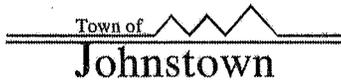


TOWN COUNCIL
MEETING
PACKET

October 6, 2014



Town Council

Agenda
Monday, October 6, 2014
Town Hall, Council Chambers
450 So. Parish Avenue
7:00 PM



MISSION STATEMENT-*"The mission of the government of the Town of Johnstown is to provide leadership based upon trust and integrity, commitment directed toward responsive service delivery, and vision for enhancing the quality of life in our community."*

Members of the audience are invited to speak at the Council meeting. Public Comment (item No. 5) is reserved for citizen comments on items *not* contained on the printed agenda. Citizen comments are limited to three (3) minutes per speaker. When several people wish to speak on the same position on a given item, they are requested to select a spokesperson to state that position. If you wish to speak at the Town Council meeting, please fill out a sign-up sheet and present it to the Town Clerk.

- 1) CALL TO ORDER
 - A) Pledge of Allegiance
- 2) ROLL CALL
- 3) AGENDA APPROVAL
- 4) RECOGNITIONS AND PROCLAMATIONS
- 5) PUBLIC COMMENT (three-minute limit per speaker)

The "Consent Agenda" is a group of routine matters to be acted on with a single motion and vote. The Mayor will ask if any Council member wishes to have an item discussed or if there is public comment on those ordinances marked with an *asterisk. The Council member may then move to have the subject item removed from the Consent Agenda for discussion separately.

- 6) CONSENT AGENDA
 - A) Town Council Meeting -- September 15, 2014
 - 7) STAFF REPORTS
 - 8) OLD BUSINESS
 - 9) NEW BUSINESS
 - A) Consider Beer and Wine Liquor License Renewal for Huang Garden
 - B) Consider Award of Contract for 2014 Sewer Cleaning Project to Dale's Environmental Services (DES), LLC
 - C) *Public Hearing -- Consider Resolution No. 2014- 11, Approving the Consolidated Service Plan for the Encore On 34 Metropolitan Districts Nos. 1-3
 - 10) COUNCIL REPORTS AND COMMENTS
 - 11) MAYOR'S COMMENTS
 - 12) ADJOURN
-



NOTICE OF ACCOMODATION

If you need special assistance to participate in the meeting, please contact the Town Clerk at (970) 587-4664. Notification at least 72 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to the meeting.

AGENDA ITEM 6A

CONSENT

AGENDA

- **Council Minutes – September 15, 2014**

TOWN COUNCIL AGENDA COMMUNICATION

AGENDA DATE: October 6, 2014

ITEM NUMBER: 6A

SUBJECT: Consent Agenda

ACTION PROPOSED: Approve Consent Agenda

PRESENTED BY: Town Clerk

AGENDA ITEM DESCRIPTION: The following items are included on the Consent Agenda, which may be approved by a single motion approving the Consent Agenda:

A) Town Council Minutes – September 15, 2014

LEGAL ADVICE: The entire Consent Agenda may be approved by a motion of the Town Council approving the Consent Agenda, which automatically approves each and every item listed on the Consent Agenda. If a Council member wishes to have a specific discussion on an individual item included with the Consent Agenda, they may move to remove the item from the Consent Agenda for discussion.

FINANCIAL ADVICE: N/A

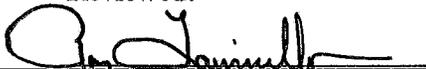
RECOMMENDED ACTION: Approve Consent Agenda

SUGGESTED MOTION:

For Approval: I move to approve the Consent Agenda.

For Denial:

Reviewed:


Town Manager

**COUNCIL
MINUTES**

The Town Council of the Town of Johnstown met on Monday, September 15, 2014 at 7:00 p.m. in the Council Chambers at 450 S. Parish Avenue, Johnstown.

Mayor Romanowski led the Pledge of Allegiance.

Roll Call:

Those present were: Councilmembers Berg, James, Lebsack, Mellon, Molinar Jr. and Townsend

Also present: Avi Rocklin, Town Attorney, Roy Lauricello, Town Manager. John Franklin, Town Planner, Brian Phillips, Chief of Police, Tom Hellen, Public Works Director and Diana Seele, Town Clerk/Treasurer

Agenda Approval

Councilmember James made a motion seconded by Councilmember Berg to approve the Agenda. Motion carried with a unanimous vote.

Consent Agenda

Councilmember Mellon made a motion seconded by Councilmember Lebsack to approve the Consent Agenda with the following items included:

- September 3, 2014 Town Council meeting minutes
- Payment of Bills
- August Financial Statements
- 2nd Reading- Ordinance No. 2014-135, An Ordinance Amending Johnstown Municipal Code Section 13-68 Concerning Water Court Transfer Fees and Raw Water Credits
- 2nd Reading – Ordinance No. 2014-136, And Ordinance Disconnecting Certain Land Located in the West One-Half of Section 14 and the East One-Half of Section 15, in Township 4 North, Range 68 West of the 6th Principal Meridian, Town of Johnstown, State of Colorado

Motion carried with a unanimous vote.

There being no further business to come before Council the meeting adjourned at 7:27 p.m.

Mayor

Town Clerk/Treasurer

AGENDA ITEM 9A

**BEER
&
WINE
LIQUOR LICENSE
RENEWAL
(Huang Garden)**

TOWN COUNCIL AGENDA COMMUNICATION

AGENDA DATE: October 6, 2014

ITEM NUMBER: 9A

SUBJECT: Consider Beer & Wine Liquor License Renewal – Huang Garden

ACTION PROPOSED: Approve Beer & Wine Liquor License Renewal

PRESENTED BY: Town Clerk, Police Chief

AGENDA ITEM DESCRIPTION: Mr. Liang A. Huang, operating manager of Huang Garden, has submitted a renewal application to the Town Clerk for a beer and wine liquor license (malt and vinous) for Huang Garden located at 257 Johnstown Center Drive, Johnstown. The required fees have been submitted to the Town. According to the Johnstown Police Department, the establishment has cooperated with law enforcement officials.

The Town Council acts as the Local Licensing Authority and is responsible for reviewing and issuing liquor licenses.

LEGAL ADVICE: N/A

FINANCIAL ADVICE: N/A

RECOMMENDED ACTION: Approve the beer and wine liquor license renewal.

SUGGESTED MOTIONS:

For Approval: I move to approve the beer and wine liquor license renewal for Huang Garden.

For Denial: I move to deny approval of the beer and wine liquor license renewal for Huang Garden.

Reviewed:


Town Manager

**RENEWAL
APPLICATION**

**LIQUOR OR 3.2 BEER LICENSE
 RENEWAL APPLICATION**

Fees Due	
Renewal Fee	\$351.25
Storage Permit \$100 x _____	_____
Optional Premise \$100 x _____	_____
Related Resort \$75 x _____	_____
Amount Due/Paid	

HUANG GARDEN
 6363 W 120TH AVE STE 322
 BROOMFIELD CO 80020-0300

Make check payable to: Colorado Department of Revenue. The State may convert your check to a one-time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department may collect the payment amount directly from your banking account electronically.

PLEASE VERIFY & UPDATE ALL INFORMATION BELOW

RETURN TO CITY OR COUNTY LICENSING AUTHORITY BY DUE DATE

Licensee Name HUANG GARDEN INC		DBA HUANG GARDEN	
Liquor License # 25525410000	License Type Beer & Wine (city)	Sales Tax License # 25525410000	Expiration Date 10/27/2014
Street Address 257 JOHNSTOWN CNTR DR UNIT 114 JOHNSTOWN CO 80534			Due Date 9/12/2014
Mailing Address 6363 W 120TH AVE STE 322 BROOMFIELD CO 80020-0300			Phone Number (720) 587 2363
Operating Manager Liang A Huang	Date of Birth 5-21-1977	Home Address 487 Expedition Ln Johnstown CO 80534	Phone Number 720-365-8696

- Do you have legal possession of the premises at the street address above? YES NO
 Is the premises owned or rented? Owned Rented* *If rented, expiration date of lease 07-31-2017
- Since the date of filing of the last annual application, has there been any change in financial interest (new notes, loans, owners, etc.) or organizational structure (addition or deletion of officers, directors, managing members or general partners)? If yes, explain in detail and attach a listing of all liquor businesses in which these new lenders, owners (other than licensed financial institutions), officers, directors, managing members, or general partners are materially interested. YES NO
NOTE TO CORPORATION, LIMITED LIABILITY COMPANY AND PARTNERSHIP APPLICANTS: If you have added or deleted any officers, directors, managing members, general partners or persons with 10% or more interest in your business, you must complete and return immediately to your Local Licensing Authority, Form DR 8177: Corporation, Limited Liability Company or Partnership Report of Changes, along with all supporting documentation and fees.
- Since the date of filing of the last annual application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been convicted of a crime? If yes, attach a detailed explanation. YES NO
- Since the date of filing of the last annual application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been denied an alcohol beverage license, had an alcohol beverage license suspended or revoked, or had interest in any entity that had an alcohol beverage license denied, suspended or revoked? If yes, attach a detailed explanation. YES NO
- Does the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) have a direct or indirect interest in any other Colorado liquor license, including loans to or from any licensee or interest in a loan to any licensee? If yes, attach a detailed explanation. YES NO
- SOLE PROPRIETORSHIPS, HUSBAND-WIFE PARTNERSHIPS AND PARTNERS IN GENERAL PARTNERSHIPS:** Each person must complete and sign the DR 4679: Affidavit – Restriction on Public Benefits (available online or by calling 303-205-2300) and attach a copy of their driver's license, state-issued ID or valid passport.

AFFIRMATION & CONSENT

I declare under penalty of perjury in the second degree that this application and all attachments are true, correct and complete to the best of my knowledge.

Type or Print Name of Applicant/Authorized Agent of Business Liang A Huang	Title President
Signature 	Date 8/08/14

REPORT & APPROVAL OF CITY OR COUNTY LICENSING AUTHORITY

The foregoing application has been examined and the premises, business conducted and character of the applicant are satisfactory, and we do hereby report that such license, if granted, will comply with the provisions of Title 12, Articles 46 and 47, C.R.S. **THEREFORE THIS APPLICATION IS APPROVED.**

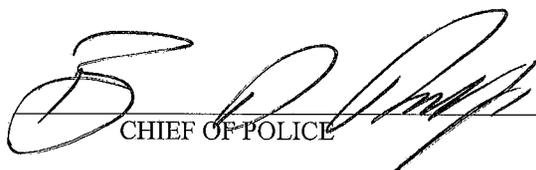
Local Licensing Authority For	Date
Signature	Title
	Attest

**POLICE
REPORTS**

TOWN OF JOHNSTOWN POLICE DEPARTMENT

Information 3.2% Beer or Liquor Application

- Name and address of Applicant} Liang A. Huang
487 Expedition Lane
Johnstown, CO 80534
1. Trade Name and Address} Huang Garden Inc.
257 Johnstown Center Drive Unit 114
Johnstown, CO 80534
2. Date of Application: 09/02/2014
3. Type of Application: Beer and Wine Liquor License
4. Documents Accompanying Application
A. Local and State License Fees} Submitted with application
B. Evidence of Correct Zoning} CBD
C. Building Plans and or Sketch of Interior} N/A
D. Distance from School as per State} N/A
E. Deed or Lease or Assignment of Lease or Ownership} Leased
5. Evidence of Public Notice
A. Posting of Premises} N/A
B. Legal Publication } N/A
6. Investigation: Police Department Case#}
A. Applicant has made application for renewal of their Beer and Wine License
B. Huang Garden has operated legally during its last license period.
C. Cooperation with law enforcement has been good.
8. Findings of fact:
A. Huang Garden presently holds license 25525410000 that expires October 27, 2014
B. The required fees were submitted.
C. It is my recommendation that the renewal be approved.


CHIEF OF POLICE


DATE

**JOHNSTOWN POLICE DEPT.
LIQUOR LICENSE RENEWAL INFORMATION SHEET**

APPLICANT: **Huang Garden**

ADDRESS: **257 Johnstown Center Drive Unit 114**

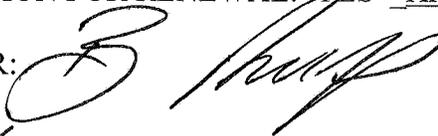
TYPE LICENSE: **Beer & Wine License**

POLICE CALLS FOR SERVICE AT THIS LOCATION: **0**

LIQUOR VIOLATIONS AT THIS LOCATION: **0**

ARRESTS DUE TO ALCOHOL AT THIS LOCATION: **0**

JPD RECOMMENDATION FOR RENEWAL: YES XXX NO _____

REPORTING OFFICER: 

DATE: **9/11/14**

ADDITIONAL INFORMATION: **** All calls were minor service calls.**

AGENDA ITEM 9B

**2014
SEWER
CLEANING
PROJECT**

(Award of Contract)

(Dale's Environmental Services)

TOWN COUNCIL AGENDA COMMUNICATION

~~AGENDA DATE:~~ October 6, 2014

ITEM NUMBER: 9B

SUBJECT: Consider Award of Contract for the 2014 Sewer Line Cleaning Project to DES (Dale's Environmental Services, LLC)

ACTION PROPOSED: Award Contract to DES (Dale's Environmental Services, LLC)

PRESENTED BY: Public Works Director, Town Manager, and Town Attorney

AGENDA ITEM DESCRIPTION: The 2014 Sewer Cleaning Project will encompass the problem areas of Town as determined by the Water/Wastewater Superintendent. The total length of lines to be cleaned is estimated at 71,000 linear feet.

Section 9.1.3 of the Town's Purchasing Procedure Manual provides in part for the following:

"Procurement Under Existing Contracts:" Department Heads and the Town Administrator may contact for services, construction of items of tangible personal property without use of competitive sealed bids or competitive sealed proposals, as follows:

9.3.1 "With a vendor which has a current contract or price agreement with the state purchasing agent or central purchasing officer or with another municipality or a county which has or uses an open bid process for the items that are to be procured if the following conditions are met:

- a. The quantity purchased does not exceed the quantity, which may be purchased under the applicable contract; and
- b. The purchase order adequately identifies the contract relied upon by number, if applicable or by other appropriate references."

DES was the lowest bidder of the City of Loveland's 2012 sewer cleaning/video inspection project and was awarded a renewal contract by the City on April 23, 2014 (refer to attachment). DES will provide Johnstown with the same services per the Loveland specifications at the Loveland unit prices. Using the estimated length quantity and Loveland unit prices the total "not to exceed" cost of the project is as follows:

Sewer cleaning (per linear foot):	(\$0.35)	\$24,850
Video inspection (per lineal foot) + contingency:	(\$0.35)	<u>\$5,150</u>
Total Cost (not to exceed):		\$30,000

According to the contract, DES will have until November 30, 2014 to complete the cleaning project.

LEGAL ADVICE: The former Town Attorney drafted the attached agreement.

FINANCIAL ADVICE: According to the Town Treasurer, sufficient funds are available for the project.

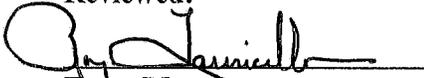
RECOMMENDED ACTION: Award the contract to Dale's Environmental Services LLC for a total price not to exceed **\$30,000**.

SUGGESTED MOTIONS:

For Approval: I move to award the contract for the 2014 Sewer Line Cleaning Project to Dale's Environmental Services for a total price not to exceed \$30,000 and authorize the Mayor to sign the agreement.

For Denial: I move to deny the award of the contract to Dale's Environmental Services, LLC.

Reviewed:


Town Manager

CONTRACT

TOWN OF JOHNSTOWN, COLORADO
2014 SEWER LINE CLEANING AND VIDEO INSPECTION PROJECT
PUBLIC WORKS CONTRACT

THIS CONTRACT entered into at Johnstown, Colorado, this _____ of October, 2014, by and between the TOWN OF JOHNSTOWN, COLORADO, a Colorado Home Rule Town, with address for notice at 450 S. Parish Ave. / P.O. Box 609, Johnstown, Colorado 80534 hereinafter called and referred to as the Town, and Dale's Environmental Services, LLC, with address for notice at P.O. Box 337660, Greeley, CO 80633 hereinafter called and referred to as Contractor,

WITNESSETH:

THAT FOR AND in consideration of the premises, the payments hereinafter provided for, and the mutual covenants, promises, doings, and things hereinafter set forth, the parties hereto do now agree as follows:

1. That Town does engage the services of Contractor, and Contractor does hereby bind himself unto Town, to perform the following project to Town, to wit:

2014 SEWER LINE CLEANING AND VIDEO INSPECTION PROJECT

for a total price not to exceed Thirty Thousand (\$30,000.00), which shall be paid in the following manner:

The entire bid price shall be payable by Town unto Contractor upon Town's first accounts payable cycle following completion and acceptance of the work to be performed hereunder.

2. That all of Contractor's performance hereunder shall be in a workmanlike manner, and shall be in conformity with the attached specifications for said project, and in accordance with time restrictions and limitations set forth:

The term "Contract documents" means and includes the following:

- (a) Contract and Attachment "A"
- (b) Insurance and Insurance Requirements
- (c) Notice to Proceed
- (d) Change Order

The contractor shall furnish all materials, supplies, tools, equipment, labor and other services necessary for the construction and completion of the project described herein.

3. That within five (5) days of the execution of the contract, the Contractor shall have furnished the Town all of the items required of the Contractor in the Contract Documents. Upon receiving the required documents, the Town shall issue a Notice to Proceed. Contractor shall then have until November 30, 2014 to complete the project. Failure to complete the project within such specified time period shall cause Contractor to be liable to the Town for \$100.00 each day beyond such time period to reimburse Town for its damages for such delay, such amount being difficult to ascertain in advance, and therefore, the Parties agree to the per day damages as liquidated damages and not as a penalty.

This contract shall be and become binding upon, and inure to the benefit of, the parties hereto, their heirs, personal representatives, successors and assigns. Further, this Contract shall be construed and interpreted according to the laws of the State of Colorado and any action to interpret, construe, or enforce the same shall be maintained in the appropriate court in Weld County, Colorado.

Executed as of the date and year as above written.

TOWN OF JOHNSTOWN, COLORADO

By _____
Mark Romanowski, Mayor

ATTEST:

By _____
Diana Seele, Town Clerk

CONTRACTOR

By Dale Demaree
(Title)
Dale Demaree, Owner

ATTEST:

By Donell Loos

ATTACHMENT A
Special Provisions Required by HB 1343

A. Certification. By entering into this Agreement, Contractor hereby confirms that, at the time of this certification, it does not knowingly employ or contract with an illegal alien and that Contractor has ~~participated or attempted to participate in the basic pilot program administered by the U.S. Department of Homeland Security in order to verify that it does not employ any illegal aliens.~~

B. Prohibited Acts. Contractor shall not:

1. Knowingly employ or contract with an illegal alien to perform work under this Agreement; or

2. Enter into a contract with a subcontractor who fails to certify to Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Agreement.

C. Confirmation.

1. Contractor has confirmed or attempted to confirm through participation in the basic pilot program administered by the U.S. Department of Homeland Security that Contractor does not employ any illegal aliens and, if Contractor is not accepted into the basic pilot program prior to entering into this Agreement, that Contractor shall apply to participate in the basic pilot program every three (3) months until Contractor is accepted or this Agreement has been completed, whichever is earlier.

2. Contractor shall not use basic pilot program procedures to undertake pre-employment screening of job applicants while this Agreement is being performed.

3. If Contractor obtains actual knowledge that a subcontractor performing work under this Agreement knowingly employs or contracts with an illegal alien, Contractor shall:

i. Notify the subcontractor and the Town within three (3) days that Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and

ii. Terminate the subcontract with the subcontractor if within three (3) days of receiving the notice required pursuant to subparagraph (i) hereof, the subcontractor does not stop employing or contracting with the illegal alien; except that Contractor shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

D. Duty to Comply with Investigations. Contractor shall comply with any reasonable request by the Colorado Department of Labor and Employment made in the course of an investigation conducted pursuant to C.R.S. § 8-17.5-102(5)(a) to ensure that Contractor is complying with the terms of this Agreement.

LOVELAND
MATERIALS

Tom Hellen

From: Stacy Hassler <Stacy.Hassler@cityofloveland.org>
Sent: Tuesday, September 16, 2014 12:49 PM
To: Tom Hellen
Cc: Cindy Scymanski
Subject: RE: Scope of service document
Attachments: Dales Environmental.pdf

Hi Tom,

Attached is the 2014 Dale's Environmental Services, LLC contract for Cleaning of Sanitary Sewer Lines as requested. Please let me know if you need the original contract.

Have a great day!

Stacy Hassler
City of Loveland
Accounting/Purchasing
970-962-2695
stacy.hassler@cityofloveland.org

From: Tom Hellen [mailto:thellen@townofjohnstown.com]
Sent: Tuesday, September 16, 2014 12:33 PM
To: Stacy Hassler
Subject: Scope of service document

Stacy,

Thanks for finding that agreement with Dale's Environmental Services. If you could please scan me a copy that would be great.

Thanks again.

Tom Hellen
Public Works Director
Town of Johnstown
(970) 587-4664

**RENEWAL
Services Contract**

This Renewal is entered into this 23rd day of April, 2014, nunc pro tunc December 31, 2013 by and between the **City of Loveland, Colorado** ("City") and **Dale's Environmental Services, LLC** ("Contractor").

Whereas, the parties entered into a contract for **Cleaning of Sanitary Sewer Lines and Sanitary Sewer Closed Circuit TVing** dated **March 12, 2012** ("Contract"); and

Whereas, the Contract expires on **December 31, 2013**; and

Whereas, the parties desire to renew the Contract for an additional one-year term.

Now, therefore, in consideration of the mutual covenants and agreements set forth herein, the parties agree as follows:

1. The Contract is hereby renewed for a one-year term effective **January 1, 2014**, to **December 31, 2014**.
2. The Contract price for this renewal term shall be an amount not to exceed **\$135,000 for Cleaning of Sanitary Sewer Lines**.
3. Exhibit A shall remain the same unless an amended Exhibit A is attached to this Renewal. Any such attachments shall be incorporated into the Contract as if fully set forth therein.
4. All other terms and conditions of the Contract shall remain in full force and effect according to the provisions thereof.
5. This Renewal may be executed by electronic signature in accordance with C.R.S. § 24-71.3-101 *et seq.*

Signed by the parties on the date written above.



City of Loveland, Colorado

By: Stephen Adams

Title: Director, Water and Power

ATTEST:

Janni M. Weppa
City Clerk



APPROVED AS TO FORM:

Charles Garcia
Assistant City Attorney

Contractor

By: *Janell Foose*

Title: *President*

STATE OF *Colorado*)
) ss.
COUNTY OF *Weld*)

The foregoing Renewal Contract was acknowledged before me this *7* day of *April*, 20*14* by *Janell Foose*
(Insert name of individual signing on behalf of Contractor)

Kristi L. Drommond
Notary's official signature

9-15-17
Commission expiration date

SEAL

KRISTI L. DROMMOND
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20054031979
MY COMMISSION EXPIRES SEPT. 15, 2017

Sent by City of Loveland



DALE'S ENVIRONMENTAL SERVICES, LLC

P.O. Box 337660 - Greeley, Colorado 80633

Phone (970) 371-5251

Phone (303) 503-6697

FAX (970) 356-4168

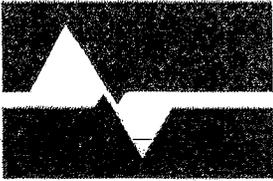
2014 SCOPE OF SERVICE

**CLEANING OF SANITARY SEWER LINES & SANITARY SEWER-
STORMWATER CLOSED CIRCUIT TV-ING**

DESCRIPTION

COST

Jet cleaning.....\$.35/ft.
all pipe size/diameter



City of Loveland

**CITY OF LOVELAND
PURCHASING DIVISION**

Loveland, CO 80537
Phone (970) 962-2695
Fax (970) 962-2918
TDD# (970) 962-2620

PO Number	Page(s)
14-0500	2

DATE: 04/28/2014

PURCHASE ORDER

Vendor: DALE'S ENVIRONMENTAL SERVICES LLC
PO BOX 337660
GREELEY, CO 80633

Ship To:

Federal Tax Exempt #A-138571
State Tax Exempt #98-03478

Bill To: Gary Graham
500 East Third St
Loveland, Colorado 80537

IMPORTANT - TO RECEIVE PAYMENT ALL INVOICES AND SHIPPING DOCUMENTS MUST SHOW PURCHASE ORDER NUMBER

Vendor #:
7131

Date Needed:
04/25/2014

FOB:
DESTINATION

Requested By:
Gary Graham
EMAIL:
Gary.Graham@cityofloveland.org

Item	Quantity	Unit	Vendor/Item Part #	Description	Unit Price	Total Price
1	135,000.00	EA		Cleaning Sanitary Sewer Lines Account # 315-46-313-2904-43899	\$1.0000	\$135,000.00
Overall Total:						\$ 135,000.00

Included Comments

Description

Cleaning Sanitary Sewer Lines

Resolution #:

Contract #:

The responsible party has certified by its requisition that this purchase is necessary for the proper operation of the City of Loveland and that the funds are appropriated in the current budget.

Cynthia Scymanski

Steve Johnson

Art Szallar

GENERAL CONDITIONS OF PURCHASE

1. To ensure prompt payment, mail invoices for each shipment. To: (The Requesting Person on the face of this Purchase Order), City of Loveland, 500 E. 3rd St., Loveland, CO 80537, or email to requesting person on the face of this purchase order. Invoices to be plainly marked with the purchase order number. Invoices not mailed as directed may delay payment or become lost.
2. All special conditions on the face of the purchase order are hereby made a part of these general conditions of purchase.
3. The laws of the State of Colorado, U.S.A., shall govern in connection with the information, performance and legal enforcement of this purchase order.
4. The purchase order is an ACCEPTANCE of the OFFER as summarized in your quotation. When this purchase order is an OFFER to buy, your ACCEPTANCE must show promised delivery date and method of shipping.
5. PLEASE ADVISE PERSON REQUESTING (as noted on face of the Purchase Order) IMMEDIATELY IF:
 - A. You cannot make complete shipment to arrive on our promised delivery date.
 - B. Price of items on purchase order differs in any way from actual pricing.
6. Your ACKNOWLEDGMENT MUST show expected delivery dates and method of shipping. An acceptance of this order may be made by returning an acknowledgment or by making a shipment.
7. In the event of a vendor's failure to deliver as and when specifically promised, the City of Loveland reserves the right to cancel this purchase order, or any part thereof, without prejudice to its other rights, and the vendor agrees that the City of Loveland may return all or part of any shipment so made and may charge vendor with any loss or expense as a result of such failure to deliver as promised.
8. Cash discount period will start from date of receipt of acceptable invoice or from date of receipt of acceptable merchandise at destination by authorized City agent, whichever is later.
9. THIS ORDER IS MADE WITH THE FOLLOWING EXPRESS TERMS:
 - A. That goods rejected due to failure to meet specifications, either when shipped or due to defects or damage in transit, may be returned to you for credit or are replaced on receipt of instructions from the City of Loveland.
 - B. That goods are subject to City inspection on arrival.
 - C. That if price is omitted on purchase order, vendor's price will be the lowest prevailing market price.
10. The City of Loveland is exempt from all Federal taxes under Chapter 32 of the Internal Revenue Code (Registration No. A-138571) and from all City and State use taxes (ref CRS as amended 1973, Chapter 39-26 114(a) State Exempt No 98-03478).
11. Vendor certifies that it meets prevailing wage rates in its area.
12. EQUAL OPPORTUNITY CLAUSE and CERTIFICATION OF NON-SEGREGATED FACILITIES
The vendor agrees to comply with the letter and spirit of the Colorado Antidiscrimination Act of 1957, as amended, and the applicable law respecting discrimination and unfair employment practices (reference 24.34.301 CRS 1973, as amended, and the Governor's Executive Order of April 16, 1975 relating to equal opportunity and affirmative action, and Section 202 of the Federal Executive Order No. 11246 issued by the President of the United States as amended by Executive Order No. 11375 as applicable which are incorporated herein by reference). The vendor agrees to comply both specifically and with intent of Section 503 and 504 of the Rehabilitation Act of 1973, as amended. (The Act deals with non-discrimination in hiring and personnel practices related to the handicapped and making facilities accessible to the disabled.)
13. The Vendor agrees to comply with the Davis-Bacon Act when applicable.
14. Termination settlement of purchase orders terminated for convenience of the City of Loveland, not involving delay or late delivery, may be affected by negotiated agreement. Every effort will be made to reach a fair and prompt settlement with the vendor.
15. Receipt of the merchandise, services or equipment in response to the order can result in authorized payment on the part of the City of Loveland. However, it is to be understood that FINAL ACCEPTANCE is dependent upon completion of all applicable required inspection procedures. Should the service rendered or merchandise furnished fail to meet inspection requirements, the City of Loveland reserves the right to open negotiations with the vendor to permit a mutually acceptable and equitable solution to the transaction.
16. TO ENSURE COMPLIANCE with the terms of this contract, the following must be accomplished: All reports, notices, and advice of any nature concerning administration of the order or contract prepared by your company for the City of Loveland's use must be furnished to the Requesting Party as stated on the face of this Purchase Order.
17. Neither party to this contract may assign any portion of this agreement without the prior written consent of the other party.
18. All provisions and remedies of the Uniform Commercial Code relating to both implied and expressed warranties are herewith referred to and made part of this agreement.
19. All parties in this contract agree that the representative named herein is in fact bonafide and possess full authority to bind said parties.
20. All shipments in response to and in full accordance with authorized purchase orders having accompanying documents of title are subject to physical inspection prior to acceptance.
21. All transportation charges are to be prepaid by vendor unless otherwise agreed upon in advance.

