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**AMENDED AND RESTATED SERVICE PLAN
FOR
LOVELAND MIDTOWN METROPOLITAN DISTRICT**

**Prepared by
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I. INTRODUCTION

A. General Overview

1. Scope of Service Plan. This Amended and Restated Service Plan ("Service Plan") for the Loveland Midtown Metropolitan District (the "District"), constitutes the service plan for a Title 32 special district organized to serve the needs of a new development and surrounding areas in the City of Loveland (the "City"), Larimer County (the "County"), Colorado. This Service Plan replaces and supersedes in all respects the initial service plan for the Loveland Midtown Metropolitan Districts Nos. 1, 2, 3 and 4, approved by the Loveland City Council on September 17, 2004, by Resolution #R-81-2004. By this amended Service Plan, the name of Loveland Midtown Metropolitan District No. 1 is hereby changed to the Loveland Midtown Metropolitan District. Following City Council approval of this Service Plan, Loveland Midtown Metropolitan Districts Nos. 2, 3, and 4 will be dissolved, in accordance with Title 32 of the Colorado Revised Statutes.

The District is located entirely within the Loveland city limits. The District ultimately is expected to consist of approximately 50.94 total acres for residential development. Construction is scheduled over the next 1 to 5 years, with build-out expected to occur within that time. The District currently consists of one 5 acre parcel, which following approval of this amended Service Plan and inclusion of the Inclusion Property, as described below, will be excluded from the District. Exhibit A contains an overall map of the District's existing boundaries. It is expected that certain additional property will be included in the District following approval of this Service Plan (the "Inclusion Property"). The Inclusion Property is more particularly described on Exhibit B. Exhibit C contains a depiction of the District's boundaries, showing the anticipated boundaries of the District following inclusion of the Inclusion Property and the exclusion of the existing 5 acre parcel comprising the District.

While not all of the property within Loveland Midtown Development Area ("Loveland Midtown") is contained within the boundaries of the District, the District shall have the ability to provide a detention pond for property outside the boundaries of the District, as more specifically set forth herein. All "Exhibits" referred to herein are attached to the end of this Service Plan. The Developer of the real property in the District is Loveland Midtown Development, Inc., (the "Developer"). The Property currently within the District is owned by entities controlled directly or indirectly by the Developer. The Developer, or entities controlled directly or indirectly by the Developer, currently has entered into contracts to purchase all of the Inclusion Property.

Considerable public infrastructure will be constructed to provide the public improvements needed to support development in and around the District. This Service Plan addresses the improvements that will be provided by the District, and demonstrates how the special district proposed to serve the development will cooperate to provide the necessary public improvements.

2. Configuration of District. Following inclusion of the Inclusion Property, the District will contain approximately 50.94 acres. Legal descriptions showing the anticipated boundaries of the District following the inclusion of the Inclusion Property are attached to this Service Plan in Exhibit C.

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It is possible that subsequent to the District's organization, it may be desirable to include additional neighboring property into the boundaries of the District. Under Colorado law, the fee owner or owners of one hundred percent of any property proposed for inclusion may petition the board of directors of the District for inclusion, or annexation, of property into the District. Additionally, not less than twenty percent or two hundred, whichever number is smaller, of the taxpaying electors of an area containing twenty-five thousand or more square feet of land may petition the District for inclusion, or the board may adopt a resolution calling for an election on inclusion of the property. No property, other than the Inclusion Property or the existing 5 acre parcel, shall be included into or excluded from the District without prior approval by the City Council. Notification of the same shall be given to the City Council prior to the District holding a public hearing thereon.

3. Long-Term District Plan. The District may consider dissolution at the time the District's debt has been paid and adequate provisions have been made for operation of all of the District's facilities. The District shall not file a request with the district court to consolidate with any other Title 32 district, without the prior approval of the City Council. Ultimately, control of these decisions will rest with the electorate in the District.

4. Existing Services and Districts. There are currently no other public entities in existence in the development which have the ability and/or desire to undertake the design, financing, construction, operation and maintenance of the improvements which are needed for Loveland Midtown and the surrounding area. It is also the Developer's understanding that the City does not consider it feasible or practicable to provide all of the necessary services and facilities for the development, as further described herein. Consequently, use of the District is deemed necessary for the provision of public improvements in and around Loveland Midtown.

In order to minimize the proliferation of new governmental structures and personnel, the District intends to utilize existing entities, as much as possible for operations and maintenance of public improvements. As a general matter, operations and maintenance of certain public improvements will be the responsibility of the City after such completed improvements are conveyed to the City, by or on behalf of, and at the direction of the District. Improvements not conveyed to, or accepted by, the City will continue to be owned by the District and operation and maintenance of the same may be provided by other entities, such as a facilities management company or a recreational facility operator, through appropriate agreements with the District. Consequently, while the District will exist to finance capital improvements and coordinate the provision of services, they are expected to utilize existing entities as much as possible.

5. Dedication of Improvements. The District shall, in accordance with City Policy, as hereinafter defined, dedicate, or cause to be dedicated on its behalf, all public improvements customarily dedicated to the City. These improvements include, but are not limited to: public water and wastewater improvements, storm drainage and detention improvements, all public streets and those streets dedicated by plat, all public sidewalks as well as all rights-of-way and easements necessary for access to facilities. Operation and maintenance of those improvements

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dedicated to and accepted by the City shall rest with the City; however, the District shall maintain all landscaping in the public right-of-way unless such obligation is expressly accepted by the City.

Improvements, which are to be dedicated to the City, shall be designed and constructed in accordance with state and federal laws, regulations and standards, and with City Policy. In those instances where the District has constructed enhanced amenities that exceed City standards, the City and the District shall agree as to the operation and maintenance thereof prior to the City's acceptance of any such improvements. In the event that the City determines that public improvements have been constructed in accordance with City Policy, an initial acceptance letter shall be issued by the City specifying that the public improvements dedicated to the City shall be warranted for a period of two calendar years from the date of such dedication, or such other warranty period as maybe required by City Policy. Should the public improvements conform to the City's specifications and standards, the City will issue a "Final Acceptance" form letter to the District at the completion of the warranty period. At the City's discretion, dedication may take place after the expiration of the two-year warranty period or such other warranty period as may be required by City Policy.

Storm drainage and detention improvements shall be conveyed to the City for purposes of reporting on Municipal Separate Storm Sewer System (MS4) Reports. The District shall retain such easements as are necessary to operate and maintain landscaping and related improvements associated with such storm drainage and detention areas. The City may accept, but shall not be required to accept, dedication of park and recreation and landscaping improvements and potable and non-potable irrigation systems. Park and recreation and landscaping improvements not dedicated to the City shall be owned, operated and maintained by the District, either independently or by contract with another entity. Parking lots and other off-street parking facilities shall not be dedicated to the City but shall be owned, operated and maintained by the District.

The District may, at its sole cost and expense, acquire all property required by the City for the construction of public improvements to be provided by the District pursuant to this Service Plan. The District shall only acquire real property for the purpose of constructing public improvements. The District may acquire any interests in real property, leases and easements necessary to the functions or the operation of the District, except that the District shall not pay more than fair market value and reasonable settlement costs for any interest in real property and shall not pay for any interest in real property which must otherwise be dedicated for public use or the District's use in accordance with any governmental ordinance, regulation or law and in accordance with City Policy. Accordingly, the District shall not purchase from the Developer, or its successors, subsidiaries, assigns, and related entities, any interest in real property that is customarily dedicated by developers to the City in accordance with City Policy.

Failure of the District to comply with these dedication requirements shall be deemed to be a material departure from this Service Plan. Such dedication requirements shall not be amended without prior approval of the City Council.

6. City's Laws and Regulations. Notwithstanding anything contained herein to the Contrary, the District shall be subject to and comply with all applicable provisions of the City's Charter, Code, rules, regulations, standards and policies ("City Policy"). In addition, the District

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shall timely provide to the City Clerk a copy of all notices of all board meetings of the District at the time such notices are posted.

