. That there is sufficient existing and projected need for organized service in the area to be served by the proposed Special District.

- 6. That existing service in the area to be served by the proposed Special District is inadequate for present and projected needs.
- 7. That the proposed Special District is capable of providing economical and sufficient service to the area within its proposed boundaries.
- 8. That the area to be included in the proposed Special District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.
- 9. That adequate service is not, or will not be, available to the area through the County, other existing municipal or quasi-municipal corporations, including existing Special Districts, within a reasonable time and on a comparable basis.
- 10. That the facility and service standards of the proposed Special District are compatible with the facility and service standards of each County within which the proposed Special District is to be located and each municipality which is an interested party as defined in C.R.S. § 32-1-204 and the El Paso County Land Development Code.
- 11. That the proposal is in substantial compliance with a Master Plan adopted pursuant to C.R.S. § 30-28-106.
- 12. That the proposal is in compliance with any duly adopted County, regional or state long-range water quality management plan for the area.
- 13. That the creation of the proposed Special District will be in the best interests of the area proposed to be served.

NOW, THEREFORE, BE IT RESOLVED that the El Paso County Planning Commission recommends the service plan for Sterling Ranch Metropolitan District Nos. 4 and 5 be approved for the following, subject to the following:

# CONDITIONS OF APPROVAL

- 1. As stated in the proposed service plan, the maximum combined residential mill levy shall not exceed 65 mills for any property within the Sterling Ranch Metropolitan District Nos. 4 and 5, with no more than 50 mills devoted to residential debt service, no more than 15 mills devoted to operations and maintenance, unless the Districts receive Board of County Commissioner approval to increase the maximum mill levy.
- 2. As stated in the attached service plan, the maximum authorized debt for the Sterling Ranch Metropolitan District Nos. 4 and 5 shall be limited to \$150 million until and unless the Districts receive Board of County Commissioner approval to increase the maximum authorized debt.

- 3. Approval of the service plan for the Sterling Ranch Metropolitan District Nos. 4 and 5 includes the ability of the Districts to use eminent domain powers for the acquisition of property to be owned, controlled, or maintained by the Districts or another public or non-profit entity and is for the material use or benefit of the general public. The Districts may not use the power of eminent domain without prior approval by the Board of County Commissioners at a publicly noticed hearing after a showing that the use of eminent domain is necessary in order for the Districts to continue to provide service(s) within the Districts' boundaries and that there are no other alternatives that would not result in the need for the use of eminent domain powers.
- 4. The Sterling Ranch Metropolitan District Nos. 4 and 5 shall provide a disclosure form to future purchasers of property in a manner consistent with the approved Special District Annual Report form. The developer(s) shall provide written notation on each subsequent final plat associated with the development of the annually filed public notice. County staff is authorized to administratively approve updates to the disclosure form to reflect current contact information and calculations.
- 5. The Sterling Ranch Metropolitan District Nos. 4 and 5 are expressly prohibited from creating separate sub-districts except upon prior notice to the Board of County Commissioners, and subject to the Board of County Commissioners right to declare such creation to be a material modification of the service plan, pursuant to C.R.S. § 32-1-1101(1)(f)(I).
- 6. Approval of this application shall not constitute relinquishment or undermining of the County's authority to require the developer to complete subdivision improvements as required by the Land Development Code and Engineering Criteria Manual and to require subdivision improvement agreements or development agreements and collateral of the developer to guarantee the construction of improvements.
- 7. Any future proposed development of the subject parcels will require approval of a map amendment (rezone), preliminary plan, and final plat(s), and such final plat(s) must be recorded prior to undertaking land disturbing activities, excluding pre-subdivision site grading without installation of wet utilities as a separate, stand-alone request.
- 8. A material change to the land use assumptions identified in the service plan, and associated attachments, or any future material modification to the service plan shall require an amendment(s) to the service plan.

# NOTATIONS

- 1. Approval of this service plan shall in no way be construed to infer a requirement or obligation of the Board of County Commissioners to approve any future land use requests within the boundaries of the District.
- 2. Any expansions, extensions, or construction of new facilities by the Sterling Ranch Metropolitan District Nos. 4 and 5 will require prior review by the Planning and Community

Development Department to determine if such actions are subject to the requirements of Appendix B of the Land Development Code, Guidelines and Regulations for Areas and Activities of State Interest (a.ka. "1041 Regulations").

AND BE IT FURTHER RESOLVED that this Resolution and Recommendations be forwarded to the Board of County Commissioners of El Paso County for its consideration.

\_\_\_\_\_\_ seconded the adoption of the foregoing Resolution.

