

**GRAND JUNCTION CITY COUNCIL
WORKSHOP**

**MONDAY, AUGUST 3, 2009 11:30 A.M.
ADMINISTRATION CONFERENCE ROOM
2ND FLOOR CITY HALL
250 N. 5TH STREET**

1. **Mesa State College Foundation – Formation of Special Districts**
[*Attach W-1*](#)
2. **PSI Discussion**
3. **Adjourn**

**Mesa State Foundation Special District
CITY OF GRAND JUNCTION**

CITY COUNCIL AGENDA			
Subject	Service Plans for Proposed 29 & D District No. 1 and No. 2, including Intergovernmental Agreements		
File #			
Meeting Day, Date	Monday, August 3, 2009		
Placement on the Agenda	Consent		Individual
Date Prepared	July 24, 2009		
Author Name & Title	Jamie B. Beard, Assistant City Attorney		
Presenter Name & Title	John Shaver, City Attorney MaryAnn McGeady, McGeady Sisneros, P.C.		

Summary: Review of proposed Service Plans for the formation of two metropolitan districts, the 29 & D Metropolitan District No. 1 and No. 2 (“Districts”), for property owned by the Mesa State College Real Estate Foundation. The Districts are being created for financing public improvements on the land within the Districts.

Budget: No budget impact for the City. Please see the attached Financial Plans for the budgets regarding each District.

Action Requested/Recommendation: Consideration of the Service Plans, Intergovernmental Agreements and recommendation of any changes.

Attachments:

- Service Plan for 29 & D Metropolitan District No. 1 with Intergovernmental Agreement
- Service Plan for 29 & D Metropolitan District No. 2 with Intergovernmental Agreement
- Supplemental Information for each Service Plan

Background Information: On December 15, 2008, City Council approved a Planned Development with an outline development plan with a default zone for Mixed Use for the property located at 2899 D 1/2 Road. In accordance with the approval the property is to develop with residential uses, commercial uses and industrial uses.

Two districts are proposed to finance public improvements for the development. The 29 & D Metropolitan District No. 1 is for the public improvements for the land utilized for residential purposes and the 29 & D Metropolitan District No. 2 is for the public improvements for the land utilized for the commercial/industrial purposes.

Pursuant to Sections 32-1-101, *et seq.*, C.R.S. a special district, referred to as a “Metropolitan District” may be created for public improvement services. If the proposed district

is wholly within the boundaries of a municipality, then the governing body for the municipality has the authority to approve the service plan as submitted, to disapprove the service plan as submitted, or to conditionally approve the service plan subject to the submission of additional information relating to, or the modification, of the proposed service plan or by agreement with the proponents of the proposed service plan.

Pursuant to Section 32-1-202(2), C.R.S., the governing body “shall find that the service plan contains the following:

- (a) A description of the proposed services;
- (b) A financial plan showing how the proposed services are to be financed, including the proposed operating revenue derived from property taxes for the first budget year of the district, which shall not be materially exceeded except as authorized pursuant to section 32-1-207 (approved under the same procedures as the original service plan) or 29-1-302 (approval of the local division of government or election approval), C.R.S. All proposed indebtedness for the district shall be displayed together with a schedule indicating the year or years in which the debt is scheduled to be issued. The board of directors of the district shall notify the board of county commissioners or the governing body of the municipality of any alteration or revision of the proposed schedule of debt issuance set forth in the financial plan.
- (c) A preliminary engineering or architectural survey showing how the proposed services are to be provided;
- (d) A map of the proposed special district boundaries and an estimate of the population and valuation for assessment of the proposed special district;
- (e) A general description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of the proposed special district are compatible with facility and service standards of any county within which all or any portion of the proposed special district is to be located, and of municipalities and special districts which are interested parties pursuant to section 32-1-204(1);
- (f) A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the district;
- (g) A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the proposed special district and such other political subdivision, and, if

the form contract to be used is available, it shall be attached to the service plan;

- (h) Information, along with other evidence presented at the hearing, satisfactory to establish that each of the criteria set forth in section 32-1-203 (see below), if applicable, is met;
- (i) Such additional information as the governing body may require by resolution on which to base its findings pursuant to section 32-1-203 (see below);

Pursuant to Section 32-1-203(2), C.R.S., the governing body “shall disapprove the service plan unless evidence satisfactory to the board of each of the following is presented:”

- (a) There is sufficient existing and projected need for organized service in the area to be serviced by the proposed special district.
- (b) The existing service in the area to be served by the proposed special district is inadequate for present and projected needs.
- (c) The proposed special district is capable of providing economical and sufficient service to the area within its proposed boundaries.
- (d) The area to be included in the proposed special district has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

Pursuant to Section 32-1-203 (2.5), C.R.S. the governing body may disapprove the service plan if evidence satisfactory to the governing body that any of the following is not presented:

- (a) Adequate service is not, or will not be, available to the area through the county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.
- (b) The facility and service standards of the proposed special district are compatible with the facility and service standards of each county within which the proposed special district is to be located and each municipality which is an interested party under section 32-1-204(1) (the City of Grand Junction).
- (c) The proposal is in substantial compliance with a master plan adopted pursuant to section 30-28-106, C.R.S. (the City of Grand Junction’s Growth Plan).
- (d) The proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the

area.

- (e) The creation of the proposed special district will be in the best interests of the area proposed to be served.

City Staff has reviewed the service plans and the intergovernmental agreements along with the additional information provided (included herein as attachments) and believe that the service plans include the required information, that the intergovernmental agreements are appropriate with the service plans, and that the criteria have been met, but it is City Council, as the governing body, that has the authority to review, consider and make the determination that the service plans are sufficient, that the criteria have been met for purposes of approval of the service plans, and to give the approval to enter into the intergovernmental agreements.

SERVICE PLAN

FOR

29 & D METROPOLITAN DISTRICT NO. 1

CITY OF GRAND JUNCTION, COLORADO

Prepared

by

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Submitted: July 27, 2009

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EXHIBIT A	Legal Descriptions
EXHIBIT B	Vicinity Map
EXHIBIT C-1	Initial District Boundary Map
EXHIBIT C-2	Inclusion Area Boundary Map
EXHIBIT D	Intergovernmental Agreement

I. INTRODUCTION

A. Purpose and Intent.

The District is an independent unit of local government, separate and distinct from the City, as hereinafter defined, and, except as may otherwise be provided for by State, as hereinafter defined, or local law or this Service Plan, its activities are subject to review by the City only insofar as they may deviate in a material manner from the requirements of the Service Plan or intergovernmental agreements between the City and the District. It is intended that the District will provide a part or all of the Public Improvements, as hereinafter defined, for the use and benefit of the inhabitants and taxpayers of the District. The primary purpose of the District will be to finance the construction of these Public Improvements.

B. Need for the District.

There are currently no other governmental entities, including the City, located in the immediate vicinity of the District that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the Public Improvements needed for the Project, as hereinafter defined. The District is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economical manner possible.

C. Objective of the City Regarding District's Service Plan.

The City's objective in approving the Service Plan for the District is to authorize the District to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the Public Improvements from the proceeds of Debt, as hereinafter defined, to be issued by the District. All Debt is expected to be repaid by taxes, fees, rates and tolls. No debt service mill levy shall be imposed and collected at a level higher than the Maximum Debt Mill Levy, as hereinafter defined, for commercial and residential properties. Debt which is issued within these parameters, as further described in the Financial Plan, as hereinafter defined, 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 both a limited purpose for the District and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with development and regional needs, and to provide certain operation and maintenance services related to the maintenance of landscaping improvements and related to covenant enforcement, as provided under Section 32-1-1004(8)(a), C.R.S. Additional operational activities are allowed, but only as authorized by an intergovernmental agreement with the City.

It is the intent of the District to 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 the District has operating functions, to retain only the power necessary to impose and collect taxes or fees to pay for these costs.

The District 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 the Maximum Debt Mill Levy on commercial and 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 than that associated with the Maximum Debt Mill Levy even under bankruptcy or other unusual situations. Generally, the cost of Public Improvements that cannot be funded within these parameters are not costs to be paid by the District.

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 City for identifying, among other things, Public Improvements necessary for facilitating development of property within the Service Area as approved by the City pursuant to the City Code and as amended pursuant to the City Code from time to time.

Board: means the board of directors of the District.

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.

City: means the City of Grand Junction, Colorado.

City Code: means the City Code of the City of Grand Junction, Colorado.

City Council: means the City Council of the City of Grand Junction, Colorado.

District: means 29 & D Metropolitan District No. 1.

District No. 2: means 29 & D Metropolitan District No. 2.

Districts: means District No. 2 and the District collectively.

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

Financial Plan: means the combined Financial Plan of the Districts as 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.

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.

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 District's initial boundaries.

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

Project: means the development or property commonly referred to as 29 & D.

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

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 District as approved by City Council.

Service Plan Amendment: means an amendment to the Service Plan as approved by City Council in accordance with the City's ordinance and 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.

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

III. BOUNDARIES

The area of the Initial District Boundaries includes approximately 400 square feet and the total area proposed to be included in the Inclusion Area Boundaries is approximately 151.82 acres. A legal description of the Initial District Boundaries and the Inclusion Area Boundaries is attached hereto as **Exhibit A**. A vicinity map is attached hereto as **Exhibit B**. 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**. It is anticipated that the District's boundaries may

change from time to time as it undergoes inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Article V below.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION

The Service Area consists of approximately 151.82 acres of land. The current assessed valuation of the Service Area is \$-0- 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 population of the District at build-out is estimated to be approximately two thousand two hundred forty eight (2,248) people.

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

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the District and Service Plan Amendment.

The District shall have the power and authority to provide the Public Improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is described in the Special District Act and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein.

1. Operations and Maintenance Limitation. The purpose of the District is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. It is not the District's intention to own any Public Improvements that are of the type that would normally be dedicated to the City. The District shall dedicate the Public Improvements to the appropriate jurisdiction in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code.

Those Public Improvements that are not conveyed to the City, or other governmental entities, will be conveyed to the owners association, as appropriate. With regard to those Public Improvements that will be dedicated to the owners association, the District shall undertake the operations and maintenance responsibilities for the improvements until such time as they are accepted by the owners association. Additionally, the District shall be authorized to provide ongoing services related to the maintenance of landscaping improvements and related to covenant enforcement, as provided under Section 32-1-1004(8)(a), C.R.S. Additional ongoing operational activities are allowed, but only as authorized by an intergovernmental agreement with the City. During the period that District operates such facilities, revenue to pay the expenses of operations may be obtained from fees legally imposed by the District or other legally available revenues of the District. User fees for use of recreational facilities may be different for

residents of the District than for outside users. Approval of this Service Plan by the City constitutes the City's agreement that the District may perform these functions.

2. Acquisition of Land for Public Improvements and Easements. The District agrees to acquire by easement or plat dedication, or cause the dedication to the City of all land required by the City for construction of public improvements being provided by the District that will be conveyed to the City. Exceptions must be approved by the City in writing. Failure to comply with this provision shall be deemed to be a material modification of this Service Plan.

3. Construction Standards Limitation. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City or other governmental entities having proper jurisdiction. The District will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

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

We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

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

5. Inclusion Limitation. The District shall not include within its boundaries any property outside the Service Area without the prior written consent of the City Council. The District shall not include within any of its boundaries any property inside the Inclusion Area boundaries without the prior written consent of the City Council except upon petition of the fee owner or owners of one hundred percent of such property as provided in Section 32-1-401(1)(A), C.R.S.

6. Overlap Limitation. 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 Maximum Debt Mill Levy of the Districts. 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 Maximum Debt Mill Levy of the Districts.

7. Total Debt Issuance Limitation. The District shall not issue Debt in excess of forty million dollars (\$40,000,000).

8. Monies from Other Governments/Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the District without any limitation.

9. Consolidation Limitation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City, unless such consolidation is with District No. 2.

10. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, have been established under the authority of the City to approve a Service Plan with conditions, pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

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

(b) Are, together with all other requirements of 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 Maximum Debt Mill Levy, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S., and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment.

11. Service Plan Amendment Requirement. This Service Plan has been designed with sufficient flexibility to enable the District to provide required services and facilities under evolving circumstances without the need for numerous amendments. Actions of the District which violate the limitations set forth in this Service Plan or an intergovernmental agreement shall be deemed to be material modifications to this Service Plan and breaches of such intergovernmental agreement, and the City shall be entitled to all remedies available at law or in equity under State and local law.

B. Preliminary Engineering Survey.

The District shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements within and without the boundaries of the District, to be more specifically defined in an Approved Development Plan. An estimate of the costs of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed was prepared based upon a preliminary engineering survey and estimates derived from the zoning on the property in the Service Area and is approximately fifty million nine hundred sixty nine thousand five hundred eighty dollars (\$50,969,580).

All of the Public Improvements will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the City and shall be in accordance with the requirements of the Approved Development Plan. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

C. Multiple District Structure.

It is anticipated that the Districts, collectively, will undertake the financing and construction of the improvements contemplated herein. Specifically, the Districts shall enter into an Intergovernmental Agreement which shall govern the relationships between and among the Districts with respect to the financing, construction and operation of the improvements contemplated herein. The District will establish a mechanism whereby any one or more of the Districts may separately or cooperatively fund, construct, install and operate the improvements.

VI. FINANCIAL PLAN

A. General.

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its revenues and by and through the proceeds of Debt to be issued by the District. The Financial Plan for the District shall be to issue such Debt as the District can reasonably pay from revenues derived from the Maximum Debt Mill Levy and other legally available revenues. The total Debt that the District shall be permitted to issue shall not exceed forty million dollars (\$40,000,000) and shall be permitted to be issued on a schedule and in such year or years as the District determines shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including general *ad valorem* taxes to be imposed upon all taxable property within the District. The District will also rely upon various other revenue sources authorized by law. These will include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. In the event of a default, the proposed maximum interest rate on any Debt is not expected to exceed eighteen percent (18%). The proposed maximum underwriting discount will be five percent (5%). Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

C. Maximum Debt Mill Levy.

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

1. For any portion of any aggregate District's Debt which exceeds fifty percent (50%) of the District's assessed valuation, the 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; adjusted to account for 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 (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, 2009, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

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

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

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

D. Debt Repayment Sources.

The District 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. The District may also rely upon various other revenue sources authorized by law. At the District's discretion, these may include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(I), C.R.S., as amended from time to time. In no event shall the debt service mill levy in the District exceed the Maximum Debt Mill Levy.

E. 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 District. Similar language 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 District.

F. Security for Debt.

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

G. TABOR Compliance.

The District will comply with the provisions of TABOR. In the discretion of the Board, the District may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the District will remain under the control of the District's Board.