B. General Financial Information and Assumptions

The estimated current assessed valuation within the District, including the Inclusion Property, is \$4,340. The projected assessed valuations within the District is shown in the Financing Plan attached hereto as Exhibit D. The anticipated cost of improvements necessary to provide access and appropriate services within the District is estimated in Exhibit E. The District anticipates obtaining financing for capital improvements through the issuance of limited tax general obligation bonds or other debt instruments, including revenue bonds. General obligation debt will be payable from revenues derived from ad valorem property taxes and from other legally available sources. The District may issue limited tax general obligation bonds after its determination that the assessed valuation is sufficient to pay debt service with reasonable mill levies. The Financing Plan demonstrates one method that might be used by the District to finance the cost of the infrastructure as well as operations and administrative costs. At the time bonds or other debt instruments are proposed to be issued, alternative financing plans may be employed and utilized by the District without further approval from the City Council so long as said alternative plans are generally consistent with the limitations set forth herein and do not constitute a material modification.

) The estimated figures contained herein depicting costs of the infrastructure and operations shall not constitute legal limits on the financial powers of the District; provided, however, that the District shall not be permitted to issue bonds which are not in compliance with the bond registration and issuance requirements of Colorado law. Generally, under current state law provisions, a special district cannot sell valid indebtedness payable from property tax revenues in excess of fifty percent (50%) of its valuation for assessment unless a statutory exception applies to such indebtedness. Excepted from this limitation is indebtedness which is rated or insured, in minimum denominations of five hundred thousand dollars, issued to financial institutions or institutional investors, payable from a limited debt service mill levy not to exceed 50 mills, or unless such indebtedness is secured as to the payment of principal and interest by a letter of credit, line of credit or other credit enhancement. In addition, state securities law does not provide exemption from registration for special district indebtedness not meeting such minimum requirements.

C. Contents of Service Plan

This Service Plan consists of preliminary financial and engineering estimates and analyses describing how the facilities and services for Loveland Midtown can be provided and financed by the District on a coordinated basis. Numerous items are included in this Service Plan in order to satisfy the requirements of law for formation of special districts.

) The assumptions contained within this Service Plan were derived from a variety of sources. Information regarding the present status of property within the District, as well as the current status and projected future level of similar services, was obtained from the Developer. Construction cost estimates and Facilities Diagrams were assembled by the Developer and TST, Inc., Consulting Engineers, which has experience in the costing and construction of similar facilities. Legal advice in the preparation of this Service plan was provided by White, Bear &

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Ankele Professional Corporation, which represents numerous special districts in Colorado as general counsel. Preparation of the Financing Plan was provided by Stan Bernstein, who has extensive experience in the preparation of financial plans for special district.

D. Modification of Service Plan

This Service Plan has been designed with sufficient flexibility to enable the District to provide required services and facilities under evolving circumstances without the need for numerous amendments. While the assumptions upon which this Service Plan are generally based are reflective of current zoning for the property within the District, the cost estimates and financing plans are sufficiently flexible to enable the District to provide necessary services and facilities without the need to amend this Service Plan in the event of zoning changes. 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 zoning for the property.

II. NEED FOR DISTRICT AND GENERAL POWERS

A. Need for Metropolitan District

) The property in the District is currently undeveloped. No other governmental entities exist which will finance the construction of the facilities needed for development of the property within the District.

B. General Powers of District

Except as specifically limited herein, the District will have power and authority to provide the services and facilities described in this Section both within and outside its boundaries, in accordance with law.

1. Provision of Services and Facilities. The District shall have authority to provide the services and construct or acquire the facilities listed below, all of which shall be constructed, operated and maintained in conformance with City Policy. The District or the Developer will obtain City approval of civil engineering plans and a permit from the City for construction and installation of public improvements, as required by City Policy. The District or the Developer shall pay the City's fees associated with any and all such review and permit approval.

a. Sanitation and Storm Drainage. The design, acquisition, installation, construction, and operation and maintenance of storm or sanitary sewers, or both, flood and surface drainage improvements including but not limited to, culverts, dams, retaining walls, access ways inlets, detention ponds and paving, roadside swales and curb and gutter, wastewater lift stations, force mains and wetwell storage facilities, 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 an improvements to said facilities or systems. The District shall not design, acquire, install, construct, operate or maintain any sewer treatment or disposal works or facilities.

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b. Water. The design, acquisition, installation, construction, and operation and maintenance of a complete water and irrigation water system, including but not limited to, water rights, water supply, transmission and distribution systems for domestic and other public or private purposes, together with all necessary and proper water rights, equipment and appurtenances incident thereto which may include, but shall not be limited to, transmission lines, distribution mains and laterals, storage facilities, land and easements, together with extensions of and improvements to said systems. The District shall not design, acquire, install, construct, operate or maintain any water well or water treatment facilities.

c. Parks and Recreation. The design, acquisition, installation, construction, operation and maintenance of public park and recreation facilities or programs including, but not limited to, grading, soil preparation, sprinkler systems, playgrounds, playfields, swimming pool, bike and hiking trails, pedestrian trails, pedestrian bridges, picnic areas, common area landscaping and weed control, outdoor lighting of all types, pedestrian underpasses and tunnels, urban plazas, a recreation center and other facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems.

2. Covenant Enforcement Powers. The District shall have the power to provide covenant enforcement and design review services within the District if the District and the governing body of a master association or similar body contract for such services, or if the declaration, rules and regulations, or any similar document containing the covenants to be enforced for the area within the District name the District as the enforcement or design review entity. The District shall have the power to provide covenant enforcement and design review services only if revenues used to provide such services are derived from the area in which the service is furnished.

3. Legal Powers. The powers of the District will be exercised by its Board of Directors to provide the services contemplated in this Service Plan. The foregoing improvements and services, along with all other activities permitted by law, will be undertaken in accordance with, and pursuant to, the procedures and conditions contained in the Special District Act, other applicable statutes, and this Service Plan, as any or all of the same may be amended from time to time.

4. Other. In addition to the powers enumerated above, the Board of Directors for the District shall also have the following authority:

a. To amend this Service Plan as needed, subject to the appropriate statutory procedures provided that any material modification of this Service Plan shall be made only with the prior approval of the City Council in accordance with § 32-1-207, C.R.S.; and

b. To forego, reschedule, or restructure the financing and construction of certain improvements and facilities, in order to better accommodate the pace of growth, resource availability, and potential inclusions of property within the District, or if the development of the improvements and facilities would best be performed by another entity; and

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c. To provide all such additional services and exercise all such powers as are expressly or impliedly granted by Colorado law, and which the District is required to provide or exercise or, in its discretion, chooses to provide or exercise; and

d. To exercise all necessary and implied powers under Title 32, C.R.S. in the reasonable discretion of the District's Board of Directors, except as limited by this Service Plan.

5. Condemnation. Absent the prior approval of the City Council, the District shall not exercise its statutory power of eminent domain with respect to property outside its boundaries, as those boundaries may be amended from time to time.

III. PROPOSED AND EXISTING AGREEMENTS

The District will be permitted to exercise its statutory powers and respective authority as set forth herein to finance, construct, acquire, operate and maintain the public facilities and improvements either directly or by contract. Where appropriate, the District will contract with various public and/or private entities to undertake such functions. To the extent practicable, the District may enter into additional intergovernmental and other private agreements to better ensure long-term provision of the improvements and services and effective management. Agreements may also be executed with other service providers. Such agreements are authorized pursuant to Colorado Constitution, Article XIV, Section 18 (2)(a) and Sections 29-1-201, et seq., C.R.S. The District may also petition existing governmental entities for inclusion of part or all of the property within the District into an existing service area.

IV. DEVELOPMENT PROJECTIONS

Land use within the project will be residential. The District anticipates up to 231 residential units being completed by the end of 2009.