AGENDA ITEM

**ENCORE
ON
34
METROPOLITAN
DISTRICT**

**(Nos. 1-3)
CONSOLIDATED
SERVICE PLAN
(*Public Hearing)**

~~* PUBLIC HEARING PROCEDURE – Encore on 34 Metropolitan District Nos. 1, 2 and 3 Consolidated Service Plan (Resolution No. 2014-11)~~

1. Open public hearing.
2. Receive information from staff.
3. Ask to hear from anyone who supports the service plan.
4. Ask to hear from anyone who opposes the service plan.
5. Close the public hearing.
6. Ask for discussion.
7. Make decision and/or motion from Council.
 - a. Need motion to approve or deny the service plan (Resolution No. 2014-11).

(SUGGESTED MOTIONS):

For Approval:

I move to approve Resolution No. 2014-11.

For Denial:

I move to deny approval of Resolution No. 2014-11.

TOWN COUNCIL AGENDA COMMUNICATION

AGENDA DATE: October 6, 2014

ITEM NUMBER: 9C

SUBJECT: *Public Hearing – Encore on 34 Metropolitan District Nos. 1-3 Consolidated Service Plan

ACTION PROPOSED: Approve Resolution No. 2014-11

PRESENTED BY: Town Attorney

AGENDA ITEM DESCRIPTION: An application for approval of a Consolidated Service Plan has been submitted for the Encore on 34 Metropolitan District Nos. 1-3 by Miracle on 34, LLC, a Colorado limited liability company, pursuant to the requirements of the Special District Control Act, Section 32-1-201, *et seq.*, of the Colorado Revised Statutes. The Service Plan is being submitted in connection with a development project known as Encore on 34 and an annexation agreement dated March 20, 2006.

The Service Plan includes (1) a description of the proposed services, (2) a financial plan as to how the services are to be financed, (3) a preliminary engineering or architectural survey showing how the proposed services are to be provided, (4) a map of the proposed District boundaries, and (5) an estimate of the population and valuation for assessment of the proposed District, (6) a description of the facilities to be constructed and the standards for construction, (7) a general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the district, and (8) a proposed intergovernmental agreement.

Pursuant to state law, the Town Council must approve the Service Plan before the Districts are entitled to operate. The Service Plan must be approved through a public hearing process. Notice of this hearing has been published in *The Johnstown Breeze*, and notice has been provided to interested persons by the proponents of the Districts.

* Sam Light, the Town's legal consultant, and Jim Harrington, the Town's financial advisor, will be available to answer questions

LEGAL ADVICE: The Town Attorney and the Town's legal consultant, Sam Light, have reviewed the proposed Consolidated Service Plan.

FINANCIAL ADVICE: The Town's financial advisor, Jim Harrington of Public Finance Associates, LLC, has reviewed the financial plan.

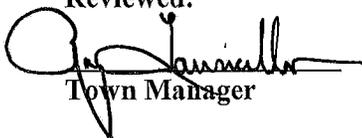
RECOMMENDED ACTION: Approve Resolution No. 2014-11.

SUGGESTED MOTION:

For Approval: I move to approve Resolution No. 2014-11.

For Denial: I move to deny approval of Resolution No. 2014-11.

Reviewed:


Town Manager

RESOLUTION

No. 2014-11

TOWN OF JOHNSTOWN, COLORADO

RESOLUTION NO. 2014-11

**A RESOLUTION
APPROVING THE CONSOLIDATED SERVICE PLAN FOR
ENCORE ON 34 METROPOLITAN DISTRICTS NOS. 1-3**

WHEREAS, pursuant to Section 32-1-204.5, C.R.S., a Consolidated Service Plan for Encore on 34 Metropolitan Districts Nos. 1-3 (the "Service Plan"), a copy of which is attached hereto and incorporated herein by reference as Exhibit A, has been submitted to the Town Council of the Town of Johnstown (the "Town Council") for approval; and

WHEREAS, the owners of the property within the proposed boundaries of the Encore on 34 Metropolitan Districts Nos. 1-3 (collectively, the "Districts") have requested approval of the Service Plan; and

WHEREAS, pursuant to the provisions of Title 32, Article 1, Part 2, C.R.S. as amended, the Town Council, following due notice, held a public hearing on the proposed Service Plan, which hearing was held on October 6, 2014; and

WHEREAS, the Town Council has considered the Service Plan and all other testimony and evidence presented at the hearing; and

WHEREAS, based upon the testimony and evidence presented at the hearing, it appears that the Service Plan for Encore on 34 Metropolitan District Nos. 1-3 should be approved by the Town Council, subject to certain conditions set forth below, in accordance with Section 32-1-204.5(1)(c), C.R.S.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF JOHNSTOWN, COLORADO:

1. **Satisfaction of Statutory Requirements as to Filing and Notice.** The Town Council, as the governing body of the Town of Johnstown, Colorado, does hereby determine, based on representations by and on behalf of Encore on 34 Metropolitan District Nos. 1-3 (collectively, the "Districts") and Miracle on 34, LLC, North Timnath Properties, LLC and J&J Holdings, LLC (collectively, the "Developer"), that all of the requirements of Title 32, Article 1, Part 2, C.R.S., as amended, relating to the filing of the proposed Consolidated Service Plan for Encore on 34 Metropolitan District Nos. 1-3 (the "Service Plan") have been fulfilled and that notice of the hearing was given in the time and manner as provided in Section 32-1-204, C.R.S..

2. **Jurisdiction.** Based on representations by and on behalf of the Districts and Developer, the Town Council of the Town of Johnstown, Colorado, has jurisdiction over the subject matter of the proposed Service Plan pursuant to Title 32, Article 1, Part 2, C.R.S., as amended.

3. ***Findings.*** That, pursuant to Section 32-1-204.5, C.R.S., Section 32-1-202(2), C.R.S., and Section 32-1-203(2), C.R.S., the Town Council of the Town of Johnstown, Colorado, does hereby find and determine, based on the Service Plan, the representations by and on behalf of the District and Developer, and other evidence presented at the public hearing, that:

- (a) There is sufficient existing and projected need for organized service in the area to be serviced by the Districts;
- (b) The existing service in the area to be served by the Districts is inadequate for present and projected needs;
- (c) The Districts are capable of providing economical and sufficient service to the area within their proposed boundaries; and
- (d) The area to be included in the 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 Town or 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 Districts are compatible with the facility and service standards of the Town.
- (g) The proposal is in substantial compliance the Johnstown Area Comprehensive Plan.
- (h) The proposal is in compliance with any duly adopted Town, regional or state long-range water quality management plan for the area.
- (i) The creation of the Districts is in the best interests of the area proposed to be served.
- (j) The creation of the Districts is in the best interests of the residents and future residents of the area proposed to be served.
- (k) The proposal will not foster urban development that is remote or incapable of being integrated with existing urban areas, and will not place a burden on the Town or adjacent jurisdictions to provide urban services to residents of the Districts.

4. ***Service Plan Approved; Conditions and Limitations.*** The Town Council hereby approves the Consolidated Service Plan for the Encore on 34 Metropolitan Districts Nos. 1-3, attached as Exhibit A. This approval is given specifically subject to the following conditions and limitations pursuant to Section 32-1-204.5(1)(c), C.R.S.:

- (a) For the residential portions of the Project, the Districts are authorized to plan for, design, acquire, construct, install, and finance solely those Public Improvements ~~that are either (i) off-site improvements necessary to serve the residential development, or (ii) are parks, trails, or recreation facilities or amenities located within or directly serving the residential development.~~
- (b) The Town's approval of the Service Plan shall not relieve the Developer or any other owner of property in the Districts of any requirement, under the annexation agreement pertaining to the property within the Districts' boundaries (the "Annexation Agreement") or otherwise, to provide financial guarantees for construction of, and dedicate to the Town, all required public improvements.
- (c) Once the Districts have been duly organized, any material modification of the Service Plan shall require an amendment to the Service Plan, which must be approved by the Town.
- (d) At its first meeting after the effective date of this Resolution and in no event later than sixty days after the formation election of the District, the Board of Directors of each of the Districts shall execute the Intergovernmental Agreement with the Town ("IGA") and the Districts' Indemnity Letter in the forms set forth as Exhibits to the Service Plan presented to the Town Council at its October 6, 2014 hearing, or in forms otherwise acceptable to the Town Attorney, and shall deliver the fully executed originals of the IGA and Indemnity Letter to the Town.
- (e) The conditions set forth in this resolution are not intended and shall not be construed to enlarge, diminish or otherwise affect any of the requirements, limitations or other provisions of the Service Plan or IGA.

5. **Execution of Town IGA.** The IGA referred to in Section 4(d), above, is hereby approved in essentially the same form as the copy of such IGA set forth as an Exhibit to the Service Plan presented to the Town Council at its October 6, 2014 hearing. The Mayor and Town Clerk are hereby authorized to execute the IGA on behalf of the Town provided the same has first been executed by the Districts.

6. **Filing of Resolution.** A certified copy of this Resolution shall be filed in the records of the Town and submitted to the petitioners for the purpose of filing in the District Court of Larimer County.

PASSED, SIGNED, APPROVED, AND ADOPTED this 6th day of October, 2014.

TOWN OF JOHNSTOWN, COLORADO

ATTEST:

By: _____
Diana Seele, Town Clerk

By: _____
Mark Romanowski, Mayor

**CONSOLIDATED
SERVICE
PLAN**

CONSOLIDATED SERVICE PLAN

FOR

ENCORE ON 34 METROPOLITAN DISTRICT NO. 1

ENCORE ON 34 METROPOLITAN DISTRICT NO. 2

ENCORE ON 34 METROPOLITAN DISTRICT NO. 3

TOWN OF JOHNSTOWN, COLORADO

Prepared by:

SPENCER FANE BRITT & BROWNE LLP

Wells Fargo Building, Suite 2000

1700 Lincoln Street

Denver, CO 80203-4554

Submitted: August 1, 2014

Resubmitted: September 26, 2014

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LIST OF EXHIBITS

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EXHIBIT B	Vicinity Map
EXHIBIT C-1	Initial District Boundary Map
EXHIBIT C-2	Inclusion Area Boundary Map
EXHIBIT C-3	Proof of Ownership and Consents for all Properties within Initial District Boundaries
EXHIBIT D	Preliminary Capital Plan
EXHIBIT E	Map Depicting Public Improvements
EXHIBIT F	Financial Plan
EXHIBIT G	Form of District Disclosure Notice
EXHIBIT H	Indemnification Letters
EXHIBIT I	Intergovernmental Agreement between Districts and Town

I. INTRODUCTION

A. Purpose and Intent.

The Districts are independent units of local government, separate and distinct from the Town, 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 Town only insofar as they may deviate in a material manner from the requirements of the Service Plan, Town Code, or the Intergovernmental Agreement. It is intended that the Districts will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of these Public Improvements.

The Districts are not being created to provide ongoing operations and maintenance services other than as specifically set forth in this Service Plan and by Intergovernmental Agreement.

B. Need for the Districts.

There are currently no other governmental entities, including the Town, 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. Formation of the Districts is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

C. Objective of the Town Regarding Districts' Service Plan.

The Town's objective in approving the Service Plan for the Districts is to authorize the Districts to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of the Public Improvements from the proceeds of Debt to be issued by the Districts. All Debt is expected to be repaid by limited taxes imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term for residential properties and at a tax mill levy no higher than the Residential Maximum Debt Mill Levy for residential properties and the Commercial Maximum Debt Mill Levy for commercial properties. Debt which is issued within these parameters (as further described in the Financial Plan) will insulate property owners from excessive tax burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

This Service Plan is intended to establish a limited purpose for the Districts and explicit financial constraints that are not to be violated under any circumstances. The primary purpose of the Districts is to provide for the Public Improvements associated with the Project, including those regional improvements necessitated by the Project. Ongoing operational and maintenance services may be allowed, but only if expressly authorized through an intergovernmental agreement with the Town approved by the Town Council.

It is the intent of the Districts to consolidate if approved by the Town Council or dissolve upon payment or defeasance of all Debt incurred or upon a court determination that

adequate provision has been made for the payment of all Debt, and, if any District has authorized operating functions under an intergovernmental agreement with the Town, to retain only those powers necessary to impose and collect taxes or Fees that have been authorized by this Service Plan and such intergovernmental agreement.

It is a requirement of this Service Plan that all property classified as "residential" shall be located solely within the boundaries of the Residential District, and that all property classified as "commercial" shall be located solely within the boundaries of the Commercial District. For purposes of this distinction "commercial property" shall mean all property other than "residential real property" as that term is defined in Article X, Section 3(1)(b) of the Colorado Constitution. There are two goals of this distinction: (1) to have similarly situated properties governed by common interests, and (2) to apply a lower maximum tax burden on residential owners. As such, no commercial property shall be located in a Residential District, and no residential property shall be located in a Commercial District. The foregoing shall not prohibit the Residential and Commercial Districts from sharing the costs of Public Improvements in compliance with the provisions of this Service Plan and applicable law.

The Districts shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from tax revenues collected from a mill levy which shall not exceed: (1) the Commercial Maximum Debt Mill Levy on commercial properties; or (2) the Residential Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term on residential properties. It is the intent of this Service Plan to assure to the extent possible that no commercial or residential property bear an economic burden that is greater in amount than that associated with the Commercial Maximum Debt Mill Levy or the Residential Maximum Debt Mill Levy, as applicable, and that no property developed for a residential use bear an economic burden that is longer in duration than that associated with the Maximum Debt Mill Levy Imposition Term in duration even under bankruptcy or other unusual situations. Generally, the cost of Public Improvements that cannot be funded within these parameters and the financing capacity of the Districts are not costs to be paid by the Districts. Costs of required Public Improvements that cannot be financed by the District are expected to be financed by the developer of the Project.

II. DEFINITIONS

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

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

Board: means the Board of Directors of one District or the Boards of Directors of all Districts, in the aggregate, as the context may require.

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

Capital Plan: means the Capital Plan described in Section V.B. which includes: (a) a list of the Public Improvements which may be developed by the Districts; (b) an engineer's estimate of the cost of the Public Improvements; and (c) a pro forma capital expenditure plan correlating expenditures with development.

Commercial District: means the Encore on 34 Metropolitan District No. 2.

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

Covenant Enforcement and Design Review Services: means those services authorized under Section 32-1-1004(8), C.R.S.

Development Fee: means a one-time development or system development fee that may be imposed by the Districts on a per-unit (*residential*) or per square-foot (*non-residential*) basis at or prior to the issuance of a certificate of occupancy for the unit or structure to assist with the planning and development of the Public Improvements, which may only be imposed by the Districts if authorized through an intergovernmental agreement with the Town approved by the Town Council. If authorized through such an intergovernmental agreement with the Town approved by the Town Council, the Development Fee may be used to finance, plan, acquire, and construct the Public Improvements, and pay Debt service.

District: means any one of the Encore on 34 Metropolitan District No. 1 through No. 3.

District No. 1: means the Encore on 34 Metropolitan District No. 1.

District No. 2: means the Encore on 34 Metropolitan District No. 2.

District No. 3: means the Encore on 34 Metropolitan District No. 3.

Districts: means District No. 1, District No. 2 and District No 3, collectively.

External Financial Advisor: means a consultant that: (1) 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; (2) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (3) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Fee or Fees: means any fee, rate, toll, penalty or charge imposed by the District for services, programs or facilities provided by the District.

Financial Plan: means the Financial Plan described in Section VI, which describes (i) how the Public Improvements are to be financed; (ii) how the Debt is expected to be incurred; and (iii) the estimated operating revenue derived from property taxes for the first budget year. The description in the Financial Plan of how bonds are to be issued shall not constitute legal limits on the financial powers of the Districts; provided, however, that the Districts shall not be permitted to issue bonds which are not in compliance with the bond registration and issuance requirements of Colorado law, in addition to all requirements and limitations of this Service Plan.

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

Inclusion Area Boundary Map: means the map attached hereto as **Exhibit C-2**, describing the property proposed for inclusion within one, but not any more than one, of the boundaries of the Districts after organization, if any.

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

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

Intergovernmental Agreement: means the Intergovernmental Agreement required by the Town, a form of which is attached hereto as **Exhibit I**.

Map Depicting Public Improvements: means the map attached hereto as **Exhibit E**, showing the initial proposed location(s) of the Public Improvements listed in the Capital Plan.

Maximum Debt Mill Levy Imposition Term: means the maximum term for imposition of a mill levy on a particular property developed for residential uses as set forth in Section V.I.E. below.

Operating District: means the Encore on 34 Metropolitan District No. 1.

Project: means the development or property commonly referred to as Encore on 34 development.

Proof of Ownership: means a current title commitment or ownership and encumbrance report showing ownership and all encumbrances on all properties within the Initial District Boundaries, or other documentation acceptable to the Town Attorney.

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

Residential District: means the Encore on 34 Metropolitan District No. 3.

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

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

Service Plan: means this Service Plan for the Districts approved by Town Council.

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

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

State: means the State of Colorado.

Town: means the Town of Johnstown, Colorado.

Town Code: means the Town of Johnstown Municipal Code, as may be amended and in effect from time to time.

Town Council: means the Town Council of the Town of Johnstown, Colorado.

III. BOUNDARIES

The area of the Initial District Boundaries includes approximately 307 acres and the total area proposed to be included in the Inclusion Area Boundaries is approximately 146 acres (less the property dedicated to other public entities). A legal description of the Initial District Boundaries and the Inclusion Area Boundaries is attached hereto as **Exhibit A**. A map of the Initial District Boundaries is attached hereto as **Exhibit C-1**, and a map of the Inclusion Area Boundaries is attached hereto as **Exhibit C-2**. Proofs of Ownership and consents of the owners to organization of the Districts for all properties within the Initial District Boundaries are attached hereto as **Exhibit C-3**. A vicinity map is attached hereto as **Exhibit B**. It is anticipated that the boundaries of the Districts may change from time to time as the Project is developed and as the Districts undergo inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Section V below.

IV. PROPOSED LAND USE / POPULATION PROJECTIONS / ASSESSED VALUATION

The Service Area consists of approximately 455 acres of commercial, residential and mixed-use land. The current assessed valuation of the Service Area is assumed to be \$0.00 for purposes of this Service Plan and, at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. The residential population of the District at build-

out is estimated to be approximately 3,182 persons. The non-residential density of the District at build-out is estimated to be approximately 978,000 square feet.

Approval of this Service Plan by the Town does not imply approval of the development of a specific area within the Districts, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings which may be identified in this Service Plan or any of the exhibits attached thereto.

Approval of this Service Plan by the Town in no way releases or relieves the developer of the Project, or the landowner or any subdivider of any portion of the Project property, or any of their respective successors or assigns, of obligations to construct Public Improvements for the Project or of obligations to provide to the Town such financial guarantees as may be required by the Town to ensure the completion of the Public Improvements, or of any other obligations to the Town under the Town Code or any applicable annexation agreement, subdivision agreement, or other agreements affecting the Project property or development thereof.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the Districts and Service Plan Amendment.

The Districts shall have the power and authority to provide the Public Improvements within and without the boundaries of the Districts as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth in this Service Plan and the Intergovernmental Agreement.

1. Operations and Maintenance Limitation. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The Districts shall dedicate the Public Improvements to the Town or other appropriate jurisdiction or owners association in a manner consistent with the Approved Development Plan, other rules and regulations of the Town, and applicable provisions of the Town Code, all as directed by the Town. The Districts shall not be authorized to operate and maintain any part or all of the Public Improvements, unless expressly authorized through an intergovernmental agreement with the Town approved by the Town Council. Unless otherwise specified in an intergovernmental agreement with the Town, all parks and trails within any of the Districts shall be open to the general public free of charge.

2. Covenant Enforcement. The Districts shall have the power to provide covenant enforcement and design review services within the Districts if the Districts and the governing body of a master association or similar body contract for such services, or if the declaration, rules and regulations, or any similar document containing the covenants to be enforced for the area within the Districts name the Districts as the enforcement or design review entity. The Districts may provide services other than covenant enforcement and design review, such as community organizations, community events and activities, community marketing, animal control, security and common area maintenance, only if expressly authorized through an intergovernmental agreement with the Town approved by the Town Council. The Districts shall have the power to provide covenant enforcement and design review services only if revenues used to provide such

services are derived from the area in which the service is furnished. The Town shall not bear any responsibility for covenant enforcement or design review services within the boundaries of the Districts. The Town's architectural control, design review and other zoning, land use, development, design and other controls are separate requirements that must be met in addition to any similar controls or services undertaken by the Districts.

3. Fire Protection Limitation. 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 Town approved by Town Council. The Districts shall not be authorized to provide for ambulance or emergency medical services. 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.

4. Television Relay and Translation Limitation. The Districts shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the Town approved by Town Council.

5. Construction Standards Limitation. The Districts shall ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the Town and of federal and state governmental entities having proper jurisdiction and of those special districts that qualify as "interested persons" under Section 32-1-204(1), C.R.S., as applicable. The Districts shall obtain the Town's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

6. Residential Public Improvements Limitation. For the residential portions of the Project, the Districts are authorized to plan for, design, acquire, construct, install, and finance solely those Public Improvements that are either (i) off-site improvements necessary to serve the residential development; or (ii) are parks, trails, or recreation facilities or amenities located within or directly serving the residential development. The Districts shall not impose any mill levy or any Development Fee or other Fees upon residential property for the design, acquisition, construction, installation or financing of any other Public Improvements without first obtaining Town Council approval of an amendment to this Service Plan, which amendment shall be deemed to be a material modification hereof. The Town Council may require in connection with any such proposed amendment the execution of an intergovernmental agreement with the Town governing the subject matter of such amendment.

7. Property Acquisition Limitation; Transfer Requirement. In addition to the provisions of V.A.11 below, the District shall not exercise any power of dominant eminent domain against the Town without the prior written consent of the Town Council acting by resolution or ordinance. The District shall at no expense to the Town and at the time requested by the Town transfer to the Town all rights-of-way, fee interests and easements that the Town determines are necessary for access to and operation and maintenance of the Public Improvements, consistent with Approved Development Plan(s).

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

We are [I am] an External Financial Advisor within the meaning of the Districts' 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 the Districts for the [insert the designation of the Debt] does not exceed a market [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 Districts.

The Districts may receive initial funding for both capital and ongoing administrative requirements from developer advances. Such advances may be made to the Districts subject to the Districts' obligation to reimburse the same, as may be evidenced by short-term reimbursement agreements or other acceptable agreements or resolutions, any of which shall be considered Debt. The interest rate on developer reimbursements shall not exceed the lesser of the current Bond Buyer 20-Bond GO index plus four percent (4%), or the twelve percent (12%) maximum amount stated in Section VI.B. Developer reimbursements shall be subordinate to any other Bonds or Debt of the Districts.

In addition, the District shall, upon written request of the Town Manager, provide the Town with the then-current names and contact information for all holders of any privately placed Debt.

9. Inclusion, Exclusion and Overlap Limitations. The Districts shall not include within any of their boundaries any property outside the Service Area (which is limited to the Initial Boundaries and Future Inclusion Area Boundaries) without the prior written consent of the Town Council. Subject to that limitation, the Districts shall include within their boundaries only property that has been annexed to the Town and no portion of any of the Districts shall ever consist of property not within the Town's corporate boundaries. The Districts shall not petition to exclude any property from the District without the prior written consent of the Town Council. The District shall not exclude any property from the District if such exclusion will result, or is reasonably anticipated to result, in detriment to the remaining residents and taxpayers within the District, or to the District's bondholders. Subject to the foregoing limitations, the Districts shall follow the procedure for inclusion and exclusion of property as provided in Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S.

The boundaries of the Districts shall not overlap unless the aggregate mill levy for payment of Debt of the overlapping Districts will not at any time exceed the Commercial Maximum Debt Mill Levy for commercial property, or the Residential Maximum Debt Mill Levy for residential property. Additionally, the Districts shall not consent to the

organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the Districts unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Commercial Maximum Debt Mill Levy for commercial property, or the Residential Maximum Debt Mill Levy for residential property.

10. Zoning and Land Use Requirements; Sales and Use Tax. The District shall be subject to all of the Town's zoning, subdivision, building code and other land use requirements. The District shall not exercise any exemption from Town sales or use tax, whether directly or indirectly.

11. Eminent Domain Limitation. The District shall not be authorized to utilize the power of eminent domain except as otherwise provided pursuant to an intergovernmental agreement with the Town approved by the Town Council.

12. Water Rights/Resources Limitation. The District shall not acquire, own, manage, adjudicate or develop water rights or resources except as otherwise provided pursuant to an intergovernmental agreement with the Town approved by the Town Council.

13. Reimbursement Agreement. If the District utilizes reimbursement agreements to obtain reimbursements from third-party developers or adjacent landowners for costs of improvements that benefit third-party landowners, such agreements shall be done in accordance with Town Code. In addition, if a reimbursement agreement has been or is entered into for an improvement financed by the District, any and all resulting reimbursements received for such improvement shall be deposited in the District's Debt service fund and used for the purpose of retiring the District's Debt.

14. Initial Debt Limitation. On or before the effective date of approval by the Town of an Approved Development Plan consisting of a Preliminary Development Plan for the Project under Chapter 16, Article XVII of the Town Code, the Districts shall not impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds. Further, on or before the effective date of approval by the Town of an Approved Development Plan consisting of a Final Subdivision Plat within and for any portion the Project under Chapter 16, Article XVII of the Town Code, the Districts shall not: (a) issue any Debt; or (b) impose and collect any Development Fees or other Fees that may be authorized pursuant to an intergovernmental agreement with the Town to be used for the purpose of repayment of Debt.

15. Total Debt Issuance Limitation. The Districts shall not issue Debt in excess of \$66,000,000 total aggregate principal amount. Notwithstanding the foregoing, the Districts shall not issue Debt in excess of \$50,000,000 in total aggregate principal amount unless and until all of the lands within the Inclusion Area Boundaries are included within the Districts.

16. Monies from Other Governmental Sources. The Districts shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds or grants available from or through governmental or non-profit entities for which the Town is eligible to apply for or receive, except as may be specifically authorized by prior written

approval from Town Council. This Section shall not apply to specific ownership taxes which shall be distributed to and constitute a revenue source for the Districts without any limitation.

17. Consolidation Limitation. No District shall file a request with any Court to consolidate with any other Title 32 district, whether one of Districts or otherwise, without the prior written approval of the Town Council.

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

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

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

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

19. Revenue Bond Limitation. The Districts shall not issue revenue bonds, except as set forth in this Section. Prior to issuing any revenue bonds, the District or Districts proposing to issue such revenue bonds shall submit all relevant details of such issuance to the Town Council, which may elect to treat the issuance of revenue bonds as a material modification of the Service Plan. If the Town Council determines that the issuance of revenue bonds constitutes a material modification of the Service Plan, the Districts shall proceed to amend the Service Plan in accordance with Section 32-1-207, C.R.S. prior to issuing any revenue bonds.

20. Public Improvement Fee and Sales Tax Limitation. The District shall not impose, collect, receive, spend or pledge to any Debt any fee, assessment, tax or charge which is collected by a retailer in the District on the sale of goods or services by such retailer and which is measured by the sales price of such goods or services, except as provided pursuant to an intergovernmental agreement with the Town approved by the Town Council.

21. Use of Proceeds and Revenues Limitations. Proceeds from the sale of Debt instruments and other revenue of the Districts may not be used to pay landowners within the District for any real property, easements or other interests required to be dedicated for public use by annexation agreements or the Town's land use codes or development requirements. The

District shall have ability to use mill-levy revenue of the District to pay Debt service, to pay for Public Improvements authorized by this Service Plan, or to pay for administrative or any authorized operation and maintenance costs of the Districts. Additionally, if the landowner/developer constructs the public infrastructure and conveys it to the District in return for a reimbursement obligation from the District, prior to making such reimbursement for such amounts, the District must receive the report of an independent engineer or accountant licensed in Colorado confirming that in such engineer's or accountant's professional opinion, the amount of the reimbursement is reasonable.

22. Service Plan Amendment Requirement. This Service Plan is general in nature and does not include specific detail in some instances because development plans have not been finalized. The Service Plan has been designed with sufficient flexibility to enable the Districts to provide required Public Improvements under evolving circumstances without the need for numerous amendments. Modification of the general types of services and facilities making up the Public Improvements, and changes in proposed configurations, locations or dimensions of the Public Improvements shall be permitted to accommodate development needs consistent with the then-current Approved Development Plan(s) for the Project, subject to the limitations of this Service Plan and the Intergovernmental Agreement.

The Districts are independent units of local government, separate and distinct from the Town, and their activities are subject to review by the Town only insofar as they may deviate in a material manner from the requirements of the Service Plan, the Town Code, or the Intergovernmental Agreement. Any District may amend this Service Plan without the permission or consent of the remaining Districts, to the extent that the Service Plan Amendment affects only that District initiating the statutory amendment process. However, actions of any District which: (1) violate the limitations set forth in Sections V.A.1-21 above; (2) violate the limitations set forth in Section VI.B-K; (3) constitute a material modification under the provisions of state law, this Service Plan or Town Code; or (4) constitute a failure to comply with the Intergovernmental Agreement or other agreement with the Town, which non-compliance has not been waived by the Town in a writing approved by the Town Council, shall be deemed to be a material modification to this Service Plan and the Town shall be entitled to all remedies available under State and local law to enjoin such action(s) of the Districts.

Any Town approval requirements contained in this Service Plan (including, without limitation, any provisions requiring that a change, request, occurrence, act or omission be treated as a Service Plan Amendment or be deemed a "material modification" of the Service Plan) shall remain in full force and effect, and, unless otherwise provided by resolution of the Town Council, such Town approval shall continue to be required, notwithstanding any future change in law modifying or repealing any statutory provision concerning service plans, amendments thereof or modifications thereto.

The Districts shall be responsible for payment of the Town consultant, legal and administrative costs associated with the review and processing of any modification or amendment of this Service Plan or any administrative approval requested or required of the Town in effecting the provisions hereof. The Town may require a deposit of such estimated costs.

