

SERVICE PLAN

FOR

PEACEFUL RIDGE
METROPOLITAN DISTRICT

EL PASO COUNTY, COLORADO

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EXHIBITS

- A. Maps and Legal Descriptions
 - 1. Vicinity Map
 - 2. District Boundary Map
 - 3. Legal Description of District Boundaries
- B. Development Summary
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- D. Financial Plan Summary
- E. Annual Report and Disclosure Form

I. EXECUTIVE SUMMARY

The following is a summary of general information regarding the proposed District provided for the convenience of the reviewers of this Service Plan. Please note that the following information is subject in all respects to the more complete descriptions contained elsewhere in this Service Plan.

Proposed District:	Peaceful Ridge Metropolitan District (the “District”).
Property Owner:	Fountain Valley Investment Partners, LLC, a Colorado limited liability company (listed in the records of the El Paso County Assessor as “Fountain Valley Investment”)
Developer:	Glen Development Co., a Colorado corporation
Description of Development:	The District Boundaries shall contain the Peaceful Ridge at Fountain Valley Subdivision in El Paso County, Colorado. At complete buildout the District is anticipated to consist of 255 single family homes.
Proposed Improvements to be Financed:	The District anticipates financing improvements related to water, sanitation, drainage, street, safety protection, parks and recreation, mosquito control, television relay and translation.
Proposed Ongoing Services:	The District anticipates providing services related to the construction and ongoing operation and maintenance of certain public improvements within the District not otherwise dedicated to the County or third party entities for ownership and/or ongoing operation and maintenance.
Infrastructure Capital Costs:	Approximately \$7,326,000
Maximum Debt Authorization:	\$7,500,000
Proposed Debt Mill Levy:	50 Mills
Proposed O & M Mill Levy:	10 Mills
Proposed Maximum Mill Levies:	60 Mills
Proposed Fees:	The District may impose fees as permitted under applicable provisions of the Special District Act.

II. DEFINITIONS

The following terms are specifically defined for use in this Service Plan. For specific definitions of terms not listed below please also refer to the El Paso County Special District Policies, the El Paso County Land Development Code and Colorado Revised Statutes, as may be applicable.

Annual Report and Disclosure Statement: means the statement of the same name required to be filed annually with the Board of County Commissioners pursuant to Resolution 06-472 as may be amended.

Board: means the board of directors of the District.

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

Conventional Representative District: means a Title 32 special district, which is structured to allow all residents and property owners to participate in elections for the Board of Directors, as otherwise allowed by Statute.

County: means El Paso County, Colorado

Debt: means bonds or other obligations for the payment of which the District has promised to impose an *ad valorem* property tax mill levy without such promise being subject to annual appropriation.

Developer Funding Agreement: means an agreement of any kind executed between a special district and a Developer as this term is specifically defined below, including but not limited to advance funding agreements, reimbursement agreements or loans to the special district from a Developer, where such an agreement creates an obligation of any kind which may require the special district to re-pay the Developer. The term "Developer" means any person or entity (including but not limited to corporations, venture partners, proprietorships, estates and trusts) that owns or has a contract to purchase undeveloped taxable real property greater than or equal to ten percent (10%) of all real property located within the boundaries of the special district. The term "Developer Funding Agreement" shall not extend to any such obligation listed above if such obligation has been converted to Debt issued by the special district to evidence the obligation to repay such Developer Funding Agreement, including the purchase of such Debt by a Developer.

Development Services Department: means the department of the County formally charged with administering the development regulations of the County.

District: means the Peaceful Ridge Metropolitan District as described in this Service Plan.

District Boundaries: means the initial boundaries of the District as described in Section III.I.1. depicted on the map in Exhibit A.2 and as legally described in the legal description found at Exhibit A.3.

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

Gallagher Adjustment: means an allowed adjustment to the Maximum Debt Service Mill Levy, or Maximum Operational Mill Levy intended to offset the effect of adjustments to the ratio between market value and assessed value of taxable property within the District that would cause a reduction in the revenue otherwise produced from such Maximums based on the ratio between market value and assessed value as of January 1 in the year in which the District's organizational election is held.

Local Public Improvements: means facilities and other improvements which are or will be dedicated to the County or another governmental or quasi-governmental entity for substantially public use, but which do not qualify under the definition of Regional Public Improvements. Examples would include local streets and appurtenant facilities, water and sewer lines which serve individual properties and drainage facilities that do not qualify as reimbursable under adopted drainage basin planning studies.

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

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

Maximum Debt Authorization: means the maximum principal amount of Debt that the District may have outstanding at any time, which under this Service Plan is \$7,500,000.

Maximum Debt Service Mill Levy: means the maximum ad valorem mill levy the District may certify against any property within the District for the purpose of servicing any Debt incurred by or on behalf of the District.

Maximum Operational Mill Levy: means the maximum ad valorem mill levy the District may certify against any property within the District for the purposes providing revenues for ongoing operation, maintenance, administration or any other allowable services and activities other than the servicing of Debt. This Maximum Operational Mill Levy is exclusive of any Maximum Special Mill Levy which might be separately authorized.

Public Improvements: means those improvements constituting Regional Public Improvements and Local Public Improvements collectively.

Regional Public Improvements: means facilities and other improvements which are or will be dedicated to the County or another governmental or quasi-governmental entity for substantially public use, and which serve the needs of the region.

Revenue Obligations: means bonds or other obligations not subject to annual appropriation that are payable from a pledge of revenues other than *ad valorem* property taxes.

Service Plan: means this Service Plan for the District.

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

State: means the State of Colorado.

Underlying Land Use Approvals: means Board of County Commissioners approval of the applicable land use plans that form the basis for the need for the District and its proposed financing plan and/or services. Such approvals may be in the form of one or a combination of Sketch Plans, Preliminary Plans and Final Plat for Residential Suburban (RS-6000) zoning district.

III. INTRODUCTION

A. Overall Purpose and Intent.

The District will be created pursuant to the Special District Act, and is being organized as a Conventional Representative District under El Paso County policies. The District is an independent unit of local government, separate and distinct from the County, and, except as may otherwise be provided for by State or local law or this Service Plan, its activities are subject to review by the County only insofar as they may deviate in a material matter from the requirements of the Service Plan. It is intended that the District, in its discretion, will provide a part or all of various Public Improvements necessary and appropriate for the development of a project within the unincorporated County to be known as “Peaceful Ridge at Fountain Valley” (the “Project”). The Public Improvements will be constructed for the use and benefit of all anticipated inhabitants, property owners and taxpayers of the District. The primary purpose of the District will be to finance the construction of these Public Improvements.

The District is not being created to provide ongoing operations and maintenance services other than as specifically set forth in this Service Plan.

B. Need For The District.

There are currently no private parties or other governmental entities, located in the

immediate vicinity of the District that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction installation, relocation, redevelopment, and financing of the Public Improvements needed for the Project. Formation of the District is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

C. County Objectives In Forming The District.

The County recognizes this District as an independent quasi-municipal entity which is duly authorized for the purposes and functions identified in the Service Plan. Future County involvement in the affairs of the District will generally be limited to functions as required by the Colorado Revised Statutes, reporting and disclosure functions, determinations as to compliance with the limits as set forth in this Service Plan or any conditions attached to its approval, as well as additional activities or relationships as may be stipulated in any intergovernmental agreements which may be entered in to between the District and the County in the future.

In approving this Service Plan the objectives of the County include an intent to allow the applicant(s) reasonable access to public tax-exempt financing for reasonable costs associated with the generally identified Public Improvements and to allow the applicant(s) the ability to prudently obligate future property owners for a reasonable share of the repayment costs of the Public Improvements which will benefit the properties within this District.

It is the additional objective of the County to allow for this District to provide for the identified ongoing services which either cannot or will not be provided by the County and/ or other districts.

In approving this District as a Conventional Representative District, it is also an objective of the County to maximize opportunities for full representative participation on the part of future eligible electors. However, because many of the critical financing decisions will be made prior to the existence of resident electors, it is the further intent of the County to accommodate and allow for reasonable and constructive ongoing notice to future property owners of the probable financial impacts associated with owning property within the District.

