

**SADDLER RIDGE
METROPOLITAN DISTRICT
SEVERANCE, COLORADO**

**AMENDED AND RESTATED
SERVICE PLAN**

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Approved: July 28, 2008

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- EXHIBIT A-1 TOWN OF SEVERANCE RESOLUTION OF APPROVAL - AUGUST 6, 2003
- EXHIBIT A-2 TOWN OF SEVERANCE RESOLUTION OF APPROVAL – JULY 28, 2008
- EXHIBIT B LEGAL DESCRIPTION OF DISTRICT
- EXHIBIT C VICINITY MAP OF DISTRICT
- EXHIBIT D BOUNDARY MAP OF DISTRICT
- EXHIBIT E SANITARY SEWER SERVICE AREA
- EXHIBIT F DESCRIPTION OF FACILITIES AND COSTS
- EXHIBIT G FINANCIAL PLAN

I. INTRODUCTION

This Amended and Restated Service Plan is submitted in accordance with the Special District Control Act, §§ 32-1-201, *et seq.*, C.R.S., for the Saddler Ridge Metropolitan District (the "District"). The District will serve the needs of a new community to be known as the Bridle Hill Development (the "Community"). The District will provide essential public improvements and services.

The Community is located wholly within the Town of Severance, in Weld County, Colorado. The District contains approximately 320 acres currently in the early stages of development, approximately three miles northwest of the Town center. At final build-out, the District is expected to contain approximately 150 single family residential units, 150,000 square feet of commercial space, an equestrian arena and center, a RV park and approximately 84 acres of open space.

This Amended and Restated Service Plan contemplates using the District to provide public services and facilities often provided by a homeowners association, the benefit of which is two-fold. First, special districts are quasi-municipal corporations and political subdivisions of the state, subject to state laws regarding district activities, including budgets, funding, public meetings and the election of a Board of Directors and, therefore, are more accountable to their constituents. Second, district *ad valorem* property taxes are collected through the mill levy process and are tax deductible to property owners, unlike HOA assessments which are not tax deductible and can be difficult to collect.

The successor in interest to the Organizer of the District and the Developer of the Project is Bridle Hill Development, LLC, a Colorado limited liability company. This Amended and Restated Service Plan was prepared by the Developer and its consultants, as listed below:

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II. PURPOSE, INTENT, NEED AND GENERAL POWERS OF THE DISTRICT

A. Purpose and Intent. The District will provide essential public purpose facilities and services for public use and benefit. The District will cooperate with the Town of Severance (the "Town") to serve and promote the health, safety and general welfare of its citizens. The resolution

approving the Service Plan, adopted by the Town Board of Trustees on August 6, 2003, is attached as Exhibit A-1. The Board of Trustees resolution approving this Amended and Restated Service Plan will be attached as Exhibit A-2, in accordance with § 32-1-204.5(1), C.R.S.

B. Need for District. The Town does not consider it practical to finance the construction, acquisition or installation of the public improvements described on Exhibit F. There is no other public or private entity willing and able to design, finance, construct, acquire or install the public improvements needed for the Community. The District is capable of financing a portion of the cost associated with the construction, acquisition and installation of the public improvements in a cost effective manner and will thereafter provide for the operation and maintenance of public improvements not dedicated to the Town, Weld County, Colorado Department of Transportation (“CDOT”), North Weld County Water District (“NWCWD”) or other governmental entity.

C. General Powers. The installation of improvements and the provision of services by the District shall be undertaken in accordance with the Special District Act (§§ 32-1-101, *et seq.*, C.R.S.), other state statutes and this Amended and Restated Service Plan.

1. Powers Regarding Services and Facilities. The District will have authority to provide the following services and facilities within and without its boundaries:

a. Water. The design, acquisition, installation, construction, relocation, operations, maintenance, repair and replacement of potable and non-potable water distribution system improvements including water rights, water supply, wells, meters, storage facilities, transmission and distribution lines, pumping stations, irrigation facilities, reservoirs, retention ponds, lakes, treatment works, hydrants, meters, facilities and equipment and related landscaping and irrigation improvements, together with incidental and appurtenant facilities, equipment, land and easements acquired by condemnation or otherwise, and extensions of and improvements to such facilities;

b. Sanitary Sewer. The design, acquisition, installation, construction, relocation, operations, maintenance, repair and replacement of sanitary sewer system improvements, including treatment facilities and appurtenances, sewer collection and transmission lines, septic collection and receiving, pumping stations, associated equipment, and related improvements, together with all necessary, incidental and appurtenant facilities,

equipment, land and easements acquired by condemnation or otherwise, and extensions of and improvements to such facilities;

c. Streets. The design, acquisition, installation, construction, relocation, operation, maintenance, repair and replacement of roadway improvements, curbs, gutters, culverts, storm sewers, drainage facilities, sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, snow removal, utility relocation, monumentation, signage and related landscaping and irrigation improvements, together with all necessary, incidental and appurtenant facilities, equipment, land and easements acquired by condemnation or otherwise, and extensions of and improvements to such facilities;

d. Parks and Recreation. The design, acquisition, installation, construction, relocation, regulation, operation, maintenance, repair and replacement of park and recreation facilities or programs including open space, bike paths, hiking trails, pedestrian trails, equestrian trails, pedestrian bridges, public plazas and courtyards, ponds, water features, signage, public sculpture, art, botanic gardens, equestrian centers, swimming pools and spas, tennis courts, exercise facilities, RV park, meeting and event space, picnic areas, playgrounds, park shelters, community events, common area landscaping and weed control, outdoor lighting, fencing and related landscaping and irrigation improvements, incidental and appurtenant facilities, equipment, land and easements acquired by condemnation or otherwise, and extensions of and improvements to such facilities;

e. Traffic and Safety Controls. The design, acquisition, installation, construction, relocation, operation, maintenance, repair and replacement of traffic and safety protection facilities and services through traffic and safety controls and devices on streets and highways and at railroad crossings, including traffic signals and signage, environmental monitoring, traffic-related computer systems, traffic signs, area identification signs, directional assistance, driver information and community identification and direction signs with related landscaping and irrigation improvements, together with all necessary, incidental and appurtenant facilities, equipment, land and easements acquired by condemnation or otherwise, and extensions of and improvements to such facilities;

f. Transportation. The design, acquisition, installation, construction, relocation, operation, maintenance, repair and replacement of public transportation system

improvements, including transportation equipment, park and ride facilities and parking lots, shuttle facilities, parking structures, signage, roofs, covers, bicycle racks, other transportation-related facilities, and related landscaping and irrigation improvements, together with all necessary, incidental and appurtenant facilities, land and easements, acquired by condemnation or otherwise, and extensions of and improvements to such facilities or systems;

g. Telecommunication Systems and Services. The design, acquisition, installation, construction, relocation, operation and maintenance of television relay and translator facilities, including without limitation, digital, satellite and cable television, communication systems and other technologies, together with all incidental and appurtenant facilities, land and easements acquired by condemnation or otherwise, and extensions of and improvements to such facilities; and

h. Mosquito and Pest Control. The design, acquisition, installation, construction, relocation, operation and maintenance of programs and methods for the elimination and control of mosquitoes, rodents and other pests.

2. Miscellaneous Powers. With respect to the activities, facilities, improvements and programs to be provided pursuant to this Amended and Restated Service Plan, the District shall have the following powers:

a. Legal Powers. The powers of the District will be exercised by its Board of Directors to the extent necessary to provide the contemplated services. The facilities, improvements, programs and services will be undertaken in accordance with, and pursuant to, the procedures and conditions contained in the Colorado Constitution, the Special District Act, other statutes, this Amended and Restated Service Plan, and Colorado common law.

b. Discretionary Powers. In addition to the powers enumerated above, the Board of Directors of the District shall, subject to the limitations and provision of this Amended and Restated Service Plan, have authority:

i. To seek amendment of this Amended and Restated Service Plan for material modifications as required by, and subject to, the provisions of § 32-1-207(2), C.R.S.;

ii. To implement, forego, contract for, reschedule or restructure the financing and construction of improvements and facilities, in order to best provide

for the health, safety, and welfare of the Community in the most cost effective and practical manner as determined by the District's Board;

iii. To provide additional services and exercise all powers expressly or impliedly granted by Colorado law or which the District is authorized to provide in its discretion in order to carry out the purposes and functions of the District as described in this Amended and Restated Service Plan; and,

iv. To exercise all necessary and implied powers under the Special District Act as the Board of Directors deems appropriate, subject to and in accordance with the provisions and limitations set forth within this Amended and Restated Service Plan.

III. BOUNDARIES, POPULATION & VALUATION

The District contains approximately 320 acres located entirely within the Town of Severance. The District is located north of State Highway 14, east of and adjacent to WCR 17 and west of and adjacent to WCR 19, in the south half of Section 9, Township 7 North, Range 67 West of the 6th P.M. The legal description of the District is attached as Exhibit B (the "Property"). A vicinity map of the District is attached as Exhibit C and a boundary map of the District is attached as Exhibit D.

The Community is designed as mixed use development consisting of single-family residential lots, multi-family units, an equestrian arena, wedding/event center, commercial area and recreational facilities. Residential development is expected to include multi-family units, one-half acre single family lots and three to five acre single family estate lots. The arena is expected to board horses in addition to hosting equestrian events. The commercial area is expected to include a wedding/event facility, motel, R.V. park, restaurants, retail shops, veterinarian clinic and gas station.

The residential population of the District at full build out, assuming 2.5 residents per unit is projected to be approximately 360 individuals. The current assessed value of all property within the District is Twenty-two Thousand Four Hundred Seventy Dollars (\$22,470.00). The estimated assessed value of property within the District in 2024 is projected to be Fifteen Million Six Hundred Forty-six Thousand Nine Hundred Twenty-two Dollars (\$15,646,922.00).

IV. EXISTING CONDITIONS, PROPOSED IMPROVEMENTS, AND FACILITIES TO BE PROVIDED

A. Description of Existing Conditions. The Property is zoned PUD and consists of approximately 320 acres in the early stages of development.

B. Anticipated Development. The Developer of the project anticipates total build out of the Community to occur within fifteen years. The anticipated build out schedule is shown in the Financial Plan attached as Exhibit G.

C. Public Improvement Schedule. Construction of public improvements commenced in 2005 and construction of homes is anticipated to begin in 2008. Construction of public improvements will be phased to match the development schedule and market demand to ensure that public infrastructure improvements are built only as needed.

D. Specific Improvements to be Provided. The District will exercise the powers and authority described in Section II to finance the construction, acquisition, operations, maintenance, repair and replacement of the public facilities and improvements described in Exhibit F. Where appropriate, the District will contract with other public and/or private entities to provide construction or other services. An updated preliminary engineering and construction plan including the cost in current dollars of each improvement, together with an explanation of the methods, basis and/or assumptions used in determining cost is attached as part of Exhibit F. Exhibit F is a preliminary list only and is subject to modification and revision as engineering plans, Town approvals, financing plans, construction scheduling and costs may require. Improvements not specifically described therein shall be permitted as long as they are necessary or appurtenant to those improvements contemplated in this Amended and Restated Service Plan and within the power and authority described in Section II.

1. Water Utility System. The District anticipates installing a dual potable/nonpotable water distribution system. All potable and nonpotable water lines, related fire protection improvements and other related improvements acquired or installed by the District will be conveyed to NWCWD for ownership, operation and maintenance upon completion of construction and applicable warranty period. Common area irrigation improvements are anticipated to be owned and operated by the District. Homebuilders will be responsible for construction of service lines (potable and nonpotable), from the meter to the building, which will remain the responsibility of the property owner. All meters will be set, owned and operated by NWCWD, in accordance with its Rules and Regulations and water usage will be charged to the homeowner by NWCWD.

2. Sanitary Sewer. The District anticipates designing, constructing, installing, acquiring, owning, operating, maintaining, repairing and replacing a package treatment plant, sanitary sewer interceptor, septic receiving station and related facilities for a designated regional service area located within the Town's 208 Planning Area, as depicted on Exhibit E. The District's sanitary sewer service area will include property outside of the District's boundaries, as authorized by the Town. The District anticipates acting as a contract service provider for the Town, in accordance with an intergovernmental agreement entered into between the District and the Town. Homebuilders will be responsible for construction of sanitary sewer service lines (laterals), which will remain the responsibility of the property owner.