H. District's Operating Costs.

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the District's organization and initial operations, is part of the estimated cost of Public Improvements, which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the District will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained. The first year's operating budget for the District is anticipated to be approximately fifty thousand dollars (\$50,000) and will be derived from property taxes, developer advances and other revenues.

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

VII. ANNUAL REPORT

A. General.

The District shall be responsible for submitting an annual report to the City Attorney's office no later than August 1st of each year.

B. Report Contents.

The annual report shall include information as to any of the following:

1. Boundary changes made or proposed to the District's boundary as of December 31st of the prior year.
2. Agreements with other governmental entities, either entered into or proposed as of December 31st of the prior year.
3. A list of all facilities and improvements constructed or acquired by the District and those that have been dedicated to and accepted by the City as of December 31st of the prior year.
4. Audit of the District's financial statements, for the year ending December 31st of the previous year, prepared in accordance with generally accepted accounting principles or audit exemptions, if applicable.
5. Notice of continuing disclosure undertaking for events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.
6. Any inability of the District to pay its obligations as they come due in accordance with the terms of and Debt instruments, which continue beyond a ninety (90) day period.

VIII. DISSOLUTION

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

IX. DISCLOSURE TO PURCHASERS

The District will use reasonable efforts to assure that all developers of the property located within the District provide written notice to all purchasers of property in the District regarding the Maximum Debt Mill Levy, as well as a general description of the District's authority to impose and collect rates, fees, tolls and charges.

X. INTERGOVERNMENTAL AGREEMENT

The form of the intergovernmental agreement is attached hereto as **Exhibit D**. The District shall approve the intergovernmental agreement in the form attached as **Exhibit D** within ninety (90) days of the date of organization. Failure of the District to execute the intergovernmental agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment. The City Council shall approve the intergovernmental agreement in the form attached as **Exhibit D** at the public hearing approving the Service Plan.

The intergovernmental agreement may be amended by mutual agreement of the City and District, which amendment shall not require this Service Plan to be amended. In the event of conflict between the intergovernmental agreement and this Service Plan, the intergovernmental agreement shall govern.

XI. CONCLUSION

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

1. There is sufficient existing and projected need for organized service in the area to be serviced by the District;
2. The existing service in the area to be served by the District is inadequate for present and projected needs;
3. The District is capable of providing economical and sufficient service to the area within its proposed boundaries;
4. The area to be included in the District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis; and
5. Adequate service is not, and will not be, available to the area through the City or county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;
6. The facility and service standards of the District are compatible with the facility and service standards of the City within which the special district is to be located and each municipality which is an interested party under Section 32-1-204(1), C.R.S.;
7. The proposal is in substantial compliance with a comprehensive plan adopted pursuant to the City Code;
8. The proposal is in compliance with any duly adopted City, regional or state long-range water quality management plan for the area; and
9. The creation of the District is in the best interests of the area proposed to be served.

EXHIBIT A
Legal Descriptions

District No. 1
Initial District Boundaries

PART OF THE NW ¼ OF THE SE ¼ OF SECTION 18, TOWNSHIP 1 SOUTH, RANGE 1 EAST, UTE MERIDIAN, MESA COUNTY, COLORADO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE C ¼ CORNER OF THE SAID SECTION 18;
THENCE S00°25'42"E 423.13 FEET TO THE TRUE POINT OF BEGINNING;
THENCE N89°34'18"E 20.00 FEET; THENCE S00°25'42"E 20.00 FEET
THENCE S89°34'18"W 20.00 FEET; THENCE N00°25'42"W 20.00 FEET
TO THE POINT OF BEGINNING AND CONTAINING 400 SF MORE OR LESS.

Inclusion Area

A PORTION OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 1 SOUTH, RANGE 1 EAST OF THE UTE MERIDIAN LYING SOUTH OF THE DENVER AND RIO GRANDE WESTERN RAILROAD HUMP YARD AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL 1:

Commencing at the Southeast corner of the SW $\frac{1}{4}$ of Section 18, Township 1 South, Range 1 East of the Ute Meridian;
thence running East along the South line of said Section 18 a distance of 70 rods;
thence North 80 rods, more or less, to the North line of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 18;
thence West 70 rods to the East line of the SW $\frac{1}{4}$ of said Section 18;
thence South 80 rods, more or less, to the place of beginning.

PARCEL 2:

Commencing on the South line of Section 18, Township 1 South, Range 1 East of the Ute Meridian, at a point 70 rods East of the Southwest corner of the SE $\frac{1}{4}$ of said Section;
thence North 80 rods to the North line of the S $\frac{1}{2}$ SE $\frac{1}{4}$ of said Section 18;
thence East along said North line to the East line of said Section 18;
thence South along said East line to the Southeast corner of said Section 18;
thence West 70 along the South line of said Section 18 to the point of beginning.

PARCEL 3:

The E $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 18, Township 1 South, Range 1 East of the Ute Meridian.

PARCEL 4:

That part of the E $\frac{1}{2}$ E $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 18; and the W $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 18, Township 1 South, Range 1 East of the Ute Meridian lying South of the right of way of the Denver and Rio Grande Junction Railroad.

PARCEL 5:

That part of the W $\frac{1}{2}$ E $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 18; and the W $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 18, Township 1 South, Range 1 East of the Ute Meridian lying South of the right of way of the Denver and Rio Grande Junction Railroad.

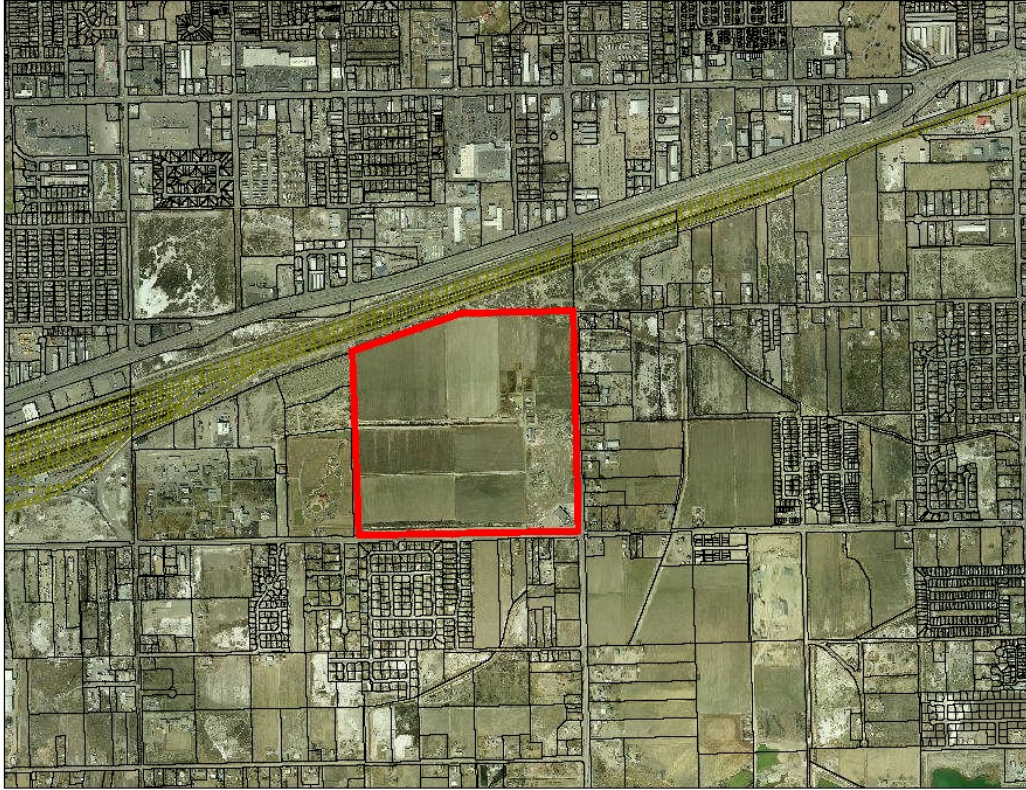
Parcels 1 through 5 containing 151.82 acres, more or less.

All in Mesa County, Colorado.

EXHIBIT B

Vicinity Map

Vicinity Map



SCALE 1 : 16,134

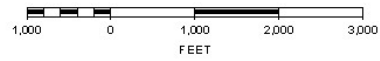
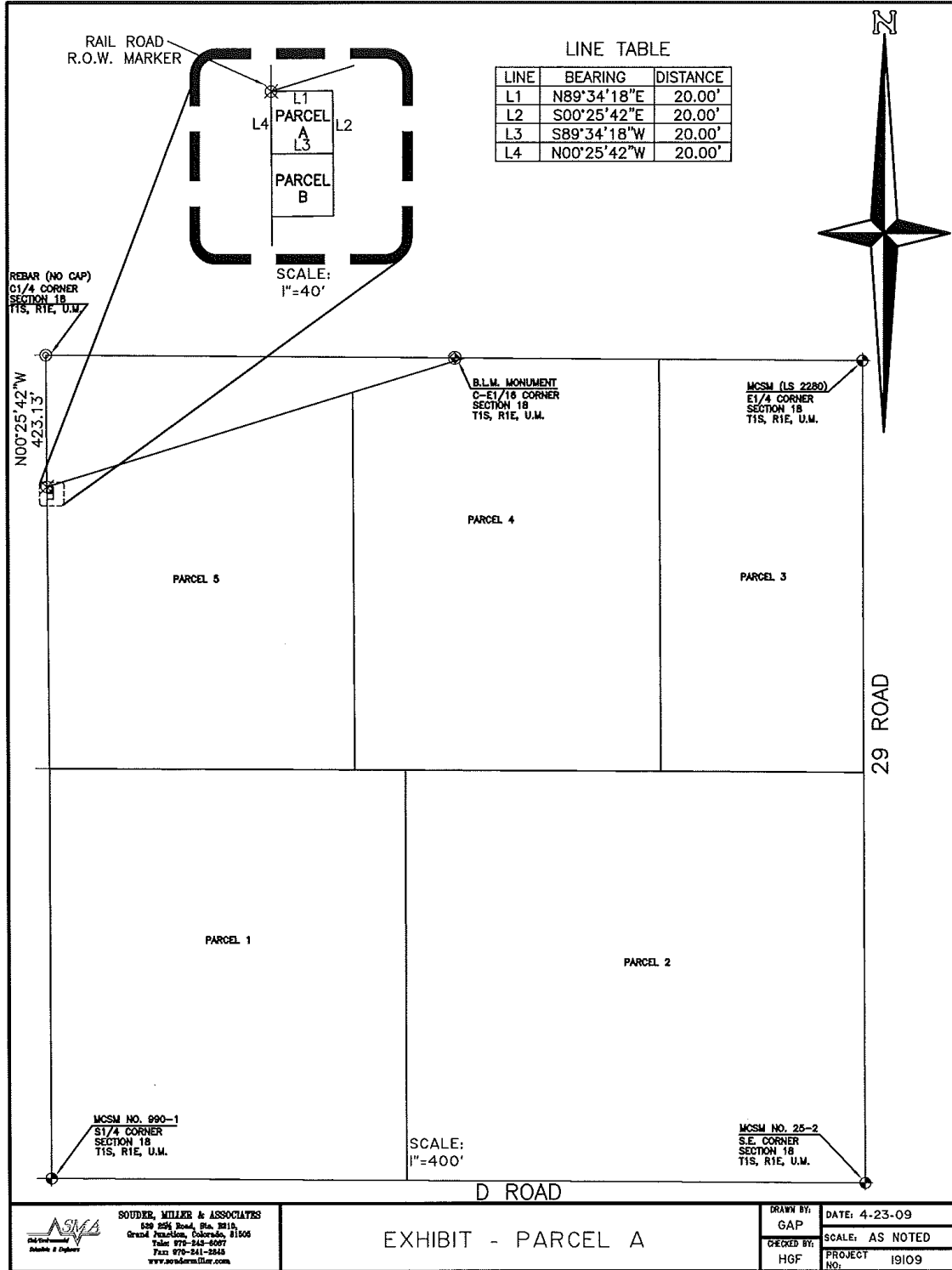


EXHIBIT C-1

Initial District Boundary Map

District No. 1 Initial District Boundary Map



SOUDEK, MILLER & ASSOCIATES
 659 25th Road, Ste. 2010,
 Grand Junction, Colorado, 81505
 Tel: 970-243-0077
 Fax: 970-241-2545
 www.soudekml.com

EXHIBIT - PARCEL A

DRAWN BY: GAP	DATE: 4-23-09
CHECKED BY: HGF	SCALE: AS NOTED
	PROJECT No: 19109

EXHIBIT C-2

Inclusion Area Boundary Map

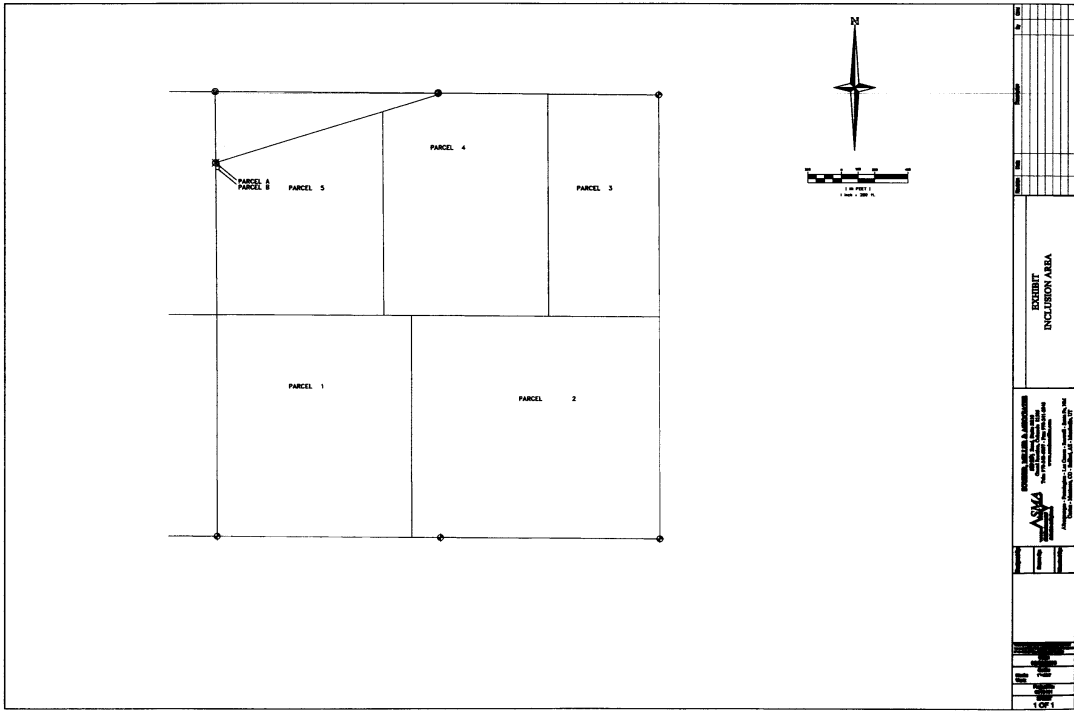


EXHIBIT D

Intergovernmental Agreement

EXHIBIT D

Intergovernmental Agreement Between the District and Grand Junction

**INTERGOVERNMENTAL AGREEMENT BETWEEN
THE CITY OF GRAND JUNCTION, COLORADO
AND
29 & D METROPOLITAN DISTRICT NO. 1**

THIS AGREEMENT is made and entered into as of this ____ day of _____, _____, by and between the CITY OF GRAND JUNCTION, a home-rule municipal corporation of the State of Colorado (“City”), and 29 & D METROPOLITAN DISTRICT No. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”). The City and the District are collectively referred to as the Parties.

