

RESOLUTION NO. 87-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS, COLORADO APPROVING AN AMENDED AND RESTATED CONSOLIDATED SERVICE PLAN FOR THE ALLISON VALLEY METROPOLITAN DISTRICT NO. 1 AND ALLISON VALLEY METROPOLITAN DISTRICT NO. 2

WHEREAS, by Resolution 9-06, the City Council approved the Special District Policy on January 24, 2006, a City Financial Policy Regarding the Use of Districts (the "Policy"), providing for certain financial and other limitations in the use of special districts as an available method in financing public infrastructure; and

WHEREAS, in accord with the Policy, City Council has adopted and has periodically amended model service plan templates for metropolitan districts ("Model Service Plans"); and

WHEREAS, pursuant to the provisions of Title 32, Colorado Revised Statutes, and pursuant to proper notice having been provided as required by law, the City Council held a public hearing and approved the original formation and the Consolidated Service Plans (the "Service Plan") for the Allison Valley Metropolitan Districts Nos. 1 and 2 (the "Districts") by Resolution No. 129-06 adopted on August 22, 2006; and

WHEREAS, the Districts desire and have reason to request an amendment of their Service Plan; and

WHEREAS, Title 32 requires that a district must first obtain City Council approval of an amendment of a previously approved service plan; and

WHEREAS, the Policy and its Model Service Plan contain requirements for the content and limitations associated with new or amended service plans; and

WHEREAS, the Districts submitted for review and City Council reviewed an Amended and Restated Consolidated Service Plan for the Districts ("Amended Service Plan"); and

WHEREAS, City Council considered the Amended Service Plan, as well as all other testimony and evidence presented at the September 8, 2015 City Council meeting to determine whether the Districts' proposed Amended Service Plan satisfies the requirements of the Policy and the Model Service Plans.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. The above and foregoing recitals are incorporated herein by reference and are adopted as findings and determinations of the City Council.

Section 2. Council hereby finds that approval of the Amended Service Plan complies with the Policy and provisions of the Model Service Plans, and remains consistent with the findings made in as part of the original Service Plan approval.


Section 3. The Amended Service Plan is hereby approved.

DATED at Colorado Springs, Colorado, this 8th day of September 2015.



Merv Bennett, Council President

ATTEST:


Sarah Johnson, City Clerk



**AMENDED AND RESTATED
CONSOLIDATED SERVICE PLAN**

FOR

**ALLISON VALLEY METROPOLITAN DISTRICT NO. 1
ALLISON VALLEY METROPOLITAN DISTRICT NO. 2**

IN THE CITY OF COLORADO SPRINGS, COLORADO

Prepared

by

Spencer Fane Britt & Browne LLP

Attention: Rick Kron, Esq.

1700 Lincoln Street, Suite 2000

Denver, CO 80203

June 1, 2015

This Amended and Restated Consolidated Service Plan supersedes
and replaces the Consolidated Service Plan of the Districts dated July 12, 2006

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EXHIBIT A	Legal Descriptions
EXHIBIT B	Colorado Springs Vicinity Map
EXHIBIT C-1	Initial District Boundary Map
EXHIBIT C-2	Inclusion Area Boundary Map
EXHIBIT D	Description of Permitted Services to be Provided by the Districts
EXHIBIT E	Form of Disclosure to Purchasers of Property within the Districts

I. INTRODUCTION

A. Purpose and Intent

The Districts are independent units of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Service Plan, their activities are subject to review by the City only insofar as they may deviate in a material matter from the requirements of the Service Plan. It is intended that the Districts will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of these Public Improvements. The Districts are not being created to provide ongoing operations and maintenance services other than those specifically set forth in Exhibit D to this Service Plan.

B. Need for the Districts

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

C. Objective of the City Regarding Districts Service Plan

The City's objective in approving the Service Plan for the Districts is to authorize the Districts to provide for the planning, design, acquisition, construction, installation, relocation, and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the Districts. All Debt is expected to be repaid by taxes imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term for residential properties and at a tax mill levy no higher than the Maximum Debt Mill Levy for commercial and residential properties, and/or repaid by Fees, as long as such Fees are not imposed upon or collected from Taxable Property owned or occupied by an End User for the purpose of creating a capital cost payment obligation as further described in Section V.A.11. Debt which is issued within these parameters and, as further described in the Financial Plan, will insulate property owners from excessive tax burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

This Service Plan is intended to establish a limited purpose for the Districts and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with development and regional needs. Operational activities are allowed, but only as specified in Exhibit D to this Service Plan.

It is the intent of the Districts 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, unless any District has authorized operating functions as set forth on Exhibit D or under an intergovernmental agreement (IGA) with the City, in which case the Districts shall not

dissolve but shall retain only the power necessary to impose and collect taxes or Fees to pay for these costs.

The Districts shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from tax revenue collected from a mill levy which shall not exceed the Maximum Debt Mill Levy in any District and which shall not exceed the Maximum Debt Mill Levy Imposition Term in Residential Districts. It is the intent of this Service Plan to assure to the extent possible that no property in any District bears an economic burden that is greater than that associated with the Maximum Debt Mill Levy in amount, and that no property in a Residential District bears an economic burden that is greater than that associated with the Maximum Debt Mill Levy Imposition Term in duration even under bankruptcy or other unusual situations. Generally, the costs of Public Improvements that cannot be funded within these parameters are not costs to be paid by the Districts.

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: a Master Plan and other more detailed land use approvals established by the City for identifying, among other things, Public Improvements necessary for facilitating the 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: the board of directors of one District or the boards of directors of all Districts, in the aggregate.

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

City: the City of Colorado Springs, Colorado.

City Code: the City Code of the City of Colorado Springs, Colorado.

City Council: the City Council of the City of Colorado Springs, Colorado.

Commercial Districts: a District containing property classified for assessment as nonresidential. (NOTE: all districts which include or are expected to include any residential property must be defined as Residential Districts and not Commercial Districts). Both District No. 1 and District No. 2 will be Residential Districts.

Debt: any bond, note debenture, contract or other multiple-year financial obligation of a District which is payable in whole or in part from, or which constitutes a lien or encumbrance on the proceeds of ad valorem property tax imposed by a District.

Debt to Actual Market Value Ratio: the ratio derived by dividing the then-outstanding principal amount of all Debt of the District by the actual market valuation of the taxable

property of the District, as such actual market valuation is certified from time to time by the appropriate county assessor.

District No. 1: the Allison Valley Metropolitan District No. 1.

District No. 2: the Allison Valley Metropolitan District No. 2.

District or Districts: any one or all of the District Nos. 1 through 2 inclusive.

End User: any owner, or tenant of any owner, of any taxable improvement within the District, who is intended to become burdened by the imposition of ad valorem property taxes subject to the Maximum Debt Mill Levy. By way of illustration, a resident homeowner, renter, commercial property owner, or commercial tenant is an End User. The business entity that constructs homes or commercial structures is not an End User.

External Financial Advisor: a consultant that: (1) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (2) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (3) is not an officer of the District.

Fees: any fee imposed by the District for services, programs or facilities provided by the District, as described in Section V.A.11. below.

Financial Plan: the Financial Plan described in Section VII which describes (a) how the Public Improvements are to be financed; (b) how the Debt is expected to be incurred; and (c) the estimated operating revenue derived from property taxes for the first budget year.

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

Inclusion Area Boundary Map: 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: the boundaries of the area described in the Initial District Boundary Map.

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

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

Maximum Debt Mill Levy Imposition Term: the maximum term for imposition of a Debt Service mill levy in Residential Districts as set forth in Section VI.F below.

Maximum Operating Mill Levy: the maximum mill levy any of the Districts is permitted to impose for payment of operating and maintenance expenses as set forth in Section VI.J below.

Project: the development or property commonly referred to as THE FARM Master Plan.

Public Improvements: 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 one or more of the Districts.

Residential Districts: District Nos. 1 and 2, inclusive, containing property classified for assessment as residential. (NOTE: all districts which include or are expected to include any residential property must be defined as Residential Districts and not Commercial Districts.)

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

Service Plan: the service plan for the Districts approved by City Council.

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

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

State: the State of Colorado.

III. BOUNDARIES

District No. 1 and District No. 2 were organized in 2006. At that time, District No. 1 contained .027 acres and District No. 2 contained approximately 400 acres. In January 2014, District No. 2 obtained an order to include an additional 56.445 acres owned by the Developer, but did not first obtain the approval of City Council for the inclusion.

The area of the District Boundaries for District No. 1 following inclusion and exclusion will include approximately 108 acres. The area of the Initial District Boundaries for District No. 2 following inclusion and exclusion will include approximately 338 acres and the total area proposed to be included in the Inclusion Area Boundaries is approximately 2.37 acres. A legal description of the Initial District Boundaries and the Inclusion Area Boundaries is attached hereto as Exhibit A. A map of the Initial District Boundaries is attached hereto as Exhibit C-1 and a map of the Inclusion Area Boundaries is attached hereto as Exhibit C-2. A vicinity map is attached hereto as Exhibit B. It is anticipated that the Districts' Boundaries may change from time to time as they undergo inclusions and exclusions pursuant to Section 32-1-401, et seq., CRS, and Section 32-1-501, et seq., CRS, subject to the limitations set forth in Article V below.

IV. PROPOSED LAND USE / POPULATION PROJECTIONS/ASSESSED VALUATION

The Service Area consists of approximately 457 acres of undeveloped land. The current assessed valuation of the Service Area is \$0.00 for purposes of this Service Plan and, at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. The population of the Districts at build-out is estimated to be approximately _____3,000 people.

Approval of this Service Plan by the City does not imply approval of the development of a specific area within the Districts nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings 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 Districts and Service Plan Amendment

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

1. **Operations and Maintenance Limitation.** The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop, and finance the Public Improvements. The Districts shall dedicate the Public Improvements to the City, other appropriate jurisdiction, owners association, or ownership of the Public Improvements shall remain with the District(s) 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 Districts shall be authorized to operate and maintain any part or all of the Public Improvements owned by the Districts. The Districts are also authorized to maintain any part or all of the Public Improvements dedicated to the City or another jurisdiction or entity, after such dedication, including park and recreation improvements, if the provision of such ongoing operation and maintenance is specifically identified in Exhibit D attached hereto. In the City's sole discretion, an IGA between the City and the District may be required in order to better describe the conditions under which these permitted services will be provided by the District. If the Districts are authorized to operate and maintain certain park and recreation improvements set forth in Exhibit D, any fee imposed by the Districts for access to such park and recreation improvements shall not result in non-District residents paying a user fee that is greater than, or otherwise disproportionate to, similar Fees and taxes paid by residents of the Districts. However, the Districts shall be entitled to impose an administrative fee as necessary to cover additional expenses associated with non-District residents to ensure that such costs are not the responsibility of the Districts residents. All such Fees shall be based upon the determination of the District imposing such fee that such fee does not exceed a reasonable annual market fee for users of such facilities. Notwithstanding the foregoing, all parks and trails shall be open to the general public including non-District residents free of charge.

2. City Charter Limitations. In accordance with Article 7-100 of the City Charter, the Districts shall not issue any Debt instrument for any purpose other than construction of capital improvements with a public purpose necessary for development.