D. Specific Purposes -Facilities and Services.

The District is authorized to provide the facilities and services as permitted by the Special District Act, both within and without the boundaries of the District as may be necessary, including but not limited to the following:

1. Water. The design, acquisition, installation and construction of a transmission and distribution system for domestic and other public or private purposes, together with all necessary and proper equipment and appurtenances incident thereto which may include, but shall not be limited to, transmission lines, distribution mains and laterals, storage facilities, treatment facilities, land and easements, together with extensions of, and/or improvements to, said systems. It is anticipated that water improvements will be dedicated to the Widefield Water and Sanitation District pursuant to any applicable intergovernmental agreements entered into between

the District and Widefield Water and Sanitation District.

2. Sanitation. The design, acquisition, installation, construction, operation and maintenance of storm and/or sanitary sewers, treatment facilities, flood and surface drainage, and all necessary or proper equipment and appurtenances incident thereto, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of, and/or improvements to, said facilities or systems. It is anticipated that water improvements will be dedicated to the Widefield Water and Sanitation District pursuant to any applicable intergovernmental agreements entered into between the District and Widefield Water and Sanitation District.

3. Drainage. The design, acquisition installation, construction, operation, and maintenance of drainage improvements, including but not limited to, storm sewers, flood and surface drainage, gutters, culverts, and other drainage facilities such as channel realignment and creation, detention ponds, drop and check structures.

4. Street Improvements. The design, acquisition, installation, construction, operation, and maintenance of street and roadway improvements, including but not limited to curbs, gutters, culverts, storm sewers and other related drainage facilities, retaining walls and appurtenances, as well as sidewalks, bridges, parking facilities, railroad crossings, paving, lighting, grading, landscaping, snow removal equipment, or tunnels, sound barrier walls and/or subdivision fencing, and other street improvements, together with all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of, and/or improvements to, said facilities. It is anticipated that street improvements will be dedicated upon completion to the County for perpetual ownership, operations and maintenance.

5. Safety Protection. The design, acquisition, installation, construction, operation, and maintenance of traffic and safety protection facilities and services through traffic and safety controls and devices on streets and highways, environmental monitoring, and rodent and pest controls necessary for public safety, as well as other facilities and improvements including but not limited to, main entry buildings, access gates, signalization at intersections, traffic signs, railroad crossing signals, area identification signs, directional assistance, and driver information signs, together with all necessary, incidental, and appurtenant facilities, land easements, together with extensions of, and/or improvements to, said facilities. It is anticipated that safety protection improvements will be dedicated upon completion to the County for perpetual ownership, operations and maintenance.

6. Parks and Recreation. The design, acquisition, installation, construction, operation and maintenance of public park and recreation facilities or programs including, but not limited to, swimming pools and spas, tennis courts, exercise facilities, bike paths, hiking trails, snowshoe trails, pedestrian trails, pedestrian bridges, pedestrian malls, public fountains and sculpture, art, and botanical gardens, equestrian trails and centers, picnic areas, skating areas and facilities, common area landscaping and weed control, outdoor lighting of all types, community events, and other facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of, and/or improvements to, said facilities or systems.

The District shall not have the authority to apply for or utilize any Conservation Trust (“Lottery”) funds without the express prior consent of the Board of County Commissioners. The District shall have the authority to apply for and receive any other grant funds, including, but not limited to, Great Outdoors Colorado (GOCO) discretionary grants. Such approval, although required, is not considered to be a major modification which would require the need to revise this Service Plan.

7. Mosquito Control. Provide for the eradication and control of mosquitoes, including but not limited to elimination or treatment of breeding grounds and purchase, lease, contracting or other use of equipment or supplies for mosquito control.

8. Television Relay and Translation. The acquisition, construction, completion, installation and/or operation and maintenance of television relay and translator facilities, including but not limited to cable television and communication facilities, fiber optic cable and related activities including evolving technologies, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of, and/or improvements to, said facilities.

E. Other Powers.

1. Amendments. The District shall have the power to amend this Service Plan as needed, subject to appropriate statutory procedures as set forth in Section 32-1-207, C.R.S.;

2. Authority to Modify Implementation of Financing Plan and Public Infrastructure. Without amending this Service Plan, the District may defer, forego, reschedule or restructure the financing and construction of certain improvements and facilities, to better accommodate the pace of growth, resources availability, and potential inclusions of property within the District.

F. Other Statutory Powers.

The District may exercise such powers as are expressly or impliedly granted by Colorado law, if not otherwise limited by the Service Plan or its conditions of approval.

G. Eminent Domain.

The District may exercise the power of eminent domain or dominant eminent domain only as necessary to further the clear public purposes of the District.

The power of eminent domain and/or dominant eminent domain shall be limited to the acquisition of property that the District intends to own, control or maintain by the District or other governmental entity and is for the material use or benefit of the general public. The term “material use or benefit for the general public” shall not include the acquisition of property for the furtherance of an economic development plan, nor shall it include as a purpose an intent to convey such property or to make such property available to a private entity for economic development purposes. The phrase “furtherance of an economic development plan” does not include

condemnation of property to facilitate public infrastructure that is necessary for the development of the Project.

H. Intergovernmental Agreements (IGAs).

The District is authorized to enter into IGAs to the extent permissible by law.

I. Description Of Proposed Boundaries.

1. District Boundaries. A vicinity map showing the general location of the District is included as Exhibit A.1. A map of the initially included properties is included at Exhibit A.2, with a legal description of its boundaries are found at Exhibit A.3.

2. Analysis Of Alternatives. There are no viable alternatives to the formation of the proposed District and formation of the District is the most cost effective option to meet the present and future demands for the Peace Ridge at Fountain Valley Subdivision. The following alternatives each have serious weaknesses in comparison with the proposed formation of the District.

Service through a homeowners association is not a viable means of delivering the services proposed to be provided by the Districts. The nature, extent and variety of public improvements required is not within the capability of homeowners associations to deliver. Significantly, a homeowners association would not have access to tax-exempt financing, and thus would fail to provide the essential economic benefit offered by a special district structure.

Provision of improvements through another public entity (such as other special districts, El Paso County or nearby municipalities) is also not a viable option because none has plans to assume the financing and construction obligations of the proposed District. Organization of the District will permit close coordination between the needs and timing of the development with its associated public infrastructure needs, which cannot be met through any other alternative.

3. Material Modifications/Service Plan Amendment. Material modifications of this Service Plan shall, at a minimum, trigger the need for prior approval of the Board of County Commissioners at an advertised public hearing and may require a need for a complete re-submittal of an amended Service Plan along with a hearing before the County's planning commission. For the purpose of this Service Plan the following changes shall be considered material modifications:

a. Any change in the basic services provided by the District, including the addition of any types of services not authorized by this Service Plan.

b. Any other matter which is now, or may in the future, be described as a material modification by the Special District Act.

c. Imposition of a mill levy in excess of any of the Maximum Mill Levies as authorized in this approved Service Plan.

d. Issuance of Debt in excess of the Maximum Debt Authorization authorized in this Service Plan.

e. Issuance of any Debt with a maturity period of greater than thirty (30) years, from the date of issuance of such Debt.

f. Creation of any sub-districts as contemplated in the Special District Act.

g. Inclusion into the District of any property over five (5) miles from the combined area of the District Boundaries unless explicitly contemplated in this Service Plan.

IV. DEVELOPMENT ANALYSIS

A. Existing Developed Conditions.

The District Boundaries currently contain 60.144 acres of undeveloped, vacant land. Apart from platting and preliminary soil investigations, no work has taken place within the District Boundaries.

B. Total Development At Project Buildout.

At complete Project build-out, projected to be completed by 2019, development within the District is planned to consist of 255 single family homes. The prices of homes in the project are expected to average between \$265,000 and \$325,000 in year 2016 dollars. The total estimated population of the District upon completion of development is 663 people.

C. Development Phasing And Absorption.

Absorption of the project is projected to take 3 years, beginning in 2017 and ending in 2019 and is further described in the Development Summary found at Exhibit B.

D. Status of Underlying Land Use Approvals.

The subdivision of Peaceful Ridge at Fountain Valley has been approved by the El Paso County Development Services Department as well as the El Paso County Board of County Commissioners. The plat was recorded with the County in July 2007.

