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Board of County Commissioners
Holly Williams, District 1
Carrie Geitner, District 2
Stan VanderWerf, District 3
Longinos Gonzalez, Jr., District 4
Cami Bremer, District 5

SUMMARY MEMORANDUM

TO: El Paso County Board of County Commissioners
FROM: Planning & Community Development
DATE: 5/23/2023
RE: ID-23-001, Sterling Ranch Metropolitan District Nos. 4 & 5

Project Description

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 metropolitan districts are within the approved Sterling Ranch Sketch Plan area.

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. The Planning Commission recommended approval (8-0).

Notation

Please see the project manager's staff report for staff analysis and conditions.

Planning Commission Recommendation and Vote

Mr. Carlson moved / Ms. Jack seconded for approval, for the special district service plan for the Sterling Ranch Metropolitan District Nos. 4 and 5, utilizing the resolution attached to the staff report, with eight (8) conditions and two (2) notations, that this item be forwarded to the Board of County Commissioners for their consideration. The motion was **approved (8-0).** The item was heard as a regular agenda item.

Discussion

Mr. Risley commented that a District is the appropriate vehicle to finance the necessary infrastructure. The County does not "pay for" development.

Attachments

1. Signed Planning Commission Resolution.
2. Planning Commission Minutes from April 20, 2023.
3. Planning Commission Staff Report.
4. Draft BOCC Resolution.

SPECIAL DISTRICT SERVICE PLAN (Recommend Approval)

CARLSON 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 Commission during 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-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").

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.

Jack 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 8 to 6 by the Planning Commission of the County of El Paso, State of Colorado.

DONE THIS 20th day of April 2023, at Colorado Springs, Colorado.

EL PASO COUNTY PLANNING COMMISSION

By: Brian Risley
BRIAN RISLEY, 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.

EL PASO COUNTY
COLORADO

Meggan Herington, AICP, Executive Director
El Paso County Planning & Community Development
O: 719-520-6300
MegganHerington@elpasoco.com
2880 International Circle, Suite 110
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Board of County Commissioners
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PLANNING COMMISSION

MEETING RESULTS (UNOFFICIAL RESULTS)

Planning Commission (PC) Meeting
Thursday, April 20, 2023
El Paso County Planning and Community Development Department
2880 International Circle – Second Floor Hearing Room
Colorado Springs, Colorado

REGULAR HEARING, 9:00 A.M.

PC MEMBERS PRESENT AND VOTING: BRIAN RISLEY, TOM BAILEY, SARAH BRITTAIN JACK, JAY CARLSON, TIM TROWBRIDGE, BECKY FULLER, BRANDY MERRIAM, AND CHRISTOPHER WHITNEY.

PC MEMBERS VIRTUAL AND VOTING: KARA OFFNER.

PC MEMBERS PRESENT AND NOT VOTING: NONE.

PC MEMBERS ABSENT: ERIC MORAES, JOSHUA PATTERSON, AND BRYCE SCHUETTPELZ.

STAFF PRESENT: MEGGAN HERINGTON, JUSTIN KILGORE, KARI PARSONS, JEFF RICE, ED SCHOENHEIT, SCOTT SHEVOCK, RYAN HOWSER, LUPE PACKMAN, MINDY MADDEN, MIRANDA BENSON, AND EL PASO COUNTY ATTORNEY LORI SEAGO.

OTHERS PRESENT OR VIRTUAL AND SPEAKING: PATTI BENNETT, CHAVA KIRK, STASIA ERICKSON, AND DON GROVEN.

1. REPORT ITEMS

A. Planning Department. Next PC Hearing is Thursday, May 4, 2023, at 9:00 A.M.

Ms. Herington advised the board that the annual meeting on 5/18/2023 will include presentations completed by Ms. Seago. She advised the board that there are 2 non-action items to be heard at the

end of this agenda. These items will go to a BOCC work session, so PCD would like the board's input before then. She also recognized Mr. Risley because this will be his last meeting on the PC after 9 years.

Mr. Risley thanked PCD staff, Ms. Seago, the County Commissioners, and his fellow board members.

B. Call for public comment for items not on hearing agenda. NONE.

2. CONSENT ITEMS

A. Adoption of Minutes of meeting held April 6, 2023.

Mr. Bailey noted that the minutes are not the official record of the meeting. The audio is the official record of the hearing.

PC ACTION: THE MINUTES WERE APPROVED AS PRESENTED BY UNANIMOUS CONSENT (8-0).

B. SP221 **HOWSER**

PRELIMINARY PLAN
CATHEDRAL ROCK COMMONS COMMERCIAL

A request by Store Master Funding VIII, LLC for approval of a preliminary plan to create three (3) commercial lots and one (1) tract. The 10.23-acre property is zoned CC (Commercial Community) and is located at the northeast corner of Struthers Road and Spanish Bit Drive. If the request for a preliminary plan is approved, the applicant will be required to obtain final plat approval, as well as site development plan approval prior to the initiation of any uses or the issuance of any building permits on the property. (Parcel No. 71360-02-035) (Commissioner District No. 1).

NO DISCUSSION.

PC ACTION: BAILEY MOVED / TROWBRIDGE SECONDED FOR APPROVAL OF CONSENT ITEM NUMBER 2B, FILE NUMBER SP-22-001 FOR A PRELIMINARY PLAN, CATHEDRAL ROCK COMMONS COMMERCIAL, UTILIZING THE RESOLUTION ATTACHED TO THE STAFF REPORT, WITH FOUR (4) CONDITIONS AND FOUR (4) NOTATIONS, AND A RECOMMENDED FINDING OF SUFFICIENCY WITH REGARD TO WATER QUALITY, QUANTITY, AND DEPENDABILITY, THAT THIS ITEM BE FORWARDED TO THE BOARD OF COUNTY COMMISSIONERS FOR THEIR CONSIDERATION. THE MOTION WAS APPROVED (8-0).

3. CALLED-UP CONSENT ITEMS. NONE.

4. REGULAR ITEMS

A. P2213 **PARSONS**

MAP AMENDMENT (REZONE)
STERLING RANCH SOUTHEAST REZONE

A request by Classic SRJ Land, LLC, for approval of a map amendment rezoning 35 acres from RR-5 (Residential Rural) to RR-0.5 (Residential Rural). The applicant intends to develop one-half acre lots for single-family detached homes as a transition to the rural properties adjacent to the south pursuant to the approved Sterling Ranch Sketch Plan. The property is located east of Vollmer Road at the southern portion of the Sterling Ranch Sketch Plan area. A concurrent preliminary plan is also requested. A combined staff report has been provided. (Parcel Nos. 52330-00-017, 52330-00-018, 52000-00-552, and 52000-00-553) (Commissioner District No. 2).

ITEMS 4A, 4B, AND 4C WERE PRESENTED TOGETHER AND HAD SHARED DISCUSSION (SEE BELOW).

B. P2212 **PARSONS**

MAP AMENDMENT (REZONE)
STERLING RANCH EAST REZONE

A request by Classic SRJ Land , LLC for approval of a map amendment rezoning 301 acres from RR-5 (Residential Rural) to RS-5000 (Residential Suburban). The applicant intends to develop single-family detached homes in four phases. The property is located east of Vollmer Road and adjacent to the north and south of the future Briargate Parkway/Stapleton Road extension. A concurrent preliminary plan is also requested. A combined staff report has been provided. (Parcel Nos. 52270-00-008, 52000-00-552, 52000-00-553, 52000-00-554, 52280-00-037, 52280-00-038, 52330-00-015, 52330-00-016, 52330-00-017, and 52330-00-018) (Commissioner District No. 2).

ITEMS 4A, 4B, AND 4C WERE PRESENTED TOGETHER AND HAD SHARED DISCUSSION (SEE BELOW).

C. SP224 **PARSONS**

PRELIMINARY PLAN
STERLING RANCH EAST PRELIMINARY PLAN

A request by Classic SRJ Land, LLC, for approval of a preliminary plan to create 761 single-family residential lots in four phases. The 320-acre property is zoned RR-5 (Residential Rural) and is located east of Vollmer Road and adjacent to the north and south of the future Briargate Parkway/Stapleton Road extension. Two concurrent rezones are also requested. A combined staff report has been provided. The preliminary plan is within the approved Sterling Ranch Sketch Plan area. If the request for a preliminary plan is approved, the applicant will be required to obtain final plat approval, prior to the issuance of any building permits on the property. (Parcel Nos.52270-00-008, 52000-00-552, 52000-00-553, 52000-00-554, 52280-00-037, 52280-00-038, 52330-00-015, 52330-00-016, 52330-00-017, and 52330-00-018) (Commissioner District No. 2).

STAFF PRESENTATION

APPLICANT PRESENTATION

Mr. Carlson asked for clarification of the southern boundary's setback and buffer.

Ms. Jennifer Shagin, with NES, answered that the 30-foot easement and trail are within the 50-foot buffer tract south of the proposed lots. The lots have a100-foot building setback from the lot lines.

PUBLIC COMMENT

Ms. Patti Bennett (online) stated she is opposed to all 3 projects due to a lack of information on the projects. Before the hearings, she had a hard time determining the locations of the proposed rezones within the preliminary plan, but thought the presentations did a better job of providing clarity. She requested to see a plan with more clarity of the rezone areas, the defined open spaces, and the description of the easements and trails system. She requested that the parcels adjacent to Pawnee Rancheros (southeastern boundary) be modified to provide a better transition. She suggested 1-acre or 2.5-acre parcels along the southern border. Overall, she opposes all projects because of the impact they will have on her neighborhood.

Ms. Chava Kirk stated she is opposed to all 3 projects. She thinks the rezone will change the environment in the area. The homes in her area are on well and septic, livestock is in the area, and there is wildlife. There is a neighborhood dog. People take care of the land and don't use pesticides. She believes people who are going to move into the new development area will be irritated by the farm animals. How will 750 new homes and 2 schools respond when a cow gets out? She compared this proposal to the movie *Up* and stated the idealized parks and trials would kill the natural resources and wildlife. She asked for more of a buffer on the southern border.

Ms. Stasia Erickson is opposed to all 3 projects. She is requesting a modification to include 1 or 2.5-acre lots adjacent to the Pawnee Rancheros neighborhood. She is also requesting an 8-foot wall to separate her 5-acre neighborhood from the new development. The high-density proposal, which includes a school next to her property, concerns her because of her animals. She raises alpacas. She has had problems with a previous developer concerning a road in the area that caused flooding on her land. She is requesting mitigation of the noise and dust during construction. Over the past 13 years, she has had people approaching her animals to feed or pet them, loose dogs attacking her alpacas, and people leaving trash out. She is concerned about an increase in crime, traffic, and trespassing.

Mr. Don Groven is opposed to all 3 projects. He is concerned about where the development will get water and how long that water supply will last. He stated that 50 years ago, there was a 300-year supply when the land was scarcely populated. Now that the population has exploded, how will the water last?

Ms. Shagin addressed the concerns about the transition at the southern border. The developer is following the guidelines set by the 2008 sketch plan, which did not change with the 2022 sketch plan amendment. She stated it is unfortunate people have trespassed on other people's property. She stated construction has not begun within this planned area. She reiterated that there will be a a buffer tract and a 100-foot building setback between the 5-acre lots' property lines and the buildable areas of the proposed RR-0.5 lots. There will also be a fence at the rear of the proposed

lot lines to promote that buffer. There is a small trail in the buffer tract to promote pedestrian connectivity throughout the Sterling Ranch development.

DISCUSSION

Mr. Carlson stated that the sketch plan showed 3-5 dwelling units per acre in most of the residential areas, but the proposed zoning would allow as many as 9. Under the waiver section of the staff report, it states the PCD Director could approve the subsequent final plat so long that it is consistent with the preliminary plan. If the developer wanted to put 9 dwellings per acre in that area because now it's zoned that way, could they do that? Will the applicant have to come back before PC if they want to increase the density stated in the sketch plan?

Ms. Parsons answered that approval of the preliminary plan is approval of the actual layout of the roads, sidewalks, and size of the lots. To change the preliminary plan, the applicant would have to start over. Each project file in EDARP has its own specific maps and files. The preliminary plan drawing in EDARP shows the specific details of the lots, roadways, trails, sidewalks, and pedestrian ramps. The southern boundary, adjacent to Pawnee Rancheros, consists of a property line, split-rail fence then a 50-foot buffer tract, with a meandering trail. The paved roads will have adjacent sidewalks that will carry the majority of the pedestrian traffic from the school sites to the homes. The children going to schools or parks within this development would likely use the internal sidewalks as opposed to the peripheral trail.

Mr. Risley clarified that the proposed preliminary plan shows lot lines and the next stage will be the final plat, which could be approved administratively by the Department Director.

Ms. Parsons stated that is correct. If the PC recommends approval and the BOCC approves this application with a water finding, the applicant can submit an administrative final plat if no changes have been made. An administrative final plat would appear as the preliminary plan design as proposed during this hearing.

Mr. Risley reiterated that this appearance before the commission could be this development's final stop (for this specific development as proposed).

Ms. Parsons stated that is correct.

Mr. Trowbridge asked Ms. Parsons to pull up the zoning map from the presentation. He asked to see the southern boundary. He is concerned with the transition and is not happy with only one row of 0.5-acre lots and then having RS-5000 so close to the 5-acre lots. He doesn't think that's a good enough transition and he thinks it should be more gradual. He has a problem with everything south of the proposed Sterling Ranch Road.

Ms. Parsons clarified the area Mr. Trowbridge was referring to on a map. She stated that the sketch plan with designated buffers and transitions was already approved at the time of PCD staff's review of these requests. She was not able to compel the applicant to provide a greater buffer when they are following the approved sketch plan from 2008.

Mr. Trowbridge stated he understood that, but added PC was able to address concerns of adequate transition during review of Jaynes Sketch Plan and the applicant made changes.

Mr. Risley checked in with Ms. Offner to see if she had any questions. She did not.

PC ACTION: BRITTAIN JACK MOVED / MERRIAM SECONDED FOR APPROVAL OF REGULAR ITEM NUMBER 4A, FILE NUMBER P-22-013 FOR A MAP AMENDMENT (REZONE), STERLING RANCH SOUTHEAST REZONE, UTILIZING THE RESOLUTION ATTACHED TO THE STAFF REPORT, WITH TWO (2) CONDITIONS AND TWO (2) NOTATIONS, THAT THIS ITEM BE FORWARDED TO THE BOARD OF COUNTY COMMISSIONERS FOR THEIR CONSIDERATION. THE MOTION WAS APPROVED (5-3).

IN FAVOR: RISLEY, BAILEY, BRITTAIN JACK, FULLER, AND MERRIAM.
IN OPPOSITION: CARLSON, TROWBRIDGE, AND WHITNEY.
COMMENT: MR. TROWBRIDGE did not think the density transition was adequate. **MR. CARLSON** stated it has been mentioned in the past that a sketch plan isn't as important in the process, but the sketch plan stage was what determined this developer's plans to move forward. Things are harder to change now that the sketch plan has been approved. He agreed with Mr. Trowbridge's assessment that the transition is inadequate; having ½-acre properties adjacent to 5-acre lots is not acceptable. **MR. WHITNEY** agreed that there should be a greater transition between 5-acre lots and higher densities.