3. Streets. Roadway and storm drainage infrastructure will be acquired, constructed, owned and maintained by the District for the benefit of the public. Road rights-of-way will be conveyed by fee simple ownership, easement, or plat dedication from the Developer to the District. The District anticipates funding or installing and dedicating offsite road improvements to WCR 17 and WCR 19 to Weld County. Any improvements to Colorado State Highway 14 are anticipated to be conveyed to CDOT upon completion of any warranty period. The District may dedicate certain roadway improvements, storm drainage improvements and/or road rights-of-way to the Town for ownership, operation, maintenance, repair and replacement.

4. Park and Recreation Facilities. The District anticipates maintaining equestrian trails, pedestrian trails, open space and other recreational activities and programs. Approximately 84 acres in the District is expected to be open space to be conveyed from the Developer to the District for ownership, operation and maintenance. The open space is expected to contain ponds used for irrigation and open space purposes. Other park and recreation facilities and services within the Community are expected to include an equestrian arena, event center and tennis, swimming and fitness facilities.

5. Traffic and Safety Controls. Traffic and safety protection devices acquired or installed by the District will include traffic signals and signs, identification and directional signage.

6. Telecommunication Facilities. Television, fiber optic, communication, data acquisition and other facilities and services will be provided to the extent necessary. The District

intends such systems to be self-supporting with both capital and service costs being borne by the ultimate users.

7. Mosquito and Pest Control. All mosquito, rodent and pest control facilities and/or services, if any, will be provided in accordance with the applicable standards of the Colorado Department of Public Health and Environment, Colorado Department of Natural Resources, Colorado Department of Agriculture, U.S. Environmental Protection Agency, and other federal, state and local rules and regulations.

E. Dedication of Improvements to Town of Severance/Other Entities. The District anticipates dedicating certain water improvements to NWCWD and certain road improvements to Weld County and CDOT, as set forth in this Amended and Restated Service Plan. The District may convey certain road and drainage improvements to the Town. All improvements dedicated to the NWCWD, the County, CDOT, the Town or other public entity shall be transferred and conveyed with necessary easements and rights-of-way upon completion of construction, installation and applicable warranty periods.

F. Services to be Provided by other Governmental Entities. The District will receive fire protection services from the Windsor-Severance Fire Protection District, emergency medical services from the Western Weld County Ambulance District and domestic and irrigation water service from NWCWD. The District intends to provide ongoing services for park and recreation, irrigation sprinkler system, storm drainage, street, traffic and safety, telecommunications and mosquito and pest control facilities and services. The District intends to provide ongoing sanitary sewer service to property within and without the District's boundaries, as approved by the Town. A map depicted the anticipated service area is attached as Exhibit E. Fees and charges for sanitary sewer service shall be uniformly charged throughout the District's designated service area, based upon the cost of service.

V. FINANCIAL PLAN

A. General. The Financial Plan attached as Exhibit G demonstrates that the District will have the financial capacity to finance, own, maintain and operate the facilities. The Plan assumes the issuance of bonds and repayment based on projected development within the District over a thirty (30) year period.

B. Issuance of Bonds. Except for offsite sanitary sewer facilities, public improvements will be financed primarily by the issuance of general obligation bonds secured by the *ad valorem* property taxing authority of the District. The District may obtain financing for the capital improvements needed for the project through the issuance of general obligation and/or revenue bonds by the District, payable from revenues derived from *ad valorem* property taxes and from other sources. The Financing Plan assumes general obligation bonds will be issued in two or more series: approximately \$2,850,000 in 2012 and \$2,600,000 in 2014, each maturing serially over thirty (30) years. The District may increase or decrease the amount of bonds to be issued as may be necessary to accommodate the needs of the District, at the discretion of the Board of Directors and subject to the provisions of this Amended and Restated Service Plan. The exact interest rate and discount will be determined at the time the bonds are sold by the District, taking into account market conditions at the time of sale.

The District intends to issue revenue bonds, obtain a low cost loan through the United States Department of Agriculture (“USDA”), or other form of public financing for the purpose of designing, constructing, installing and financing sanitary sewer treatment facilities, an interceptor line and related appurtenances.

Refunding bonds may be issued by the District to defease original issue bonds in compliance with applicable law. The District may also issue notes, certificates, debentures or other evidences of indebtedness, as permitted by law. The figures contained herein depicting costs of infrastructure shall not constitute legal limits on the financial powers of the District; provided, however, that the District shall not be permitted to issue bonds which are not in compliance with the bond registration and issuance requirements of Colorado law.

Construction of necessary improvements may be undertaken by the Developer and may be acquired by the District upon completion at reasonable cost. The Developer may also advance construction costs to the District and obtain reimbursement at a later date.

Any facility acquisition agreements entered into between the District and the Developer shall provide that the District shall pay for completed public improvements, at Developer’s reasonable actual cost, and may include a component for interest calculated based upon a maximum interest rate of 350 basis points above the twenty-year AAA-rated Municipal Market Data (MMD) index.

Subject to the restrictions set forth in this Section V, the District will be authorized to fund any combination of the improvements. The combined total estimated cost of the improvements is shown on Exhibit F. The Town is not responsible for assuming any of the costs of the improvements funded by the District. The amount of authorized debt to be voted exceeds the amount of bonds anticipated to be sold as shown in the Financial Plan to allow for the utilization of alternative financing mechanisms, unforeseen contingencies, increases in construction costs due to changed market conditions or inflation, expansions of the District's boundaries, and to cover all issuance costs.

C. Identification of District Revenue. In addition to *ad valorem* property taxes, and in order to offset expenses, the District may rely on other revenue sources authorized by law. These include fees, rates, tolls, penalties and charges as provided in § 32-1-1001(1), C.R.S. The Financial Plan assumes *ad valorem* property taxes, specific ownership taxes and development fees of approximately \$5,000 for single family detached units, \$1,500 for multi-family attached or patio units and \$2.50 sq/ft. for commercial use properties. The District may increase or decrease the amount of development fees or define additional categories at the discretion of its Board of Directors.

The District intends to issue revenue bonds, obtain a low cost loan from the USDA and/or obtain other public financing to finance the design, construction, installation and acquisition of the sanitary sewer treatment plant and sanitary sewer interceptor. The District intends to pledge revenue from certain fees and charges associated with sanitary sewer service to the payment of the revenue bonds or other financing mechanism. The fee revenue associated with the sanitary sewer service provided will support the operation and maintenance of the entire system including the plant, transmission lines and other required appurtenances.

D. Mill Levy. The District will have a mill levy assessed on all taxable property within its boundaries as the primary source of revenue for debt service and for operations and maintenance. The mill levy may vary depending upon the District Board's decision to proceed with certain improvements and services contemplated in this Amended and Restated Service Plan. The levy needed to support the debt is estimated to be fifty (50) mills during the bond repayment period. Operations and maintenance expenses and administrative costs of the District will be supported by an additional levy of approximately ten (10) mills. In the event the method of calculating assessed

valuation is changed after the date of the approval of this Amended and Restated Service Plan, or in the event of any legislation or 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, 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.

E. Security for Debt. District bonds are anticipated to be unlimited tax general obligation bonds sold to financial institutions or institutional investors. The District shall not pledge any assets dedicated pursuant to Section IV.E (Dedication of Improvements to Town of Severance/Other Entities) of this Amended and Restated Service Plan, or any Town funds or assets as security for the indebtedness set forth in the Financial Plan.

F. Financial Plan. Exhibit G contains the District Financial Plan. The Plan provides:

1. Absorption rates and assumed residential and commercial values;
2. The debt anticipated by the District;
3. The anticipated sources of revenue and projected District expenses, as well as the assumptions upon which they are based for at least a ten (10) year period from the date of organization of the District;
4. The dollar amount of anticipated financing, including capitalized interest, costs of issuance, estimated rates and discounts, and estimated expenses related to the organization and initial operation of the District;
5. A detailed repayment plan covering the life of financing, including the frequency and amounts expected to be collected from all sources; and
6. The reserve fund and the expected level of annual debt service reserve to be maintained.

G. Services of District. The District will require operating funds to plan and cause the public improvements to be constructed and maintained. The costs are expected to include: organizational costs, legal, engineering, accounting and debt issuance costs, compliance with state

reporting and other administrative matters. The operating budget for 2004 (the District's first year of operation) was estimated to be less than Fifty Thousand Dollars (\$50,000.00).

VI. LANDOWNERS PUBLIC IMPROVEMENTS

The creation of the District shall not relieve the Developer, its successors or assigns of the obligation to construct public improvements required by any annexation, development or subdivision improvement agreement.

VII. HOMEOWNERS ASSOCIATION

A homeowners association is expected to be formed with the ability to provide certain services to the Community, including architectural control, community events and activities, community marketing, animal control and other programs that may be beyond the scope and authority of the District.

VIII. MODIFICATION OF SERVICE PLAN

The District will obtain the approval of the Town before making any material modifications to this Amended and Restated Service Plan. Material modifications include modifications of a basic or essential nature including, but not limited to, additions to the types of services provided by the District, elimination of services or facilities provided by the District, change in revenue sources, inclusion of territory, exclusion of territory, exercise of the power of condemnation, or any of the events or conditions enumerated in § 32-1-207(2), C.R.S. of the Special District Act. Town approval is not required for modifications to this Amended and Restated Service Plan necessary for the execution of financing or construction of public improvements already outlined in this Amended and Restated Service Plan.

IX. RESOLUTION OF APPROVAL

The District has incorporated the Board of Trustees Resolution of approval into the Service Plan as Exhibit A-1. The Board of Trustees Resolution of approval of this Amended and Restated Service Plan will be attached hereto as Exhibit A-2.

X. ANNUAL REPORT, BUDGET AND AUDIT

The District will submit an annual report and copy of the District's adopted budget to the Town no later than March 1st of each year. In addition, the District shall submit a copy of its audit report or exemption from audit to the Town at the time of filing with the State Auditor. The

annual report shall include information as to any of the following events that occurred during the preceding calendar year:

- A. Boundary changes made or proposed.
- B. Intergovernmental Agreements with other governmental entities entered into or proposed.
- C. Changes or proposed changes in the District's policies.
- D. Changes or proposed changes in the District's operations.
- E. Any changes in the financial status of the District including revenue projections or operating costs.
- F. A summary of any litigation which involves the District.
- G. Proposed plans for the year immediately following the year summarized in the annual report.
- H. Status of District's public improvement construction schedule.
- I. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by other governmental entities.

XI. DISSOLUTION

Following completion of construction of the improvements provided for in this Amended and Restated Service Plan, the dedication of applicable improvements to other governmental entities and the repayment of the District's outstanding general obligation debt, the Town may file an application with the District Board to dissolve the District pursuant to § 32-1-701(3), C.R.S. The District Board, promptly and in good faith, shall take the necessary steps to dissolve the District in accordance with state statutes and to convey public improvements owned, operated and maintained by the District to the Town or other public entity, as appropriate.

XII. NOTICE OF ORGANIZATION

The District has recorded the Order and Decree of the District Court organizing the District in the real property records of the Clerk and Recorder of Weld County, Colorado, so that all future property owners will have notice regarding the existence of the District.

XIII. INTERGOVERNMENTAL AGREEMENT

The District has entered into an intergovernmental agreement with the Town of Severance, which specifies in greater detail the relationship of the Town and the District

concerning District activities and any limitations placed thereon by this Amended and Restated Service Plan. The Town and District anticipate entering into a second intergovernmental agreement concerning the provision of sanitary sewer service by the District as a contract service provider to the Town and the collection of associated fees by the Town on behalf of the District for the provision of such service.

XIV. STATUTORY REVIEW

This Amended and Restated Service Plan for the Saddler Ridge Metropolitan District meets the applicable requirements of the Special District Control Act (§§ 32-1-201, *et seq.*, C.R.S.) and the requirements of the Colorado Constitution. It is further submitted, in accordance with § 32-1-203(2), C.R.S.:

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

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

C. The District is capable of providing economical and sufficient service to the proposed development within its boundaries; and

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

XV. CONCLUSION

Therefore, the Developer requests that the Town of Severance Board of Trustees, which approved the District's Service Plan by virtue of § 32-1-204.5(1), C.R.S., adopt a resolution approving this Amended and Restated Service Plan for the Saddler Ridge Metropolitan District.