V. INFRASTRUCTURE SUMMARY

Attached as Exhibit C is summary of the estimated costs of Public Improvements which are anticipated to be required within this District. A general description of the categories of Public Improvements is included in Section III.D. of this Service Plan. The total costs of the Public Improvements are estimated to be approximately \$7,326,000, in year 2016 dollars. It is estimated that the District will finance approximately all of this estimated amount, but the amount

ultimately financed by the District will be subject to the Maximum Authorized Debt limit.

All Public Improvements will be designed and constructed in accordance with the standards of the governmental entity to which such Public Improvements will be dedicated (including, with respect to storm sewer and drainage facilities, the applicable NPDES standards), and otherwise in accordance with applicable El Paso County standards. The composition of specific Public Improvements will be determined in connection with applicable future land use and development approvals required by El Paso County rules and regulations.

VI. FINANCIAL PLAN SUMMARY.

A. Financial Plan Assumptions and Debt Capacity Model.

Attached at Exhibit D is a summary of development assumptions, projected assessed valuation, description of revenue sources (including applicable mill levies and fees) and expenses for both operations and debt service, and an overall debt capacity model associated with projected future development of the Project. The model demonstrates that the District is capable of providing sufficient and economic service within the Project, and that the District has or will have the financial ability to discharge the District's Debt on a reasonable basis. The financial model attached as Exhibit D is an example of the manner in which the District may finance the Public Improvements. The specific structure for financing the Public Improvements shall be determined in the discretion of the Board of Directors of the District, subject to the limitations set forth in this Service Plan.

B. Maximum Authorized Debt.

The District is authorized to issue Debt up to seven million five hundred thousand dollars (\$7,500,000) in principal amount.

C. Maximum Mill Levies.

1. Maximum Debt Service Mill Levy. The Maximum Debt Service Mill Levy shall be fifty (50) mills, subject to Gallagher Adjustment. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

2. Maximum Operational Mill Levy. The Maximum Operational Mill Levy Cap shall be ten (10) mills, subject to Gallagher Adjustment.

3. Maximum Combined Mill Levy. The Maximum Combined Mill Levy is sixty (60) Mills, subject to Gallagher Adjustment.

Increases to or removal of any of the Maximum Mill Levies shall be subject to Board of County Commissioner approval without the need for a formal Service Plan Amendment (unless the Board otherwise requires).

D. Maximum Maturity Period For Debt.

The period of maturity for issuance of any Debt (but not including Developer Funding Agreements) shall be limited to no more than thirty (30) years without express, prior approval of the Board of County Commissioners. Such approval, although required, is not considered to be a Material Modification of the Service Plan which would trigger the need to amend said Service Plan. However, the District is specifically authorized to refund or restructure existing Debt so long as the period of maturity for the refunding or restructured Debt is no greater than 30 years from the date of the issuance thereof.

E. Developer Funding Agreements.

The Developer does intend to enter into Developer Funding Agreements with the District in addition to recovery of the eligible costs associated with creation of this District. It is anticipated that in the formative years the District will have shortfalls in funding its capital costs and monthly operations and maintenance expenses. The Developer may fund these obligations for the District to promote the Project's development subject to the Developer being repaid from future District revenues.

Developer Funding Agreements may allow for the earning of simple interest thereon, but under no circumstances shall any such agreement permit the compounding of interest. The Developer Funding Agreements may permit an interest rate that does not exceed the prime interest rate plus two points thereon.

The maximum term for repayment of a Developer Funding Agreement shall be twenty (20) years from the date the District becomes obligated to repay the Developer Funding Agreement under the associated contractual obligation. For the purpose of this provision, Developer Funding Agreements are considered repaid once the obligations are fully paid in cash or when converted to bonded indebtedness of the District (including privately placed bonds). Any extension of such term is considered a Material Modification and must be approved by the Board of County Commissioners.

Required disclosure notices shall clearly identify the potential for the District to enter into obligations associated with Developer Funding Agreements.

F. Privately Placed Debt Limitation.

Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows: We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high

yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

G. Revenue Obligations. The District shall also be permitted to issue Revenue Obligations in such amount as the District may determine. Amounts issued as Revenue Obligations are not subject to the Maximum Debt Authorization.

VII. OVERLAPPING TAXING ENTITIES, NEIGHBORING JURISDICTIONS

A. Overlapping Taxing Entities.

The directly overlapping taxing entities and their respective year 2016 mill levies are as follows:

El Paso County
El Paso County Road and Bridge
Widefield School District No. 3
SD 3 Widefield Community Center
SD 3 Security Public Library
Security Fire Protection District
Southeastern Colorado Water Conservancy

Total Existing Mill Levy: 66.339 mills

The total mill levy including the initially proposed District mill levy is 126.339 mills.

B. Neighboring Jurisdictions.

The following additional taxing and/or service providing entities include territory within three (3) miles of the District Boundaries.

Appletree Metropolitan Dist. Nos. 1-2	Banning Lewis Ranch Metro Dist. No. 7
Banning Lewis Ranch Regional Metro Dist.	Bradley Heights Metro Dist. Nos. 1-3
Central Colorado Conservation Dist.	City of Colorado Springs
City of Fountain	Colo. Centre Metro. Dev. Owned Prop.
Colorado Centre Metro Dist.	Cross Creek Metro Dist.
Cuchares Ranch Metro Dist.	El Paso County
El Paso County Metro Dist.	El Paso County PID No. 2
Ellicott Fire Protection Dist.	Ellicott Metro Dist.
Ellicott School Dist. No. 22	Fountain GID No. 1
Fountain Mutual Metro Dist.	Fountain Sanitation Dist.
FTN/FT Carson School Dist. No. 8	Glen Metro Dist. Nos. 1-3
Hanover Fire Protection Dist.	Heritage SIMD
Lorson Ranch Metro Dist. Nos. 1-7	Mesa Ridge Metro Dist. Nos. 1-2
Norris Ranch Metro Dist. Nos. 1-2	Norris/Appletree BID

Pikes Peak Library Dist.
Security Fire Protection Dist.
Security Water Dist.
US Highway 85 Corridor URA
Watterview II Metro Dist.
Widefield Water and Sanitation Dist.

Rolling Hills Ranch MD Nos. 1-15
Security Sanitation Dist.
Southeastern Colo Water Conservancy
Waterview 1 Metro Dist.
Widefield School Dist. No. 3

With the exception of Widefield Water and Sanitation District discussed in Section III.D.1 and III.D.2 above, there are no anticipated relationships or impacts to these listed entities.

VIII. DISSOLUTION

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

B. Administrative Dissolution. The District shall be subject to administrative dissolution by the Division of Local Government as set forth in Section 32-1-710, C.R.S.

IX. COMPLIANCE

A. An Annual Report and Disclosure Form will be required and submitted as described in C.R.S. 32-1-207(3)(d) and as further articulated by Board of County Commissioners Resolution No. 07-273.

B. Material Modifications of this Service Plan shall be subject to the provisions contained in Section 32-1-207, C.R.S., relating to approvals and notices thereof.

X. MISCELLANEOUS

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

A. Special District Act.

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

B. Disclosure to Prospective Purchasers.

After formation of the District, and in conjunction with final platting of any properties within the proposed District, the applicable Board of Directors of the District shall prepare a notice acceptable to the Development Services Department Staff informing all purchasers of property within the District of the District's existence, purpose and debt, taxing,

and other revenue-raising powers and limitations. Such notice obligation shall be deemed satisfied by recording the notice with this Service Plan and each final plat associated with the Project, or by such other means as the Development Services Department approves. Such notice shall be modified to address the potential for future Debt issuance which may be required to meet the obligations associated with loans incurred by the District. In conjunction with subsequent plat recordings, Development Services Department staff is authorized to administratively approve updates of the disclosure form to reflect current information.

C. Local Improvements.

Prior to the financing of Local Public Improvements, and if required by County policy uniformly applied, agreements shall be in place to prevent a loss of sales tax revenue from sales of construction materials which would otherwise accrue to the County.

D. Service Plan not a Contract.

The grant of authority contained in this Service Plan does not constitute the agreement or binding commitment of the District enforceable by third parties to undertake the activities described, or to undertake such activities exactly as described.

E. Land Use and Development Approvals.

Approval of this Service Plan does not imply approval of the development of a specific area within the Project, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto. All such land use and development approvals shall be processed and obtained in accordance with applicable El Paso County rules, regulations and policies.