PC ACTION: BAILEY MOVED / MERRIAM SECONDED FOR APPROVAL OF REGULAR ITEM NUMBER 4B, FILE NUMBER P-22-012 FOR A MAP AMENDMENT (REZONE), STERLING RANCH EAST REZONE, UTILIZING THE RESOLUTION ATTACHED TO THE STAFF REPORT, WITH TWO (2) CONDITIONS AND TWO (2) NOTATIONS, THAT THIS ITEM BE FORWARDED TO THE BOARD OF COUNTY COMMISSIONERS FOR THEIR CONSIDERATION. THE MOTION WAS APPROVED (8-0).

PC ACTION: FULLER MOVED / BRITTAIN JACK SECONDED FOR APPROVAL OF REGULAR ITEM NUMBER 4C, FILE NUMBER SP-22-004 FOR A PRELIMINARY PLAN, STERLING RANCH EAST PRELIMINARY PLAN, UTILIZING THE RESOLUTION ATTACHED TO THE STAFF REPORT, WITH FIVE (5) CONDITIONS AND FOUR (4) NOTATIONS, AND A RECOMMENDED FINDING OF SUFFICIENCY WITH REGARD TO WATER QUALITY, QUANTITY, AND DEPENDABILITY, THAT THIS ITEM BE FORWARDED TO THE BOARD OF COUNTY COMMISSIONERS FOR THEIR CONSIDERATION. THE MOTION WAS APPROVED (6-2).

IN FAVOR: RISLEY, BAILEY, BRITTAIN JACK, CARLSON, FULLER, AND MERRIAM.
IN OPPOSITION: TROWBRIDGE AND WHITNEY.
COMMENT: MR. WHITNEY stated that he could not recommend approval of this preliminary plan when he voted against the earlier rezone (P-22-013).

D. ID231 **PARSONS**

SPECIAL DISTRICT SERVICE PLAN
STERLING RANCH METROPOLITAN DISTRICT NOS. 4 & 5

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 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. (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) (Commissioner District No. 2).

STAFF PRESENTATION

Mr. Carlson asked Ms. Parsons for clarification regarding the district's water rights being given to FAWWA. Will there be any wells on the future developments in this area?

Ms. Parsons stated she could not answer that question. The only application received so far is Foursquare, which will use existing infrastructure. She asked if Mr. Campbell could give more info.

Mr. Kyle Campbell, with Classic Consulting Engineers & Surveyors, stated he is not aware of any need for additional wells as the water will be serviced by FAWWA.

Mr. Whitney asked Ms. Parsons to clarify if the boards for metro districts 1-3 could also run the board for the proposed metro districts 4 & 5 as opposed to the developer running the district.

Ms. Parsons stated that by not including the future development (the eastern half of Sterling Ranch) in districts 1-3, the existing owners in the western part of Sterling Ranch will be able to take over the district boards of 1-3 as a more active membership. This means the developer won't have as much say in the district boards. If the developers didn't create this, the existing residents would not be able to occupy as many board seats because there is so much future development. This creates balance.

Mr. Trowbridge stated this is typical for HOAs as well. When a developer initially creates this type of organization, they are the majority owner and they are in control. Once properties are sold, their influence is less and less.

Mr. Whitney thanked both for the clarification.

Mr. Bailey asked if the extension of Briargate Parkway is among the road and transportation improvements these metro districts would fund. He asked if there was any restriction as to what roads get improved.

Ms. Parsons answered that Briargate Parkway could be part of those improvements. She stated there are no restrictions.

APPLICANT PRESENTATION

Ms. Merriam stated that when she thinks of the creation of new districts, she thinks of them collaborating with existing districts.

Mr. Dykstra stated FAWWA would be that coordinating entity. These districts will be responsible for building the sewer and water lines themselves, then after they're completed, they will be turned over to FAWWA for operation and maintenance.

Ms. Merriam asked for further clarification regarding the report stating the area will consist of lots over 35 acres that are serviced by individual wells using the Denver Basin. Is that part of Sterling or part of the Falcon water?

Mr. Dykstra answered that Mr. Campbell stated there was no plan to drill additional wells within this district. FAWWA has several other well fields in other areas that will produce water.

Ms. Merriam asked what would happen if one didn't go down as far as it should have. She asked about discharging the debt and going back to residents in the area. She asked if the older areas that are more surface-related, which don't have as deep wells, will run out because this is a larger district.

Mr. Dykstra clarified if Ms. Merriam was asking if the existing residential domestic wells run out.

Ms. Merriam stated that was correct.

Mr. Dykstra stated that was above his knowledge or expertise. He stated most domestic wells are shallower than the deeper Arapahoe or Denver wells. He stated he has not seen that in his experience, but he's not qualified to answer fully.

Mr. Risley added that while Ms. Merriam's concern is important, FAWWA is a municipal water system, so he does not believe that discussion is germane to the background financial structure.

Ms. Merriam stated she was focusing her question as it pertains to the proposed Sterling district.

Mr. Risley commented that the State of Colorado has very low property taxes compared to others. He stated that as a result, creative funding mechanisms to provide public utilities and infrastructure are used. He believes metro districts are very important. Some additional cost is added to residents who live in that metro district, but it's important that the cost is placed where appropriate instead of putting that burden on the County in general. The development pays its own way, which is a philosophy that El Paso County and other parts of Colorado have adopted.

<u>PC ACTION</u>: CARLSON MOVED / BRITTAIN JACK SECONDED FOR APPROVAL OF REGULAR ITEM NUMBER 4D, FILE NUMBER ID-23-001 FOR A SPECIAL DISTRICT SERVICE PLAN, STERLING RANCH METROPOLITAN DISTRICT NOS. 4 AND 5, UTILIZING THE RESOLUTION ATTACHED TO THE STAFF REPORT, WITH EIGHT (8) CONDITIONS AND TWO (2) NOTATIONS, THAT THIS ITEM BE FORWARDED TO THE BOARD OF COUNTY COMMISSIONERS FOR THEIR CONSIDERATION. THE MOTION WAS APPROVED (8-0).

5. NON-ACTION ITEMS

A. POTENTIAL CODE AMENDMENT RE: GREENHOUSES

PRESENTATION & DISCUSSION

Mr. Risley asked how the Regional Building Department (PPRBD) arrived at the 1,000 ft^2 limit.

Ms. Madden stated they made the recommendation of 1,000 ft^2 but are open to larger structures with a special-use application. She mentioned the construction of hoop houses and stated snow-load may be part of their recommendation.

Mr. Risley requested detailed justification of the recommended square footage when this comes before PC again as a proposed amendment.

Ms. Madden stated that someone from PPRBD will be available at the hearings to give more information and feedback. She stated she doesn't know why they decided on 1,000 ft^2.

Mr. Risley explained his reasoning behind the request for that information is because there are several pre-engineered greenhouse systems that come in a variety of sizes that he thinks PPRBD may want to keep in mind when making the square footage recommendation.

Ms. Madden added that this proposed amendment would bypass the building code and these structures would be reviewed by PCD staff. With the agricultural exemption, the use of the structure would be regulated to meet the requirements of state statute for agricultural use only. She also added that this amendment is for personal greenhouses, not commercial, so they don't want to get into the larger sizes.

Mr. Trowbridge asked if there would be a limit to how many greenhouses a person could have.

Ms. Madden answered that PCD staff would still look at the lot coverage standards of their zoning district.

Mr. Trowbridge asked if a person had 20 acres, could they build a 10,000 ft^2 greenhouse?

Ms. Madden answered that they could and added that the current code requires anything more than an acre must be a special-use process. She stated this amendment was intended for mom-and-pop backyard gardens.

Mr. Trowbridge understood but added there are always people who want to push the envelope. The presentation continued.

B. POTENTIAL CODE AMENDMENT RE: CARPORTS

PRESENTATION & DISCUSSION

Ms. Herington added that it was controversial when the City of Colorado Springs and the City of Fountain amended their carport codes. She wanted to make sure they are considering that the proposed change would allow a driveway to be covered by a carport where it is currently not

allowed. Proposed changes to greenhouses are easy. Changes to carports are not as easy.

Mr. Carlson asked if the structure would need to be off any utility easement as well.

Mr. Schoenheit confirmed and stated that the property owner would need to get permission from the easement holder/utility provider, especially for the front area. He stated he does not foresee a utility company approving a structure built on top of their utility easement.

Mr. Carlson clarified that the property owner could build right up to the utility easement.

Mr. Schoenheit agreed so long as the easement is within the 5-foot requirement from the right-of-way. The 5-foot setback should allow clearance from the utility easement.

Mr. Carlson asked if there is no sidewalk and no right-of-way, just a utility easement, could the property owner build right up to the easement.

Mr. Schoenheit stated the property owner would just need to get permission from the easement holder. That could be El Paso County or a private utility company.

Ms. Brittain Jack asked about existing carports that are not in compliance with code. Would they need a variance?

Ms. Madden answered that if a property owner doesn't meet the proposed requirements, then they likely don't meet the existing code. There will not be any legal non-conforming uses. The owner would need to bring their carport into compliance. Because PCD is proposing a setback of 5 feet, that will not allow additional administrative relief or BOA. The carport cannot be any closer to the road.

Mr. Risley added that the County is not going to go out and look for these violations unless there is a Code Enforcement (CE) complaint.

Ms. Madden confirmed the CE is complaint based and stated most of these complaints are from the Security/Widefield area where they receive a lot of hail damage.

Ms. Fuller asked if there would be a maximum size for the carports.

Ms. Madden answered with 500 ft^2.

Mr. Trowbridge stated that the example diagram in the presentation appears to show an attached carport to the house. Do the carports need to be attached?

Ms. Madden answered that they would need to be free-standing. If they are attached, they are an addition to the house and would be processed through PPRBD.

Ms. Fuller asked if an HOA could still restrict a front yard carport with the proposed setback even when the County allows it.

Ms. Madden stated that is correct. The presentation continued.

Mr. Risley commented that the typical parking space is 9x18 feet while a typical carport is 10x20 feet. He suggested considering a larger allowable footprint because he thinks the 200 ft^2 condition will kick most carports into requiring a building permit.

Ms. Madden thanked Mr. Risley for the feedback and addressed one of Mr. Carlson's earlier comments. She stated that the current code allows temporary carports to be within setbacks and easements with permission of the easement holders. She asked for the PC's opinion on whether that should continue to be allowed if carports are no longer considered temporary, but permanent.

Mr. Carlson stated he thinks if the property owner received permission from the easement holder, then it should be allowed.

Mr. Bailey agreed and added that he doesn't think the code should limit that allowance if they have received permission from the easement holder. He thinks the easement holder should establish their own standards on whether that can be allowed or not.

Ms. Merriam agreed and stated that some carports may not be sheltering a car, but utility vehicles and lawnmowers, etc., and may be on the side of the house instead of the front.

Ms. Madden clarified that carports are defined by the code as being for the protection of vehicles. Any use other than that would be a CE violation.

Mr. Trowbridge added that it would be used as a storage shed at that point.

Ms. Madden agreed.

Mr. Whitney stated that if the carport meets the proposed code criteria and the landowner has received permission from the easement holder, he sees no problem.

Mr. Risley agreed and added that things are built within utility easements all the time. If the utility company needs to dig up a pipe or something, they will remove what is in their way at the homeowner's expense. He doesn't think the County should get involved in that process. He asked when this would come before the PC as a hearing item.

Ms. Madden answered it would come before the board on May 4th as a regular item with a more detailed presentation.

Ms. Herington asked the board if would need additional time for their consideration and if this was a concept they wished to pursue. She suggested Ms. Madden follow up with the City of Colorado Springs and City of Fountain to see how many carport permits they are seeing now that their codes have been in place. That information might be useful to determine how many carport requests the County might receive. Overall, she stated she does not hear any objection to moving forward with this proposed code amendment.

Mr. Carlson stated that he agreed with Mr. Risley's suggestion that the size allowed before requirement of a building permit should be larger.

Ms. Madden stated that is a PPRBD requirement so she doesn't think there is flexibility with that.

Mr. Risley added that the County would need to be aware then that these carports will generate additional building permits. He thought the purpose of these amendments was to make it easier for the property owners, but this seems to create an additional barrier. He thinks if there are regulations making it harder for the property owners, they will just do it without a building permit. He thinks it will be the same situation with the greenhouse proposal if they are tied to the building permit process. The intent may be good, but the outcome may not be. He thinks if it were an option between making these code amendments with unintended consequences or leaving it the way it is, he thinks it should stay the same.

Ms. Madden clarified that the current code would require a building permit with a BOA hearing. Amending the code to increase the front yard setback for a carport would remove that BOA requirement and would make it easier for the property owner.

Ms. Herington added that PCD will ask someone from PPRBD to attend the next hearing when these items are next discussed. She mentioned that even a shed over 200 ft^2 would need a building permit but she's not sure what makes 200 that magic number. Same scenario for why 1,000 ft^2 was decided as the magic number for greenhouses.

Mr. Risley reiterated that if it is too difficult to obtain the proper approval, most people are going to just put it up without the proper permitting until they get caught.

Mr. Trowbridge stated that the more information gathered regarding comparisons between the County, Colorado Springs, and Fountain, the better. Specifically, sizes and issues that followed the code amendments.

Ms. Fuller asked for a briefing on when Colorado Springs adopted their code amendment and what the arguments against were. She doesn't like the aesthetic of carports.

Mr. Whitney also requested more information on when and why anything over 200 ft^2 requires a building permit.

Ms. Madden stated the requirement used to be anything over 120 ft^2 required building permit, but it changed around 2016 or 2017.

Ms. Herington commented on Ms. Fuller's request. She stated the discussion within Colorado Springs was about the aesthetic and issues that come along with carports. She stated that this amendment would allow both prefabricated and metal carports. Colorado Springs had discussion on whether they should require carports to be stick-built. It was also discussed that there would be nothing preventing the construction of front yard carports once the amendment was adopted unless an HOA specifically prevented it. Colorado Springs was also more proactive regarding Code Enforcement, so how these structures were going to be tracked was also discussed. Colorado

Springs adopted a front yard carport permit (separate from a building permit and with its own fee), but the County is not proposing that. Fountain has something similar.

Mr. Carlson stated that so long as they receive the full staff reports on time before the next hearing, that should be sufficient time to review the information.

Ms. Madden stated they would receive her staff reports at the same time as the other hearing items for the next agenda.

Ms. Herington added that after PCD has made their next presentation, if the PC wants more time to decide, they can continue the item or request additional information. There is no burning need to do this. If the hearing happens and the PC wants more time, they can ask for that.