Respectfully submitted,

FOSTER GRAHAM MILSTEIN MILLER CALISHER LLP

By: Joan M. Fritsche
Joan M. Fritsche

TOWN OF SEVERANCE

RESOLUTION NO. 2003-06R

**THE BOARD OF TRUSTEES
OF THE TOWN OF SEVERANCE, STATE OF COLORADO**

**A RESOLUTION APPROVING THE SERVICE PLAN AND
ORGANIZATION OF THE SADDLER RIDGE METROPOLITAN DISTRICT**

WHEREAS, § 32-1-204.5(1) of the Colorado Revised Statutes, provides that no special district shall be organized if located wholly within the boundaries of a municipality, except upon adoption of a resolution approving the Service Plan of the proposed special district; and

WHEREAS, a Service Plan has been submitted to the Town of Severance for the proposed Saddler Ridge Metropolitan District (the "District") pursuant to part 2, article 1, title 32, C.R.S.; and

WHEREAS, the territory of the proposed District is located wholly within the boundaries of the Town of Severance; and

WHEREAS, the Board of Trustees of the Town of Severance has conducted a public meeting on the Service Plan for the proposed Saddler Ridge Metropolitan District;

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

Section 1. The Board of Trustees makes the following findings:

- a. Adequate service is not, and will not, be available to the area to be served by the District through the Town or other existing special districts within a reasonable time and on a comparable basis;
- b. The facility and service standards of the proposed District are compatible with the facility and service standards of the Town;
- c. There is sufficient existing and projected need for organized service in the area to be serviced by the proposed District;
- d. The existing service in the area to be served by the proposed District is inadequate for present and projected needs;
- e. The proposed District is capable of providing economical and sufficient service to the area within its proposed boundaries;
- f. The area included within the proposed District has or will have the financial ability to discharge the proposed indebtedness on a reasonable basis;

- g. The proposal is in substantial compliance with any duly adopted master plans;
- h. The proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area; and
- i. The creation of the proposed District will be in the best interest of the area proposed to be served.

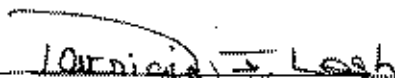
Section 2. The Service Plan for the Saddler Ridge Metropolitan District is hereby approved.

RESOLVED this 6th day of August, 2003

BOARD OF TRUSTEES
TOWN OF SEVERANCE, COLORADO



By: 
Pierre De Milt, Mayor

By: 
Patricia J. Lesh, Town Clerk



August 25, 2008

Re: Certification of Authenticity

To Whom It May Concern:

I, Patricia J. Lesh, Town Clerk for the Town of Severance, hereby certify that the attached is a true and exact copy of Resolution No. 2008-10R – A Resolution Approving the Intergovernmental Agreement between the Town of Severance and Saddler Ridge Metropolitan District Concerning the Provision of Sanitary Sewer Service and Approving the Amended and Restated Service Plan for the Saddler Ridge Metropolitan District approved and adopted by the Town of Severance Board of Trustees this 28th day of July, 2008.



Patricia J. Lesh

Patricia J. Lesh, Town Clerk

RESOLUTION NO. 2008-10R

**A RESOLUTION APPROVING THE INTERGOVERNMENTAL AGREEMENT
BETWEEN THE TOWN OF SEVERANCE AND SADDLER RIDGE METROPOLITAN
DISTRICT CONCERNING THE PROVISION OF SANITARY SEWER SERVICE AND
APPROVING THE AMENDED AND RESTATED SERVICE PLAN FOR THE
SADDLER RIDGE METROPOLITAN DISTRICT**

WHEREAS, the Town has entered into negotiations for an Intergovernmental Agreement with Saddler Ridge Metropolitan District ("District") concerning the provision of sanitary sewer service; and

WHEREAS, the Service Plan for the District was approved by the Town on August 6, 2003; and

WHEREAS, an amended and restated Service Plan for the District has been submitted to the Town of Severance; and

WHEREAS, the territory of the District is located wholly within the boundaries of the Town of Severance; and

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

1. That the Board of Trustees of the Town hereby approves the Intergovernmental Agreement between the Town of Severance and Saddler Ridge Metropolitan District.
2. The Board of Trustees of the Town hereby approves the amended and restated Service Plan for the District, as provided.
3. That the Board of Trustees hereby ratifies, approves and confirms the terms and conditions of the Intergovernmental Agreement and the Amended and Restated Service Plan. This approval is subject to the approval of the NFRWQPA for the proposed Phase I Treatment plant within 180 days.

Passed and adopted at a special meeting of the Board of Trustees of the Town of Severance this 28th day of July, 2008.



ATTEST.

By: Patricia J. Lesh
Patricia J. Lesh, Town Clerk/Treasurer

BOARD OF TRUSTEES
TOWN OF SEVERANCE, COLORADO

By: Pierre De Milt
Pierre De Milt, Mayor

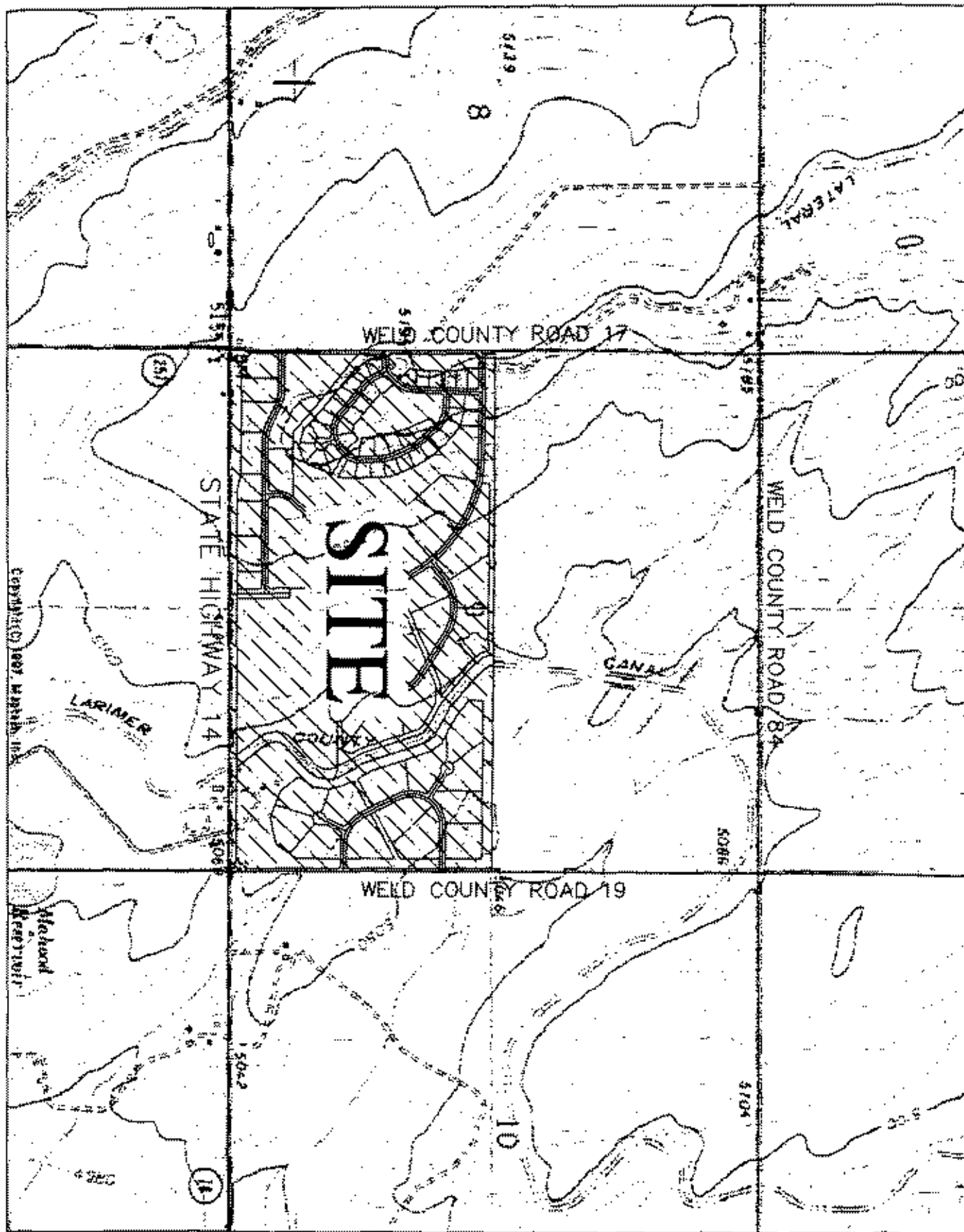
EXHIBIT B

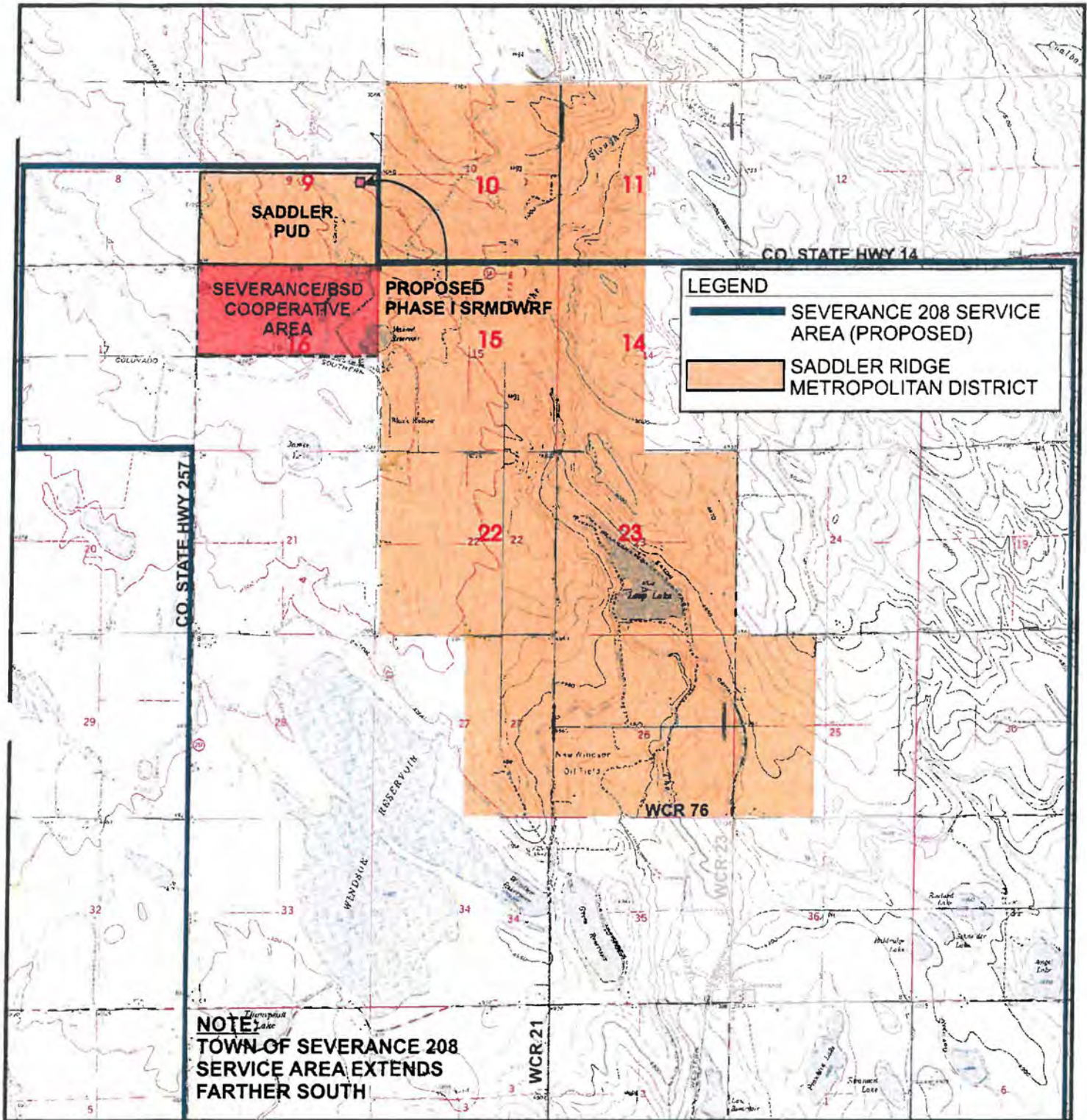
LEGAL DESCRIPTION

Situate in the South Half of Section 9, Township 7 North, Range 67 West of the 6th P.M., Weld County, Colorado, more particularly described as:

Saddler Planned Unit Development
Town of Severance
County of Weld
State of Colorado
Recorded on August 3, 2006 at Reception No. 3409109
Re-recorded at Reception No. 3455086

SADDLER RIDGE METROPOLITAN DISTRICT
VICINITY MAP OF DISTRICT

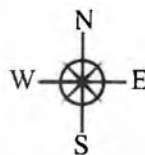





SOURCES:

USGS TIMNATH, COLO
1960
PHOTOREVISED 1971

USGS SEVERANCE, COLO
1960
PHOTOREVISED 1971



SCALE 1 : 24,000
CONTOUR INTERVAL 10 FEET

 Stewart Environmental Consultants, Inc. <i>consulting engineers and scientists</i>	PROJECT NUMBER 3953.002(2)	PROJECT Saddler Ridge Metropolitan District Water Reclamation Facility	EXHIBIT E Proposed SRMD Service Area
	DATE July 2008		

Saddler Ridge Metropolitan District
Preliminary Estimated Project Construction Costs

February 15, 2008

Prepared by: Pinnacle Consulting Group Inc.