V. DESCRIPTION OF FACILITIES AND IMPROVEMENTS

The diagrams contained in Exhibit G show the conceptual layouts of the public facilities and improvements described in this section. Detailed information for each type of improvement needed for Loveland Midtown is set forth in the following pages. It is important to note that the information contained in this Section and the preliminary layouts contained in Exhibit G are conceptual in nature only, and that modifications to the type, configuration, and location of improvements may be necessary as development proceeds. All facilities will be designed in such a way as to assure that the facility and service standards will comply with City Policy and be compatible with the public facilities of the City and of other service providers.

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The following sections contain general descriptions of the contemplated facilities and improvements, which will be financed and constructed by the District.

A. General. Construction of all planned facilities and improvements will be scheduled to allow for proper sizing and phasing to keep pace with the need for service. All descriptions of the specific facilities and improvements to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, requirements of the City, and construction design and scheduling may require.

B. General Design Standards. Improvements within the District, including without limitation, those specifically described on Exhibit G, will be designed and installed by the District in conformance with applicable City Policy and any additional standards adopted by the District. Designs and contract documents prepared for improvements must be reviewed and approved by the District and the City with payment by the District of the City's associated costs of review, and must be in accordance with applicable standards and specifications as set forth herein.

1. Wastewater System. The wastewater facilities will be designed and installed to conform to City Policy and the current standards and recommendations of the Colorado Department of Health, the City, and rules and regulations adopted by the District or other affected entities, and sound engineering judgment. All major elements of the wastewater facilities required for proper operation may be designed, and installed by the District. Operations and maintenance of all wastewater facilities will be provided by the District, until such facilities are dedicated to the City and accepted by the City in accordance with City Policy.

2. Storm Drainage.

a. Generally. The District will install the necessary storm drainage system to serve Loveland Midtown. The proposed elements of the storm drainage system will provide a network of culverts, roadside swales, pipes, detention and water quality ponds, inlet and outlet structures, and curb and gutter designed and installed in accordance with applicable City Policy and sound engineering judgment.

b. Culverts. Culverts will be installed under all roadways that intersect storm drainage channels. Culverts will be designed and constructed to pass flows as required by City Policy, and may include headwalls, wing walls, inlet and outlet structures, and riprap protection to enhance their hydraulic capacity and reduce bank or channel erosion.

An overall drainage plan will be developed that will identify the major facilities necessary to convey the storm runoff from Loveland Midtown. This plan will include all infrastructure required to convey the flows generated within Loveland Midtown. This plan must maintain the flexibility to modify the major drainage facilities as more detailed information is generated during the design of the individual phases. The overall drainage plan will include the utilization of storm sewers, drainage channels, streets, gutters, and culverts.

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3. Irrigation Water Distribution System.

The District shall design and install an irrigation water distribution system that will connect to the City's water system. The final configuration of the water systems is yet to be designed. When design and construction are finalized, the system will provide water to land designated as open space within the District. Operations and maintenance of the irrigation water distribution system will be provided by the District.

4. Park and Recreation. All park and recreation facilities and/or services that the District determines to undertake will be, at a minimum, designed and constructed in accordance with City Policy. Landscaping will be installed by the District in designated open space areas located within the District's boundaries.

VI. ESTIMATED CONSTRUCTION AND OPERATING COSTS

The estimated cost of the facilities to be constructed, installed and/or acquired by the District is \$2,300,000 and is more specifically depicted in Exhibit E. These costs include contingencies, supervision for the administrative oversight process including necessary approvals, and construction management for onsite management of ongoing capital construction, but are exclusive of all costs of debt issuance, including but not limited to such issuance expenses and costs like debt service reserves, capitalized interest, underwriter's discount and legal fees, organizational costs and inflation. To the extent the District cannot fund all of the improvements set forth herein, the Developer shall fund the balance of the improvements to be constructed. The estimated costs do not include the costs of acquisition of any land or easements necessary for right-of-ways; however, the District shall have the ability to finance such acquisitions from third parties.

Estimated costs for operating functions are presented in the Financing Plan at Exhibit D and are initially forecasted at approximately \$41,580 per year over the life of the forecast.

VII. FINANCIAL PLAN

The Financing Plan, attached as Exhibit D, sets forth how the improvements benefiting the District shall be funded. It is currently anticipated that the District will issue limited tax bonds in amounts sufficient to permit the District to construct all or a portion of the facilities needed for development within its boundaries. In addition, the District shall have the ability to issue such additional debt as may be necessary to support future capital requirements of the District; however, nothing herein shall be construed to allow the District to issue debt that is not in accordance with State law. All District debt will be supported by ad valorem mill levies and other available revenues of the District. The Financing Plan shows how the proposed services and facilities may be financed and operated by the District and identifies the proposed debt issuance schedule of the District.

A. Debt Issuance Limitation.

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The maximum debt limit for bonds, contracts or other instruments of indebtedness shall not exceed \$4,000,000. Organizational costs are estimated to be approximately \$70,000 and will be reimbursed to the Developer by the District out of its initial revenue sources including bond issue proceeds. District shall have the authority, subject to the debt limits contained herein, to issue debt in an amount sufficient to fully finance and construct all facilities contemplated herein and fully implement the Service Plan without the need to seek approval of any modification of this Service Plan. Obligations of the District which have been paid or refunded do not count against the debt limit.

Any debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101 C.R.S. This will ensure that appropriate development risk associated with current and future development within the District remains with the Developer until such time as the assessed valuation in the District can be shown to support the debt service requirements of the District with the imposition of reasonable mill levies. All bonds or other financial obligations shall provide that the District's obligations shall be discharged 40 years after the date of issuance regardless of whether such obligations are paid in full.

B. Debt Service Mill Levy.

) So long as there are bonds or other debt instruments outstanding, the District shall be required to impose a debt service mill levy on all property within its boundaries. Such mill levy shall terminate upon the discharge of all such bonds or debt instruments, however, the District may continue to certify a mill levy to pay for administrative and operational requirements of the District.

The maximum mill levy the District shall impose for the payment of general obligation debt and for operations and maintenance shall be 40 mills (the "Mill Levy Cap"). The Mill Levy Cap will also be subject to adjustment if, after the date of approval of this Service Plan, the laws of the State change with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation changes, or other similar changes occur. In these events, the foregoing thresholds and limits shall be automatically adjusted so that the tax liability of individual property owners neither increases nor decreases as a result of any such changes thereby. The Financing Plan includes the proposed operating revenue derived from ad valorem property taxes for the first budget year and thereafter.

C. Other District Revenues.

In addition to ad valorem property taxes, and in order to offset the expenses of the anticipated construction and the District's operations and maintenance costs, the District may 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 § 32-1-1001(1), C.R.S., as amended. The District also anticipates revenue from specific ownership taxes, developer advances, interest income and other sources, as further set forth and projected in the Financing Plan.

) D. Filings With City And Quinquennial Review

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The District shall file with the City the following information and documents promptly after they become available in their final, executed form:

- (a) Annual audited financial statements of the District;
- (b) Annual Budget of the District;
- (c) Construction contracts in excess of \$100,000;
- (d) Intergovernmental Agreements;
- (e) Resolutions regarding issuance of bonds or other financial obligations, including relevant financing documents, credit agreements and official statements.
- (f) Notice of all board meetings of the District.

Pursuant to § 32-1-1101.5, at the City's request, the District shall submit application for a quinquennial finding of reasonable diligence in every fifth calendar year after the calendar year in which any District's ballot issue to incur any indebtedness was approved by its electors. In the event that the City determines that a public hearing is necessary on such application, such hearing shall be held in accordance with § 32-1-1101.5(2)(a) and a determination for continuation of the authority of the board of the District to issue any remaining authorized debt shall be made at that time. At the City's sole discretion, the District shall pay an administrative fee for any review required by City under this Section.

E. Other Financial Information

The Financing Plan demonstrates one method that might be used by the District to finance the cost of the infrastructure. Other plans may be utilized by the District without additional approval so long as such plans are within the parameters and limits contained in this Service Plan, and provided such plans are in accordance with the requirements of State law. Due to the support expected to be received from the Developer, the Financing Plan demonstrates that the cost of the infrastructure described herein can be provided with reasonable mill levies assuming reasonable increases in assessed valuation and assuming the rate of build-out estimated in the Financing Plan. Upon approval of this Service Plan, the District will continue to develop and refine cost estimates contained herein and prepare for bond issues.