B. Capital Plan.

The Districts shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements within and, to the extent necessary to improve or construct adjacent streets, traffic and safety improvements, water, sewer, drainage, storm sewer and related utilities or improvements to connect Public Improvements to existing infrastructure, without the boundaries of the Districts, all to the extent and as more specifically defined in the Approved Development Plan(s) for the Project. A Capital Plan, including: (1) a list of the Public Improvements to be developed by the Districts; (2) an estimate of the cost of the Public Improvements, together with a letter from a Colorado professional registered engineer certifying that such costs are reasonable in the engineer's opinion and that such estimates were prepared based upon Town construction standards; and (3) a pro forma capital expenditure plan correlating expenditures with development is attached hereto as **Exhibit D**. A map depicting the proposed initial locations of Public Improvements is attached hereto as **Exhibit E**. As shown in the Capital Plan, the estimated cost of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed by the Districts was prepared based upon estimates derived from the zoning on the property in the Service Area and is approximately \$69,835,460. Costs of required Public Improvements that cannot be financed by the Districts within the parameters of this Service Plan and the financial capability of the District are expected to be financed by the developer of the Project.

The Districts shall be permitted to allocate costs between such categories of the Public Improvements as deemed necessary in their discretion.

All of the Public Improvements described herein shall be designed in such a way as to assure that the Public Improvements standards are in accordance with those of the Town and shall be in accordance with the requirements of the Approved Development Plan. All descriptions of the Public Improvements to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, the Town's requirements, and construction scheduling may require. Upon approval of this Service Plan, the Districts shall continue to develop and refine the Capital Plan and the Map Depicting Public Improvements, as necessary, and prepare for issuance of Debt. All cost estimates will be inflated to then-current dollars at the time of the issuance of Debt and construction. All construction cost estimates contained in **Exhibit D** assume construction to applicable standards and specifications of the Town and state or federal requirements.

C. Multiple District Structure.

It is anticipated that the Districts, collectively, will undertake the financing and construction of the Public Improvements. The Districts shall undertake the financing and construction of Public Improvements so that the commercial development and residential development proceed in accordance with the sequencing and phasing requirements of the Approved Development Plan(s) and other Town requirements. It is anticipated that the Districts will share certain Public Improvements costs benefitting the inhabitants and taxpayers of the Districts sharing such costs, which shared costs shall be reasonably and appropriately allocated between the residential and commercial properties sharing such costs, subject further to

residential Public Improvements limitations set forth in Section V.A.6 and other provisions of this Service Plan. The Encore on 34 Metropolitan District No. 1 shall be referred to as the "Operating District", Encore on 34 Metropolitan District No. 2 shall be referred to as the "Commercial District", Encore on 34 Metropolitan District No. 3 shall be referred to as the "Residential District." The Commercial District and Residential District collectively shall be referred to as the "Financing Districts."

The Operating District shall be responsible for coordinating the financing of those Public Improvements authorized to be financed by the Districts and needed for the development of the Project, pursuant to the provisions of this Service Plan, ensuring that the costs of the Public Improvements are allocated reasonably and appropriately between the Financing Districts, and providing for the administration and operations of the Districts. The "Financing Plan" discussed in Section VI refers to a consolidated preliminary financial plan for the Districts which may be used for financing the Public Improvements for the Districts. The Financing Districts shall be responsible for providing the funding and tax base needed to support the Financing Plan for Public Improvements and for on-going administration and operations of those Districts as permitted or limited by the provisions of this Service Plan or pursuant to intergovernmental agreement with the Town.

The establishment of the Operating District, to coordinate the financing of the Public Improvements throughout the entire development of the Project, and the establishment of the Financing Districts, which will generate tax revenue required to pay the costs of the Public Improvements, will create several benefits for the taxpayers and inhabitants of the Districts. In general, those benefits are: (a) coordinated administration of construction and, if authorized, operation and maintenance of Public Improvements and delivery of those Improvements in a timely manner; (b) maintenance of reasonably uniform mill levies and reasonable tax burdens on all areas of the Districts through proper management of the financing and any authorized operations and maintenance of Public Improvements; and (c) assurance that Public Improvements required by the Town are constructed in a timely and cost effective manner by which to protect property owners, residents, bondholders, and the Town from the risk of development.

As presently planned, development of the Districts will proceed in phases, each of which will require the extension, installation or construction of Public Improvements. The multiple district structure will assure that the construction and administration of each phase of Public Improvements will be primarily administered by a single board of directors consistent with a long-term construction and operations program and in accordance with Approved Development Plans of the Town. Use of the Operating District as the entity responsible for coordinating the construction and financing of each phase of Public Improvements and for management of any authorized operations and maintenance functions of the Districts will facilitate a well-planned financing effort through all phases of construction and will assist in assuring coordinated extension of services.

The nature of the functions and services to be provided by each District, and the mechanisms by which the Districts will cooperatively fund Public Improvement costs, shall be clarified in an intergovernmental agreement among the Districts. The intergovernmental agreement among the Districts, and all amendments thereto, shall be designed to help assure the orderly development of the Public Improvements and essential services in accordance with the requirements of this Service Plan. Implementation of such intergovernmental agreement is

essential to the orderly implementation of this Service Plan. Accordingly, any determination of any Board to set aside said intergovernmental agreement, or any provision thereof or amendment thereto, without the consent of all of the Districts shall be a material modification of the Service Plan. The intergovernmental agreement described herein and all amendments thereto, as well as all other intergovernmental agreements and amendments thereto proposed between or among the Districts regarding the subject matter of this Service Plan, shall be subject to review and approval by the Town prior to their execution. Such Town review and approval shall be with reference to whether the intergovernmental agreement(s) are in compliance with this Service Plan, the Intergovernmental Agreement, and the terms of any Approved Development Plan or other instrument related to the Public Improvements.

VI. FINANCIAL PLAN

A. General.

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from their revenues and by and through the proceeds of Debt to be issued by the Districts. The Financial Plan for the Districts shall be to issue such Debt as the Districts can reasonably pay from revenues derived from the Residential Maximum Debt Mill Levy, the Commercial Maximum Debt Mill Levy, and other legally available revenues. All bonds and other Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, including general *ad valorem* taxes to be imposed upon all taxable property within the Districts. The Districts may also rely upon various other revenue sources authorized by law, such as interest, specific ownership taxes, advances from the Project developer and grants, subject to the limitations of this Service Plan. Unless specifically authorized through an intergovernmental agreement approved by the Town Council, the District shall not impose or assess any Development Fees or any other Fees, rates, tolls, penalties, or charges without first obtaining Town Council approval of an amendment to this Service Plan, which amendment shall be deemed to be a material modification hereof.

The total Debt that the Districts shall be permitted to issue shall not exceed \$66,000,000 in aggregate principal amount. Debt is permitted to be issued on a schedule and in such year or years as the issuing District determines shall meet the needs of the Capital Plan referenced above and the progression of the development, subject to compliance with this Service Plan. The \$66,000,000 that the Districts shall be permitted to issue is supported by the Financial Plan prepared by George K. Baum & Associates, attached hereto as **Exhibit F**. George K. Baum shall attach a certification to the Financial Plan, certifying that based upon the assumptions contained therein and in its professional opinion, the Districts are expected to retire all Debt referenced in the Financial Plan within the restrictions set forth in the Service Plan, including but not limited to the Residential Maximum Debt Mill Levy, the Commercial Maximum Debt Mill Levy, and the Maximum Debt Mill Levy Imposition Term, as applicable.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is limited to the market rate at the time the Debt is issued. In addition, the interest rate on developer reimbursements shall not exceed the lesser of

the current Bond Buyer 20-Bond GO index plus four percent (4%), or the twelve percent (12%). In the event of a default, the proposed maximum interest rate on any Debt shall not exceed twelve percent (12%). The proposed maximum underwriting discount will be four percent (4%). Debt, when issued, shall comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

C. Commercial Maximum Debt Mill Levy.

The "Commercial Maximum Debt Mill Levy" shall be the maximum mill levy the Commercial District is permitted to impose upon the taxable property within the Commercial District for payment of Debt, and shall be determined as follows:

1. For the portion of any aggregate Debt which exceeds fifty percent (50%) of the Commercial District's assessed valuation, the Commercial Maximum Debt Mill Levy for such portion of Debt shall be fifty (50) mills less the number of mills necessary to pay unlimited mill levy Debt described in Section VI.C.2 below; provided that if, on or after January 1, 2014, there are changes in the ratio of actual valuation to assessed valuation, pursuant to Article X, Section 3(1)(b) of the Colorado Constitution and legislation implementing such Section, then the mill levy limitation applicable to such Debt may be increased or decreased to reflect such change, such mill levy increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2014, are neither diminished nor enhanced as a result of such changes (a "Gallagher adjustment"). Except for such a permitted Gallagher adjustment, the District's mill levy for commercial property shall not exceed the Commercial Maximum Debt Mill Levy. If the District otherwise proposes to adjust its mill levy above the Commercial Maximum Debt Mill Levy for the purpose of offsetting any constitutionally or legislatively mandated credit, cut, abatement or change in the method of calculating assessed valuation, the District shall first submit all relevant details of such proposed adjustment to the Town Council, which may elect to treat the proposed mill levy adjustment as a material modification of the Service Plan. If the Town Council determines that such adjustment constitutes a material modification of the Service Plan, the District shall proceed to amend the Service Plan in accordance with Section 32-1-207, C.R.S. The District shall obtain written approval of the Town Council or of a Service Plan Amendment prior to any such mill levy adjustment.

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

3. For purposes of the foregoing, once Debt has been determined to be within Section VI.C.2 above, so that the Commercial District is entitled to pledge to its payment an unlimited *ad valorem* mill levy, the Commercial District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in the Commercial District's Debt to assessed ratio. All Debt issued by the Commercial District must

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

D. Residential Maximum Debt Mill Levy.

The "Residential Maximum Debt Mill Levy" shall be the maximum mill levy a Residential District is permitted to impose upon the taxable property within such Residential District for payment of Debt, and shall be determined as follows:

1. The Residential Maximum Debt Mill Levy shall be thirty (30) mills. Notwithstanding the foregoing, if on or after January 1, 2014, there are changes in the ratio of actual valuation to assessed valuation, pursuant to Article X, Section 3(1)(b) of the Colorado Constitution and legislation implementing such Section, then the mill levy limitation applicable to such Debt may be increased or decreased to reflect such change, such mill levy increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2014, are neither diminished nor enhanced as a result of such changes (a "Gallagher adjustment").

2. Except for such a permitted Gallagher adjustment, the District's mill levy for residential property shall not exceed the Residential Maximum Debt Mill Levy. If the District otherwise proposes to adjust its mill levy above the Residential Maximum Debt Mill Levy for the purpose of offsetting any constitutionally or legislatively mandated credit, cut, abatement or change in the method of calculating assessed valuation, the District shall first submit all relevant details of such proposed adjustment to the Town Council, which may elect to treat the proposed mill levy adjustment as a material modification of the Service Plan. If the Town Council determines that such adjustment constitutes a material modification of the Service Plan, the District shall proceed to amend the Service Plan in accordance with Section 32-1-207, C.R.S. The District shall obtain written approval of the Town Council or of a Service Plan Amendment prior to any such mill levy adjustment.

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

E. Maximum Debt Mill Levy Imposition Term.

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

F. Debt Repayment Sources.

Each of the Districts may impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of Debt service and for operations and

maintenance. In no event shall the Debt service mill levy in any District exceed the Commercial Maximum Debt Mill Levy or the Residential Maximum Debt Mill Levy, as applicable, or the Maximum Debt Mill Levy Imposition Term for Residential District.

G. Debt Instrument Disclosure Requirement.

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

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

A substantially similar statement describing the limitations in respect of the payment of the principal of and interest on Debt set forth in this Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, a developer of property within the boundaries of the Districts. If no offering documents are used, then the District shall deliver the statement to any prospective purchaser of such Debt. The Town may by written notice to the District require modifications to the form of disclosures statement.

H. Security for Debt.

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

I. TABOR Compliance.

The Districts shall comply with the provisions of TABOR. In the discretion of the Board, the Districts may set up enterprises or nonprofit entities to manage, fund, construct and operate facilities, services and programs. To the extent allowed by law, any entity created by the Districts will remain under the control of the Districts' Boards. The activities of such enterprises and entities shall comply with the provisions of this Service Plan.

J. Districts' Operating Costs.

The estimated costs of engineering services, legal services and administrative services, together with the estimated costs of the Districts' organization and initial operations, are anticipated to be \$100,000, which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the Districts will require operating funds for administration and to plan and cause the Public Improvements to be

constructed and maintained, if such maintenance is authorized to the Districts through an intergovernmental agreement with the Town approved by the Town Council. The first year's operating budget is estimated to be \$100,000 which is anticipated to be derived from property taxes and other revenues.

The Service Plan and Intergovernmental Agreement do not authorize the imposition of additional mill levies for operations and maintenance services. Unless authorized through a separate, future intergovernmental agreement with the Town approved by the Town Council, the Districts shall impose no mill levy on commercial property other than the Commercial Maximum Debt Mill Levy (50 mills maximum, subject to Gallagher Adjustment) and the Districts shall impose no mill levy on residential property other than the Residential Maximum Debt Mill Levy (30 mills maximum, subject to Gallagher Adjustment), and any levies for operations and maintenance shall be within such maximum limits.

K. Subdistricts.

Any District may organize subdistricts or areas as allowed by Section 32-1-1101(1)(f), C.R.S., provided, however, that without the approval of the Town, any such subdistrict(s) or area(s) shall be subject all limitations on Debt and other provisions of the Service Plan. In accordance with Section 32-1-1101(1)(f)(I), C.R.S., the District shall notify the Town prior to establishing any such subdistrict(s) or area(s), and shall provide the Town with details regarding the purpose, location, and relationship of the subdistrict(s) or area(s). The Town Council may elect to treat the organization of any such subdistrict(s) or area(s) as a material modification of the Service Plan, and in such case may require the District(s) process a Service Plan Amendment.

VII. ANNUAL REPORT

A. General.

The Districts shall file an annual report with the Town Clerk not later than September 1 of each calendar year, which annual report shall reflect activity and financial events of the District through the preceding December 31 (the "report year"). The Town Council reserves the right, pursuant to Section 32-1-207(3)(c), C.R.S., to request annual reports from the District beyond five years after the District's organization.

B. Reporting of Significant Events.

The annual report shall include the following:

1. A narrative summary of the progress of the District in implementing its Service Plan for the report year;
2. Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the District for the report year including a statement of financial condition (i.e., balance sheet) as of December 31 of the report year and the statement of operations (i.e., revenues and expenditures) for the report year;

3. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of Public Improvements in the report year, as well as any Public Improvements proposed to be undertaken in the five (5) years following the report year;

4. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the District at the end of the report year, including the amount of outstanding Debt, the amount and terms of any new Debt issued in the report year, the amount of payment or retirement of existing Debt of the District in the report year, the total assessed valuation of all taxable properties within the District as of January 1 of the report year and the current mill levy of the District pledged to Debt retirement in the report year;

5. The District's budget for the calendar year in which the annual report is submitted;

6. A summary of the residential and commercial development in the District for the report year;

7. A summary of all Development Fees, other Fees and assessments, if any, imposed by the District as of January 1 of the report year;

8. Certification of the Board that no action, event or condition enumerated in Town Code has occurred in the report year, or certification that such event has occurred but that an amendment to the Service Plan that allows such event has been approved by Town Council;

9. The name, business address and telephone number of each member of the Board and its chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Board; and

10. Certification from the Board of the District that the District is in compliance with all provisions of the Service Plan and, if requested by the Town, certification from the External Financial Advisor that the District is in compliance with all provisions of the Service Plan relating to District Debt and financing.

C. Quinquennial Review.

Pursuant to § 32-1-1101.5, C.R.S., the Districts may be required by the Town to submit application for a quinquennial finding of reasonable diligence in every fifth (5th) calendar year after the calendar year in which the Districts' ballot issues to incur general obligation indebtedness is approved by its electorate. If required by the Town, upon such application, the Town Council may accept such application or hold a public hearing thereon and take such actions as are permitted by law. The Districts shall be responsible for payment of the Town consultant and legal and administrative costs associated with such review, and the Town may require a deposit of the estimated costs thereof. The Town shall have all powers concerning the quinquennial review as provided by statutes in effect from time to time.

VIII. DISSOLUTION

Upon an independent determination of the Town Council that the purposes for which the Districts were created have been accomplished, the Districts agree to file petitions in the District Court for and in Larimer County, Colorado, for dissolution, pursuant to the applicable State statutes. In no event shall dissolution occur until the Districts have provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

IX. DISCLOSURE TO PURCHASERS OF RESIDENTIAL PROPERTY

The Town wants residential buyers to be aware of the additional tax burden to be imposed. The Districts shall provide for early written and recorded notice of the total (overlapping) tax burden, including the Residential Maximum Debt Mill Levy, the Commercial Maximum Debt Mill Levy, and the Maximum Debt Mill Levy Imposition Term, as applicable. There is attached hereto as **Exhibit G** the specimen form of notice that the District shall record to provide notice of the District. The notice shall be recorded against all property within the Districts prior to the Districts' certification of the formation of the Districts to the Colorado Division of Local Government as required by Section 32-1-306, C.R.S. Any changes to the notice prior to recording shall be submitted to the Town for review and comment.

In addition to recording such notice, the Districts shall use reasonable efforts and due diligence to cause the developer or home builders to provide a written notice of disclosure to all initial purchasers of property in the Districts that describes the impact of the Districts' mill levy and Development Fees or other Fees on each residential property along with the purchase contract. The Districts shall also provide information to potential residential buyers by furnishing information describing the key provisions of the approved Districts to the developer or home builders for prominent display at all sales offices and by inspecting the sales offices within the Districts' boundaries on a quarterly basis to assure the information provided is accurate and prominently displayed. Such information shall include the Residential Maximum Debt Mill Levy and associated taxes and Development Fees and other Fees, if any, that may be imposed on each property for each year the District is in existence and the improvements that are or have been paid for by the District.

There is attached hereto as **Exhibit H** the Project Developer's Indemnification Letter, which is submitted to the Town by the Developer as part of this Service Plan. There is also attached hereto as **Exhibit H** the form of a District Indemnification Letter. The District shall approve and execute the Indemnification Letter at its first Board meeting after its organizational election, in the same form as the Indemnification Letter set forth in **Exhibit H** and shall promptly deliver an executed original to the Town.

X. INTERGOVERNMENTAL AGREEMENT

The form of the intergovernmental agreement required by the Town, relating to the limitations imposed on the Districts' activities, is attached hereto as **Exhibit I**. The Districts shall approve and execute the Intergovernmental Agreement at their first Board meeting following their organizational election, in the same form as the Intergovernmental Agreement

approved by the Town Council, and shall promptly deliver an executed original to the Town. Failure of the Districts to execute the Intergovernmental Agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment. The Town Council shall approve the Intergovernmental Agreement at the public hearing approving the Service Plan.

As discussed above, the Districts shall also enter into an intergovernmental agreement regarding the functions and services to be provided by each District, and the mechanisms to be used by the Districts for the sharing of costs of Public Improvements. Such intergovernmental agreement and all amendments thereto, as well as all other intergovernmental agreements and amendments thereto proposed between or among the Districts regarding the subject matter of this Service Plan, shall be subject to review and approval by the Town prior to their execution by the Districts. Such Town review and approval shall be with reference to whether the intergovernmental agreement(s) are in compliance with this Service Plan, the Intergovernmental Agreement, and the terms of any Approved Development Plan or other instrument related to the Public Improvements. The Districts shall cause the Districts' initial intergovernmental agreement, in a form approved by the Town, to be fully executed by all Districts and shall deliver a fully executed and complete copy thereof to the Town as soon as practicable upon formation of the Districts. No District shall incur any financial obligations of any kind until the Districts' initial intergovernmental agreement has been fully executed and delivered to the Town. The Districts shall also deliver promptly upon the Districts' execution fully executed and complete copies of all amendments to such intergovernmental agreement, and of all other intergovernmental agreements and amendments thereto between or among the Districts regarding the subject matter of this Service Plan.

No intergovernmental agreements other than the Town Intergovernmental Agreement and the Districts' intergovernmental agreements are anticipated. Except for such Intergovernmental Agreement with the Town, any intergovernmental agreement proposed regarding the subject matter of this Service Plan shall be subject to review and approval by the Town prior to its execution by a District.

XI. NON-COMPLIANCE WITH SERVICE PLAN

In the event it is determined that any District has undertaken any act or omission which violates the Service Plan or constitutes a material departure from the Service Plan, the Town may impose any of the sanctions set forth in the Town Code and pursue any sanctions or remedies available under law, including but not to affirmative injunctive relief to require the Districts to act in accordance with the provisions of this Service Plan. The District shall pay any and all costs, including attorneys' fees, incurred by the Town in enforcing any provision of the Service Plan. To the extent permitted by law, the District hereby waives the provisions of Section 32-1-207(3)(b), C.R.S. and agrees it will not rely on such provisions as a bar to the enforcement by the Town of any provisions of this Service Plan.

XII. CONCLUSION

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

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

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

3. The Districts are capable of providing economical and sufficient service to the area within their proposed boundaries; and

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

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

6. The facility and service standards of the Districts are compatible with the facility and service standards of the Town.

7. The proposal is in substantial compliance the Johnstown Area Comprehensive Plan.

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

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

10. The creation of the Districts is in the best interests of the residents and future residents of the area proposed to be served.

11. The proposal will not foster urban development that is remote or incapable of being integrated with existing urban areas, and will not place a burden on the Town or adjacent jurisdictions to provide urban services to residents of the Districts.

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

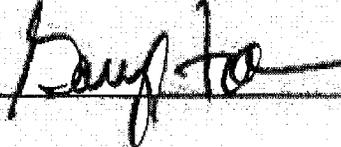
By: 

EXHIBIT A

Legal Descriptions

PROPERTY DESCRIPTION

Metro District No. 1

A parcel of land being a part of the Southwest Quarter of Section Twelve (12), Township Five North (T.5N.), Range Sixty-eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), Town of Johnstown, County of Larimer, State of Colorado and being more particularly described as follows:

COMMENCING at the Southwest corner of said Section 12 and assuming the West line of the Southwest Quarter of said Section 12 as bearing North 00°48'14" East, a distance of 2641.47 feet with all other bearings contained herein relative thereto;

THENCE North 00°48'14" East along the West line of said Southwest Quarter a distance of 199.35 feet;

THENCE South 89°11'46" East a distance of 80.20 feet to an angle point on the Northerly Right of Way line of State Highway 34;

THENCE South 88°43'39" East along the Northerly Right of Way line of said State Highway 34 a distance of 100.00 feet to the **POINT OF BEGINNING**;

THENCE North 01°16'21" East a distance of 50.00 feet;

THENCE South 88°43'39" East a distance of 50.00 feet;

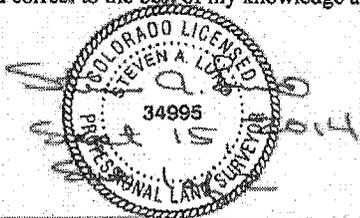
THENCE South 01°16'21" West a distance of 50.00 feet to the Northerly Right of Way line of State Highway 34;

THENCE North 88°43'39" West along the Northerly Right of Way lines of said State Highway 34 a distance of 50.00 feet to the **POINT OF BEGINNING**.

Said described parcel of land contains 2,500 Square Feet or 0.057 Acres, more or less (±).

SURVEYORS STATEMENT

I, Steven A. Lund, a Colorado Registered Professional Land Surveyor do hereby state that this Property Description was prepared under my personal supervision and checking, and that it is true and correct to the best of my knowledge and belief.



Steven A. Lund - on behalf of King Surveyors
Colorado Registered Professional
Land Surveyor #34995

KING SURVEYORS
650 Garden Drive
Windsor, Colorado 80550
(970) 686-5011

PROPERTY DESCRIPTION

Metro District No. 2

A parcel of land being a part of the South Half of Section Twelve (12), Township Five North (T.5N.), Range Sixty-eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), Town of Johnstown, County of Larimer, State of Colorado and being more particularly described as follows:

COMMENCING at the Southwest corner of said Section 12 and assuming the West line of the Southwest Quarter of said Section 12 as bearing North 00°48'14" East, a distance of 2641.47 feet with all other bearings contained herein relative thereto;

THENCE North 00°48'14" East along the West line of the Southwest Quarter of said Section 12 a distance of 249.75 feet;

THENCE South 89°11'46" East a distance of 30.00 feet to a line parallel with and 30.00 feet Easterly of, as measured at a right angle to the West line of the Southwest Quarter of said Section 12, said line being the East Right of Way line of County Road 3 and to the **POINT OF BEGINNING**;

THENCE North 00°48'14" East along said parallel line a distance of 540.13 feet to the centerline of the Loveland and Greeley Canal;

The following Twenty-seven (27) courses are along the centerline of the Loveland and Greeley Canal.

THENCE North 73°24'05" East a distance of 289.84 feet;
THENCE North 73°25'09" East a distance of 193.92 feet;
THENCE North 74°41'37" East a distance of 159.82 feet;
THENCE North 77°35'57" East a distance of 73.70 feet;
THENCE North 81°10'10" East a distance of 106.43 feet;
THENCE North 82°18'45" East a distance of 67.60 feet;
THENCE North 86°07'00" East a distance of 101.34 feet;
THENCE North 87°49'15" East a distance of 95.13 feet;
THENCE North 89°33'51" East a distance of 112.53 feet;
THENCE North 88°43'57" East a distance of 143.08 feet;
THENCE North 88°39'06" East a distance of 134.28 feet;
THENCE North 86°57'18" East a distance of 76.61 feet;
THENCE North 86°51'02" East a distance of 106.99 feet;
THENCE North 87°40'54" East a distance of 167.58 feet;
THENCE North 85°40'41" East a distance of 138.01 feet;
THENCE North 89°30'23" East a distance of 116.17 feet;
THENCE North 88°38'30" East a distance of 152.60 feet;
THENCE South 87°33'11" East a distance of 75.86 feet;
THENCE South 77°14'42" East a distance of 129.03 feet;
THENCE South 82°02'01" East a distance of 81.52 feet;
THENCE South 81°58'34" East a distance of 188.05 feet;
THENCE South 80°36'13" East a distance of 321.49 feet;
THENCE South 79°36'13" East a distance of 217.36 feet;
THENCE South 76°39'32" East a distance of 207.76 feet;
THENCE South 76°47'46" East a distance of 250.12 feet;
THENCE South 77°14'18" East a distance of 256.48 feet;
THENCE South 77°48'41" East a distance of 92.22 feet to a point of departure from the centerline of the Loveland and Greeley Canal;
THENCE North 00°51'44" East a distance of 1195.51 feet;
THENCE South 89°08'16" East a distance of 251.90 feet to a Point of Curvature;
THENCE along the arc of a curve concave to the Southwest a distance of 267.81 feet, said curve has a Radius of 1075.00 feet, a Delta of 14°16'26" and is subtended by a Chord bearing South 82°00'03" East a distance of 267.12 feet to a Point of Tangency;
THENCE South 74°51'50" East a distance of 387.28 feet;
THENCE North 00°51'45" East a distance of 775.00 feet to the North line of Southeast Quarter of said Section 12;
THENCE South 88°54'02" East along the North line of Southeast Quarter of said Section 12 a distance of 561.00 feet to a line parallel with and 30.00 feet Westerly of, as measured at a right

angle to the East line of the Southeast Quarter of said Section 12, said line being the West Right of Way line of County Line Road;
THENCE South 00°51'45" West along said parallel line a distance of 2498.75 feet to the Northerly Right of Way line of State Highway 34;

The following Six (6) courses are along the Northerly Right of Way lines of said State Highway 34.

THENCE South 47°45'00" West a distance of 68.30 feet to the beginning point of a curve, non-tangent to the aforesaid line;

THENCE along the arc of a curve concave to the Northeast a distance of 408.87 feet, said curve has a Radius of 11334.20 feet, a Delta of 02°04'01" and is subtended by a Chord bearing North 84°18'10" West a distance of 408.85 feet to a Point of Tangency;

THENCE North 83°16'09" West a distance of 597.20 feet;

THENCE North 88°43'39" West a distance of 4342.30 feet;

THENCE North 43°57'54" West a distance of 71.00 feet;

THENCE North 88°43'39" West a distance of 0.20 feet to the **POINT OF BEGINNING**.

Said described parcel of land contains 141.948 Acres, more or less (±).

TOGETHER WITH a parcel of land being a part of the South Half of Section Twelve (12), Township Five North (T.5N.), Range Sixty-eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), Town of Johnstown, County of Larimer, State of Colorado and being more particularly described as follows:

BEGINNING at the Center Quarter corner of said Section 12 and assuming the West line of the Southwest Quarter of said Section 12 as bearing North 00°48'14" East, a distance of 2641.47 feet with all other bearings contained herein relative thereto;

THENCE South 88°54'02" East along the North line of the Southeast Quarter of said Section 12 a distance of 355.33 feet;

THENCE South 01°06'45" West a distance of 411.00 feet;

THENCE North 88°53'47" West a distance of 560.96 feet;

THENCE North 01°06'45" East a distance of 411.00 feet to the North line of the Southwest Quarter of said Section 12;

THENCE South 88°53'21" East along the North line of said Southwest Quarter a distance of 205.63 feet to the **POINT OF BEGINNING**;

Said described parcel of land contains 5.293 Acres, more or less (±).

IN TOTAL, said described parcels of land contain 147.241 Acres, more or less (±).

SURVEYORS STATEMENT

I, Steven A. Lund, a Colorado Registered Professional Land Surveyor do hereby state that this Property Description was prepared under my personal supervision and checking, and that it is true and correct to the best of my knowledge and belief.