XI. CONCLUSION

It is submitted that this Service Plan for the District establishes that:

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

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

C. The proposed District is capable of providing economical and sufficient service to the Project;

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

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

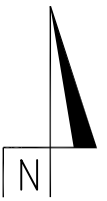
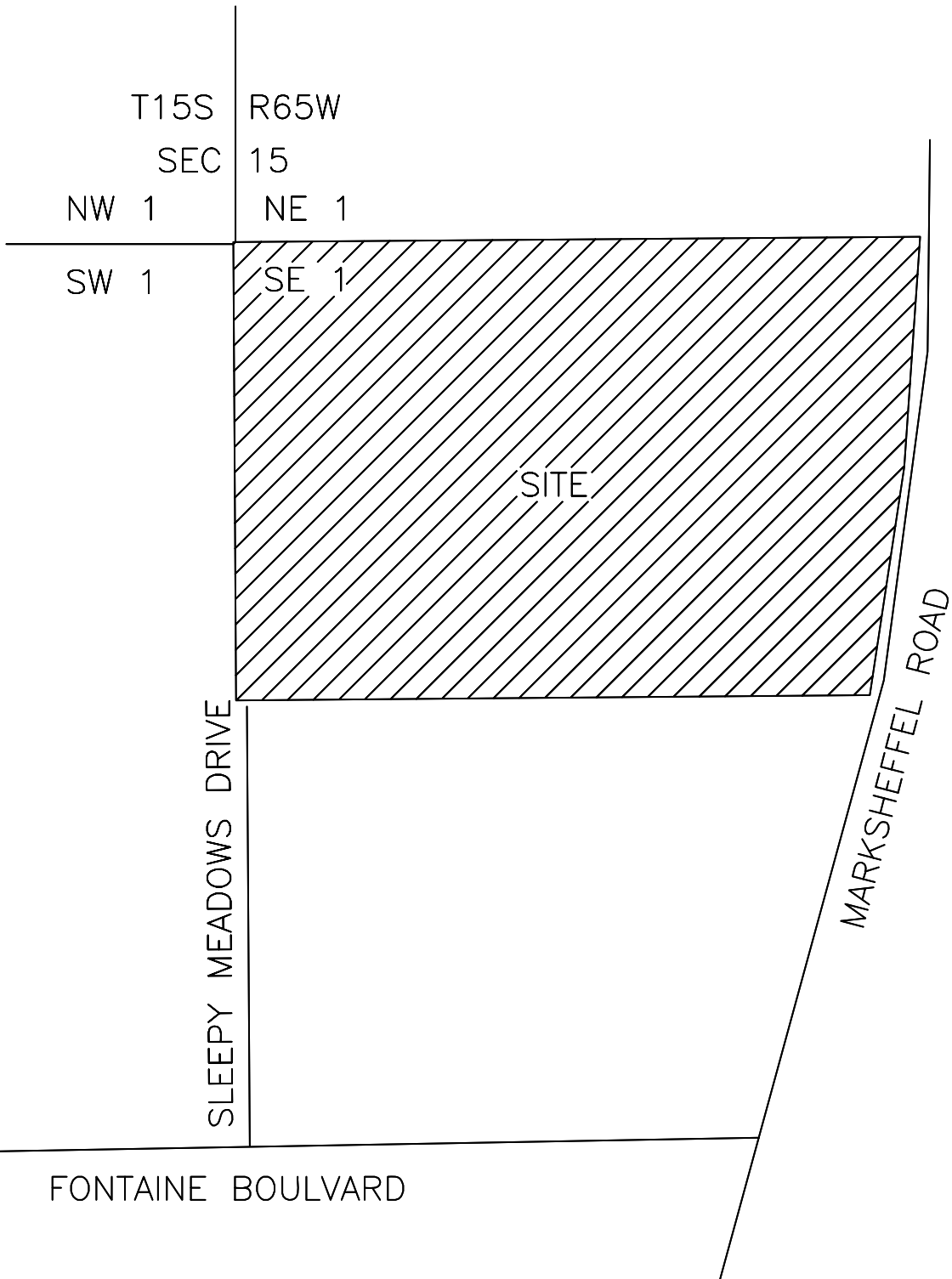
F. The facility and service standards of the proposed District are compatible with the facility and service standards of the County;

G. The proposal is in substantial compliance with the County master plan.

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

EXHIBIT A
MAPS AND LEGAL DESCRIPTIONS

VICINITY MAP



For and on Behalf of
Pinnacle Land Surveying Co., Inc.
John W. Towner
P.L.S. #25968

PINNACLE LAND SURVEYING, INC. 925 W. Cucharas, Colorado Springs, CO 80905		
VICINITY MAP		
TITLE: PEACEFUL RIDGE AT FOUNTAIN VALLEY		
SCALE: N.T.S.	DRAWN BY: EERB	FILE: 04007400WORK
DATE: 11/08/05	CHECKED BY: JWT	JOB NO. 04007400



EXHIBIT A.3
LEGAL DESCRIPTION OF DISTRICT BOUNDARIES

Peaceful Ridge at Fountain Valley Subdivision

A portion of the Southeast One-Quarter (SE1/4) of Section 15, Township 15 South, Range 65 West of the 6th P.M., County of El Paso, State of Colorado.

EXHIBIT B
DEVELOPMENT SUMMARY

Glen Development Company

#3 Widefield Blvd, Colorado Springs, CO 80911

719-392-0194

Peaceful Ridge at Fountain Valley

A. Existing Developed Conditions

Currently no part of the project is developed. The area has been designed and a plat recorded but no work has taken place on the property other than preliminary soils investigations. The total project contains 255 single family lots, platted, and not developed right-of-way, and two tracts to be utilized for: Drainage, utilities, sound barrier and open space.

The subdivision of Peaceful Ridge at Fountain Valley has already been approved by El Paso County Development Services as well as the El Paso County Commissioners. The Plat was recorded with El Paso County in July 2007.

B. Total Development at Project Buildout

At complete Project buildout, development within the district is planned to consist of 255 single family homes. The Project also includes two large tracts that will contain drainage basins, utilities, a proposed sound barrier, and pedestrian access. The prices of the home in the project are expected to range from \$265,000 to \$325,000 in year 2016 dollars. These prices are based on discussions with potential builders interested in acquiring property within the Project, and the projected pricing for units to be constructed. Additionally, reference was made to closing prices in The Glen at Widefield, which involves competitive product. . No existing home values were used for the neighboring property (Cottonwood Meadows) as this neighborhood features older homes on substantially different sized lots than those offered in Peaceful Ridge. The total estimated population of the Project upon completion of development is 663 people.

C. Development Phasing and Absorption

Absorption of the project is estimated to take 3 years, beginning in 2017 and ending in 2019 and is further described in the Development Projection – Buildout Plan found in Exhibit D. This estimate is based on multiple factors. Primarily, this absorption is based on discussions with multiple local builders regarding their desire for lots in this subdivision and the annual volume of lots being requested, which is in excess of 150 lots per year. Secondarily, we have based this number off actual sales history in The Glen at Widefield. In 2014 there were 77 closings, and in 2015, there were 94 closings. In both of these years the demand for lots in this neighborhood was larger than available inventory, and lot sales 20% in excess of that would have been achievable had lots been available. Projections for 2016 are for 120 lots

closings, and builders have requested 175 lots for 2017. Finally, the number is based on current building conditions in the area including the completion of construction at Painted sky at Waterview, the continued price advantage of homes in El Paso County versus Fountain due to factors including tap fees, and the overall tax advantage versus Lorson Ranch. This timeline could be easily changed if outside factors are changed. These factors can include local or national economic recession, changes in consumer preferences, or other unforeseen circumstances.