RECITALS

WHEREAS, the District was organized to provide those services and to exercise powers as are more specifically set forth in the District’s Service Plan approved by the City on _____ (“Service Plan”); and

WHEREAS, the Service Plan makes reference to the execution of an intergovernmental agreement between the City and the District; and

WHEREAS, the City and the District have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement (“Agreement”).

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

COVENANTS AND AGREEMENTS

1. Operations and Maintenance. The District shall dedicate the Public Improvements (as defined in the Service Plan) to the City, other jurisdiction, or an owners association, as appropriate, in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code.

The District is expected to undertake all ownership, operations and maintenance responsibilities for the Public Improvements that are not conveyed to the City or other governmental entities as appropriate, and will do so either itself or by contract with owner associations as noted above. The District is authorized to provide for the ongoing operations and maintenance of landscaping improvements, and is authorized to provide covenant enforcement services, in accordance with Section 32-1-1004(8)(a), C.R.S. Additional ongoing operational activities are allowed, but only as authorized by an intergovernmental agreement with the City. Revenue to pay the expenses of operations may be obtained from fees legally imposed by the District or other legally available revenues of the District. Whether the facilities are operated

directly by District, or are operated by an owners association, user fees may be obtained by the District to offset the expenses. User fees for use of recreational facilities may be different for residents of the District than for outside users.

2. Acquisition of Land for Public Improvements and Easements. The District agrees to acquire by easement or plat dedication, or cause the dedication to the City of, all land required by the City for construction of public improvements being provided by the District that will be conveyed to the City. Exceptions must be approved by the City in writing. Failure to comply with this provision shall be deemed to be a material modification of the Service Plan. The District agrees to acquire all land needed by the City for construction of normal street improvements required by the City through dedication by the District's developers. Exceptions must be approved by the City in writing. Failure to acquire all land needed by the City for such construction of street improvements shall be deemed to be a material modification of the Service Plan.

3. Construction Standards. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction and in accordance with the requirements of the Approved Development Plan. The District will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

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

We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

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

5. Inclusion. The District shall not include within its boundaries any property outside the Service Area without the prior written consent of the City Council. The District shall not include within any of its boundaries any property inside the Inclusion Area boundaries without the prior written consent of the City Council except upon petition of the fee owner or owners of one hundred percent of such property as provided in Section 32-1-401(1)(A), C.R.S.

6. Overlap Limitation. 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 Maximum Debt Mill Levy of the Districts. 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 Maximum Debt Mill Levy of the Districts.

7. Monies from Other Governments/Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the District without any limitation.

8. Total Debt Issuance. The Districts shall not issue Debt in excess of forty million dollars (\$40,000,000).

9. Consolidation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City, unless such consolidation is with District No. 2.

10. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy have been established under the authority of the City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

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

(b) Are, together with all other requirements of 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 Maximum Debt Mill Levy shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S., and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment.

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

12. Disclosure to Purchasers. The District will use reasonable efforts to assure that all developers of property located within the District provide written notice to all purchasers of

property in the District regarding the Maximum Debt Mill Levy, as well as a general description of the District's authority to impose and collect rates, fees, tolls and charges.

13. Service Plan Amendment Requirement. Actions of the District which violate the limitations set forth in the Service Plan or this Agreement shall be deemed to be material modifications to the Service Plan and breaches of this Agreement and the City shall be entitled to all remedies available at law or in equity under State and local law.

14. Multiple District Structure. It is anticipated that the Districts, collectively, will undertake the financing and construction of the improvements contemplated herein. Specifically, the Districts shall enter into an Intergovernmental Agreement which shall govern the relationships between and among the Districts with respect to the financing, construction and operation of the improvements contemplated herein. The District will establish a mechanism whereby any one or more of the Districts may separately or cooperatively fund, construct, install and operate the improvements.

15. Annual Report. The District shall be responsible for submitting an annual report to the City Attorney's office no later than August 1st of each year.

(a.) Report Contents.

The annual report shall include information as to any of the following:

(i) Boundary changes made or proposed to the District's boundary as of December 31st of the prior year;

(ii) Agreements with other governmental entities, either entered into or proposed as of December 31st of the prior year;

(iii) A list of all facilities and improvements constructed or acquired by the District and those that have been dedicated to and accepted by the City as of December 31st of the prior year;

(iv) Audit of the District's financial statements for the year ending December 31st of the previous year prepared in accordance with generally accepted accounting principles or audit exemptions, if applicable;

(v) Notice of continuing disclosure undertaking for events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument; and

(vi) Any inability of the District to pay its obligations as they come due in accordance with the term of any Debt instruments, which continue beyond a ninety (90) day period.

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

(c) For any portion of the District's aggregate Debt which exceeds fifty percent (50%) of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be fifty (50) mills less the number of mills necessary to pay unlimited mill levy Debt described in Section VI.C.2 of the Service Plan; provided that if, on or after January 1, 2009, there are 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 are 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, 2009, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

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

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

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

17. 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 District. Similar language describing the limitations in respect to 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 District.

18. Security for Debt. The District shall not pledge any revenue or property of the City as security for the indebtedness set forth in the Service Plan. Approval of the Service Plan and this Agreement shall not be construed as a guarantee by the City of payment of any of the District's obligations, nor shall anything in the Service Plan or this Agreement be construed so as to create any responsibility or liability on the part of the City in the event of default by the District in the payment of any such obligation.

19. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the address or by courier delivery, via 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 District 29 & D Metropolitan District
 c/o MaryAnn McGeady
 450 E. 17th Ave., Suite 400
 Denver, CO 80203

To the City: City of Grand Junction
 c/o City Attorney
 250 N. 5th Street
 Grand Junction, Colorado 81501

All notices, demands, requests or other communications shall be effective upon such 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.

20. Amendment. This Agreement may be amended, modified, changed, or terminated in whole or in part only by a written agreement duly authorized and executed by the Parties hereto and without amendment to the Service Plan.

21. Assignment. Neither Party hereto shall assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent of the other Party, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

22. 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.

23. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado.

24. 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.

25. Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

26. Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the City any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and the City shall be for the sole and exclusive benefit of the District and the City.

27. Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

28. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

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

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

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

SIGNATURE PAGE FOR INTERGOVERNMENTAL AGREEMENT]

29 & D METROPOLITAN DISTRICT NO. 1

By: _____
President

Attest:

Secretary

CITY OF GRAND JUNCTION, COLORADO

By: _____
Mayor

Attest:

By: _____
Its: _____

APPROVED AS TO FORM: _____

SERVICE PLAN

FOR

29 & D METROPOLITAN DISTRICT NO. 2

CITY OF GRAND JUNCTION, COLORADO

Prepared

by

McGeady Sisneros, P.C.
450 E. 17th Avenue, Suite 400
Denver, Colorado 80203

Submitted: July 27, 2009

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I. INTRODUCTION

A. Purpose and Intent.

The District is an independent unit of local government, separate and distinct from the City, as hereinafter defined, and, except as may otherwise be provided for by State, as hereinafter defined, or local law or this Service Plan, its activities are subject to review by the City only insofar as they may deviate in a material manner from the requirements of the Service Plan or intergovernmental agreements between the City and the District. It is intended that the District will provide a part or all of the Public Improvements, as hereinafter defined, for the use and benefit of the inhabitants and taxpayers of the District. The primary purpose of the District will be to finance the construction of these Public Improvements.

B. Need for the District.

There are currently no other governmental entities, including the City, located in the immediate vicinity of the District that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the Public Improvements needed for the Project, as hereinafter defined. The District is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economical manner possible.

C. Objective of the City Regarding District's Service Plan.

The City's objective in approving the Service Plan for the District is to authorize the District to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the Public Improvements from the proceeds of Debt, as hereinafter defined, to be issued by the District. All Debt is expected to be repaid by taxes, fees, rates and tolls. No debt service mill levy shall be imposed and collected at a level higher than the Maximum Debt Mill Levy, as hereinafter defined, for commercial and residential properties. Debt which is issued within these parameters, as further described in the Financial Plan, as hereinafter defined, 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 both a limited purpose for the District and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with development and regional needs, and to provide certain operation and maintenance services related to the maintenance of landscaping improvements and related to covenant enforcement, as provided under Section 32-1-1004(8)(a), C.R.S. Additional operational activities are allowed, but only as authorized by an intergovernmental agreement with the City.

It is the intent of the District to 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 the District has operating functions, to retain only the power necessary to impose and collect taxes or fees to pay for these costs.

The District 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 the Maximum Debt Mill Levy on commercial and 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 than that associated with the Maximum Debt Mill Levy even under bankruptcy or other unusual situations. Generally, the cost of Public Improvements that cannot be funded within these parameters are not costs to be paid by the District.

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 City for identifying, among other things, Public Improvements necessary for facilitating development of property within the Service Area as approved by the City pursuant to the City Code and as amended pursuant to the City Code from time to time.

Board: means the board of directors of the District.

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.

City: means the City of Grand Junction, Colorado.

City Code: means the City Code of the City of Grand Junction, Colorado.

City Council: means the City Council of the City of Grand Junction, Colorado.

District: means 29 & D Metropolitan District No. 2.

District No. 1: means 29 & D Metropolitan District No. 1.

Districts: means District No. 1 and the District collectively.

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

Financial Plan: means the combined Financial Plan of the Districts as 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.

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.

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 District's initial boundaries.

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

Project: means the development or property commonly referred to as 29 & D.

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

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 District as approved by City Council.

Service Plan Amendment: means an amendment to the Service Plan as approved by City Council in accordance with the City's ordinance and 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.

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

III. BOUNDARIES

The area of the Initial District Boundaries includes approximately 400 square feet and the total area proposed to be included in the Inclusion Area Boundaries is approximately 151.82 acres. A legal description of the Initial District Boundaries and the Inclusion Area Boundaries is attached hereto as **Exhibit A**. A vicinity map is attached hereto as **Exhibit B**. 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**. It is anticipated that the District's boundaries may

change from time to time as it undergoes inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Article V below.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION

The Service Area consists of approximately 151.82 acres of land. The current assessed valuation of the Service Area is \$-0- 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 population of the District at build-out is estimated to be approximately two thousand two hundred forty eight (2,248) people.

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

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the District and Service Plan Amendment.

The District shall have the power and authority to provide the Public Improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is described in the Special District Act and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein.

1. Operations and Maintenance Limitation. The purpose of the District is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. It is not the District's intention to own any Public Improvements that are of the type that would normally be dedicated to the City. The District shall dedicate the Public Improvements to the appropriate jurisdiction in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code.

Those Public Improvements that are not conveyed to the City, or other governmental entities, will be conveyed to the owners association, as appropriate. With regard to those Public Improvements that will be dedicated to the owners association, the District shall undertake the operations and maintenance responsibilities for the improvements until such time as they are accepted by the owners association. Additionally, the District shall be authorized to provide ongoing services related to the maintenance of landscaping improvements and related to covenant enforcement, as provided under Section 32-1-1004(8)(a), C.R.S. Additional ongoing operational activities are allowed, but only as authorized by an intergovernmental agreement with the City. During the period that District operates such facilities, revenue to pay the expenses of operations may be obtained from fees legally imposed by the District or other legally available revenues of the District. User fees for use of recreational facilities may be different for

residents of the District than for outside users. Approval of this Service Plan by the City constitutes the City's agreement that the District may perform these functions.

2. Acquisition of Land for Public Improvements and Easements. The District agrees to acquire by easement or plat dedication, or cause the dedication to the City of all land required by the City for construction of public improvements being provided by the District that will be conveyed to the City. Exceptions must be approved by the City in writing. Failure to comply with this provision shall be deemed to be a material modification of this Service Plan.

3. Construction Standards Limitation. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City or other governmental entities having proper jurisdiction. The District will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

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

We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

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

5. Inclusion Limitation. The District shall not include within its boundaries any property outside the Service Area without the prior written consent of the City Council. The District shall not include within any of its boundaries any property inside the Inclusion Area boundaries without the prior written consent of the City Council except upon petition of the fee owner or owners of one hundred percent of such property as provided in Section 32-1-401(1)(A), C.R.S.

6. Overlap Limitation. 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 Maximum Debt Mill Levy of the Districts. 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 Maximum Debt Mill Levy of the Districts.

7. Total Debt Issuance Limitation. The District shall not issue Debt in excess of forty million dollars (\$40,000,000).

8. Monies from Other Governments/Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the District without any limitation.

9. Consolidation Limitation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City, unless such consolidation is with District No. 1.

10. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, have been established under the authority of the City to approve a Service Plan with conditions, pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

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

(b) Are, together with all other requirements of 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 Maximum Debt Mill Levy, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S., and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment.

11. Service Plan Amendment Requirement. This Service Plan has been designed with sufficient flexibility to enable the District to provide required services and facilities under evolving circumstances without the need for numerous amendments. Actions of the District which violate the limitations set forth in this Service Plan or an intergovernmental agreement shall be deemed to be material modifications to this Service Plan and breaches of such intergovernmental agreement, and the City shall be entitled to all remedies available at law or in equity under State and local law.

B. Preliminary Engineering Survey.

The District shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements within and without the boundaries of the District, to be more specifically defined in an Approved Development Plan. An estimate of the costs of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed was prepared based upon a preliminary engineering survey and estimates derived from the zoning on the property in the Service Area and is approximately fifty million nine hundred sixty nine thousand five hundred eighty dollars (\$50,969,580).

All of the Public Improvements will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the City and shall be in accordance with the requirements of the Approved Development Plan. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

C. Multiple District Structure.

It is anticipated that the Districts, collectively, will undertake the financing and construction of the improvements contemplated herein. Specifically, the Districts shall enter into an Intergovernmental Agreement which shall govern the relationships between and among the Districts with respect to the financing, construction and operation of the improvements contemplated herein. The District will establish a mechanism whereby any one or more of the Districts may separately or cooperatively fund, construct, install and operate the improvements.