Steven A. Lund - on behalf of King Surveyors
Colorado Registered Professional
Land Surveyor #34995

KING SURVEYORS
650 Garden Drive
Windsor, Colorado 80550
(970) 686-5011

PROPERTY DESCRIPTION

Metro District No. 3

A parcel of land being a part of the South Half of Section Twelve (12), Township Five North (T.5N.), Range Sixty-eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), Town of Johnstown, County of Larimer, State of Colorado and being more particularly described as follows:

COMMENCING at the Southwest corner of said Section 12 and assuming the West line of the Southwest Quarter of said Section 12 as bearing North 00°48'14" East, a distance of 2641.47 feet with all other bearings contained herein relative thereto;

THENCE North 00°48'14" East along the West line of the Southwest Quarter of said Section 12 a distance of 789.88 feet;

THENCE South 89°11'46" East a distance of 30.00 feet to a line parallel with and 30.00 feet Easterly of, as measured at a right angle to the West line of the Southwest Quarter of said Section 12, said line being the East Right of Way line of County Road 3 and to the **POINT OF BEGINNING**;

THENCE North 00°48'14" East along said parallel line a distance of 1851.42 feet to the North line of the Southwest Quarter of said Section 12;

THENCE South 88°53'21" East along the North line of the Southwest Quarter of said Section 12 a distance of 2540.12 feet;

THENCE South 01°06'45" West a distance of 411.00 feet;

THENCE South 88°53'21" East a distance of 204.77 feet;

THENCE South 88°54'02" East a distance of 356.19 feet;

THENCE North 01°06'45" East a distance of 411.00 feet to the North line of the Southeast Quarter of said Section 12;

THENCE South 88°54'02" East along the North line of the Southeast Quarter of said Section 12 a distance of 1784.19 feet;

THENCE South 00°51'45" West a distance of 775.00 feet;

THENCE North 74°51'50" West a distance of 387.28 feet to a Point of Curvature;

THENCE along the arc of a curve concave to the Southwest a distance of 267.81 feet, said curve has a Radius of 1075.00 feet, a Delta of 14°16'26" and is subtended by a Chord bearing North 82°00'03" West a distance of 267.12 feet to a Point of Tangency;

THENCE North 89°08'16" West a distance of 251.90 feet;

THENCE South 00°51'44" West a distance of 1195.51 feet to the centerline of the Loveland and Greeley Canal;

The following Twenty-seven (27) courses are along the centerline of the Loveland and Greeley Canal.

THENCE North 77°48'41" West a distance of 92.22 feet;

THENCE North 77°14'18" West a distance of 256.48 feet;

THENCE North 76°47'46" West a distance of 250.12 feet;

THENCE North 76°39'32" West a distance of 207.76 feet;

THENCE North 79°36'13" West a distance of 217.36 feet;

THENCE North 80°36'13" West a distance of 321.49 feet;

THENCE North 81°58'34" West a distance of 188.05 feet;

THENCE North 82°02'01" West a distance of 81.52 feet;

THENCE North 77°14'42" West a distance of 129.03 feet;

THENCE North 87°33'11" West a distance of 75.86 feet;

THENCE South 88°38'30" West a distance of 152.60 feet;

THENCE South 89°30'23" West a distance of 116.17 feet;

THENCE South 85°40'41" West a distance of 138.01 feet;

THENCE South 87°40'54" West a distance of 167.58 feet;

THENCE South 86°51'02" West a distance of 106.99 feet;

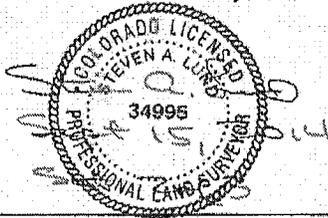
THENCE South 86°57'18" West a distance of 76.61 feet;

THENCE South 88°39'06" West a distance of 134.28 feet;
THENCE South 88°43'57" West a distance of 143.08 feet;
THENCE South 89°33'51" West a distance of 112.53 feet;
THENCE South 87°49'15" West a distance of 95.13 feet;
THENCE South 86°07'00" West a distance of 101.34 feet;
THENCE South 82°18'45" West a distance of 67.60 feet;
THENCE South 81°10'10" West a distance of 106.43 feet;
THENCE South 77°35'57" West a distance of 73.70 feet;
THENCE South 74°41'37" West a distance of 159.82 feet;
THENCE South 73°25'09" West a distance of 193.92 feet;
THENCE South 73°24'05" West a distance of 289.84 feet to the **POINT OF BEGINNING**.

Said described parcel of land contains 160.049 Acres, more or less (±).

SURVEYORS STATEMENT

I, Steven A. Lund, a Colorado Registered Professional Land Surveyor do hereby state that this Property Description was prepared under my personal supervision and checking, and that it is true and correct to the best of my knowledge and belief.



Steven A. Lund - on behalf of King Surveyors
Colorado Registered Professional
Land Surveyor #34995

KING SURVEYORS
650 Garden Drive
Windsor, Colorado 80550
(970) 686-5011

PROPERTY DESCRIPTION
Inclusion Area

A parcel of land being a portion of the Miracle on 34 Annexation No. 3 recorded April 14, 2006 at Reception No. 20060027838 of the Records of Larimer County, located in the Northwest Quarter of Section Twelve (12), Township Five North (T.5N.), Range Sixty-eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), Town of Johnstown, County of Larimer, State of Colorado and being more particularly described as follows:

COMMENCING at the West Quarter corner of said Section 12 and assuming the West line of the Southwest Quarter of said Section 12 as bearing South 00°48'14" West, a distance of 2641.47 feet with all other bearings contained herein relative thereto;

THENCE South 88°53'21" East along the South line of the Northwest Quarter of said Section 12 a distance of 30.00 feet to a line parallel with and 30.00 feet Easterly of, as measured at a right angle to the West line of the Northwest Quarter of said Section 12 and to the **POINT OF BEGINNING**, said point of beginning being on the East Right of Way line of County Road 3 which is coincidental to the West line of said Miracle on 34 Annexation No. 3:

The following Four (4) courses are along the Westerly line of the said Miracle on 34 Annexation No. 3.

THENCE North 00°48'14" East along said parallel line a distance of 1214.88 feet;
THENCE South 89°26'18" East a distance of 470.00 feet;
THENCE North 00°48'14" East a distance of 350.00 feet;
THENCE North 89°26'18" West a distance of 75.00 feet to the East line of the Kelim Substation Subdivision recorded November 16, 2010 at Reception No. 201000071014 of the Records of Larimer County;

The following Two (2) courses are along the East and North line of the said Kelim Substation Subdivision.

THENCE North 00°48'14" East a distance of 370.00 feet;
THENCE North 89°26'18" West a distance of 395.00 feet to a line parallel with and 30.00 feet Easterly of, as measured at a right angle to the West line of the Northwest Quarter of said Section 12, said line being the East Right of Way line of County Road 3 and also being the West line of said Miracle on 34 Annexation No. 3:

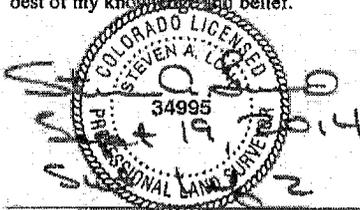
The following Four (4) courses are along the Westerly, Northerly, Easterly and Southerly line of the said Miracle on 34 Annexation No. 3.

THENCE North 00°48'14" East along said parallel line a distance of 706.08 feet to the North line of the Northwest Quarter of said Section 12;
THENCE South 88°26'47" East along said North line a distance of 2536.50 feet;
THENCE South 01°13'51" West a distance of 2621.32 feet to the South line of the Northwest Quarter of said Section 12;
THENCE North 88°53'21" West along said South line a distance of 2516.79 feet to the **POINT OF BEGINNING**.

Said described parcel of land contains 145.780 Acres, more or less (±).

SURVEYORS STATEMENT

I, Steven A. Lund, a Colorado Registered Professional Land Surveyor do hereby state that this Property Description was prepared under my personal supervision and checking, and that it is true and correct to the best of my knowledge and belief.



Steven A. Lund - on behalf of King Surveyors
Colorado Registered Professional
Land Surveyor #34995

KING SURVEYORS
650 Garden Drive
Windsor, Colorado 80550
(970) 686-5011

EXHIBIT B

Johnstown Vicinity Map

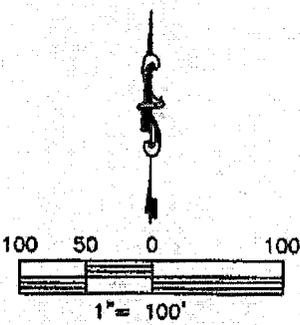
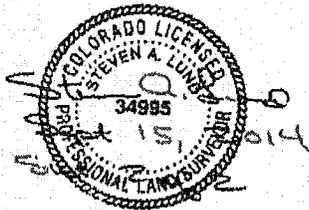
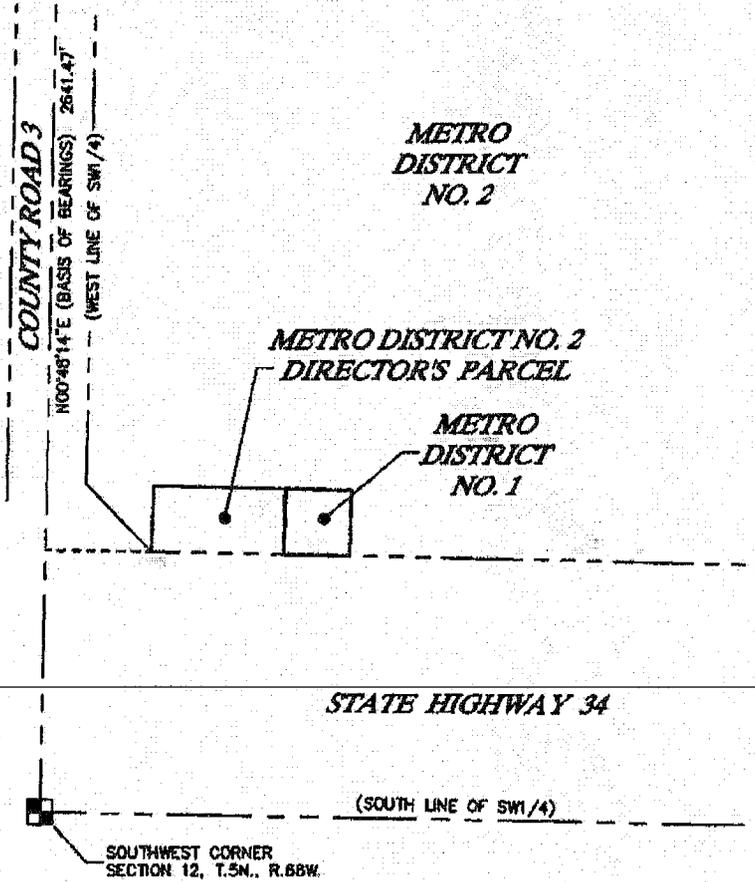


EXHIBIT C-1

Initial District Boundary Map

Sht. 2 of 2

ENCORE ON 34
METRO DISTRICT NO. 1
TOWN OF JOHNSTOWN, COUNTY OF LARIMER,
STATE OF COLORADO



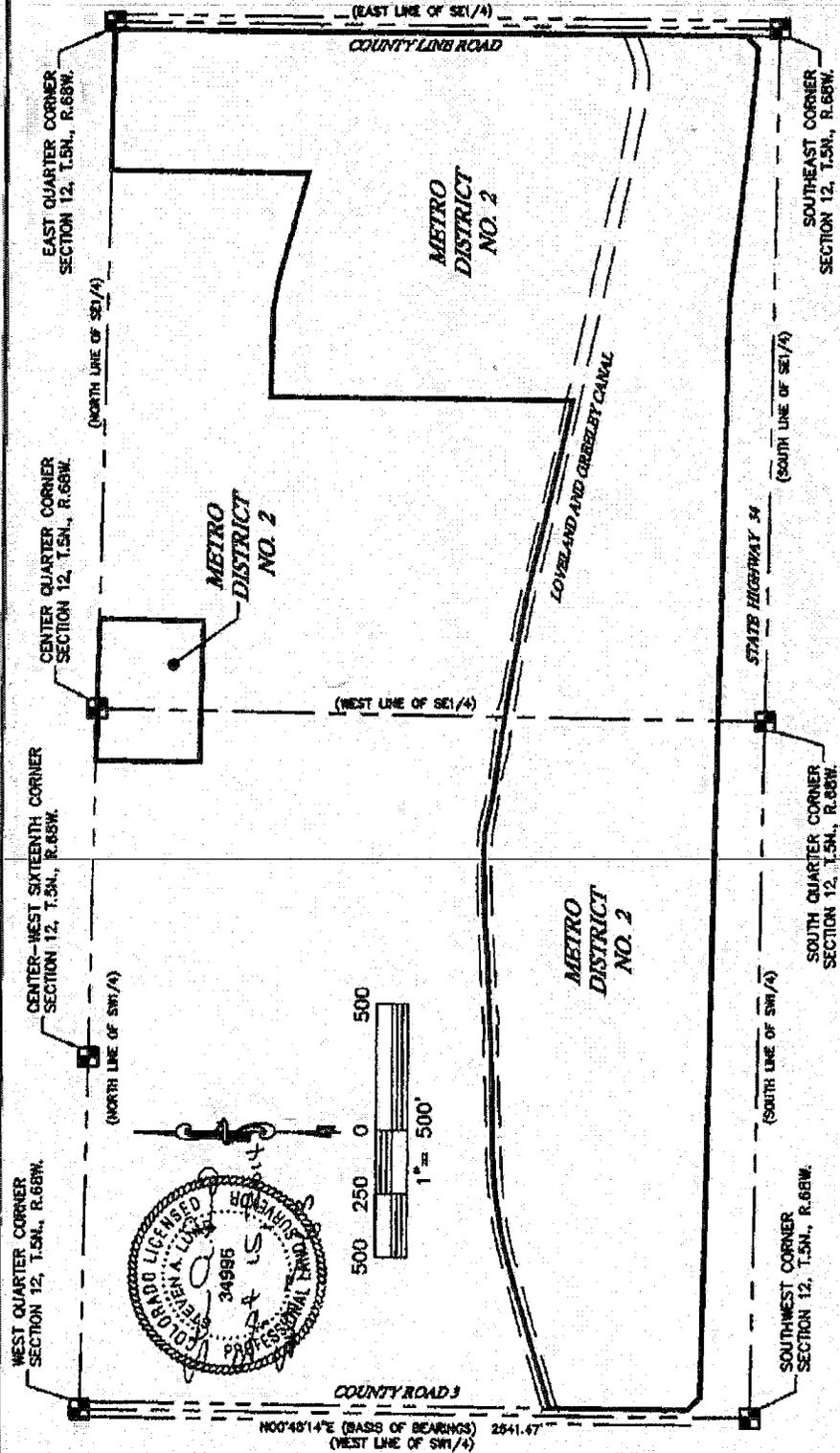
NOTE: This exhibit drawing is not intended to be a monumented land survey. It's sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supersedes the exhibit drawing.



KING SURVEYORS
650 E. Garden Drive | Windsor, Colorado 80550
phone: (970) 686-5011 | fax: (970) 686-5821
www.kingsurveyors.com

PROJECT NO: 2014497
DATE: 7/25/2014
CLIENT: HARTFORD
DWG: 2014497METRO-EXH
DRAWN: CSK CHECKED: SAL

Sht. 3 of 3



ENCORE ON 34
METRO DISTRICT NO. 2
 TOWN OF JOHNSTOWN, COUNTY OF LARIMER,
 STATE OF COLORADO

NOTE: This exhibit drawing is not intended to be a monumented land survey. It's sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supercedes the exhibit drawing.



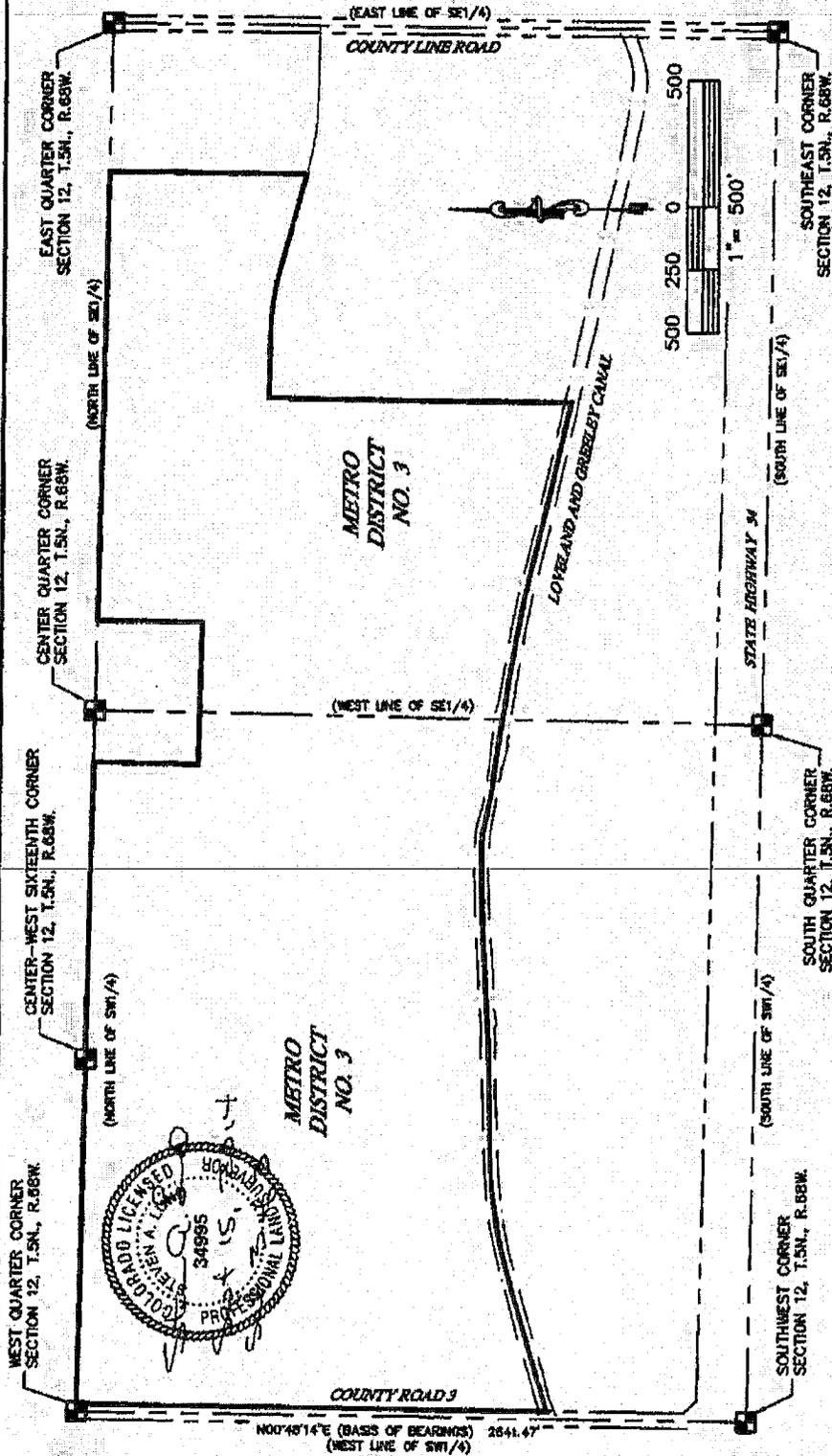
KING SURVEYORS

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PROJECT NO: 2014497
 DATE: 7/25/2014
 CLIENT: HARTFORD
 DWG: 2014497METRO-EXH
 DRAWN: CSK CHECKED: SAL

N00°49'14"E (BASIS OF BEARINGS) 2841.47'
 (WEST LINE OF SW1/4)

Sht. 3 of 3



ENCORE ON 34
METRO DISTRICT MAP NO. 3
 TOWN OF JOHNSTOWN, COUNTY OF LARIMER,
 STATE OF COLORADO

NOTE: This exhibit drawing is not intended to be a monumented land survey. It's sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supercedes the exhibit drawing.



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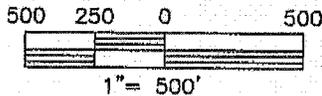
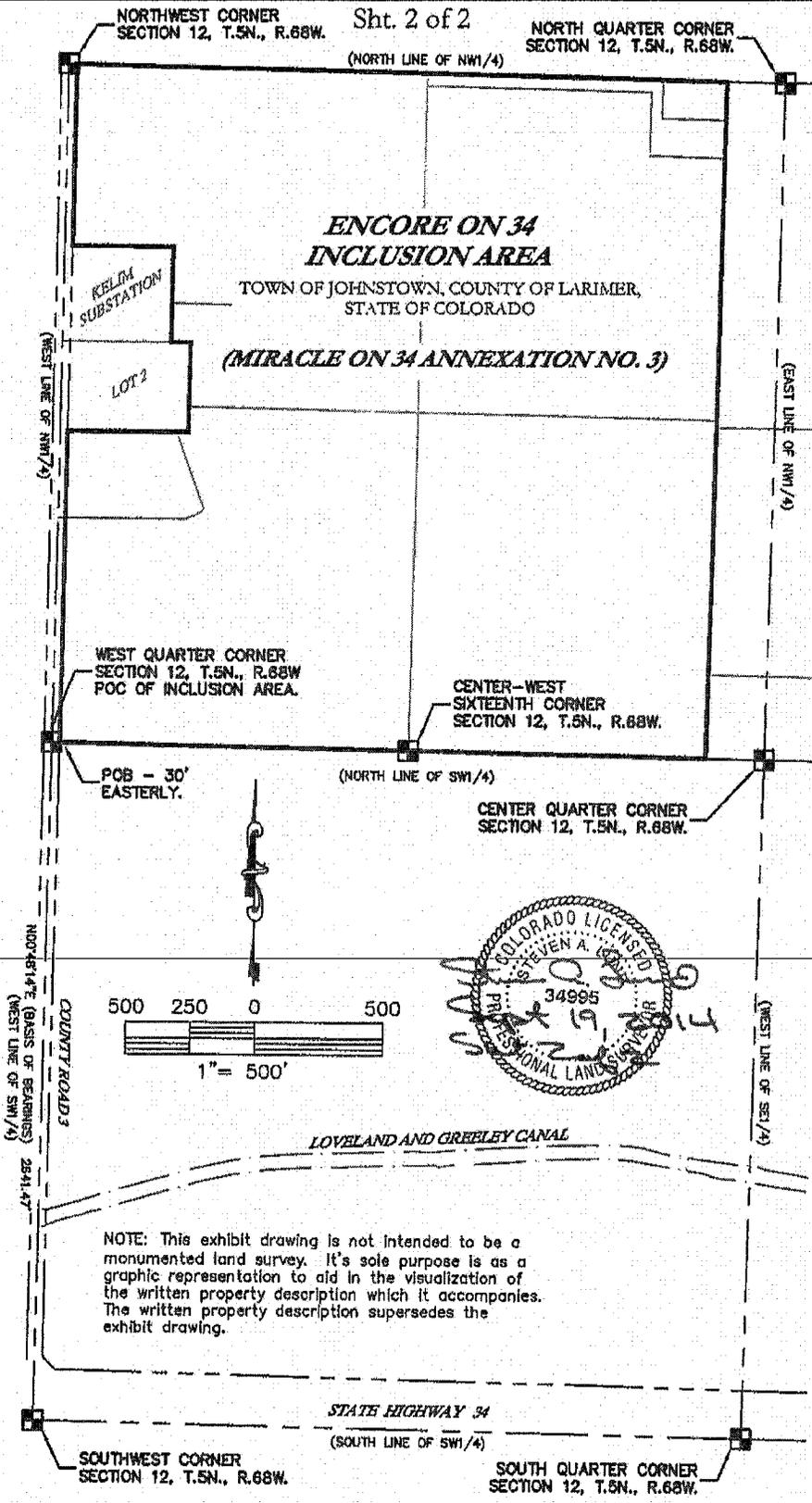
EXHIBIT C-2

Inclusion Area Boundary Map

INCLUSION AREA - MIRACLE
ON 34 ANNEXATION NO. 3

EXHIBIT

ENCORE ON 34
NW1/4 OF SEC 12, T.5N., R.68W.



NOTE: This exhibit drawing is not intended to be a monumented land survey. It's sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supersedes the exhibit drawing.



KING SURVEYORS

650 E. Garden Drive | Windsor, Colorado 80550
 phone: (970) 686-5011 | fax: (970) 686-5821
 www.kingsurveyors.com

PROJECT NO: 2014497
 DATE: 9/19/2014
 CLIENT: HARTFORD
 DWG: 2014497METRO-EXH
 DRAWN: CSK CHECKED: SAL

EXHIBIT C-3

Proofs of Ownership and Consents

North Timnath Properties, LLC
J&J Holdings, LLC
308 Commerce Drive, Unit A
Fort Collins, CO 80524

September 16 2014

Town Council
Town of Johnstown, Colorado
101 Charlotte Street
Johnstown, CO 80534

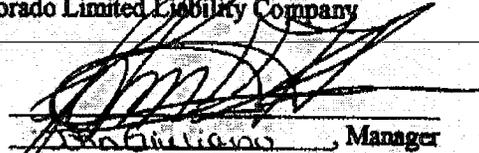
RE: Proposed Encore on 34 Metropolitan Districts Nos. 1-3 (the "District")

To the Town Council of the Town of Johnstown:

Encore on 34, LLC, North Timnath Properties, LLC and J&J Holdings, LLC constitute all owners of property within the initial District Boundaries, excluding rights of way and tracts dedicated to the Town, attached as Exhibit A to the proposed Service Plan for the Encores on 34 Metropolitan Districts Nos. 1-3. The purpose of this letter is to advise that the following property owners consent to the organization of the Districts.

North Timnath Properties, LLC
A Colorado Limited Liability Company

By:

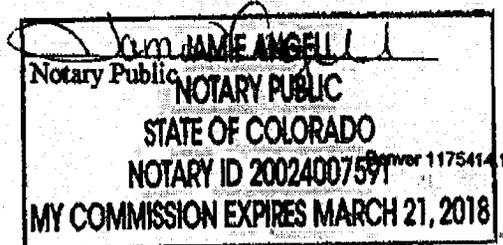

John Giuliano, Manager

STATE OF COLORADO)
) ss.
COUNTY OF Weld)

On this 16 day of September 2014, before me, a Notary Public, personally appeared John Giuliano in his capacity as Manager of North Timnath Properties, LLC, a Colorado limited liability company, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same in the indicated capacity as his free act and deed.

Witness my hand and seal of office.

My commission expires: 2/21/18


Notary Public **JAMIE ANGELL**
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20024007591
MY COMMISSION EXPIRES MARCH 21, 2018

I&J Holdings, LLC
A Colorado Limited Liability Company

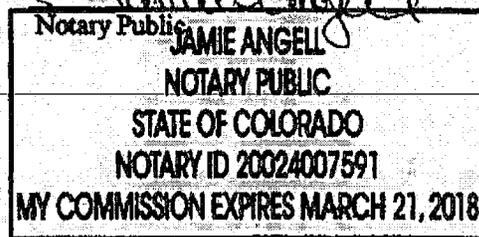
By: 
Bob Williams, Manager

STATE OF COLORADO)
COUNTY OF Weld) ss.

On this 16 day of September, 2014, before me, a Notary Public, personally appeared Bob Williams in his capacity as Manager of I&J Holdings, LLC, a Colorado limited liability company, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same in the indicated capacity as his free act and deed.

Witness my hand and seal of office.

My commission expires: 3/21/18





OWNERSHIP AND ENCUMBRANCE REPORT

Date: September 26, 2014

Effective Date: September 19, 2014

O & E Order Number: H0409529

Schedule No.: R1653148; R1648518; R1648005; R1653147; R0429660
Vesting: J & J Holding LLC, a Colorado limited liability company; North Timnath Properties, LLC, a Colorado limited liability company and Miracle on 34, LLC

Vesting Deed Info.: Special Warranty Deed 11/26/2012 #20120083353; Special Warranty Deed 11/17/2008 #20080071355; Special Warranty Deed 5/5/2008; #20080028419; Special Warranty Deed 5/5/2012 #20120029968; Warranty Deed 12/27/2004 #2004-0122912

Property Address: Vacant land

Legal Description:

See Attached Property Descriptions for Metro District Nos. 1, 2 and 3

Encumbrances:

None

NOTE: This information is for your sole use and benefit and is furnished as an accommodation. The information has been taken from our tract indices, without reference to, or examination of, instruments which purport to affect the real property. The information is neither guaranteed nor certified, and is not an Abstract of Title, Opinion of Title, nor a Guarantee of Title, and our liability is limited to the amount of the fees.

Prepared By: Lynn Vance
Email: lvance@heritagetco.com
Phone: (970) 330-4522

Exhibit A to Ownership and Encumbrances Report

PROPERTY DESCRIPTION

Metro District No. 1

A parcel of land being a part of the Southwest Quarter of Section Twelve (12), Township Five North (T.5N.), Range Sixty-eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), Town of Johnstown, County of Larimer, State of Colorado and being more particularly described as follows:

COMMENCING at the Southwest corner of said Section 12 and assuming the West line of the Southwest Quarter of said Section 12 as bearing North 00°48'14" East, a distance of 2641.47 feet with all other bearings contained herein relative thereto;

THENCE North 00°48'14" East along the West line of said Southwest Quarter a distance of 199.35 feet;

THENCE South 89°11'46" East a distance of 80.20 feet to an angle point on the Northerly Right of Way line of State Highway 34;

THENCE South 88°43'39" East along the Northerly Right of Way line of said State Highway 34 a distance of 100.00 feet to the POINT OF BEGINNING;

THENCE North 01°16'21" East a distance of 50.00 feet;

THENCE South 88°43'39" East a distance of 50.00 feet;

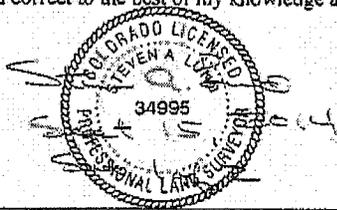
THENCE South 01°16'21" West a distance of 50.00 feet to the Northerly Right of Way line of State Highway 34;

THENCE North 88°43'39" West along the Northerly Right of Way lines of said State Highway 34 a distance of 50.00 feet to the POINT OF BEGINNING.