As further set forth in Article 7-100 of the City Charter, the total Debt of any proposed District shall not exceed 10 percent of the total assessed valuation of the taxable property within the District unless approved by at least a two-thirds vote of the entire City Council, which two-thirds vote was obtained by the Districts in 2006.

3. Use of Bond Proceeds and Other Revenue of the Districts Limitation. Proceeds from the sale of debt instruments and other revenue of Districts may not be used to pay landowners within the District for any real property required to be dedicated for public use by annexation agreements or land use codes. Examples of ineligible reimbursements include, but are not limited to: the acquisition of rights of way, easements, water rights, land for prudent line drainage, parkland, or open space, unless consent from the City Council is given. Proceeds from the sale of debt instruments and other revenue of the Districts also may not be used to pay for the construction of any utility infrastructure except for those categories of utility infrastructure covered by utility tariffs, rules, and regulations. Additionally, if the landowner/developer constructs the public infrastructure and conveys it to the District in return for a reimbursement obligation from the District, prior to making such reimbursement for such amounts, the District must receive the report of an independent engineer or accountant confirming that the amount of the reimbursement is reasonable.

4. Recovery Agreement Limitation. Should the Districts construct infrastructure subject to a recovery agreement with the City or other entity, the Districts retain all benefits under the recovery agreement. Any subsequent reimbursement for public improvements installed or financed by the Districts will remain the property of the Districts to be applied toward repayment of their Debt, if any. Any reimbursement revenue not necessary to repay the Districts Debt may be utilized by the District to construct additional public improvements permitted under the approved Service Plan.

5. Construction Standards Limitation. The Districts 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. The Districts 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.

6. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt for capital related costs, 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 Districts' Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), CRS) 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.

7. Inclusion Limitation. The Districts shall not include within any of their boundaries any property outside the Service Area without the prior written consent of the City Council.

8. 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.

9. Initial Debt Limitation. On or before the date on which there is an Approved Development Plan, the District shall not (a) issue any Debt, (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds, or (c) impose and collect any Fees used for the purpose of repayment of Debt.

10. Total Debt Issuance Limitation. The issuance of all bonds or other debt instruments of Districts shall be subject to the approval of the City Council. City Council's review of the bonds or other debt instruments of the Districts shall be conducted to ensure compliance with the Service Plan and all applicable laws. The Districts shall not issue Debt in an aggregate principal amount in excess of \$30,000,000, provided that the foregoing shall not include the principal amount of Debt issued for the purpose of refunding or refinancing lawfully issued Debt.

11. Fee Limitation. The District may impose and collect Fees as a source of revenue for repayment of debt, capital costs, and/or for operations and maintenance. No Fee related to the funding of costs of a capital nature shall be authorized to be imposed upon or collected from Taxable Property owned or occupied by an End User which has the effect, intentional or otherwise, of creating a capital cost payment obligation in any year on any Taxable Property owned or occupied by an End User. Notwithstanding any of the foregoing, the restrictions in this definition shall not apply to any Fee imposed upon or collected from Taxable Property for the purpose of funding operation and maintenance costs of the District.

12. Monies from Other Governmental Sources. The Districts shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or nonprofit 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 Districts without any limitation.

13. Consolidation Limitation. The Districts shall not file a request with any court to consolidate with another Title 32 district without the prior written consent of the City.

14. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term have been established under the authority of the City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, CRS. 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 or, for Residential Districts, the Maximum Debt Mill Levy Imposition Term, shall be deemed a material departure from this Service Plan pursuant to Section 32-1-207, CRS and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the Districts.

15. Service Plan Amendment Requirement. This Service Plan has been designed with sufficient flexibility to enable the Districts to provide required services and facilities under evolving circumstances without the need for numerous amendments. While the assumptions upon which this Service Plan are generally based are reflective of an Approved Development Plan for the property within the Districts, the cost estimates and Financing Plan are sufficiently flexible to enable the Districts to provide necessary services and facilities without the need to amend this Service Plan as development plans change. Modification of the general types of services and facilities, and changes in proposed configurations, locations, or dimensions of various facilities and improvements shall be permitted to accommodate development needs consistent with then-current Approved Development Plans for the property. Actions of the Districts which violate the limitations set forth in V.A.1-12 above or in VI.B-F. shall be deemed to be material departures from this Service Plan and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the Districts.

16. Eminent Domain Powers Limitation. Currently, the Districts do not expect to use the power of eminent domain. The Districts shall not exercise the power of eminent domain except upon the prior written consent of the City.

B. Preliminary Engineering Survey

The Districts shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements within and without the boundaries of the Districts, 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 Approved Development Plan on the property in the Service Area and is approximately \$30,000,000.

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

All of the Public Improvements described herein 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 descriptions of the Public Improvements to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, the City's requirements, and construction scheduling may require. Upon approval of this Service Plan, the Districts will continue to develop and refine cost estimates contained herein and prepare for issuance of Debt. All cost estimates will be inflated to then-current dollars at the time of the issuance of Debt and construction. All construction cost estimates assume construction 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 Public Improvements. The nature of the functions and services to be provided by each District shall be clarified in an IGA between and among the Districts. The maximum term of such IGA shall be forty (40) years from its effective date. All such agreements will be designed to help assure the orderly development of the Public Improvements and essential services in accordance with the requirements of this Service Plan. Implementation of such IGA is essential to the orderly implementation of this Service Plan. Accordingly, except as may be otherwise provided in such IGA, any determination of any one of the Board of Directors to set aside at the Agreement without the consent of all of the Board of Directors of the other Districts shall be a material modification of the Service Plan. Said IGA may be amended by mutual agreement of the Districts without the need to amend this Service Plan.

VI. FINANCIAL PLAN

A. General

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its revenue and by and through the proceeds of Debt to be issued by the Districts. The Financial Plan for the Districts shall be to issue such Debt as the Districts can reasonably pay from revenue derived from the Maximum Debt Mill Levy and other legally available revenue, within the Maximum Debt Mill Levy Term for Residential Districts. The total Debt that the Districts shall be permitted to issue shall not exceed the total Debt issuance limitation set forth in Section V.A.10 hereof, and shall be permitted to be issued on a schedule and in such year or years as the Districts determine 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 Districts may be payable from any and all legally available revenue of the Districts, including general ad valorem taxes to be imposed upon all taxable property of the Districts. The Districts 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 the Special District Act or other State statutes. No Districts will be allowed to impose a sales tax.

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. 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. No-Default Provisions

Debt issued by a District shall be structured so that failure to pay debt service when due shall not of itself constitute an event of default or result in the exercise of remedies. The foregoing shall not be construed to prohibit events of default and remedies for other occurrences including, without limitation, (1) failure to impose or collect the Maximum Debt Mill Levy or such portion thereof as may be pledged thereto, or to apply the same in accordance with the terms of the Debt, (2) failure to impose or collect other revenue sources lawfully pledged to the payment thereof or to apply the same in accordance with the terms of the Debt, (3) failure to abide by other covenants made in connection with such Debt, or (4) filing by a District as a debtor under any bankruptcy or other applicable insolvency laws. Notwithstanding the foregoing, Debt will not be structured with a remedy which requires the District to increase the Maximum Debt Mill Levy in any District or, in Residential Districts, the Maximum Debt Mill Levy Imposition Term.

D. Eligible Bondholders

All District bonds or other debt instrument, if not rated as investment grade, must be issued in minimum denominations of \$100,000 and sold only to either accredited investors as defined in rule 501 (a) promulgated under the Securities Act of 1933 or to the developer(s) of property within the District.

E. Maximum Debt Mill Levy

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

1. For Residential Districts the Maximum Debt Mill Levy shall be calculated as follows:

(a) The Maximum Debt Mill Levy shall be 30 mills; provided that if, on or after January 1, 2006, 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 to be determined by the Board of the issuing District in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenue generated by the mill levy, as adjusted for changes occurring after January 1, 2006, 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.

(b) At such time as the Debt to Actual Market Value Ratio within a Residential District is equal to or less than three percent (3%), the Board of that Residential District may request City Council approval for the right to pledge such mill levy as is necessary to pay the Debt service on such Debt, without limitation of rate. At the time of such request, a majority of the members of the Board must consist of homeowners owning property within the District. Once Debt has been determined to meet the above criterion, so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, such District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in such District's Debt to Actual Market Value Ratio.

2. For Commercial Districts the Maximum Debt Mill Levy shall be calculated as follows:

(a) The Maximum Debt Mill Levy shall be 50 mills; provided that if, on or after January 1, 2006, 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 to be determined by the Board of the issuing District in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenue generated by the mill levy, as adjusted for changes occurring after January 1, 2006, 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.

To the extent that the Districts are composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, CRS, the term "District" as used in this Section VI.E. shall be deemed to refer to the District and to each such sub district separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this Section VI.E.

F. Maximum Debt Mill Levy Imposition Term

Residential Districts shall not impose a Debt Service mill levy which exceeds forty (40) years after the year of the initial imposition of such Debt Service mill levy unless (1) a majority of the Board of Directors of the District imposing the mill levy are residents of such District, and (2) such Board has voted in favor of issuing Debt with a term which requires or contemplates the imposition of a Debt service mill levy for a longer period of time than the limitation contained herein. There shall be no Maximum Debt Mill Levy Imposition Term in Commercial Districts.

G. Debt Repayment Sources

Each of the Districts may impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance. The Districts may also rely upon various other revenue sources authorized by law. At the Districts' discretion, these may include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(I), CRS, as amended from time to time. In no event shall the debt service mill levy in any District exceed the Maximum Debt Mill Levy or, for Residential Districts, the Maximum Debt Mill Levy Imposition Term.

H. 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 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 Districts.

I. Security for Debt

No Debt or other financial obligation of any Districts will constitute a debt or obligation of the City in any manner. The faith and credit of the City will not be pledged for the repayment of any Debt or other financial obligation of any Districts. This will be clearly stated on all offering circulars, prospectuses, or disclosure statements associated with any securities issued by any Districts. Districts shall not utilize the City of Colorado Springs' name in the name of the Districts.

J. Maximum Operating Mill Levy

In addition to the capital costs of the Public Improvements, the Districts will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained. The first year's operating budget is estimated to be \$50,000 which is anticipated to be derived from property taxes and other revenue.

The Maximum Operating Mill Levy for the payment of the Districts operating and maintenance expenses shall be 10 mills; provided that if, on or after January 1, 2006, 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 operating and maintenance expenses 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 revenue generated by the mill levy, as adjusted for changes occurring after January 1, 2006, 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.

K. Developer Financial Assurances

The mere existence of the Districts will not be considered a substitute for financial assurances required under applicable City land use ordinances and regulations.

VII. ANNUAL REPORT

A. General

Each of the Districts shall be responsible for submitting an annual report to the Director of the City's Budget Department no later than August 1 of each year following the year in which the Order and Decree creating the District has been issued. The Districts may cooperate in the creation and submittal of the report, provided the presentation of information in the report clearly identifies the applicable information pertaining to each District.

B. Reporting of Significant Events

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 31 of the prior year.
2. Intergovernmental agreements with other governmental entities, either entered into or proposed as of December 31 of the prior year.
3. Copies of the District's rules and regulations, if any, as of December 31 of the prior year.
4. A summary of any litigation which involves the any District's Public Improvements as of December 31 of the prior year.
5. Status of the District's construction of the Public Improvements as of December 31 of the prior year.
6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.
7. The assessed valuation of the District for the current year.
8. Current year budget including a description of the Public Improvements to be constructed in such year.

9. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

10. Notice of any uncured events of noncompliance by the District under any Debt instrument which continue beyond a 90-day period.

11. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a 90-day period.

12. Copies of any Certifications of an External Financial Advisor provided as required by the Privately Placed Debt Limitation provision.

VIII. DISSOLUTION

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

IX. DISCLOSURE TO PURCHASERS

The Districts will use reasonable efforts to assure that all developers of the property located within the Districts provide written notice to all purchasers of property in the Districts regarding the Maximum Debt Mill Levy, as well as a general description of the Districts' authority to impose and collect rates, Fees, tolls and charges. The form of notice shall be substantially in the form of Exhibit E hereto; provided that such form may be modified by the District so long as a new form is submitted to the City prior to modification. Within 90 days of District formation, the District will record the approved Disclosure form with the El Paso County Clerk and Recorder against all property included in the District and a copy to the City Clerk's Office.

X. CONCLUSION

It is submitted that this Service Plan for the Districts, as required by Section 32-1-203(2), CRS, and Section 122-35 of the City Code, establishes that:

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

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

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

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

5. Adequate service is not, and will not be, available to the area through the 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 Districts are compatible with the facility and service standards of the City within which the special districts are to be located and each municipality which is an interested party under Section 32-1-204(1), CRS.

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.

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

EXHIBIT A

Legal Descriptions



6385 Corporate Drive
Colorado Springs, Colorado 80919
(719)785-0790 (719)785-0799(fax)

JOB NO. 2399.00-27
JUNE 10, 2015
PAGE 1 OF 4

EXHIBIT A:
DISTRICT 1

LEGAL DESCRIPTION: DISTRICT 1

TWO (2) PARCELS OF LAND BEING A PORTION OF SECTIONS 17, 18, 19 AND 20, TOWNSHIP 12 SOUTH, RANGE 68 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: A PORTION OF THE WESTERLY BOUNDARY OF TRAIL RIDGE SOUTH AT NORTHGATE FILING NO. 1 RECORDED UNDER RECEPTION NO. 201027215 RECORDS OF EL PASO COUNTY, COLORADO, AND A PORTION OF THE WESTERLY BOUNDARY OF SOUTH VALLEY AT TRAIL RIDGE RECORDED UNDER RECEPTION NO. 201085370, BEING A PORTION OF THE NORTH/SOUTH CENTERLINE OF SECTION 17, TOWNSHIP 12 SOUTH, RANGE 68 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING MONUMENTED AT THE NORTHERLY END BY A NO. 5 REBAR WITH ALUMINUM CAP STAMPED "RLS 32820" AND AT THE SOUTHERLY END (CENTER QUARTER OF SECTION 17) BY 3 1/4 INCH ALUMINUM CAP STAMPED "PLS 22573" IS ASSUMED TO BEAR S00°19'12"E A DISTANCE OF 803.70 FEET.

PARCEL 1

COMMENCING AT THE CENTER QUARTER CORNER OF SECTION 17, TOWNSHIP 12 SOUTH, RANGE 68 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, SAID POINT BEING ON THE WESTERLY BOUNDARY OF SOUTH VALLEY AT TRAIL RIDGE RECORDED UNDER RECEPTION NO. 201085370 RECORDS OF EL PASO COUNTY, COLORADO.

THENCE S00°33'51"E, ON THE NORTH/SOUTH CENTER LINE OF SAID SECTION 17, THE WESTERLY BOUNDARY OF SOUTH VALLEY AT TRAIL RIDGE RECORDED UNDER RECEPTION NO. 20108537, THE WESTERLY BOUNDARY OF NORTHGATE FILING NO. 9, RECORDED UNDER RECEPTION NO. 201155468 AND THE WESTERLY BOUNDARY OF PROMONTORY AT NORTHGATE RECORDED UNDER RECEPTION NO. 207712533, A DISTANCE OF 1322.28 FEET TO THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER BEING ALSO THE SOUTHWESTERLY CORNER OF SAID PROMONTORY AT NORTHGATE, SAID POINT BEING THE POINT OF BEGINNING;

THENCE S89°59'09"E, ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 17, AND THE SOUTHERLY BOUNDARY OF SAID PROMONTORY AT NORTHGATE A DISTANCE OF 150.18 FEET TO A POINT ON CURVE;

THENCE ON THE ARC OF A CURVE TO THE LEFT, WHOSE CENTER BEARS S00°00'51" W, HAVING A DELTA OF 18°12'09", A RADIUS OF 480.00 FEET, A DISTANCE OF 152.49 FEET TO A POINT ON CURVE;

THENCE N00°33'51"W, A DISTANCE OF 24.02 FEET TO THE POINT OF BEGINNING;

CONTAINING A CALCULATED AREA OF 1,191 SQUARE FEET.

PARCEL 2

COMMENCING AT THE CENTER QUARTER CORNER OF SECTION 17, TOWNSHIP 12 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, SAID POINT BEING ON THE WESTERLY BOUNDARY OF SOUTH VALLEY AT TRAIL RIDGE RECORDED UNDER RECEPTION NO. 201085370 RECORDS OF EL PASO COUNTY, COLORADO.

THENCE S19°08'38"E, A DISTANCE OF 4086.86 FEET TO THE NORTHEASTERLY CORNER OF TRACT 1 AS PLATTED IN MARKETPLACE AT INTERQUEST FILING NO. 2 RECORDED UNDER RECEPTION NO. 208712786 SAID POINT BEING THE POINT OF BEGINNING;

THENCE ON THE BOUNDARY OF SAID TRACT 1 THE FOLLOWING (5) FIVE COURSES;

1. S89°56'42"W, A DISTANCE OF 32.48 FEET;
2. S00°03'18"E, A DISTANCE OF 60.00 FEET;
3. S44°57'47"W, A DISTANCE OF 24.68 FEET;
4. S89°57'47"W, A DISTANCE OF 28.54 FEET;
5. S00°03'18"E, A DISTANCE OF 12.00 FEET TO A POINT ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 12 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO;

THENCE S89°57'47"W, ON SAID SOUTH LINE, A DISTANCE OF 1237.05 FEET TO THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 20;

THENCE S89°58'28"W, ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 12 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, A DISTANCE OF 1287.69 FEET TO A POINT ON THE EASTERLY BOUNDARY OF LOT 1 AS PLATTED IN MARKETPLACE AT INTERQUEST FILING NO. 2 RECORDED UNDER RECEPTION NO 208712786;

THENCE ON THE BOUNDARY OF SAID LOT 1 THE FOLLOWING (5) FIVE COURSES;

1. N00°06'02"E, A DISTANCE OF 379.99 FEET;
2. N89°53'58"W, A DISTANCE OF 548.50 FEET;
3. N00°06'02"E, A DISTANCE OF 29.90 FEET TO A POINT OF CURVE;
4. ON THE ARC OF A CURVE TO THE LEFT HAVING A DELTA OF 43°55'24", A RADIUS OF 322.00 FEET AND A DISTANCE OF 246.85 FEET TO A POINT OF REVERSE CURVE;
5. ON THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF 28°22'54", A RADIUS OF 75.00 FEET AND A DISTANCE OF 37.15 FEET TO A POINT ON CURVE, SAID POINT BEING ON THE SOUTHERLY RIGHT OF WAY LINE OF FEDERAL DRIVE AS PLATTED IN SAID MARKETPLACE AT INTERQUEST FILING NO. 2;

THENCE ON THE ARC OF A CURVE TO THE RIGHT WHOSE CENTER BEARS N65°14'41"W, HAVING A DELTA OF 183°20'41", A RADIUS OF 90.00 FEET AND A DISTANCE OF 303.71 FEET TO A POINT ON THE NORTHERLY BOUNDARY OF SAID LOT 1, SAID POINT BEING A POINT ON CURVE;

THENCE ON NORTHERLY BOUNDARY OF SAID LOT 1, THE FOLLOWING (3) THREE COURSES;

1. ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS S47°33'56"W, HAVING A DELTA OF 22°03'28", A RADIUS OF 483.00 FEET AND A DISTANCE OF 185.95 FEET TO A POINT OF REVERSE CURVE;
2. ON THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF 05°14'36", A RADIUS OF 717.00 FEET AND A DISTANCE OF 65.62 FEET TO A POINT ON CURVE;
3. S49°08'02"W, A DISTANCE OF 490.45 FEET TO THE NORTHWESTERLY CORNER OF SAID LOT 1, SAID POINT BEING ON THE EASTERLY BOUNDARY OF THE UNITED STATES AIR FORCE ACADEMY AS RECORDED IN PLAT BOOK O-2 AT PAGE 84;

THENCE ON THE EASTERLY BOUNDARY SAID UNITED STATES AIR FORCE ACADEMY AS RECORDED IN PLAT BOOK O-2 AT PAGE 64 THE FOLLOWING (3) THREE COURSES:

1. N00°15'03"W, A DISTANCE OF 112.54 FEET;
2. N36°37'18"W, A DISTANCE OF 1765.66 FEET;
3. N59°45'15"W, A DISTANCE OF 316.97 FEET;

THENCE N59°45'01"E A DISTANCE OF 86.49 FEET;
THENCE S99°10'00"E, A DISTANCE OF 75.00 FEET;
THENCE S82°15'00"E, A DISTANCE OF 123.00 FEET;
THENCE S66°25'00"E, A DISTANCE OF 146.00 FEET;
THENCE S22°15'00"E, A DISTANCE OF 220.00 FEET;
THENCE S87°05'00"E, A DISTANCE OF 77.00 FEET;
THENCE N45°00'00"E, A DISTANCE OF 108.00 FEET;
THENCE N03°20'00"W, A DISTANCE OF 198.00 FEET;
THENCE N33°20'00"E, A DISTANCE OF 94.00 FEET;
THENCE N56°40'00"E, A DISTANCE OF 80.00 FEET;
THENCE N90°00'00"E, A DISTANCE OF 67.00 FEET;
THENCE S78°25'00"E, A DISTANCE OF 143.00 FEET;
THENCE N78°00'00"E, A DISTANCE OF 220.00 FEET;
THENCE S40°00'00"E, A DISTANCE OF 227.00 FEET;
THENCE S53°30'00"E, A DISTANCE OF 90.00 FEET;
THENCE S87°30'00"E, A DISTANCE OF 83.00 FEET;
THENCE S34°35'00"E, A DISTANCE OF 105.00 FEET;
THENCE S48°30'00"E, A DISTANCE OF 133.00 FEET;
THENCE S01°10'00"E, A DISTANCE OF 94.00 FEET;
THENCE S20°40'00"E, A DISTANCE OF 142.00 FEET;
THENCE S63°30'00"E, A DISTANCE OF 132.00 FEET;
THENCE S81°47'00"E, A DISTANCE OF 88.00 FEET;
THENCE N81°30'00"E, A DISTANCE OF 156.00 FEET;
THENCE S85°00'00"E, A DISTANCE OF 86.00 FEET;
THENCE S39°10'00"E, A DISTANCE OF 100.00 FEET;
THENCE S20°00'00"E, A DISTANCE OF 215.00 FEET;
THENCE S68°10'00"W, A DISTANCE OF 128.00 FEET;
THENCE S04°40'00"W, A DISTANCE OF 144.00 FEET;
THENCE S23°00'00"E, A DISTANCE OF 118.00 FEET;
THENCE S04°30'00"W, A DISTANCE OF 54.00 FEET;
THENCE S06°15'00"E, A DISTANCE OF 57.00 FEET;
THENCE S29°20'00"E, A DISTANCE OF 40.00 FEET;
THENCE S85°30'00"E, A DISTANCE OF 80.00 FEET TO A POINT ON CURVE, SAID POINT BEING ON THE NORTHERLY RIGHT OF WAY LINE OF SAID FEDERAL DRIVE;