EXHIBIT C
ESTIMATED INFRASTRUCTURE CAPITAL COSTS

Peaceful Ridge Metropolitan District Estimated Construction Costs	
Water	\$2,000,000
Sanitation	\$2,200,000
Drainage	\$750,000
Street Improvements	\$1,650,000
Safety Protection	\$385,000
Parks and Recreation	\$275,000
Mosquito Control	\$15,000
Television Relay and Translation	\$51,000
Total	\$7,326,000

EXHIBIT D
FINANCIAL PLAN SUMMARY



January 15, 2016

Proposed Peaceful Ridge Metropolitan District
c/o Bill Ankele
White Bear Ankele Tanaka & Waldron
2154 E. Commons Avenue, Suite 2000
Centennial, CO 80122

RE: Proposed Peaceful Ridge Metropolitan District

We have analyzed the bonding capacity for the proposed Peaceful Ridge Metropolitan District (“the District”). The analysis presented summarizes and presents information provided by Widefield Investment Group (“the Developer”) and does not include independently verifying the accuracy of the information or assumptions. The structure and timing of debt issuance presented represents one example of a financing plan for the District, and the final structure, timing and terms of debt to be issued may vary from that presented herein. The final structure, timing and terms of debt to be issued will be within the discretion of the Board of Directors of the District, subject to the limitations contained in the Service Plan.

Development Assumptions

The following assumptions have been provided by the Developer and form the basis of the residential analysis.

1. The development is comprised of 255 residential units. The single family homes are projected to be completed at a pace of 64 in 2017, 128 in 2018, and 63 in 2019. The average home price is modeled at \$290,000 for single family homes in 2017 dollars. This price is modeled with a 2% annual inflation rate going forward.
2. The residential debt service mill levy target is 50 mills (with a cap of 50 mills for debt). Operations will be funded from 10 additional mills imposed by the district for a total anticipated levy of 60 mills including debt service (with a total mill levy cap at 60 mills).

Estimate of Potential Bonding Capacity

1. It is estimated that the district may issue a senior bond in December, 2019 with a par amount of \$4,470,000 and a subordinate bond in the amount of \$481,000. The senior bond is modeled to carry an interest rate of 5.0% and the subordinate bond is modeled at a 7.5% interest rate, both based on 30-year debt. At issuance, it is projected that the District will fund a Debt Service Reserve Fund for the senior bonds and costs of issuance for both series of bonds with bond proceeds. The remaining \$4,361,200 is projected to reimburse the Developer for eligible expenses.
2. The Senior Bond Surplus Fund is sized to \$519,000.00 (reflecting 10% of the projected par of the bonds).

3. Specific Ownership Tax revenues have been calculated based on applying a factor of 6.0% to annual property tax revenues (on both the Debt Service and Operations levies).
4. It is projected that 98% of property taxes levied will be collected and available to the District (for both the Debt Service and Operations levies).
5. It is projected that there will be a 2% biennial inflation rate on assessments. The bonding capacity could be higher if the rate of assessment inflation is greater or conversely lower if the inflation rate is below 2%.

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

Because D.A. Davidson has not independently evaluated or reviewed the assumptions that the financial model is based upon, we do not vouch for the achievability (and disclaim any opinion) of the information provided. Furthermore, because of the inherent nature of future events, which are subject to change and variation as events and circumstances change, the actual results may vary materially from the results presented here. D.A. Davidson has no responsibility or obligation to update this information or this financial model for events occurring after the date of this report.

Respectfully submitted,

D.A. DAVIDSON & CO. FIXED INCOME CAPITAL MARKETS



Zachary Bishop

Managing Director, Public Finance

PEACEFUL RIDGE METROPOLITAN DISTRICT



Development Projection at 50.00 (target) District Mills

Proposed Senior Series 2019, LTGO, Non-Rated, 2049 Final Maturity, plus Subordinate Cash Flow Bonds

YEAR	<<<<<<< Residential >>>>>>>>				< Platted/Developed Lots >		Total Assessed Value	District	District	District	Total Available Revenue
	Mkt Value		As'ed Value		As'ed Value			D/S Mill Levy	D/S Mill Levy	S.O. Taxes	
	Total	Biennial	Cumulative	of Market	Cumulative	of Market		[50.00 Target]	Collections	Collected	
Res'l Units	Reasses'mt @ 2.0%	Market Value	(2-yr lag)	Market Value	(2-yr lag)	Value	[50.00 Cap]	@ 98%	@ 6%		
2016	0		0		1,856,000	0	50.000	\$0	\$0	0	
2017	64		18,560,000		3,712,000	0	50.000	0	0	0	
2018	128	371,200	56,793,600	0	1,827,000	538,240	50.000	26,374	1,582	27,956	
2019	63		75,801,708	1,477,376	0	1,076,480	50.000	125,139	7,508	132,647	
2020	0	1,516,034	77,317,742	4,520,771	0	529,830	50.000	247,479	14,849	262,328	
2021	0		77,317,742	6,033,816	0	0	50.000	295,657	17,739	313,396	
2022	0	1,546,355	78,864,097	6,154,492	0	0	50.000	301,570	18,094	319,664	
2023	0		78,864,097	6,154,492	0	0	50.000	301,570	18,094	319,664	
2024	0	1,577,282	80,441,379	6,277,582	0	0	50.000	307,602	18,456	326,058	
2025	0		80,441,379	6,277,582	0	0	50.000	307,602	18,456	326,058	
2026	0	1,608,828	82,050,207	6,403,134	0	0	50.000	313,754	18,825	332,579	
2027	0		82,050,207	6,403,134	0	0	50.000	313,754	18,825	332,579	
2028	0	1,641,004	83,691,211	6,531,196	0	0	50.000	320,029	19,202	339,230	
2029	0		83,691,211	6,531,196	0	0	50.000	320,029	19,202	339,230	
2030	0	1,673,824	85,365,035	6,661,820	0	0	50.000	326,429	19,586	346,015	
2031	0		85,365,035	6,661,820	0	0	50.000	326,429	19,586	346,015	
2032	0	1,707,301	87,072,336	6,795,057	0	0	50.000	332,958	19,977	352,935	
2033	0		87,072,336	6,795,057	0	0	50.000	332,958	19,977	352,935	
2034	0	1,741,447	88,813,782	6,930,958	0	0	50.000	339,617	20,377	359,994	
2035	0		88,813,782	6,930,958	0	0	50.000	339,617	20,377	359,994	
2036	0	1,776,276	90,590,058	7,069,577	0	0	50.000	346,409	20,785	367,194	
2037			90,590,058	7,069,577	0	0	50.000	346,409	20,785	367,194	
2038		1,811,801	92,401,859	7,210,969	0	0	50.000	353,337	21,200	374,538	
2039			92,401,859	7,210,969	0	0	50.000	353,337	21,200	374,538	
2040		1,848,037	94,249,896	7,355,188	0	0	50.000	360,404	21,624	382,028	
2041			94,249,896	7,355,188	0	0	50.000	360,404	21,624	382,028	
2042		1,884,998	96,134,894	7,502,292	0	0	50.000	367,612	22,057	389,669	
2043			96,134,894	7,502,292	0	0	50.000	367,612	22,057	389,669	
2044		1,922,698	98,057,592	7,652,338	0	0	50.000	374,965	22,498	397,462	
2045			98,057,592	7,652,338	0	0	50.000	374,965	22,498	397,462	
2046		1,961,152	100,018,744	7,805,384	0	0	50.000	382,464	22,948	405,412	
2047			100,018,744	7,805,384	0	0	50.000	382,464	22,948	405,412	
2048		2,000,375	102,019,119	7,961,492	0	0	50.000	390,113	23,407	413,520	
2049			102,019,119	7,961,492	0	0	50.000	390,113	23,407	413,520	
	255	26,588,611						10,329,174	619,750	10,948,924	

PEACEFUL RIDGE METROPOLITAN DISTRICT

Development Projection at 50.00 (target) District Mills



Proposed Senior Series 2019, LTGO, Non-Rated, 2049 Final Maturity, plus Subordinate Cash Flow Bonds