Ms. Merriam mentioned that she lives in the eastern part of the County. The wind can be so strong that a carport would blow three houses down if it were made of light materials. Are the materials the carports are made of part of the consideration?

Ms. Madden stated that the code amendment only addresses the front yard setback for a carport on parcels less than 1/2 an acre. The setback on any other lot would be whatever is allowed for an accessory structure.

Mr. Risley asked the board if a pre-hearing briefing of proposed code amendments was appreciated. The consensus was that it was appreciated.

Mr. Bailey likes the opportunity to provide feedback after having the time to think it over.

Ms. Herington thanked the board for that feedback and added that if anyone on the commission has follow-up ideas or questions, to please reach out to herself, Mr. Kilgore, or Ms. Madden so they can research the topic and discuss it in the future. She stated that these proposed changes were advertised on this agenda, will be discussed at a BOCC work session, will appear again before the PC as a regular item, and finally appear before the BOCC as a regular item. There will be plenty of time for the PC to provide review and to advise the public of upcoming changes. She thanked the board for their time on this.

MEETING ADJOURNED at 11:37 A.M.

Minutes Prepared By: Miranda Benson

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 2138 Flying Horse Drive Colorado Springs, CO 80921	Spencer Fane, P.C. 1700 Lincoln Street, Suite 2000 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.

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

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. REQUIRED FINDINGS

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

- **Sufficient existing and projected need**

- **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.

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 $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 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

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. Discretionary findings

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

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.

Recommended Land Uses:

Primary

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

Supporting

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

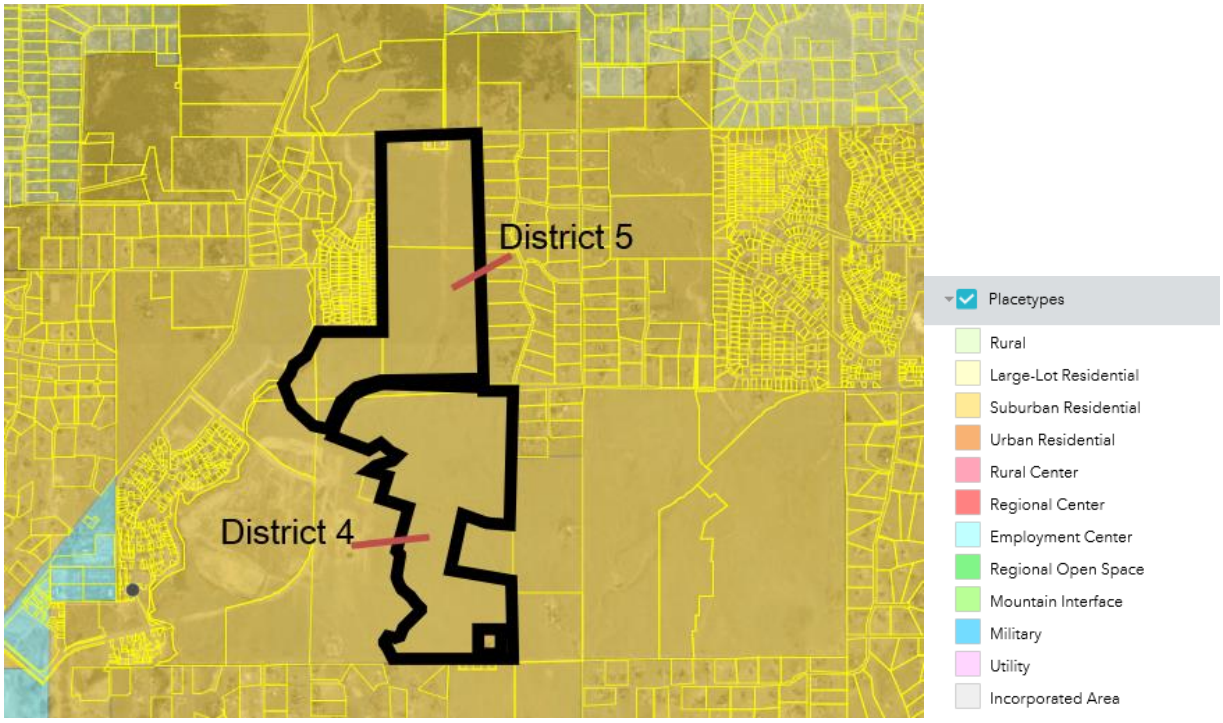


Figure 1: Placetype Map

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

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."

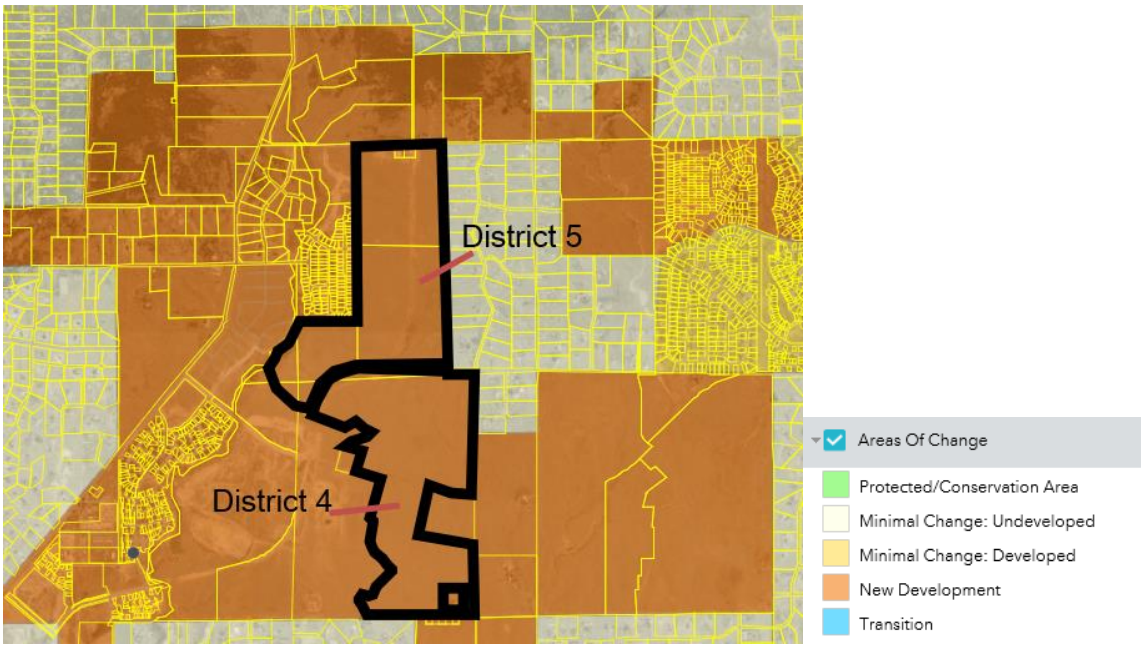


Figure 2: Area of Change Map

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.

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.

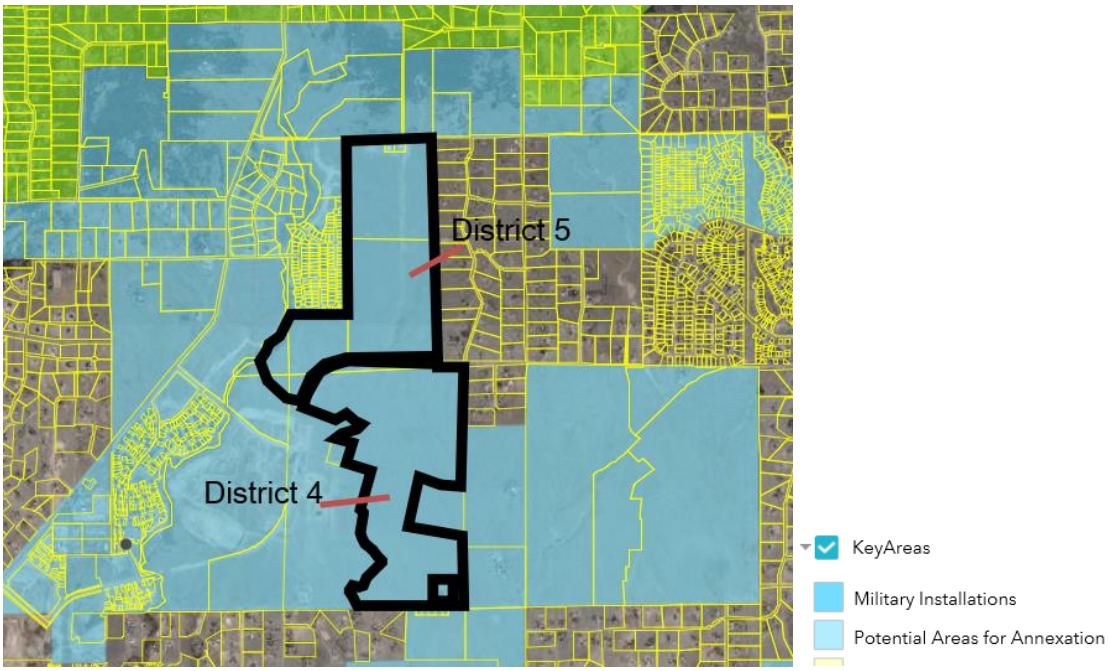


Figure 3: Annexation Potential Map

Analysis:

Potential Areas for Annexation

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

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

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.

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.

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 **Required Findings,** 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

period of maturity for any issued debt, not including developer funding agreements, is limited to no more than thirty (30) years without prior approval from the Board of County Commissioners. The applicant is requesting a thirty (30) year period of maturity for any issued debt.

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."

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.

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.

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.

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

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).

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

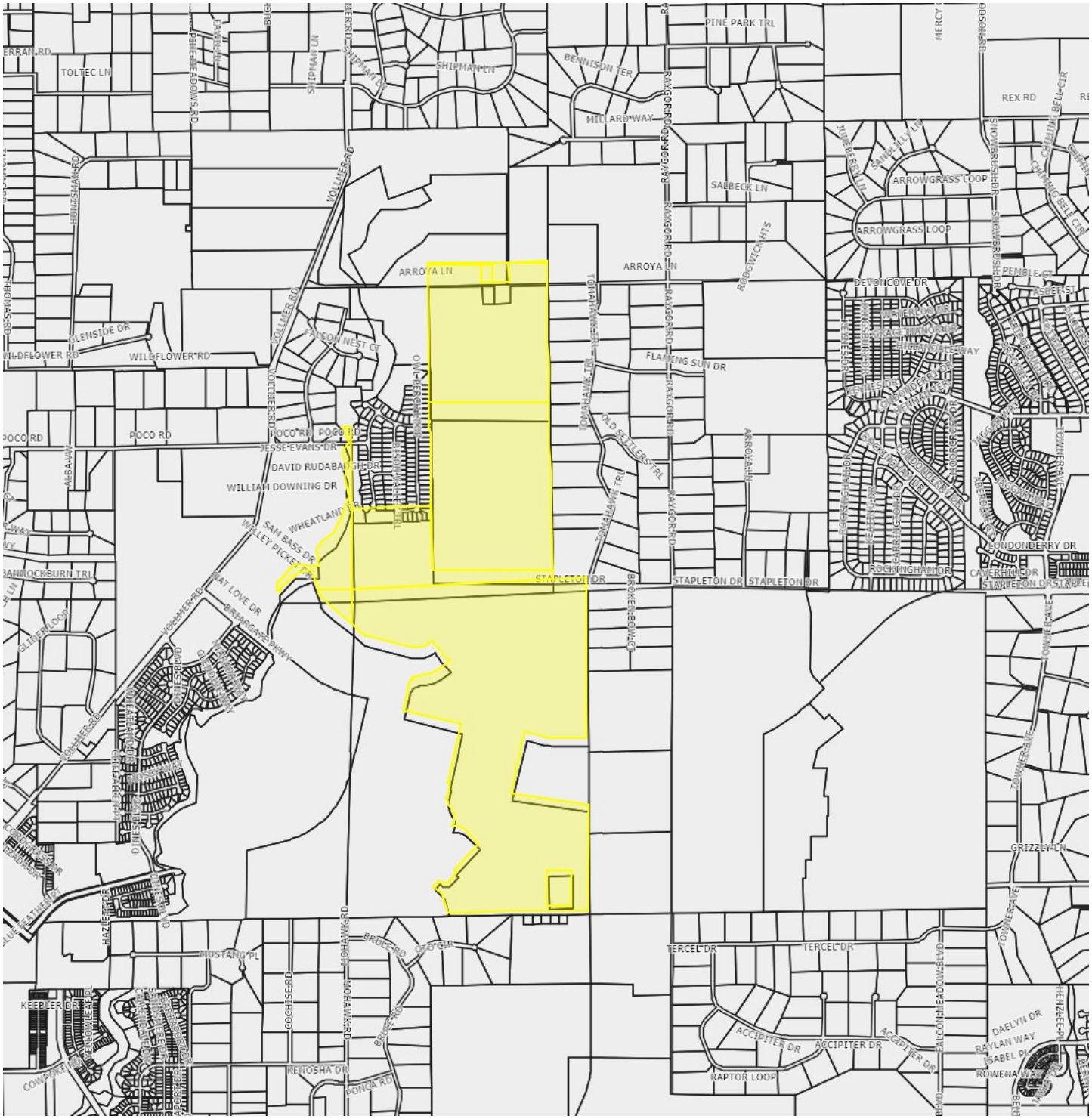
Vicinity Map
Letter of Intent
Proposed Service Plan and Attachments
Exclusion Agreement
Draft Resolution

El Paso County Parcel Information

File Name: ID231

Date: 3/27/2023

PARCEL	NAME	ADDRESS
5234002001	MOUNTAIN VIEW ELECTRIC ASSOC. INC	9167 MOHAWK RD
5233000015	CLASSIC SRJ LAND LLC	33-12-65
5228000038	CLASSIC SRJ LAND LLC	MARKSHEFFEL RD
5227005001	CLASSIC SRJ LAND LLC	9225 ARROYA LN
5227000008	CLASSIC SRJ LAND LLC	9275 ARROYA LN



Please report any parcel discrepancies to:
El Paso County Assessor
1675 W. Garden of the Gods Rd.
Colorado Springs, CO 80907
719-520-6600

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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 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.

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 includes language that restricts 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.