THENCE ON THE NORTHERLY RIGHT OF WAY LINE OF SAID FEDERAL DRIVE THE FOLLOWING (5) FIVE COURSES:

1. ON THE ARC OF A CURVE TO THE RIGHT WHOSE CENTER BEARS S34°46'27"E, HAVING A DELTA OF 04°30'00", A RADIUS OF 840.00 FEET AND A DISTANCE OF 65.97 FEET;
2. N28°13'39"W, A DISTANCE OF 15.10 FEET;
3. N61°46'21"E, A DISTANCE OF 80.00 FEET;
4. S28°13'39"E, A DISTANCE OF 15.10 FEET TO A POINT ON CURVE;
5. ON THE ARC OF A CURVE TO THE RIGHT WHOSE CENTER BEARS S26°10'51"E, HAVING A DELTA OF 07°48'40", A RADIUS OF 840.00 FEET AND A DISTANCE OF 114.03 FEET TO THE SOUTHWESTERLY CORNER OF TRACT B AS PLATTED IN SAID MARKETPLACE AT INTERQUEST FILING NO. 2;

THENCE ON THE BOUNDARY OF SAID TRACT B THE FOLLOWING (3) THREE COURSES;

1. N18°24'11"W, A DISTANCE OF 21.00 FEET;
2. N71°49'47"E, A DISTANCE OF 7.00 FEET;
3. S17°56'15"E, A DISTANCE OF 21.00 FEET TO A POINT ON CURVE, SAID POINT BEING ON THE NORTHERLY RIGHT OF WAY LINE OF SAID FEDERAL DRIVE,

THENCE ON THE NORTHERLY RIGHT OF WAY LINE OF SAID FEDERAL DRIVE, ON THE ARC OF A CURVE TO THE RIGHT WHOSE CENTER BEARS S17°56'15"E, HAVING A DELTA OF 13°54'06", A RADIUS OF 840.00 FEET AND A DISTANCE OF 203.61 FEET TO A POINT ON CURVE;
THENCE N04°02'09"W, A DISTANCE OF 39.45 FEET;
THENCE N28°25'00"W, A DISTANCE OF 180.00 FEET;
THENCE N64°30'00"E, A DISTANCE OF 100.00 FEET;
THENCE N82°30'00"E, A DISTANCE OF 73.00 FEET;
THENCE S84°00'00"E, A DISTANCE OF 190.00 FEET;
THENCE N79°00'00"E, A DISTANCE OF 162.00 FEET;
THENCE S10°30'00"E, A DISTANCE OF 125.00 FEET;
THENCE S56°05'00"E, A DISTANCE OF 100.00 FEET;
THENCE S44°30'00"E, A DISTANCE OF 93.00 FEET;
THENCE S14°30'00"W, A DISTANCE OF 152.00 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF SAID FEDERAL DRIVE;

THENCE ON THE NORTHERLY RIGHT OF WAY LINE OF SAID FEDERAL DRIVE THE FOLLOWING (2) TWO COURSES:


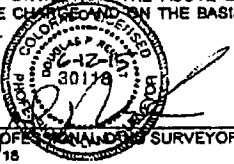
1. S69°38'49"E, A DISTANCE OF 170.00 FEET TO A POINT OF CURVE;
2. ON THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF 25°38'59", A RADIUS OF 740.00 FEET AND A DISTANCE OF 331.28 FEET TO A POINT ON CURVE;

THENCE N65°45'00"E, A DISTANCE OF 75.00 FEET;
THENCE N64°45'00"E, A DISTANCE OF 105.00 FEET;
THENCE N77°45'00"E, A DISTANCE OF 48.00 FEET;
THENCE S84°40'00"E, A DISTANCE OF 154.00 FEET;
THENCE S71°00'00"E, A DISTANCE OF 89.05 FEET;
THENCE S84°30'00"E, A DISTANCE OF 159.67 FEET;
THENCE S89°01'52"E, A DISTANCE OF 94.94 FEET;
THENCE N72°35'09"E, A DISTANCE OF 79.34 FEET;
THENCE N70°40'46"E, A DISTANCE OF 121.11 FEET;
THENCE N82°42'21"E, A DISTANCE OF 144.17 FEET;
THENCE S75°47'55"E, A DISTANCE OF 119.08 FEET;
THENCE S88°28'52"E, A DISTANCE OF 22.50 FEET;
THENCE S00°00'00"W, A DISTANCE OF 80.47 FEET;
THENCE S82°11'35"E, A DISTANCE OF 101.70 FEET;
THENCE S80°15'38"E, A DISTANCE OF 151.87 FEET;
THENCE S45°23'54"E, A DISTANCE OF 50.79 FEET;
THENCE S53°50'45"E, A DISTANCE OF 99.09 FEET;
THENCE S80°12'37"E, A DISTANCE OF 49.70 FEET;
THENCE S69°15'10"E, A DISTANCE OF 98.88 FEET;
THENCE N88°08'22"E, A DISTANCE OF 38.87 FEET TO A POINT ON THE WESTERLY BOUNDARY OF TRACT J AS PLATTED IN SAID MARKETPLACE AT INTERQUEST FILING NO. 2;
THENCE S01°37'49"W, ON SAID WESTERLY BOUNDARY, A DISTANCE OF 415.71 FEET TO THE POINT OF BEGINNING.

CONTAINING A CALCULATED AREA OF 107.725 ACRES

LEGAL DESCRIPTION STATEMENT:

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



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

JUNE 12, 2015
DATE



6386 Corporate Drive
Colorado Springs, Colorado 80919
(719)785-0790 (719)785-0799(tax)

JOB NO. 2399.00-28
JUNE 10, 2015
PAGE 1 OF 4

EXHIBIT A:
DISTRICT 2

LEGAL DESCRIPTION: DISTRICT 2

A PARCEL OF LAND BEING A PORTION OF SECTIONS 17, 18, 19 AND 20, TOWNSHIP 12 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: A PORTION OF THE WESTERLY BOUNDARY OF TRAIL RIDGE SOUTH AT NORTHGATE FILING NO. 1 RECORDED UNDER RECEPTION NO. 201027215 RECORDS OF EL PASO COUNTY, COLORADO, AND A PORTION OF THE WESTERLY BOUNDARY OF SOUTH VALLEY AT TRAIL RIDGE RECORDED UNDER RECEPTION NO. 201085370, BEING A PORTION OF THE NORTH/SOUTH CENTERLINE OF SECTION 17, TOWNSHIP 12 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING MONUMENTED AT THE NORTHERLY END BY A NO. 5 REBAR WITH ALUMINUM CAP STAMPED "RLS 32820" AND AT THE SOUTHERLY END (CENTER QUARTER OF SECTION 17) BY 3 1/4 INCH ALUMINUM CAP STAMPED "PLS 22573" IS ASSUMED TO BEAR S00°19'12"E A DISTANCE OF 803.70 FEET.

COMMENCING AT THE CENTER QUARTER CORNER OF SECTION 17, TOWNSHIP 12 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, SAID POINT BEING ON THE WESTERLY BOUNDARY OF SOUTH VALLEY AT TRAIL RIDGE RECORDED UNDER RECEPTION NO. 201085370 RECORDS OF EL PASO COUNTY, COLORADO, SAID POINT BEING THE POINT OF BEGINNING;

THENCE S00°33'51"E, ON THE NORTH/SOUTH CENTER LINE OF SAID SECTION 17, THE WESTERLY BOUNDARY OF SAID SOUTH VALLEY AT TRAIL RIDGE, THE WESTERLY BOUNDARY OF NORTHGATE FILING NO. 8, RECORDED UNDER RECEPTION NO. 201155468 AND THE WESTERLY BOUNDARY OF PROMONTORY AT NORTHGATE RECORDED UNDER RECEPTION NO. 207712533, A DISTANCE OF 1322.28 FEET TO THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER BEING ALSO THE SOUTHWESTERLY CORNER OF SAID PROMONTORY AT NORTHGATE;

THENCE CONTINUING S00°33'51"E, A DISTANCE OF 24.02 FEET TO A POINT ON CURVE; THENCE ON THE ARC OF A CURVE TO THE RIGHT, WHOSE CENTER BEARS S18°11'18"E, HAVING A DELTA OF 18°12'09", A RADIUS OF 480.00 FEET, A DISTANCE OF 152.49 FEET TO A POINT ON CURVE, SAID POINT BEING A POINT THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 17, AND THE SOUTHERLY BOUNDARY OF SAID PROMONTORY AT NORTHGATE;

THENCE S89°59'09"E, ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 17, AND THE SOUTHERLY BOUNDARY OF SAID PROMONTORY AT NORTHGATE A DISTANCE OF 1176.14 FEET TO A POINT OF CURVE;

THENCE ON THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF 24°11'15", A RADIUS OF 235.00 FEET AND A DISTANCE OF 89.21 FEET TO A POINT ON CURVE, SAID POINT BEING ON THE WESTERLY RIGHT OF WAY LINE OF VOYAGER PARKWAY AS PLATTED IN NORTHGATE FILING NO. 1, RECORDED IN PLAT BOOK C-4 AT PAGE 3;

THENCE ON SAID WESTERLY RIGHT OF WAY LINE THE FOLLOWING THREE (3) COURSES;

1. S21°11'32"W, A DISTANCE OF 48.44 FEET TO A POINT OF CURVE;
2. ON THE ARC OF A CURVE TO THE LEFT HAVING A DELTA OF 21°14'50", A RADIUS OF 879.00 FEET AND A DISTANCE OF 325.98 FEET TO A POINT OF TANGENT;
3. S00°03'18"E, A DISTANCE OF 1382.40 FEET TO THE NORTHWESTERLY CORNER OF VOYAGER PARKWAY AS PLATTED IN NORTHGATE OFFICE/WAREHOUSE CENTER FILING NO. 1, RECORDED UNDER RECEPTION NO. 089031542;

THENCE CONTINUING S00°03'18"E, ON THE WESTERLY RIGHT OF WAY LINE OF VOYAGER PARKWAY AS PLATTED IN SAID OFFICE/WAREHOUSE CENTER FILING NO. 1, A DISTANCE OF 122.59 FEET, TO THE NORTHERLY CORNER OF TRACT J AS PLATTED IN MARKETPLACE AT INTERQUEST FILING NO. 2, RECORDED UNDER RECEPTION NO. 208712788;
THENCE S01°37'49"W, ON THE WESTERLY BOUNDARY OF SAID TRACT J, A DISTANCE OF 247.52 FEET;