VI. FINANCIAL PLAN

A. General.

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its revenues and by and through the proceeds of Debt to be issued by the District. The Financial Plan for the District shall be to issue such Debt as the District can reasonably pay from revenues derived from the Maximum Debt Mill Levy and other legally available revenues. The total Debt that the District shall be permitted to issue shall not exceed forty million dollars (\$40,000,000) and shall be permitted to be issued on a schedule and in such year or years as the District determines shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including general *ad valorem* taxes to be imposed upon all taxable property within the District. The District will also rely upon various other revenue sources authorized by law. These will include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. In the event of a default, the proposed maximum interest rate on any Debt is not expected to exceed eighteen percent (18%). The proposed maximum underwriting discount will be five percent (5%). Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

C. Maximum Debt Mill Levy.

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

1. For any portion of any aggregate District's Debt which exceeds fifty percent (50%) of the District's assessed valuation, the 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; adjusted to account for 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 (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, 2009, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

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

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

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

D. Debt Repayment Sources.

The District 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. The District may also rely upon various other revenue sources authorized by law. At the District's discretion, these may include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(I), C.R.S., as amended from time to time. In no event shall the debt service mill levy in the District exceed the Maximum Debt Mill Levy.

E. 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 District. Similar language 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 District.

F. Security for Debt.

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

G. TABOR Compliance.

The District will comply with the provisions of TABOR. In the discretion of the Board, the District may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the District will remain under the control of the District's Board.

H. District's Operating Costs.

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the District's organization and initial operations, is part of the estimated cost of Public Improvements, which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the District will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained. The first year's operating budget for the District is anticipated to be approximately fifty thousand dollars (\$50,000) and will be derived from property taxes, developer advances and other revenues.

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

VII. ANNUAL REPORT

A. General.

The District shall be responsible for submitting an annual report to the City Attorney's office no later than August 1st of each year.

B. Report Contents.

The annual report shall include information as to any of the following:

1. Boundary changes made or proposed to the District's boundary as of December 31st of the prior year.
2. Agreements with other governmental entities, either entered into or proposed as of December 31st of the prior year.
3. A list of all facilities and improvements constructed or acquired by the District and those that have been dedicated to and accepted by the City as of December 31st of the prior year.
4. Audit of the District's financial statements, for the year ending December 31st of the previous year, prepared in accordance with generally accepted accounting principles or audit exemptions, if applicable.
5. Notice of continuing disclosure undertaking for events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.
6. Any inability of the District to pay its obligations as they come due in accordance with the terms of and Debt instruments, which continue beyond a ninety (90) day period.

VIII. DISSOLUTION

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

IX. DISCLOSURE TO PURCHASERS

The District will use reasonable efforts to assure that all developers of the property located within the District provide written notice to all purchasers of property in the District regarding the Maximum Debt Mill Levy, as well as a general description of the District's authority to impose and collect rates, fees, tolls and charges.

X. INTERGOVERNMENTAL AGREEMENT

The form of the intergovernmental agreement is attached hereto as **Exhibit D**. The District shall approve the intergovernmental agreement in the form attached as **Exhibit D** within ninety (90) days of the date of organization. Failure of the District to execute the intergovernmental agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment. The City Council shall approve the intergovernmental agreement in the form attached as **Exhibit D** at the public hearing approving the Service Plan.

The intergovernmental agreement may be amended by mutual agreement of the City and District, which amendment shall not require this Service Plan to be amended. In the event of conflict between the intergovernmental agreement and this Service Plan, the intergovernmental agreement shall govern.

XI. CONCLUSION

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

1. There is sufficient existing and projected need for organized service in the area to be serviced by the District;
2. The existing service in the area to be served by the District is inadequate for present and projected needs;
3. The District is capable of providing economical and sufficient service to the area within its proposed boundaries;
4. The area to be included in the District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis; and
5. Adequate service is not, and will not be, available to the area through the City or county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;
6. The facility and service standards of the District are compatible with the facility and service standards of the City within which the special district is to be located and each municipality which is an interested party under Section 32-1-204(1), C.R.S.;
7. The proposal is in substantial compliance with a comprehensive plan adopted pursuant to the City Code;
8. The proposal is in compliance with any duly adopted City, regional or state long-range water quality management plan for the area; and
9. The creation of the District is in the best interests of the area proposed to be served.

EXHIBIT A
Legal Descriptions

District No. 2
Initial District Boundaries

PART OF THE NW ¼ OF THE SE ¼ OF SECTION 18, TOWNSHIP 1 SOUTH, RANGE 1 EAST, UTE MERIDIAN, MESA COUNTY, COLORADO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE C ¼ CORNER OF THE SAID SECTION 18;
THENCE S00°25'42"E 443.13 FEET TO THE TRUE POINT OF BEGINNING;
THENCE N89°34'18"E 20.00 FEET; THENCE S00°25'42"E 20.00 FEET
THENCE S89°34'18"W 20.00 FEET; THENCE N00°25'42"W 20.00 FEET
TO THE POINT OF BEGINNING AND CONTAINING 400 SF MORE OR LESS.

Inclusion Area

A PORTION OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 1 SOUTH, RANGE 1 EAST OF THE UTE MERIDIAN LYING SOUTH OF THE DENVER AND RIO GRANDE WESTERN RAILROAD HUMP YARD AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL 1:

Commencing at the Southeast corner of the SW $\frac{1}{4}$ of Section 18, Township 1 South, Range 1 East of the Ute Meridian;
thence running East along the South line of said Section 18 a distance of 70 rods;
thence North 80 rods, more or less, to the North line of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 18;
thence West 70 rods to the East line of the SW $\frac{1}{4}$ of said Section 18;
thence South 80 rods, more or less, to the place of beginning.

PARCEL 2:

Commencing on the South line of Section 18, Township 1 South, Range 1 East of the Ute Meridian, at a point 70 rods East of the Southwest corner of the SE $\frac{1}{4}$ of said Section;
thence North 80 rods to the North line of the S $\frac{1}{2}$ SE $\frac{1}{4}$ of said Section 18;
thence East along said North line to the East line of said Section 18;
thence South along said East line to the Southeast corner of said Section 18;
thence West 70 along the South line of said Section 18 to the point of beginning.

PARCEL 3:

The E $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 18, Township 1 South, Range 1 East of the Ute Meridian.

PARCEL 4:

That part of the E $\frac{1}{2}$ E $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 18; and the W $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 18, Township 1 South, Range 1 East of the Ute Meridian lying South of the right of way of the Denver and Rio Grande Junction Railroad.

PARCEL 5:

That part of the W $\frac{1}{2}$ E $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 18; and the W $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 18, Township 1 South, Range 1 East of the Ute Meridian lying South of the right of way of the Denver and Rio Grande Junction Railroad.

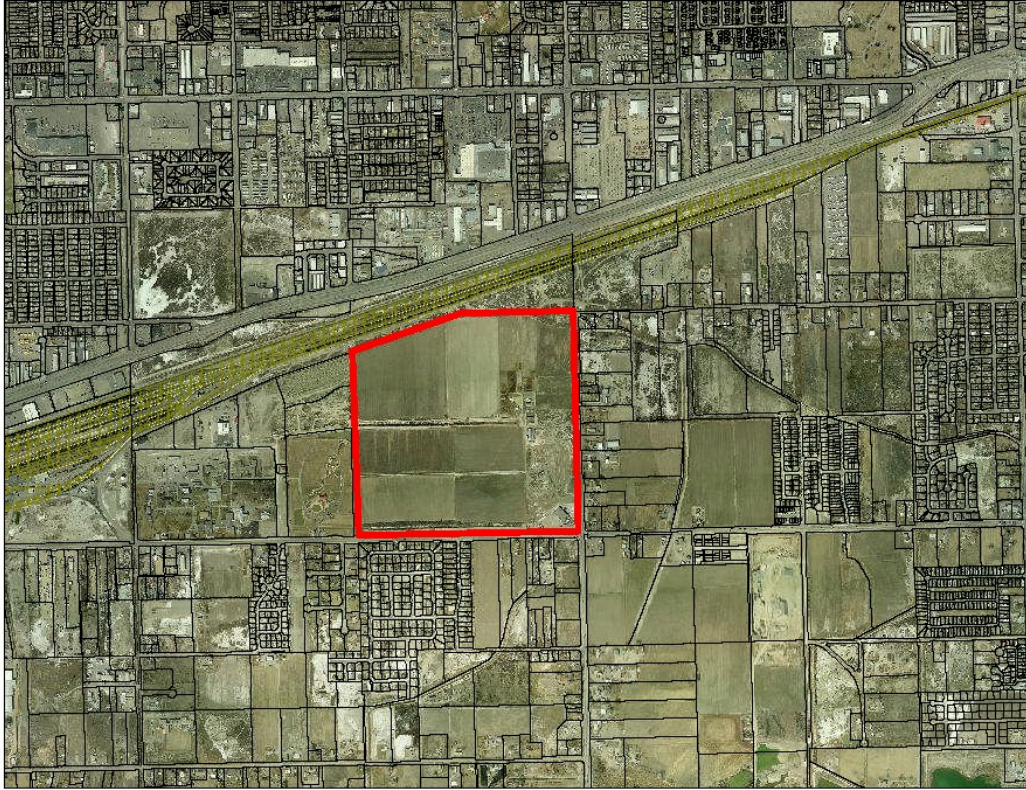
Parcels 1 through 5 containing 151.82 acres, more or less.

All in Mesa County, Colorado.

EXHIBIT B

Vicinity Map

Vicinity Map



SCALE 1 : 16,134

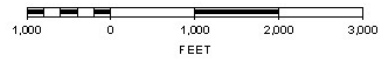
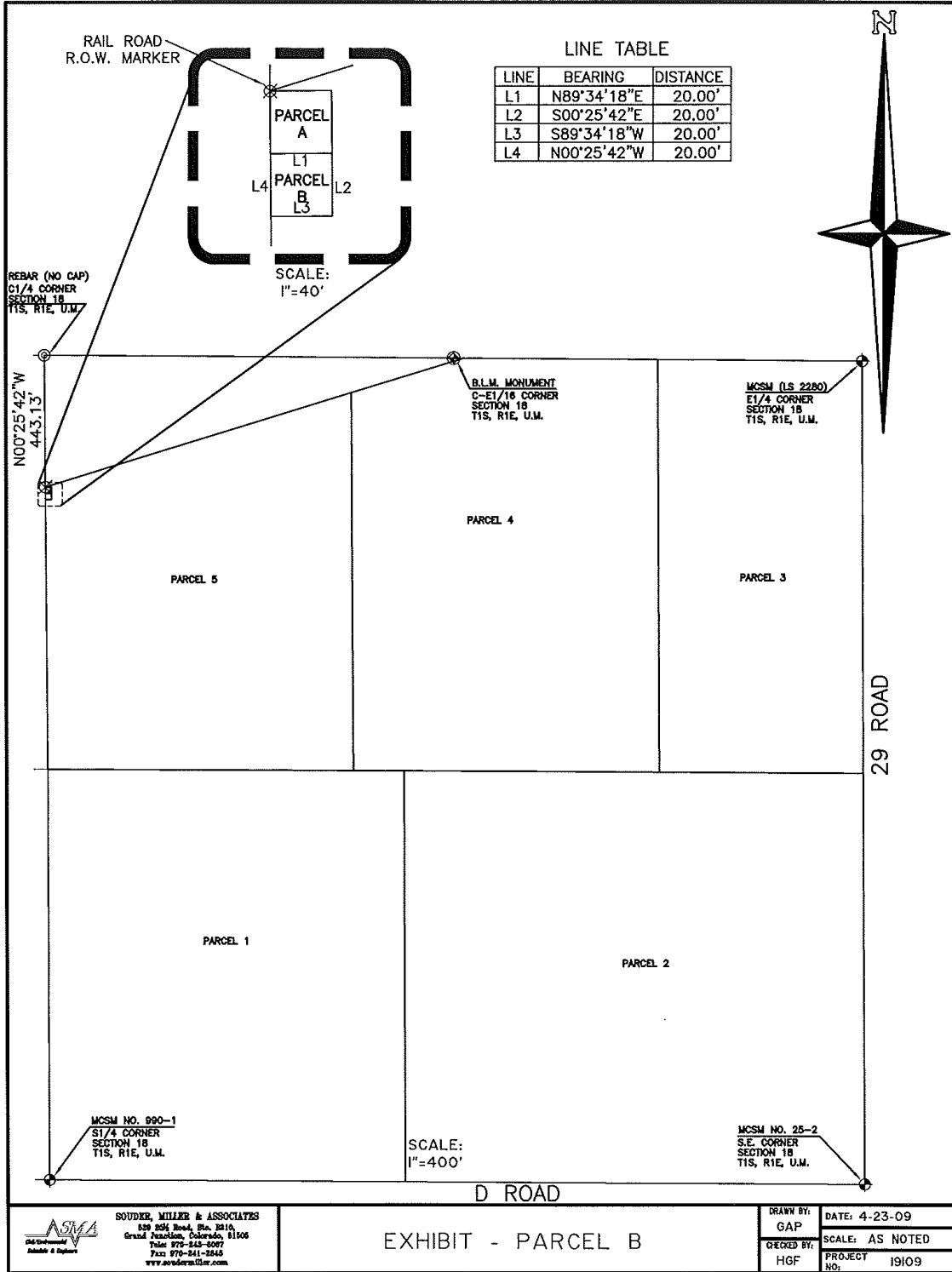


EXHIBIT C-1

Initial District Boundary Map

District No. 2 Initial District Boundary Map



SMVA
Soudke, Miller & Associates
839 25th Road, Ste. 2010
Grand Junction, Colorado, 81505
Phone: 970-245-0097
Fax: 970-241-2545
www.soudkemiller.com

EXHIBIT - PARCEL B

DRAWN BY: GAP	DATE: 4-23-09
CHECKED BY: HGF	SCALE: AS NOTED
	PROJECT No.: 19109

EXHIBIT C-2

Inclusion Area Boundary Map

EXHIBIT D

Intergovernmental Agreement

EXHIBIT D

Intergovernmental Agreement Between the District and Grand Junction

**INTERGOVERNMENTAL AGREEMENT BETWEEN
THE CITY OF GRAND JUNCTION, COLORADO
AND
29 & D METROPOLITAN DISTRICT NO. 2**

THIS AGREEMENT is made and entered into as of this ____ day of _____, _____, by and between the CITY OF GRAND JUNCTION, a home-rule municipal corporation of the State of Colorado (“City”), and 29 & D METROPOLITAN DISTRICT No. 2, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”). The City and the District are collectively referred to as the Parties.