The Financing Plan does not project any significant accumulation of fund balances which might represent receipt of revenues in excess of expenditures under the TABOR Amendment. To the extent annual District revenues exceed expenditures in this manner, the District will comply with the provisions of TABOR and either refund the excess or obtain voter approval to retain such amounts. Initial spending and revenue limits of the District, as well as mill levies, will be established by elections which satisfy TABOR requirements. In the discretion of the District's Board of Directors, the District may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the District will remain under the control of its Board of Directors.

The maximum voted interest rate for bonds will be 18%. However, the District shall not issue debt with an interest rate in excess of 9% without the prior consent of the City Council. Compound interest shall not be allowed without the prior written approval of the City

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Council. The proposed maximum underwriting discount will be no greater than 5 percent. It is estimated that any bonds, when issued, will mature not more than 40 years from date of issuance. The District shall not undertake the refinancing of any outstanding bonds, which refinancing shall lengthen the final maturity of such bonds, without the prior written approval of the City Council. Final determination of the amount of debt for which approval will be sought from the District's electorate from time to time will be made by the board of directors of the District based on then-current estimates of construction costs, issuance costs, and contingencies. Authorization to issue bonds and enter into various agreements described herein will be sought from the District's electorate pursuant to the terms of the Special District Act and the Colorado Constitution both as amended from time to time.

VIII. OTHER REQUIREMENTS

The District shall be subject to the following additional requirements:

A. Annual Report.

The District shall be responsible for submitting an annual report to the City no later than March 1 of each year that the District are in existence. The annual report shall include information as to any of the following significant events that occurred during the preceding calendar year:

- (1) Boundary changes made or proposed.
- (2) Intergovernmental Agreements with other governmental entities entered into or proposed.
- (3) Changes or proposed changes in the District's policies.
- (4) Changes or proposed changes in the District's operations.
- (5) Any changes in the financial status of the District including revenue projections, or operating costs.
- (6) A summary of any litigation, which involves the District.
- (7) Proposed plans for the year immediately following the year summarized in the annual report.
- (8) Status of District's public improvement construction schedule.
- (9) A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City.
- (10) Summary of current assessed valuation in the District.

In addition, the annual report shall include a summary of the following information:

- (1) Assessed value of taxable property within the District.
- (2) Total acreage of property within the District.
- (3) The District's indebtedness (stated separately for each class of debt).
- (4) The District's debt service (stated separately for each class of debt).
- (5) The District's tax revenue.
- (6) Other revenues of the District.

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- (7) Public improvement expenditure.
 - (8) Other District expenditures.

B. Enterprises.

The Board of Directors for the District may set up enterprises to manage, fund and operate such facilities, services and programs as may qualify for enterprise status using the procedures and criteria provided by Article X, Section 20, Colorado State Constitution provided that the District obtains prior consent of the City Council. To the extent provided by law, any enterprise created by the District will remain under the control of the Board of Directors of the District. Additionally, the District and the Board may not establish 63-20 Corporations without the prior consent of the City Council.

C. Conservation Trust Fund.

The District shall claim no entitlement to funds from the Conservation Trust Fund, the Great Outdoor Colorado Fund or any other grant moneys for which the City may be eligible, without the prior written consent of the City. Any such funds received by the District without the prior consent of City Council shall be promptly remitted to the City.

D. Elections; Other Requirements.

All elections will be conducted as provided by the Uniform Election Code of 1992 (as amended) and the TABOR Amendment. The election questions may include TABOR Amendment ballot questions. Thus, the ballot may deal with the following topics (in several questions, but not necessarily using the exact divisions shown here):

1. Approval of new taxes,
2. Approval of maximum operational mill levies,
3. Approval of bond and other indebtedness limits,
4. Approval of property tax revenue limitations,
5. Approval of total revenue limits, and
6. Approval of a four-year delay in voting on ballot issues.

Ballot issues may be consolidated as approved in Court orders. In addition, the District shall submit a ballot question to the eligible electors of the District to allow the District to receive and spend revenue received from any source without regard to any spending, revenue-raising or other limitation contained within Article X, Section 20 of the Colorado Constitution. The City should be assured that the District intend to follow both the letter and the spirit of the Special District Act, the Uniform Election Code of 1992, and the TABOR Amendment and any applicable City requirements. Future elections to comply with the TABOR Amendment are anticipated, and may be held as determined by the elected board of directors of the District.

E. Modification of the Service Plan.

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Material modifications of this Service Plan, except as otherwise stated herein, shall be subject to approval by the City Council in accordance with the provisions of § 32-1-207, C.R.S.

IX. CONCLUSIONS


It is submitted that this Service Plan for Loveland Midtown Metropolitan District, as required by § 32-1-203(2), C.R.S., has established that:

1. There is sufficient existing and projected need for organized service in the area to be served by the District;
2. The existing service in the area to be served by the District is inadequate for present and projected needs;
3. The District is capable of providing economical and sufficient service to the area within its boundaries;
4. The area included in the District 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 other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;
6. The facility and service standards of the District are compatible with the facility and service standards of the City within which the District are to be located;
7. The proposal is in substantial compliance with a master plan adopted by the City pursuant to § 31-23-206, C.R.S.;
8. The proposal is in compliance with any duly adopted county, regional or state long-range water quality management plan for the area; and
9. The ongoing existence of the District is in the best interests of the area proposed to be served.

Therefore, it is requested that the City Council, which has jurisdiction to approve this Service Plan by virtue of § 32-1-204.5, et seq., C.R.S., as amended, adopt a resolution that approves this Amended and Restated Service Plan for Loveland Midtown Metropolitan District, as submitted, a form of which is attached hereto as Exhibit G.

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Respectfully submitted,

By:  _____

Alan D. Pogue
White, Bear & Ankele Professional Corporation
Counsel to the District

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EXHIBIT A
Map of Existing District Boundaries