THENCE S88°09'22"W, A DISTANCE OF 38.87 FEET
THENCE N69°15'10"W, A DISTANCE OF 98.86 FEET;
THENCE N69°12'37"W, A DISTANCE OF 49.70 FEET;
THENCE N53°50'45"W, A DISTANCE OF 99.09 FEET;
THENCE N45°23'54"W, A DISTANCE OF 50.79 FEET;
THENCE N60°15'38"W, A DISTANCE OF 151.97 FEET;
THENCE N62°11'35"W, A DISTANCE OF 101.70 FEET;
THENCE N00°00'00"E, A DISTANCE OF 80.47 FEET;
THENCE N68°28'52"W, A DISTANCE OF 22.50 FEET;
THENCE N75°47'55"W, A DISTANCE OF 119.06 FEET;
THENCE S82°42'21"W, A DISTANCE OF 144.17 FEET;
THENCE S70°40'46"W, A DISTANCE OF 121.11 FEET;
THENCE S72°35'09"W, A DISTANCE OF 78.34 FEET;
THENCE N69°01'52"W, A DISTANCE OF 94.94 FEET;
THENCE N64°30'00"W, A DISTANCE OF 159.67 FEET;
THENCE N71°00'00"W, A DISTANCE OF 69.05 FEET;
THENCE N64°40'00"W, A DISTANCE OF 154.00 FEET;
THENCE S77°45'00"W, A DISTANCE OF 48.00 FEET;
THENCE S64°45'00"W, A DISTANCE OF 105.00 FEET;
THENCE S65°45'00"W, A DISTANCE OF 75.00 FEET TO A POINT ON CURVE SAID POINT BEING ON THE NORTHERLY RIGHT OF WAY LINE OF FEDERAL DRIVE AS PLATTED IN INTERQUEST MARKETPLACE FILING NO. 2 RECORDED UNDER RECEPTION NO. 208712788;

THENCE ON THE NORTHERLY RIGHT OF WAY LINE OF SAID FEDERAL DRIVE THE FOLLOWING (2) TWO COURSES;

1. ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS S46°00'00"W, HAVING A DELTA OF 25°38'59", A RADIUS OF 740.00 FEET AND A DISTANCE OF 331.28 FEET TO A POINT OF TANGENT;
2. N69°38'49"W, A DISTANCE OF 170.00 FEET;

THENCE N14°30'00"E, A DISTANCE OF 152.00 FEET;
THENCE N44°30'00"W, A DISTANCE OF 93.00 FEET;
THENCE N58°05'00"W, A DISTANCE OF 100.00 FEET;
THENCE N10°30'00"W, A DISTANCE OF 125.00 FEET;
THENCE S79°00'00"W, A DISTANCE OF 182.00 FEET;
THENCE N84°00'00"W, A DISTANCE OF 190.00 FEET;
THENCE S82°30'00"W, A DISTANCE OF 73.00 FEET;
THENCE S64°30'00"W, A DISTANCE OF 100.00 FEET;
THENCE S20°25'00"E, A DISTANCE OF 160.00 FEET;
THENCE S04°02'08"E, A DISTANCE OF 39.45 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY OF SAID FEDERAL DRIVE;

THENCE ON THE NORTHERLY RIGHT OF WAY LINE OF SAID FEDERAL DRIVE, ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS S04°02'08"E, HAVING A DELTA OF 13°54'06", A RADIUS OF 640.00 FEET AND A DISTANCE OF 203.81 FEET TO THE SOUTHEASTERLY CORNER OF TRACT B AS PLATTED IN SAID MARKETPLACE AT INTERQUEST FILING NO. 2;

THENCE ON THE BOUNDARY OF SAID TRACT B THE FOLLOWING (3) THREE COURSES;

1. N17°58'15"W, A DISTANCE OF 21.00 FEET;
2. S71°49'47"W, A DISTANCE OF 7.00 FEET;
3. S18°24'11"E, A DISTANCE OF 21.00 FEET TO A POINT ON CURVE, SAID POINT BEING ON THE NORTHERLY RIGHT OF WAY LINE OF SAID FEDERAL DRIVE;

THENCE ON THE NORTHERLY RIGHT OF WAY LINE OF SAID FEDERAL DRIVE THE FOLLOWING (5) FIVE COURSES;

1. ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS S18°24'11"E, HAVING A DELTA OF 07°46'40", A RADIUS OF 840.00 FEET AND A DISTANCE OF 114.03 FEET TO A POINT ON CURVE;
2. N28°13'39"W, A DISTANCE OF 15.10 FEET;
3. S61°46'21"W, A DISTANCE OF 60.00 FEET;
4. S28°13'39"E, A DISTANCE OF 15.10 FEET TO A POINT ON CURVE;
5. ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS S30°16'27"E, HAVING A DELTA OF 04°30'00", A RADIUS OF 840.00 FEET AND A DISTANCE OF 65.97 FEET TO A POINT ON CURVE;

THENCE N65°30'00"W, A DISTANCE OF 60.00 FEET;
THENCE N29°20'00"W, A DISTANCE OF 40.00 FEET;
THENCE N06°15'00"W, A DISTANCE OF 57.00 FEET;
THENCE N04°30'00"E, A DISTANCE OF 54.00 FEET;
THENCE N23°00'00"W, A DISTANCE OF 118.00 FEET;
THENCE N04°40'00"E, A DISTANCE OF 144.00 FEET;
THENCE N66°10'00"E, A DISTANCE OF 128.00 FEET;
THENCE N20°00'00"W, A DISTANCE OF 215.00 FEET;
THENCE N39°10'00"W, A DISTANCE OF 100.00 FEET;
THENCE N65°00'00"W, A DISTANCE OF 66.00 FEET;
THENCE S61°30'00"W, A DISTANCE OF 158.00 FEET;
THENCE N81°47'00"W, A DISTANCE OF 88.00 FEET;
THENCE N63°30'00"W, A DISTANCE OF 132.00 FEET;
THENCE N20°40'00"W, A DISTANCE OF 142.00 FEET;
THENCE N01°10'00"W, A DISTANCE OF 94.00 FEET;
THENCE N48°30'00"W, A DISTANCE OF 133.00 FEET;
THENCE N34°35'00"W, A DISTANCE OF 105.00 FEET;
THENCE N87°30'00"W, A DISTANCE OF 83.00 FEET;
THENCE N63°30'00"W, A DISTANCE OF 90.00 FEET;
THENCE N40°00'00"W, A DISTANCE OF 227.00 FEET;
THENCE S76°00'00"W, A DISTANCE OF 220.00 FEET;
THENCE N78°25'00"W, A DISTANCE OF 143.00 FEET;
THENCE S90°00'00"W, A DISTANCE OF 67.00 FEET;
THENCE S56°40'00"W, A DISTANCE OF 80.00 FEET;
THENCE S33°20'00"W, A DISTANCE OF 94.00 FEET;
THENCE S03°20'00"E, A DISTANCE OF 198.00 FEET;
THENCE S45°00'00"W, A DISTANCE OF 109.00 FEET;
THENCE N87°05'00"W, A DISTANCE OF 77.00 FEET;
THENCE N22°15'00"W, A DISTANCE OF 220.00 FEET;
THENCE N66°25'00"W, A DISTANCE OF 148.00 FEET;
THENCE N62°15'00"W, A DISTANCE OF 123.00 FEET;
THENCE N69°10'00"W, A DISTANCE OF 75.00 FEET;
THENCE S59°45'01"W A DISTANCE OF 88.49 FEET TO A POINT ON THE EASTERLY BOUNDARY OF THE UNITED STATES AIR FORCE ACADEMY AS RECORDED IN PLAT BOOK O-2 AT PAGE 8;

THENCE ON THE EASTERLY BOUNDARY SAID UNITED STATES AIR FORCE ACADEMY AS RECORDED IN PLAT BOOK O-2 AT PAGE 84 THE FOLLOWING (6) FIVE COURSES;

1. N59°45'15"W, A DISTANCE OF 75.20 FEET;
2. N00°25'15"W, A DISTANCE OF 620.00 FEET;
3. N87°59'45"E, A DISTANCE OF 73.20 FEET TO A POINT ON CURVE;
4. ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS S68°10'28"W, HAVING A DELTA OF 03°33'52", A RADIUS OF 6330.00 FEET AND A DISTANCE OF 393.79 FEET TO A POINT OF TANGENT;
5. N25°23'25"W, A DISTANCE OF 344.49 FEET TO THE SOUTHWESTERLY CORNER OF ALLIBON VALLEY FILING NO. 7, RECORDED UNDER RECEPTION NO. 206712935;

THENCE ON THE SOUTHERLY BOUNDARY OF SAID ALLISON VALLEY FILING NO. 7 THE FOLLOWING
(14) FOURTEEN COURSES;

- 1 N80°00'00"E, A DISTANCE OF 145.00 FEET;
- 2 N13°30'00"E, A DISTANCE OF 110.00 FEET;
- 3 N65°00'00"E, A DISTANCE OF 43.00 FEET;
- 4 N78°30'00"E, A DISTANCE OF 250.00 FEET;
- 5 N46°00'00"E, A DISTANCE OF 110.00 FEET;
- 6 N22°00'00"E, A DISTANCE OF 100.00 FEET;
- 7 N35°00'00"E, A DISTANCE OF 112.00 FEET;
- 8 N21°00'00"E, A DISTANCE OF 145.00 FEET;
- 9 N72°00'00"E, A DISTANCE OF 125.00 FEET;
- 10 N10°00'00"E, A DISTANCE OF 130.00 FEET;
- 11 N35°00'00"E, A DISTANCE OF 60.00 FEET;
- 12 N06°00'00"E, A DISTANCE OF 170.00 FEET;
13. N80°30'00"E, A DISTANCE OF 81.80 FEET;
14. N42°00'00"E, A DISTANCE OF 101.08 FEET TO A POINT ON THE SOUTHERLY BOUNDARY OF
COMPASSION INTERNATIONAL'S NORTHGATE CAMPUS FILING NO. 2 RECORDED UNDER
RECEPTION NO. 204096000;

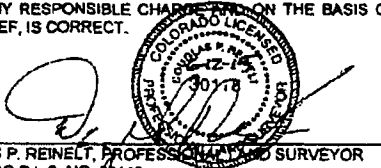
THENCE N69°54'40"E, ON SAID COMPASSION INTERNATIONAL'S NORTHGATE CAMPUS FILING NO. 2
AND THE SOUTHERLY BOUNDARY OF COMPASSION INTERNATIONAL'S NORTHGATE CAMPUS
FILING NO. 1 RECORDED UNDER RECEPTION NO. 099142814 A DISTANCE OF 3286.91 FEET TO A
POINT ON THE WESTERLY BOUNDARY OF TRAIL RIDGE AT NORTHGATE FILING NO. 1, RECORDED
UNDER RECEPTION NO. 201027215.