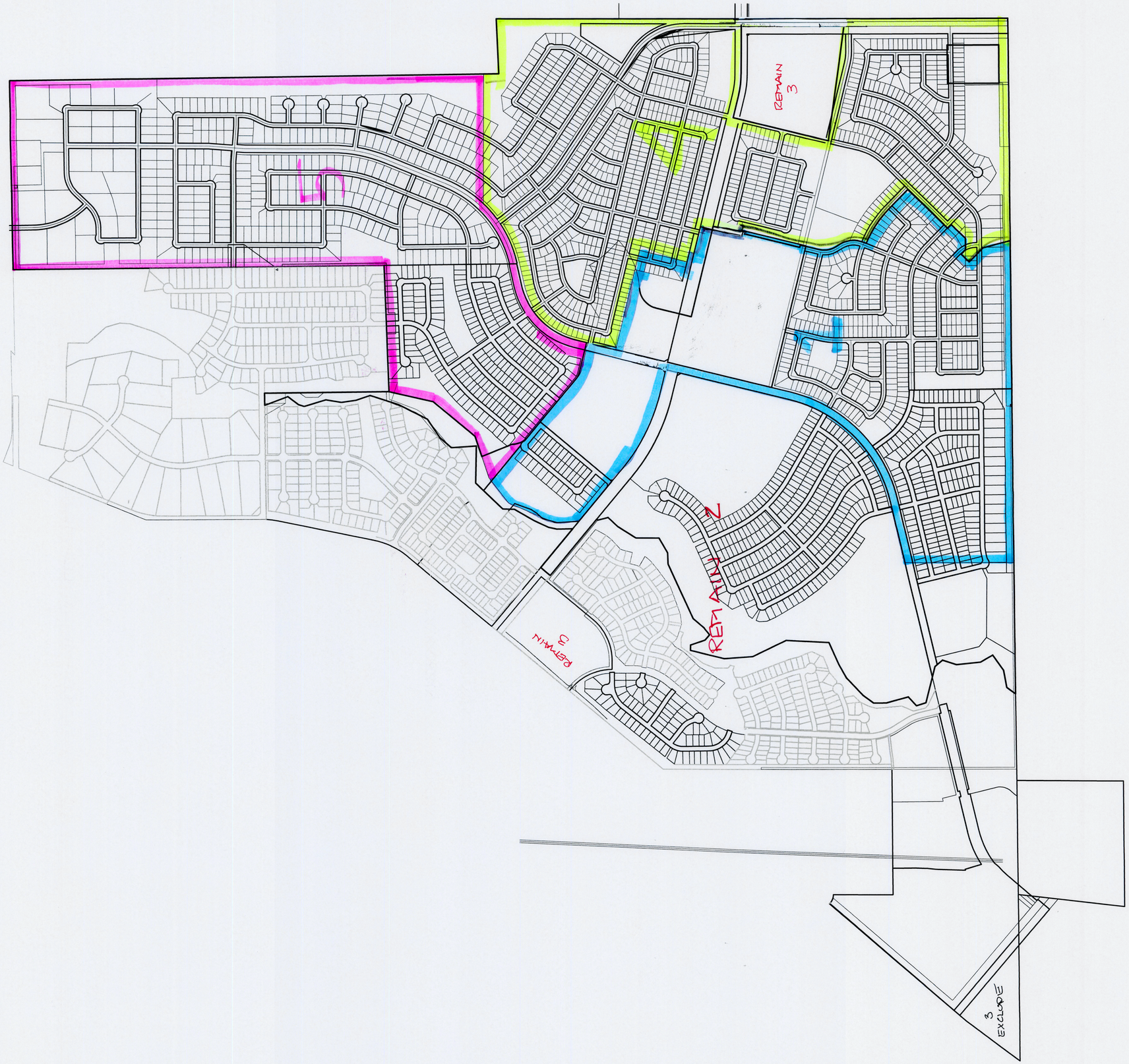
G. Conclusion

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/*Russell W. Dykstra*
Russell W. Dykstra, General Counsel

Enclosures



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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

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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 Corp. (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 $700,000, 238 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. DEFINITIONS

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.

Additional Inclusion Areas: 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.

Annual Report and Disclosure Statement: 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.

Assessment Rate Adjustment: 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.

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

Board of County Commissioners: means the Board of County Commissioners of El Paso County.

Conventional Representative District: 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

Debt: 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.

Developer Funding Agreement: 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.

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

District No. 5: 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.

Initial District Boundaries: 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.

Local Public Improvements: 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.

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

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

Maximum Debt Authorization: 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.

Maximum Debt Service Mill Levy: 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.

Maximum Operational Mill Levy: 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.

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

Public Improvements: Those improvements constituting Regional Public Improvements and Local Public Improvements collectively.

Regional Public Improvements: 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.

Revenue Obligations: 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.

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

State: means the State of Colorado.

Underlying Land Use Approvals: 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. INTRODUCTION

A. Overall Purpose and Intent.

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. Need For The Districts.

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. County Objectives In Forming The Districts.

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. Multiple District Structure.

1. Multiple District Structure. 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 Nos. 1 & 2, and it is intended that the Districts will enter into an IGA with 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. Benefits of Multiple District Structure. 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. Coordinated Services. 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. Debt Allocation. 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. Specific Purposes -Facilities and Services.

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. Sanitation. 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. Street Improvements, Transportation and Safety Protection. 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 thereto. It is anticipated that the Districts will dedicate most of the foregoing street 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. Drainage. 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. Parks and Recreation. 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. Mosquito Control. 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. Fire Protection. 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. Television Relay and Translation. 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. Covenant Enforcement and Design Review. 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. Security Services. 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. Solid Waste Disposal. The Districts have no plans to provide solid waste disposal services.

12. General. 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 appurtenances not otherwise dedicated to and accepted by any Provider Jurisdiction, subject to any applicable County rules and regulations.

F. Other Powers.

1. Amendments. 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. Authority to Modify Implementation of Financing Plan and Public Infrastructure. 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. Other Statutory Powers.

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. Eminent Domain.

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. Intergovernmental Agreements (IGAs).

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. Initial District Boundaries. 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. Additional Inclusion Areas/Boundary Adjustments. 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. Extraterritorial Service Areas. The Districts do not anticipate providing services to areas outside of the Initial District Boundaries and Additional Inclusion Areas.

4. Analysis Of Alternatives. It is anticipated that the Districts, collectively, will 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. Material Modifications/Service Plan Amendment. 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. DEVELOPMENT ANALYSIS

A. Existing Developed Conditions.

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. Total Development At Project Buildout.

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. Development Phasing And Absorption.

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. Status of Underlying Land Use Approvals.

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. FINANCIAL PLAN SUMMARY.

A. Financial Plan Assumptions and Debt Capacity Model.

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. Maximum Authorized Debt.

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. Maximum Mill Levies.

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

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

D. Maximum Maturity Period For Debt.

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. Developer Funding Agreements.

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. Privately Placed Debt Limitation.

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. Revenue Obligations. 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. OVERLAPPING TAXING ENTITIES, ADJACENT AND NEIGHBORING JURISDICTIONS

A. Overlapping Taxing Entities.

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. Neighboring Jurisdictions.

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. DISSOLUTION

A. Dissolution. 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. Administrative Dissolution. 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. COMPLIANCE

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. MISCELLANEOUS.

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

A. Special District Act.

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

B. Disclosure to Prospective Purchasers.

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. Service Plan not a Contract.

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. CONCLUSION

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.

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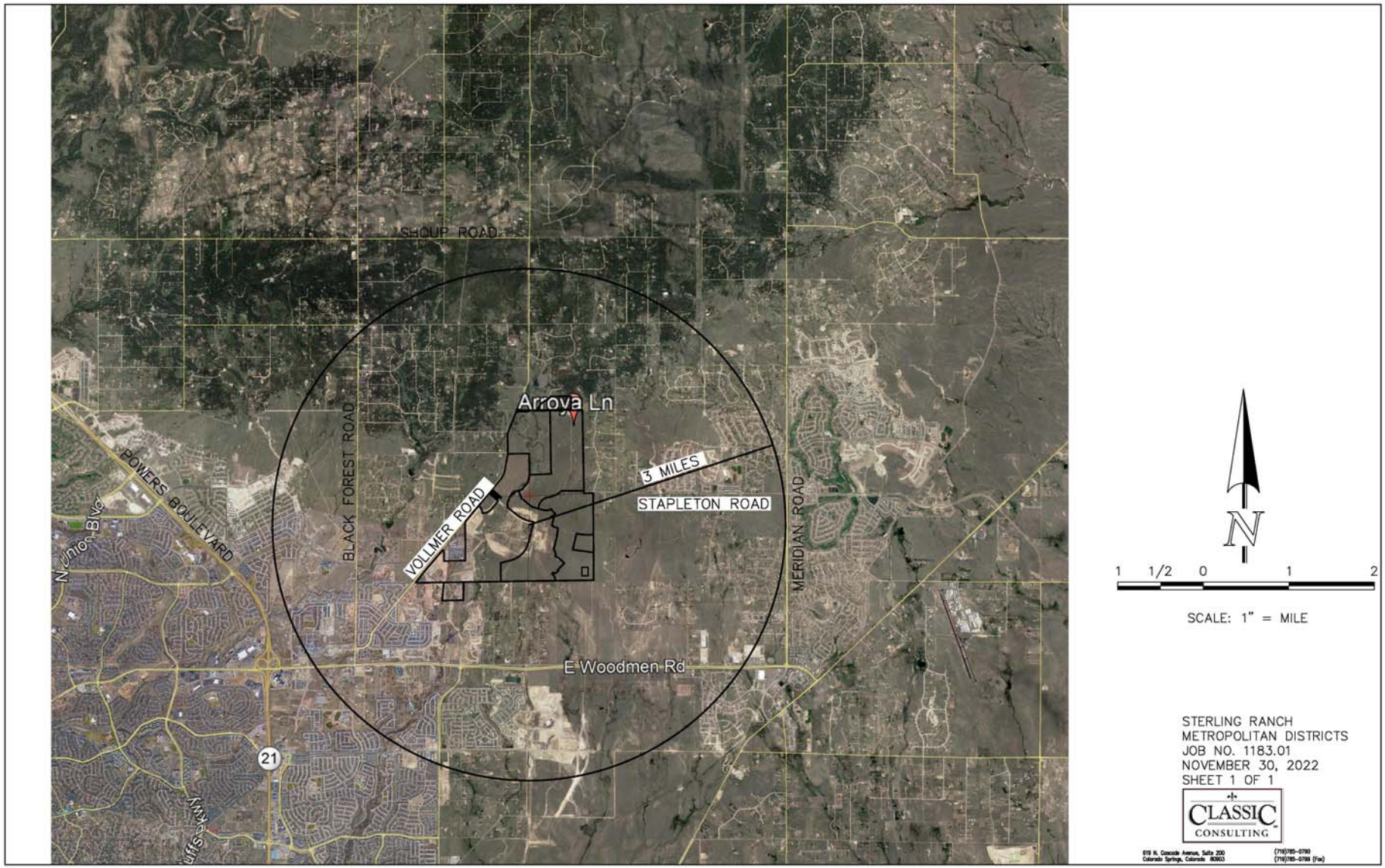
H. The creation of the proposed Districts is in the best interests of the area proposed to be served.

EXHIBIT A

MAPS AND LEGAL DESCRIPTIONS

EXHIBIT A-1
VICINITY MAP

Exhibit A-1, Vicinity Map



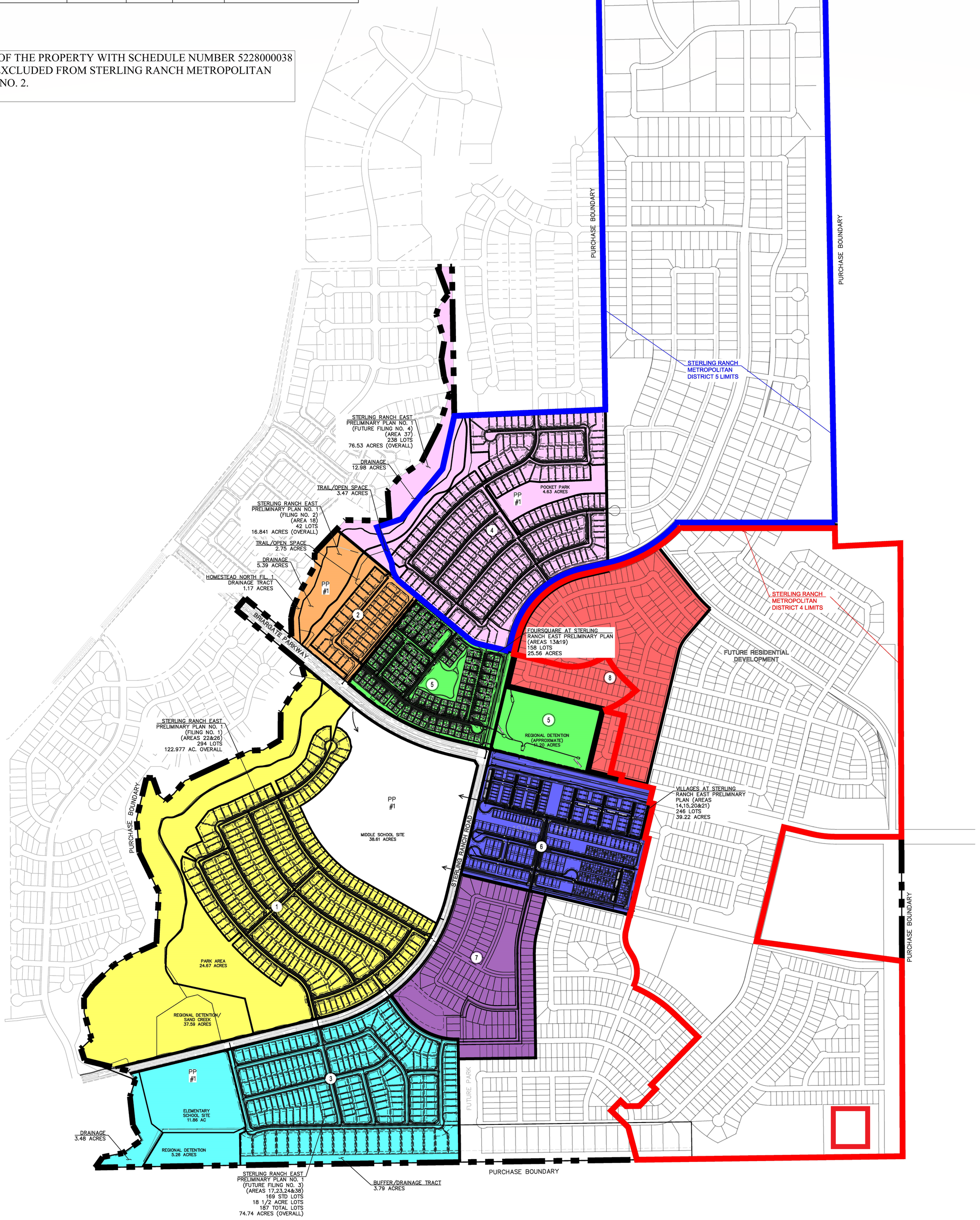
N:\118301\DRAWINGS\SURVEY\EXHIBITS\3 MILE MAP.dwg, 11/30/2022 3:14:09 PM, 1:1

28

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			

PORTION OF THE PROPERTY WITH SCHEDULE NUMBER 5228000038 WILL BE EXCLUDED FROM STERLING RANCH METROPOLITAN DISTRICT NO. 2.