The roll having been called, the vote was as follows:

| Brian Risley        | aye / no / abstain / absent |
|---------------------|-----------------------------|
| Thomas Bailey       | aye / no / abstain / absent |
| Sarah Brittain Jack | aye / no / abstain / absent |
| Jay Carlson         | aye / no / abstain / absent |
| Becky Fuller        | aye / no / abstain / absent |
| Brandy Merriam      | aye / no / abstain / absent |
| Eric Moraes         | aye / no / abstain / absent |
| Kara Offner         | aye / no / abstain / absent |
| Joshua Patterson    | aye / no / abstain / absent |
| Bryce Schuettpelz   | aye / no / abstain / absent |
| Tim Trowbridge      | aye / no / abstain / absent |
| Christopher Whitney | aye / no / abstain / absent |

The Resolution was adopted by a vote of <u>to</u> by the Planning Commission of the County of El Paso, State of Colorado.

DONE THIS 20<sup>th</sup> day of April 2023, at Colorado Springs, Colorado.

EL PASO COUNTY PLANNING COMMISSION

By: \_\_\_\_\_\_\_. Chair

\_\_\_\_\_/``

DATED: April 20, 2023

# EXHIBIT A

LEGAL DESCRIPTION: STERLING RANCH METROPOLITAN DISTRICT NO. 4

A PARCEL OF LAND BEING A PORTION OF SECTIONS 27 AND 34, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, BEING MONUMENTED AT THE WEST END BY THE SOUTHWEST CORNER OF SAID SECTION 34, BY A 3-1/2" ILLEGIBLE CAP AND AT THE EAST END BY THE SOUTH QUARTER CORNER OF SAID SECTION 34 BY A 2-1/2" ALUMINUM SURVEYORS CAP STAMPED "UP&E 11624," IS ASSUMED TO BEAR S89°14'14"W, A DISTANCE OF 2722.56 FEET.

COMMENCING AT THE SOUTHEAST QUARTER CORNER OF SECTION 33, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN EL PASO COUNTY, COLORADO SAID POINT BEING ALSO THE SOUTHWEST QUARTER CORNER OF SECTION 34; THENCE N89°14'14"E, ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 34, A DISTANCE OF 1728.42 FEET TO THE POINT OF BEGINNING; THENCE N14°51'18"W, A DISTANCE OF 297.08 FEET; THENCE N45°45'46"W, A DISTANCE OF 210.00 FEET; THENCE N44°14'14"E, A DISTANCE OF 120.00 FEET; THENCE S45°45'46"E, A DISTANCE OF 66.83 FEET; THENCE N89°14'14"E, A DISTANCE OF 117.61 FEET; THENCE N44°14'14"E, A DISTANCE OF 206.83 FEET; THENCE N45°45'46"W, A DISTANCE OF 55.00 FEET; THENCE N44°14'14"E, A DISTANCE OF 590.27 FEET; THENCE N45°48'57"W, A DISTANCE OF 290.36 FEET TO A POINT OF CURVE; THENCE ON THE ARC OF A CURVE TO THE LEFT HAVING A DELTA OF 21°30'41", A RADIUS OF 1160.00 FEET AND A DISTANCE OF 435.52 FEET TO A POINT ON CURVE; THENCE N20°55'00"E, A DISTANCE OF 37.01 FEET TO A POINT OF CURVE; THENCE ON THE ARC OF A CURVE TO THE LEFT HAVING A DELTA OF 53°02'14", A RADIUS OF 275.00 FEET AND A DISTANCE OF 254.56 FEET TO A POINT OF TANGENT; THENCE N32°06'52"W, A DISTANCE OF 51.48 FEET TO A POINT OF CURVE; THENCE ON THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF 45°35'21", A RADIUS OF 225.00 FEET AND A DISTANCE OF 179.03 FEET TO A POINT OF TANGENT; THENCE N13°28'29"E, A DISTANCE OF 146.70 FEET; THENCE S76°31'31"E, A DISTANCE OF 4.99 FEET; THENCE N13°28'29"E, A DISTANCE OF 690.84 FEET; THENCE N76°31'31"W, A DISTANCE OF 29.99 FEET; THENCE N13°28'29"E, A DISTANCE OF 310.02 FEET; THENCE N76°31'31"W, A DISTANCE OF 36.22 FEET; THENCE N13°28'29"E, A DISTANCE OF 129.98 FEET; THENCE N76°31'31"W. A DISTANCE OF 289.28 FEET: THENCE N13°28'29"E, A DISTANCE OF 50.00 FEET; THENCE N76°31'31"W, A DISTANCE OF 105.80 FEET; THENCE N13°28'29"E, A DISTANCE OF 514.46 FEET; THENCE N76°31'31"W, A DISTANCE OF 188.91 FEET TO A POINT ON CURVE;