THENCE S00°19'12"E, WESTERLY BOUNDARY OF SAID TRAIL RIDGE AT NORTHGATE FILING NO. 1,
AND THE WESTERLY BOUNDARY OF SAID SOUTH VALLEY AT NORTHGATE A DISTANCE OF 803.70
FEET TO THE POINT OF BEGINNING;

CONTAINING A CALCULATED AREA OF 337.769 ACRES

LEGAL DESCRIPTION STATEMENT:

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



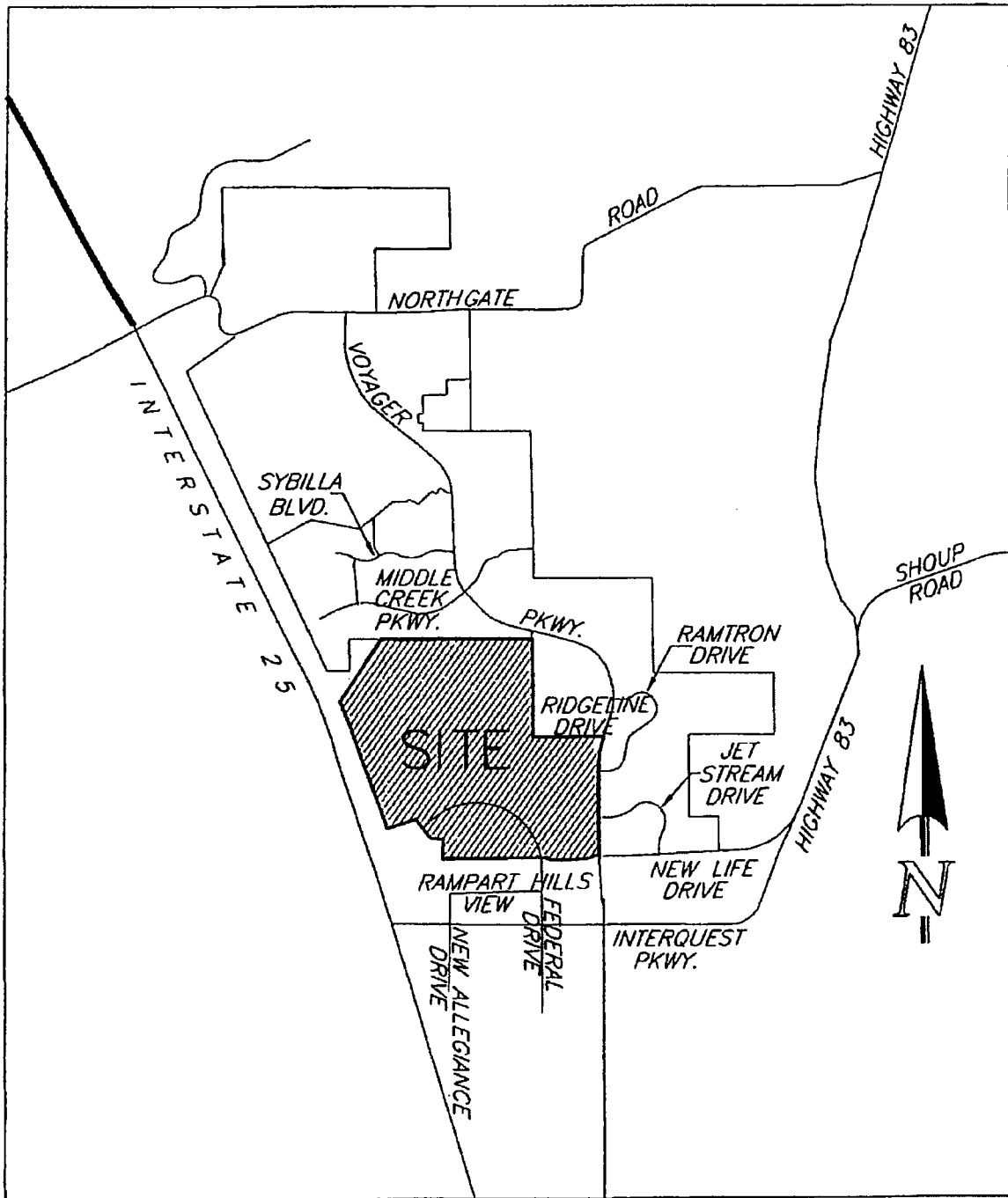
DOUGLAS P. REINELT, PROFESSIONAL LAND SURVEYOR
COLORADO P.L.S. NO. 20118
FOR AND ON BEHALF OF CLASSIC CONSULTING
ENGINEERS AND SURVEYORS

June 12, 2015
DATE

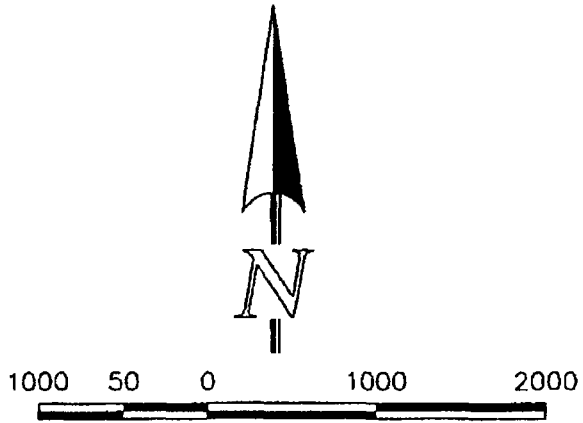
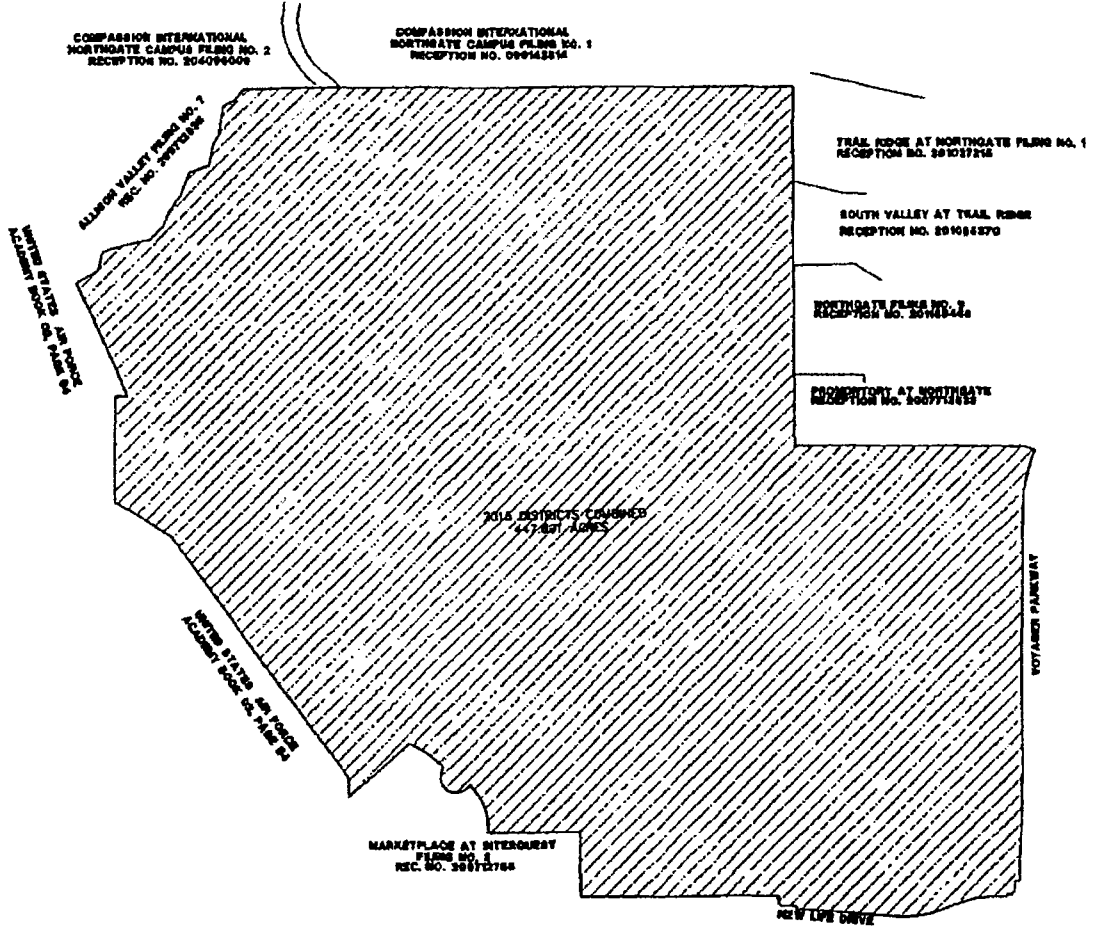
EXHIBIT B

Colorado Springs Vicinity Map

EXHIBIT B:
Colorado Springs Vicinity Map,
Districts 1 and 2 Combined



VICINITY MAP
NOT TO SCALE



SCALE: 1" = 1000'

DISTRICTS COMBINED
 ALLISON VALLEY
 JOB NO. 2399.00
 JUNE 15, 2015
 SHEET 1 OF 1



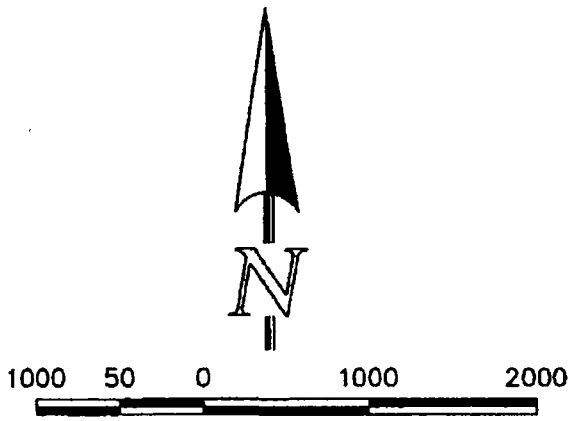
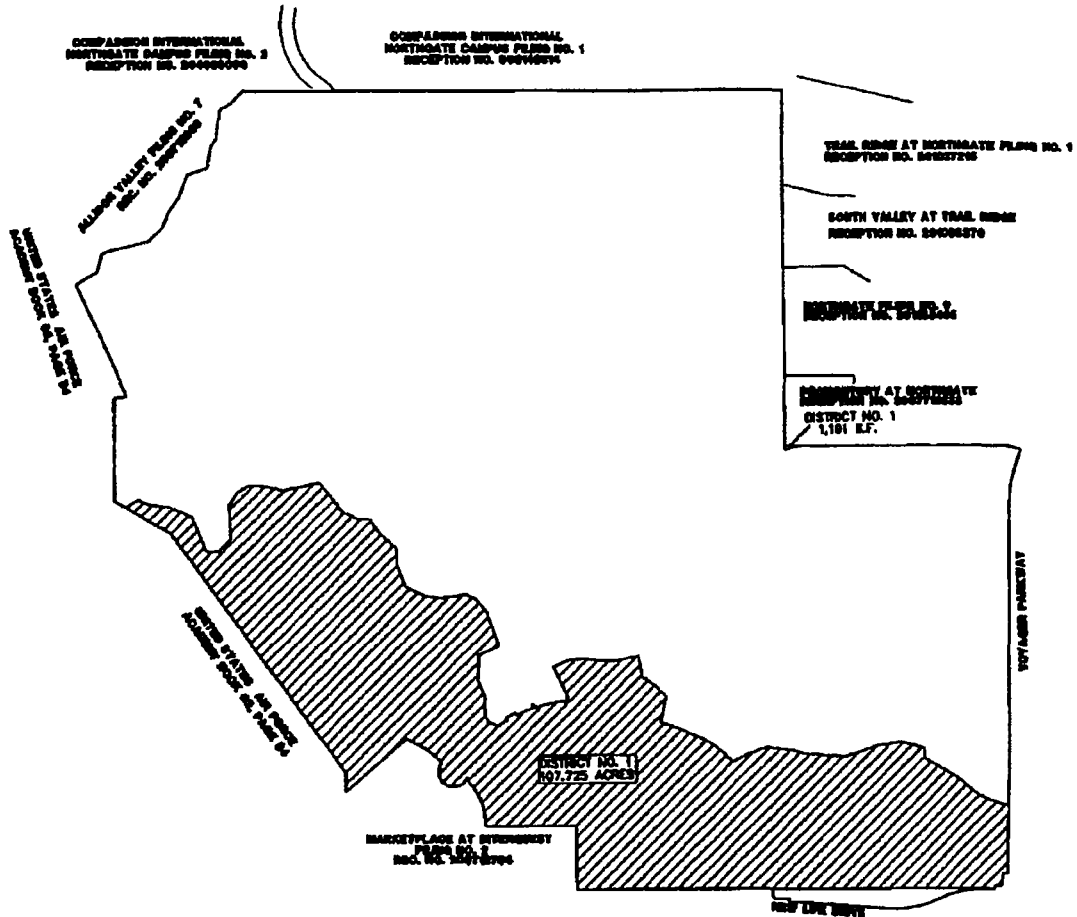
6365 Corporate Drive, Suite 101
 Colorado Springs, Colorado 80916
 (719) 785-0790
 (719) 785-0791 (Fax)