Said described parcel of land contains 2,500 Square Feet or 0.057 Acres, more or less (±).

SURVEYORS STATEMENT

I, Steven A. Lund, a Colorado Registered Professional Land Surveyor do hereby state that this Property Description was prepared under my personal supervision and checking, and that it is true and correct to the best of my knowledge and belief.



Steven A. Lund - on behalf of King Surveyors
Colorado Registered Professional
Land Surveyor #34995

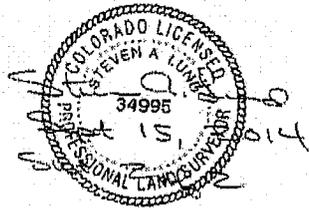
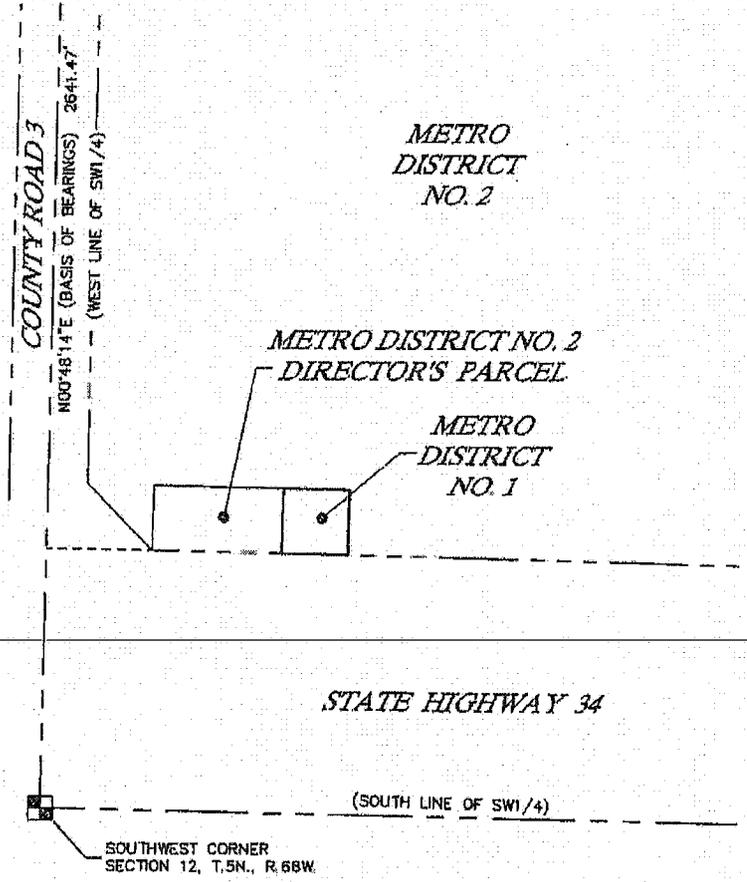
KING SURVEYORS
630 Garden Drive
Windsor, Colorado 80550
(970) 636-5011

Exhibit A to Ownership and Encumbrances Report

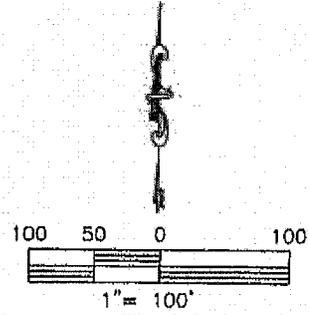
METRO DISTRICT NO. 1	EXHIBIT	ENCORE ON 34
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Sht. 2 of 2

ENCORE ON 34
METRO DISTRICT NO. 1
 TOWN OF JOHNSTOWN, COUNTY OF LARIMER,
 STATE OF COLORADO



NOTE: This exhibit drawing is not intended to be a monumented land survey. It's sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supersedes the exhibit drawing.



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 650 E. Garden Drive | Windsor, Colorado 80550
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 www.kingsurveyors.com

PROJECT NO: 2014497
 DATE: 7/25/2014
 CLIENT: HARTFORD
 DWG: 2014497METRO-EXH
 DRAWN: CSK CHECKED: SAL

Exhibit A to Ownership and Encumbrances Report

PROPERTY DESCRIPTION

Metro District No. 2

A parcel of land being a part of the South Half of Section Twelve (12), Township Five North (T.5N.), Range Sixty-eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), Town of Johnstown, County of Larimer, State of Colorado and being more particularly described as follows:

COMMENCING at the Southwest corner of said Section 12 and assuming the West line of the Southwest Quarter of said Section 12 as bearing North 00°48'14" East, a distance of 2641.47 feet with all other bearings contained herein relative thereto;

THENCE North 00°48'14" East along the West line of the Southwest Quarter of said Section 12 a distance of 249.75 feet;

THENCE South 89°11'46" East a distance of 30.00 feet to a line parallel with and 30.00 feet Easterly of, as measured at a right angle to the West line of the Southwest Quarter of said Section 12, said line being the East Right of Way line of County Road 3 and to the POINT OF BEGINNING,

THENCE North 00°48'14" East along said parallel line a distance of 540.13 feet to the centerline of the Loveland and Greeley Canal;

The following Twenty-seven (27) courses are along the centerline of the Loveland and Greeley Canal.

THENCE North 73°24'05" East a distance of 289.84 feet;

THENCE North 73°25'09" East a distance of 193.92 feet;

THENCE North 74°41'37" East a distance of 159.82 feet;

THENCE North 77°35'57" East a distance of 73.70 feet;

THENCE North 81°10'10" East a distance of 106.43 feet;

THENCE North 82°18'45" East a distance of 67.60 feet;

THENCE North 86°07'00" East a distance of 101.34 feet;

THENCE North 87°49'15" East a distance of 95.13 feet;

THENCE North 89°33'51" East a distance of 112.53 feet;

THENCE North 88°43'57" East a distance of 143.08 feet;

THENCE North 88°39'06" East a distance of 134.28 feet;

THENCE North 86°57'18" East a distance of 76.61 feet;

THENCE North 86°51'02" East a distance of 106.99 feet;

THENCE North 87°40'54" East a distance of 167.58 feet;

THENCE North 85°40'41" East a distance of 138.01 feet;

THENCE North 89°30'23" East a distance of 116.17 feet;

THENCE North 88°38'30" East a distance of 152.60 feet;

THENCE South 87°33'11" East a distance of 75.86 feet;

THENCE South 77°14'42" East a distance of 129.03 feet;

THENCE South 82°02'01" East a distance of 81.52 feet;

THENCE South 81°58'34" East a distance of 188.05 feet;

THENCE South 80°36'13" East a distance of 321.49 feet;

THENCE South 79°36'13" East a distance of 217.36 feet;

THENCE South 76°39'32" East a distance of 207.76 feet;

THENCE South 76°47'46" East a distance of 250.12 feet;

THENCE South 77°14'18" East a distance of 256.48 feet;

THENCE South 77°48'41" East a distance of 92.22 feet to a point of departure from the centerline of the Loveland and Greeley Canal;

THENCE North 00°51'44" East a distance of 1195.51 feet;

THENCE South 89°08'16" East a distance of 251.90 feet to a Point of Curvature;

THENCE along the arc of a curve concave to the Southwest a distance of 267.81 feet, said curve has a Radius of 1075.00 feet, a Delta of 14°16'26" and is subtended by a Chord bearing South 82°00'03" East a distance of 267.12 feet to a Point of Tangency;

THENCE South 74°51'50" East a distance of 387.28 feet;

THENCE North 00°51'45" East a distance of 775.00 feet to the North line of Southeast Quarter of said Section 12;

THENCE South 88°54'02" East along the North line of Southeast Quarter of said Section 12 a distance of 561.00 feet to a line parallel with and 30.00 feet Westerly of, as measured at a right

Exhibit A to Ownership and Encumbrances Report

angle to the East line of the Southeast Quarter of said Section 12, said line being the West Right of Way line of County Line Road;
THENCE South 00°51'45" West along said parallel line a distance of 2498.75 feet to the Northerly Right of Way line of State Highway 34;

The following Six (6) courses are along the Northerly Right of Way lines of said State Highway 34.

THENCE South 47°45'00" West a distance of 68.30 feet to the beginning point of a curve, non-tangent to the aforesaid line;

THENCE along the arc of a curve concave to the Northeast a distance of 408.87 feet, said curve has a Radius of 11334.20 feet, a Delta of 02°04'01" and is subtended by a Chord bearing North 84°18'10" West a distance of 408.85 feet to a Point of Tangency;

THENCE North 83°16'09" West a distance of 597.20 feet;

THENCE North 88°43'39" West a distance of 4342.30 feet;

THENCE North 43°57'54" West a distance of 71.00 feet;

THENCE North 88°43'39" West a distance of 0.20 feet to the POINT OF BEGINNING.

Said described parcel of land contains 141.948 Acres, more or less (±).

TOGETHER WITH a parcel of land being a part of the South Half of Section Twelve (12), Township Five North (T.5N.), Range Sixty-eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), Town of Johnstown, County of Larimer, State of Colorado and being more particularly described as follows:

BEGINNING at the Center Quarter corner of said Section 12 and assuming the West line of the Southwest Quarter of said Section 12 as bearing North 00°48'14" East, a distance of 2641.47 feet with all other bearings contained herein relative thereto;

THENCE South 88°54'02" East along the North line of the Southeast Quarter of said Section 12 a distance of 355.33 feet;

THENCE South 01°06'45" West a distance of 411.00 feet;

THENCE North 88°53'47" West a distance of 560.96 feet;

THENCE North 01°06'45" East a distance of 411.00 feet to the North line of the Southwest Quarter of said Section 12;

THENCE South 88°53'21" East along the North line of said Southwest Quarter a distance of 205.63 feet to the POINT OF BEGINNING;

Said described parcel of land contains 5.293 Acres, more or less (±).

IN TOTAL, said described parcels of land contain 147.241 Acres, more or less (±).

SURVEYORS STATEMENT

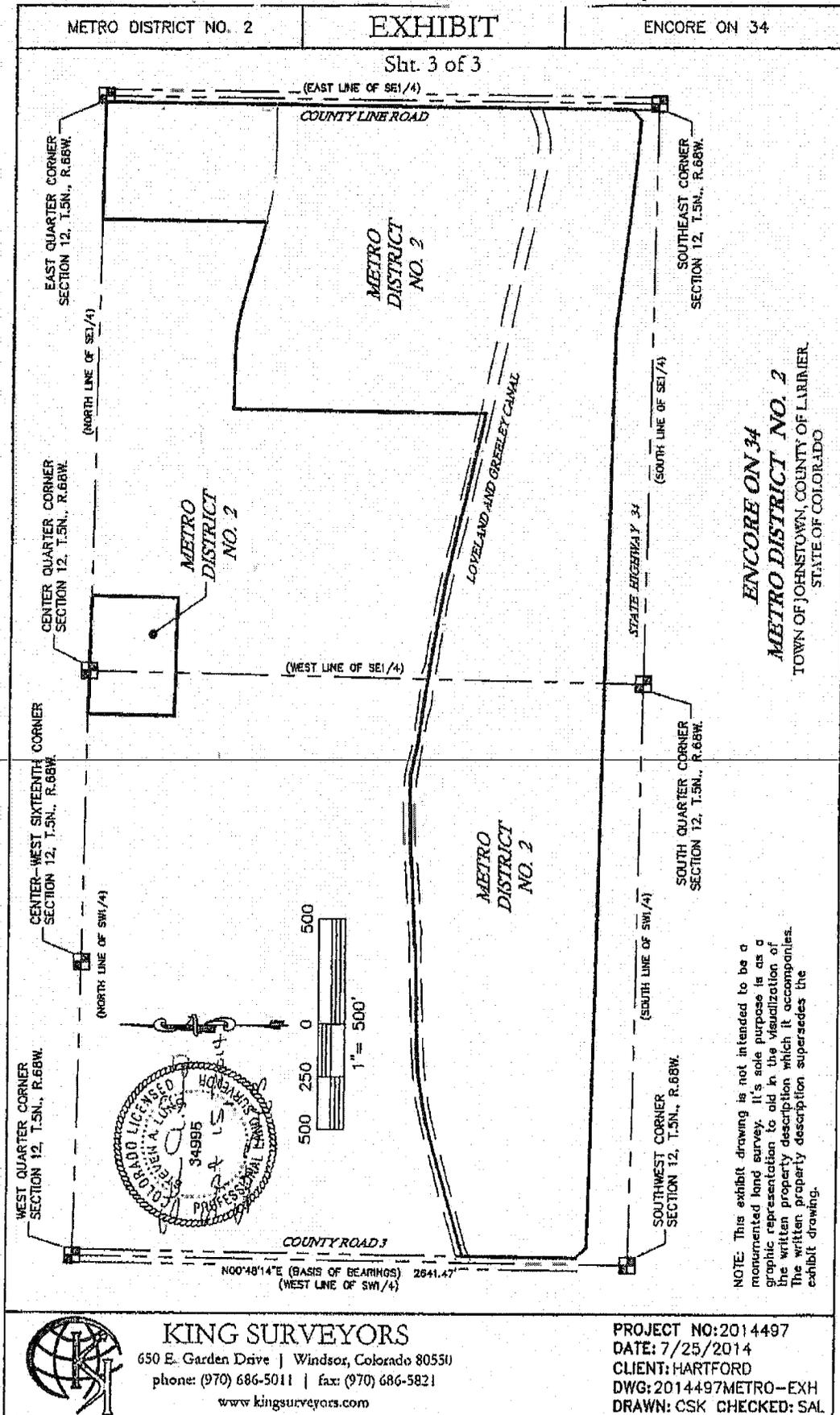
I, Steven A. Lund, a Colorado Registered Professional Land Surveyor do hereby state that this Property Description was prepared under my personal supervision and checking, and that it is true and correct to the best of my knowledge and belief.



Steven A. Lund - on behalf of King Surveyors
Colorado Registered Professional
Land Surveyor #34995

KING SURVEYORS
630 Garden Drive
Windsor, Colorado 80550
(970) 686-5011

Exhibit A to Ownership and Encumbrances Report



KING SURVEYORS
 650 E. Garden Drive | Windsor, Colorado 80550
 phone: (970) 686-5011 | fax: (970) 686-5821
 www.kingsurveyors.com

PROJECT NO: 2014497
 DATE: 7/25/2014
 CLIENT: HARTFORD
 DWG: 2014497METRO-EXH
 DRAWN: CSK CHECKED: SAL

Exhibit A to Ownership and Encumbrances Report

PROPERTY DESCRIPTION
Metro District No. 3

A parcel of land being a part of the South Half of Section Twelve (12), Township Five North (T.5N.), Range Sixty-eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), Town of Johnstown, County of Larimer, State of Colorado and being more particularly described as follows:

COMMENCING at the Southwest corner of said Section 12 and assuming the West line of the Southwest Quarter of said Section 12 as bearing North $00^{\circ}48'14''$ East, a distance of 2641.47 feet with all other bearings contained herein relative thereto;

THENCE North $00^{\circ}48'14''$ East along the West line of the Southwest Quarter of said Section 12 a distance of 789.88 feet;

THENCE South $89^{\circ}11'46''$ East a distance of 30.00 feet to a line parallel with and 30.00 feet Easterly of, as measured at a right angle to the West line of the Southwest Quarter of said Section 12, said line being the East Right of Way line of County Road 3 and to the POINT OF BEGINNING;

THENCE North $00^{\circ}48'14''$ East along said parallel line a distance of 1851.42 feet to the North line of the Southwest Quarter of said Section 12;

THENCE South $88^{\circ}53'21''$ East along the North line of the Southwest Quarter of said Section 12 a distance of 2540.12 feet;

THENCE South $01^{\circ}06'45''$ West a distance of 411.00 feet;

THENCE South $88^{\circ}53'21''$ East a distance of 204.77 feet;

THENCE South $88^{\circ}54'02''$ East a distance of 356.19 feet;

THENCE North $01^{\circ}06'45''$ East a distance of 411.00 feet to the North line of the Southeast Quarter of said Section 12;

THENCE South $88^{\circ}54'02''$ East along the North line of the Southeast Quarter of said Section 12 a distance of 1784.19 feet;

THENCE South $00^{\circ}51'45''$ West a distance of 775.00 feet;

THENCE North $74^{\circ}51'50''$ West a distance of 387.28 feet to a Point of Curvature;

THENCE along the arc of a curve concave to the Southwest a distance of 267.81 feet, said curve has a Radius of 1075.00 feet, a Delta of $14^{\circ}16'26''$ and is subtended by a Chord bearing North $82^{\circ}00'03''$ West a distance of 267.12 feet to a Point of Tangency;

THENCE North $89^{\circ}08'16''$ West a distance of 251.90 feet;

THENCE South $00^{\circ}51'44''$ West a distance of 1195.51 feet to the centerline of the Loveland and Greeley Canal;

The following Twenty-seven (27) courses are along the centerline of the Loveland and Greeley Canal.

THENCE North $77^{\circ}48'41''$ West a distance of 92.22 feet;

THENCE North $77^{\circ}14'18''$ West a distance of 256.48 feet;

THENCE North $76^{\circ}47'46''$ West a distance of 250.12 feet;

THENCE North $76^{\circ}39'32''$ West a distance of 207.76 feet;

THENCE North $79^{\circ}36'13''$ West a distance of 217.36 feet;

THENCE North $80^{\circ}36'13''$ West a distance of 321.49 feet;

THENCE North $81^{\circ}58'34''$ West a distance of 188.05 feet;

THENCE North $82^{\circ}02'01''$ West a distance of 81.52 feet;

THENCE North $77^{\circ}14'42''$ West a distance of 129.03 feet;

THENCE North $87^{\circ}33'11''$ West a distance of 75.86 feet;

THENCE South $88^{\circ}38'30''$ West a distance of 152.60 feet;

THENCE South $89^{\circ}30'23''$ West a distance of 116.17 feet;

THENCE South $85^{\circ}40'41''$ West a distance of 138.01 feet;

THENCE South $87^{\circ}40'54''$ West a distance of 167.58 feet;

THENCE South $86^{\circ}51'02''$ West a distance of 106.99 feet;

THENCE South $86^{\circ}57'18''$ West a distance of 76.61 feet;

Exhibit A to Ownership and Encumbrances Report

THENCE South 88°39'06" West a distance of 134.28 feet;
THENCE South 88°43'57" West a distance of 143.08 feet;
THENCE South 89°33'51" West a distance of 112.53 feet;
THENCE South 87°49'15" West a distance of 95.13 feet;
THENCE South 86°07'00" West a distance of 101.34 feet;
THENCE South 82°18'45" West a distance of 67.60 feet;
THENCE South 81°10'10" West a distance of 106.43 feet;
THENCE South 77°35'57" West a distance of 73.70 feet;
THENCE South 74°41'37" West a distance of 159.82 feet;
THENCE South 73°25'09" West a distance of 193.92 feet;
THENCE South 73°24'05" West a distance of 289.84 feet to the POINT OF BEGINNING.

Said described parcel of land contains 160.049 Acres, more or less (±).

SURVEYORS STATEMENT

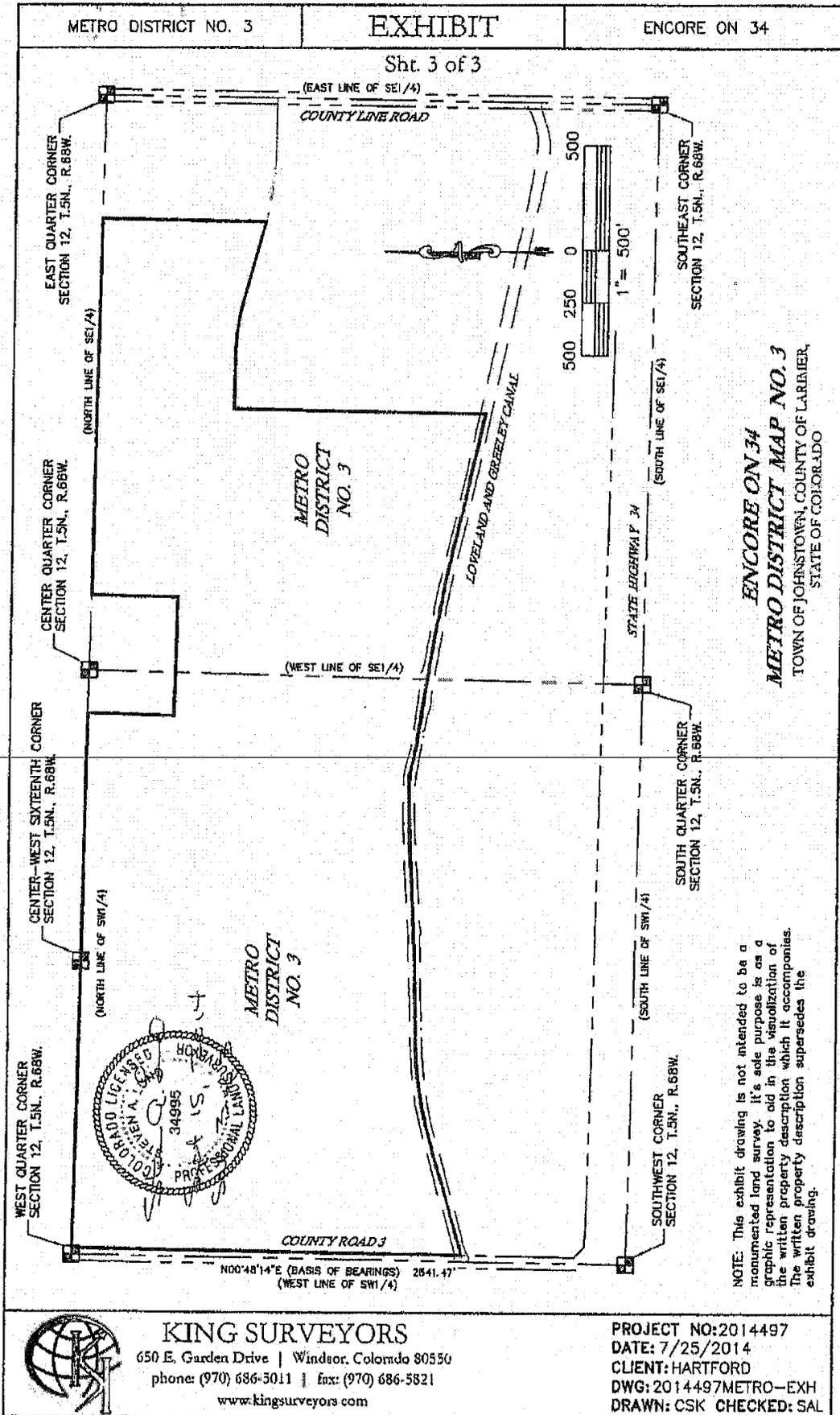
I, Steven A. Lund, a Colorado Registered Professional Land Surveyor do hereby state that this Property Description was prepared under my personal supervision and checking, and that it is true and correct to the best of my knowledge and belief.



Steven A. Lund - on behalf of King Surveyors
Colorado Registered Professional
Land Surveyor #34995

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Exhibit A to Ownership and Encumbrances Report



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 www.kingsurveyors.com

PROJECT NO: 2014497
 DATE: 7/25/2014
 CLIENT: HARTFORD
 DWG: 2014497METRO-EXH
 DRAWN: CSK CHECKED: SAL

EXHIBIT D

Capital Plan

September 16, 2014

Town of Johnstown
450 S. Parish Avenue
Johnstown, CO 80534

RE: Proposed Encore on 34 Metropolitan District Nos. 1-3

To Whom It May Concern,

I, James Prelog, am a Registered Professional Engineer in the State of Colorado, have reviewed the Encore on 34 Metropolitan District Nos. 1-3 Preliminary Capital Plan and estimates of probable public improvement construction costs for the proposed Districts service area as prepared by Encore on 34, LLC. The estimates are based on the following assumptions:

1. The preliminary estimates include the estimated costs of planning, design, acquisition, construction, and management of the public improvements within and, to the extent necessary to improve or construct adjacent streets, traffic and safety improvements, water, sewer, drainage, storm sewer, parks and recreation, landscaping/open space and other public improvements (collectively the "Public Improvements") needed to connect to existing public infrastructure based upon the preliminary plans and construction to Town of Johnstown standards.
2. The commercial portions of the Project provide for both on and off-site public improvements. The residential portions of the Project are limited to those Public Improvements that are either (i) off-site improvements necessary to serve the residential development; or (ii) parks, trails, recreation facilities or amenities located within or directly serving the residential development. Shared offsite improvements are split between the Districts based upon acreage, preliminary plat master plan and utility estimates and initial plans for site configuration.

Based upon these assumptions, I believe the Preliminary Capital Plan estimates of estimates of probable construction costs for Encore on 34 Metropolitan District Nos. 1-3 is reasonable for the public improvement portion Encore on 34 Project based upon information available and the restrictions provided by the Town as of this date.

Sincerely,



James Prelog, P.E.
Galloway US

**SUMMARY ESTIMATE OF PRELIMINARY DISTRICT EXPENDITURES
PUBLIC IMPROVEMENT COSTS
ENCORE ON 34 METROPOLITAN DISTRICTS**

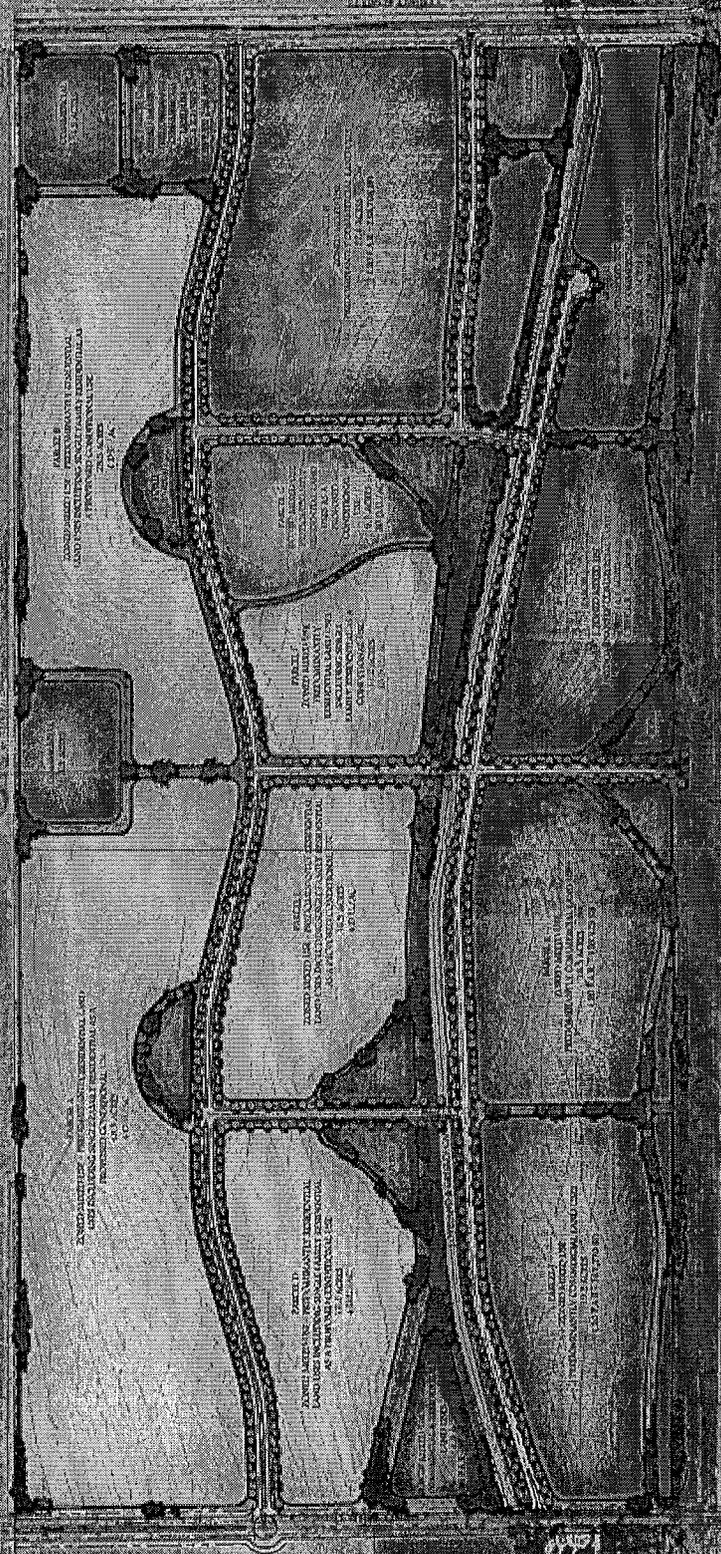
Public Improvements – Commercial District		Cost
I.	Shared Offsite Improvements	\$ 6,086,948
II.	Indirect Construction Costs	\$ 814,800
III.	Direct Construction Costs	\$ 21,891,078
	Water System Improvements	\$ 1,728,243
	Sanitary System Improvements	\$ 2,880,405
	Storm Sewer Improvements	\$ 1,152,162
	Street Improvements	\$ 4,608,648
	Earthwork, Removals	\$ 5,760,810
	Non-Potable Irrigation System	\$ 1,152,162
	Landscaping, Parks, Open Space	\$ 3,456,486
	Miscellaneous	\$ 1,152,162
IV.	Formation & Organization	\$ 76,000
Commercial Parcel Totals		\$ 28,868,826
Engineering, Design, Administration (10%)		\$ 2,886,882
Construction Contingency & Non-Itemized Improvements (10%)		\$ 2,886,883
Total Estimated Commercial Public Improvement Costs		\$ 34,642,591