THENCE ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS N19°23'57"W, HAVING A DELTA OF 21°28'50", A RADIUS OF 774.94 FEET AND A DISTANCE OF 290.53 FEET TO A POINT OF TANGENT;

THENCE N49°07'13"E, A DISTANCE OF 50.22 FEET;

THENCE N46°16′29″W, A DISTANCE OF 139.81 FEET TO A POINT OF CURVE

THENCE ON THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF 18°27′18″, A RADIUS OF 825.00 FEET AND A DISTANCE OF 265.73 FEET TO A POINT ON CURVE;

THENCE S60°26'38"W, A DISTANCE OF 73.29 FEET TO A POINT OF CURVE;

THENCE ON THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF 43°01′51″, A RADIUS OF 475.00 FEET AND A DISTANCE OF 356.74 FEET TO A POINT OF TANGENT;

THENCE N 76°31'31"W, A DISTANCE OF 421.45 FEET;

THENCE N13°28'29"E, A DISTANCE OF 137.34 FEET TO A POINT OF CURVE;

THENCE ON THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF 63°41′16″, A RADIUS OF 770.00 FEET AND A DISTANCE OF 855.90 FEET TO A POINT OF TANGENT;

THENCE N77°09'45"E, A DISTANCE OF 243.22 FEET TO A POINT OF CURVE;

THENCE ON THE ARC OF A CURVE TO THE LEFT HAVING A DELTA OF 33°35'05", A RADIUS OF

1230.00 FEET AND A DISTANCE OF 720.97 FEET TO A POINT ON CURVE;

THENCE N90°00'00"E, A DISTANCE OF 1367.45 FEET TO THE WEST ONE-HALF OF THE WESTONE-HALF OF THE EAST ONE-HALF OF SAID SECTION 27;

THENCE S01°01′59″E, ON THE EAST LINE OF THE WEST ONE-HALF OF THE WEST ONE-HALF OF THE EAST ONE-HALF OF SAID SECTION 27 BEING ALSO ON THE WESTERLY BOUNDARY OF SAID INDIAN WELLS SUBDIVISION FILING NO. 1 RECORDED IN PLAT BOOK J-3 AT PAGE 83,

A DISTANCE OF 160.75 FEET TO THE SOUTHEAST CORNER OF THE WEST HALF OF THE WEST HALF OF THE EAST HALF OF SAID SECTION 27 BEING ALSO THE SOUTHWESTERLY CORNER OF SAID INDIAN WELLS SUBDIVISION FILING NO. 1;

THENCE N87°09′09″E, ON THE NORTH LINE OF THE WEST HALF OF THE EAST HALF OF SECTION 34, BEING ALSO ON THE SOUTHERLY BOUNDARY OF SAID INDIAN WELLS SUBDIVISION FILING NO. 1, A DISTANCE OF 574.82 FEET;

THENCE S00°13'01"E, A DISTANCE OF 2589.42 FEET;

THENCE S89°59'36"W, A DISTANCE OF 576.78 FEET TO A POINT OF CURVE;

THENCE ON THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF 13°28'56", A RADIUS OF 930.00 FEET AND A DISTANCE OF 218.84 FEET TO A POINT OF TANGENT;

THENCE N76°31′28″W, A DISTANCE OF 249.99 FEET;

THENCE S13°28'29"W, A DISTANCE OF 1035.83 FEET;

THENCE S82°20'46"E, A DISTANCE OF 1293.75 FEET;

THENCE S00°13'01"E, A DISTANCE OF 1721.97 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 34;

THENCE ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 34 THE FOLLOWING TWO (2) COURSES:

- 1. S89°14'26"W, A DISTANCE OF 1349.45 FEET;
- 2. S89°14'14"W, A DISTANCE OF 994.14 FEET TO THE POINT OF BEGINNING.

CONTAINING A CALCULATED AREA OF 280.920 ACRES.

LEGAL DESCRIPTION: STERLING RANCH METROPOLITAN DISTRICT NO. 5

A PARCEL OF LAND BEING A PORTION OF SECTIONS 27, 28, 33, AND 34, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BASIS OF BEARINGS: THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, BEING MONUMENTED AT THE WEST END BY THE SOUTHWEST CORNER OF SAID SECTION 34, BY A 3-1/2" ILLEGIBLE CAP AND AT THE EAST END BY THE SOUTH QUARTER CORNER OF SAID SECTION 34 BY A 2-1/2" ALUMINUM SURVEYORS CAP STAMPED "UP&E 11624," IS ASSUMED TO BEAR S89°14'14"W, A DISTANCE OF 2722.56 FEET.