300 150 0 300 600

SCALE: 1" = 300'

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

STERLING RANCH EAST

OVERALL SITE EXHIBIT

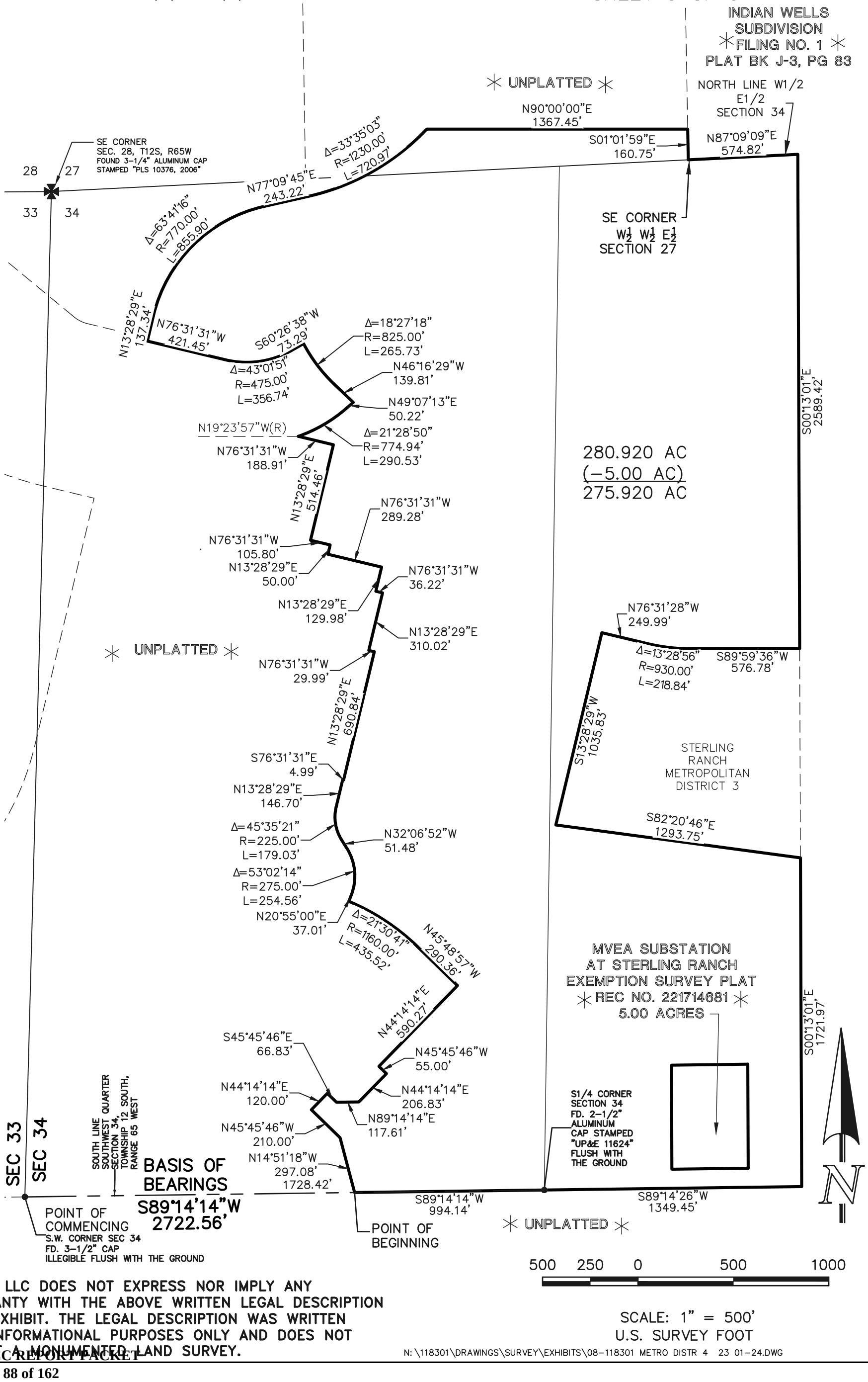
DESIGNED BY	EAS	SCALE	DATE 03/23/2022
DRAWN BY	EAS	(H) 1"= 300'	SHEET 1 OF 1
CHECKED BY		(V) 1"= N/A	JOB NO. 1183.10

CLASSIC CONSULTING SM

619 N. Cascade Avenue, Suite 200
Colorado Springs, Colorado 80903

(719)785-0790
(719)785-0799 (Fax)

STERLING RANCH
METROPOLITAN DISTRICT 4
JOB NO. 1183.01-08
JULY 14, 2022
REV. FEB. 16, 2023
SHEET 3 OF 3



SCALE: 1" = 500'
U.S. SURVEY FOOT

N:\118301\DRAWINGS\SURVEY\EXHIBITS\08-118301 METRO DISTR 4 23 01-24.DWG

CCES, LLC DOES NOT EXPRESS NOR IMPLY ANY WARRANTY WITH THE ABOVE WRITTEN LEGAL DESCRIPTION AND EXHIBIT. THE LEGAL DESCRIPTION WAS WRITTEN FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT DEPICT A MONUMENTED LAND SURVEY.

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Colorado Springs, Colorado 80903
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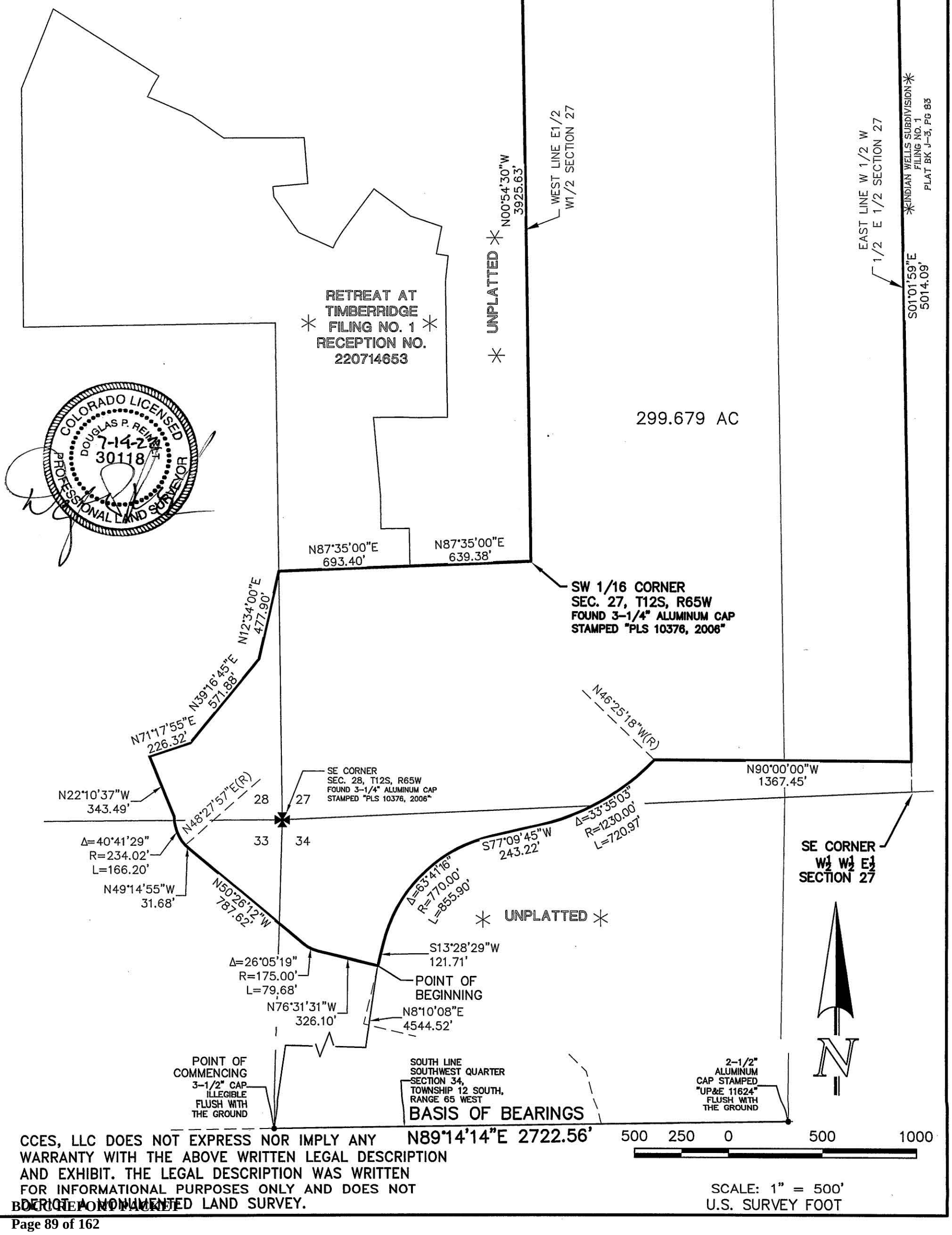
(719)785-0799 (Fax)

STERLING RANCH METROPOLITAN DISTRICT 5

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



COLORADO LICENSED
DOUGLAS P. REIMER
7-14-22
30118
PROFESSIONAL LAND SURVEYOR

CCES, LLC DOES NOT EXPRESS NOR IMPLY ANY WARRANTY WITH THE ABOVE WRITTEN LEGAL DESCRIPTION AND EXHIBIT. THE LEGAL DESCRIPTION WAS WRITTEN FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT DEPICT A MONUMENTED LAND SURVEY.

SCALE: 1" = 500'
U.S. SURVEY FOOT

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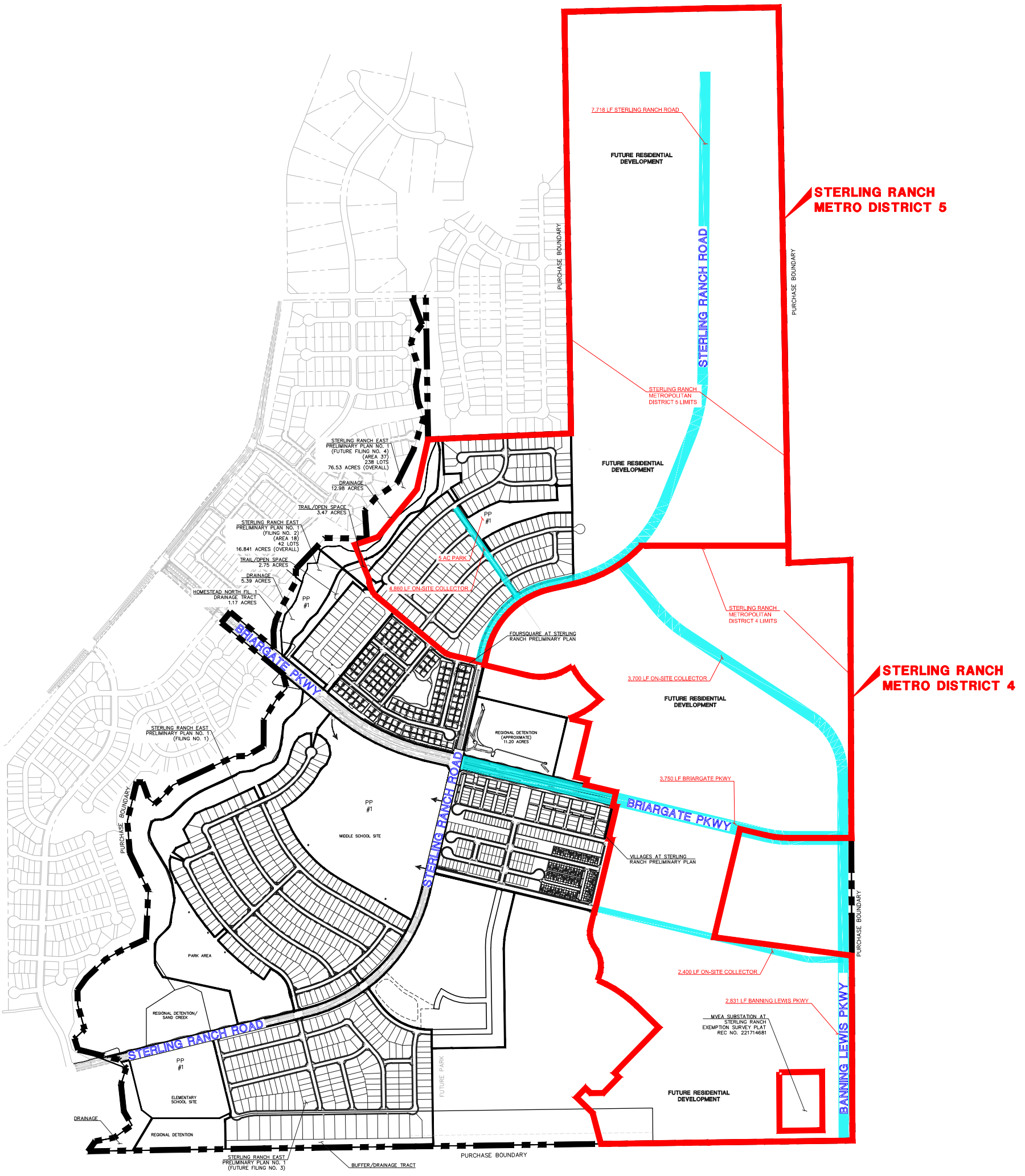
EXHIBIT A-3
PROPOSED INFRASTRUCTURE AND AMENITIES MAP



NOTE:

LOT LAYOUTS ARE APPROXIMATE AND WILL BE MODIFIED IN THE FUTURE.