EXHIBIT C-1

Initial District Boundary Map

EXHIBIT C-1:
DISTRICT 1

Initial Boundaries

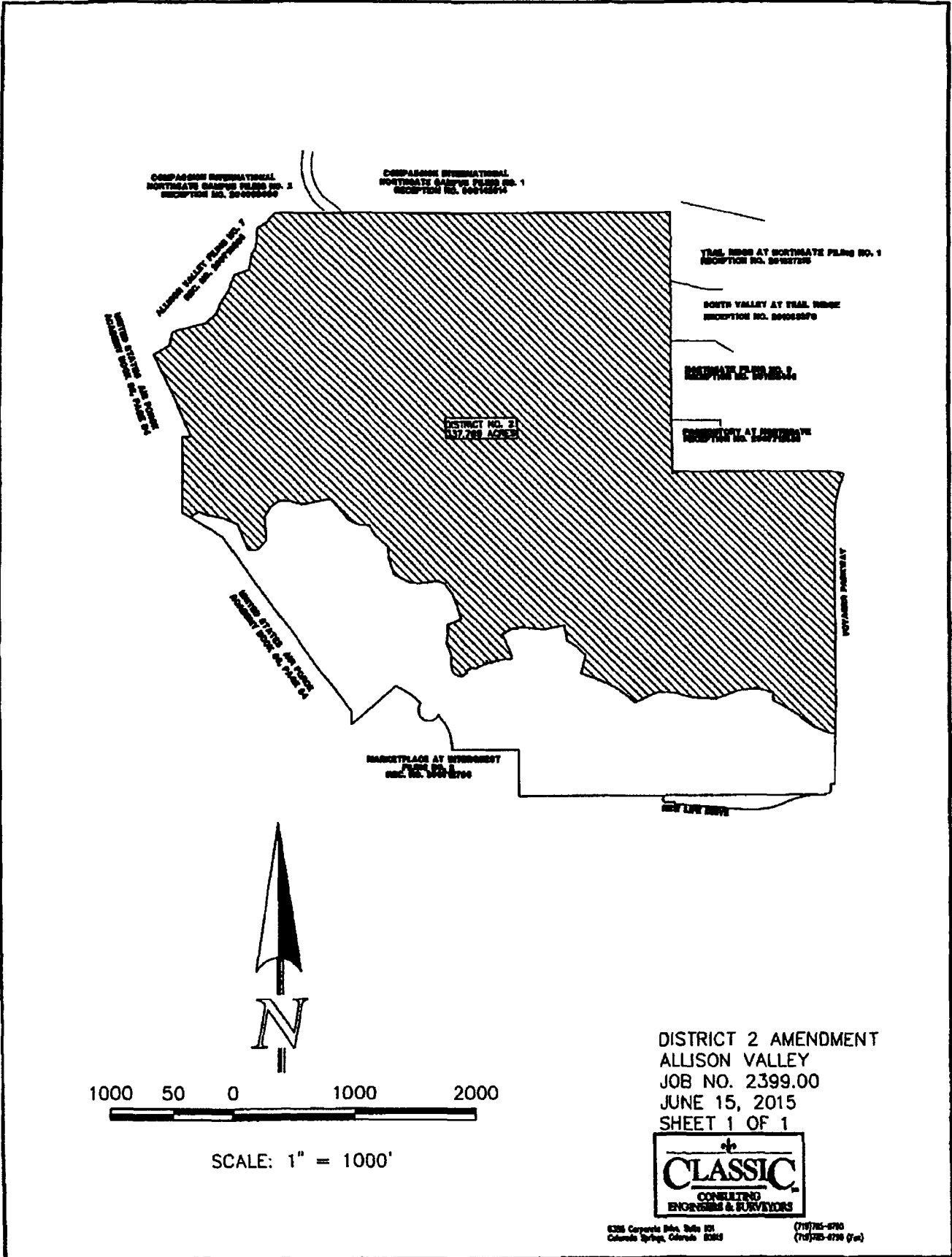


SCALE: 1" = 1000'

DISTRICT 1 AMENDMENT
ALLISON VALLEY
JOB NO. 2399.00
JUNE 15, 2015
SHEET 1 OF 1



EXHIBIT C-1:
DISTRICT 2



DISTRICT 2 AMENDMENT
ALLISON VALLEY
JOB NO. 2399.00
JUNE 15, 2015
SHEET 1 OF 1



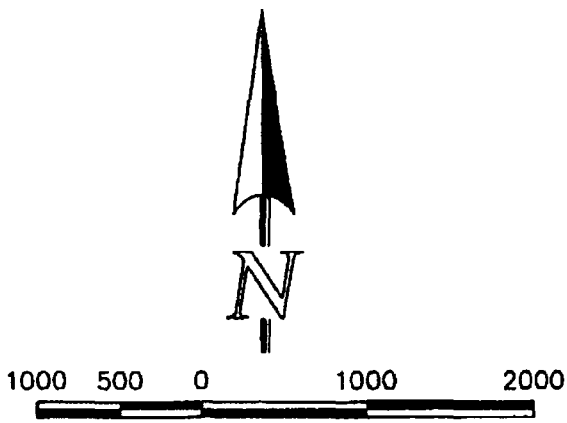
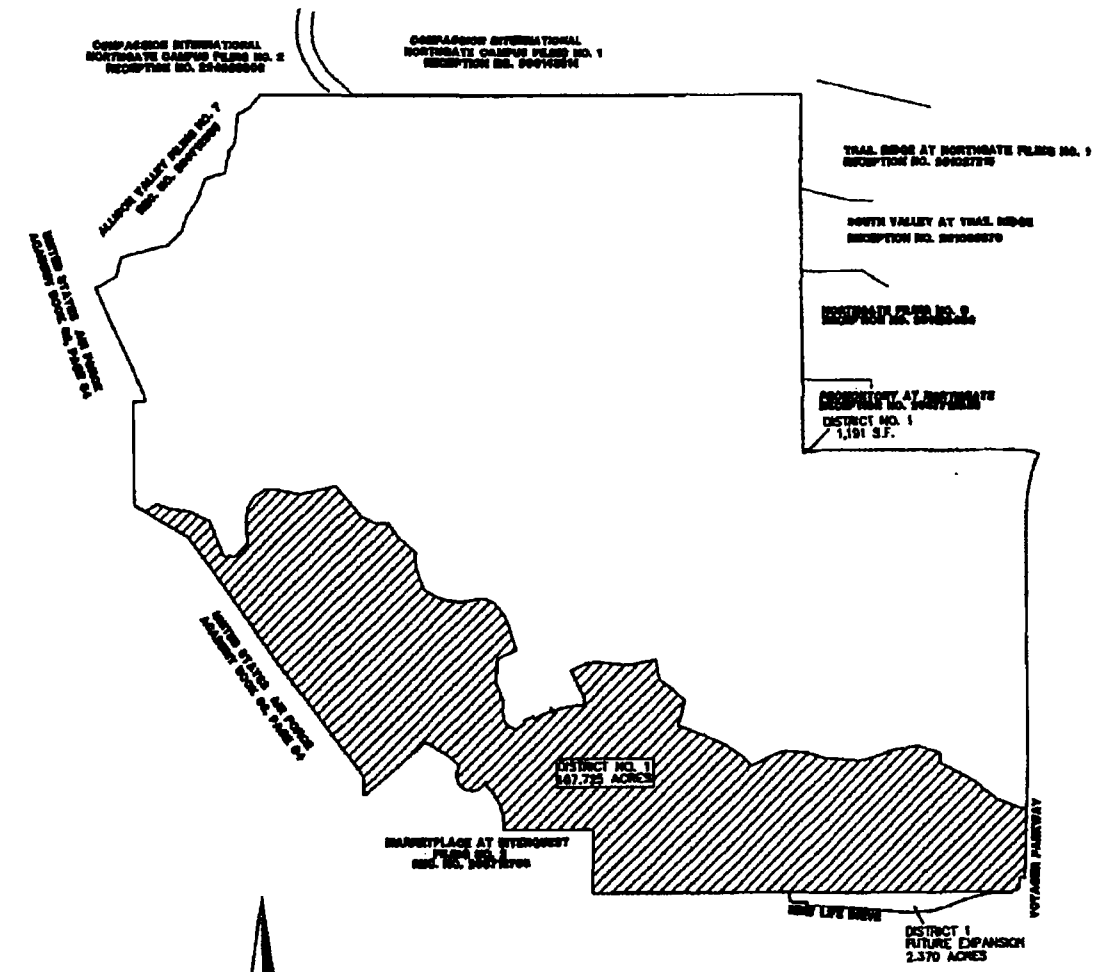
6326 Corporate Pkwy, Suite 101
Colorado Springs, Colorado 80921
(719)725-6700
(719)725-6700 (fax)