Acres	Saddler Ridge Phase I Capital Const. Cost 215	Capital Cost per acre	Saddler Ridge Phase II Capital Const. Cost 105	Saddler Ridge Offsite Capital Const. Cost	Saddler Ridge Future Inclusion Capital Costs ()	Saddler Ridge Total Capital Const. Cost 320
Indirect Construction Costs						
Permits and Fees	\$0.00		\$0.00	\$0.00		\$0.00
Engineering, Design and Const. Mgmt	\$2,414,217.96	\$11,228.92	\$780,319.93	\$3,132,839.93		\$6,327,377.82
Engineering and Planning						
Staking and Mat. Testing						
Safety Inspection						
Construction Management						
Formation and Organization	\$290,000.00					\$290,000.00
Legal	\$150,000.00					
Engineering	\$140,000.00					
Financial						
Management / Administrative						
Indirect Cost	\$2,704,217.96		\$780,319.93	\$3,132,839.93	\$0.00	\$6,617,377.82
Direct Construction Costs						
Roadways	\$1,800,000.00	\$8,372.09	\$879,069.77			\$2,679,069.77
Earthwork	Included Above		Included Above			
Concrete	Included Above		Included Above			
Asphalt Paving	Included Above		Included Above			
Sanitary Sewer	\$940,000.00	\$4,372.09	\$459,069.77			\$1,399,069.77
Domestic Water	\$450,000.00	\$2,093.02	\$219,767.44			\$669,767.44
Storm Sewer	\$625,000.00	\$2,906.98	\$305,232.56			\$930,232.56
Irrigation System	\$1,400,000.00	\$6,511.63	\$683,720.93			\$2,083,720.93
Landscaping	\$740,000.00	\$3,441.86	\$361,395.35			\$1,101,395.35
Dry Utilities	\$0.00	\$0.00	\$0.00			\$0.00
Miscellaneous (18% Total Contingency)	\$2,018,718.00		\$638,652.96	\$1,152,000.00		\$3,809,370.96
Equestrian Facilities	\$3,000,000.00					\$3,000,000.00
Offsite Improvements (Regional Improvements & Oversizing)	\$0.00			\$13,088,181.49		\$13,088,181.49
MBR Plant				\$6,889,500.95		
Offsite Sewer Interceptor Line				\$3,798,680.54		
Highway 14 Improvements				\$2,400,000.00		
Direct Cost	\$10,973,718.00		\$3,546,908.77	\$14,240,181.49	\$0.00	\$28,760,808.26
TOTAL	\$13,677,935.96	\$0.00	\$4,327,228.70	\$17,373,021.42	\$0.00	\$35,378,186.08

\$35,378,186.19
 \$35,328,186.19

Saddler Ridge Metropolitan District

Voter Category

February 15, 2008

Prepared by: Pinnacle Consulting Group Inc.

	Roadways	Sanitary Sewer Storm Sewer	Domestic Water Non-Potable	Park and Recreation	Traffic and Safety	Totals
Engineering and Construction Management	\$1,517,146.19	\$2,435,329.83	\$953,957.05	\$1,420,944.80		\$6,327,377.88
Formation and Organization	\$69,534.71	\$111,617.43	\$43,722.31	\$65,125.56		\$290,000.00
Phase I	\$1,800,000.00	\$1,565,000.00	\$1,850,000.00	\$3,740,000.00	\$150,000.00	\$9,105,000.00
Phase II	\$879,069.77	\$764,302.33	\$903,488.37	\$361,395.35	\$150,000.00	\$3,058,255.81
Offsite	\$2,400,000.00	\$10,688,181.49			\$150,000.00	\$13,238,181.49
Contingency (18%)	\$913,391.43	\$1,466,179.99	\$574,325.79	\$855,473.79		\$3,809,371.00
Total	\$7,579,142.10	\$17,030,611.07	\$4,325,493.52	\$6,442,939.50	\$450,000.00	\$35,828,186.19

Stan Bernstein and Associates, Inc.

Financial Planners and Consultants

For Local Governments, Municipal Bond Underwriters, and Real Estate Developers

8400 East Prentice Ave., Penthouse

Greenwood Village, Colorado 80111

Phone: 303-409-7611 Fax: 303-409-7612 Email: Stanplan@Earthlink.net

MEMORANDUM

TO: Peggy Dowswell, CPA, Pinnacle Consulting Group, Inc.
Chad Walker, Pinnacle Consulting Group, Inc.

FROM: Stan Bernstein
Amy Bernstein

DATE: November 27, 2007

SUBJECT: Second Draft – Financial Model – Saddler Ridge Metropolitan District

INTRODUCTION AND SCOPE

Stan Bernstein and Associates, Inc. has assembled a preliminary (for discussion purposes only) Financial Model for Saddler Ridge Metropolitan District based upon key assumptions provided by officials of The Developer and its consultants Pinnacle Consulting Group, Inc. The Financial Model was assembled in order to provide a conceptual understanding of (i) the amount of Unlimited Tax General Obligation Bonds that could ultimately be supported by the District (which would reimburse the Developer for infrastructure capital costs); (ii) and how the District could fund its General Fund administrative and operating expenditures (as presented on Exhibit I). Detailed land use, values, and buildout assumptions (as well as related assessed valuation estimates) for the District were provided by Pinnacle Consulting Group, Inc., and are presented on Schedule 2. Detailed assumed Unlimited Tax General Obligation Bond issues for the District, and related debt service requirements, is presented on Schedule 1.

The Financial Model presents, to the best knowledge and belief of the Developer (based upon assumptions provided by the Developer), the District's expected cash position and results of cash receipts and disbursements for the forecast period. Accordingly, the Financial Model reflects the Developer's judgment, as of the date of this report, of the expected conditions within the District's boundaries and the District's expected course of action. The assumptions disclosed in the Financial Model are those of the Developer and have not been independently reviewed by Stan Bernstein and Associates, Inc.

FUTURE RATES OF RESIDENTIAL AND COMMERCIAL BUILDOUT AND RELATED ASSESSED VALUATION AND BONDING CAPACITY

The financial planning concept is that as the construction of future residential and commercial product occurs within the boundaries of the District, incremental assessed valuation will generate property tax revenues for the District.

For financial planning purposes it is assumed that the property tax revenues generated from the 50.0 mills assumed to be levied by the District will be used to fund administrative and operating expenditures, and debt service payments on Unlimited Tax General Obligation Bonds issued by the District.

The following chart summarizes the projected debt issuance from the District:

<u>Issue Date</u>	<u>Gross Amount</u>	<u>Cost of Issuance</u>	<u>Net Proceeds</u>
12/1/2012	\$ 2,850,000	\$ 114,000	\$ 2,736,000
12/1/2014	<u>2,600,000</u>	<u>104,000</u>	<u>2,496,000</u>
Total	<u>5,450,000</u>	<u>218,000</u>	<u>5,232,000</u>

It is assumed that the bonds would be issued at average interest rates of 6.50% and mature serially over a maximum 30-year period. Costs of Bond Issuance (including underwriting, legal, and other fees) have been estimated to be 4.0% of the par amount of the bonds. It is also possible that if buildout rates and assessed valuations lag expectations, and/or if administrative and operating expenditures exceed expectations, the amount of the bonds that could be supported will be less than shown on the previous page, and the timing of the issuance of these bonds will not occur as soon as indicated.

It is assumed that the net proceeds of the Unlimited Tax General Obligation Bonds will be used to reimburse the Developer for a portion of the infrastructure costs expected to be originally funded by the Developer.

SCHEDULE 2 - LAND USE AND RELATED ASSESSED VALUATION

The key assumptions with respect to future residential and commercial buildout, and related assessed valuation buildup, within the boundaries of the District are presented in detail on Schedule 2. These assumptions were provided by officials of the Developer and Pinnacle Consulting Group, Inc. The assessed valuation estimates assume an average annual inflationary increase of approximately 1% (2% biennially)

Memorandum
November 27, 2007
Page iii

beginning for tax collection year 2012 - this assumptions was provided by Pinnacle Consulting Group, Inc.) for all residential property. The assessed valuation estimates assume an average annual inflationary increase of approximately 0% for all commercial property.

The Financial Model is based upon a total of 149 residential units completed by 2013; and 592,155 square feet of retail space being completed by the end of 2021. The Developer has provided the information contained in Schedule 2 and believes these assumptions to be reasonable and appropriate to use for financial modeling purposes at this time.

GENERAL FUND - CASH FLOW – EXHIBIT I, PAGE 1

Exhibit I, page 1, presents the cash flow forecast for the District. It is assumed that the District will levy 50.0 mills. Specific Ownership tax revenues are estimated to be approximately 8% of property tax revenue collections. Additional revenue sources include Development Fees assumed to be \$1,500 per patio/multi family unit, \$5,000 per single family unit, \$2.50 per square foot of commercial space (excluding the arena), and \$0.50 per square foot of arena space. Developer operating contributions total \$135,000 during years 2008 – 2010.

General Fund expenditures (which were developed by Pinnacle Consulting Group, Inc.) are presented on Exhibit I, and include landscaping, irrigation, administration, water features, trails, and capital improvement management. All administrative, operating, and maintenance costs have been inflated 3% annually through 2025, and 1% annually thereafter.

EXHIBIT II – DEBT SERVICE FUND, PAGE 5

Exhibit II, page 4, presents the cash flow forecasts for the Series 2012 and Series 2014 Unlimited Tax General Obligation Bonds, and demonstrates that the annual debt service requirements can be maintained, and the bonds redeemed, on a reasonable basis.

Interest rates of 6.5% and 30 year amortization have been assumed for all issues

EXHIBIT III – CAPITAL PROJECTS FUND, PAGE 9

Exhibit III, page 8, presents the detailed capital infrastructure requirements, the assumed Developer Capital Advances, and the repayment of the Developer Capital Advances from net bond proceeds.

DISCLAIMER AND LIMITATIONS

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

Because Stan Bernstein and Associates, Inc. has not independently evaluated or reviewed the assumptions that the Financial Model is based upon, we do not vouch for the achievability of the information presented on Exhibits I - III and on Schedules 1 - 2. Furthermore, because of the inherent nature of future events, which are subject to change and variation as events and circumstances change, the actual results may vary materially from the results presented on Exhibits I - III and on Schedules 1 - 2. Stan Bernstein and Associates, Inc. has no responsibility or obligation to update this information or this Financial Model for events occurring after the date of this memorandum.