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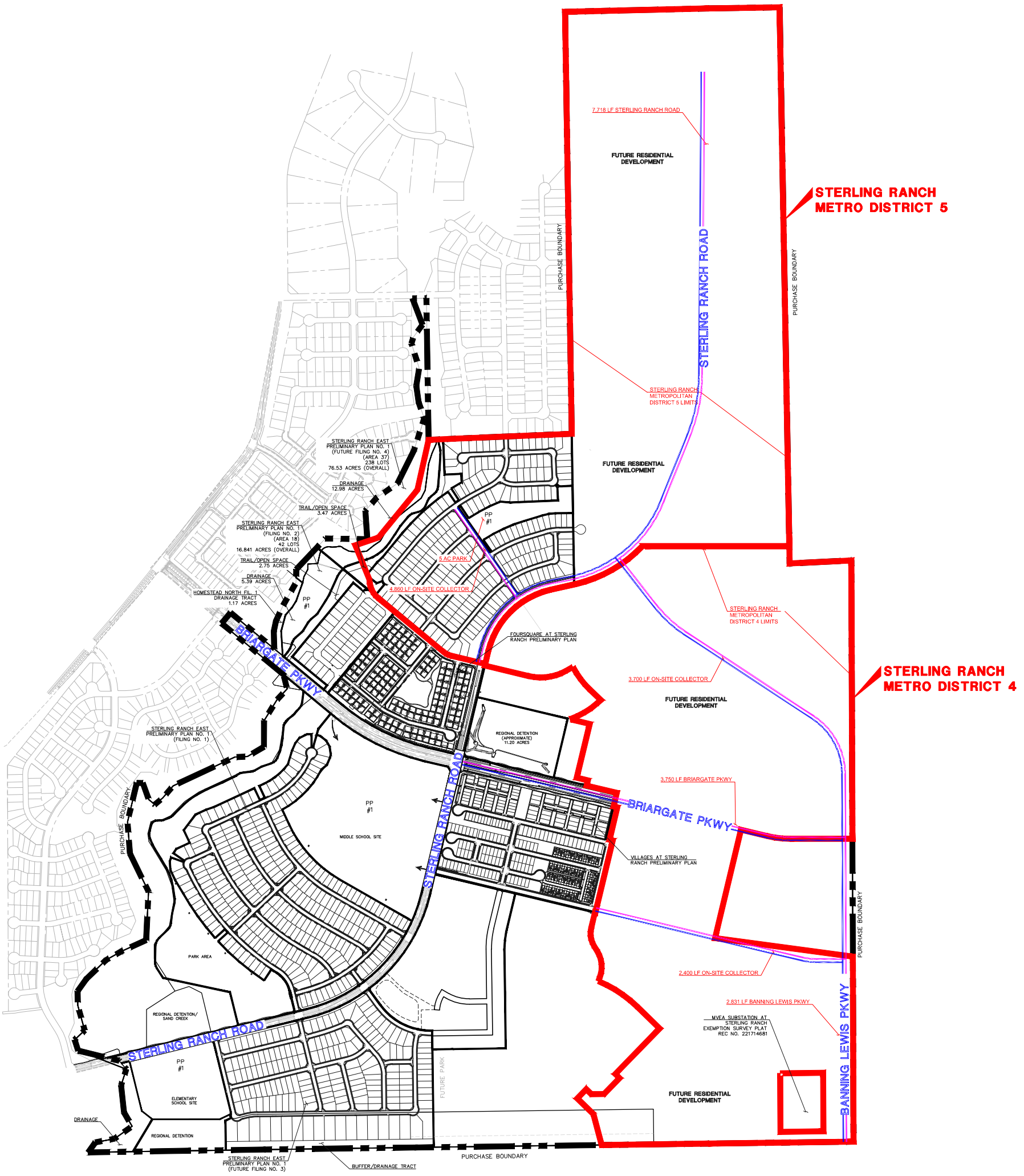
619 N. Cascade Avenue, Suite 200
Colorado Springs, Colorado 80903
(719)785-0790
(719)785-0799 (Fax)

STERLING RANCH EAST

DISTRICT 4 AND 5 ROADWAY EXHIBIT

DESIGNED BY	JDP	SCALE		DATE	3/10/23
DRAWN BY	JDP	(H) 1"= 300'		SHEET	1 OF 1
CHECKED BY		(V) 1"= N/A		JOB NO.	1183.10



NOTE:
LOT LAYOUTS ARE APPROXIMATE AND WILL BE MODIFIED IN THE FUTURE.

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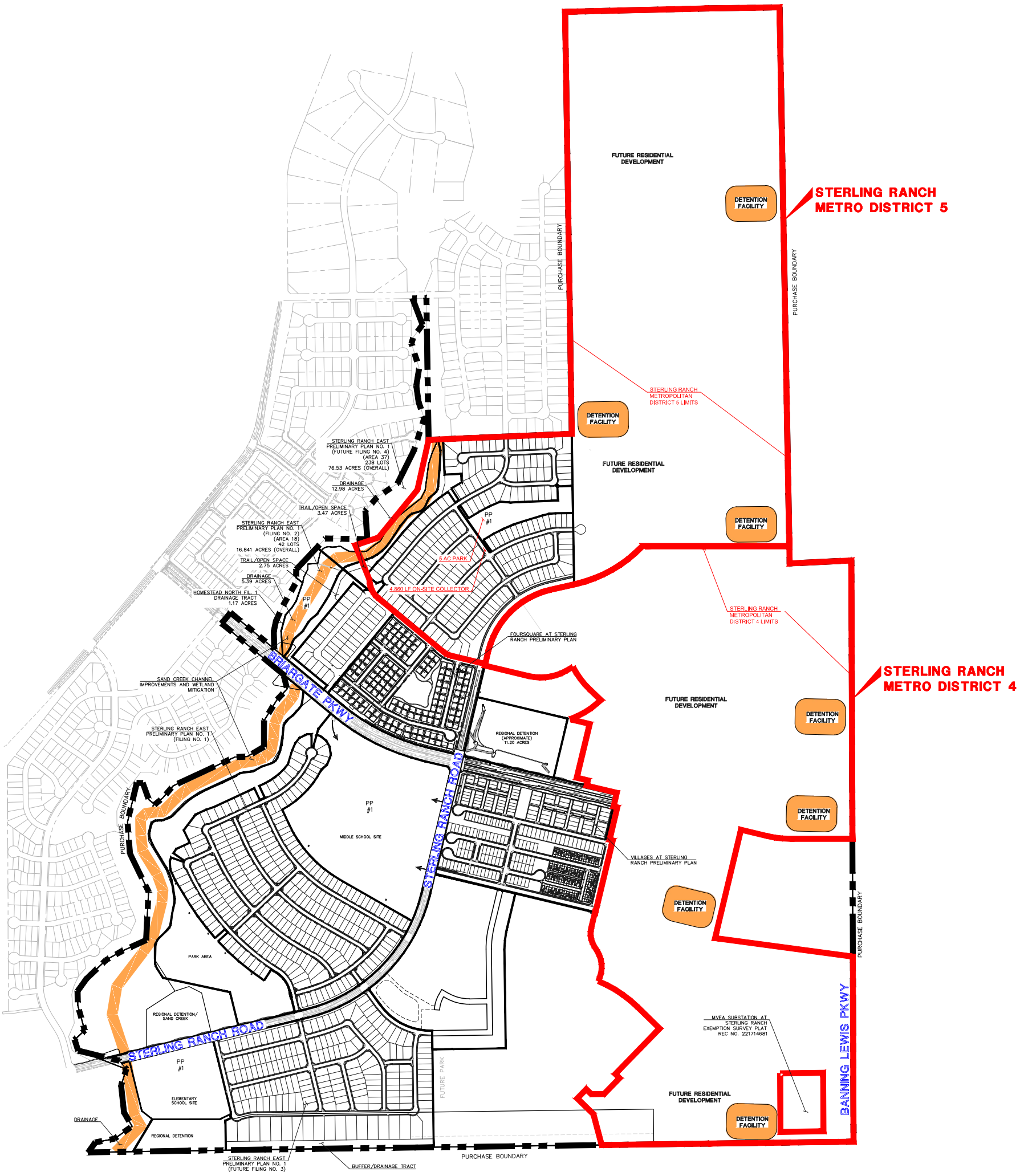
Colorado Springs, Colorado 80903 (719)785-0799 (Fax)

STERLING RANCH EAST
DISTRICT 4 AND 5 ARTERIAL & COLLECTOR UTILITY MAIN EXHIBIT

DESIGNED BY	JDP	SCALE	DATE	3/10/23
DRAWN BY	JDP	(H) 1"= 300'	SHEET	1 OF 1
CHECKED BY		(V) 1"= N/A	JOB NO.	1183.10



NOTE:
LOT LAYOUTS ARE APPROXIMATE AND WILL BE MODIFIED IN THE FUTURE.

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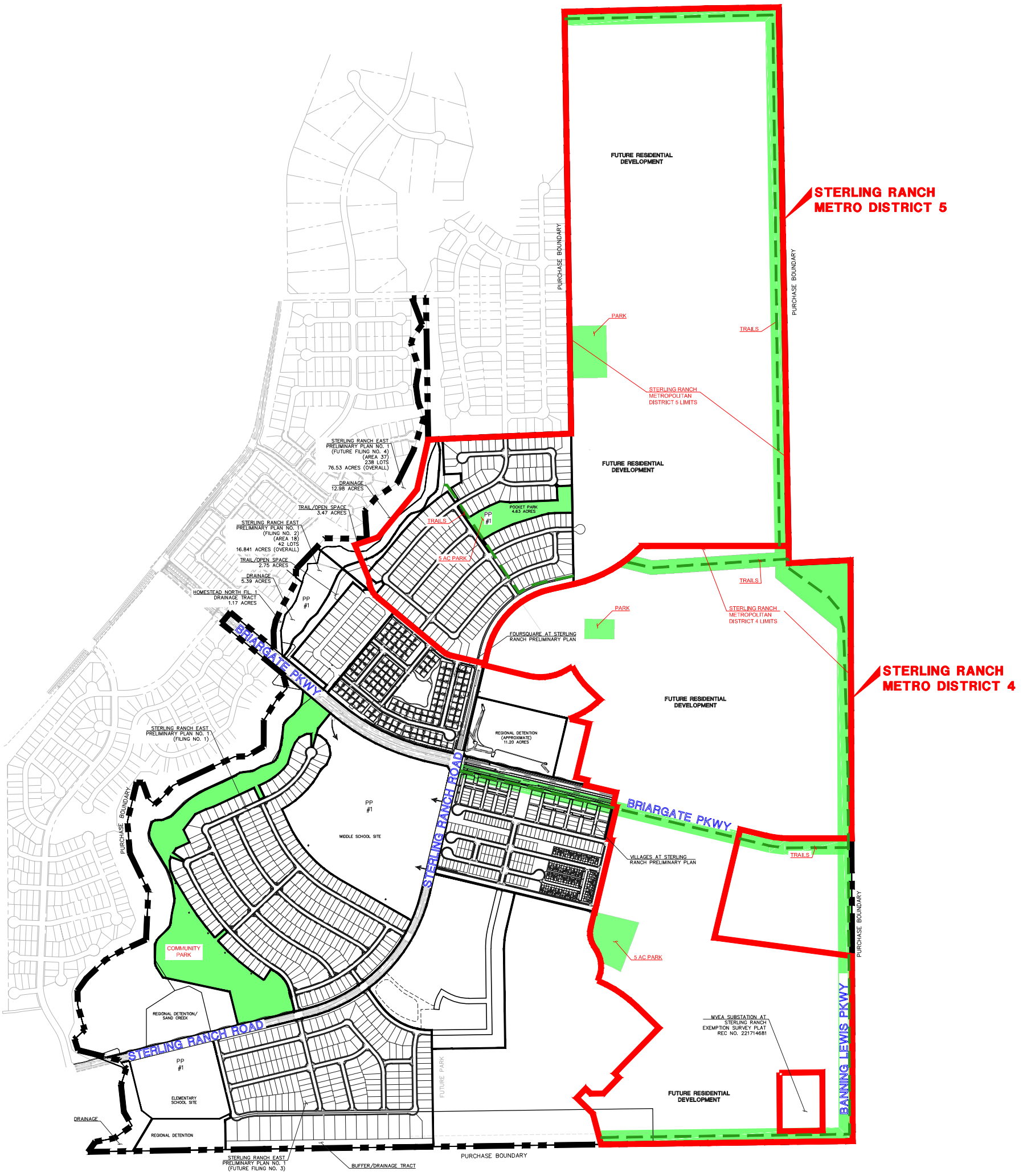
Colorado Springs, Colorado 80903 (719)785-0799 (Fax)

STERLING RANCH EAST

DISTRICT 4 AND 5 DRAINAGE EXHIBIT

DESIGNED BY	JDP	SCALE	DATE	3/10/23
DRAWN BY	JDP	(H) 1"= 300'	SHEET	1 OF 1
CHECKED BY		(V) 1"= N/A	JOB NO.	1183.10



NOTE:
LOT LAYOUTS ARE APPROXIMATE AND WILL BE MODIFIED IN THE FUTURE.

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

STERLING RANCH EAST

DISTRICT 4 AND 5 LANDSCAPE EXHIBIT

DESIGNED BY	JDP	SCALE		DATE	3/10/23
DRAWN BY	JDP	(H) 1"= 300'		SHEET	1 OF 1
CHECKED BY		(V) 1"= N/A		JOB NO.	1183.10

EXHIBIT A-4
ADDITIONAL INCLUDED PROPERTY MAP

Schedule Number: 5200000228

EXHIBIT A-4, ADDITIONAL INCLUDED PROPERTY MAP

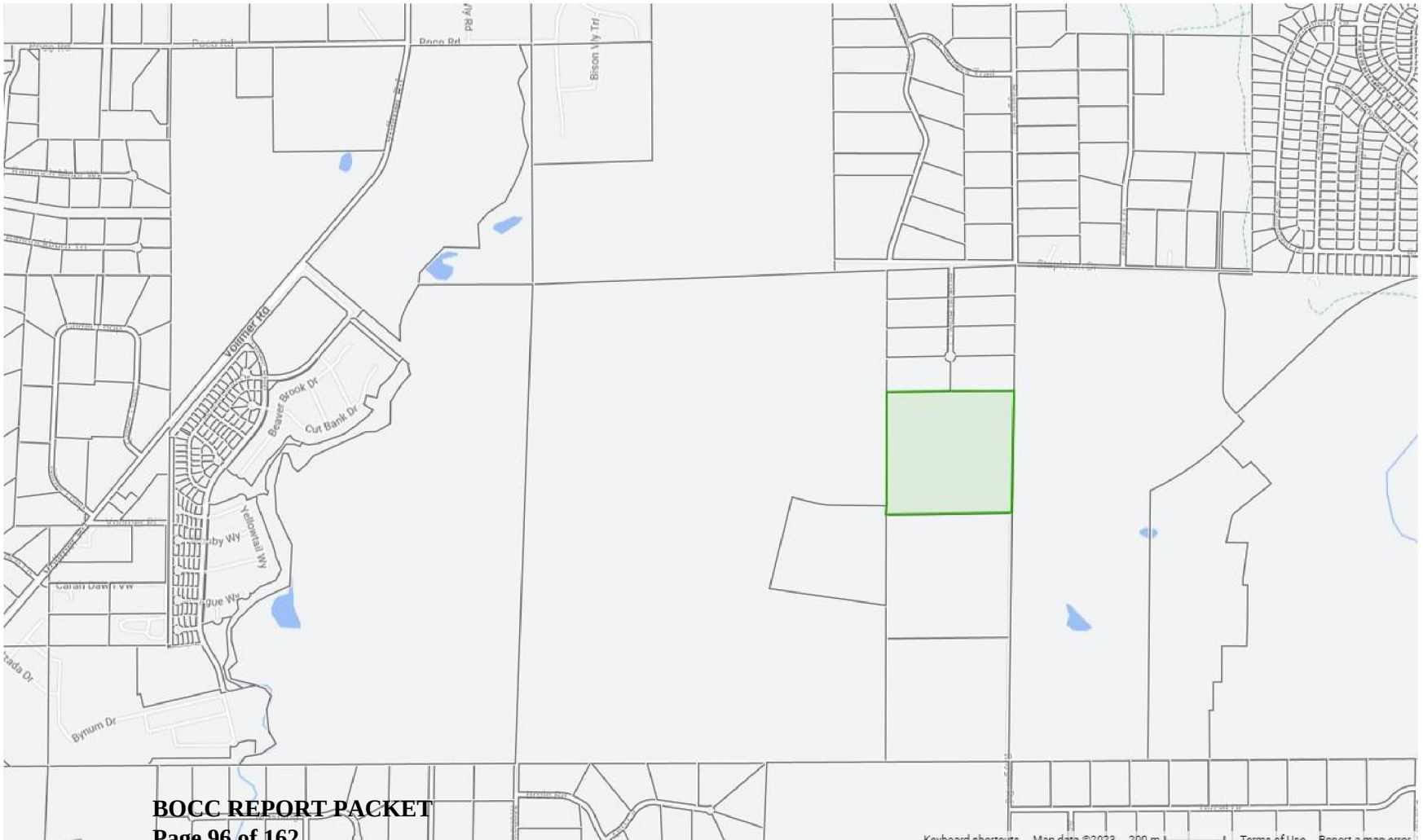


EXHIBIT A-5
LEGAL DESCRIPTIONS OF INITIALLY INCLUDED PROPERTIES

CLASSIC CONSULTING SM

619 N. Cascade Avenue, Suite 200 (719) 785-0790
Colorado 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;

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 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 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.