YEAR	Net Available for Debt Svc	Ser. 2019 \$4,470,000 Par [Net \$4.361 MM] Net Debt Service	Surplus			Senior Debt/ Assessed Ratio	Senior Debt/ Act'l Value Ratio	Cov. of Net DS: @ 50.00 Dist. Mills
			Annual Surplus	Release @ 50% D/A to \$447,000	Cumulative Surplus \$447,000 Target			
2016	0	\$0	n/a					
2017	0	0	n/a		149,471			
2018	27,956	0	n/a		120,672	0%	0%	0.0%
2019	132,647	0	n/a	0	99,787	89%	0%	0.0%
2020	262,328	223,500	38,828	0	138,615	74%	6%	117.4%
2021	313,396	258,500	54,896	0	193,512	72%	6%	121.2%
2022	319,664	261,750	57,914	0	251,426	71%	6%	122.1%
2023	319,664	264,750	54,914	0	306,340	69%	6%	120.7%
2024	326,058	267,500	58,558	0	364,898	68%	5%	121.9%
2025	326,058	270,000	56,058	0	420,955	66%	5%	120.8%
2026	332,579	272,250	60,329	34,284	447,000	65%	5%	122.2%
2027	332,579	274,250	58,329	58,329	447,000	63%	5%	121.3%
2028	339,230	281,000	58,230	58,230	447,000	62%	5%	120.7%
2029	339,230	282,250	56,980	56,980	447,000	60%	5%	120.2%
2030	346,015	283,250	62,765	62,765	447,000	58%	5%	122.2%
2031	346,015	284,000	62,015	62,015	447,000	56%	5%	121.8%
2032	352,935	289,500	63,435	63,435	447,000	54%	4%	121.9%
2033	352,935	289,500	63,435	63,435	447,000	52%	4%	121.9%
2034	359,994	299,250	60,744	60,744	447,000	50%	4%	120.3%
2035	359,994	298,250	61,744	61,744	447,000	47%	4%	120.7%
2036	367,194	302,000	65,194	65,194	447,000	45%	4%	121.6%
2037	367,194	305,250	61,944	61,944	447,000	42%	4%	120.3%
2038	374,538	308,000	66,538	66,538	447,000	40%	3%	121.6%
2039	374,538	310,250	64,288	64,288	447,000	37%	3%	120.7%
2040	382,028	317,000	65,028	65,028	447,000	35%	3%	120.5%
2041	382,028	318,000	64,028	64,028	447,000	32%	3%	120.1%
2042	389,669	323,500	66,169	66,169	447,000	29%	2%	120.5%
2043	389,669	323,250	66,419	66,419	447,000	25%	2%	120.5%
2044	397,462	327,500	69,962	69,962	447,000	22%	2%	121.4%
2045	397,462	326,000	71,462	71,462	447,000	19%	2%	121.9%
2046	405,412	334,000	71,412	71,412	447,000	16%	1%	121.4%
2047	405,412	336,000	69,412	69,412	447,000	12%	1%	120.7%
2048	413,520	342,250	71,270	71,270	447,000	8%	1%	120.8%
2049	413,520	340,250	73,270	520,270	0	0%	1%	121.5%
	10,948,924	8,912,750	1,875,571	1,975,358				

[AJan1416 16nrbA]

PEACEFUL RIDGE METROPOLITAN DISTRICT

Development Projection at 50.00 (target) District Mills



Proposed Senior Series 2019, LTGO, Non-Rated, 2049 Final Maturity, plus Subordinate Cash Flow Bonds

Cash-Flow Subordinate Bonds >>>

YEAR	Surplus Available for Sub Debt Service	Date Bonds Issued	Sub Bond Interest on Balance 7.50%	Less Payments Toward Sub Bond Interest	Accrued Interest + Int. on Bal. @ 7.50%	Less Payments Toward Accrued Interest	Balance of Accrued Interest	Sub Bonds Principal Issued	Less Payments Toward Bond Principal	Balance of Sub Bond Principal	TOTAL Sub Bond Payments	Surplus Cash Flow to District
2016												\$0
2017												0
2018	0											0
2019	0	12/1/19						481,000	0	481,000	0	\$0
2020	0		\$37,478	0	37,478	0	37,478		0	481,000	0	0
2021	0		36,075	0	38,886	0	76,364		0	481,000	0	0
2022	0		36,075	0	41,802	0	118,166		0	481,000	0	0
2023	0		36,075	0	44,937	0	163,103		0	481,000	0	0
2024	0		36,075	0	48,308	0	211,411		0	481,000	0	0
2025	0		36,075	0	51,931	0	263,342		0	481,000	0	0
2026	34,284		36,075	34,284	21,541	0	284,884		0	481,000	34,284	0
2027	58,329		36,075	36,075	21,366	22,254	283,996		0	481,000	58,329	0
2028	58,230		36,075	36,075	21,300	22,155	283,140		0	481,000	58,230	0
2029	56,980		36,075	36,075	21,236	20,905	283,471		0	481,000	56,980	0
2030	62,765		36,075	36,075	21,260	26,690	278,041		0	481,000	62,765	0
2031	62,015		36,075	36,075	20,853	25,940	272,954		0	481,000	62,015	0
2032	63,435		36,075	36,075	20,472	27,360	266,065		0	481,000	63,435	0
2033	63,435		36,075	36,075	19,955	27,360	258,660		0	481,000	63,435	0
2034	60,744		36,075	36,075	19,399	24,669	253,390		0	481,000	60,744	0
2035	61,744		36,075	36,075	19,004	25,669	246,726		0	481,000	61,744	0
2036	65,194		36,075	36,075	18,504	29,119	236,111		0	481,000	65,194	0
2037	61,944		36,075	36,075	17,708	25,869	227,951		0	481,000	61,944	0
2038	66,538		36,075	36,075	17,096	30,463	214,585		0	481,000	66,538	0
2039	64,288		36,075	36,075	16,094	28,213	202,466		0	481,000	64,288	0
2040	65,028		36,075	36,075	15,185	28,953	188,697		0	481,000	65,028	0
2041	64,028		36,075	36,075	14,152	27,953	174,896		0	481,000	64,028	0
2042	66,169		36,075	36,075	13,117	30,094	157,919		0	481,000	66,169	0
2043	66,419		36,075	36,075	11,844	30,344	139,419		0	481,000	66,419	0
2044	69,962		36,075	36,075	10,456	33,887	115,988		0	481,000	69,962	0
2045	71,462		36,075	36,075	8,699	35,387	89,300		0	481,000	71,462	0
2046	71,412		36,075	36,075	6,697	35,337	60,661		0	481,000	71,412	0
2047	69,412		36,075	36,075	4,550	33,337	31,873		0	481,000	69,412	0
2048	71,270		36,075	36,075	2,391	34,264	0		0	481,000	70,339	931
2049	520,270		36,075	36,075	0	0	0		481,000	0	517,075	3,195
	1,975,358		1,083,653	864,009	626,223	626,223		481,000	481,000		1,971,232	4,126

PEACEFUL RIDGE METROPOLITAN DISTRICT

Operations Revenue and Expense Projection



YEAR	Total Assessed Value	Oper'n's Mill Levy	Total Collections @ 98%	S.O. Taxes Collected @ 6%	Total Available For O&M
2016	0	10.000	0	0	0
2017	0	10.000	0	0	0
2018	538,240	10.000	5,275	316	5,591
2019	2,553,856	10.000	25,028	1,502	26,529
2020	5,050,601	10.000	49,496	2,970	52,466
2021	6,033,816	10.000	59,131	3,548	62,679
2022	6,154,492	10.000	60,314	3,619	63,933
2023	6,154,492	10.000	60,314	3,619	63,933
2024	6,277,582	10.000	61,520	3,691	65,212
2025	6,277,582	10.000	61,520	3,691	65,212
2026	6,403,134	10.000	62,751	3,765	66,516
2027	6,403,134	10.000	62,751	3,765	66,516
2028	6,531,196	10.000	64,006	3,840	67,846
2029	6,531,196	10.000	64,006	3,840	67,846
2030	6,661,820	10.000	65,286	3,917	69,203
2031	6,661,820	10.000	65,286	3,917	69,203
2032	6,795,057	10.000	66,592	3,995	70,587
2033	6,795,057	10.000	66,592	3,995	70,587
2034	6,930,958	10.000	67,923	4,075	71,999
2035	6,930,958	10.000	67,923	4,075	71,999
2036	7,069,577	10.000	69,282	4,157	73,439
2037	7,069,577	10.000	69,282	4,157	73,439
2038	7,210,969	10.000	70,667	4,240	74,908
2039	7,210,969	10.000	70,667	4,240	74,908
2040	7,355,188	10.000	72,081	4,325	76,406
2041	7,355,188	10.000	72,081	4,325	76,406
2042	7,502,292	10.000	73,522	4,411	77,934
2043	7,502,292	10.000	73,522	4,411	77,934
2044	7,652,338	10.000	74,993	4,500	79,492
2045	7,652,338	10.000	74,993	4,500	79,492
2046	7,805,384	10.000	76,493	4,590	81,082
2047	7,805,384	10.000	76,493	4,590	81,082
2048	7,961,492	10.000	78,023	4,681	82,704
2049	7,961,492	10.000	78,023	4,681	82,704
			2,065,835	123,950	2,189,785