The actual amount of Limited Tax General Obligation Bonds that could be supported by the District will depend on the rate of buildout and the related increases in assessed valuation, interest rates and debt service coverage requirements, and the actual amounts needed to pay for the District's administrative and operating costs. In the event that the District's actual operating and administrative expenses are more than anticipated on Exhibit I, the amount of Unlimited Tax General Obligation Bonds that could actually be supported by the District could be less than shown, and if assessed valuation levels are more than anticipated it could be possible for the District to issue additional Unlimited Tax General Obligation Bonds than shown.

The Financial Model has been assembled for Service Plan submittal purposes only, and are not intended to be used by prospective purchasers, or investors, of the District future bond issues.

**EXHIBIT I
SADDLER RIDGE METROPOLITAN DISTRICT
CASH FLOW FORECASTS - GENERAL FUND
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2042**

**WORKING DRAFT
SUBJECT TO REVISION
28-Nov-07
SEE CONSULTANTS' DISCLAIMER**

	<i>Projected</i>										
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
KEY ASSUMPTIONS											
ASSESSED VALUATION COMMERCIAL (SCH. 2)	0	0	0	326,250	839,012	4,306,299	4,519,060	4,731,822	4,944,584	5,157,346	5,420,107
ASSESSED VALUATION RESIDENTIAL (SCH. 2)	0	0	0	0	1,173,360	2,554,508	4,330,328	6,104,048	7,733,189	7,834,793	7,834,793
TOTAL ASSESSED VALUATION	0	0	0	326,250	2,012,372	6,860,807	8,849,389	10,835,870	12,677,773	12,992,138	13,254,900
INCREMENTAL SQ. FT. ADDED (SCH. 2)	0	15,000	12,081	432,181	12,081	12,081	12,081	12,081	12,081	12,081	12,081
CUMULATIVE SQ. FT.	0	15,000	27,081	459,262	471,343	483,424	495,505	507,586	519,667	531,748	543,829
INCREMENTAL PATIO/MULTI FAMILY UNITS (SCH. 2)	0	0	0	18	20	9	0	0	0	0	0
INCREMENTAL SINGLE FAMILY UNITS (SCH. 2)	0	0	16	14	20	24	28	0	0	0	0
INCREMENTAL RESIDENTIAL UNITS ADDED (SCH. 2)	0	0	16	32	40	33	28	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS	0	0	16	48	88	121	149	149	149	149	149
TOTAL DISTRICT MILL LEVY	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
DEVELOPMENT FEES - PATIO/MULTI FAMILY PER UNIT	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
DEVELOPMENT FEES - SINGLE FAMILY PER UNIT	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
DEVELOPMENT FEES - COMMERCIAL PER SQUARE FOOT	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
CASH FLOW											
REVENUES	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
IGA PROPERTY TAXES (50 MILLS)	224	0	0	16,313	100,619	343,040	442,469	541,793	633,889	649,607	662,745
SPECIFIC OWNERSHIP TAXES (8% OF PROPERTY TAXES)	91	0	0	1,305	8,049	27,443	35,398	43,343	50,711	51,969	53,020
DEVELOPMENT FEES - MULTI FAMILY/PATIO	0	0	27,000	30,000	13,500	0	0	0	0	0	0
DEVELOPMENT FEES - SINGLE FAMILY	0	80,000	70,000	100,000	120,000	140,000	0	0	0	0	0
DEVELOPMENT FEES - COMMERCIAL (EXCEPT ARENA)	75,000	30,203	66,203	30,203	30,203	30,203	30,203	30,203	30,203	30,203	30,203
DEVELOPMENT FEES - COMMERCIAL - ARENA ONLY AT 20%	43,632	0	202,850	0	0	0	0	0	0	0	0
DEVELOPER OPERATING CONTRIBUTION	0	35,000	0	100,000	0	0	0	0	0	0	0
INTEREST EARNINGS @ 3% OF BEG.FUNDS	2,000	(0)	108	4,404	4,507	4,481	7,751	7,751	7,751	7,751	7,751
TOTAL REVENUES	<u>120,947</u>	<u>145,202</u>	<u>366,161</u>	<u>282,224</u>	<u>276,877</u>	<u>545,167</u>	<u>515,821</u>	<u>623,091</u>	<u>722,553</u>	<u>739,529</u>	<u>753,718</u>
OPERATING EXPENDITURES (PER PINNACLE CONSULTING GROUP, INC.)											
COUNTY TREASURER 2.0% COLLECTION FEE	4	0	0	326	2,012	6,861	8,849	10,836	12,678	12,992	13,255
LANDSCAPE AND IRRIGATION	100	48,015	112,034	160,049	164,850	169,796	174,890	180,137	185,541	191,107	196,840
ADMINISTRATION	80,843	75,416	84,289	88,725	91,387	94,128	96,952	99,861	102,857	105,942	109,121
WATER FEATURE POND	0	0	4,570	4,707	4,848	4,994	5,144	5,298	5,457	5,621	5,789
TRAILS	0	2,934	6,846	9,780	10,073	10,376	10,687	11,007	11,338	11,678	12,028
CAPITAL IMPROVEMENT MANAGEMENT	30,000	15,225	15,225	15,225	4,568	0	0	0	0	0	0
CONTINGENCY FOR ADMINISTRATION	10,000	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENDITURES	<u>120,947</u>	<u>141,590</u>	<u>222,964</u>	<u>278,812</u>	<u>277,739</u>	<u>286,155</u>	<u>296,522</u>	<u>307,139</u>	<u>317,870</u>	<u>327,340</u>	<u>337,033</u>
EXCESS REVENUES OVER EXPENDITURES	(0)	3,613	143,197	3,412	(862)	259,012	219,299	315,952	404,684	412,189	416,685
TRANSFER OF EXCESS REVENUES TO DEBT SERVICE FUND	0	0	0	0	0	150,000	219,299	315,952	404,684	412,189	416,685
BEGINNING FUND BALANCE - JANUARY 1	0	(0)	3,612	146,809	150,221	149,359	258,372	258,372	258,372	258,372	258,372
ENDING FUND BALANCE - DECEMBER 31	(0)	3,612	146,809	150,221	149,359	258,372	258,372	258,372	258,372	258,372	258,372

**3% ANNUAL INCREASE
THROUGH 2025, 1% FOR YEARS
THEREAFTER**

**EXHIBIT I
SADDLER RIDGE METROPOLITAN DISTRICT
CASH FLOW FORECASTS - GENERAL FUND
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2042**

KEY ASSUMPTIONS	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
ASSESSED VALUATION COMMERCIAL (SCH. 2)	5,682,869	5,945,631	6,208,393	6,471,154	6,733,916	6,996,678	6,996,678	6,996,678	6,996,678	6,996,678	6,996,678
ASSESSED VALUATION RESIDENTIAL (SCH. 2)	7,991,488	7,991,488	8,151,318	8,151,318	8,314,345	8,314,345	8,480,631	8,480,631	8,650,244	8,650,244	8,823,249
TOTAL ASSESSED VALUATION	13,674,357	13,937,119	14,359,711	14,622,472	15,048,261	15,311,022	15,477,309	15,477,309	15,646,922	15,646,922	15,819,927
INCREMENTAL SQ. FT. ADDED (SCH. 2)	12,081	12,081	12,081	12,081	0	0	0	0	0	0	0
CUMULATIVE SQ. FT.	555,910	567,991	580,072	592,153	592,153	592,153	592,153	592,153	592,153	592,153	592,153
INCREMENTAL PATIO/MULTI FAMILY UNITS (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
INCREMENTAL SINGLE FAMILY UNITS (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
INCREMENTAL RESIDENTIAL UNITS ADDED (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS	149	149	149	149	149	149	149	149	149	149	149
TOTAL DISTRICT MILL LEVY	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
DEVELOPMENT FEES - PATIO/MULTI FAMILY PER UNIT	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
DEVELOPMENT FEES - SINGLE FAMILY PER UNIT	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
DEVELOPMENT FEES - COMMERCIAL PER SQUARE FOOT	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
CASH FLOW											
REVENUES											
IGA PROPERTY TAXES (50 MILLS)	683,718	696,856	717,986	731,124	752,413	765,551	773,865	773,865	782,346	782,346	790,996
SPECIFIC OWNERSHIP TAXES (8% OF PROPERTY TAXES)	54,697	55,748	57,439	58,490	60,193	61,244	61,909	61,909	62,588	62,588	63,280
DEVELOPMENT FEES - MULTI FAMILY/PATIO	0	0	0	0	0	0	0	0	0	0	0
DEVELOPMENT FEES - SINGLE FAMILY	0	0	0	0	0	0	0	0	0	0	0
DEVELOPMENT FEES - COMMERCIAL (EXCEPT ARENA)	30,203	30,203	30,203	0	0	0	0	0	0	0	0
DEVELOPMENT FEES - COMMERCIAL - ARENA ONLY AT 20%	0	0	0	0	0	0	0	0	0	0	0
DEVELOPER OPERATING CONTRIBUTION	0	0	0	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 3% OF BEG.FUNDS	7,751	7,751	7,751	7,751	7,751	7,751	7,751	7,751	7,751	7,751	7,751
TOTAL REVENUES	776,369	790,558	813,378	797,365	820,357	834,546	843,526	843,526	852,685	852,685	862,027
OPERATING EXPENDITURES (PER PINNACLE CONSULTING GROUP, INC.)											
COUNTY TREASURER 2.0% COLLECTION FEE	13,674	13,937	14,360	14,622	15,048	15,311	15,477	15,477	15,647	15,647	15,820
LANDSCAPE AND IRRIGATION	202,745	208,828	215,092	221,545	228,192	235,037	242,088	249,351	251,845	254,363	256,907
ADMINISTRATION	112,394	115,766	119,239	122,816	126,501	130,296	134,205	138,231	139,613	141,009	142,419
WATER FEATURE POND	5,963	6,142	6,326	6,516	6,711	6,913	7,120	7,334	7,407	7,481	7,556
TRAILS	12,389	12,761	13,144	13,538	13,944	14,362	14,793	15,237	15,389	15,543	15,699
CAPITAL IMPROVEMENT MANAGEMENT	0	0	0	0	0	0	0	0	0	0	0
CONTINGENCY FOR ADMINISTRATION	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENDITURES	347,166	357,433	368,161	379,037	390,396	401,919	413,683	425,630	429,901	434,043	438,400
EXCESS REVENUES OVER EXPENDITURES	429,203	433,125	445,217	418,327	429,962	432,628	429,842	417,896	422,784	418,642	423,627
TRANSFER OF EXCESS REVENUES TO DEBT SERVICE FUND	429,203	433,125	445,217	418,327	429,962	432,628	429,842	417,896	422,784	418,642	423,627
BEGINNING FUND BALANCE - JANUARY 1	258,372	258,372	258,372	258,372	258,372	258,372	258,372	258,372	258,372	258,372	258,372
ENDING FUND BALANCE - DECEMBER 31	258,372	258,372	258,372	258,372	258,372	258,372	258,372	258,372	258,372	258,372	258,372

**3% ANNUAL INCREASE
THROUGH 2025, 1% FOR YEARS
THEREAFTER**

**EXHIBIT I
SADDLER RIDGE METROPOLITAN DISTRICT
CASH FLOW FORECASTS - GENERAL FUND
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2042**