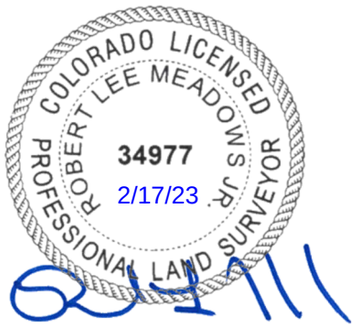
EXCEPTING THEREFROM MVEA SUBSTATION AT STERLING RANCH EXEMPTION SURVEY PLAT RECORDED UNDER RECEPTION NO. 221714681, RECORDS OF EL PASO COUNTY, COLORADO.

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.



2-17-23

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

CLASSIC CONSULTING SM

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;

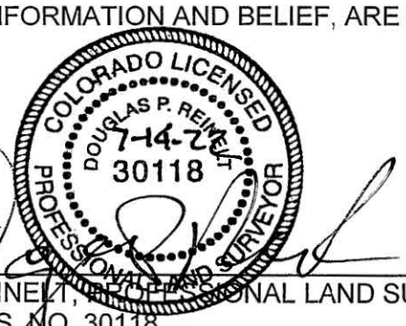
THENCE N08°10'08"E, A DISTANCE OF 4544.52 FEET TO THE POINT OF BEGINNING;

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 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.

CONTAINING A CALCULATED AREA OF 299.679 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 AND BELIEF, ARE CORRECT.



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

July 14, 2022
DATE

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

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
Engineering	1	LS	$ 100,000.00	$ 100,000.00
Surveying	1	LS	$ 100,000.00	$ 100,000.00
Soils / Materials Testing	1	LS	$ 75,000.00	$ 75,000.00
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
			Subtotal	***$ 19,654,090.00***

	Total LF Road
Sterling Ranch Rd	*7718*
District 5 Collector Roads	*4860*
Subtotal	*12578*

Intract District 5

	Quantity	Unit	Unit Cost	Total Cost
District 5 - Roads, WET Utilities, & Landscape	598	LOTS	$ 30,000.00	$ 17,940,000.00
			Subtotal	***$ 17,940,000.00***

District 4

	Quantity	Unit	Unit Cost	Total Cost
Engineering	1	LS	$ 100,000.00	$ 100,000.00
Surveying	1	LS	$ 100,000.00	$ 100,000.00
Soils / Materials Testing	1	LS	$ 75,000.00	$ 75,000.00
Earthwork/Erosion Control	200000	SY	$ 10.00	$ 2,000,000.00
WET Utilities	15783	LF	$ 300.00	$ 4,734,900.00
Drainage/ Detention Ponds	4	EA	$ 2,250,000.00	$ 9,000,000.00
Curb & Gutter	31566	LF	$ 30.00	$ 946,980.00
Asphalt Paving	122756	SY	$ 45.00	$ 5,524,020.00
Landscaping Tracts and ROW	473490	SF	$ 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
			Subtotal	***$ 27,427,860.00***

	Total LF Road
Briargate Pwky	*3750*
Banning Lewis Ranch Pwky	*2831*
District 4 Collector Roads	*9202*
Subtotal	*15783*

Intract District 4

	Quantity	Unit	Unit Cost	Total Cost
District 4 - Roads, WET Utilities, & Landscape	1010	LOTS	$ 30,000.00	$ 30,300,000.00
			Subtotal	***$ 30,300,000.00***

Sand Creek Channel Improvements

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	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

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

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

D|A DAVIDSON
D.A. Davidson & Co. member SIPC

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.

1. 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

1. 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

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**	**Total**
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%	

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%
Operations	
Operations Carve Out	$0
Operations Mill Levy	15.000
Total Mill Levy	65.000

STERLING RANCH METROPOLITAN DISTRICT #4
Development Summary

	Residential							
	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

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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	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
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	$	$	$	$	$	$	$	$660,700,000

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STERLING RANCH METROPOLITAN DISTRICT #4

Assessed Value Calculation

	Vacant Land		Residential				Total
	Cumulative Statutory Actual Value[1]	Assessed Value in Collection Year (2-year lag) 29.00%	Total Residential Units	Biennial Reassessment 6.00%	Cumulative Statutory Actual Value	Assessed Value in Collection Year (2-year lag) 7.15%	Assessed Value in Collection Year (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	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			

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

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STERLING RANCH METROPOLITAN DISTRICT #4
Revenue Calculation

	District Mill Levy Revenue				Expenses		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	42,265,167	50.000	2,113,258	126,795	(33,601)	(4,000)	2,202,453
2032	55,140,375	50.000	2,757,019	165,421	(43,837)	(4,000)	2,874,603
2033	55,940,070	50.000	2,797,004	167,820	(44,472)	(4,000)	2,916,351
2034	59,296,474	50.000	2,964,824	177,889	(47,141)	(4,000)	3,091,572
2035	59,296,474	50.000	2,964,824	177,889	(47,141)	(4,000)	3,091,572
2036	62,854,263	50.000	3,142,713	188,563	(49,969)	(4,000)	3,277,307
2037	62,854,263	50.000	3,142,713	188,563	(49,969)	(4,000)	3,277,307
2038	66,625,518	50.000	3,331,276	199,877	(52,967)	(4,000)	3,474,185
2039	66,625,518	50.000	3,331,276	199,877	(52,967)	(4,000)	3,474,185
2040	70,623,050	50.000	3,531,152	211,869	(56,145)	(4,000)	3,682,876
2041	70,623,050	50.000	3,531,152	211,869	(56,145)	(4,000)	3,682,876
2042	74,860,433	50.000	3,743,022	224,581	(59,514)	(4,000)	3,904,089
2043	74,860,433	50.000	3,743,022	224,581	(59,514)	(4,000)	3,904,089
2044	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

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STERLING RANCH METROPOLITAN DISTRICT #4
Senior Debt Service

	Total	Net Debt Service				Senior Surplus Fund			Ratio Analysis	
		Series 2027	Series 2037							
	Revenue Available for Debt Service	Dated: 12/1/27 Par: $57,705,000 Proj: $42,423,900	Dated: 12/1/37 Par: $85,600,000 Proj: $35,148,250 Esc: $56,415,000	Total	Funds on Hand as a Source	Annual Surplus	Cumulative Balance $8,560,000 Max	Released Revenue	Senior Debt to Assessed Value	Debt Service Coverage
2022										
2023	0									
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	2,916,351	2,915,250		2,915,250		1,101	*1,358,150*	*0*	103%	100%
2034	3,091,572	3,088,750		3,088,750		2,822	*1,360,972*	*0*	97%	100%
2035	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	4,138,574		4,135,200	4,135,200		3,374	70,333	0	106%	100%
2045	4,138,574		4,134,200	4,134,200		4,374	74,708	0	105%	100%
2046	4,387,129		4,382,000	4,382,000		5,129	79,836	0	98%	100%
2047	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	5,539,699		5,538,800	5,538,800		899	107,709	0	62%	100%
2056	5,872,321		5,868,000	5,868,000		4,321	112,029	0	56%	100%
2057	5,872,321		5,869,400	5,869,400		2,921	114,950	0	53%	100%
2058	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	7,852,772		7,857,800	7,857,800		(5,028)	115,177	0	10%	#REF!
2067	7,852,772		7,857,200	7,857,200		(4,428)	0	110,749	5%	#REF!
Total	184,544,149	21,408,000	161,655,400	183,063,400	1,370,000	110,749		110,749		

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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							
2023							
2024							
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	

Draft: For discussion purposes only

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

Sources:	
Bond Proceeds:	
Par Amount	57,705,000.00
	57,705,000.00
Uses:	
Project Fund Deposits:	
Project Fund	42,423,900.00
Other Fund Deposits:	
Capitalized Interest Fund	8,655,750.00
Debt Service Reserve Fund	5,221,250.00
	13,877,000.00
Cost of Issuance:	
Cost of Issuance	250,000.00
Delivery Date Expenses:	
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)
~~~

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	20.000000
Total Underwriter's Discount	20.000000
Bid Price	98.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Term Bond due 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	57,705,000.00	57,705,000.00	57,705,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-1,154,100.00	-1,154,100.00	
- Cost of Issuance Expense		-250,000.00	
- Other Amounts			
Target Value	56,550,900.00	56,300,900.00	57,705,000.00
Target Date	12/01/2027	12/01/2027	12/01/2027
Yield	5.149025%	5.181889%	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 Ending	Principal	Interest	Total Debt Service	Debt Service Reserve Fund	Capitalized Interest Fund	Net 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)
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Dated Date	12/01/2037
Delivery Date	12/01/2037

Sources:	
Bond Proceeds:	
Par Amount	85,600,000.00
Other Sources of Funds:	
Funds on Hand*	1,370,000.00
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:	
Cost of Issuance	200,000.00
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)
~~~

Dated Date	12/01/2037
Delivery Date	12/01/2037
First Coupon	06/01/2038
Last Maturity	12/01/2067
Arbitrage Yield	4.000000%
True Interest Cost (TIC)	4.035171%
Net Interest Cost (NIC)	4.000000%
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
Par Amount	85,600,000.00
Bond Proceeds	85,600,000.00
Total Interest	76,055,400.00
Net Interest	76,483,400.00
Bond Years from Dated Date	1,901,385,000.00
Bond Years from Delivery Date	1,901,385,000.00
Total Debt Service	161,655,400.00
Maximum Annual Debt Service	7,857,800.00
Average Annual Debt Service	5,388,513.33
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

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

NET DEBT SERVICE

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)
~~~

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

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)
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Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
12/9/22: Ser 27 NR 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

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)
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Dated Date	12/01/2037
Delivery Date	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

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)
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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

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)
~~~

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	

D|A DAVIDSON
D.A. Davidson & Co. member SIPC

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

1. 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

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

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SERVICE PLAN

Bond Assumptions	**Series 2030**	**Series 2040**	**Total**
Closing Date	12/1/2030	12/1/2040	
First Call Date	12/1/2035	12/1/2050	
Final Maturity	12/1/2060	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 - Standard Lot	Smokestack - Large 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	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
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

STERLING RANCH METROPOLITAN DISTRICT #5

Assessed Value Calculation

	Vacant Land		Residential				Total
	Cumulative Statutory Actual Value[1]	Assessed Value in Collection Year (2-year lag) 29.00%	Total Residential Units	Biennial Reassessment 6.00%	Cumulative Statutory Actual Value	Assessed Value in Collection Year (2-year lag) 7.15%	Assessed Value in Collection Year (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

Draft: For discussion purposes only

STERLING RANCH METROPOLITAN DISTRICT #5
Revenue Calculation

	District Mill Levy Revenue				Expenses		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	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

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STERLING RANCH METROPOLITAN DISTRICT #5
Senior Debt Service

	Total	Net Debt Service				Senior Surplus Fund			Ratio Analysis	
		Series 2030	Series 2040							
	Revenue Available for Debt Service	Dated: 12/1/30 Par: $43,375,000 Proj: $31,777,542	Dated: 12/1/40 Par: $64,335,000 Proj: $26,472,583 Esc: $42,355,000	Total	Funds on Hand as a Source	Annual Surplus	Cumulative Balance $6,433,500 Max	Released Revenue	Senior Debt to Assessed Value	Debt Service Coverage
2022										
2023	0									
2024	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	1,185,641	0		0		1,185,641	*1,475,725*	*0*	190%	n/a
2034	1,974,338	2,168,750		2,168,750		(194,412)	*1,281,313*	*0*	114%	91%
2035	2,126,145	2,168,750		2,168,750		(42,605)	*1,238,707*	*0*	106%	98%
2036	2,253,953	2,248,750		2,248,750		5,203	*1,243,911*	*0*	100%	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	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	2,846,614		2,844,400	2,844,400		2,214	182,180	0	117%	100%
2045	2,846,614		2,843,200	2,843,200		3,414	185,594	0	117%	100%
2046	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	3,810,765		3,809,800	3,809,800		965	208,885	0	78%	100%
2055	3,810,765		3,808,200	3,808,200		2,565	211,450	0	76%	100%
2056	4,039,651		4,039,200	4,039,200		451	211,900	0	69%	100%
2057	4,039,651		4,038,400	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	5,096,425		5,099,600	5,099,600		(3,175)	214,808	0	30%	#REF!
2066	5,402,451		5,407,200	5,407,200		(4,749)	210,059	0	24%	#REF!
2067	5,402,451		5,406,200	5,406,200		(3,749)	206,310	0	20%	#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		

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STERLING RANCH METROPOLITAN DISTRICT #5
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							
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	37,895,557	15.000	568,433	34,106	(9,038)	593,501	65.000
2035	40,803,462	15.000	612,052	36,723	(9,732)	639,043	65.000
2036	43,251,670	15.000	648,775	38,927	(10,316)	677,386	65.000
2037	43,251,670	15.000	648,775	38,927	(10,316)	677,386	65.000
2038	45,846,770	15.000	687,702	41,262	(10,934)	718,029	65.000
2039	45,846,770	15.000	687,702	41,262	(10,934)	718,029	65.000
2040	48,597,576	15.000	728,964	43,738	(11,591)	761,111	65.000
2041	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	82,104,582	15.000	1,231,569	73,894	(19,582)	1,285,881	65.000
2059	82,104,582	15.000	1,231,569	73,894	(19,582)	1,285,881	65.000
2060	87,030,857	15.000	1,305,463	78,328	(20,757)	1,363,034	65.000
2061	87,030,857	15.000	1,305,463	78,328	(20,757)	1,363,034	65.000
2062	92,252,709	15.000	1,383,791	83,027	(22,002)	1,444,816	65.000
2063	92,252,709	15.000	1,383,791	83,027	(22,002)	1,444,816	65.000
2064	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
2067	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	