PEACEFUL RIDGE METROPOLITAN DISTRICT

Development Projection -- Buildout Plan (updated 1/14/16)

YEAR	Residential Development					Residential Summary			
	# Lots Devel'd	<u>SFDs</u>		Price Inflated @ 2%	Market Value	Total Residential Market Value	Total Res'l Units	Value of Platted & Developed Lots	
Incr/(Decr) in Finished Lot Value @ 10%		# Units Completed 255 target	Adjustment ¹					Adjusted Value	
2016	64	1,856,000		\$290,000	0	\$0	0	0	1,856,000
2017	128	1,856,000	64	290,000	18,560,000	18,560,000	64	0	1,856,000
2018	63	(1,885,000)	128	295,800	37,862,400	37,862,400	128	0	(1,885,000)
2019	0	(1,827,000)	63	301,716	19,008,108	19,008,108	63	0	(1,827,000)
2020	0	0	0	307,750	0	0	0	0	0
2021	0	0	0	313,905	0	0	0	0	0
2022	0	0	0	320,183	0	0	0	0	0
2023	0	0	0	326,587	0	0	0	0	0
2024	0	0	0	333,119	0	0	0	0	0
2025	0	0	0	339,781	0	0	0	0	0
2026	0	0	0	346,577	0	0	0	0	0
2027	0	0	0	353,508	0	0	0	0	0
2028	0	0	0	360,579	0	0	0	0	0
2029	0	0	0	367,790	0	0	0	0	0
2030	0	0	0	375,146	0	0	0	0	0
2031	0	0	0	382,649	0	0	0	0	0
2032	0	0	0	390,302	0	0	0	0	0
2033	0	0	0	398,108	0	0	0	0	0
2034	0	0	0	406,070	0	0	0	0	0
2035	0	0	0	414,191	0	0	0	0	0
2036		0	0	422,475	0	0	0	0	0
	255	(0)	255		75,430,508	75,430,508	255	0	(0)

[1] Adj. to actual/prelim AV

SOURCES AND USES OF FUNDS

**PEACEFUL RIDGE METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2019
Max. size @ 120x coverage on 50 mills (target & cap)
Non-Rated, 30-yr. Maturity
[Preliminary -- for discussion only]**

Dated Date 12/01/2019
Delivery Date 12/01/2019

Sources:

Bond Proceeds:	
Par Amount	4,470,000.00
Other Sources of Funds:	
Subordinate Bond Par	481,000.00
	<hr/> 4,951,000.00 <hr/> <hr/>

Uses:

Project Fund Deposits:	
Project Fund	4,361,200.00
Other Fund Deposits:	
Debt Service Reserve	342,250.00
Delivery Date Expenses:	
Costs of Issuance (Seniors & Subs)	247,550.00
	<hr/> 4,951,000.00 <hr/> <hr/>

BOND SOLUTION

**PEACEFUL RIDGE METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2019
Max. size @ 120x coverage on 50 mills (target & cap)
Non-Rated, 30-yr. Maturity
[Preliminary -- for discussion only]**

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2020		223,500		223,500	262,328	38,828	117.37279%
12/01/2021	35,000	258,500		258,500	313,396	54,896	121.23652%
12/01/2022	40,000	261,750		261,750	319,664	57,914	122.12582%
12/01/2023	45,000	264,750		264,750	319,664	54,914	120.74196%
12/01/2024	50,000	267,500		267,500	326,058	58,558	121.89070%
12/01/2025	55,000	270,000		270,000	326,058	56,058	120.76208%
12/01/2026	60,000	272,250		272,250	332,579	60,329	122.15933%
12/01/2027	65,000	274,250		274,250	332,579	58,329	121.26847%
12/01/2028	75,000	281,000		281,000	339,230	58,230	120.72254%
12/01/2029	80,000	282,250		282,250	339,230	56,980	120.18790%
12/01/2030	85,000	283,250		283,250	346,015	62,765	122.15885%
12/01/2031	90,000	284,000		284,000	346,015	62,015	121.83625%
12/01/2032	100,000	289,500		289,500	352,935	63,435	121.91200%
12/01/2033	105,000	289,500		289,500	352,935	63,435	121.91200%
12/01/2034	120,000	299,250		299,250	359,994	60,744	120.29873%
12/01/2035	125,000	298,250		298,250	359,994	61,744	120.70208%
12/01/2036	135,000	302,000		302,000	367,194	65,194	121.58736%
12/01/2037	145,000	305,250		305,250	367,194	61,944	120.29282%
12/01/2038	155,000	308,000		308,000	374,538	66,538	121.60315%
12/01/2039	165,000	310,250		310,250	374,538	64,288	120.72126%
12/01/2040	180,000	317,000		317,000	382,028	65,028	120.51371%
12/01/2041	190,000	318,000		318,000	382,028	64,028	120.13474%
12/01/2042	205,000	323,500		323,500	389,669	66,169	120.45411%
12/01/2043	215,000	323,250		323,250	389,669	66,419	120.54726%
12/01/2044	230,000	327,500		327,500	397,462	69,962	121.36257%
12/01/2045	240,000	326,000		326,000	397,462	71,462	121.92098%
12/01/2046	260,000	334,000		334,000	405,412	71,412	121.38074%
12/01/2047	275,000	336,000		336,000	405,412	69,412	120.65823%
12/01/2048	295,000	342,250		342,250	413,520	71,270	120.82393%
12/01/2049	650,000	682,500	-342,250	340,250	413,520	73,270	121.53414%
	4,470,000	9,255,000	-342,250	8,912,750	10,788,321	1,875,571	

BOND DEBT SERVICE

**PEACEFUL RIDGE METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2019
Max. size @ 120x coverage on 50 mills (target & cap)
Non-Rated, 30-yr. Maturity
[Preliminary -- for discussion only]**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2020			111,750	111,750	
12/01/2020			111,750	111,750	223,500
06/01/2021			111,750	111,750	
12/01/2021	35,000	5.000%	111,750	146,750	258,500
06/01/2022			110,875	110,875	
12/01/2022	40,000	5.000%	110,875	150,875	261,750
06/01/2023			109,875	109,875	
12/01/2023	45,000	5.000%	109,875	154,875	264,750
06/01/2024			108,750	108,750	
12/01/2024	50,000	5.000%	108,750	158,750	267,500
06/01/2025			107,500	107,500	
12/01/2025	55,000	5.000%	107,500	162,500	270,000
06/01/2026			106,125	106,125	
12/01/2026	60,000	5.000%	106,125	166,125	272,250
06/01/2027			104,625	104,625	
12/01/2027	65,000	5.000%	104,625	169,625	274,250
06/01/2028			103,000	103,000	
12/01/2028	75,000	5.000%	103,000	178,000	281,000
06/01/2029			101,125	101,125	
12/01/2029	80,000	5.000%	101,125	181,125	282,250
06/01/2030			99,125	99,125	
12/01/2030	85,000	5.000%	99,125	184,125	283,250
06/01/2031			97,000	97,000	
12/01/2031	90,000	5.000%	97,000	187,000	284,000
06/01/2032			94,750	94,750	
12/01/2032	100,000	5.000%	94,750	194,750	289,500
06/01/2033			92,250	92,250	
12/01/2033	105,000	5.000%	92,250	197,250	289,500
06/01/2034			89,625	89,625	
12/01/2034	120,000	5.000%	89,625	209,625	299,250
06/01/2035			86,625	86,625	
12/01/2035	125,000	5.000%	86,625	211,625	298,250
06/01/2036			83,500	83,500	
12/01/2036	135,000	5.000%	83,500	218,500	302,000
06/01/2037			80,125	80,125	
12/01/2037	145,000	5.000%	80,125	225,125	305,250
06/01/2038			76,500	76,500	
12/01/2038	155,000	5.000%	76,500	231,500	308,000
06/01/2039			72,625	72,625	
12/01/2039	165,000	5.000%	72,625	237,625	310,250
06/01/2040			68,500	68,500	
12/01/2040	180,000	5.000%	68,500	248,500	317,000
06/01/2041			64,000	64,000	
12/01/2041	190,000	5.000%	64,000	254,000	318,000
06/01/2042			59,250	59,250	
12/01/2042	205,000	5.000%	59,250	264,250	323,500
06/01/2043			54,125	54,125	
12/01/2043	215,000	5.000%	54,125	269,125	323,250
06/01/2044			48,750	48,750	
12/01/2044	230,000	5.000%	48,750	278,750	327,500
06/01/2045			43,000	43,000	
12/01/2045	240,000	5.000%	43,000	283,000	326,000
06/01/2046			37,000	37,000	
12/01/2046	260,000	5.000%	37,000	297,000	334,000
06/01/2047			30,500	30,500	
12/01/2047	275,000	5.000%	30,500	305,500	336,000
06/01/2048			23,625	23,625	
12/01/2048	295,000	5.000%	23,625	318,625	342,250
06/01/2049			16,250	16,250	
12/01/2049	650,000	5.000%	16,250	666,250	682,500
	4,470,000		4,785,000	9,255,000	9,255,000