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LOVELAND MIDTOWN METROPOLITAN DISTRICTS LARIMER COUNTY, COLORADO

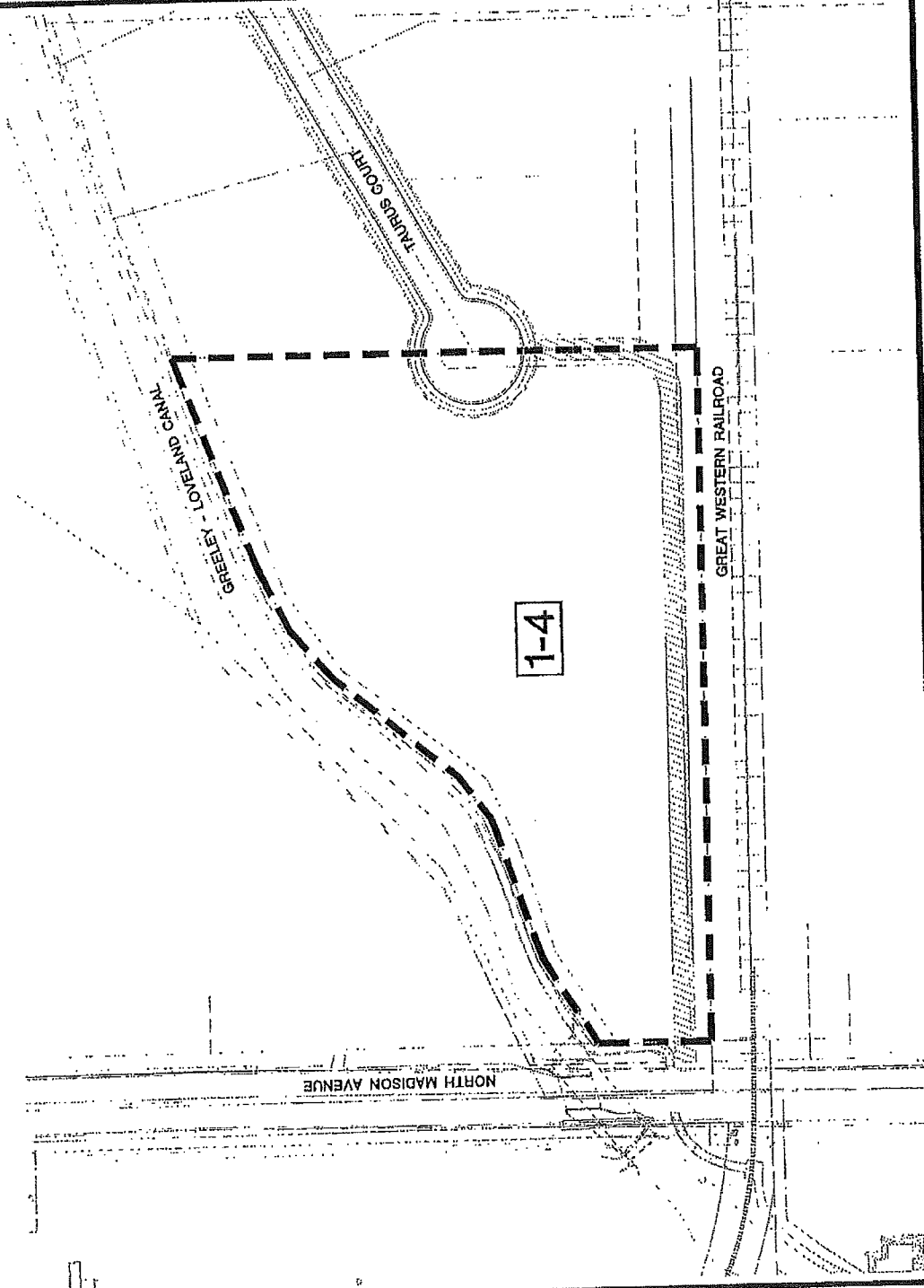
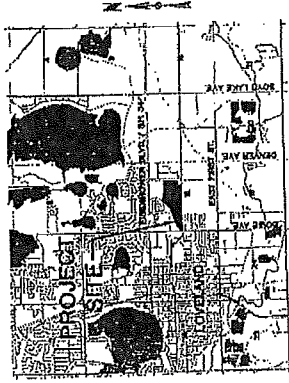


EXHIBIT A

MAP OF EXISTING DISTRICT BOUNDARIES

LOVELAND MIDTOWN METROPOLITAN DISTRICTS NOS. 1-4

VICINITY MAP



DISTRICT BOUNDARY LINE



SCALE: T = 100'

ISI

TST, INC. CONSULTING ENGINEERS

748 Whalers Way, Bldg. D
Fort Collins, Colorado
Phone: 970.226.0557
Fax: 970.226.0204
Job no. 1015.0000.00

Filename: Metro District\exhibit 2-7-05
February 7, 2005

EXHIBIT B
Inclusion Property

24
)

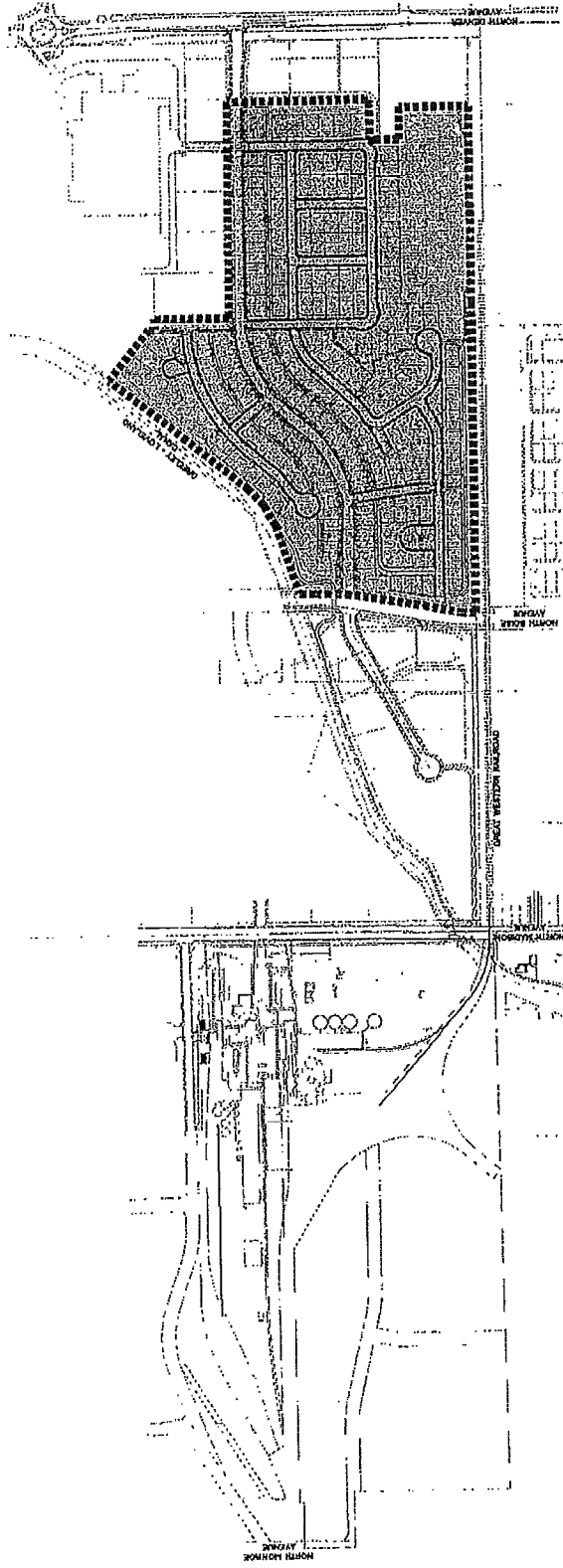
EXHIBIT C
Depiction of the District

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LOVELAND MIDTOWN METROPOLITAN DISTRICT LARIMER COUNTY, COLORADO



DISTRICTS

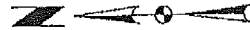
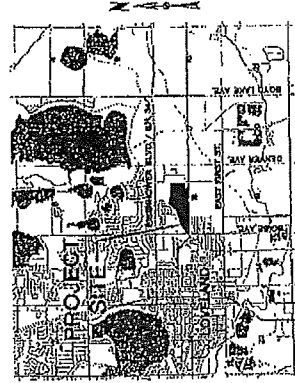


DISTRICT

DISTRICT BOUNDARY LINE



VICINITY MAP



SCALE: 1" = 500'

EXHIBIT C

MAP OF DEPICTION OF DISTRICT

LOVELAND MIDTOWN METROPOLITAN DISTRICT



TST, INC. CONSULTING ENGINEERS

746 Whalers Way, Bldg. D
 Fort Collins, Colorado
 Phone: 970.226.0557
 Fax: 970.226.0204
 Job no. 1015.0000.00
 Filename: Metro District\exhibit 2--7-05
 February 7, 2005

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)

EXHIBIT D
Financing Plan

)

)

Exhibit D-Financing Plan

Stan Bernstein and Associates, Inc.

Financial Planners and Consultants

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

8400 East Prentice Ave., Penthouse

Greenwood Village, Colorado 80111

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

MEMORANDUM

TO: Dr. Eric J. Holsapple, Partner, Loveland Commercial, LLC.
Mr. Don Marostica, Partner, Loveland Commercial, LLC
Mr. Nathan Klein, Broker Associate, Loveland Commercial, LLC

FROM: Stan Bernstein

DATE: February 7, 2005

SUBJECT: Final Draft -- Financial Model -- Loveland Midtown Metropolitan District

INTRODUCTION AND SCOPE

Stan Bernstein and Associates, Inc. has assembled a Financial Model for Loveland Midtown Metropolitan District based on key assumptions provided by officials of Loveland Commercial, LLC. The Financial Model was assembled in order to provide a conceptual understanding of the amount of limited mill levy supported general obligation bonds that could ultimately be supported by the Loveland Midtown Metropolitan District. The limited mill levy supported general obligation bonds are assumed to be issued by the District in exchange for related infrastructure costs funded by Loveland Commercial, LLC ("the Developer"). The limited mill levy supported general obligation bonds are assumed to be funded by property tax revenues generated from 30-mills levied by Loveland Midtown Metropolitan District.