KEY ASSUMPTIONS	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
ASSESSED VALUATION COMMERCIAL (SCH. 2)	6,996,678	6,996,678	6,996,678	6,996,678	6,996,678	6,996,678	6,996,678	6,996,678	6,996,678	6,996,678	6,996,678
ASSESSED VALUATION RESIDENTIAL (SCH. 2)	8,823,249	8,999,714	8,999,714	9,179,708	9,179,708	9,363,302	9,363,302	9,550,568	9,550,568	9,741,580	9,741,580
TOTAL ASSESSED VALUATION	15,819,927	15,996,392	15,996,392	16,176,386	16,176,386	16,359,980	16,359,980	16,547,246	16,547,246	16,738,258	16,738,258
INCREMENTAL SQ. FT. ADDED (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE SQ. FT.	592,153	592,153	592,153	592,153	592,153	592,153	592,153	592,153	592,153	592,153	592,153
INCREMENTAL PATIO/MULTI FAMILY UNITS (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
INCREMENTAL SINGLE FAMILY UNITS (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
INCREMENTAL RESIDENTIAL UNITS ADDED (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS	149	149	149	149	149	149	149	149	149	149	149
TOTAL DISTRICT MILL LEVY	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
DEVELOPMENT FEES - PATIO/MULTI FAMILY PER UNIT	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
DEVELOPMENT FEES - SINGLE FAMILY PER UNIT	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
DEVELOPMENT FEES - COMMERCIAL PER SQUARE FOOT	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
CASH FLOW											
REVENUES											
IGA PROPERTY TAXES (50 MILLS)	790,996	799,820	799,820	808,819	808,819	817,999	817,999	827,362	827,362	836,913	836,913
SPECIFIC OWNERSHIP TAXES (8% OF PROPERTY TAXES)	63,280	63,986	63,986	64,706	64,706	65,440	65,440	66,189	66,189	66,953	66,953
DEVELOPMENT FEES - MULTI FAMILY/PATIO	0	0	0	0	0	0	0	0	0	0	0
DEVELOPMENT FEES - SINGLE FAMILY	0	0	0	0	0	0	0	0	0	0	0
DEVELOPMENT FEES - COMMERCIAL (EXCEPT ARENA)	0	0	0	0	0	0	0	0	0	0	0
DEVELOPMENT FEES - COMMERCIAL - ARENA ONLY AT 20%	0	0	0	0	0	0	0	0	0	0	0
DEVELOPER OPERATING CONTRIBUTION	0	0	0	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 3% OF BEG.FUNDS	7,751	7,751	7,751	7,751	7,751	7,751	7,751	7,751	7,751	7,751	7,751
TOTAL REVENUES	862,027	871,556	871,556	881,276	881,276	891,190	891,190	901,302	901,302	911,617	911,617
OPERATING EXPENDITURES (PER PINNACLE CONSULTING GROUP, INC.)											
COUNTY TREASURER 2.0% COLLECTION FEE	15,820	15,996	15,996	16,176	16,176	16,360	16,360	16,547	16,547	16,738	16,738
LANDSCAPE AND IRRIGATION	259,476	262,071	264,691	267,338	270,012	272,712	275,439	278,193	280,975	283,785	286,623
ADMINISTRATION	143,843	145,282	146,735	148,202	149,684	151,181	152,693	154,220	155,762	157,319	158,893
WATER FEATURE POND	7,631	7,708	7,785	7,863	7,941	8,021	8,101	8,182	8,264	8,346	8,430
TRAILS	15,856	16,014	16,174	16,336	16,499	16,664	16,831	16,999	17,169	17,341	17,514
CAPITAL IMPROVEMENT MANAGEMENT	0	0	0	0	0	0	0	0	0	0	0
CONTINGENCY FOR ADMINISTRATION	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENDITURES	442,626	447,070	451,381	455,915	460,312	464,937	469,423	474,141	478,717	483,530	488,198
EXCESS REVENUES OVER EXPENDITURES	419,401	424,486	420,175	425,361	420,964	426,253	421,767	427,161	422,585	428,087	423,419
TRANSFER OF EXCESS REVENUES TO DEBT SERVICE FUND	419,401	424,486	420,175	425,361	420,964	426,253	421,767	427,161	422,585	428,087	423,419
BEGINNING FUND BALANCE - JANUARY 1	258,372	258,372	258,372	258,372	258,372	258,372	258,372	258,372	258,372	258,372	258,372
ENDING FUND BALANCE - DECEMBER 31	258,372	258,372	258,372	258,372	258,372	258,372	258,372	258,372	258,372	258,372	258,372

**3% ANNUAL INCREASE
THROUGH 2025, 1% FOR YEARS
THEREAFTER**

**EXHIBIT II
SADDLER RIDGE METROPOLITAN DISTRICT
CASH FLOW FORECASTS - DEBT SERVICE FUND
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2042**

**WORKING DRAFT
SUBJECT TO REVISION
28-Nov-07
SEE CONSULTANTS' DISCLAIMER**

CASH FLOW

<u>REVENUES</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
TRANSFER FROM GENERAL FUND	0	0	0	0	0	150,000	219,299	315,952	404,684	412,189	416,685
INTEREST EARNINGS @ 3% OF BEG.FUNDS	0	0	0	0	0	0	4,500	4,546	7,562	7,369	7,371
TOTAL REVENUES	0	0	0	0	0	150,000	223,799	320,499	412,246	419,558	424,056
<u>EXPENDITURES</u>											
UNLTD. TAX G.O. SUPPORTED REVENUE BONDS											
SERIES 2012 UNLTD TAX G.O. BONDS DEBT SERVICE - See Note 1 Below	0	0	0	0	0	0	220,250	217,975	215,700	218,425	215,825
SERIES 2014 UNLTD TAX G.O. BONDS DEBT SERVICE - See Note 1 Below	0	0	0	0	0	0	0	0	199,000	197,050	200,100
BOND PAYING AGENT FEES	0	0	0	0	0	0	2,000	2,000	4,000	4,000	4,000
TOTAL EXPENDITURES	0	0	0	0	0	0	222,250	219,975	418,700	419,475	419,925
EXCESS REVENUES OVER EXPENDITURES	0	0	0	0	0	150,000	1,549	100,524	(6,454)	83	4,131
BEGINNING FUND BALANCE - JANUARY 1	0	0	0	0	0	0	150,000	151,549	252,072	245,618	245,701
ENDING FUND BALANCE - DECEMBER 31	0	0	0	0	0	150,000	151,549	252,072	245,618	245,701	249,833
TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	2,850,000	2,815,000	5,380,000	5,315,000	5,245,000	5,170,000
% OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	0.00%	0.00%	0.00%	0.00%	0.00%	32.21%	25.98%	42.44%	40.91%	39.57%	37.81%
TOTAL ASSESSED VALUE	0	0	0	326,250	2,012,372	6,860,807	8,849,389	10,835,870	12,677,773	12,992,138	13,254,900

Note 1: Annual Debt Service Requirements Will Continue at 2042 Amounts Until All Bonds Are Paid

SEE CONSULTANT'S REPORT AND DISCLAIMER.

EXHIBIT II
SADDLER RIDGE METROPOLITAN DISTRICT
CASH FLOW FORECASTS - DEBT SERVICE FUND
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2042

CASH FLOW

<u>REVENUES</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
TRANSFER FROM GENERAL FUND	429,203	433,125	445,217	418,327	429,962	432,628	429,842	417,896	422,784	418,642	423,627
INTEREST EARNINGS @ 3% OF BEG.FUNDS	7,495	7,994	8,483	9,524	9,665	10,204	10,894	11,436	11,720	12,102	12,335
TOTAL REVENUES	436,698	441,119	453,700	427,851	439,626	442,831	440,736	429,332	434,504	430,744	435,962
<u>EXPENDITURES</u>											
UNLTD. TAX G.O. SUPPORTED REVENUE BONDS											
SERIES 2012 UNLTD TAX G.O. BONDS DEBT SERVICE - See Note 1 Below	218,225	220,300	217,050	218,800	220,225	216,325	217,425	218,200	218,650	218,775	218,575
SERIES 2014 UNLTD TAX G.O. BONDS DEBT SERVICE - See Note 1 Below	197,825	200,550	197,950	200,350	197,425	199,500	201,250	197,675	199,100	200,200	200,975
BOND PAYING AGENT FEES	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
TOTAL EXPENDITURES	420,050	424,850	419,000	423,150	421,650	419,825	422,675	419,875	421,750	422,975	423,550
EXCESS REVENUES OVER EXPENDITURES	16,648	16,269	34,700	4,701	17,976	23,006	18,061	9,457	12,754	7,769	12,412
BEGINNING FUND BALANCE - JANUARY 1	249,833	266,481	282,750	317,450	322,151	340,127	363,133	381,195	390,652	403,406	411,175
ENDING FUND BALANCE - DECEMBER 31	266,481	282,750	317,450	322,151	340,127	363,133	381,195	390,652	403,406	411,175	423,587
TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	5,090,000	5,000,000	4,910,000	4,810,000	4,705,000	4,595,000	4,475,000	4,350,000	4,215,000	4,070,000	3,915,000
% OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	36.52%	34.82%	33.58%	31.96%	30.73%	29.69%	28.91%	27.80%	26.94%	25.73%	24.75%
TOTAL ASSESSED VALUE	13,674,357	13,937,119	14,359,711	14,622,472	15,048,261	15,311,022	15,477,309	15,477,309	15,646,922	15,646,922	15,819,927

Note 1: Annual Debt Service Requirements Will Continue at 2042 Amounts Until All Bor

SEE CONSULTANT'S REPORT AND DISCLAIMER.

**EXHIBIT II
SADDLER RIDGE METROPOLITAN DISTRICT
CASH FLOW FORECASTS - DEBT SERVICE FUND
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2042**

CASH FLOW

<u>REVENUES</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>
TRANSFER FROM GENERAL FUND	419,401	424,486	420,175	425,361	420,964	426,253	421,767	427,161	422,585	428,087	423,419
INTEREST EARNINGS @ 3% OF BEG.FUNDS	12,708	13,117	13,702	14,208	14,785	15,178	15,701	16,244	16,973	17,474	18,232
TOTAL REVENUES	432,109	437,602	433,878	439,569	435,749	441,431	437,468	443,405	439,559	445,562	441,652
<u>EXPENDITURES</u>											
UNLTD. TAX G.O. SUPPORTED REVENUE BONDS											
SERIES 2012 UNLTD TAX G.O. BONDS DEBT SERVICE - See Note 1 Below	218,050	217,200	216,025	219,525	217,375	219,900	216,775	218,325	219,225	219,475	219,075
SERIES 2014 UNLTD TAX G.O. BONDS DEBT SERVICE - See Note 1 Below	196,425	196,875	197,000	196,800	201,275	200,100	198,600	196,775	199,625	196,825	198,700
BOND PAYING AGENT FEES	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
TOTAL EXPENDITURES	418,475	418,075	417,025	420,325	422,650	424,000	419,375	419,100	422,850	420,300	421,775
EXCESS REVENUES OVER EXPENDITURES	13,634	19,527	16,853	19,244	13,099	17,431	18,093	24,305	16,709	25,262	19,877
BEGINNING FUND BALANCE - JANUARY 1	423,587	437,221	456,748	473,601	492,845	505,944	523,375	541,468	565,773	582,482	607,743
ENDING FUND BALANCE - DECEMBER 31	437,221	456,748	473,601	492,845	505,944	523,375	541,468	565,773	582,482	607,743	627,620
TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	3,755,000	3,585,000	3,405,000	3,210,000	3,000,000	2,775,000	2,540,000	2,290,000	2,020,000	1,735,000	1,430,000
% OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	23.47%	22.41%	21.05%	19.84%	18.34%	16.96%	15.35%	13.84%	12.07%	10.37%	8.45%
TOTAL ASSESSED VALUE	15,819,927	15,996,392	15,996,392	16,176,386	16,176,386	16,359,980	16,359,980	16,547,246	16,547,246	16,738,258	16,738,258

Note 1: Annual Debt Service Requirements Will Continue at 2042 Amounts Until All Bor

SEE CONSULTANT'S REPORT AND DISCLAIMER.

**EXHIBIT III
SADDLER RIDGE METROPOLITAN DISTRICT
CASH FLOW FORECAST - CAPITAL PROJECTS FUND
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2029**

**WORKING DRAFT
SUBJECT TO REVISION
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CAPITAL EXPENDITURES: (Source: Pinnacle Consulting Group, Inc.)