NET DEBT SERVICE

**PEACEFUL RIDGE METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2019
Max. size @ 120x coverage on 50 mills (target & cap)
Non-Rated, 30-yr. Maturity
[Preliminary -- for discussion only]**

Period Ending	Principal	Interest	Total Debt Service	Debt Service Reserve	Net Debt Service
12/01/2020		223,500	223,500		223,500
12/01/2021	35,000	223,500	258,500		258,500
12/01/2022	40,000	221,750	261,750		261,750
12/01/2023	45,000	219,750	264,750		264,750
12/01/2024	50,000	217,500	267,500		267,500
12/01/2025	55,000	215,000	270,000		270,000
12/01/2026	60,000	212,250	272,250		272,250
12/01/2027	65,000	209,250	274,250		274,250
12/01/2028	75,000	206,000	281,000		281,000
12/01/2029	80,000	202,250	282,250		282,250
12/01/2030	85,000	198,250	283,250		283,250
12/01/2031	90,000	194,000	284,000		284,000
12/01/2032	100,000	189,500	289,500		289,500
12/01/2033	105,000	184,500	289,500		289,500
12/01/2034	120,000	179,250	299,250		299,250
12/01/2035	125,000	173,250	298,250		298,250
12/01/2036	135,000	167,000	302,000		302,000
12/01/2037	145,000	160,250	305,250		305,250
12/01/2038	155,000	153,000	308,000		308,000
12/01/2039	165,000	145,250	310,250		310,250
12/01/2040	180,000	137,000	317,000		317,000
12/01/2041	190,000	128,000	318,000		318,000
12/01/2042	205,000	118,500	323,500		323,500
12/01/2043	215,000	108,250	323,250		323,250
12/01/2044	230,000	97,500	327,500		327,500
12/01/2045	240,000	86,000	326,000		326,000
12/01/2046	260,000	74,000	334,000		334,000
12/01/2047	275,000	61,000	336,000		336,000
12/01/2048	295,000	47,250	342,250		342,250
12/01/2049	650,000	32,500	682,500	-342,250	340,250
	4,470,000	4,785,000	9,255,000	-342,250	8,912,750

BOND SUMMARY STATISTICS

**PEACEFUL RIDGE METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2019
Max. size @ 120x coverage on 50 mills (target & cap)
Non-Rated, 30-yr. Maturity
[Preliminary -- for discussion only]**

Dated Date	12/01/2019
Delivery Date	12/01/2019
First Coupon	06/01/2020
Last Maturity	12/01/2049
Arbitrage Yield	5.000000%
True Interest Cost (TIC)	5.000000%
Net Interest Cost (NIC)	5.000000%
All-In TIC	5.461769%
Average Coupon	5.000000%
Average Life (years)	21.409
Weighted Average Maturity (years)	21.409
Duration of Issue (years)	12.827
Par Amount	4,470,000.00
Bond Proceeds	4,470,000.00
Total Interest	4,785,000.00
Net Interest	4,785,000.00
Bond Years from Dated Date	95,700,000.00
Bond Years from Delivery Date	95,700,000.00
Total Debt Service	9,255,000.00
Maximum Annual Debt Service	682,500.00
Average Annual Debt Service	308,500.00
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	100.000000
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
30-yr Term Bond	4,470,000.00	100.000	5.000%	21.409	6,928.50
	4,470,000.00			21.409	6,928.50

	TIC	All-In TIC	Arbitrage Yield
Par Value	4,470,000.00	4,470,000.00	4,470,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts		-247,550.00	
Target Value	4,470,000.00	4,222,450.00	4,470,000.00
Target Date	12/01/2019	12/01/2019	12/01/2019
Yield	5.000000%	5.461769%	5.000000%

EXHIBIT E
ANNUAL REPORT AND DISCLOSURE FORM
(Sample attached)

**EL PASO COUNTY SPECIAL DISTRICTS
ANNUAL REPORT and DISCLOSURE FORM**

1.	Name of District(s):	Peaceful Ridge Metropolitan District
2.	Report for Calendar Year:	20__
3.	Contact Information	William P. Ankele Jr., Esq. WHITE BEAR ANKELE TANAKA & WALDRON, P.C. 2154 East Commons Avenue, Suite 2000 Centennial, Colorado, 80122
4.	Meeting Information	[TBD]
5.	Type of District(s)/ Unique Representational Issues (if any)	Title 32 Special Metropolitan District
6.	Authorized Purposes of the District(s)	The District is authorized to provide services related to the construction and ongoing operation and maintenance of certain public improvements within the District not otherwise dedicated to the County or third party entities for ownership and/or ongoing operation and maintenance.
7.	Active Purposes of the District(s)	The District provides services related to the construction and ongoing operation and maintenance of certain public improvements within the District not otherwise dedicated to the County or third party entities for ownership and/or ongoing operation and maintenance.
8.	Current Certified Mill Levies a. Debt Service b. Operational c. Other d. Total	[TBD]
9.	Sample Calculation of Current Mill Levy for a Residential and Commercial Property (as applicable).	
10.	Maximum Authorized Mill Levy Caps (Note: these are maximum allowable mill levies which could be certified in the future unless there was a change in state statutes or Board of County Commissioners approvals) a. Debt Service b. Operational c. Other d. Total	a. 50 mills b. 10 mills c. N/A d. 60 mills

11.	Sample Calculation of Mill Levy Cap for a Residential and Commercial Property (as applicable).	Assume \$265,000 is the estimated actual value of a home within the Peaceful Ridge at Fountain Valley development. \$265,000 x 0.0796 = \$21,094 (assessed value) \$21,094 x .0600 mills = \$1,055 per year in sample taxes owed to the District based on these assumptions.
12.	Current Outstanding Debt of the Districts (as of the end of year of this report)	None
13.	Total voter-authorized debt of the Districts (including current debt)	[TBD]
14.	Debt proposed to be issued, reissued or otherwise obligated in the coming year.	[TBD]
15.	Major facilities/ infrastructure improvements initiated or completed in the prior year	[TBD]
16.	Summary of major property exclusion or inclusion activities in the past year.	None

Reminder:

- A. As per Colorado Revised Statutes, Section 32-1-306, the special district shall maintain a current, accurate map of its boundaries and shall provide for such map to be on file with the County Assessor.
- B. Colorado Revised Statutes, Section 32-1-823(1), states a certificate of election results shall be filed with the County Clerk and Recorder.

Name and Title of Respondent

Signature of Respondent

Date

RETURN COMPLETED FORM TO: El Paso County Board of County Commissioners
Attention: Clerk to the Board
200 South Cascade Avenue
Colorado Springs, Colorado 80903

****NOTE:** As per CRS Section 32-1-104(2), a copy of this report should also be submitted to:

County Assessor - 27 East Vermijo, Colorado Springs, Colorado 80903

County Treasurer - 27 East Vermijo, Colorado Springs, Colorado 80903