RECITALS

WHEREAS, the District was organized to provide those services and to exercise powers as are more specifically set forth in the District’s Service Plan approved by the City on _____ (“Service Plan”); and

WHEREAS, the Service Plan makes reference to the execution of an intergovernmental agreement between the City and the District; and

WHEREAS, the City and the District have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement (“Agreement”).

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

COVENANTS AND AGREEMENTS

1. Operations and Maintenance. The District shall dedicate the Public Improvements (as defined in the Service Plan) to the City, other jurisdiction, or an owners association, as appropriate, in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code.

The District is expected to undertake all ownership, operations and maintenance responsibilities for the Public Improvements that are not conveyed to the City or other governmental entities as appropriate, and will do so either itself or by contract with owner associations as noted above. The District is authorized to provide for the ongoing operations and maintenance of landscaping improvements, and is authorized to provide covenant enforcement services, in accordance with Section 32-1-1004(8)(a), C.R.S. Additional ongoing operational activities are allowed, but only as authorized by an intergovernmental agreement with the City. Revenue to pay the expenses of operations may be obtained from fees legally imposed by the District or other legally available revenues of the District. Whether the facilities are operated

directly by District, or are operated by an owners association, user fees may be obtained by the District to offset the expenses. User fees for use of recreational facilities may be different for residents of the District than for outside users.

2. Acquisition of Land for Public Improvements and Easements. The District agrees to acquire by easement or plat dedication, or cause the dedication to the City of, all land required by the City for construction of public improvements being provided by the District that will be conveyed to the City. Exceptions must be approved by the City in writing. Failure to comply with this provision shall be deemed to be a material modification of the Service Plan. The District agrees to acquire all land needed by the City for construction of normal street improvements required by the City through dedication by the District's developers. Exceptions must be approved by the City in writing. Failure to acquire all land needed by the City for such construction of street improvements shall be deemed to be a material modification of the Service Plan.

3. Construction Standards. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction and in accordance with the requirements of the Approved Development Plan. The District will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

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

We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

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

5. Inclusion. The District shall not include within its boundaries any property outside the Service Area without the prior written consent of the City Council. The District shall not include within any of its boundaries any property inside the Inclusion Area boundaries without the prior written consent of the City Council except upon petition of the fee owner or owners of one hundred percent of such property as provided in Section 32-1-401(1)(A), C.R.S.

6. Overlap Limitation. 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 Maximum Debt Mill Levy of the Districts. 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 Maximum Debt Mill Levy of the Districts.

7. Monies from Other Governments/Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the District without any limitation.

8. Total Debt Issuance. The Districts shall not issue Debt in excess of forty million dollars (\$40,000,000).

9. Consolidation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City, unless such consolidation is with District No. 1.

10. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy have been established under the authority of the City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

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

(b) Are, together with all other requirements of 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 Maximum Debt Mill Levy shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S., and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment.

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

12. Disclosure to Purchasers. The District will use reasonable efforts to assure that all developers of property located within the District provide written notice to all purchasers of

property in the District regarding the Maximum Debt Mill Levy, as well as a general description of the District's authority to impose and collect rates, fees, tolls and charges.

13. Service Plan Amendment Requirement. Actions of the District which violate the limitations set forth in the Service Plan or this Agreement shall be deemed to be material modifications to the Service Plan and breaches of this Agreement and the City shall be entitled to all remedies available at law or in equity under State and local law.

14. Multiple District Structure. It is anticipated that the Districts, collectively, will undertake the financing and construction of the improvements contemplated herein. Specifically, the Districts shall enter into an Intergovernmental Agreement which shall govern the relationships between and among the Districts with respect to the financing, construction and operation of the improvements contemplated herein. The District will establish a mechanism whereby any one or more of the Districts may separately or cooperatively fund, construct, install and operate the improvements.

15. Annual Report. The District shall be responsible for submitting an annual report to the City Attorney's office no later than August 1st of each year.

(a.) Report Contents.

The annual report shall include information as to any of the following:

(i) Boundary changes made or proposed to the District's boundary as of December 31st of the prior year;

(ii) Agreements with other governmental entities, either entered into or proposed as of December 31st of the prior year;

(iii) A list of all facilities and improvements constructed or acquired by the District and those that have been dedicated to and accepted by the City as of December 31st of the prior year;

(iv) Audit of the District's financial statements for the year ending December 31st of the previous year prepared in accordance with generally accepted accounting principles or audit exemptions, if applicable;

(v) Notice of continuing disclosure undertaking for events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument; and

(vi) Any inability of the District to pay its obligations as they come due in accordance with the term of any Debt instruments, which continue beyond a ninety (90) day period.

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

(c) For any portion of the District's aggregate Debt which exceeds fifty percent (50%) of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be fifty (50) mills less the number of mills necessary to pay unlimited mill levy Debt described in Section VI.C.2 of the Service Plan; provided that if, on or after January 1, 2009, there are 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 are 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, 2009, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

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

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

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

17. 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 District. Similar language describing the limitations in respect to 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 District.

18. Security for Debt. The District shall not pledge any revenue or property of the City as security for the indebtedness set forth in the Service Plan. Approval of the Service Plan and this Agreement shall not be construed as a guarantee by the City of payment of any of the District's obligations, nor shall anything in the Service Plan or this Agreement be construed so as to create any responsibility or liability on the part of the City in the event of default by the District in the payment of any such obligation.

19. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the address or by courier delivery, via 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 District 29 & D Metropolitan District
 c/o MaryAnn McGeady
 450 E. 17th Ave., Suite 400
 Denver, CO 80203

To the City: City of Grand Junction
 c/o City Attorney
 250 N. 5th Street
 Grand Junction, Colorado 81501

All notices, demands, requests or other communications shall be effective upon such 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.

20. Amendment. This Agreement may be amended, modified, changed, or terminated in whole or in part only by a written agreement duly authorized and executed by the Parties hereto and without amendment to the Service Plan.

21. Assignment. Neither Party hereto shall assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent of the other Party, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

22. 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.

23. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado.

24. 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.

25. Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

26. Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the City any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and the City shall be for the sole and exclusive benefit of the District and the City.

27. Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

28. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

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

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

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SIGNATURE PAGE FOR INTERGOVERNMENTAL AGREEMENT]

29 & D METROPOLITAN DISTRICT NO. 2

By: _____
President

Attest:

Secretary

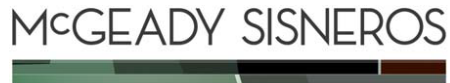
CITY OF GRAND JUNCTION, COLORADO

By: _____
Mayor

Attest:

By: _____
Its: _____

APPROVED AS TO FORM: _____



McGeady Sisneros P.C.
450 E. 17th Avenue, Suite 400
Denver, Colorado 80203-1214
303.592.4380 tel 303.592.4385 fax
www.mcgeadysisneros.com

SUBMITTAL OF ADDITIONAL INFORMATION

To: Stephanie Tuin and Jamie Beard

From: McGeady Sisneros, P.C.

Date: July 27, 2009

Re: Submittal of Additional Information – 29 & D Metropolitan District Nos. 1 & 2

Enclosed herewith is additional information for your consideration in connection with the draft Service Plans for the proposed 29 & D Metropolitan District Nos. 1 & 2 (the “Districts”):

1. Summation of Projected Capital Improvement Costs; and
2. Financial Plan.

Please note that the Summation of Projected Capital Improvement Costs provides a list of all the potential Public Improvements. The total of those improvements exceeds the amount of Debt authorized in the draft Service Plans. Ultimately, the Districts will finance the improvements based on market conditions, and based on the actual development that is approved by the City of Grand Junction and occurs on the site. The Developer will be paying for those improvements above and beyond the Districts’ capacity to pay.

Feel free to contact MaryAnn McGeady or Angela Rathbun of our office should you have any questions about these documents. Thank you.

SUMMATION OF PROJECTED CAPITAL IMPROVEMENT COSTS

29 & D Metropolitan District Nos. 1 & 2
Representative Costs per Acre

Type Proj.	Year of Const.	Original Cost of Site Civil	Inflation Rate	2009 Val. of Site Civil	Gross Ac.	Gross Bldg. Footprint	Floor Area Ratio	Cost/Ac
Multi Family	2008	\$1,395,000.00	5.00%	\$1,464,750.00	5.09	36,000	6.16	\$287,770.14
Commercial	2002	\$3,058,730.00	5.00%	\$4,303,940.28	28.57 21.38	205,301 205,301	6.06 4.54	\$150,645.44 201306.8419
Restauant	2001	\$473,900.45	5.00%	\$700,166.80	1.17	5,616	9.08	\$598,433.16
Retail	2006	\$1,111,000.00	5.00%	\$1,286,121.38	4.06	30,590	5.78	\$316,778.67
Commercial (all infrastructure plus site work for three front pads and appartments, excluding Walgreens)	2008	\$4,318,783.00	5.00%	\$4,534,722.15	3.32			\$1,365,880.17
Off/Comm	2008	\$525,113.00	5.00%	\$551,368.65	2.479			\$222,415.75
Retail	2008	\$496,655.00	5.00%	\$521,487.75	1.552			\$336,010.15
Off/Comm	2008	\$442,527.00	5.00%	\$464,653.35	1.973			\$235,506.01
Off/Comm	2008	\$324,123.00	5.00%	\$340,329.15	1.403			\$242,572.45
Multi Family	2009	\$616,415.00	5.00%	\$616,415.00	3.005			\$205,129.78
								AVERAGE Multi-Family: \$246,449.96
								AVERAGE Commercial: \$254,318.22
								AVERAGE Big Box: \$175,976.14
								AVERAGE Light-Industrial \$201,306.84
								AVERAGE Primary Infra. & Rdwys \$1,365,880.17

29 & D Metropolitan District Nos. 1 & 2

Summation of Projected Capital Improvement Costs

The plans for the development of the property to be included in 29 & D Metropolitan District Nos. 1 & 2 have not yet been approved, and therefore the Engineers have been provided with assumptions regarding land use and they have accordingly allocated infrastructure costs based on averages per acre of assumed development.

Pod	Land Use	Acreage	Cost per Ac.	Subtotal:
A	Light Industrial	44.3	\$201,306.84	\$8,917,893
B	Commercial (Big Box)	56.3	\$175,976.14	\$9,907,457
C	Neighborhood Commercial	15.45	\$254,318.22	\$3,929,216
D	Residential Multi-Family	31.45	\$246,449.96	\$7,750,851
x	Arterial ROW	6.58	\$1,365,880.17	\$8,987,491
	SUBTOTAL:	154.08		\$39,492,909
	Planning and Engineering	@ 8.00%		\$3,159,433
	Construction Phase Services	@ 2.00%		\$789,858
	Supplemental Studies	@ 1.00%		\$394,929
	Dry Utilities	@ 10.00%		\$3,949,291
	Minor Permits and Fees	@ 1.50%		\$592,394
	Traffic Capacity Payment	@ \$2,500.00 per 1000 SF		\$2,590,766
				(FAR=6.2, Total Ac.=154.08 Ac. - 6.58 Ac.)
	Drainage Fees		Detention Assumed	\$0
	GRAND TOTAL:	154.08		\$50,969,580

This estimate is for "pad ready" sites, meaning that all access, services, parking and landscaping are in place.

The above numbers include all infrastructure costs with services up to the building pads, but do not include tap/service fees nor any direct building costs.

The FAR (Floor Area Ratio) is based on the ground floor area only (footprint) and is a ratio of the total site acreage to this floor area or footprint.

We have assumed that on-site detention will be provided, therefore there are not "drainage fees in lieu of detention".

FINANCIAL PLAN

29 & D METROPOLITAN DISTRICT Nos. 1 and 2
Development Projection at 40.00 Total Debt Service Mills
Ser. 2011 & 2014 Senior Non-Rated Bond Issues, 30-year maturities