	<u>TOTALS</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
INDIRECT CONSTRUCTION COSTS								
PERMITS AND FEES	0	0	0	0	0	0	0	0
ENGINEERING AND DESIGN	4,855,978	0	0	0	0	0	0	0
SUBTOTAL INDIRECT CONSTRUCTION COSTS	4,855,978	0	0	0	0	0	0	0
FORMATION AND ORGANIZATION								
LEGAL	0	0	0	0	0	0	0	0
ENGINEERING	0	0	0	0	0	0	0	0
FINANCIAL	0	0	0	0	0	0	0	0
MANAGEMENT/ADMINISTRATIVE	0	0	0	0	0	0	0	0
SUBTOTAL FORMATION AND ORGANIZATION	290,000	0	0	0	0	0	0	0
DIRECT CONSTRUCTION COSTS								
ROADWAYS	2,679,070	0	0	0	0	0	0	0
SANITARY SEWER	1,399,070	0	0	0	0	0	0	0
DOMESTIC WATER	669,767	0	0	0	0	0	0	0
STORM SEWER	930,233	0	0	0	0	0	0	0
IRRIGATION SYSTEM	2,083,721	0	0	0	0	0	0	0
LANDSCAPING	1,101,395	0	0	0	0	0	0	0
MISCELLANEOUS	3,809,371	0	0	0	0	0	0	0
EQUESTRIAN FACILITIES	3,000,000	0	0	0	0	0	0	0
OFFSITE IMPROVEMENTS	6,400,000	0	0	0	0	0	0	0
SUBTOTAL DIRECT CONSTRUCTION COSTS	22,072,627	0	0	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES BY YEAR	27,218,605	0	0	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES BY YEAR WITH 3% ANNUAL INFLATION	0	0	0	0	0	0	0	0
CAPITAL EXPENDITURE FUNDING SOURCES:								
DEVELOPER CAPITAL LOANS	27,218,605	0	0	0	0	0	0	0
REPAYMENT OF DEVELOPER CAPITAL LOANS	(5,450,000)	0	0	0	0	0	(2,850,000)	0
NET UNLTD TAX G.O. BOND PROCEEDS	5,450,000	0	0	0	0	0	2,850,000	0
DEVELOPER PERMANENT CONTRIBUTION	0	0	0	0	0	0	0	0
TOTAL CAPITAL EXPENDITURE FUNDING SOURCES	27,218,605	0	0	0	0	0	0	0
EXCESS FUNDING SOURCES OVER CAPITAL EXPENDITURES		0	0	0	0	0	0	0
FUND BALANCE - JANUARY 1		0	0	0	0	0	0	0
FUND BALANCE - DECEMBER 31		0	0	0	0	0	0	0

**EXHIBIT III
SADDLER RIDGE METROPOLITAN DISTRICT
CASH FLOW FORECAST - CAPITAL PROJECTS FUND
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2029**

CAPITAL EXPENDITURES: (Source: Pinnacle Consulting Group, Inc.)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
INDIRECT CONSTRUCTION COSTS								
PERMITS AND FEES	0	0	0	0	0	0	0	0
ENGINEERING AND DESIGN	0	0	0	0	0	0	0	0
SUBTOTAL INDIRECT CONSTRUCTION COSTS	0	0	0	0	0	0	0	0
FORMATION AND ORGANIZATION								
LEGAL	0	0	0	0	0	0	0	0
ENGINEERING	0	0	0	0	0	0	0	0
FINANCIAL	0	0	0	0	0	0	0	0
MANAGEMENT/ADMINISTRATIVE	0	0	0	0	0	0	0	0
SUBTOTAL FORMATION AND ORGANIZATION	0	0	0	0	0	0	0	0
DIRECT CONSTRUCTION COSTS								
ROADWAYS	0	0	0	0	0	0	0	0
SANITARY SEWER	0	0	0	0	0	0	0	0
DOMESTIC WATER	0	0	0	0	0	0	0	0
STORM SEWER	0	0	0	0	0	0	0	0
IRRIGATION SYSTEM	0	0	0	0	0	0	0	0
LANDSCAPING	0	0	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0	0	0
EQUESTRIAN FACILITIES	0	0	0	0	0	0	0	0
OFFSITE IMPROVEMENTS	0	0	0	0	0	0	0	0
SUBTOTAL DIRECT CONSTRUCTION COSTS	0	0	0	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES BY YEAR	0	0	0	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES BY YEAR WITH 3% ANNUAL INFLATION	0	0	0	0	0	0	0	0
CAPITAL EXPENDITURE FUNDING SOURCES:								
DEVELOPER CAPITAL LOANS	0	0	0	0	0	0	0	0
REPAYMENT OF DEVELOPER CAPITAL LOANS	(2,600,000)	0	0	0	0	0	0	0
NET UNLTD TAX G.O. BOND PROCEEDS	2,600,000	0	0	0	0	0	0	0
DEVELOPER PERMANENT CONTRIBUTION	0	0	0	0	0	0	0	0
TOTAL CAPITAL EXPENDITURE FUNDING SOURCES	0	0	0	0	0	0	0	0
EXCESS FUNDING SOURCES OVER CAPITAL EXPENDITURES	0	0	0	0	0	0	0	0
FUND BALANCE - JANUARY 1	0	0	0	0	0	0	0	0
FUND BALANCE - DECEMBER 31	0	0	0	0	0	0	0	0

**EXHIBIT III
SADDLER RIDGE METROPOLITAN DISTRICT
CASH FLOW FORECAST - CAPITAL PROJECTS FUND
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2029**

CAPITAL EXPENDITURES: (Source: Pinnacle Consulting Group, Inc.)

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
INDIRECT CONSTRUCTION COSTS								
PERMITS AND FEES	0	0	0	0	0	0	0	0
ENGINEERING AND DESIGN	0	0	0	0	0	0	0	0
SUBTOTAL INDIRECT CONSTRUCTION COSTS	0	0	0	0	0	0	0	0
FORMATION AND ORGANIZATION								
LEGAL	0	0	0	0	0	0	0	0
ENGINEERING	0	0	0	0	0	0	0	0
FINANCIAL	0	0	0	0	0	0	0	0
MANAGEMENT/ADMINISTRATIVE	0	0	0	0	0	0	0	0
SUBTOTAL FORMATION AND ORGANIZATION	0	0	0	0	0	0	0	0
DIRECT CONSTRUCTION COSTS								
ROADWAYS	0	0	0	0	0	0	0	0
SANITARY SEWER	0	0	0	0	0	0	0	0
DOMESTIC WATER	0	0	0	0	0	0	0	0
STORM SEWER	0	0	0	0	0	0	0	0
IRRIGATION SYSTEM	0	0	0	0	0	0	0	0
LANDSCAPING	0	0	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0	0	0
EQUESTRIAN FACILITIES	0	0	0	0	0	0	0	0
OFFSITE IMPROVEMENTS	0	0	0	0	0	0	0	0
SUBTOTAL DIRECT CONSTRUCTION COSTS	0	0	0	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES BY YEAR	0	0	0	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES BY YEAR WITH 3% ANNUAL INFLATION	0	0	0	0	0	0	0	0
CAPITAL EXPENDITURE FUNDING SOURCES:								
DEVELOPER CAPITAL LOANS	0	0	0	0	0	0	0	0
REPAYMENT OF DEVELOPER CAPITAL LOANS	0	0	0	0	0	0	0	0
NET UNLTD TAX G.O. BOND PROCEEDS	0	0	0	0	0	0	0	0
DEVELOPER PERMANENT CONTRIBUTION	0	0	0	0	0	0	0	0
TOTAL CAPITAL EXPENDITURE FUNDING SOURCES	0	0	0	0	0	0	0	0
EXCESS FUNDING SOURCES OVER CAPITAL EXPENDITURES	0	0	0	0	0	0	0	0
FUND BALANCE - JANUARY 1	0	0	0	0	0	0	0	0
FUND BALANCE - DECEMBER 31	0	0	0	0	0	0	0	0

SCHEDULE 1
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2007 - 2042

WORKING DRAFT
 SUBJECT TO REVISION
 28-Nov-07
 SEE CONSULTANTS' DISCLAIMER

SCHEDULE 1 - UNLTD TAX GENERAL OBLIGATION BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF LTD TAX GENERAL OBLIGATION BOND ISSUES				
BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE
12/01/2012 NON-RATED	2,736,000	0	114,000	2,850,000
12/01/2014 NON-RATED	2,496,000	0	104,000	2,600,000
TOTALS	5,232,000	0	218,000	5,450,000

ANNUAL DEBT SERVICE REQUIREMENTS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
12/01/2012 NON-RATED	0	0	0	0	0	0	220,250	217,975	215,700	218,425	215,825	218,225
12/01/2014 NON-RATED	0	0	0	0	0	0	0	0	199,000	197,050	200,100	197,825
TOTALS	0	0	0	0	0	0	220,250	217,975	414,700	415,475	415,925	416,050
DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:												
12/01/2012 NON-RATED												
NEW \$							35,000	35,000	35,000	40,000	40,000	45,000
30 YR							0	0	0	0	0	0
PRINCIPAL	0	0	0	0	0	0	185,250	182,975	180,700	178,425	175,825	173,225
INTEREST @ 6.5%	0	0	0	0	0	0	220,250	217,975	215,700	218,425	215,825	218,225
TOTAL DEBT SERVICE (*)	0	0	0	0	0	0	2,850,000	2,815,000	2,780,000	2,745,000	2,705,000	2,665,000
TOTAL UNLTD TAX G.O. BONDS OUT @ 12/31	0	0	0	0	0	0	2,850,000	2,815,000	5,380,000	5,315,000	5,170,000	5,090,000
12/01/2014 NON-RATED												
NEW \$	0	0	0	0	0	0	0	0	30,000	30,000	35,000	35,000
30 YR	0	0	0	0	0	0	0	0	0	169,000	167,050	165,100
PRINCIPAL	0	0	0	0	0	0	0	0	0	199,000	197,050	200,100
INTEREST @ 6.5%	0	0	0	0	0	0	0	0	0	199,000	197,050	197,825
TOTAL DEBT SERVICE (*)	0	0	0	0	0	0	0	0	2,600,000	2,570,000	2,540,000	2,505,000
TOTAL UNLTD TAX G.O. BONDS OUT @ 12/31	0	0	0	0	0	0	0	0	2,600,000	2,570,000	2,540,000	2,470,000
TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/	0	0	0	0	0	0	2,850,000	2,815,000	5,380,000	5,315,000	5,170,000	5,090,000

(*) Annual Debt Service Will Continue at 2042 Levels Until Bonds are Redeemed.

SEE CONSULTANT'S REPORT AND DISCLAIMER.

**SCHEDULE 1
CASH FLOW FORECAST - BUDGETARY BASIS
DEBT SERVICE FUND
FOR THE YEARS ENDING DECEMBER 31, 2007 - 2042**

**SCHEDULE 1 - UNLTD TAX GENERAL OBLIGATION BOND ISSUES
AND DEBT SERVICE REQUIREMENTS**

BOND ISSUES

<i>SIZE OF LTD TAX GENERAL OBLIGATION BOND ISSUES</i>															
BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
12/01/2012 NON-RATED	2,736,000	0	114,000	2,850,000	220,300	217,050	218,800	220,225	216,325	217,425	218,200	218,650	218,775	218,575	218,050
12/01/2014 NON-RATED	2,496,000	0	104,000	2,600,000	200,550	197,950	200,350	197,425	199,500	201,250	197,675	199,100	200,200	200,975	196,425
TOTALS	5,232,000	0	218,000	5,450,000	420,850	415,000	419,150	417,650	415,825	418,675	415,875	417,750	418,975	419,550	414,475

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2012 NON-RATED	NEW \$	PRINCIPAL	50,000	50,000	55,000	60,000	60,000	65,000	70,000	75,000	80,000	85,000	90,000
30 YR		INTEREST @ 6.5%	170,300	167,050	163,800	160,225	156,325	152,425	148,200	143,650	138,775	133,575	128,050
		TOTAL DEBT SERVICE (*)	220,300	217,050	218,800	220,225	216,325	217,425	218,200	218,650	218,775	218,575	218,050
		TOTAL UNLTD TAX G.O. BONDS OUT @ 12/31	2,570,000	2,520,000	2,465,000	2,405,000	2,345,000	2,280,000	2,210,000	2,135,000	2,055,000	1,970,000	1,880,000
12/01/2014 NON-RATED	NEW \$	PRINCIPAL	40,000	40,000	45,000	45,000	50,000	55,000	55,000	60,000	65,000	70,000	70,000
30 YR		INTEREST @ 6.5%	160,550	157,950	155,350	152,425	149,500	146,250	142,675	139,100	135,200	130,975	126,425
		TOTAL DEBT SERVICE (*)	200,550	197,950	200,350	197,425	199,500	201,250	197,675	199,100	200,200	200,975	196,425
		TOTAL UNLTD TAX G.O. BONDS OUT @ 12/31	2,430,000	2,390,000	2,345,000	2,300,000	2,250,000	2,195,000	2,140,000	2,080,000	2,015,000	1,945,000	1,875,000
		TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/	5,000,000	4,910,000	4,810,000	4,705,000	4,595,000	4,475,000	4,350,000	4,215,000	4,070,000	3,915,000	3,755,000

(*) Annual Debt Service Will Continue at 2042 Levels Until Bonds are Redeemed.