Public Improvements – Residential District		Cost
(Limited to Offsite Improvements and Park and Recreation Facilities)		
I.	Shared Offsite Improvements	\$ 7,329,652
II.	Offsite Improvements	\$ 485,000
III.	Park and Recreation Improvements	\$ 8,857,000
IV.	Miscellaneous	\$ 76,000
Residential Parcel Totals		\$ 16,747,652
Engineering, Design, Administration (10%)		\$ 1,674,765
Construction Contingency & Non-Itemized Improvements (10%)		\$ 1,674,765
Total Estimated Residential Public Improvement Costs		\$ 20,097,182

Public Improvements – Future Inclusion Residential (Limited to Offsite Improvements and Park and Recreation Facilities)		Cost
I.	Shared Offsite Improvements	\$ 5,497,239
II.	Offsite Improvements	\$ 363,750
III.	Park and Recreation Improvements	\$ 6,642,750
IV.	Miscellaneous	\$ <u>76,000</u>
	Future Inclusion Area Totals	\$ \$12,579,739
	Engineering, Design, Administration (10%)	\$ 1,257,974
	Construction Contingency & Non-Itemized Improvements (10%)	\$ <u>1,257,974</u>
	Total Estimated Future Inclusion Area Public Improvement Costs	\$ 15,095,687

ENCORE

SUMMER 2014



PRELIMINARY PLAN - MASTER PLAN

III
HARTFORD
CORPORATION

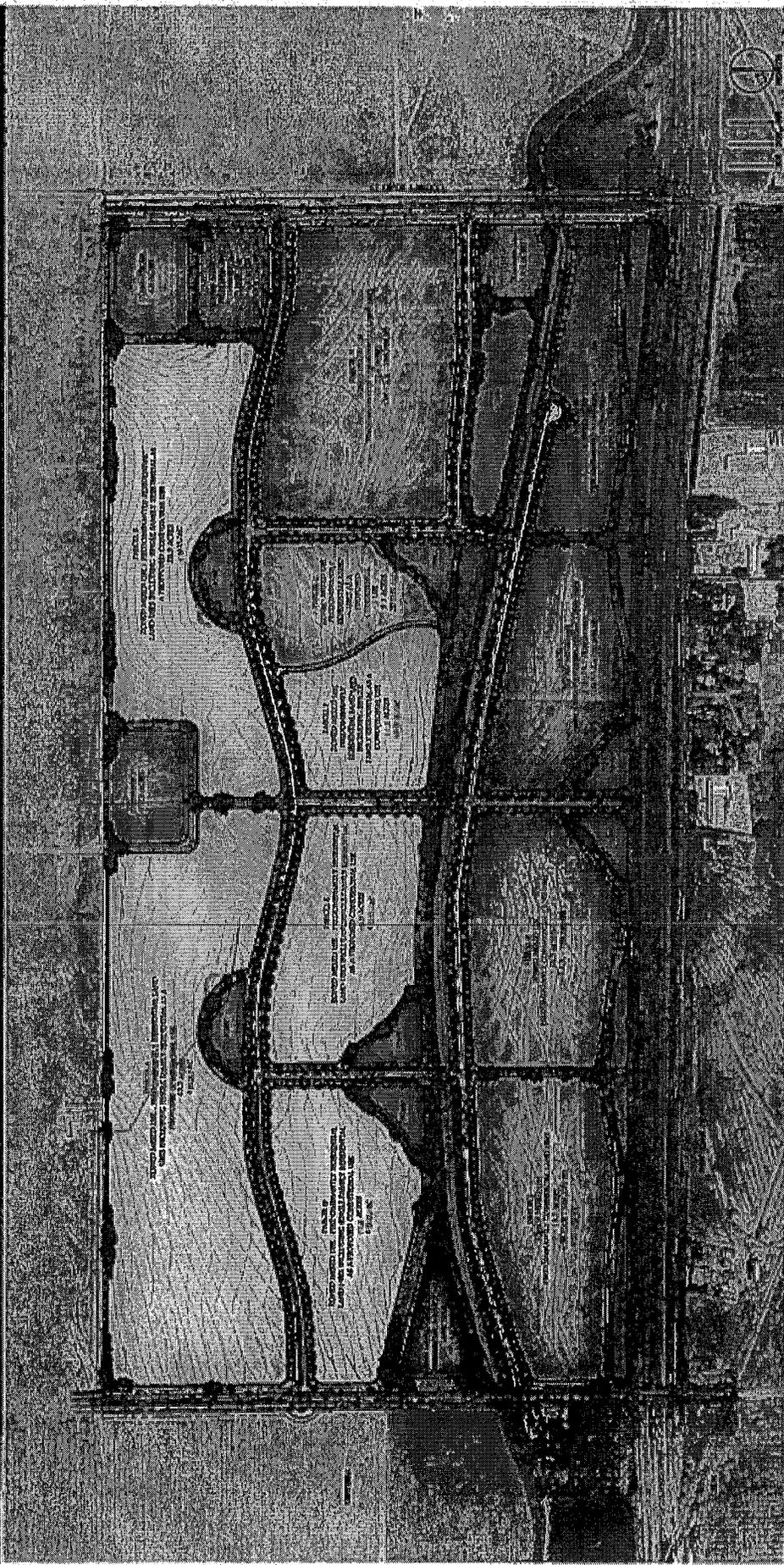
GROUP
CORPORATION

EXHIBIT E

Map Depicting Public Improvements

1900

1900



HUNTINGTON LIBRARY

THE HUNTINGTON LIBRARY

EXHIBIT F

Financial Plan



George K. Baum & Company
INVESTMENT BANKERS SINCE 1928

September 15, 2014

David S. O'Leary, Esq.
Spencer Fane Britt & Browne LLP
1700 Lincoln St. Suite 2000
Denver, Colorado 80203

Dear Mr. O'Leary:

George K. Baum & Company prepared the financial plan contained in the Consolidated Service Plan for Encore Metropolitan Districts No. 1, 2 and 3. George K. Baum & Company certifies that based upon the assumptions contained therein and in our professional opinion, the Districts are expected to retire all Debt referenced in the Financial Plan within the restrictions set forth in the Service Plan, including but not limited to the Residential Maximum Debt Mill Levy, the Commercial Maximum Debt Mill Levy, and the Maximum Debt Mill Levy Imposition Term, as applicable.

The interest rate assumption of 5.75% is well within the service plan limit of the Bond Buyer 20 General Obligation Bond Index (4.07% today) plus 4%.

George K. Baum & Company has prepared a supplemental financial analysis for the service plan extracting out the residential development. We undertook this effort to determine what portion of the total public improvements could be funded from the residential development alone. Based on the development information provided to us, a 25 mill residential debt service mill levy and bonds issued at 5.75%, the residential portion of Encore could support \$15,310,000 of bonds which fund \$14,259,131 of net project proceeds. It was assumed that these bonds would be issued in 2024.

The latest engineering report estimates the residential portion of the off-site and parks and recreation improvement cost to be \$16,747,652. Our calculation shows that the residential portion of the development can support bonds that would fund about 85% of these costs. There is no way to determine at this time the exact development costs or the exact amount, timing or valuation of the residential portion of the development.

If George K. Baum & Company can be of any additional assistance, please do not hesitate to contact me at 303.391.5503.

Sincerely,

GEORGE K. BAUM & COMPANY

Alan T. Matlosz
Senior Vice President
Colorado Public Finance

**Encore Metropolitan Districts
In the Town of Johnstown, Colorado
Limited Mill General Obligation Bonds**

1 E34
Cover
9/15/2014

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Assumptions		New Money - Residential & Commercial Development + Oil & Gas	
Preliminary as of 09/15/2014		Revenue Included	
5.75% Rate	Series 2022	40 Mill Bond Levy (Commercial & Oil+Gas)	
5.75% Rate	Series 2024	25 Mill Bond Levy (Residential)	
		2.50% Annual Home Sales Price Increase	
		Assumes 98.50% of Revenue Available for Debt Service	
		AV Includes Projected Oil & Gas Revenue	

Issue	Term	Repayment Source	Par Amount	Project Fund Proceeds at Close
Series 2022	10 Year Term	Res. & Comm. + Oil & Gas	\$15,060,000	\$14,334,046
Series 2024	30 Year Term	Res. & Comm. + Oil & Gas	\$45,010,000	\$42,106,371
Total			\$60,070,000	\$56,440,417

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Encore Metropolitan Districts
 In the Town of Johnston, Colorado
 Limited Mill General Obligation Bonds

Ex
 Ordinance
 01/20/14

Schedule of Operating Mill Levy & Expense

Collection Year	Comm. Operations		Property Tax @ 98.5%	Res. Operations Mill Levy	Property Tax @ 98.5%	Operating Expense	Annual Surplus/Deficit	Cumulative Surplus/Deficit
	Assessed Value	Mill Levy						
2017	-	5.000	-	5.000	0	46,139	0	0
2018	9,571,412	5.000	47,139	5.000	47,139	70,757	1,000	1,000
2019	14,589,910	5.000	71,757	5.000	71,757	100,578	1,000	2,000
2020	20,045,345	5.000	101,578	5.000	101,578	130,451	1,000	3,000
2021	26,690,509	5.000	131,451	5.000	131,451	166,539	1,000	4,000
2022	34,038,309	5.000	167,539	5.000	167,539	202,394	1,000	5,000
2023	41,298,374	5.000	203,394	5.000	203,394	239,355	1,000	6,000
2024	48,803,857	5.000	240,355	5.000	240,355	276,735	1,000	7,000
2025	56,189,901	5.000	276,735	5.000	276,735	313,351	1,000	8,000
2026	63,627,705	5.000	313,351	5.000	313,351	350,199	1,000	9,000
2027	71,309,435	5.000	351,199	5.000	351,199	388,146	1,000	10,000
2028	79,014,370	5.000	388,146	5.000	388,146	426,064	1,000	11,000
2029	81,840,485	5.000	403,064	5.000	403,064	464,805	1,000	12,000
2030	84,895,045	5.000	418,108	5.000	418,108	503,549	1,000	13,000
2031	87,825,407	5.000	432,540	5.000	432,540	542,310	1,000	14,000
2032	90,990,557	5.000	446,130	5.000	446,130	581,100	1,000	15,000
2033	94,041,516	5.000	463,154	5.000	463,154	620,015	1,000	16,000
2034	96,994,747	5.000	477,999	5.000	477,999	659,059	1,000	17,000
2035	98,640,699	5.000	485,805	5.000	485,805	698,340	1,000	18,000
2036	100,273,944	5.000	493,849	5.000	493,849	737,861	1,000	19,000
2037	100,273,944	5.000	493,849	5.000	493,849	777,612	1,000	20,000
2038	100,426,751	5.000	494,602	5.000	494,602	817,594	1,000	21,000
2039	100,426,751	5.000	494,602	5.000	494,602	857,811	1,000	22,000
2040	100,579,359	5.000	495,354	5.000	495,354	898,264	1,000	23,000
2041	100,579,359	5.000	495,354	5.000	495,354	938,957	1,000	24,000
2042	100,732,366	5.000	496,107	5.000	496,107	979,890	1,000	25,000
2043	100,732,366	5.000	496,107	5.000	496,107	1,021,063	1,000	26,000
2044	100,885,174	5.000	496,858	5.000	496,858	1,062,476	1,000	27,000
2045	100,885,174	5.000	496,858	5.000	496,858	1,104,128	1,000	28,000
2046	101,037,981	5.000	497,612	5.000	497,612	1,146,020	1,000	29,000
2047	101,037,981	5.000	497,612	5.000	497,612	1,188,153	1,000	30,000
2048	101,190,788	5.000	498,365	5.000	498,365	1,230,528	1,000	31,000
2049	101,190,788	5.000	498,365	5.000	498,365	1,273,145	1,000	32,000
2050	101,343,595	5.000	499,117	5.000	499,117	1,316,005	1,000	33,000
2051	101,343,595	5.000	499,117	5.000	499,117	1,359,110	1,000	34,000
2052	101,496,403	5.000	499,870	5.000	499,870	1,402,461	1,000	35,000
2053	101,496,403	5.000	499,870	5.000	499,870	1,446,159	1,000	36,000
2054	101,649,211	5.000	500,622	5.000	500,622	1,490,202	1,000	37,000
			14,857,440			14,830,440		

Encore Metropolitan Districts
in the Town of Jamestown, Colorado

Residential Development Value

Growth Factor

Completion Year	Assessment Year	Calculation Year	2.5% Parcel A - District 2		2.5% Parcel B - District 2		2.5% Parcel D - District 2		2.5% Parcel E - District 2		2.5% Parcel F - District 2		2.5% Parcel G - District 2		2.5% Parcel I - District 2		Inclusion Area	Residential Construction Value	Assessed Value
			Homes Completed	Value per Home															
2018	2019	2020	12	375,000	8	375,000	5	375,000	5	375,000	3	375,000	13	280,000	2	280,000		15,375,000	1,221,850
2019	2020	2021	12	384,375	8	384,375	5	384,375	5	384,375	3	384,375	13	384,375	2	384,375		15,789,375	1,254,448
2020	2021	2022	12	393,750	8	393,750	5	393,750	5	393,750	3	393,750	12	403,125	2	403,125		16,207,750	1,287,043
2021	2022	2023	12	403,125	8	403,125	5	403,125	5	403,125	3	403,125	12	412,500	2	412,500		16,626,125	1,319,638
2022	2023	2024	12	412,500	8	412,500	5	412,500	5	412,500	3	412,500	12	421,875	2	421,875		17,044,500	1,352,233
2023	2024	2025	12	421,875	8	421,875	5	421,875	5	421,875	3	421,875	12	431,250	2	431,250		17,462,875	1,384,828
2024	2025	2026	12	431,250	8	431,250	5	431,250	5	431,250	3	431,250	12	440,625	2	440,625		17,881,250	1,417,423
2025	2026	2027	12	440,625	8	440,625	5	440,625	5	440,625	3	440,625	12	450,000	2	450,000		18,299,625	1,450,018
2026	2027	2028	12	450,000	8	450,000	5	450,000	5	450,000	3	450,000	12	459,375	2	459,375		18,718,000	1,482,613
2027	2028	2029	12	459,375	8	459,375	5	459,375	5	459,375	3	459,375	12	468,750	2	468,750		19,136,375	1,515,208
2028	2029	2030	12	468,750	8	468,750	5	468,750	5	468,750	3	468,750	12	478,125	2	478,125		19,554,750	1,547,803
2029	2030	2031	12	478,125	8	478,125	5	478,125	5	478,125	3	478,125	12	487,500	2	487,500		19,973,125	1,580,398
2030	2031	2032	12	487,500	8	487,500	5	487,500	5	487,500	3	487,500	12	496,875	2	496,875		20,391,500	1,612,993
2031	2032	2033	12	496,875	8	496,875	5	496,875	5	496,875	3	496,875	12	506,250	2	506,250		20,809,875	1,645,588
2032	2033	2034	12	506,250	8	506,250	5	506,250	5	506,250	3	506,250	12	515,625	2	515,625		21,228,250	1,678,183
2033	2034	2035	12	515,625	8	515,625	5	515,625	5	515,625	3	515,625	12	525,000	2	525,000		21,646,625	1,710,778
2034	2035	2036	12	525,000	8	525,000	5	525,000	5	525,000	3	525,000	12	534,375	2	534,375		22,065,000	1,743,373
Total Units Developed			178		117		69		89		45		182		22		585	523,200,360	41,650,325

**Encore Metropolitan Districts
In the Town of Johnstown, Colorado**

EA

O&G Revenue
9/15/2014

Schedule of Oil & Gas Revenue - Projected

		New Money - Residential & Commercial Development + Oil & Gas				
Production Year	Tax Collection Year	Production Revenue and Assessed Value Estimates			Combined Production Revenue	Combined Assessed Value
		Horizontal Well Revenue	Vertical Well Revenue	Production Revenue		
(1)	(2)	(3)	(4)	(5)	(6)	
					87.50%	
2014	2016	34,092,592	12,240,737	46,333,319	40,541,654	
2015	2017	19,127,222	9,554,126	28,681,348	25,096,179	
2016	2018	13,247,342	8,095,614	21,332,956	18,666,336	
2017	2019	10,268,528	7,176,543	17,445,071	15,264,438	
2018	2020	8,448,158	6,540,426	14,988,585	13,115,012	
2019	2021	7,216,365	6,063,609	13,279,975	11,619,978	
2020	2022	6,325,806	5,689,460	12,015,266	10,513,357	
2021	2023	5,650,104	5,385,595	11,035,698	9,656,236	
2022	2024	5,118,793	5,132,376	10,251,169	8,969,773	
2023	2025		4,891,063	4,891,063	4,279,680	
2024	2026		4,661,096	4,661,096	4,078,458	
2025	2027		4,441,942	4,441,942	3,886,699	
2026	2028		4,233,092	4,233,092	3,703,955	
2027	2029		4,034,061	4,034,061	3,529,803	
2028	2030		3,844,389	3,844,389	3,363,840	
2029	2031		3,663,634	3,663,634	3,205,680	
2030	2032		3,491,378	3,491,378	3,054,956	
2031	2033		3,327,221	3,327,221	2,911,319	
		109,494,901	102,456,361	211,951,262	185,457,354	

PRELIMINARY - FOR DISCUSSION ONLY

Encore Metropolitan Districts
 In the Town of Johnstown, Colorado
 Limited Tax General Obligation Bonds
 Series 2022

8 E34
 Debt Service 2
 9/15/2014

Debt Service Schedule
 \$15,060,000

New Money - Residential & Commercial Development + CM & Gas

Date	Principal	Interest Rate	Interest	P & I	Annual P & I	Capitalized Interest	DSRF Earnings 2.00%	Net Annual P & I
06/01/23	-	-	432,975.00	432,975.00	-	-	(4,000.54)	-
12/01/23	1,640,000	5.750	432,975.00	2,072,975.00	2,505,950.00	-	(4,000.54)	2,497,948.92
06/01/24	-	-	385,825.00	385,825.00	-	-	(4,000.54)	-
12/01/24	1,745,000	5.750	385,825.00	2,130,825.00	2,516,650.00	-	(4,000.54)	2,508,648.92
06/01/25	-	-	335,656.25	335,656.25	-	-	(4,000.54)	-
12/01/25	1,900,000	5.750	335,656.25	2,235,656.25	2,571,312.50	-	(4,000.54)	2,563,311.42
06/01/26	-	-	281,031.25	281,031.25	-	-	(4,000.54)	-
12/01/26	2,010,000	5.750	281,031.25	2,291,031.25	2,572,062.50	-	(4,000.54)	2,564,061.42
06/01/27	-	-	223,243.75	223,243.75	-	-	(4,000.54)	-
12/01/27	2,125,000	5.750	223,243.75	2,348,243.75	2,571,487.50	-	(4,000.54)	2,563,486.42
06/01/28	-	-	162,150.00	162,150.00	-	-	(4,000.54)	-
12/01/28	2,245,000	5.750	162,150.00	2,407,150.00	2,569,300.00	-	(4,000.54)	2,561,298.92
06/01/29	-	-	97,606.25	97,606.25	-	-	(4,000.54)	-
12/01/29	790,000	5.750	97,606.25	887,606.25	985,212.50	-	(4,000.54)	977,211.42
06/01/30	-	-	74,893.75	74,893.75	-	-	(4,000.54)	-
12/01/30	835,000	5.750	74,893.75	909,893.75	984,787.50	-	(4,000.54)	978,786.42
06/01/31	-	-	50,887.50	50,887.50	-	-	(4,000.54)	-
12/01/31	830,000	5.750	50,887.50	880,887.50	931,775.00	-	(4,000.54)	923,773.92
06/01/32	-	-	27,025.00	27,025.00	-	-	(4,000.54)	-
12/01/32	940,000	5.750	27,025.00	967,025.00	994,050.00	-	(404,054.45)	585,995.02
06/01/53	-	-	0.00	0.00	-	-	-	-
	15,060,000		4,142,587.50	19,202,587.50	19,202,587.50	0.00	(480,064.69)	18,722,522.81

Dated	12/01/22	Average Coupon	6.750000
		NIC	6.063554
Settlement	12/01/22	TIC	6.130128
		Arbitrage Yield	5.750000
		Bond Years	72.04500
		Average Life	4.78
		Accrued Interest	0.00

Encore Metropolitan Districts
 In the Town of Johnstown, Colorado
 Limited Tax General Obligation Bonds

9
 E34
 Sources/Uses 2
 9/15/2014

Series 2022

Sources and Uses of Funds

New Money

Sources

Principal Amount of Bond Issue	15,060,000.00
	<u>15,060,000.00</u>

Uses

Project Fund		14,334,046.09
Reserve Fund	50% of Full Reserve	400,053.91
Bond Discount	\$15.00 /\$1,000	225,900.00
Cost of Issuance		100,000.00
Contingency		0.00
		<u>15,060,000.00</u>

Encore Metropolitan Districts
 In the Town of Johnstown, Colorado
 Limited REB General Obligation Bonds
 Series 2024

04
 Debt Service New
 01/15/2014

Debt Service Schedule
 \$45,010,000

New Money - Residential & Commercial Development + CH & Gas

Date	Principal	Interest Rate	Interest	P & I	Annual P & I	Capitalized Interest	DSRF Earnings 2.00%	Net Annual P & I
06/01/25	-	-	1,294,037.50	1,294,037.50	-	-	(21,284.79)	2,545,505.41
12/01/25	-	5.750	1,294,037.50	1,294,037.50	2,588,075.00	-	(21,284.79)	2,545,505.41
06/01/26	-	-	1,294,037.50	1,294,037.50	-	-	(21,284.79)	2,545,505.41
12/01/26	-	5.750	1,294,037.50	1,294,037.50	2,588,075.00	-	(21,284.79)	2,545,505.41
06/01/27	-	-	1,294,037.50	1,294,037.50	-	-	(21,284.79)	2,545,505.41
12/01/27	-	5.750	1,294,037.50	1,294,037.50	2,588,075.00	-	(21,284.79)	2,545,505.41
06/01/28	-	-	1,294,037.50	1,294,037.50	-	-	(21,284.79)	2,545,505.41
12/01/28	-	5.750	1,294,037.50	1,294,037.50	2,588,075.00	-	(21,284.79)	2,545,505.41
06/01/29	-	-	1,294,037.50	1,294,037.50	-	-	(21,284.79)	2,545,505.41
12/01/29	-	5.750	1,294,037.50	1,294,037.50	2,588,075.00	-	(21,284.79)	2,545,505.41
06/01/30	-	-	1,294,037.50	1,294,037.50	-	-	(21,284.79)	2,545,505.41
12/01/30	-	5.750	1,294,037.50	1,294,037.50	2,588,075.00	-	(21,284.79)	2,545,505.41
06/01/31	-	-	1,294,037.50	1,294,037.50	-	-	(21,284.79)	2,545,505.41
12/01/31	-	5.750	1,294,037.50	1,294,037.50	2,588,075.00	-	(21,284.79)	2,545,505.41
06/01/32	-	-	1,294,037.50	1,294,037.50	-	-	(21,284.79)	2,545,505.41
12/01/32	-	5.750	1,294,037.50	1,294,037.50	2,588,075.00	-	(21,284.79)	2,545,505.41
06/01/33	-	-	1,294,037.50	1,294,037.50	-	-	(21,284.79)	2,545,505.41
12/01/33	1,095,000	5.750	1,294,037.50	2,389,037.50	3,683,075.00	-	(21,284.79)	3,640,505.41
06/01/34	-	-	1,262,558.25	1,262,558.25	-	-	(21,284.79)	3,517,542.91
12/01/34	1,036,000	6.750	1,262,558.25	2,297,558.25	3,590,112.50	-	(21,284.79)	3,517,542.91
06/01/35	-	-	1,232,800.00	1,232,800.00	-	-	(21,284.79)	3,518,030.41
12/01/35	1,095,000	5.750	1,232,800.00	2,327,800.00	3,660,600.00	-	(21,284.79)	3,518,030.41
06/01/36	-	-	1,201,318.75	1,201,318.75	-	-	(21,284.79)	3,565,067.91
12/01/36	1,205,000	5.750	1,201,318.75	2,406,318.75	3,607,637.50	-	(21,284.79)	3,565,067.91
06/01/37	-	-	1,168,875.00	1,168,875.00	-	-	(21,284.79)	3,565,780.41
12/01/37	1,275,000	5.750	1,168,875.00	2,441,675.00	3,606,350.00	-	(21,284.79)	3,565,780.41
06/01/38	-	-	1,130,018.75	1,130,018.75	-	-	(21,284.79)	3,562,487.91
12/01/38	1,345,000	5.750	1,130,018.75	2,475,018.75	3,605,037.50	-	(21,284.79)	3,562,487.91
06/01/39	-	-	1,091,350.00	1,091,350.00	-	-	(21,284.79)	3,565,130.41
12/01/39	1,425,000	5.750	1,091,350.00	2,516,350.00	3,607,700.00	-	(21,284.79)	3,565,130.41
06/01/40	-	-	1,050,381.25	1,050,381.25	-	-	(21,284.79)	3,563,192.91
12/01/40	1,505,000	5.750	1,050,381.25	2,555,381.25	3,605,762.50	-	(21,284.79)	3,563,192.91
06/01/41	-	-	1,007,112.50	1,007,112.50	-	-	(21,284.79)	3,566,655.41
12/01/41	1,595,000	5.750	1,007,112.50	2,602,112.50	3,609,225.00	-	(21,284.79)	3,566,655.41
06/01/42	-	-	961,258.25	961,258.25	-	-	(21,284.79)	3,564,942.91
12/01/42	1,665,000	5.750	961,258.25	2,646,258.25	3,607,512.50	-	(21,284.79)	3,564,942.91
06/01/43	-	-	912,812.50	912,812.50	-	-	(21,284.79)	3,563,055.41
12/01/43	1,780,000	5.750	912,812.50	2,692,812.50	3,605,825.00	-	(21,284.79)	3,563,055.41
06/01/44	-	-	861,637.50	861,637.50	-	-	(21,284.79)	3,565,705.41
12/01/44	1,885,000	5.750	861,637.50	2,746,637.50	3,606,275.00	-	(21,284.79)	3,565,705.41
06/01/45	-	-	807,443.75	807,443.75	-	-	(21,284.79)	3,562,317.91
12/01/45	1,990,000	5.750	807,443.75	2,797,443.75	3,604,887.50	-	(21,284.79)	3,562,317.91
06/01/46	-	-	750,231.25	750,231.25	-	-	(21,284.79)	3,562,892.91
12/01/46	2,105,000	5.750	750,231.25	2,855,231.25	3,605,482.50	-	(21,284.79)	3,562,892.91
06/01/47	-	-	689,712.50	689,712.50	-	-	(21,284.79)	3,563,855.41
12/01/47	2,230,000	5.750	689,712.50	2,919,712.50	3,600,425.00	-	(21,284.79)	3,563,855.41
06/01/48	-	-	625,600.00	625,600.00	-	-	(21,284.79)	3,563,630.41
12/01/48	2,355,000	5.750	625,600.00	2,980,600.00	3,605,200.00	-	(21,284.79)	3,563,630.41
06/01/49	-	-	557,893.75	557,893.75	-	-	(21,284.79)	3,563,217.91
12/01/49	2,490,000	5.750	557,893.75	3,047,893.75	3,605,787.50	-	(21,284.79)	3,563,217.91
06/01/50	-	-	486,306.25	486,306.25	-	-	(21,284.79)	3,565,042.91
12/01/50	2,635,000	5.750	486,306.25	3,121,306.25	3,607,612.50	-	(21,284.79)	3,565,042.91
06/01/51	-	-	410,550.00	410,550.00	-	-	(21,284.79)	3,596,530.41
12/01/51	2,820,000	5.750	410,550.00	3,230,550.00	3,641,100.00	-	(21,284.79)	3,596,530.41
06/01/52	-	-	329,475.00	329,475.00	-	-	(21,284.79)	3,595,030.41
12/01/52	2,960,000	5.750	329,475.00	3,309,475.00	3,638,950.00	-	(21,284.79)	3,595,030.41
06/01/53	-	-	243,800.00	243,800.00	-	-	(21,284.79)	3,485,425.91
12/01/53	3,160,000	5.750	243,800.00	3,393,800.00	3,637,600.00	-	(2,149,764.22)	3,485,425.91
06/01/54	-	-	153,237.50	153,237.50	-	-	-	-
12/01/54	5,330,000	5.750	153,237.50	5,483,237.50	5,836,475.00	-	-	-
	45,010,000		57,157,012.50	102,167,012.50	102,167,012.50	0.00	(3,405,667.06)	96,761,445.42

Dated	12/01/24	Average Coupon	5.750000
		NIC	5.817820
Settlement	12/01/24	TIC	5.876519
		Arbitrage Yield	5.750000
		Bond Years	994,635.00
		Average Life	22.68
		Accrued Interest	0.00

Encore Metropolitan Districts
 In the Town of Johnstown, Colorado
 Limited Mill General Obligation Bonds
 Series 2024

11
 E34
 Sources/Uses New
 9/15/2014

Sources and Uses of Funds

New Money - Residential & Commercial Development + Oil & Gas

Sources

Principal Amount of Bond Issue	45,010,000.00
	<u>45,010,000.00</u>

Uses

Project Funds at Close		42,106,370.57
Reserve Fund	50% of Full Reserve	2,128,479.43
Bond Discount	\$15.00 /\$1,000	675,150.00
Cost of Issuance		100,000.00
Contingency		0.00
		<u>45,010,000.00</u>