It is important that officials of the District, the Developer, Don Taranto, PE, and White, Bear, and Ankele, Esq. understand and feel comfortable with the key assumptions that the Financial Models are based upon. It is also important that all parties understand that Stan Bernstein and Associates, Inc. has not independently reviewed or evaluated these key assumptions.

Exhibit D-Financing Plan

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Memorandum
February 7, 2005
Page ii

**FUTURE RATES OF RESIDENTIAL AND COMMERCIAL BUILDOUT AND
RELATED ASSESSED VALUATION**

The financial planning concept is that as the construction of future residential real estate product occurs within the boundaries of Loveland Midtown Metropolitan District incremental assessed valuation will generate property tax revenues.

For financial planning purposes it is assumed that the property tax revenues generated from the 30 mills assumed to be levied by the District, will be used to pay operating, administrative, and debt service costs related to approximately \$750,000 of limited general obligation bonds issued by the District to the Developer.

The key assumptions with respect to future residential buildout, and related assessed valuation buildup, within the boundaries of the District are presented in detail on Schedule 1 on page 6. These assumptions were provided by officials of the Developer. It is generally assumed that any increases in residential assessed valuation as a result of inflation will be offset by decreases in the residential assessment rate caused by The Gallagher Amendment, although the assessed valuation estimates do assume a net average annual inflationary increase of approximately 1% (2% biennially) above decreases in assessed valuation caused by Gallagher. The Financial Models are based upon a total of 231 residential units being completed by the end of 2009. Mr. Nathan Klein (associate broker of Loveland Commercial LLC) has provided the information contained in Schedule 1, and believes the assumptions to be reasonable and appropriate to use for financial modeling purposes at this time.

**LOVELAND MIDTOWN METROPOLITAN DISTRICT – CASH FLOW –
EXHIBIT I, PAGE 1**

Exhibit I presents the estimated revenues and expenditures for Loveland Midtown Metropolitan District. Key revenue sources include (i) Property Tax Revenues generated from a 30.0 mill levy, (ii) Specific Ownership Taxes assumed to be approximately 4% of property tax revenues and (iii) Developer Operating Advances totaling \$55,000 during years 2005 through 2007 (these developer advances could be reduced if operating, maintenance, and administrative costs are less than shown on Exhibit I).

Exhibit D-Financing Plan

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Memorandum
February 7, 2005
Page iii

Operating and maintenance expenditures (provided by Nathan Klein of Loveland Commercial, LLC) are presented on Exhibit I. Residential operations and maintenance costs are estimated to be \$180 per year per home. Legal, audit and other administrative related expenditures are estimated to be \$12,500 for 2006 and assume 3% annual increases for years thereafter. Operating and administrative contingency allowances are estimated to be \$25,000 in 2005, \$7,000 in 2006 and assume 3% annual increases thereafter. County Treasurer's Fees are calculated at 3% of Property Taxes.

The Series December 1, 2006 limited general obligation bonds debt service schedule, and related schedule of unpaid interest on the cash flow revenue bonds, are also presented on this Exhibit. It is assumed that the Series 2006 cash flow revenue bonds will be issued to the Developer in the approximate amount of \$750,000 in exchange for Developer funding of eligible project infrastructure costs. Average interest rates of 8.0% and 40-year amortization have been assumed. Exhibit I indicates that all cash flow bonds could be redeemed, and all interest payments made, by December 31, 2046.

DISCLAIMER AND LIMITATIONS

The Financial Model was assembled by Stan Bernstein and Associates, Inc. based upon key assumptions provided by officials of the District and the primary developer of land within the boundaries of the District. Stan Bernstein and Associates has not independently evaluated or reviewed these key assumptions and, consequently, does not vouch for the achievability of the information presented on Exhibits I and II, or on Schedule 1. Furthermore, because of the inherent nature of future events, which are subject to change and variation as events and circumstances change, the actual results may vary materially from the results presented on Exhibit I and on Schedule 1. For example the actual amount of limited general obligation bonds that could be supported will depend on the rate of buildout and the related increases in assessed valuation, interest rates, and the actual money needed to pay for administrative and operating expenses. Stan Bernstein and Associates, Inc. has no responsibility or obligation to update this information or this Financial Model for events occurring after the date of this memorandum.

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EXHIBIT D
 LOVELAND MID-METROPOLITAN DISTRICT
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2046
 2004\$ - UNINFLATED

ADAPT, FEBRUARY 7, 2004
 PRELIMINARY, SUBJECT TO CHANGE

KEY ASSUMPTIONS	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
ASSESSED VALUATION DISTRICT	0	100,000	250,000	1,160,000	1,944,600	2,729,200	3,584,076	4,219,954	4,304,353	4,304,353
MILL LEVY FOR RESIDENTIAL DISTRICT	0	30	30	30	30	30	30	30	30	30
INCREMENTAL RESIDENTIAL UNITS ADDED	0	0	60	60	60	51	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS	0	0	60	120	180	231	231	231	231	231
RESIDENT OPERATIONS AND MAINT COSTS PER YEAR PER HOI	180	180	180	180	180	180	180	180	180	180

CASH FLOW	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
REVENUES	0	3,000	7,500	34,800	58,338	81,876	107,522	126,599	129,131	129,131
PROPERTY TAXES	0	120	300	1,392	2,334	3,275	4,301	5,064	5,165	5,165
SPECIFIC OWNERSHIP TAXES @ 4% OF PROPERTY TAXES	0	0	0	0	0	0	0	0	0	0
LIMITED TAX CASH FLOW BONDS	0	0	750,000	10,000	0	0	(20,000)	(20,000)	(5,000)	(5,000)
DEVELOPER OPERATING ADVANCE (REPAYMENTS)	0	25,000	20,000	61	9	77	193	391	196	78
INTEREST EARNINGS @ 2% OF BEGINNING FUNDS	0	0	0	46,253	60,678	85,228	92,017	112,054	129,492	129,374
TOTAL REVENUES	0	28,120	777,800	46,253	60,678	85,228	92,017	112,054	129,492	129,374

EXPENDITURES	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
OPERATING EXPENDITURES	0	0	10,800	21,600	32,400	41,580	41,580	41,580	41,580	41,580
RESIDENTIAL O&M COSTS	0	0	12,500	12,875	13,261	13,659	14,069	14,491	14,926	15,373
LEGAL/AUDIT/ETC (+3%/YR)	0	90	225	1,044	1,750	2,456	3,226	3,798	3,874	3,874
COUNTY TREASURER 3.0% COLLECTION FEE	0	25,000	7,000	7,210	7,426	7,649	7,879	8,115	8,358	8,609
OPERATING AND ADMINISTRATIVE CONTING ALLOW (+3%/YR)	0	25,090	30,525	42,729	54,838	65,344	66,753	67,984	68,738	69,436
TOTAL OPERATING EXPENDITURES	0	25,090	30,525	42,729	54,838	65,344	66,753	67,984	68,738	69,436

LIMITED G.O. BONDS	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
SERIES 12/1/2006 \$750,000 @ 8.0%	0	0	0	0	0	10,000	35,000	50,000	60,000	60,000
INTEREST @ 8.0%	0	0	0	0	0	0	0	0	0	0
PRINCIPAL REDUCTION	0	0	0	0	0	10,000	35,000	50,000	60,000	60,000
TOTAL DEBT SERVICE	0	0	0	0	0	10,000	35,000	50,000	60,000	60,000
LIMITED G.O. BONDS OUTSTANDING @ 12/31	0	0	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000