SEE CONSULTANT'S REPORT AND DISCLAIMER.

SCHEDULE 1
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2007 - 2042

SCHEDULE 1 - UNLTD TAX GENERAL OBLIGATION BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF LTD TAX GENERAL OBLIGATION BOND ISSUES															
BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
12/01/2012 NON-RATED	2,736,000	0	114,000	2,850,000	217,200	216,025	219,525	217,375	219,900	216,775	218,325	219,225	219,475	219,075	218,025
12/01/2014 NON-RATED	2,496,000	0	104,000	2,600,000	196,875	197,000	196,800	201,275	200,100	198,600	196,775	199,625	196,825	198,700	199,925
TOTALS	5,232,000	0	218,000	5,450,000	414,075	413,025	416,325	418,650	420,000	415,375	415,100	418,850	416,300	417,775	417,950

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2012 NON-RATED	NEW \$	PRINCIPAL	95,000	100,000	110,000	115,000	125,000	130,000	140,000	150,000	160,000	170,000	180,000	180,000
	30 YR	INTEREST @ 6.5%	122,200	116,025	109,525	102,375	94,900	86,775	78,325	69,225	59,475	49,075	38,025	38,025
		TOTAL DEBT SERVICE (*)	217,200	216,025	219,525	217,375	219,900	216,775	218,325	219,225	219,475	219,075	218,025	218,025
		TOTAL UNLTD TAX G.O. BONDS OUT @ 12/31	1,765,000	1,685,000	1,575,000	1,460,000	1,335,000	1,205,000	1,065,000	915,000	755,000	585,000	405,000	405,000
12/01/2014 NON-RATED	NEW \$	PRINCIPAL	75,000	80,000	85,000	95,000	100,000	105,000	110,000	120,000	125,000	135,000	145,000	145,000
	30 YR	INTEREST @ 6.5%	121,875	117,000	111,800	106,275	100,100	93,600	86,775	79,625	71,825	63,700	54,925	54,925
		TOTAL DEBT SERVICE (*)	196,875	197,000	196,800	201,275	200,100	198,600	196,775	199,625	196,825	198,700	199,925	199,925
		TOTAL UNLTD TAX G.O. BONDS OUT @ 12/31	1,800,000	1,720,000	1,635,000	1,540,000	1,440,000	1,335,000	1,225,000	1,105,000	980,000	845,000	700,000	700,000
TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/			3,585,000	3,405,000	3,210,000	3,000,000	2,775,000	2,540,000	2,290,000	2,020,000	1,735,000	1,430,000	1,105,000	1,105,000

(*) Annual Debt Service Will Continue at 2042 Levels Until Bonds are Redeemed.

SEE CONSULTANT'S REPORT AND DISCLAIMER.

SCHEDULE 2
 SADDLER RIDGE METROPOLITAN DISTRICT
 PROJECTED ASSESSED VALUATION - BUILDOUT
 FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2022

WORKING DRAFT
 SUBJECT TO REVISION
 28-Nov-07
 SEE CONSULTANTS' DISCLAIMER

BUILDOUT - COMMERCIAL (Source: Pinnacle Consulting Group, Inc.)				2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Description of Unit	Planned Number of Sq. Ft.	Average Value Per Sq. Ft.	Total Gross Unit Volume													
Commercial																
Arena	405,700	25	10,142,500	0	0	0	405,700	0	0	0	0	0	0	0	0	0
Windsong Events Center	15,000	75	1,125,000	0	15,000	0	0	0	0	0	0	0	0	0	0	0
Retail	157,055	75	11,779,125	0	0	12,081	12,081	12,081	12,081	12,081	12,081	12,081	12,081	12,081	12,081	12,081
Hotel	14,400	75	1,080,000	0	0	0	14,400	0	0	0	0	0	0	0	0	0
Total Commercial - Increm.	592,155	41	24,126,625	0	15,000	12,081	432,181	12,081	12,081	12,081	12,081	12,081	12,081	12,081	12,081	12,081
Total Commercial - Cumulat.	592,155			0	15,000	27,081	459,262	471,343	483,424	495,505	507,586	519,667	531,748	543,829	555,910	567,991
Residential																
Single Family	102	725,000	73,950,000	0	0	16	14	20	24	28	0	0	0	0	0	0
Patio Homes	47	400,000	18,800,000	0	0	0	18	20	9	0	0	0	0	0	0	0
Total Residential - Increm.	149	622,483	92,750,000	0	0	16	32	40	33	28	0	0	0	0	0	0
Total Residential - Cumulat.	149			0	0	16	48	88	121	149	149	149	149	149	149	149
Total Project			116,876,625													
Actual Values:																
Arena				0	0	0	10,142,500	0	0	0	0	0	0	0	0	0
Windsong Events Center				0	1,125,000	0	0	0	0	0	0	0	0	0	0	0
Retail				0	0	906,075	906,075	906,075	906,075	906,075	906,075	906,075	906,075	906,075	906,075	906,075
Hotel				0	0	0	1,080,000	0	0	0	0	0	0	0	0	0
Single Family				0	0	11,600,000	10,150,000	14,500,000	17,400,000	20,300,000	0	0	0	0	0	0
Patio Homes				0	0	0	7,200,000	8,000,000	3,600,000	0	0	0	0	0	0	0
Total Actual Values - Incremental				0	1,125,000	12,506,075	29,478,575	23,406,075	21,906,075	21,206,075	906,075	906,075	906,075	906,075	906,075	906,075
Total Actual Values - Cumulative				0	1,125,000	13,631,075	43,109,650	66,515,725	88,421,800	109,627,875	110,533,950	111,440,025	112,346,100	113,252,175	114,158,250	115,064,325
Assessed Values (Commercial @ 29%, Residential @ 7.96%):																
Arena				0	0	0	2,941,325	0	0	0	0	0	0	0	0	0
Windsong Events Center				0	326,250	0	0	0	0	0	0	0	0	0	0	0
Retail				0	0	262,762	262,762	262,762	262,762	262,762	262,762	262,762	262,762	262,762	262,762	262,762
Hotel				0	0	0	313,200	0	0	0	0	0	0	0	0	0
Single Family				0	0	923,360	807,940	1,154,200	1,385,040	1,615,880	0	0	0	0	0	0
Patio Homes				0	0	0	573,120	636,800	286,560	0	0	0	0	0	0	0
Total Assessed Value				0	326,250	1,186,122	4,898,347	2,053,762	1,934,362	1,878,642	262,762	262,762	262,762	262,762	262,762	262,762
Total Assessed Valuation Vacant Land				0	0	500,000	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	0	0	0	0	0
Total Assessed Valuation - Incremental Commercial				0	326,250	512,762	3,467,287	212,762	212,762	212,762	212,762	262,762	262,762	262,762	262,762	262,762
Total Assessed Valuation - Incremental Residential				0	0	1,173,360	1,331,060	1,741,000	1,621,600	1,565,880	(50,000)	0	0	0	0	0
Total Assessed Valuation - Cumulative Commercial				0	326,250	839,012	4,306,299	4,519,060	4,731,822	4,944,584	5,157,346	5,420,107	5,682,869	5,945,631	6,208,393	6,471,154
Total Assessed Valuation - Cumulative Residential				0	0	1,173,360	2,504,420	4,245,420	5,867,020	7,432,900	7,382,900	7,382,900	7,382,900	7,382,900	7,382,900	7,382,900
Total Assessed Values Commercial - Cum. 0% Biennial Net Incr. beg. in tax collect				0	326,250	839,012	4,306,299	4,519,060	4,731,822	4,944,584	5,157,346	5,420,107	5,682,869	5,945,631	6,208,393	6,471,154
Total Assessed Values Residential - Cum. 2% Biennial Net Incr. beg. in tax collect				0	0	1,173,360	2,554,508	4,330,328	6,104,048	7,733,189	7,834,793	7,991,488	7,991,488	8,151,318	8,151,318	8,151,318
Total Assessed Values				0	326,250	2,012,372	6,860,807	8,849,389	10,835,870	12,677,773	12,992,138	13,254,900	13,674,357	13,937,119	14,359,711	14,622,472
Year Assessed Valuation Certified To SRMD				2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Year Taxes Received By SRMD				2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021

SCHEDULE 2
 SADDLER RIDGE METROPOLITAN DISTRICT
 PROJECTED ASSESSED VALUATION - BUILDOUT
 FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2022

BUILDOUT - COMMERCIAL (Source: Pinnacle Consulting Group, Inc.)									
Description of Unit	Planned Number of Sq. Ft.	Average Value Per Sq. Ft.	Total Gross Unit Volume	2020	2021	2022	2023	2024	TOTAL
Commercial									
Arena	405,700	25	10,142,500	0	0	0	0	0	405,700
Windsong Events Center	15,000	75	1,125,000	0	0	0	0	0	15,000
Retail	157,055	75	11,779,125	12,081	12,081	0	0	0	157,053
Hotel	14,400	75	1,080,000	0	0	0	0	0	14,400
Total Commercial - Increm.	592,155	41	24,126,625	12,081	12,081	0	0	0	592,153
Total Commercial - Cumulat.	592,155			580,072	592,153	592,153	592,153	592,153	592,153
Residential									
Single Family	102	725,000	73,950,000	0	0	0	0	0	102
Patio Homes	47	400,000	18,800,000	0	0	0	0	0	47
Total Residential - Increm.	149	622,483	92,750,000	0	0	0	0	0	149
Total Residential - Cumulat.	149			149	149	149	149	149	149
Total Project			116,876,625						

Actual Values:									
Arena				0	0	0	0	0	10,142,500
Windsong Events Center				0	0	0	0	0	1,125,000
Retail				906,075	906,075	0	0	0	11,778,975
Hotel				0	0	0	0	0	1,080,000
Single Family				0	0	0	0	0	73,950,000
Patio Homes				0	0	0	0	0	18,800,000
Total Actual Values - Incremental				906,075	906,075	0	0	0	116,876,475
Total Actual Values - Cumulative				115,970,400	116,876,475	116,876,475	116,876,475	116,876,475	116,876,475

Assessed Values (Commercial @ 29%, Residential @ 7.96%):									
Arena				0	0	0	0	0	2,941,325
Windsong Events Center				0	0	0	0	0	326,250
Retail				262,762	262,762	0	0	0	3,415,903
Hotel				0	0	0	0	0	313,200
Single Family				0	0	0	0	0	5,886,420
Patio Homes				0	0	0	0	0	1,496,480
Total Assessed Value				262,762	262,762	0	0	0	14,379,578
Total Assessed Valuation Vacant Land				0	0	0	0	0	0
Total Assessed Valuation - Incremental Commercial				262,762	262,762	0	0	0	6,996,678
Total Assessed Valuation - Incremental Residential				0	0	0	0	0	7,382,900
Total Assessed Valuation - Cumulative Commercial				6,733,916	6,996,678	6,996,678	6,996,678	6,996,678	6,996,678
Total Assessed Valuation - Cumulative Residential				7,382,900	7,382,900	7,382,900	7,382,900	7,382,900	7,382,900
Total Assessed Values Commercial - Cum. 0% Biennial Net Incr. beg. In tax collect				6,733,916	6,996,678	6,996,678	6,996,678	6,996,678	6,996,678
Total Assessed Values Residential - Cum. 2% Biennial Net Incr. beg. In tax collect				8,314,345	8,314,345	8,480,631	8,480,631	8,650,244	8,650,244
Total Assessed Values				15,048,261	15,311,022	15,477,309	15,477,309	15,646,922	15,646,922

Year Assessed Valuation Certified To SRMD	2021	2022	2023	2024	2025
Year Taxes Received By SRMD	2022	2023	2024	2025	2026