**Encore Metropolitan Districts
In the Town of Johnstown, Colorado
Limited Mill General Obligation Bonds**

1 E34
Cover
9/15/2014

Table of Schedules

Assumptions **New Money - Residential Portion Only**
Revenue Included
 Preliminary as of 09/15/2014

5.75% Rate Series 2024 25 Mill Bond Levy (Residential)
2.50% Annual Home Sales Price Increase
Assumes 98.50% of Revenue Available for Debt Service

Issue	Term	Repayment Source	Par Amount	Project Fund Proceeds at Close
Series 2024	30 Year Term	Residential	\$15,310,000	\$14,259,131
Total			\$15,310,000	\$14,259,131

1.	Cover Page
2.	Schedule of Revenue & Debt Service
3.	Series 2024 Residential Debt Service Schedule
4.	Sources and Uses of Funds

Encore Metropolitan Districts
 In the Town of Johnston, Colorado
 Limited Mile General Obligation Bonds
 Schedule of Revenues & Debt Service

Collection Year	Assessed Value and Bond Levy Revenue			S.O. Tax	Incremental Property Tax	7.00%	Excesses on Cumulative Surplus	Revenues Available to Debt Service	Debt Capitalized	Combined Debt Services	Annual Surplus/Deficit	Cumulative Surplus/Deficit
	Residential Assessed Value	Bond Levy	Bond Revenue									
2016	-	25,000	-	-	-	-	-	-	-	-	-	-
2017	2,417,650	25,000	69,540	4,168	637	63,707	63,707	63,707	63,707	63,707	63,707	63,707
2018	4,895,146	25,000	120,568	8,440	1,274	126,944	126,944	126,944	126,944	126,944	126,944	292,417
2019	7,481,631	25,000	184,235	12,660	1,911	190,096	190,096	190,096	190,096	190,096	190,096	482,513
2020	10,068,247	25,000	267,831	17,355	2,657	269,210	269,210	269,210	269,210	269,210	269,210	751,723
2021	12,794,194	25,000	344,811	22,637	3,434	348,245	348,245	348,245	348,245	348,245	348,245	1,100,000
2022	15,501,757	25,000	381,731	25,721	3,817	385,548	385,548	385,548	385,548	385,548	385,548	1,485,548
2023	18,355,159	25,000	451,897	31,640	4,753	456,640	456,640	456,640	456,640	456,640	456,640	1,942,188
2024	21,351,615	25,000	521,639	38,528	5,729	527,367	527,367	527,367	527,367	527,367	527,367	2,469,555
2025	24,433,672	25,000	594,277	47,398	7,109	596,386	596,386	596,386	596,386	596,386	596,386	3,065,941
2026	27,608,315	25,000	685,619	58,607	8,791	694,410	694,410	694,410	694,410	694,410	694,410	3,760,351
2027	30,950,649	25,000	793,956	71,366	10,705	804,661	804,661	804,661	804,661	804,661	804,661	4,565,012
2028	34,463,783	25,000	914,195	86,115	12,915	927,110	927,110	927,110	927,110	927,110	927,110	5,492,122
2029	38,157,631	25,000	1,043,653	103,466	15,519	1,063,172	1,063,172	1,063,172	1,063,172	1,063,172	1,063,172	6,555,294
2030	42,043,866	25,000	1,184,115	123,863	18,574	1,202,742	1,202,742	1,202,742	1,202,742	1,202,742	1,202,742	7,758,036
2031	46,131,968	25,000	1,338,697	147,794	22,168	1,360,911	1,360,911	1,360,911	1,360,911	1,360,911	1,360,911	9,118,947
2032	50,521,866	25,000	1,509,653	175,956	26,393	1,536,306	1,536,306	1,536,306	1,536,306	1,536,306	1,536,306	10,655,253
2033	55,213,866	25,000	1,699,653	209,115	31,368	1,727,021	1,727,021	1,727,021	1,727,021	1,727,021	1,727,021	12,382,274
2034	60,208,866	25,000	1,909,653	248,115	37,219	1,944,240	1,944,240	1,944,240	1,944,240	1,944,240	1,944,240	14,326,514
2035	65,508,866	25,000	2,139,653	293,115	44,068	2,183,308	2,183,308	2,183,308	2,183,308	2,183,308	2,183,308	16,509,822
2036	71,113,866	25,000	2,389,653	354,115	52,068	2,435,326	2,435,326	2,435,326	2,435,326	2,435,326	2,435,326	18,945,148
2037	77,023,866	25,000	2,659,653	431,115	61,368	2,706,394	2,706,394	2,706,394	2,706,394	2,706,394	2,706,394	21,651,542
2038	83,238,866	25,000	2,949,653	524,115	72,068	2,998,462	2,998,462	2,998,462	2,998,462	2,998,462	2,998,462	24,650,004
2039	89,758,866	25,000	3,259,653	634,115	84,368	3,302,530	3,302,530	3,302,530	3,302,530	3,302,530	3,302,530	27,952,534
2040	96,583,866	25,000	3,589,653	761,115	98,368	3,622,602	3,622,602	3,622,602	3,622,602	3,622,602	3,622,602	31,575,136
2041	103,713,866	25,000	3,939,653	895,115	114,168	3,966,670	3,966,670	3,966,670	3,966,670	3,966,670	3,966,670	35,541,806
2042	111,148,866	25,000	4,309,653	1,047,115	131,868	4,338,538	4,338,538	4,338,538	4,338,538	4,338,538	4,338,538	39,880,344
2043	118,888,866	25,000	4,699,653	1,217,115	151,568	4,789,606	4,789,606	4,789,606	4,789,606	4,789,606	4,789,606	44,600,000
2044	126,933,866	25,000	5,109,653	1,404,115	173,368	5,262,674	5,262,674	5,262,674	5,262,674	5,262,674	5,262,674	49,762,674
2045	135,283,866	25,000	5,539,653	1,609,115	197,368	5,759,742	5,759,742	5,759,742	5,759,742	5,759,742	5,759,742	55,352,416
2046	143,938,866	25,000	6,000,000	1,834,115	223,668	6,283,330	6,283,330	6,283,330	6,283,330	6,283,330	6,283,330	61,635,746
2047	152,898,866	25,000	6,499,653	2,079,115	252,368	6,831,394	6,831,394	6,831,394	6,831,394	6,831,394	6,831,394	68,807,140
2048	162,163,866	25,000	7,029,653	2,344,115	283,668	7,405,062	7,405,062	7,405,062	7,405,062	7,405,062	7,405,062	76,992,202
2049	171,733,866	25,000	7,589,653	2,629,115	317,668	8,012,630	8,012,630	8,012,630	8,012,630	8,012,630	8,012,630	86,004,832
2050	181,608,866	25,000	8,179,653	2,944,115	354,668	8,657,328	8,657,328	8,657,328	8,657,328	8,657,328	8,657,328	95,947,160
2051	191,788,866	25,000	8,799,653	3,289,115	394,668	9,332,026	9,332,026	9,332,026	9,332,026	9,332,026	9,332,026	106,879,186
2052	202,273,866	25,000	9,449,653	3,764,115	447,668	10,039,724	10,039,724	10,039,724	10,039,724	10,039,724	10,039,724	118,918,910
2053	213,063,866	25,000	10,129,653	4,269,115	504,668	10,784,392	10,784,392	10,784,392	10,784,392	10,784,392	10,784,392	132,103,302
2054	224,158,866	25,000	10,839,653	4,804,115	565,668	11,560,060	11,560,060	11,560,060	11,560,060	11,560,060	11,560,060	146,563,362
2055	235,558,866	25,000	11,579,653	5,374,115	630,668	12,370,728	12,370,728	12,370,728	12,370,728	12,370,728	12,370,728	162,434,090
2056	247,263,866	25,000	12,359,653	5,989,115	700,668	13,211,396	13,211,396	13,211,396	13,211,396	13,211,396	13,211,396	179,745,486
2057	259,273,866	25,000	13,179,653	6,649,115	775,668	14,087,064	14,087,064	14,087,064	14,087,064	14,087,064	14,087,064	198,632,550
2058	271,588,866	25,000	14,029,653	7,354,115	855,668	14,997,732	14,997,732	14,997,732	14,997,732	14,997,732	14,997,732	219,130,282
2059	284,208,866	25,000	14,909,653	8,104,115	940,668	15,938,400	15,938,400	15,938,400	15,938,400	15,938,400	15,938,400	241,368,682
2060	297,133,866	25,000	15,819,653	8,899,115	1,030,668	16,909,068	16,909,068	16,909,068	16,909,068	16,909,068	16,909,068	265,277,750
2061	310,363,866	25,000	16,759,653	9,739,115	1,125,668	17,914,736	17,914,736	17,914,736	17,914,736	17,914,736	17,914,736	290,892,486
2062	323,898,866	25,000	17,729,653	10,724,115	1,225,668	18,955,404	18,955,404	18,955,404	18,955,404	18,955,404	18,955,404	318,247,890
2063	337,738,866	25,000	18,739,653	11,754,115	1,330,668	20,036,072	20,036,072	20,036,072	20,036,072	20,036,072	20,036,072	348,283,962
2064	351,883,866	25,000	19,789,653	12,829,115	1,440,668	21,156,740	21,156,740	21,156,740	21,156,740	21,156,740	21,156,740	380,440,702
2065	366,333,866	25,000	20,879,653	13,949,115	1,555,668	22,317,408	22,317,408	22,317,408	22,317,408	22,317,408	22,317,408	414,758,110
2066	381,088,866	25,000	22,009,653	15,109,115	1,675,668	23,518,076	23,518,076	23,518,076	23,518,076	23,518,076	23,518,076	451,276,186
2067	396,148,866	25,000	23,179,653	16,309,115	1,800,668	24,758,744	24,758,744	24,758,744	24,758,744	24,758,744	24,758,744	490,034,930
2068	411,513,866	25,000	24,389,653	17,549,115	1,930,668	26,039,412	26,039,412	26,039,412	26,039,412	26,039,412	26,039,412	531,074,342
2069	427,183,866	25,000	25,639,653	18,829,115	2,075,668	27,360,080	27,360,080	27,360,080	27,360,080	27,360,080	27,360,080	574,434,422
2070	443,158,866	25,000	26,929,653	20,149,115	2,225,668	28,720,748	28,720,748	28,720,748	28,720,748	28,720,748	28,720,748	620,155,170
2071	459,438,866	25,000	28,259,653	21,509,115	2,380,668	30,121,416	30,121,416	30,121,416	30,121,416	30,121,416	30,121,416	668,276,586
2072	476,023,866	25,000	29,629,653	22,909,115	2,540,668	31,562,084	31,562,084	31,562,084	31,562,084	31,562,084	31,562,084	718,838,670
2073	492,913,866	25,000	31,049,653	24,349,115	2,705,668	33,042,752	33,042,752	33,042,752	33,042,752	33,042,752	33,042,752	771,881,422
2074	510,108,866	25,000	32,519,653	25,829,115	2,875,668	34,563,420	34,563,420	34,563,420	34,563,420	34,563,420	34,563,420	827,444,842
2075	527,608,866	25,000	34,039,653	27,349,115	3,050,668	36,124,088	36,124,088	36,124,088	36,124,088	36,124,088	36,124,088	885,568,930
2076	545,413,866	25,000	35,609,653	28,909,115	3,230,668	37,724,756	37,724,756	37,724,756	37,724,756	37,724,756	37,724,756	946,293,686
2077	563,523,866	25,000	37,229,653	30,509,115	3,415,668	39,365,424	39,365,424	39,365,424	39,365,424	39,365,424	39,365,424	1,009,719,110
2078	581,938,866	25,000	38,799,653	32,149,115	3,605,668	41,046,092	41,046,092	41,046,092				

Encore Metropolitan Districts
 In the Town of Johnstown, Colorado
 Limited 2011 General Obligation Bonds
 Series 2004

ES4
 Debt Service New
 8/18/2014

Debt Service Schedule
 \$18,310,000

New Money - Residential Portion Only

Date	Principal	Interest Rate	Interest	P & I	Annual P & I	Capitalized Interest	DSRF Earnings 2.00%	Net Annual P & I
06/01/25	-	-	440,162.50	440,162.50	-	-	(7,212.19)	
12/01/25	-	5.750	440,162.50	440,162.50	880,325.00	-	(7,212.19)	865,900.83
06/01/26	-	-	440,162.50	440,162.50	-	-	(7,212.19)	
12/01/26	-	5.750	440,162.50	440,162.50	880,325.00	-	(7,212.19)	865,900.63
06/01/27	-	-	440,162.50	440,162.50	-	-	(7,212.19)	
12/01/27	-	5.750	440,162.50	440,162.50	880,325.00	-	(7,212.19)	865,900.83
06/01/28	-	-	440,162.50	440,162.50	-	-	(7,212.19)	
12/01/28	-	5.750	440,162.50	440,162.50	880,325.00	-	(7,212.19)	865,900.63
06/01/29	-	-	440,162.50	440,162.50	-	-	(7,212.19)	
12/01/29	-	5.750	440,162.50	440,162.50	880,325.00	-	(7,212.19)	865,900.63
06/01/30	-	-	440,162.50	440,162.50	-	-	(7,212.19)	
12/01/30	-	5.750	440,162.50	440,162.50	880,325.00	-	(7,212.19)	865,900.63
06/01/31	-	-	440,162.50	440,162.50	-	-	(7,212.19)	
12/01/31	-	5.750	440,162.50	440,162.50	880,325.00	-	(7,212.19)	865,900.63
06/01/32	-	-	440,162.50	440,162.50	-	-	(7,212.19)	
12/01/32	-	5.750	440,162.50	440,162.50	880,325.00	-	(7,212.19)	865,900.63
06/01/33	-	-	440,162.50	440,162.50	-	-	(7,212.19)	
12/01/33	385,000	5.750	440,162.50	805,162.50	1,245,325.00	-	(7,212.19)	1,230,900.63
06/01/34	-	-	429,668.75	429,668.75	-	-	(7,212.19)	
12/01/34	360,000	5.750	429,668.75	809,668.75	1,239,337.50	-	(7,212.19)	1,224,913.13
06/01/35	-	-	418,743.75	418,743.75	-	-	(7,212.19)	
12/01/35	400,000	5.750	418,743.75	818,743.75	1,237,487.50	-	(7,212.19)	1,223,063.13
06/01/36	-	-	407,243.75	407,243.75	-	-	(7,212.19)	
12/01/36	420,000	5.750	407,243.75	827,243.75	1,234,487.50	-	(7,212.19)	1,220,063.13
06/01/37	-	-	395,168.75	395,168.75	-	-	(7,212.19)	
12/01/37	445,000	5.750	395,168.75	840,168.75	1,235,337.50	-	(7,212.19)	1,220,913.13
06/01/38	-	-	382,375.00	382,375.00	-	-	(7,212.19)	
12/01/38	470,000	5.750	382,375.00	852,375.00	1,234,750.00	-	(7,212.19)	1,220,325.63
06/01/39	-	-	368,862.50	368,862.50	-	-	(7,212.19)	
12/01/39	495,000	5.750	368,862.50	863,862.50	1,232,725.00	-	(7,212.19)	1,219,300.63
06/01/40	-	-	354,631.25	354,631.25	-	-	(7,212.19)	
12/01/40	525,000	5.750	354,631.25	879,631.25	1,234,262.50	-	(7,212.19)	1,219,838.13
06/01/41	-	-	339,537.50	339,537.50	-	-	(7,212.19)	
12/01/41	560,000	5.750	339,537.50	889,537.50	1,229,075.00	-	(7,212.19)	1,214,650.63
06/01/42	-	-	323,725.00	323,725.00	-	-	(7,212.19)	
12/01/42	575,000	5.750	323,725.00	898,725.00	1,222,450.00	-	(7,212.19)	1,208,026.63
06/01/43	-	-	307,193.75	307,193.75	-	-	(7,212.19)	
12/01/43	610,000	5.750	307,193.75	917,193.75	1,224,387.50	-	(7,212.19)	1,209,963.13
06/01/44	-	-	289,658.25	289,658.25	-	-	(7,212.19)	
12/01/44	650,000	5.750	289,658.25	939,658.25	1,229,312.50	-	(7,212.19)	1,214,988.13
06/01/45	-	-	270,968.75	270,968.75	-	-	(7,212.19)	
12/01/45	690,000	5.750	270,968.75	960,968.75	1,231,937.50	-	(7,212.19)	1,217,613.13
06/01/46	-	-	251,131.25	251,131.25	-	-	(7,212.19)	
12/01/46	725,000	5.750	251,131.25	978,131.25	1,227,262.50	-	(7,212.19)	1,212,838.13
06/01/47	-	-	230,287.50	230,287.50	-	-	(7,212.19)	
12/01/47	765,000	5.750	230,287.50	995,287.50	1,225,075.00	-	(7,212.19)	1,211,150.63
06/01/48	-	-	208,293.75	208,293.75	-	-	(7,212.19)	
12/01/48	805,000	5.750	208,293.75	1,013,293.75	1,221,587.50	-	(7,212.19)	1,207,163.13
06/01/49	-	-	185,150.00	185,150.00	-	-	(7,212.19)	
12/01/49	860,000	5.750	185,150.00	1,045,150.00	1,230,300.00	-	(7,212.19)	1,215,876.63
06/01/50	-	-	160,425.00	160,425.00	-	-	(7,212.19)	
12/01/50	910,000	5.750	160,425.00	1,070,425.00	1,230,850.00	-	(7,212.19)	1,216,425.63
06/01/51	-	-	134,262.50	134,262.50	-	-	(7,212.19)	
12/01/51	955,000	5.750	134,262.50	1,089,262.50	1,223,625.00	-	(7,212.19)	1,209,100.63
06/01/52	-	-	108,808.25	108,808.25	-	-	(7,212.19)	
12/01/52	990,000	5.750	108,808.25	1,066,808.25	1,203,612.50	-	(7,212.19)	1,189,186.13
06/01/53	-	-	78,343.75	78,343.75	-	-	(7,212.19)	
12/01/53	975,000	5.750	78,343.75	1,053,343.75	1,131,687.50	-	(7,212.19)	1,117,263.13
06/01/54	-	-	50,312.50	50,312.50	-	-	(7,212.19)	
12/01/54	1,750,000	5.750	50,312.50	1,800,312.50	1,850,625.00	-	(728,430.94)	1,114,981.88
	18,310,000		19,308,500.00	34,618,500.00	34,618,500.00	0.00	(1,163,950.00)	33,464,550.00

Dated	12/01/24	Average Coupon	5.750000
		NYC	5.818389
Settlement	12/01/24	TIC	5.875988
		Arbitrage Yield	5.750000
		Bond Years	335,800.00
		Average Life	21.93
		Accrued Interest	0.00

**Encore Metropolitan Districts
 In the Town of Johnstown, Colorado
 Limited Mill General Obligation Bonds
 Series 2024**

4
E34
Sources/Uses New
9/15/2014

Sources and Uses of Funds

New Money - Residential Portion Only

Sources

Principal Amount of Bond Issue	15,310,000.00
	<u>15,310,000.00</u>

Uses

Project Funds at Close		14,259,131.25
Reserve Fund	50% of Full Reserve	721,218.75
Bond Discount	\$15.00 /\$1,000	229,650.00
Cost of Issuance		100,000.00
Contingency		0.00
		<u>15,310,000.00</u>

EXHIBIT G

Form of District Disclosure Notice

**Encore on 34 Metropolitan District Nos. 1-3
Town of Johnstown, Larimer County, Colorado**

Notice of Special District Disclosure

(to be provided to every purchaser of real property within the boundaries of the District)

In accordance with § 32-1-104.8, Colorado Revised Statutes, Encore on 34 Metropolitan District Nos. 1-3 (the "Districts") are required to submit a public disclosure to the Larimer County Clerk and Recorder for recording along with maps depicting the boundaries of the Districts, attached hereto as Exhibit A. This document describes the Districts' organization, its powers, the debt it may issue and its financial powers, and describes how properties within the Districts are subject to the payment of property taxes used to pay Debt service on District Debt.

1. Districts' Organization. The Districts are quasi-municipal corporations and political subdivisions of the State of Colorado organized and existing as metropolitan districts pursuant to Title 32, Colorado Revised Statutes, pursuant to an Order and Decree of the District Court and recorded with the Larimer County Clerk and Recorder. The Districts are located entirely within the Town of Johnstown, Colorado (the "Town").

2. Districts' Powers and Service Plan. Powers and authorities of the Districts authorized by § 32-1-1004, Colorado Revised Statutes and the Districts' service plan approved by the Town as of the time of this filing; to provide the public improvements as described in the Service Plan as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth in the Service Plan and any intergovernmental agreement(s) between the Districts and the Town, as any or all of the same may be amended from time to time. A copy of the Districts' Service Plan is on file and available for review at the office of the Town Clerk, the Division of Local Government or the Districts' general counsel, Spencer Fane Britt & Browne, LLP, 1700 Lincoln Street, Suite 2000, Denver, Colorado 80203.

3. Districts' Purpose and Mill Levies. The Districts were organized for the purpose of financing of the "Public Improvements" within and, to the extent necessary to improve or construct adjacent streets, traffic and safety improvements, water, sewer, drainage, storm sewer and related utilities or improvements to connect Public Improvements to existing infrastructure, without the boundaries of the Districts, all to the extent and as more specifically defined in the Approved Development Plan(s) for the Project. Residential properties are subject to payment of a mill levy of 30 mills and commercial properties are subject to a mill levy of 50 mills, each subject to adjustment, for property taxes to pay Debt service and for District expenses. When completed, the Public Improvements shall be dedicated to the Town or other governmental entities, all for the use and benefit of residents and taxpayers or operated and maintained by a property owners association or as designated in approved development plans of the Town.

4. Districts' Revenues. The Districts are authorized by Title 32 of the Colorado Revised Statutes and the Service Plan to use a number of methods to raise revenues for capital needs and general operations costs as limited by the Districts' Service Plan and intergovernmental agreement with the Town of Johnstown. These methods, subject to the

limitations imposed by section 20 of article X of the Colorado Constitution, include issuing debt, levying taxes, and imposing fees and charges.

5. District Bonds. The Districts may issue bonds to provide for the costs of capital improvements within its boundaries. Once the bonds are sold, they must be repaid over time with interest. The annual payment on the bonds is known as "debt service." In order to meet the debt service requirements for the bonds, and to pay operations and maintenance costs associated with the provision of services and district administration and operating costs, the District will impose mill levies as limited under the Service Plan.

6. Mill Levy Limitations. All District bonds or other obligations of which the District has promised to impose an ad valorem property tax mill levy (the "Debt") is expected to be repaid by taxes imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term for residential properties (40 years after the initial imposition of such mill levy), no higher than the Maximum Commercial Debt Mill Levy for commercial property (50 mills) and no higher than the Maximum Residential Debt Mill Levy for residential property (30 mills). Such mill levies may be adjusted or "Gallagherized" if on or after January 1, 2014, there have been changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2014, are neither diminished nor enhanced as a result of such changes.

7. Calculating Mill Levies. A mill is equal to 1/1,000 of the assessed valuation of property, and a levy on one mill equals \$1 of tax for each \$1,000 of assessed value. District taxes are collected as part of the property tax bill from Larimer County. A sample of how District taxes are calculated is attached as Exhibit B.

8. Voter Authorization. Voter approval for the imposition of the District taxes under Section 20 of article X of the Colorado Constitution has been obtained. Information concerning directors, management, meetings, elections and current taxes are provided annually in the Notice to Electors described in § 32-1-809(1), Colorado Revised Statutes, which can be found at the District office, on the Districts' website, on file at the division of local government in the state department of local affairs (available from www.dola.colorado.gov/specialdistricts), or on file at the office of the clerk and recorder of each county in which the special district is located.

EXHIBIT A

**MAPS OF THE PROPERTY WITHIN THE
ENCORE ON 34 METROPOLITAN DISTRICT NOS. 1-3**

Sht. 2 of 2

ENCORE ON 34

METRO DISTRICT NO. 1

TOWN OF JOHNSTOWN, COUNTY OF LARIMER,
STATE OF COLORADO

COUNTY ROAD 3

100°48'14"E (BASIS OF BEARINGS) 2641.47'
(WEST LINE OF SW1/4)

METRO DISTRICT NO. 2

METRO DISTRICT NO. 2
DIRECTOR'S PARCEL

METRO DISTRICT NO. 1

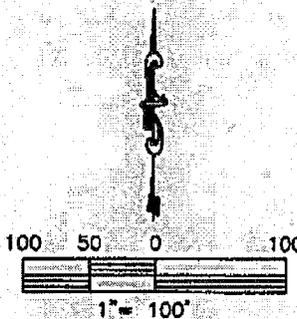
STATE HIGHWAY 34

(SOUTH LINE OF SW1/4)

SOUTHWEST CORNER
SECTION 12, T.5N., R.88W.



NOTE: This exhibit drawing is not intended to be a monumented land survey. It's sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supersedes the exhibit drawing.



KING SURVEYORS

650 E. Garden Drive | Windsor, Colorado 80551

phone: (970) 686-5011 | fax: (970) 686-5831

www.kingsurveyors.com

PROJECT NO: 2014497

DATE: 7/25/2014

CLIENT: HARTFORD

DWG: 2014497METRO-EXH

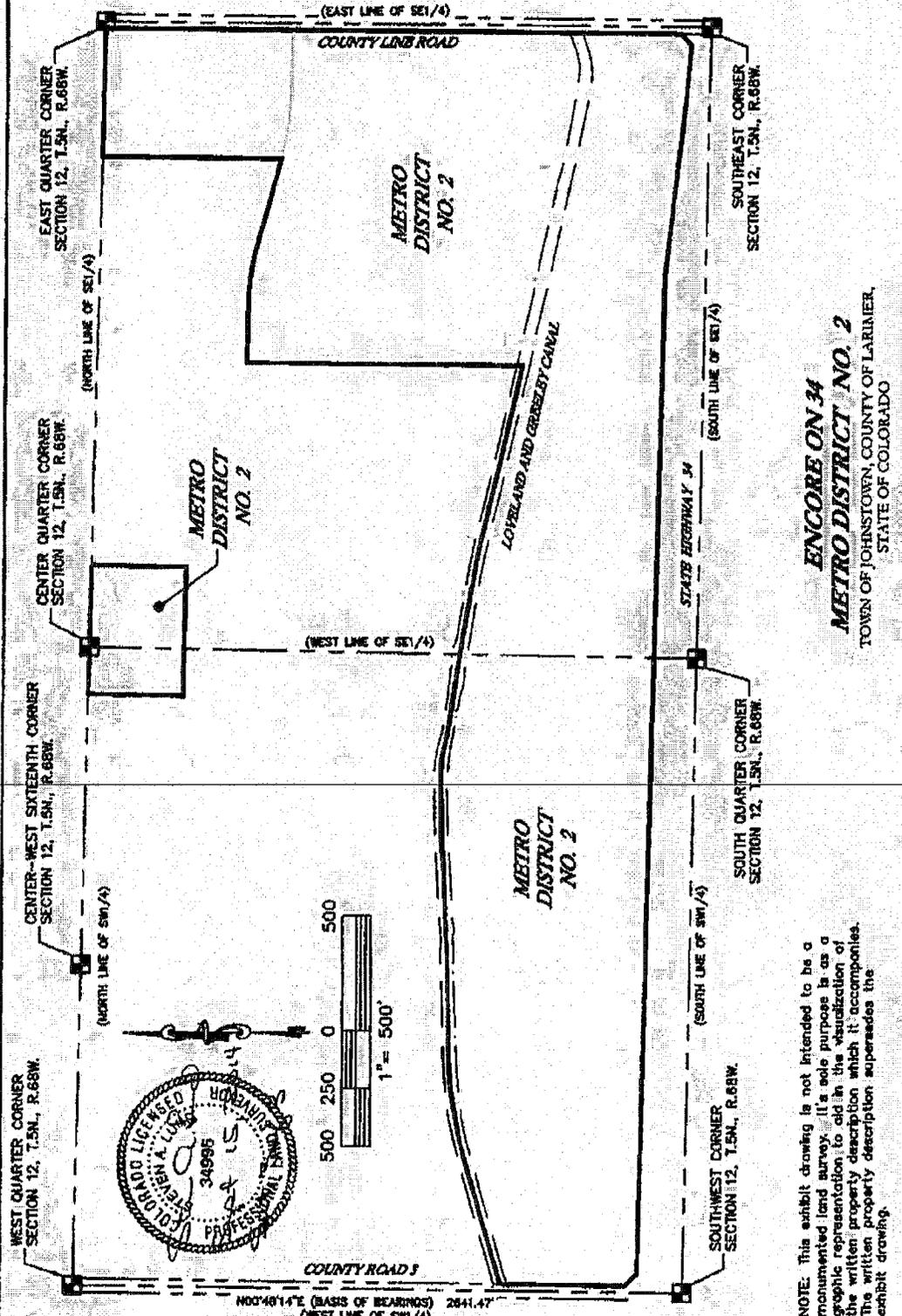
DRAWN: CSK CHECKED: SAL

METRO DISTRICT NO. 2

EXHIBIT

ENCORE ON 34

Sht. 3 of 3



ENCORE ON 34
METRO DISTRICT NO. 2
 TOWN OF JOHNSTOWN, COUNTY OF LARIMER,
 STATE OF COLORADO

NOTE: This exhibit drawing is not intended to be a monumented land survey. It's sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supercedes the exhibit drawing.