INFRASTRUCTURE COSTS	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
REPAYMENT TO DEVELOPER OF UNPAID INTEREST	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSE INCLUDE DEBT SERVICE & NOTE REDEMPTK	0	25,090	780,525	42,729	54,838	75,344	101,753	117,984	128,738	129,436

EXCESS REVENUES & BONDS OVER EXPENDITURES	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
BEGINNING FUNDS AVAILABLE - JANUARY 1	0	3,030	(2,725)	3,524	5,840	9,883	(9,737)	(5,930)	754	(63)
ENDING FUNDS AVAILABLE - DECEMBER 31	0	3,030	305	3,629	9,669	19,552	9,815	3,885	4,639	4,576

TOTAL LIMITED G.O. BONDS OUTSTANDING @ 12/31	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
CASH FLOW BONDS UNPAID INTEREST OUTSTANDING	0	0	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
CASH FLOW BONDS UNPAID INTEREST OUTSTANDING CUMUL	0	0	0	60,000	60,000	50,000	25,000	10,000	0	0
CASH FLOW BONDS UNPAID INTEREST OUTSTANDING CUMUL	0	0	0	60,000	120,000	170,000	195,000	205,000	205,000	205,000

EXHIBIT D
 JOVELAND MIDTROPOLITAN DISTRICT
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2046
 2004\$ - UNINFLATED

KEY ASSUMPTIONS	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ASSESSED VALUATION DISTRICT	4,390,440	4,390,440	4,478,249	4,478,249	4,567,814	4,567,814	4,659,170	4,659,170	4,752,354	4,752,354
WILL LEVY FOR RESIDENTIAL DISTRICT	30	30	30	30	30	30	30	30	30	30
INCREMENTAL RESIDENTIAL UNITS ADDED	231	231	231	231	231	231	231	231	231	231
CUMULATIVE RESIDENTIAL UNITS	180	180	180	180	180	180	180	180	180	180
RESIDENT OPERATIONS AND MAINT COSTS PER YEAR PER HOI										
CASH FLOW										
REVENUES										
PROPERTY TAXES	131,713	131,713	134,347	134,347	137,034	137,034	139,775	139,775	142,571	142,571
SPECIFIC OWNERSHIP TAXES @ 4% OF PROPERTY TAXES	5,269	5,269	5,374	5,374	5,481	5,481	5,591	5,591	5,703	5,703
LIMITED TAX CASH FLOW BONDS	(5,000)	0	0	0	0	0	0	0	0	0
DEVELOPER OPERATING ADVANCE (REPAYMENTS)	93	92	250	250	411	558	647	730	851	984
INTEREST EARNINGS @ 2% OF BEGINNING FUNDS	132,075	137,073	139,850	139,972	142,927	143,074	146,013	146,096	149,134	149,257
TOTAL REVENUES	41,580	41,580	41,580	41,580	41,580	41,580	41,580	41,580	41,580	41,580
EXPENDITURES										
OPERATING EXPENDITURES	15,835	16,310	16,799	17,303	17,822	18,357	18,907	19,475	20,059	20,661
RESIDENTIAL O&M COSTS	3,951	3,951	4,030	4,030	4,111	4,111	4,193	4,193	4,277	4,277
LEGAL/AUDIT/ETC (+3%/YR)	8,867	9,133	9,407	9,690	9,980	10,280	10,588	10,906	11,233	11,570
COUNTY TREASURER 3.0% COLLECTION FEE	70,233	70,974	71,817	72,603	73,493	74,327	75,269	76,154	77,149	78,088
OPERATING AND ADMINISTRATIVE CONTING ALLOW (+ 3%/YR)										
TOTAL OPERATING EXPENDITURES	60,000	60,000	60,000	60,000	60,000	59,600	59,200	58,800	58,400	58,000
LIMITED G.O. BONDS	0	0	0	0	0	0	0	0	0	0
SERIES 12/1/2006 \$750,000 @ 8.0%	0	0	0	0	0	0	0	0	0	0
INTEREST @ 8.0%	60,000	60,000	60,000	60,000	65,000	64,600	64,200	63,800	63,400	63,000
PRINCIPAL REDUCTION	750,000	750,000	750,000	750,000	745,000	740,000	735,000	730,000	725,000	720,000
TOTAL DEBT SERVICE	130,233	130,974	131,817	132,603	138,493	138,927	139,469	139,954	140,549	141,088
LIMITED G.O. BONDS OUTSTANDING @ 12/31	1,841	6,099	8,033	7,369	4,433	4,147	5,544	6,142	8,585	8,169
INFRASTRUCTURE COSTS	4,576	6,417	12,516	20,549	27,918	32,351	36,498	43,042	49,185	57,770
REPAYMENT TO DEVELOPER OF UNPAID INTEREST	6,417	12,516	20,549	27,918	32,351	36,498	43,042	49,185	57,770	65,940
TOTAL EXPEND INCLUDE DEBT SERVICE & NOTE REDEMPTIC	750,000	750,000	750,000	750,000	745,000	740,000	735,000	730,000	725,000	720,000
EXCESS REVENUES & BONDS OVER EXPENDITURES	0	0	0	0	0	0	0	0	0	0
BEGINNING FUNDS AVAILABLE - JANUARY 1	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000
ENDING FUNDS AVAILABLE - DECEMBER 31	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000
TOTAL LIMITED G.O. BONDS OUTSTANDING @ 12/31	750,000	750,000	750,000	750,000	745,000	740,000	735,000	730,000	725,000	720,000
CASH FLOW BONDS UNPAID INTEREST OUTSTANDING	0	0	0	0	0	0	0	0	0	0
CASH FLOW BONDS UNPAID INTEREST OUTSTANDING CUMUL	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000

EXHIBIT D
 .LOVELAND MID METROPOLITAN DISTRICT
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2046
 2004\$ - UNINFLATED

KEY ASSUMPTIONS

ASSESSED VALUATION DISTRICT
 MILL LEVY FOR RESIDENTIAL DISTRICT
 INCREMENTAL RESIDENTIAL UNITS ADDED
 CUMULATIVE RESIDENTIAL UNITS
 RESIDENT OPERATIONS AND MAINT COSTS PER YEAR PER HOI

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	4,847,401	4,847,401	4,944,349	4,944,349	5,043,236	5,043,236	5,144,101	5,144,101	5,246,983	5,246,983
	30	30	30	30	30	30	30	30	30	30
	0	0	0	0	0	0	0	0	0	0
	231	231	231	231	231	231	231	231	231	231
	180	180	180	180	180	180	180	180	180	180

CASH FLOW

REVENUES
 PROPERTY TAXES
 SPECIFIC OWNERSHIP TAXES @ 4% OF PROPERTY TAXES
 LIMITED TAX CASH FLOW BONDS
 DEVELOPER OPERATING ADVANCE (REPAYMENTS)
 INTEREST EARNINGS @ 2% OF BEGINNING FUNDS
 TOTAL REVENUES

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	145,422	145,422	148,330	148,330	151,297	151,297	154,323	154,323	157,409	157,409
	5,817	5,817	5,933	5,933	6,052	6,052	6,173	6,173	6,296	6,296
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	1,165	1,319	1,432	1,544	1,713	1,879	2,003	2,131	2,324	2,520
	152,394	152,558	155,695	155,808	159,062	159,228	162,499	162,627	166,030	166,226

EXPENDITURES

OPERATING EXPENDITURES
 RESIDENTIAL O&M COSTS
 LEGAL/AUDIT/ETC (+3%/YR)
 COUNTY TREASURER 3.0% COLLECTION FEE
 OPERATING AND ADMINISTRATIVE CONTING ALLOW (+ 3%/YR)
 TOTAL OPERATING EXPENDITURES

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	41,580	41,580	41,580	41,580	41,580	41,580	41,580	41,580	41,580	41,580
	21,280	21,919	22,576	23,254	23,951	24,670	25,410	26,172	26,957	27,766
	4,363	4,363	4,450	4,450	4,539	4,539	4,630	4,630	4,722	4,722
	11,917	12,275	12,643	13,022	13,413	13,815	14,230	14,656	15,096	15,549
	79,140	80,136	81,249	82,306	83,433	84,604	85,849	87,038	88,356	89,617