EXHIBIT C-2

Inclusion Area Boundary Map

EXHIBIT C-2:
DISTRICT 1

District 1 Inclusion
Area Map

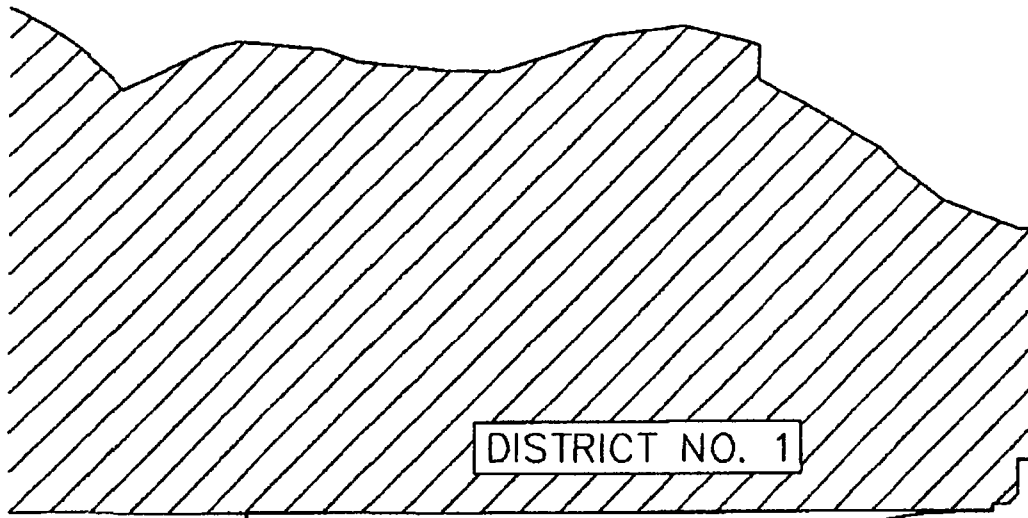


SCALE: 1" = 1000'

DISTRICT 1 EXPANSION
ALLISON VALLEY
JOB NO. 2399.00
JUNE 15, 2015
SHEET 1 OF 1



DISTRICT NO. 2



DISTRICT NO. 1

VOYAGER PARKWAY

NEW LIFE DRIVE

DISTRICT 1
FUTURE EXPANSION
2.370 ACRES



SCALE: 1" = 300'

DISTRICT 1 EXPANSION
ALLISON VALLEY
JOB NO. 2399.00
JUNE 15, 2015
SHEET 1 OF 1



CLASSIC CONSULTING ENGINEERS & SURVEYORS
6325 Corporate Blvd, Suite 101
Colorado Springs, Colorado 80919

(719) 762-6700
(719) 762-6700 (fax)



6385 Corporate Drive
Colorado Springs, Colorado 80919
(719)785-0790 (719)785-0790(fax)

JOB NO. 2399.00-29R1
JUNE 15, 2015
PAGE 1 OF 2

LEGAL DESCRIPTION: FUTURE EXPANSION DISTRICT 1

A PARCEL OF LAND BEING A PORTION OF SECTION 20, TOWNSHIP 12 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: A PORTION OF THE WESTERLY BOUNDARY OF TRAIL RIDGE SOUTH AT NORTHGATE FILING NO. 1 RECORDED UNDER RECEPTION NO. 201027215 RECORDS OF EL PASO COUNTY, COLORADO, AND A PORTION OF THE WESTERLY BOUNDARY OF SOUTH VALLEY AT TRAIL RIDGE RECORDED UNDER RECEPTION NO. 201085370, BEING A PORTION OF THE NORTH-SOUTH CENTERLINE OF SECTION 17, TOWNSHIP 12 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING MONUMENTED AT THE NORTHERLY END BY A NO. 5 REBAR WITH ALUMINUM CAP STAMPED "RLS 32820" AND AT THE SOUTHERLY END (CENTER QUARTER OF SECTION 17) BY 3 1/4 INCH ALUMINUM CAP STAMPED "PLS 22573" IS ASSUMED TO BEAR S00°19'12"E A DISTANCE OF 803.70 FEET.

COMMENCING AT THE CENTER QUARTER CORNER OF SECTION 17, TOWNSHIP 12 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, SAID POINT BEING ON THE WESTERLY BOUNDARY OF SOUTH VALLEY AT TRAIL RIDGE RECORDED UNDER RECEPTION NO. 201085370, RECORDS OF EL PASO COUNTY, COLORADO.

THENCE S17°41'10"E, A DISTANCE OF 4159.15 FEET TO THE SOUTHWESTERLY CORNER OF TRACT 1 AS PLATTED IN MARKETPLACE AT INTERQUEST FILING NO. 2, RECORDED UNDER RECEPTION NO. 208712788, SAID POINT BEING THE POINT OF BEGINNING;

THENCE S00°03'18"E, A DISTANCE OF 0.80 FEET;
THENCE S89°57'47"W, A DISTANCE OF 40.08 FEET TO A POINT OF CURVE;
THENCE ON THE ARC OF A CURVE TO THE LEFT HAVING A DELTA OF 23°51'06", A RADIUS OF 740.00 FEET AND A DISTANCE OF 308.06 FEET TO A POINT ON CURVE, SAID POINT BEING ON THE NORTHERLY RIGHT OF LINE OF NEW LIFE DRIVE AS PLATTED SAID MARKETPLACE AT INTERQUEST FILING NO. 2;

THENCE ON THE NORTHERLY RIGHT OF WAY LINE OF SAID NEW LIFE DRIVE THE FOLLOWING (3) THREE COURSES;

1. ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS S23°53'20"E, HAVING A DELTA OF 00°04'26", A RADIUS OF 740.00 FEET AND A DISTANCE OF 0.95 FEET TO A POINT OF REVERSE CURVE;
2. ON THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF 28°16'48", A RADIUS OF 660.00 FEET AND A DISTANCE OF 325.75 FEET TO A POINT OF TANGENT;
3. N65°41'01"W, A DISTANCE OF 470.48 FEET;

THENCE CONTINUING N65°41'01"W, A DISTANCE OF 11.75 FEET TO A POINT OF CURVE;
THENCE ON THE ARC OF A CURVE TO THE LEFT HAVING A DELTA OF 00°24'34", A RADIUS OF 740.00 FEET AND A DISTANCE OF 5.29 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY OF SAID NEW LIFE DRIVE;

THENCE ON THE NORTHERLY RIGHT OF WAY LINE OF SAID NEW LIFE DRIVE THE FOLLOWING
(2) TWO COURSES;

1. ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS $S03^{\circ}54'25''W$, HAVING A DELTA OF $03^{\circ}54'25''$, A RADIUS OF 740.00 FEET AND A DISTANCE OF 50.48 FEET TO A POINT OF TANGENT;
2. $N90^{\circ}00'00''W$, A DISTANCE OF 52.14 FEET TO THE SOUTHEASTERLY CORNER OF TRACT D AS PLATTED IN SAID MARKETPLACE AT INTERQUEST FILING NO. 2;

THENCE ON THE BOUNDARY OF TRACT D AS PLATTED IN SAID MARKETPLACE AT INTERQUEST FILING NO. 2, THE FOLLOWING (4) FOUR COURSES:

1. $N00^{\circ}00'00''E$, A DISTANCE OF 20.00 FEET;
2. $N90^{\circ}00'00''W$, A DISTANCE OF 87.00 FEET;
3. $N45^{\circ}00'00''W$, A DISTANCE OF 20.44 FEET
4. $N00^{\circ}00'00''E$, A DISTANCE OF 45.92 FEET TO A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 20;


THENCE $N89^{\circ}58'28''E$, ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 20, A DISTANCE OF 110.96 FEET TO THE SOUTHWEST CORNER OF NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 20;

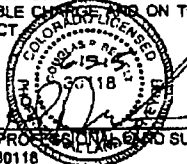
THENCE $N89^{\circ}57'47''E$, ON THE SOUTH LINE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 20, A DISTANCE OF 1237.05 FEET TO THE POINT OF BEGINNING;

CONTAINING A CALCULATED AREA OF 2.370 ACRES

LEGAL DESCRIPTION STATEMENT:

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


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



JUNE 15, 2015
DATE

EXHIBIT C-2

Inclusion Area Boundary Map

EXHIBIT D

Description of Permitted Services to be Provided by the Districts

<u>Description of Services</u>	<u>IGA Required (Yes or No)</u>
Operation and maintenance services related to; entrance features including signage, street medians, landscape and hardscape, parks, trails, open space, tracts, pedestrian bridges, public art, recreation facilities, ponds, creeks, drainage ways & facilities, retention and detention facilities, walls and fences and any other Public Improvements to be maintained by the Districts as provided in the approved Development Plan.	No
There will be an IGA between District No. 1 and District No. 2	Yes, between District No. 1 and District No. 2
Covenant enforcement and design review services per C.R.S. 32-1-1004(8)	No

EXHIBIT D

Description of Permitted Services to be Provided by the Districts

<u>Description of Services</u>	<u>IGA Required (Yes or No)</u>
Operation and maintenance services related to; entrance features including signage, street medians, landscape and hardscape, parks, trails, open space, tracts, pedestrian bridges, public art, recreation facilities, ponds, creeks, drainage ways & facilities, retention and detention facilities, walls and fences and any other Public Improvements to be maintained by the Districts as provided in the approved Development Plans.	No
There will be an IGA between District No. 1 and District No. 2	Yes, between District No. 1 and District No. 2
Covenant enforcement and design review services per C.R.S. 32-1-1004(8)	No

Exhibit E

NOTICE OF SPECIAL DISTRICT DISCLOSURE

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

Name of Districts:	Allison Valley Metropolitan District No. 1 Allison Valley Metropolitan District No. 2
Contact Information for Districts:	Rick Kron, Esq. Spencer Fane Britt & Browne LLP 1700 Lincoln Street, Suite 2000 Denver, CO 80203 (303) 839-3800
Type of Districts: (i.e. if dual or three districts concept – insert language regarding limited rights of property owners)	District No. 1 and District No. 2 are residential districts. District No. 1 will provide services to District No. 2. Both Districts will impose mill levies and issue bonds.
Identify Districts' Improvements Financed by Proposed Bonds (List by major categories, i.e. Roads – Powers Blvd):	Together, the Districts may not issue more than \$30 million of debt; each District has the following authorization: Authorized up to \$17,000,000 in streets and drainage Authorized up to \$1,000,000 in water infrastructure Authorized up to \$2,000,000 in wastewater infrastructure Authorized up to \$1,000,000 for traffic safety control Authorized up to \$7,000,000 in park and recreation Authorized up to \$1,000,000 for mosquito control Authorized up to \$500,000 for television relay Authorized up to \$500,000 for transportation
Identify Services/Facilities Operated/Maintained by Districts:	Parks, recreation, landscaping, entrance features
Mill Levy Cap: (Describe Procedure for any Adjustments to Mill Levy Cap) <i>(Note: These Districts may or may not be certifying a mill levy at the time of your purchase. Please verify by contacting the Districts.)</i>	The mill levy on District No. 1 and District No. 2 is expected to be 30 mills for debt and 10 mills for operations. The mill levies may be adjusted for changes in law.
Authorized Debt of the Districts per Operating or Service Plan:	\$30,000,000 total principle amount for the Districts together
Voter Authorized Debt per Election:	\$30,000,000 total principle amount for the Districts separately
District Boundaries:	See attached map

Sample Calculation of Mill Levy Cap for a Residential Property

Assumptions:

Market value is \$250,000

Mill levy cap is 40 mills

Calculation:

$\$250,000 \times .0796 = \$19,900$ (Assessed Valuation)

$\$19,900 \times .040$ mills = **\$796 per year in taxes owed solely to the Special District**

Sample Calculation of Mill Levy Cap for a Commercial, Office or Industrial Property

Assumptions:

Market value is \$750,000

Mill levy cap is 40 mills

Calculation:

$\$750,000 \times .29 = \$217,500$ (Assessed Valuation)

$\$217,500 \times .040$ mills = **\$8,700 per year in taxes owed solely to the Special District**