YEAR	<<<<<< Residential >>>>>>>>			< Platted/Developed Lots >			<<<<<< Commercial >>>>>>>>			Total	Debt Svc Mill Levy [40.00 Target]	Total Collections @ 88.0%	S.O. Taxes Collected @ 8%	Total Facility Fees Collected	Total Available Revenue	
	Total Res@ Units	Biennial Reassesmt @ 2.0%	Cumulative Market Value	As'ed Value @ 7.95% of Market (2-yr lag)	Cumulative Market Value	As'ed Value @ 29.00% of Market (2-yr lag)	Total Comm'l Sq. Ft.	Biennial Reassesmt @ 2.0%	Cumulative Market Value							As'ed Value @ 29.00% of Market (2-yr lag)
2010	0	0	0	1,560,000	0	0	0	0	0	0	40,000	0	0	0	0	
2011	0	0	0	4,935,000	240,000	465,000	240,000	15,600,000	0	0	40,000	0	0	\$240,000	240,000	
2012	225	0	13,770,000	0	3,000,000	452,400	312,000	52,167,000	0	452,400	40,000	17,734	1,419	577,500	596,653	
2013	225	27,815,400	0	4,935,000	1,431,150	250,000	69,333,600	4,524,000	5,955,150	40,000	233,442	18,675	362,500	614,617	1,614,617	
2014	225	556,308	42,698,016	1,096,092	2,910,000	870,000	465,000	1,386,672	108,764,579	15,128,430	17,094,522	40,000	670,105	53,608	577,500	1,301,214
2015	225	57,310,850	2,214,106	1,344,000	1,431,150	240,000	125,650,520	20,106,744	23,752,000	40,000	931,078	74,486	352,500	1,358,065	1,358,065	
2016	224	1,146,217	73,295,913	3,398,762	0	843,900	0	2,513,010	128,163,531	31,541,728	35,784,390	40,000	1,402,748	112,220	112,000	1,626,968
2017	0	73,295,913	4,561,944	0	389,760	0	128,163,531	36,438,651	41,390,355	40,000	1,622,502	129,800	0	1,752,302	1,752,302	
2018	0	1,465,918	74,761,831	5,834,355	0	0	2,563,271	130,726,802	37,167,424	43,001,779	40,000	1,685,670	134,854	0	1,820,523	1,820,523
2019	0	74,761,831	5,834,355	0	0	0	130,726,802	37,167,424	43,001,779	40,000	1,685,670	134,854	0	1,820,523	1,820,523	
2020	0	1,495,237	76,257,068	5,951,042	0	0	2,614,536	133,341,338	37,910,772	43,861,814	40,000	1,719,383	137,551	0	1,856,934	1,856,934
2021	0	76,257,068	5,951,042	0	0	0	133,341,338	37,910,772	43,861,814	40,000	1,719,383	137,551	0	1,856,934	1,856,934	
2022	0	1,525,141	77,782,209	6,070,063	0	0	2,666,827	136,008,164	38,668,988	44,739,051	40,000	1,753,771	140,302	0	1,894,072	1,894,072
2023	0	77,782,209	6,070,063	0	0	0	136,008,164	38,668,988	44,739,051	40,000	1,753,771	140,302	0	1,894,072	1,894,072	
2024	1,556,644	79,337,854	6,191,464	0	0	0	2,720,163	138,728,328	39,442,368	45,633,832	40,000	1,788,846	143,108	0	1,931,954	1,931,954
2025	1,556,644	79,337,854	6,191,464	0	0	0	138,728,328	39,442,368	45,633,832	40,000	1,788,846	143,108	0	1,931,954	1,931,954	
2026	1,586,757	80,924,611	6,315,293	0	0	0	2,774,567	141,502,894	40,231,215	46,546,508	40,000	1,824,623	145,970	0	1,970,593	1,970,593
2027	1,586,757	80,924,611	6,315,293	0	0	0	141,502,894	40,231,215	46,546,508	40,000	1,824,623	145,970	0	1,970,593	1,970,593	
2028	1,618,492	82,543,103	6,441,599	0	0	0	2,830,058	144,332,952	41,035,839	47,477,438	40,000	1,861,116	148,889	0	2,010,005	2,010,005
2029	1,618,492	82,543,103	6,441,599	0	0	0	144,332,952	41,035,839	47,477,438	40,000	1,861,116	148,889	0	2,010,005	2,010,005	
2030	1,650,862	84,193,965	6,570,431	0	0	0	2,886,659	147,219,611	41,856,556	48,426,987	40,000	1,898,338	151,867	0	2,050,205	2,050,205
2031	1,650,862	84,193,965	6,570,431	0	0	0	147,219,611	41,856,556	48,426,987	40,000	1,898,338	151,867	0	2,050,205	2,050,205	
2032	1,683,879	85,877,844	6,701,840	0	0	0	2,944,392	150,164,003	42,693,687	49,395,527	40,000	1,936,305	154,904	0	2,091,209	2,091,209
2033	1,683,879	85,877,844	6,701,840	0	0	0	150,164,003	42,693,687	49,395,527	40,000	1,936,305	154,904	0	2,091,209	2,091,209	
2034	1,717,557	87,595,401	6,835,876	0	0	0	3,003,280	153,167,283	43,547,561	50,383,437	40,000	1,975,031	158,002	0	2,133,033	2,133,033
2035	1,717,557	87,595,401	6,835,876	0	0	0	153,167,283	43,547,561	50,383,437	40,000	1,975,031	158,002	0	2,133,033	2,133,033	
2036	1,751,908	89,347,309	6,972,594	0	0	0	3,063,346	156,230,629	44,418,512	51,391,106	40,000	2,014,531	161,163	0	2,175,694	2,175,694
2037	1,751,908	89,347,309	6,972,594	0	0	0	156,230,629	44,418,512	51,391,106	40,000	2,014,531	161,163	0	2,175,694	2,175,694	
2038	1,786,946	91,134,255	7,112,046	0	0	0	3,124,613	159,355,242	45,306,882	52,418,928	40,000	2,054,822	164,386	0	2,219,208	2,219,208
2039	1,786,946	91,134,255	7,112,046	0	0	0	159,355,242	45,306,882	52,418,928	40,000	2,054,822	164,386	0	2,219,208	2,219,208	
2040	1,822,685	92,956,940	7,254,287	0	0	0	3,187,105	162,542,346	46,213,020	53,467,307	40,000	2,095,918	167,673	0	2,263,592	2,263,592
2041	1,822,685	92,956,940	7,254,287	0	0	0	162,542,346	46,213,020	53,467,307	40,000	2,095,918	167,673	0	2,263,592	2,263,592	
2042	1,859,139	94,816,079	7,399,372	0	0	0	3,250,847	165,793,193	47,137,280	54,536,653	40,000	2,137,837	171,027	0	2,308,864	2,308,864
2043	1,859,139	94,816,079	7,399,372	0	0	0	165,793,193	47,137,280	54,536,653	40,000	2,137,837	171,027	0	2,308,864	2,308,864	
2044	1,896,322	96,712,401	7,547,360	0	0	0	3,315,864	169,109,057	48,080,026	55,627,386	40,000	2,180,594	174,447	0	2,355,041	2,355,041
	1,124	25,119,013					1,660,000	45,157,209				56,550,584	4,524,047	2,222,000	63,296,631	

29 & D METROPOLITAN DISTRICT Nos. 1 and 2
Development Projection at 40.00 Total Debt Service Mills
Ser. 2011 & 2014 Senior Non-Rated Bond Issues, 30-year maturities

Total Par: \$25,000,000
 Total Net: \$20,030,307

YEAR	Ser. 2011 \$13,000,000 Par [Net \$9,945 MM]		Ser. 2014 \$12,000,000 Par [Net \$10,095 MM]		Surplus Release @ 50% DA to \$200,000		Cum. Surplus \$2,000,000 Target	Senior	Senior
	Net Available for Debt Svc	Net Debt Service	Net Debt Service	Net Debt Service	Annual Surplus	50% DA to \$200,000		Debt/ Assessed Ratio	Debt/ Act'l Value Ratio
2010	0				0		0		
2011	240,000	\$0			240,000		240,000	n/a	0%
2012	596,653	0			596,653		836,653	2874%	19%
2013	614,617	439,386			175,232	0	1,011,884	218%	13%
2014	1,301,214	878,771		\$0	422,442	0	1,434,327	76%	8%
2015	1,358,065	938,771		411,750	7,543	0	1,441,870	106%	14%
2016	1,626,968	959,571		823,500	(156,103)	0	1,285,767	70%	12%
2017	1,752,302	959,621		823,500	(29,819)	0	1,255,948	61%	12%
2018	1,820,523	977,321		843,500	(298)	0	1,255,650	58%	12%
2019	1,820,523	979,271		837,100	4,152	0	1,259,802	58%	12%
2020	1,856,934	995,521		861,050	363	0	1,260,164	56%	12%
2021	1,856,934	1,000,021		853,250	3,663	0	1,263,827	56%	12%
2022	1,894,072	1,018,471		870,900	4,901	0	1,268,728	54%	11%
2023	1,894,072	1,019,821		871,950	2,301	0	1,270,929	54%	11%
2024	1,931,954	1,035,121		892,750	4,083	0	1,275,012	52%	11%
2025	1,931,954	1,038,321		891,800	1,833	0	1,276,845	51%	11%
2026	1,970,593	1,060,121		910,500	(28)	1,076,816	200,000	50%	10%
2027	1,970,593	1,059,121		907,450	4,022	4,022	200,000	49%	10%
2028	2,010,005	1,081,721		924,050	4,234	4,234	200,000	47%	10%
2029	2,010,005	1,081,171		923,900	4,934	4,934	200,000	46%	10%
2030	2,050,205	1,098,871		948,050	3,284	3,284	200,000	44%	9%
2031	2,050,205	1,103,421		944,750	2,034	2,034	200,000	42%	9%
2032	2,091,209	1,125,521		960,750	4,938	4,938	200,000	40%	8%
2033	2,091,209	1,123,771		964,650	2,788	2,788	200,000	39%	8%
2034	2,133,033	1,144,571		987,150	1,312	1,312	200,000	36%	8%
2035	2,133,033	1,146,171		981,850	5,012	5,012	200,000	35%	7%
2036	2,175,694	1,169,621		1,005,500	573	573	200,000	32%	7%
2037	2,175,694	1,168,171		1,006,000	1,523	1,523	200,000	30%	6%
2038	2,219,208	1,193,221		1,024,750	1,237	1,237	200,000	27%	6%
2039	2,219,208	1,192,671		1,025,350	1,187	1,187	200,000	25%	5%
2040	2,263,592	1,217,921		1,043,850	1,821	1,821	200,000	22%	5%
2041	2,263,592	1,212,721		1,048,850	2,021	2,021	200,000	19%	4%
2042	2,308,864	0		2,306,050	2,814	2,814	200,000	13%	3%
2043	2,308,864	0		2,307,600	1,264	1,264	200,000	10%	2%
2044	2,355,041	0		2,350,050	4,991	204,991	0	6%	1%
	63,296,631	30,417,780	31,552,050		1,326,800	1,326,800			

[\$Apr09: 11mrd08] [5Apr09: 14mrd08]

29 & D METROPOLITAN DISTRICT Nos. 1 and 2
Operations Revenue and Expense Projection

YEAR	Total Assessed Value	Oper'n's Mill Levy	Total Collections @ 98%	S.O. Taxes Collected @ 6%	Total Available For O&M	Less District Operations @	Developer Advances for Operations	Developer Repayment for Operations	Annual Surplus
						of \$50,000 Infr. @ 1% or max 2.0 mills			
2010									
2011	0	2.000	0	0	0	50,000	50,000	0	0
2012	452,400	2.000	897	53	940	50,500	49,560	0	0
2013	5,955,150	2.000	11,672	700	12,372	51,005	38,633	0	0
2014	17,094,522	2.000	33,505	2,010	35,516	51,515	15,999	0	0
2015	23,752,000	2.000	46,554	2,793	49,347	52,030	2,683	0	0
2016	35,784,390	2.000	70,137	4,208	74,346	52,551	0	21,795	0
2017	41,390,355	2.000	81,125	4,868	85,993	53,076	0	32,917	0
2018	43,001,779	2.000	84,283	5,057	89,340	53,607	0	35,734	0
2019	43,001,779	2.000	84,283	5,057	89,340	54,143	0	35,198	0
2020	43,861,814	2.000	85,969	5,158	91,127	54,684	0	31,232	5,211
2021	43,861,814	1.212	52,105	3,126	55,231	55,231	0	0	0
2022	44,739,051	1.200	52,826	3,158	55,983	55,983	0	0	0
2023	44,739,051	1.212	53,152	3,189	56,341	56,341	0	0	0
2024	45,633,832	1.200	53,684	3,221	56,905	56,905	0	0	0
2025	45,633,832	1.212	54,220	3,253	57,474	57,474	0	0	0
2026	46,546,508	1.201	54,763	3,286	58,048	58,048	0	0	0
2027	46,546,508	1.213	55,310	3,319	58,629	58,629	0	0	0
2028	47,477,438	1.201	55,863	3,352	59,215	59,215	0	0	0
2029	47,477,438	1.213	56,422	3,385	59,807	59,807	0	0	0
2030	48,426,987	1.201	56,986	3,419	60,405	60,405	0	0	0
2031	48,426,987	1.213	57,556	3,453	61,010	61,010	0	0	0
2032	49,395,527	1.201	58,132	3,488	61,620	61,620	0	0	0
2033	49,395,527	1.213	58,713	3,523	62,236	62,236	0	0	0
2034	50,383,437	1.201	59,300	3,558	62,858	62,858	0	0	0
2035	50,383,437	1.213	59,893	3,594	63,487	63,487	0	0	0
2036	51,391,106	1.201	60,492	3,630	64,122	64,122	0	0	0
2037	51,391,106	1.213	61,097	3,666	64,763	64,763	0	0	0
2038	52,418,928	1.201	61,708	3,702	65,410	65,410	0	0	0
2039	52,418,928	1.213	62,325	3,740	66,065	66,065	0	0	0
2040	53,467,307	1.201	62,948	3,777	66,725	66,725	0	0	0
2041	53,467,307	1.213	63,578	3,815	67,392	67,392	0	0	0
2042	54,536,653	1.201	64,214	3,853	68,066	68,066	0	0	0
2043	54,536,653	1.213	64,856	3,891	68,747	68,747	0	0	0
2044	55,627,386	1.202	65,504	3,930	69,435	69,435	0	0	0
			1,903,864	114,232	2,018,096	2,012,885	156,875	156,875	5,211

29 & D METROPOLITAN DISTRICT Nos. 1 and 2
Development Projection - Buildout Plan (updated 4/9/09)

YEAR	Residential Development					Residential Summary			
	<u>Pod C/D Apts</u>					Total Residential Market Value	Total SFD Units	Total Res'l Units	Total MF Facility Fees @ \$500/unit
	Incr/(Decr) in								
	# Lots	Value @	# Units	Price	Market				
Devel'd	10%	1,124 target	Inflated @ 2%	Value					
2010	0	0			0	\$0	0	0	\$0
2011	225	1,350,000		\$60,000	0	0	0	0	\$0
2012	225	0	225	61,200	13,770,000	13,770,000	0	225	112,500
2013	225	0	225	62,424	14,045,400	14,045,400	0	225	112,500
2014	225	0	225	63,672	14,326,308	14,326,308	0	225	112,500
2015	224	(6,000)	225	64,946	14,612,834	14,612,834	0	225	112,500
2016	0	(1,344,000)	224	66,245	14,838,846	14,838,846	0	224	112,000
2017	0	0	0	67,570	0	0	0	0	0
2018	0	0	0	68,921	0	0	0	0	0
2019	0	0	0	70,300	0	0	0	0	0
2020	0	0	0	71,706	0	0	0	0	0
2021	0	0	0	73,140	0	0	0	0	0
2022	0	0	0	74,602	0	0	0	0	0
	1,124	(0)	1,124		71,593,388	71,593,388	0	1,124	562,000

29 & D METROPOLITAN DISTRICT Nos. 1 and 2
Development Projection - Buildout Plan (updated 4/9/09)

Commercial Development										
YEAR	<u>Pod A Industrial</u>					<u>Pod B Retail</u>				
	Incr/(Decr) in					Incr/(Decr) in				
	SF	Finished Lot Value @	Square Ft Completed	per Sq Ft, Inflated @	Market Value	SF	Finished Lot Value @	Square Ft Completed	per Sq Ft, Inflated @	Market Value
Devel'd	10%	1,200,000	2%		Devel'd	10%	450,000	2%		
2010	240,000	1,560,000			0	0	0			0
2011	240,000	0	240,000	\$65.00	15,600,000	225,000	2,025,000		\$90.00	0
2012	240,000	0	240,000	66.30	15,912,000	0	(2,025,000)	225,000	91.80	20,655,000
2013	240,000	0	240,000	67.63	16,230,240	225,000	2,025,000	0	93.64	0
2014	240,000	0	240,000	68.98	16,554,845	0	(2,025,000)	225,000	95.51	21,489,462
2015	0	(1,560,000)	240,000	70.36	16,885,942	0	0	0	97.42	0
2016	0	0	0	71.77	0	0	0	0	99.37	0
2017	0	0	0	73.20	0	0	0	0	101.35	0
2018	0	0	0	74.66	0	0	0	0	103.38	0
2019	0	0	0	76.16	0	0	0	0	105.45	0
2020	0	0	0	77.68	0	0	0	0	107.56	0
2021	0	0	0	79.23	0	0	0	0	109.71	0
2022	0	0	0	80.82	0	0	0	0	111.90	0
	1,200,000	0	1,200,000		81,183,026	450,000	0	450,000		42,144,462