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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)
~~~

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

Sources:	
Bond Proceeds:	
Par Amount	43,375,000.00
	43,375,000.00

Uses:	
Project Fund Deposits:	
Project Fund	31,777,541.67
Other Fund Deposits:	
Capitalized Interest Fund	6,506,250.00
Debt Service Reserve Fund	3,973,708.33
	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)
~~~

Dated Date	12/01/2030
Delivery Date	12/01/2030
First Coupon	06/01/2031
Last Maturity	12/01/2060
Arbitrage Yield	5.000000%
True Interest Cost (TIC)	5.148993%
Net Interest Cost (NIC)	5.000000%
All-In TIC	5.192751%
Average Coupon	5.000000%
Average Life (years)	23.974
Weighted Average Maturity (years)	23.974
Duration of Issue (years)	13.846
Par Amount	43,375,000.00
Bond Proceeds	43,375,000.00
Total Interest	51,994,000.00
Net Interest	52,861,500.00
Bond Years from Dated Date	1,039,880,000.00
Bond Years from Delivery Date	1,039,880,000.00
Total Debt Service	95,369,000.00
Maximum Annual Debt Service	8,510,250.00
Average Annual Debt Service	3,178,966.67
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	20.000000
Total Underwriter's Discount	20.000000
Bid Price	98.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Term Bond due 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 TIC	Arbitrage Yield
Par Value	43,375,000.00	43,375,000.00	43,375,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-867,500.00	-867,500.00	
- Cost of Issuance Expense		-250,000.00	
- Other Amounts			
Target Value	42,507,500.00	42,257,500.00	43,375,000.00
Target Date	12/01/2030	12/01/2030	12/01/2030
Yield	5.148993%	5.192751%	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)
~~~

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)
~~~

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Service 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:	
Funds on Hand*	1,255,000.00
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)
~~~

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

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp 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 TIC	Arbitrage Yield
Par Value	64,335,000.00	64,335,000.00	64,335,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-321,675.00	-321,675.00	
- Cost of Issuance Expense		-200,000.00	
- Other Amounts			
Target Value	64,013,325.00	63,813,325.00	64,335,000.00
Target Date	12/01/2040	12/01/2040	12/01/2040
Yield	4.035172%	4.057165%	4.000000%

NET DEBT SERVICE

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)
~~~

Period Ending	Principal	Interest	Total Debt Service	Capitalized Interest Fund	Net 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

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)
~~~

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
12/9/22: Ser 30 NR 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

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

Period Ending	Principal 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

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)
~~~

Period 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

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)
~~~

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Service 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 Attention: Russell Dykstra 1700 Lincoln Street, Suite 2000 Denver, Colorado 80203 Phone: 303-839-3800 Email: rdykstra@spencerfane.com
4. Meeting Information	Meeting information can be found by contacting the contact person listed above.
5. Type of District(s)/ Unique Representational Issues (if any)	Colorado Revised Statutes Title 32 Metropolitan District
6. Authorized Purposes of the Districts	The Service Plan authorizes all permissible purposes as allowed under Colorado Revised Statutes Title 32
7. Active Purposes of the Districts	Proposed design, construction, and 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)
8. Current Certified Mill Levies a. Debt Service b. Operational c. Total	a. 50 mills (subject to adjustment) b. 15 mills (subject to adjustment) c. 65 mills (subject to adjustment)
9. Sample Calculation of Current Mill Levy for a Residential and Commercial Property (as applicable).	Assume a residential property with a value of $700,000 x 6.95% = $48,650 (assessed value); $48,650 x 0.065 = $3,162.25 taxes per year due to the District
10. Maximum Authorized Mill Levy Caps (Note: these are maximum allowable mill levies which could be certified in the future unless there was a change in state statutes or Board of County Commissioners approvals) a. Debt Service b. Operational c. Total	a. 50 mills (subject to adjustment) b. 15 mills (subject to adjustment) c. 65 mills (subject to adjustment
11. Sample Calculation of Mill Levy Cap for a Residential and Commercial Property (as applicable).	See #9 above

12. Current Outstanding Debt of the Districts (as of the end of year of this report)	N/A
13. Total voter-authorized debt of the Districts (including current debt)	N/A
14. Debt proposed to be issued, reissued or otherwise obligated in the coming year.	N/A
15. Major facilities/ infrastructure improvements initiated or completed in 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 6 $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: 270 S. TEJON, COLORADO SPRINGS, CO, 80903	DATE FILED: June 10, 2022 8:29 AM CASE NUMBER: 2010CV5714
In the Matter of: STERLING RANCH METROPOLITAN DISTRICT	⚠ COURT 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

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 22 2022

SHERI KING
CLERK OF THE DISTRICT/COUNTY COURT
By _____ Deputy

COMBINED COURT, EL PASO COUNTY, COLORADO

DISTRICT COURT, EL PASO COUNTY, COLORADO Court Address: 270 South Tejon St. 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 EXCLUSION
(Classic SRJ Land, LLC, Artesia Lot Holdings. LLC, and Vantage Homes Corp Parcels 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:

_____
District Court Judge

EXHIBIT A
(Legal Description of Exclusion Property)

CLASSIC CONSULTING

[illegible] Colorado Avenue, Suite 200 (719) 785-0790
Colorado Springs, Colorado 80903 (719) 785-0799 (Fax)

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 "UP&C 11624", IS ASSUMED TO BEAR S89°14'14"W, A DISTANCE OF 2722.56 FEET

PARCEL 1

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 236.93 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°55'22"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 178.93 FEET TO A POINT OF TANGENT,
THENCE N13°28'29"E, A DISTANCE OF 205.73 FEET;
THENCE N76°31'31"W, A DISTANCE 25.00 FEET;
THENCE N13°28'29"E, A DISTANCE OF 940.53 FEET;
THENCE N76°31'31"W, A DISTANCE 981.00 FEET;
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°26'59", 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 37°48'15", A RADIUS OF 774.94 FEET AND A DISTANCE OF 511.31 FEET TO POINT OF TANGENT;
THENCE N49°07'13"E, A DISTANCE OF 50.22 FEET;
THENCE N48°16'29"W, A DISTANCE OF 136.81 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°25'35"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 N76°31'31"W, A DISTANCE 711.77 FEET TO A POINT ON CURVE,
THENCE ON THE ARC OF A CURVE TO THE RIGHT WHOSE CENTER BEARS N12°55'02"E 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°48'01"W, A DISTANCE OF 595.53 FEET,

THENCE N49°14'55"W, A DISTANCE OF 232.43 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°41'23", 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 228.22 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. 2207144653;
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 N89°35'53"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 BEING ALSO ON THE WESTERLY BOUNDARY OF INDIAN WELLS SUBDIVISION FILING NO. 1 RECORDED IN PLAT BOOK J-3 AT PAGE 63;
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 5174.84 FEET;
THENCE N87°09'09"E, ON THE NORTH LINE OF THE WEST HALF OF THE EAST HALF OF SECTION 34 A DISTANCE OF 574.82 FEET;
THENCE S00°13'01"E, A DISTANCE OF 2569.42 FEET;
THENCE S89°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°28'56", 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 250.00 FEET;
THENCE S13°28'29"W, A DISTANCE OF 1035.83 FEET;
THENCE S82°20'46"E, A DISTANCE OF 1293.73 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 590.481 ACRES

PARCEL 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 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:

1. S89°13'48"W, A DISTANCE OF 1401.41 FEET;
2. S89°04'30"W, A DISTANCE OF 3757.58 FEET;
3. S89°12'38"W, A DISTANCE OF 412.10 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING S89°12'38"W ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 33, A DISTANCE OF 1333.66 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF VOLMER ROAD;

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

1. N38°15'39"E, A DISTANCE OF 707.24 FEET;
2. N40°15'29"E, A DISTANCE OF 172.13 FEET;

THENCE S49°38'29"E, A DISTANCE OF 1055.10 FEET TO THE POINT OF BEGINNING.

CONTAINING A CALCULATED AREA OF 10.725 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 AND BELIEF, ARE CORRECT.

COLORADO LICENSED DOUGLAS P. REINELT 30118 PROFESSIONAL LAND SURVEYOR

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

Feb 04, 2022
DATE

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PGS 5 $33.00 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: 270 S. TEJON, COLORADO SPRINGS, CO, 80903	DATE FILED: June 10, 2022 8:29 AM CASE NUMBER: 2010CV5714
In the Matter of: STERLING RANCH METROPOLITAN DISTRICT	⚠ **COURT USE ONLY** ⚠ Case Number: 2010CV5714 Division: 4 Courtroom:

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

The motion/proposed order attached hereto: GRANTED.

Issue Date: 6/10/2022

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 22 2022

SHERI KING
CLERK OF THE DISTRICT/COUNTY COURT
By Deputy

COMBINED COURT, EL PASO COUNTY, COLORADO *1879*

DISTRICT COURT, EL PASO COUNTY, COLORADO Court Address: 270 South Tejon St. Colorado Springs, CO 80901 Telephone: (719) 452-5000	
Petitioner: STERLING RANCH METROPOLITAN DISTRICT NO. 1	**▲ COURT USE ONLY ▲**
By the Court:	Case Number: 2010CV5714 Division: 4 Courtroom: ____

ORDER FOR INCLUSION
(Classic SRJ Land, LLC Property Inclusion)

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

Attachment 1 - Order - Inclusion

EXHIBIT A
(Legal Description of Inclusion Property)

CLASSIC CONSULTING

[illegible]

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 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 2722.58 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 4526.95 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"E, 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°14'55"W, A DISTANCE OF 201.60 FEET;
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 79.68 FEET TO A POINT OF TANGENT;
THENCE S76°31'31"E, A DISTANCE OF 329.10 FEET;
THENCE S13°28'29"W, A DISTANCE OF 15.63 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 3515.63 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°26'58", 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 166.82 FEET;
THENCE S13°28'29"W, A DISTANCE OF 514.46 FEET;
THENCE S76°31'31"E, 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 289.28 FEET;
THENCE S13°28'29"W, A DISTANCE OF 129.98 FEET
THENCE N76°31'31"W, A DISTANCE OF 944.78 FEET TO THE POINT OF BEGINNING

CONTAINING A CALCULATED AREA OF 9.279 ACRES.

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 SAID 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 N76°31'31"W, A DISTANCE OF 4.99 FEET;
THENCE N13°28'29"E, A DISTANCE OF 80.03 FEET;
THENCE N76°31'31"W, A DISTANCE OF 25.00 FEET;
THENCE N13°28'29"E, A DISTANCE OF 530.50 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 AND BELIEF, ARE CORRECT.

COLORADO LICENSED
DOUGLAS P. REINELT
30118
PROFESSIONAL LAND SURVEYOR

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

APRIL 06, 2022
DATE

RESOLUTION NO. 23-

BOARD OF COUNTY COMMISSIONERS

COUNTY OF EL PASO

STATE OF COLORADO

RESOLUTION TO APPROVE A SPECIAL DISTRICT SERVICE PLAN
STERLING RANCH METROPOLITAN DISTRICT NOS. 4 & 5

WHEREAS, Classic SRJ, LLC, and Spencer Fane P.C. did file an application with the Planning and Community Development Department of El Paso County, pursuant to §32-1-204(2), C.R.S., for the review of a draft service plan for Sterling Ranch Metropolitan District Nos. 4 and 5 for property more particularly described in Exhibit A, which is attached hereto and incorporated by reference; and

WHEREAS, a public hearing was held by the El Paso County Planning Commission on April 20, 2023, upon which date the Planning Commission did by formal resolution recommend approval of the subject Service Plan with conditions and notations; and

WHEREAS, on May 2, 2023, the Board of County Commissioners ordered a public hearing to be held on the Service Plan; and

WHEREAS, notice of the hearing before the Board of County Commissioners was duly published in *The Colorado Springs Gazette* on May 3, 2023, as required by law; and

WHEREAS, notice of the hearing before the Board of County Commissioners was duly mailed by first class mail, on May 1, 2023, to interested persons, defined as: The owners of record of all property within the proposed Title 32 district as such owners of record are listed in the proposed service plan. On May 2, 2023, notice of the hearing before the Board of County Commissioners was duly mailed by first class mail to the governing body of any municipality or special district which has levied an ad valorem tax within the next preceding tax year, and which has boundaries within a radius of three (3) miles of the proposed district's boundaries; and

WHEREAS, pursuant to the provisions of Title 32, Article 1, C.R.S., as amended, the Board of County Commissioners held a public hearing on the Service Plan for the District on Sterling Ranch Metropolitan District Nos. 4 and 5; 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 Commission during the hearing, this Board of County Commissioners 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 and Board of County Commissioners.

2. That proper publication and public notice were provided as required by law for the hearings before the Planning Commission and the Board of County Commissioners of El Paso County.

3. That the hearings before the Planning Commission and the Board of County Commissioners of El Paso County were extensive and complete, that all pertinent facts, matters and issues were submitted and that all interested persons were heard at those hearings.

4. That all exhibits were received into evidence.

5. There is sufficient existing and projected need for organized service in the area to be served by the proposed Special District.

6. Existing service in the area to be served by the proposed Special District is inadequate for present and projected needs.

7. The proposed Special District is capable of providing economical and sufficient service to the area within the proposed boundaries.

8. 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. 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. 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.

11. The proposal is in substantial compliance with a Master Plan adopted pursuant to §30-28-106, C.R.S.

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

13. 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 the El Paso County Board of County Commissioners, State of Colorado, hereby determines that the requirements of § 32-1-203, C.R.S., relating to the approval of a Service Plan for the Sterling Ranch Metropolitan District Nos. 4 and 5 have been fulfilled in a timely manner; and

BE IT FURTHER RESOLVED the Board of County Commissioners hereby approves the Service Plan submitted for the Sterling Ranch Metropolitan District Nos. 4 and 5, for property more particularly described in Exhibit A, which is attached hereto and incorporated by reference; and

AND BE IT FURTHER RESOLVED that the following conditions and notations shall be placed upon this approval:

CONDITIONS

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-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").

AND BE IT FURTHER RESOLVED, the record and recommendations of the El Paso County Planning Commission be adopted, except as modified herein.

AND BE IT FURTHER RESOLVED that a certified copy of this Resolution shall be filed in the records of the County and submitted to the petitioners for the purpose of filing in the District Court of El Paso County.

AND BE IT FURTHER RESOLVED that all resolutions or parts thereof, in conflict with the provisions hereof, are hereby repealed.

DONE THIS 23rd day of May 2023, at Colorado Springs, Colorado.

BOARD OF COUNTY COMMISSIONERS
EL PASO COUNTY, COLORADO

ATTEST:

By: _____
Chair

By: _____
County Clerk & Recorder

EXHIBIT A
LEGAL DESCRIPTIONS

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.