COMMENCING AT THE SOUTHEAST QUARTER CORNER OF SECTION 33, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN EL PASO COUNTY, COLORADO SAID POINT BEING ALSO THE SOUTHWEST QUARTER CORNER OF SECTION 34;

THENCE N08°10'08"E, A DISTANCE OF 4544.52 FEET TO THE POINT OF BEGINNING;

THENCE N76°31′31″W, A DISTANCE OF 326.10 FEET TO A POINT OF CURVE;

THENCE ON THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF 26°05′19″, A RADIUS OF 175.00 FEET AND A DISTANCE OF 79.68 FEET TO A POINT OF TANGENT;

THENCE N50°26'12"W, A DISTANCE OF 787.62 FEET;

THENCE N49°14′55″W, A DISTANCE OF 31.68 FEET TO A POINT ON CURVE;

THENCE ON THE ARC OF A CURVE TO THE RIGHT WHOSE CENTER BEARS N48°27'57"E,

HAVING A DELTA OF 40°41′29″, A RADIUS OF 234.02 FEET AND A DISTANCE OF 166.20 FEET TO A POINT ON CURVE; THENCE N22°10′37″W, A DISTANCE OF 343.49 FEET;

THENCE N71°17′55″E, A DISTANCE OF 226.32 FEET;

THENCE N39°16'45"E, A DISTANCE OF 571.88 FEET;

THENCE N12°34′00″E, A DISTANCE OF 477.90 FEET TO THE SOUTHWESTERLY CORNER OF RETREAT AT TIMBERRIDGE FILING NO. 1 RECORDED UNDER RECEPTION NO. 220714653;

THENCE N87°35'00"E, ON THE SOUTHERLY BOUNDARY OF SAID RETREAT AT TIMBERRIDGE FILING NO. 1, A DISTANCE OF 693.40 FEET;

THENCE CONTINUING N87°35′00″E, A DISTANCE OF 639.38 FEET TO A POINT ON THE WEST LINE OF THE EAST ONE-HALF OF THE WEST ONE-HALF OF SECTION 27, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO;

THENCE N00°54'30"W, ON THE WEST LINE OF THE EAST ONE-HALF OF THE WEST ONE-HALF OF SAID SECTION 27, A DISTANCE OF 3925.63 FEET TO A POINT ON THE NORTH LINE OF THE EAST HALF OF THE WEST HALF OF SAID SECTION 27;

THENCE N88°38'53"E, ON THE NORTH LINE OF THE EAST HALF OF THE WEST HALF OF SAID SECTION 27 A DISTANCE OF 1330.89 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 27;

THENCE N89°05'33"E, ON THE NORTH LINE OF THE WEST HALF OF THE WEST HALF OF THE EAST HALF OF SAID SECTION 27 A DISTANCE OF 665.29 FEET TO A POINT ON THE EAST LINE OF THE WEST HALF OF THE WEST HALF OF THE EAST HALF OF SAID SECTION 27 SAID POINT ALSO BEING ON THE WESTERLY BOUNDARY OF INDIAN WELLS SUBDIVISION FILING NO. 1 RECORDED IN PLAT BOOK J-3 AT PAGE 83;

THENCE S01°01′59″E, ON THE EAST LINE OF THE WEST ONE-HALF OF THE WEST ONE-HALF OF THE EAST ONE-HALF OF SAID SECTION 27 BEING ALSO ON THE WESTERLY BOUNDARY OF SAID INDIAN WELLS SUBDIVISION FILING NO. 1, A DISTANCE OF 5014.09 FEET;

THENCE N90°00'00''W, A DISTANCE OF 1367.45 FEET TO A POINT ON CURVE;

THENCE ON THE ARC OF A CURVE TO THE RIGHT WHOSE CENTER BEARS N46°25′18″W, HAVING A DELTA OF 33°35′03″, A RADIUS OF 1230.00 FEET AND A DISTANCE OF 720.97 FEET TO A POINT OF TANGENT;

THENCE S77°09'45"W, A DISTANCE OF 243.22 FEET TO A POINT OF CURVE;

THENCE ON THE ARC OF A CURVE TO THE LEFT HAVING A DELTA OF 63°41'16", A RADIUS OF 770.00 FEET AND A DISTANCE OF 855.90 FEET TO A POINT OF TANGENT;

THENCE S13°28'29:W, A DISTANCE OF 121.71 FEET TO THE POINT OF BEGINNING.

CONTAINING A CALCULATED AREA OF 299.679 ACRES.