29 & D METROPOLITAN DISTRICT Nos. 1 and 2
Development Projection - Buildout Plan (updated 4/9/09)

YEAR	<u>Pod C/D Retail</u>					Commercial Summary			Annual Market Value +/- of Platted & Developed Lots
	Incr/(Deer) in					Total Commercial Market Value	Total Commercial Sq Ft	Facility Fees \$1.00/sq ft	
	SF Devel'd	Finished Lot Value @ 10%	Square Ft Completed 10,000	per Sq Ft, Inflated @ 2%	Market Value				
2010	0	0			0	0	0	0	1,560,000
2011	0	0		\$90.00	0	15,600,000	240,000	240,000	3,375,000
2012	10,000	90,000		91.80	0	36,567,000	465,000	465,000	(1,935,000)
2013	0	(90,000)	10,000	93.64	936,360	17,166,600	250,000	250,000	1,935,000
2014	0	0	0	95.51	0	38,044,307	465,000	465,000	(2,025,000)
2015	0	0	0	97.42	0	16,885,942	240,000	240,000	(1,566,000)
2016	0	0	0	99.37	0	0	0	0	(1,344,000)
2017	0	0	0	101.35	0	0	0	0	0
2018	0	0	0	103.38	0	0	0	0	0
2019	0	0	0	105.45	0	0	0	0	0
2020	0	0	0	107.56	0	0	0	0	0
2021	0	0	0	109.71	0	0	0	0	0
2022	0	0	0	111.90	0	0	0	0	0
	10,000	0	10,000		936,360	124,263,848	1,660,000	1,660,000	(0)

SOURCES AND USES OF FUNDS

**29 & D METROPOLITAN DISTRICT Nos. 1 and 2
SERIES 2011 G.O. BONDS
Non-Rated, 30-yr maturity**

Dated Date 12/01/2011
Delivery Date 12/01/2011

Sources:

Bond Proceeds:	
Par Amount	13,000,000.00
	<hr/>
	13,000,000.00

Uses:

Project Fund Deposits:	
Project Fund	9,944,973.17
Other Fund Deposits:	
Capitalized Interest Fund	1,285,876.83
Debt Service Reserve	<hr/>
	1,249,150.00
	2,535,026.83
Delivery Date Expenses:	
Costs of Issuance (est.)	<hr/>
	520,000.00
	<hr/>
	13,000,000.00

BOND DEBT SERVICE

**29 & D METROPOLITAN DISTRICT Nos. 1 and 2
SERIES 2011 G.O. BONDS
Non-Rated, 30-yr maturity**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2012			455,000	455,000	
12/01/2012			455,000	455,000	910,000
06/01/2013			455,000	455,000	
12/01/2013			455,000	455,000	910,000
06/01/2014			455,000	455,000	
12/01/2014			455,000	455,000	910,000
06/01/2015			455,000	455,000	
12/01/2015	60,000	7.000%	455,000	515,000	970,000
06/01/2016			452,900	452,900	
12/01/2016	85,000	7.000%	452,900	537,900	990,800
06/01/2017			449,925	449,925	
12/01/2017	90,000	7.000%	449,925	539,925	989,850
06/01/2018			446,775	446,775	
12/01/2018	115,000	7.000%	446,775	561,775	1,008,550
06/01/2019			442,750	442,750	
12/01/2019	125,000	7.000%	442,750	567,750	1,010,500
06/01/2020			438,375	438,375	
12/01/2020	150,000	7.000%	438,375	588,375	1,026,750
06/01/2021			433,125	433,125	
12/01/2021	165,000	7.000%	433,125	598,125	1,031,250
06/01/2022			427,350	427,350	
12/01/2022	195,000	7.000%	427,350	622,350	1,049,700
06/01/2023			420,525	420,525	
12/01/2023	210,000	7.000%	420,525	630,525	1,051,050
06/01/2024			413,175	413,175	
12/01/2024	240,000	7.000%	413,175	653,175	1,066,350
06/01/2025			404,775	404,775	
12/01/2025	260,000	7.000%	404,775	664,775	1,069,550
06/01/2026			395,675	395,675	
12/01/2026	300,000	7.000%	395,675	695,675	1,091,350
06/01/2027			385,175	385,175	
12/01/2027	320,000	7.000%	385,175	705,175	1,090,350
06/01/2028			373,975	373,975	
12/01/2028	365,000	7.000%	373,975	738,975	1,112,950
06/01/2029			361,200	361,200	
12/01/2029	390,000	7.000%	361,200	751,200	1,112,400
06/01/2030			347,550	347,550	
12/01/2030	435,000	7.000%	347,550	782,550	1,130,100
06/01/2031			332,325	332,325	
12/01/2031	470,000	7.000%	332,325	802,325	1,134,650
06/01/2032			315,875	315,875	
12/01/2032	525,000	7.000%	315,875	840,875	1,156,750
06/01/2033			297,500	297,500	
12/01/2033	560,000	7.000%	297,500	857,500	1,155,000
06/01/2034			277,900	277,900	
12/01/2034	620,000	7.000%	277,900	897,900	1,175,800
06/01/2035			256,200	256,200	
12/01/2035	665,000	7.000%	256,200	921,200	1,177,400
06/01/2036			232,925	232,925	
12/01/2036	735,000	7.000%	232,925	967,925	1,200,850
06/01/2037			207,200	207,200	
12/01/2037	785,000	7.000%	207,200	992,200	1,199,400
06/01/2038			179,725	179,725	
12/01/2038	865,000	7.000%	179,725	1,044,725	1,224,450
06/01/2039			149,450	149,450	
12/01/2039	925,000	7.000%	149,450	1,074,450	1,223,900
06/01/2040			117,075	117,075	
12/01/2040	1,015,000	7.000%	117,075	1,132,075	1,249,150
06/01/2041			81,550	81,550	
12/01/2041	2,330,000	7.000%	81,550	2,411,550	2,493,100
	13,000,000		20,921,950	33,921,950	33,921,950

NET DEBT SERVICE

**29 & D METROPOLITAN DISTRICT Nos. 1 and 2
SERIES 2011 G.O. BONDS
Non-Rated, 30-yr maturity**

Date	Principal	Interest	Total Debt Service	Debt Service Reserve	Capitalized Interest Fund	Net Debt Service	Annual Net D/S
06/01/2012		455,000	455,000		455,000		
12/01/2012		455,000	455,000		455,000		
06/01/2013		455,000	455,000		455,000		
12/01/2013		455,000	455,000	15,614.38		439,385.62	439,385.62
06/01/2014		455,000	455,000	15,614.38		439,385.62	
12/01/2014		455,000	455,000	15,614.38		439,385.62	878,771.24
06/01/2015		455,000	455,000	15,614.38		439,385.62	
12/01/2015	60,000	455,000	515,000	15,614.38		499,385.62	938,771.24
06/01/2016		452,900	452,900	15,614.38		437,285.62	
12/01/2016	85,000	452,900	537,900	15,614.38		522,285.62	959,571.24
06/01/2017		449,925	449,925	15,614.38		434,310.62	
12/01/2017	90,000	449,925	539,925	15,614.38		524,310.62	958,621.24
06/01/2018		446,775	446,775	15,614.38		431,160.62	
12/01/2018	115,000	446,775	561,775	15,614.38		546,160.62	977,321.24
06/01/2019		442,750	442,750	15,614.38		427,135.62	
12/01/2019	125,000	442,750	567,750	15,614.38		552,135.62	979,271.24
06/01/2020		438,375	438,375	15,614.38		422,760.62	
12/01/2020	150,000	438,375	588,375	15,614.38		572,760.62	995,521.24
06/01/2021		433,125	433,125	15,614.38		417,510.62	
12/01/2021	165,000	433,125	598,125	15,614.38		582,510.62	1,000,021.24
06/01/2022		427,350	427,350	15,614.38		411,735.62	
12/01/2022	195,000	427,350	622,350	15,614.38		606,735.62	1,018,471.24
06/01/2023		420,525	420,525	15,614.38		404,910.62	
12/01/2023	210,000	420,525	630,525	15,614.38		614,910.62	1,019,821.24
06/01/2024		413,175	413,175	15,614.38		397,560.62	
12/01/2024	240,000	413,175	653,175	15,614.38		637,560.62	1,035,121.24
06/01/2025		404,775	404,775	15,614.38		389,160.62	
12/01/2025	260,000	404,775	664,775	15,614.38		649,160.62	1,038,321.24
06/01/2026		395,675	395,675	15,614.38		380,060.62	
12/01/2026	300,000	395,675	695,675	15,614.38		680,060.62	1,060,121.24
06/01/2027		385,175	385,175	15,614.38		369,560.62	
12/01/2027	320,000	385,175	705,175	15,614.38		689,560.62	1,059,121.24
06/01/2028		373,975	373,975	15,614.38		358,360.62	
12/01/2028	365,000	373,975	738,975	15,614.38		723,360.62	1,081,721.24
06/01/2029		361,200	361,200	15,614.38		345,585.62	
12/01/2029	390,000	361,200	751,200	15,614.38		735,585.62	1,081,171.24
06/01/2030		347,550	347,550	15,614.38		331,935.62	
12/01/2030	435,000	347,550	782,550	15,614.38		766,935.62	1,098,871.24
06/01/2031		332,325	332,325	15,614.38		316,710.62	
12/01/2031	470,000	332,325	802,325	15,614.38		786,710.62	1,103,421.24
06/01/2032		315,875	315,875	15,614.38		300,260.62	
12/01/2032	525,000	315,875	840,875	15,614.38		825,260.62	1,125,521.24
06/01/2033		297,500	297,500	15,614.38		281,885.62	
12/01/2033	560,000	297,500	857,500	15,614.38		841,885.62	1,123,771.24
06/01/2034		277,900	277,900	15,614.38		262,285.62	
12/01/2034	620,000	277,900	897,900	15,614.38		882,285.62	1,144,571.24
06/01/2035		256,200	256,200	15,614.38		240,585.62	
12/01/2035	665,000	256,200	921,200	15,614.38		905,585.62	1,146,171.24
06/01/2036		232,925	232,925	15,614.38		217,310.62	
12/01/2036	735,000	232,925	967,925	15,614.38		952,310.62	1,169,621.24
06/01/2037		207,200	207,200	15,614.38		191,585.62	
12/01/2037	785,000	207,200	992,200	15,614.38		976,585.62	1,168,171.24
06/01/2038		179,725	179,725	15,614.38		164,110.62	
12/01/2038	865,000	179,725	1,044,725	15,614.38		1,029,110.62	1,193,221.24
06/01/2039		149,450	149,450	15,614.38		133,835.62	
12/01/2039	925,000	149,450	1,074,450	15,614.38		1,058,835.62	1,192,671.24
06/01/2040		117,075	117,075	15,614.38		101,460.62	
12/01/2040	1,015,000	117,075	1,132,075	15,614.38		1,116,460.62	1,217,921.24
06/01/2041		81,550	81,550	15,614.38		65,935.62	
12/01/2041	2,330,000	81,550	2,411,550	1,264,764.38		1,146,785.62	1,212,721.24
	13,000,000	20,921,950	33,921,950	2,139,169.66	1,365,000	30,417,780.34	30,417,780.34

CAPITALIZED INTEREST FUND

29 & D METROPOLITAN DISTRICT Nos. 1 and 2
SERIES 2011 G.O. BONDS
 Non-Rated, 30-yr maturity

Capitalized Interest Fund

Date	Deposit	Interest @ 2.5%	Principal	Debt Service Reserve	Scheduled Draws	Balance
12/01/2011	1,285,876.83					1,285,876.83
06/01/2012		16,073.46	423,312.16	15,614.38	455,000	862,564.67
12/01/2012		10,782.06	428,603.56	15,614.38	455,000	433,961.11
06/01/2013		5,424.51	433,961.11	15,614.38	455,000	
	1,285,876.83	32,280.03	1,285,876.83	46,843.14	1,365,000	

Average Life (years): 1.0041

DEBT SERVICE RESERVE FUND
29 & D METROPOLITAN DISTRICT Nos. 1 and 2
SERIES 2011 G.O. BONDS
Non-Rated, 30-yr maturity

Debt Service Reserve

Date	Deposit	Interest @ 2.5%	Principal	Capitalized Interest Fund	Debt Service	Balance
12/01/2011	1,249,150					1,249,150
06/01/2012		15,614.38		-15,614.38		1,249,150
12/01/2012		15,614.38		-15,614.38		1,249,150
06/01/2013		15,614.38		-15,614.38		1,249,150
12/01/2013		15,614.38			-15,614.38	1,249,150
06/01/2014		15,614.38			-15,614.38	1,249,150
12/01/2014		15,614.38			-15,614.38	1,249,150
06/01/2015		15,614.38			-15,614.38	1,249,150
12/01/2015		15,614.38			-15,614.38	1,249,150
06/01/2016		15,614.38			-15,614.38	1,249,150
12/01/2016		15,614.38			-15,614.38	1,249,150
06/01/2017		15,614.38			-15,614.38	1,249,150
12/01/2017		15,614.38			-15,614.38	1,249,150
06/01/2018		15,614.38			-15,614.38	1,249,150
12/01/2018		15,614.38			-15,614.38	1,249,150
06/01/2019		15,614.38			-15,614.38	1,249,150
12/01/2019		15,614.38			-15,614.38	1,249,150
06/01/2020		15,614.38			-15,614.38	1,249,150
12/01/2020		15,614.38			-15,614.38	1,249,150
06/01/2021		15,614.38			-15,614.38	1,249,150
12/01/2021		15,614.38			-15,614.38	1,249,150
06/01/2022		15,614.38			-15,614.38	1,249,150
12/01/2022		15,614.38			-15,614.38	1,249,150
06/01/2023		15,614.38			-15,614.38	1,249,150
12/01/2023		15,614.38			-15,614.38	1,249,150
06/01/2024		15,614.38			-15,614.38	1,249,150
12/01/2024		15,614.38			-15,614.38	1,249,150
06/01/2025		15,614.38			-15,614.38	1,249,150
12/01/2025		15,614.38			-15,614.38	1,249,150
06/01/2026		15,614.38			-15,614.38	1,249,150
12/01/2026		15,614.38			-15,614.38	1,249,150
06/01/2027		15,614.38			-15,614.38	1,249,150
12/01/2027		15,614.38			-15,614.38	1,249,150
06/01/2028		15,614.38			-15,614.38	1,249,150
12/01/2028		15,614.38			-15,614.38	1,249,150
06/01/2029		15,614.38			-15,614.38	1,249,150
12/01/2029		15,614.38			-15,614.38	1,249,150
06/01/2030		15,614.38			-15,614.38	1,249,150
12/01/2030		15,614.38			-15,614.38	1,249,150
06/01/2031		15,614.38			-15,614.38	1,249,150
12/01/2031		15,614.38			-15,614.38	1,249,150
06/01/2032		15,614.38			-15,614.38	1,249,150
12/01/2032		15,614.38			-15,614.38	1,249,150
06/01/2033		15,614.38			-15,614.38	1,249,150
12/01/2033		15,614.38			-15,614.38	1,249,150
06/01/2034		15,614.38			-15,614.38	1,249,150
12/01/2034		15,614.38			-15,614.38	1,249,150
06/01/2035		15,614.38			-15,614.38	1,249,150
12/01/2035		15,614.38			-15,614.38	1,249,150
06/01/2036		15,614.38			-15,614.38	1,249,150
12/01/2036		15,614.38			-15,614.38	1,249,150
06/01/2037		15,614.38			-15,614.38	1,249,150
12/01/2037		15,614.38			-15,614.38	1,249,150
06/01/2038		15,614.38			-15,614.38	1,249,150
12/01/2038		15,614.38			-15,614.38	1,249,150
06/01/2039		15,614.38			-15,614.38	1,249,150
12/01/2039		15,614.38			-15,614.38	1,249,150
06/01/2040		15,614.38			-15,614.38	1,249,150
12/01/2040		15,614.38			-15,614.38	1,249,150
06/01/2041		15,614.38			-15,614.38	1,249,150
12/01/2041		15,614.38	1,249,150		-1,264,764.38	1,249,150
	1,249,150	936,862.80	1,249,150	-46,843.14	-2,139,169.66	