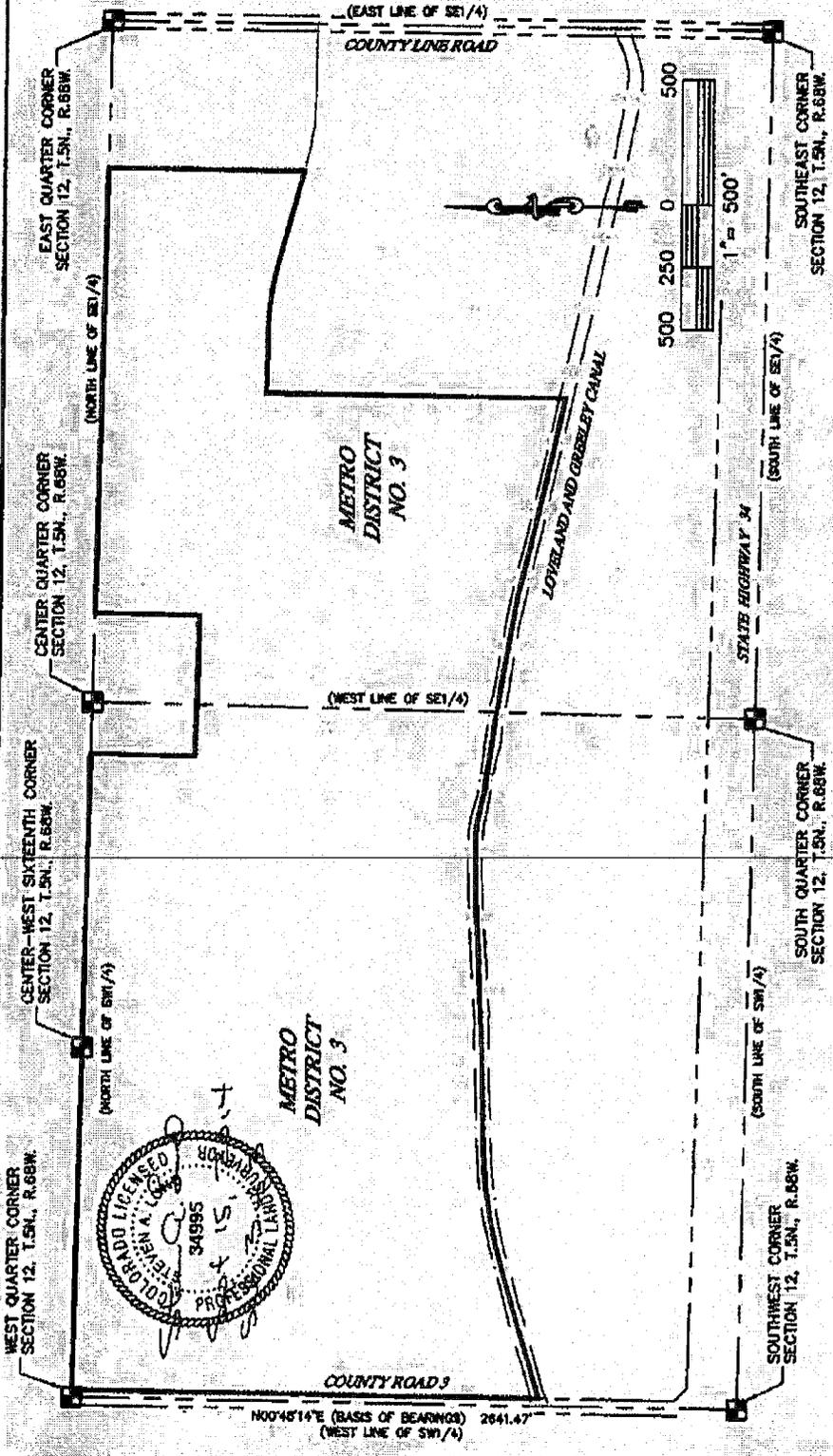


KING SURVEYORS

650 E. Garden Drive | Windsor, Colorado 80550
 phone: (970) 686-5011 | fax: (970) 686-5821
 www.kingsurveyors.com

PROJECT NO: 2014497
 DATE: 7/25/2014
 CLIENT: HARTFORD
 DWG: 2014497METRO-EXH
 DRAWN: CSK CHECKED: SAL

Sht. 3 of 3



EAST QUARTER CORNER
SECTION 12, T.5N., R.68W.

CENTER QUARTER CORNER
SECTION 12, T.5N., R.68W.

CENTER-WEST SIXTEENTH CORNER
SECTION 12, T.5N., R.68W.

WEST QUARTER CORNER
SECTION 12, T.5N., R.68W.

SOUTHEAST CORNER
SECTION 12, T.5N., R.68W.

(SOUTH LINE OF SE1/4)

SOUTH QUARTER CORNER
SECTION 12, T.5N., R.68W.

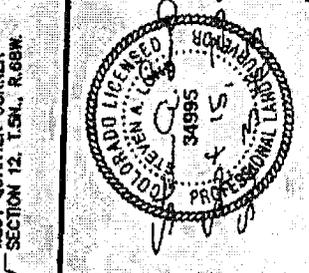
SOUTHWEST CORNER
SECTION 12, T.5N., R.68W.

(WEST LINE OF SE1/4)

(NORTH LINE OF SW1/4)

(SOUTH LINE OF SW1/4)

N00°48'14"E (BASIS OF BEARINGS) 2641.47'
(WEST LINE OF SW1/4)



ENCORE ON 34
METRO DISTRICT MAP NO. 3
 TOWN OF JOHNSTOWN, COUNTY OF LAMIER,
 STATE OF COLORADO

NOTE: This exhibit drawing is not intended to be a monumented land survey. It's sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supersedes the exhibit drawing.



KING SURVEYORS

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 phone: (970) 686-5011 | fax: (970) 686-5821
 www.kingsurveyors.com

PROJECT NO: 2014497
 DATE: 7/25/2014
 CLIENT: HARTFORD
 DWG: 2014497METRO-EXH
 DRAWN: CSK CHECKED: SAL

EXHIBIT B
TO THE
ENCORE ON 34 METROPOLITAN DISTRICT NOS. 1-3
GENERAL FORMULA FOR ASSESSMENT
OF RESIDENTIAL PROPERTY

1. Assessor's office makes a market value determination based upon sales prices of comparable homes in the area (the "Market Property Valuation").
2. Market Property Valuation is multiplied by the assessment rate which is set every odd numbered year and as of January 1, 2014, was 7.96%. The current assessment rate can be obtained from the County Assessor's Office (Market Property Valuation times the assessment rate = Assessment Valuation).
3. Applicable Mill Levy is applied to the Assessment Valuation, resulting in the total assessment to the residential property.

For example, a home and property sold for \$300,000 should have a "market value" of \$300,000. Applying the 7.96% valuation factor produces an assessed valuation of \$23,880. One mill (.001) applied to that assessed valuation produces \$23.88 of additional taxes. The District's projected mill levy of 30.000 mills results in \$716.40 in additional taxes each year.

EXHIBIT H
Part I - Developer Indemnity Letter

{date – on or after date of Service Plan approval}

Town of Johnstown
450 S. Parish Avenue
Johnstown, CO 80534

RE: Encore on 34 Metropolitan District Nos. 1-3

To the Town Council:

This Indemnification Letter (the "Letter") is delivered by the undersigned (the "Developer") in connection with the review by the Town of Johnstown (the "Town") of the Service Plan, including all amendments heretofore or hereafter made thereto (the "Service Plan") for the Encore on 34 Metropolitan District Nos. 1-3 (the "Districts"). Developer, for and on behalf of itself and its transferees, successors and assigns, represents, warrants, covenants and agrees to and for the benefit of the Town as follows:

1. Developer hereby waives and releases any present or future claims it might have against the Town or the Town's elected or appointed officers, employees, agents, contractors or insurers (the "Released Persons") in any manner related to or connected with the adoption of a Resolution of Approval regarding the Town's approval of the District's Service Plan or any action or omission with respect thereto. Developer further hereby agrees to indemnify and hold harmless the Released Persons from and against any and all liabilities costs and expenses (including reasonable attorneys' fees and expenses and court costs) resulting from any and all claims, demands, suits, actions or other proceedings of whatsoever kind or nature made or brought by any property owner or other person or third party which directly or indirectly or purportedly arise out of or are in any manner related to or connected with any of the following: (a) the Service Plan or any document or instrument contained or referred to therein; or (b) the formation of the District; or (c) any actions or omissions of the Developer or the District, or their agents, in connection with the District, including, without limitation, any actions or omissions of the Developer or District, or their agents, in relation to any bonds or other financial obligations of the District or any offering documents or other disclosures made in connection therewith. Developer further agrees to investigate, handle, respond to and provide defense for and defend against, as well as provide defense counsel reasonably chosen by the Developer and pay the attorneys' fees and expenses for such counsel.

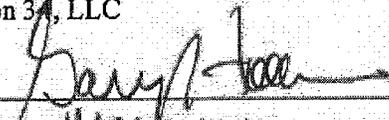
2. Developer hereby consents to the Debt Instrument Disclosure Requirements as set forth Section VI.F of the Service Plan, acknowledges the Town's right to modify the required disclosures, and waives and releases the Town from any claims Developer might have based on or relating to the use of or any statements made or to be made in such disclosures (including any modifications thereto).

3. This Letter has been duly authorized and executed on behalf of Developer.

Very truly yours,

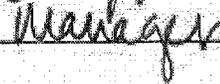
Miracle on 3rd, LLC

By: _____



A handwritten signature in cursive script, appearing to read "Gary Lee", is written over a horizontal line.

Title: _____



The word "Manager" is handwritten in cursive script over a horizontal line.

EXHIBIT H
Part II – District Indemnity Letter

{date – date of organizational meeting}

Town of Johnstown
450 South Parish Avenue
Johnstown, CO 80534

RE: Encore on 34 Metropolitan District Nos. 1-3

To the Town Council:

This Indemnification Letter (the "Letter") is delivered by the Encore on 34 Metropolitan District Nos. 1-3 (the "Districts") in order to comply with the Service Plan, including all amendments heretofore or hereafter made thereto (the "Service Plan") for the Districts. The Districts, for and on behalf of themselves and their transferees, successors and assigns, covenants and agrees to and for the benefit of the Town as follows:

1. The District hereby waives and releases any present or future claims it might have against the Town or the Town's elected or appointed officers, employees, agents, contractors or insurers (the "Released Persons") in any manner related to or connected with the adoption of a Resolution of Approval of the Town of the District's Service Plan or any action or omission with respect thereto. To the fullest extent permitted by law, the District hereby agrees to indemnify and hold harmless the Released Persons from and against any and all liabilities costs and expenses (including reasonable attorneys' fees and expenses and court costs) resulting from any and all claims, demands, suits, actions or other proceedings of whatsoever kind or nature made or brought by any property owner or other person which directly or indirectly or purportedly arise out of or are in any manner related to or connected with any of the following: (a) the Service Plan or any document or instrument contained or referred to therein; or (b) the formation of the District; or (c) any actions or omissions of the District, Miracle on 34, LLC, (the "Developer"), or their agents, in connection with the formation and organization of the District, including, without limitation, any actions or omissions of the District or Developer, or their agents, in relation to any bonds or other financial obligations of the District or any offering documents or other disclosures made in connection therewith, including any claims disputing the validity of the Service Plan and said Resolution of Approval of the Town. The District further agrees to investigate, handle, respond to and to provide defense for and defend against, as well as provide defense counsel reasonably chosen by the District and pay the attorneys' fees and expenses for such defense counsel.

2. It is understood and agreed that neither the District nor the Town waives or intends to waive the monetary limits or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act, § 24-10-101, *et seq.*, C.R.S., as from time to time amended, or any other defenses, immunities, or limitations of liability otherwise available to the Town, the District, its officers, or its employees by law.

3. The District hereby consents to the Debt Instrument Disclosure Requirements as set forth Section VI.F of the Service Plan, acknowledges the Town's right to modify the required disclosures, and waives and releases the Town from any claims the District might have based on or relating to the use of or any statements made or to be made in such disclosures (including any modifications thereto).

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

Very truly yours,

Encore on 34 Metropolitan District No. 1

By: _____
President

Attest:

By: _____
Secretary

Encore on 34 Metropolitan District No. 2

By: _____
President

Attest:

By: _____
Secretary

Encore on 34 Metropolitan District No. 3

By: _____
President

Attest:

By: _____
Secretary

EXHIBIT I

**Intergovernmental Agreement
between Encore on 34 Metropolitan District Nos. 1-3 and Town of Johnstown**

**INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN OF JOHNSTOWN
AND ENCORE ON 34 METROPOLITAN DISTRICT NOS. 1-3**

THIS AGREEMENT is made and entered into to be effective as of the ____ day of _____ 2014, by and between the TOWN OF JOHNSTOWN, a home rule municipal corporation of the State of Colorado (the "Town"), and the ENCORE ON 34 METROPOLITAN DISTRICT NOS. 1-3, quasi-municipal corporations and political subdivisions of the State of Colorado (the "Districts"). The Town and the Districts are collectively referred to as the Parties.

WITNESSETH:

WHEREAS, C.R.S. § 29-1-203 authorizes the Parties to cooperate and contract with one another regarding functions, services and facilities each is authorized to provide; and

WHEREAS, the Districts were organized to provide those services and to exercise powers as are more specifically set forth in the Districts' Service Plan approved by the Town on October 6, 2014 (the "Service Plan"); and

WHEREAS, the Service Plan makes reference to the execution of an Intergovernmental Agreement between the Town and the Districts; and

WHEREAS, for the residential portions of the Project, the Districts shall be limited in their authorization to finance off-site improvements necessary to serve the residential development and parks, trails, or recreation facilities or amenities located within or directly serving the residential development; and

WHEREAS, financing of any other public improvements by residential property shall be subject to Town Council approval and amendment to the Districts' Service Plan in accordance with the terms and conditions of the Service Plan; and

WHEREAS, the Parties have determined that any capitalized term not specifically defined in this Agreement shall have that meaning as set forth in the Service Plan; and

WHEREAS, the Parties have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement ("Agreement") to address construction, payment or reimbursement for the Public Improvements and certain matters related to the organization, powers and authorities of the Districts.

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

1. Incorporation of Recitals. The foregoing recitals are hereby incorporated into and made a part of this Agreement.

2. Operations and Maintenance. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The Districts shall dedicate the Public Improvements to the Town or other appropriate jurisdiction or

owners association in a manner consistent with the Approved Development Plan, other rules and regulations of the Town, and applicable provisions of the Town Code, all as directed by the Town. The Districts shall not be authorized to operate and maintain any part or all of the Public Improvements, unless expressly authorized through a subsequent intergovernmental agreement with the Town approved by the Town Council. Unless otherwise specified in a subsequent intergovernmental agreement with the Town, all parks and trails within any of the Districts shall be open to the general public free of charge.

3. Covenant Enforcement. The Districts shall have the power to provide covenant enforcement and design review services within the Districts if the Districts and the governing body of a master association or similar body contract for such services, or if the declaration, rules and regulations, or any similar document containing the covenants to be enforced for the area within the Districts name the Districts as the enforcement or design review entity. The Districts may provide services other than covenant enforcement and design review, such as community organizations, community events and activities, community marketing, animal control, security and common area maintenance only if expressly authorized through a subsequent intergovernmental agreement with the Town approved by the Town Council. The Districts shall have the power to provide covenant enforcement and design review services only if revenues used to provide such services are derived from the area in which the service is furnished. The Town shall not bear any responsibility for covenant enforcement or design review services within the boundaries of the Districts. The Town's architectural control, design review and other zoning, land use, development, design and other controls are separate requirements that must be met in addition to any similar controls or services undertaken by the Districts.

4. 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 specifically provided in a subsequent intergovernmental agreement with the Town approved by Town Council. The Districts shall not be authorized to provide for ambulance or emergency medical services. This provision shall not limit the Districts' authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system.

5. Television Relay and Translation. The Districts shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless specifically provided in a subsequent intergovernmental agreement with the Town approved by Town Council.

6. Construction Standards Limitation. The Districts shall ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the Town and of federal and state governmental entities having proper jurisdiction and of those special districts that qualify as "interested persons" under Section 32-1-204(1), C.R.S., as applicable. The Districts shall obtain the Town's written approval of civil engineering plans and shall obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

7. Residential Public Improvements Limitation. For the residential portions of the Project, the Districts are authorized to plan for, design, acquire, construct, install, and finance solely those Public Improvements that are either (i) off-site improvements necessary to serve the residential development, or (ii) are parks, trails, or recreation facilities or amenities located within or directly serving the residential development. The Districts shall not impose any mill levy, Development Fee or other Fees upon residential property for the design, acquisition, construction, installation or financing of any other Public Improvements without first obtaining Town Council approval in the form of an amendment to the Service Plan, which amendment shall be deemed to be a material modification of the Service Plan. The Town Council may require in connection with any such proposed amendment the execution of a subsequent intergovernmental agreement with the Town governing the subject matter of such amendment.

8. Property Acquisition Limitation: Transfer Requirement. The District shall not exercise any power of dominant eminent domain against the Town without the prior written consent of the Town Council acting by resolution or ordinance. The District shall at no expense to the Town and, at the time requested by the Town, transfer to the Town all rights-of-way, fee interests and easements that the Town determines are necessary for access to and operation and maintenance of the Public Improvements, consistent with the Approved Development Plan(s).

9. Zoning and Land Use Requirements; Sales and Use Tax. The Districts agree that they shall be subject to all of the Town's zoning, subdivision, building code and other land use requirements. The District shall not exercise any exemption from Town sales or use tax, whether directly or indirectly.

10. Issuance of Privately Placed Debt. Prior to the issuance of any privately placed bonds or other obligations, the payment of which the Districts has promised to impose an *ad valorem* property tax mill levy ("Debt"), the Districts shall obtain the certification of an External Financial Advisor substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the Districts' 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 the Districts for the [insert the designation of the Debt] does not exceed a market [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 Districts.

The Districts may receive initial funding for both capital and ongoing administrative requirements from developer advances. Such advances may be made to the Districts subject to the Districts' obligation to reimburse the same, as may be evidenced by short-term reimbursement agreements or other acceptable agreements or resolutions, any of which shall be considered Debt. The interest rate on developer reimbursements shall not exceed the lesser of the current Bond Buyer 20-Bond GO index plus four percent (4%), or the twelve percent (12%)

maximum amount stated in Section VI.B. Developer reimbursements shall be subordinate to any other Bonds or Debt of the Districts.

In addition, the District shall, upon written request of the Town Manager, provide the Town with the then-current names and contact information for all holders of any privately placed Debt.

11. Inclusion, Exclusion and Overlap Limitations. The Districts shall not include within any of their boundaries any property outside the Service Area (which is limited to the Initial Boundaries and Future Inclusion Area Boundaries) without the prior written consent of the Town Council. Subject to that limitation, the Districts shall include within their boundaries only property that has been annexed to the Town and no portion of any of the Districts shall ever consist of property not within the Town's corporate boundaries. The Districts shall not petition to exclude any property from the District without the prior written consent of the Town Council. The District shall not exclude any property from the District if such exclusion will result, or is reasonably anticipated to result, in detriment to the remaining residents and taxpayers within the District, or to the District's bondholders. Subject to the foregoing limitations, the Districts shall follow the procedure for inclusion and exclusion of property as provided in Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S.

The boundaries of the Districts shall not overlap unless the aggregate mill levy for payment of Debt of the overlapping Districts will not at any time exceed the Commercial Maximum Debt Mill Levy for commercial property or the Residential Maximum Debt Mill Levy for residential property. Additionally, the Districts shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the Districts unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Commercial Maximum Debt Mill Levy for commercial property or the Residential Maximum Debt Mill Levy for residential property.

12. Eminent Domain Limitation. The District shall not be authorized to utilize the power of eminent domain except as otherwise provided pursuant to a subsequent intergovernmental agreement with the Town approved by the Town Council.

13. Water Rights/Resources Limitation. The District shall not acquire, own, manage, adjudicate or develop water rights or resources except as otherwise provided pursuant to a subsequent intergovernmental agreement with the Town approved by the Town Council.

14. Total Debt Issuance; Fee and Mill Levy Limitations. The Districts shall not issue Debt in excess of \$66,000,000 in total aggregate principal amount, which limit is a combined, total aggregate amount for all Districts. Notwithstanding the foregoing, the Districts shall not issue Debt in excess of \$50,000,000 in total aggregate principal amount unless and until all of the lands within the Inclusion Area Boundaries described in the Service Plan are included in the Districts. The Districts are not authorized to assess or collect any Development Fees and, unless specifically authorized through a subsequent intergovernmental agreement approved by the Town Council, the Districts shall not impose or assess any Development Fees or any other Fees, rates, tolls, penalties, or charges without first obtaining Town Council approval of an amendment to this Service Plan, which amendment shall be deemed to be a material modification of the Service Plan.

Neither the Service Plan nor this Agreement authorizes the Districts any additional operations and maintenance mill levies. Therefore, unless authorized through a separate, future intergovernmental agreement with the Town approved by the Town Council, the Districts shall impose no mill levy on commercial property other than the Commercial Maximum Debt Mill Levy (50 mills maximum, subject to Gallagher Adjustment) and the Districts shall impose no mill levy on residential property other than the Residential Maximum Debt Mill Levy (30 mills maximum, subject to Gallagher Adjustment), and any levies for operations and maintenance shall be within such maximum limits.

15. Initial Debt Limitation. On or before the effective date of approval by the Town of an Approved Development Plan consisting of a Preliminary Development Plan for the Project under Chapter 16, Article XVII of the Town Code, the Districts shall not impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds. Further, on or before the effective date of approval by the Town of an Approved Development Plan consisting of a Final Subdivision Plat within and for any portion the Project under Chapter 16, Article XVII of the Town Code, the Districts shall not: (a) issue any Debt; or (b) impose and collect any Development Fees or other Fees that may be authorized pursuant to a subsequent intergovernmental agreement with the Town to be used for the purpose of repayment of Debt.

16. Monies from Other Governmental Sources. The Districts shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds or grants available from or through governmental or non-profit entities that the Town is eligible to apply for, except as may be specifically authorized by prior written approval from Town Council. This Section shall not apply to specific ownership taxes which shall be distributed to and constitute a revenue source for the Districts without any limitation.

17. Consolidation; Dissolution. The Districts shall not file a request with any Court to consolidate with another Title 32 district, whether one of the Districts or otherwise, without the prior written approval of the Town Council. The Districts agree that they shall take all action necessary to dissolve the Districts in accordance with the provisions of the Service Plan and applicable state statutes.

18. Bankruptcy. All of the limitations contained in the Service Plan and in any subsequent intergovernmental agreement with the Town, including, but not limited to, those pertaining to the Commercial Maximum Debt Mill Levy, the Residential Maximum Debt Mill Levy, the total debt issuance limitation, the Maximum Debt Mill Levy Imposition Term, and the maximum amounts of any Development Fees or other Fees, have been established under the authority of the Town to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

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

(b) are, together with all other requirements of Colorado law, included in the "political or governmental powers" reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the "regulatory or electoral approval necessary under applicable

nonbankruptcy law" as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Commercial Maximum Debt Mill Levy, the Residential Maximum Debt Mill Levy, or the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the Town as part of a Service Plan Amendment. The Town shall be entitled to all remedies available at law to enjoin such actions of the District.

19. Revenue Bond Limitation. The Districts shall not issue revenue bonds, except as set forth in this Section. Prior to issuing any revenue bonds, the District or Districts proposing to issue such revenue bonds shall submit all relevant details of such issuance to the Town Council, which may elect to treat the issuance of revenue bonds as a material modification of the Service Plan. If the Town Council determines that the issuance of revenue bonds constitutes a material modification of the Service Plan, the Districts shall proceed to amend the Service Plan in accordance with Section 32-1-207, C.R.S. prior to issuing any revenue bonds.

20. Public Improvement Fee and Sales Tax Limitation. The District shall not impose, collect, receive, spend or pledge to any Debt any fee, assessment, tax or charge which is collected by a retailer in the District on the sale of goods or services by such retailer and which is measured by the sales price of such goods or services, except as provided pursuant to a subsequent intergovernmental agreement with the Town approved by the Town Council.

21. Use of Proceeds and Revenues Limitations. Proceeds from the sale of Debt instruments and other revenue of the Districts may not be used to pay landowners within the District for any real property, easements or other interests required to be dedicated for public use by annexation agreements or the Town's land use codes or development requirements. Additionally, if the landowner/developer constructs the public infrastructure and conveys it to the District in return for a reimbursement obligation from the District, prior to making such reimbursement for such amounts, the District must receive the report of an independent engineer or accountant confirming that the amount of the reimbursement is reasonable.

22. Reimbursement Agreements. If the Districts utilize reimbursement agreements to obtain reimbursements from third-party developers or adjacent landowners for costs of improvements that benefit third-party landowners, such agreements shall be done in accordance with Town Code. In addition, if a reimbursement agreement is entered into for an improvement financed by the District, any and all resulting reimbursements shall be deposited in the Districts' Debt service fund and used for the purposes of retiring the Districts' Debt.

23. Service Plan Amendment Requirement. Any action of the Districts which violates the limitations set forth in Sections V.A.1-21 or VI.B-K of the Service Plan, or which constitutes a material modification under Town Code, shall be deemed to be a material modification to the Service Plan and the Town shall be entitled to all remedies available under State and local law to enjoin any such action(s) of the Districts. The Town may also seek damages for breach of this Agreement arising from violations by the Districts of any provision of the Service Plan or this Agreement.

24. Applicable Laws. The Districts acknowledge that the property within their boundaries shall be subject to all ordinances, rules and regulations of the Town, including without limitation, ordinances, rules and regulations relating to zoning, subdividing, building and land use, and to all related Town land use policies, master plans and related plans. The Districts also acknowledge and agree that they shall comply with all applicable state and federal laws and regulations.

25. Annual Report. The Districts shall submit an annual report ("Annual Report") to the Town no later than September 1st of each year following the year in which the Order and Decree creating the Districts have been issued by the District Court for and in Larimer County, Colorado, containing the information set forth in the Service Plan.

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

To the Districts: Encore on 34 Metropolitan Districts
 Attn: President
 c/o Miracle on 34, LLC
 1218 Ash Street
 Windsor, CO 80550
 Phone: (970) 674-1109
 Fax: (970) 674-0203

With copy to: Spencer Fane Britt & Browne LLP
 Attn: David Sean O'Leary
 1700 Lincoln Street, Suite 2000
 Denver, CO 80203
 Phone: (303) 839-3800
 Fax: (303) 839-3838

To the Town: Town of Johnstown
 Roy Lauricello, Town Manager
 450 South Parish Avenue
 Johnstown, CO 80534
 Phone: (970) 587-4664
 Fax: (970) 587-0141

With copy to: Law Office of Avi S. Rocklin, LLC
 Avi S. Rocklin, Town Attorney
 19 Old Town Square, Suite 238
 Fort Collins, CO 80524
 Phone: (970) 419-8226
 Fax: (970) 797-1806

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

27. District Disclosure. The Districts shall record the disclosure notice required by the Service Plan, the specimen form of which is **Exhibit G** to the Service Plan, prior to the Districts' certification of the formation of the Districts to the Colorado Division of Local Government as required by Section 32-1-306, C.R.S. In addition to recording such notice, the Districts shall provide information to potential residential buyers by furnishing information describing the key provisions of the approved Districts to the developer or home builders for prominent display at all sales offices and by inspecting the sales offices within the Districts' boundaries on a quarterly basis to assure the information provided is accurate and prominently displayed. Such information shall include the Residential Maximum Debt Mill Levy and associated taxes and Development Fees and other Fees, if any, that may be imposed on each property for each year the District is in existence and the improvements that are or have been paid for by the District.

28. Districts' Obligation for Town Costs. The Districts shall be responsible for payment of the Town consultant, legal and administrative costs associated with the review and processing of any modification or amendment of the Service Plan or any administrative approval requested or required of the Town in effecting the provisions of the Service Plan or this Agreement. The Town may require a deposit of such estimated costs. The foregoing shall not limit the authority of the Town to impose legislatively adopted application or other fees.

29. Miscellaneous.

A. Effective Date. This Agreement shall be in full force and effect and be legally binding upon final approval of the governing bodies of the Parties. No Debt shall be issued by the Districts until after the effective date of this Agreement and compliance with the other limitations set forth in the Service Plan and this Agreement.

B. Nonassignability. No party to this Agreement may assign any interest therein to any person without the consent of the other party hereto at that time, and the terms of this Agreement shall inure to the benefit of and be binding upon the respective representatives and successors of each party hereto.

C. Amendments. This Agreement may be amended from time to time by written amendment, duly authorized and signed by representatives of the parties hereto.

D. Severability. If any section, subsection, paragraph, clause, phrase, or other provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause, phrase, or other provision shall not affect any of the remaining provisions of this Agreement.

E. Execution of Documents. This Agreement shall be executed in counterparts, either of which shall be regarded for all purposes as one original. Each party agrees that it will execute any and all deeds, instruments, documents, and resolutions or ordinances necessary to give effect to the terms of this Agreement.

F. Waiver. No waiver by either party of any term or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different provision of this Agreement.

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

H. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for all actions brought hereunder shall be in the District Court in and for Larimer County.

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

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

K. No Third Party Beneficiaries. No person or entity who or which is not a party to this Agreement will have any right of action under this Agreement.

L. Entirety. This Agreement merges and supersedes all prior negotiations, representations, and agreements between the parties hereto relating to the subject matter hereof and this Agreement, together with the Service Plan provisions that serve to supplement or complement this Agreement, constitutes the entire agreement between the Parties concerning the subject matter hereof.

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

TOWN OF JOHNSTOWN, COLORADO

Mark Romanowski, Mayor

ATTEST:

Diana Seele, Town Clerk

APPROVED AS TO FORM:

Avi Rocklin, Town Attorney

**ENCORE ON 34
METROPOLITAN DISTRICT NO. 1**

By: _____
President

Attest:

By: _____
Secretary

**ENCORE ON 34
METROPOLITAN DISTRICT NO. 2**

By: _____
President

Attest:

By: _____
Secretary

**ENCORE ON 34
METROPOLITAN DISTRICT NO. 3**

By: _____
President

Attest:

By: _____
Secretary