Average Life (years): 30.0000

SOURCES AND USES OF FUNDS

**29 & D METROPOLITAN DISTRICT Nos. 1 and 2
SERIES 2014 G.O. BONDS
Non-Rated, 30-yr maturity**

Dated Date 12/01/2014
Delivery Date 12/01/2014

Sources:

Bond Proceeds:	
Par Amount	12,200,000.00
	<hr/>
	12,200,000.00

Uses:

Project Fund Deposits:	
Project Fund	10,085,333.33
Other Fund Deposits:	
Capitalized Interest & Expenses Fund	406,666.67
Debt Service Reserve	1,220,000.00
	<hr/>
	1,626,666.67
Delivery Date Expenses:	
Costs of Issuance (est.)	488,000.00
	<hr/>
	488,000.00
	<hr/>
	12,200,000.00

BOND DEBT SERVICE

**29 & D METROPOLITAN DISTRICT Nos. 1 and 2
SERIES 2014 G.O. BONDS
Non-Rated, 30-yr maturity**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2015			427,000	427,000	
12/01/2015			427,000	427,000	854,000
06/01/2016			427,000	427,000	
12/01/2016			427,000	427,000	854,000
06/01/2017			427,000	427,000	
12/01/2017			427,000	427,000	854,000
06/01/2018			427,000	427,000	
12/01/2018	20,000	7.000%	427,000	447,000	874,000
06/01/2019			426,300	426,300	
12/01/2019	15,000	7.000%	426,300	441,300	867,600
06/01/2020			425,775	425,775	
12/01/2020	40,000	7.000%	425,775	465,775	891,550
06/01/2021			424,375	424,375	
12/01/2021	35,000	7.000%	424,375	459,375	883,750
06/01/2022			423,150	423,150	
12/01/2022	55,000	7.000%	423,150	478,150	901,300
06/01/2023			421,225	421,225	
12/01/2023	60,000	7.000%	421,225	481,225	902,450
06/01/2024			419,125	419,125	
12/01/2024	85,000	7.000%	419,125	504,125	923,250
06/01/2025			416,150	416,150	
12/01/2025	90,000	7.000%	416,150	506,150	922,300
06/01/2026			413,000	413,000	
12/01/2026	115,000	7.000%	413,000	528,000	941,000
06/01/2027			408,975	408,975	
12/01/2027	120,000	7.000%	408,975	528,975	937,950
06/01/2028			404,775	404,775	
12/01/2028	145,000	7.000%	404,775	549,775	954,550
06/01/2029			399,700	399,700	
12/01/2029	155,000	7.000%	399,700	554,700	954,400
06/01/2030			394,275	394,275	
12/01/2030	190,000	7.000%	394,275	584,275	978,550
06/01/2031			387,625	387,625	
12/01/2031	200,000	7.000%	387,625	587,625	975,250
06/01/2032			380,625	380,625	
12/01/2032	230,000	7.000%	380,625	610,625	991,250
06/01/2033			372,575	372,575	
12/01/2033	250,000	7.000%	372,575	622,575	995,150
06/01/2034			363,825	363,825	
12/01/2034	290,000	7.000%	363,825	653,825	1,017,650
06/01/2035			353,675	353,675	
12/01/2035	305,000	7.000%	353,675	658,675	1,012,350
06/01/2036			343,000	343,000	
12/01/2036	350,000	7.000%	343,000	693,000	1,036,000
06/01/2037			330,750	330,750	
12/01/2037	375,000	7.000%	330,750	705,750	1,036,500
06/01/2038			317,625	317,625	
12/01/2038	420,000	7.000%	317,625	737,625	1,055,250
06/01/2039			302,925	302,925	
12/01/2039	450,000	7.000%	302,925	752,925	1,055,850
06/01/2040			287,175	287,175	
12/01/2040	500,000	7.000%	287,175	787,175	1,074,350
06/01/2041			269,675	269,675	
12/01/2041	540,000	7.000%	269,675	809,675	1,079,350
06/01/2042			250,775	250,775	
12/01/2042	1,835,000	7.000%	250,775	2,085,775	2,336,550
06/01/2043			186,550	186,550	
12/01/2043	1,965,000	7.000%	186,550	2,151,550	2,338,100
06/01/2044			117,775	117,775	
12/01/2044	3,365,000	7.000%	117,775	3,482,775	3,600,550
	12,200,000		21,898,800	34,098,800	34,098,800

NET DEBT SERVICE

**29 & D METROPOLITAN DISTRICT Nos. 1 and 2
SERIES 2014 G.O. BONDS
Non-Rated, 30-yr maturity**

Date	Principal	Interest	Total Debt Service	Debt Service Reserve	Capitalized Interest & Expenses Fund	Net Debt Service	Annual Net D/S
06/01/2015		427,000	427,000		427,000		
12/01/2015		427,000	427,000	15,250		411,750	411,750
06/01/2016		427,000	427,000	15,250		411,750	
12/01/2016		427,000	427,000	15,250		411,750	823,500
06/01/2017		427,000	427,000	15,250		411,750	
12/01/2017		427,000	427,000	15,250		411,750	823,500
06/01/2018		427,000	427,000	15,250		411,750	
12/01/2018	20,000	427,000	447,000	15,250		431,750	843,500
06/01/2019		426,300	426,300	15,250		411,050	
12/01/2019	15,000	426,300	441,300	15,250		426,050	837,100
06/01/2020		425,775	425,775	15,250		410,525	
12/01/2020	40,000	425,775	465,775	15,250		450,525	861,050
06/01/2021		424,375	424,375	15,250		409,125	
12/01/2021	35,000	424,375	459,375	15,250		444,125	853,250
06/01/2022		423,150	423,150	15,250		407,900	
12/01/2022	55,000	423,150	478,150	15,250		462,900	870,800
06/01/2023		421,225	421,225	15,250		405,975	
12/01/2023	60,000	421,225	481,225	15,250		465,975	871,950
06/01/2024		419,125	419,125	15,250		403,875	
12/01/2024	85,000	419,125	504,125	15,250		488,875	892,750
06/01/2025		416,150	416,150	15,250		400,900	
12/01/2025	90,000	416,150	506,150	15,250		490,900	891,800
06/01/2026		413,000	413,000	15,250		397,750	
12/01/2026	115,000	413,000	528,000	15,250		512,750	910,500
06/01/2027		408,975	408,975	15,250		393,725	
12/01/2027	120,000	408,975	528,975	15,250		513,725	907,450
06/01/2028		404,775	404,775	15,250		389,525	
12/01/2028	145,000	404,775	549,775	15,250		534,525	924,050
06/01/2029		399,700	399,700	15,250		384,450	
12/01/2029	155,000	399,700	554,700	15,250		539,450	923,900
06/01/2030		394,275	394,275	15,250		379,025	
12/01/2030	190,000	394,275	584,275	15,250		569,025	948,050
06/01/2031		387,625	387,625	15,250		372,375	
12/01/2031	200,000	387,625	587,625	15,250		572,375	944,750
06/01/2032		380,625	380,625	15,250		365,375	
12/01/2032	230,000	380,625	610,625	15,250		595,375	960,750
06/01/2033		372,575	372,575	15,250		357,325	
12/01/2033	250,000	372,575	622,575	15,250		607,325	964,650
06/01/2034		363,825	363,825	15,250		348,575	
12/01/2034	290,000	363,825	653,825	15,250		638,575	987,150
06/01/2035		353,675	353,675	15,250		338,425	
12/01/2035	305,000	353,675	658,675	15,250		643,425	981,850
06/01/2036		343,000	343,000	15,250		327,750	
12/01/2036	350,000	343,000	693,000	15,250		677,750	1,005,500
06/01/2037		330,750	330,750	15,250		315,500	
12/01/2037	375,000	330,750	705,750	15,250		690,500	1,006,000
06/01/2038		317,625	317,625	15,250		302,375	
12/01/2038	420,000	317,625	737,625	15,250		722,375	1,024,750
06/01/2039		302,925	302,925	15,250		287,675	
12/01/2039	450,000	302,925	752,925	15,250		737,675	1,025,350
06/01/2040		287,175	287,175	15,250		271,925	
12/01/2040	500,000	287,175	787,175	15,250		771,925	1,043,850
06/01/2041		269,675	269,675	15,250		254,425	
12/01/2041	540,000	269,675	809,675	15,250		794,425	1,048,850
06/01/2042		250,775	250,775	15,250		235,525	
12/01/2042	1,835,000	250,775	2,085,775	15,250		2,070,525	2,306,050
06/01/2043		186,550	186,550	15,250		171,300	
12/01/2043	1,965,000	186,550	2,151,550	15,250		2,136,300	2,307,600
06/01/2044		117,775	117,775	15,250		102,525	
12/01/2044	3,365,000	117,775	3,482,775	1,235,250		2,247,525	2,350,050
	12,200,000	21,898,800	34,098,800	2,119,750	427,000	31,552,050	31,552,050

DEBT SERVICE RESERVE FUND

29 & D METROPOLITAN DISTRICT Nos. 1 and 2
 SERIES 2014 G.O. BONDS
 Non-Rated, 30-yr maturity

Debt Service Reserve

Date	Deposit	Interest @ 2.5%	Principal	Capitalized Interest & Expenses Fund	Debt Service	Balance
12/01/2014	1,220,000					1,220,000
06/01/2015		15,250		-15,250		1,220,000
12/01/2015		15,250			-15,250	1,220,000
06/01/2016		15,250			-15,250	1,220,000
12/01/2016		15,250			-15,250	1,220,000
06/01/2017		15,250			-15,250	1,220,000
12/01/2017		15,250			-15,250	1,220,000
06/01/2018		15,250			-15,250	1,220,000
12/01/2018		15,250			-15,250	1,220,000
06/01/2019		15,250			-15,250	1,220,000
12/01/2019		15,250			-15,250	1,220,000
06/01/2020		15,250			-15,250	1,220,000
12/01/2020		15,250			-15,250	1,220,000
06/01/2021		15,250			-15,250	1,220,000
12/01/2021		15,250			-15,250	1,220,000
06/01/2022		15,250			-15,250	1,220,000
12/01/2022		15,250			-15,250	1,220,000
06/01/2023		15,250			-15,250	1,220,000
12/01/2023		15,250			-15,250	1,220,000
06/01/2024		15,250			-15,250	1,220,000
12/01/2024		15,250			-15,250	1,220,000
06/01/2025		15,250			-15,250	1,220,000
12/01/2025		15,250			-15,250	1,220,000
06/01/2026		15,250			-15,250	1,220,000
12/01/2026		15,250			-15,250	1,220,000
06/01/2027		15,250			-15,250	1,220,000
12/01/2027		15,250			-15,250	1,220,000
06/01/2028		15,250			-15,250	1,220,000
12/01/2028		15,250			-15,250	1,220,000
06/01/2029		15,250			-15,250	1,220,000
12/01/2029		15,250			-15,250	1,220,000
06/01/2030		15,250			-15,250	1,220,000
12/01/2030		15,250			-15,250	1,220,000
06/01/2031		15,250			-15,250	1,220,000
12/01/2031		15,250			-15,250	1,220,000
06/01/2032		15,250			-15,250	1,220,000
12/01/2032		15,250			-15,250	1,220,000
06/01/2033		15,250			-15,250	1,220,000
12/01/2033		15,250			-15,250	1,220,000
06/01/2034		15,250			-15,250	1,220,000
12/01/2034		15,250			-15,250	1,220,000
06/01/2035		15,250			-15,250	1,220,000
12/01/2035		15,250			-15,250	1,220,000
06/01/2036		15,250			-15,250	1,220,000
12/01/2036		15,250			-15,250	1,220,000
06/01/2037		15,250			-15,250	1,220,000
12/01/2037		15,250			-15,250	1,220,000
06/01/2038		15,250			-15,250	1,220,000
12/01/2038		15,250			-15,250	1,220,000
06/01/2039		15,250			-15,250	1,220,000
12/01/2039		15,250			-15,250	1,220,000
06/01/2040		15,250			-15,250	1,220,000
12/01/2040		15,250			-15,250	1,220,000
06/01/2041		15,250			-15,250	1,220,000
12/01/2041		15,250			-15,250	1,220,000
06/01/2042		15,250			-15,250	1,220,000
12/01/2042		15,250			-15,250	1,220,000
06/01/2043		15,250			-15,250	1,220,000
12/01/2043		15,250			-15,250	1,220,000
06/01/2044		15,250			-15,250	1,220,000
12/01/2044		15,250	1,220,000		-1,235,250	1,220,000
	1,220,000	915,000	1,220,000	-15,250	-2,119,750	

Average Life (years): 30.0000

CAPITALIZED INTEREST FUND

29 & D METROPOLITAN DISTRICT Nos. 1 and 2
SERIES 2014 G.O. BONDS
Non-Rated, 30-yr maturity

Capitalized Interest & Expenses Fund

Date	Deposit	Interest @ 2.5%	Principal	Debt Service Reserve	Scheduled Draws	Balance
12/01/2014	406,666.67					406,666.67
06/01/2015		5,083.33	406,666.67	15,250	427,000	
	406,666.67	5,083.33	406,666.67	15,250	427,000	

Average Life (years): 0.5000