LIMITED G.O. BONDS

SERIES 12/1/2006 \$750,000 @ 8.0%
 INTEREST @ 8.0%
 PRINCIPAL REDUCTION
 TOTAL DEBT SERVICE
 LIMITED G.O. BONDS OUTSTANDING @ 12/31

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	57,600	56,800	56,000	55,200	54,400	53,200	52,000	50,800	49,600	48,000
	10,000	10,000	10,000	10,000	15,000	15,000	15,000	15,000	20,000	25,000
	67,600	66,800	66,000	65,200	69,400	68,200	67,000	65,800	69,600	73,000
	710,000	700,000	690,000	680,000	665,000	650,000	635,000	620,000	600,000	575,000

INFRASTRUCTURE COSTS

REPAYMENT TO DEVELOPER OF UNPAID INTEREST
 TOTAL EXPEND INCLUDE DEBT SERVICE & NOTE REDEMP TIC

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	0	0	0	0	0	0	0	0	0	0
	146,740	146,936	147,249	147,506	152,883	152,804	152,849	152,838	157,956	162,617

EXCESS REVENUES & BONDS OVER EXPENDITURES

BEGINNING FUNDS AVAILABLE - JANUARY 1
 ENDING FUNDS AVAILABLE - DECEMBER 31

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	5,654	5,622	8,446	8,302	6,179	6,424	9,650	9,789	8,074	3,609
	65,940	71,594	77,215	85,662	93,964	100,144	106,568	116,218	126,006	134,081
	71,594	77,215	85,662	93,964	100,144	106,568	116,218	126,006	134,081	137,689

TOTAL LIMITED G.O. BONDS OUTSTANDING @ 12/31
 CASH FLOW BONDS UNPAID INTEREST OUTSTANDING
 CASH FLOW BONDS UNPAID INTEREST OUTSTANDING CUMUL

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	710,000	700,000	690,000	680,000	665,000	650,000	635,000	620,000	600,000	575,000
	0	0	0	0	0	0	0	0	0	0
	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000

33

EXHIBIT D METROPOLITAN DISTRICT
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2046
 \$1004\$ - UNINFLATED

KEY ASSUMPTIONS	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
ASSESSED VALUATION DISTRICT	5,351,922	5,351,922	5,458,961	5,458,961	5,568,140	5,568,140	5,679,503	5,679,503	5,793,093	5,793,093
WILL LEVY FOR RESIDENTIAL DISTRICT	30	30	30	30	30	30	30	30	30	30
INCREMENTAL RESIDENTIAL UNITS ADDED	0	0	0	0	0	0	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS	231	231	231	231	231	231	231	231	231	231
RESIDENT OPERATIONS AND MAINT COSTS PER YEAR PER HOI	180	180	180	180	180	180	180	180	180	180
CASH FLOW										
REVENUES										
PROPERTY TAXES	160,558	160,558	163,769	163,769	167,044	167,044	170,385	170,385	173,793	173,793
SPECIFIC OWNERSHIP TAXES @ 4% OF PROPERTY TAXES	5,422	6,422	6,551	6,551	6,682	6,682	6,815	6,815	6,952	6,952
LIMITED TAX CASH FLOW BONDS	0	0	0	0	0	0	0	0	0	0
DEVELOPER OPERATING ADVANCE (REPAYMENTS)	0	0	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 2% OF BEGINNING FUNDS	2,682	2,754	3,074	3,074	3,223	3,393	3,552	3,641	3,732	3,866
TOTAL REVENUES	169,662	169,734	173,394	173,394	176,948	177,119	180,753	180,841	184,477	184,619
EXPENDITURES										
OPERATING EXPENDITURES	41,580	41,580	41,580	41,580	41,580	41,580	41,580	41,580	41,580	41,580
RESIDENTIAL O&M COSTS	28,599	29,457	30,341	31,251	32,189	33,154	34,149	35,173	36,228	37,315
LEGAL/AUDIT/ETC (+3%/YR)	4,817	4,817	4,913	4,913	5,011	5,011	5,112	5,112	5,214	5,214
COUNTY TREASURER 3.0% COLLECTION FEE	16,015	16,496	16,991	17,501	18,026	18,566	19,123	19,697	20,288	20,897
OPERATING AND ADMINISTRATIVE CONTING ALLOW (+3%/YR)	91,011	92,350	93,825	95,245	96,805	98,312	99,964	101,562	103,310	105,006
TOTAL OPERATING EXPENDITURES	162,011	161,350	165,825	164,845	169,005	172,712	176,164	174,162	177,310	180,006
LIMITED G.O. BONDS										
SERIES 12/1/2006 \$750,000 @ 8.0%	46,000	44,000	42,000	39,600	37,200	34,400	31,200	27,600	24,000	20,000
INTEREST @ 8.0%	25,000	25,000	30,000	30,000	35,000	40,000	45,000	45,000	50,000	55,000
PRINCIPAL REDUCTION	71,000	69,000	72,000	69,600	72,200	74,400	76,200	72,600	74,000	75,000
TOTAL DEBT SERVICE	550,000	525,000	495,000	465,000	430,000	390,000	345,000	300,000	250,000	195,000
LIMITED G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0
INFRASTRUCTURE COSTS	0	0	0	0	0	0	0	0	0	0
REPAYMENT TO DEVELOPER OF UNPAID INTEREST	0	0	0	0	0	0	0	0	0	0
TOTAL EXPEND INCLUDE DEBT SERVICE & NOTE REDEMP TIC	162,011	161,350	165,825	164,845	169,005	172,712	176,164	174,162	177,310	180,006
EXCESS REVENUES & BONDS OVER EXPENDITURES	7,650	8,384	7,402	8,549	7,943	4,408	4,589	6,679	7,167	4,605
BEGINNING FUNDS AVAILABLE - JANUARY 1	137,689	145,340	153,724	161,125	169,675	177,618	182,025	186,615	193,294	200,460
ENDING FUNDS AVAILABLE - DECEMBER 31	145,340	153,724	161,125	169,675	177,618	182,025	186,615	193,294	200,460	205,065
TOTAL LIMITED G.O. BONDS OUTSTANDING @ 12/31	550,000	525,000	495,000	465,000	430,000	390,000	345,000	300,000	250,000	195,000
CASH FLOW BONDS UNPAID INTEREST OUTSTANDING	0	0	0	0	0	0	0	0	0	0
CASH FLOW BONDS UNPAID INTEREST OUTSTANDING CUMULATIVE	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000

EXHIBIT D
 METROPOLITAN DISTRICT
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2046
 2004\$ - UNINFLATED

KEY ASSUMPTIONS

ASSESSED VALUATION DISTRICT	2044	2045	2046	TOTALS
MILL LEVY FOR RESIDENTIAL DISTRICT	5,908,955	5,908,955	6,027,134	
INCREMENTAL RESIDENTIAL UNITS ADDED	30	30	30	231
CUMULATIVE RESIDENTIAL UNITS	0	0	0	231
RESIDENT OPERATIONS AND MAINT COSTS PER YEAR PER HOI	231	231	231	231
	180	180	180	180

CASH FLOW

<u>REVENUES</u>	2044	2045	2046	TOTALS
PROPERTY TAXES	177,269	177,269	180,814	5,768,790
SPECIFIC OWNERSHIP TAXES @ 4% OF PROPERTY TAXES	7,091	7,091	7,233	230,752
LIMITED TAX CASH FLOW BONDS	0	0	0	750,000
DEVELOPER OPERATING ADVANCE (REPAYMENTS)	0	0	0	0
INTEREST EARNINGS @ 2% OF BEGINNING FUNDS	4,009	4,101	4,220	68,931
TOTAL REVENUES	188,369	188,461	192,266	6,818,473

EXPENDITURES

OPERATING EXPENDITURES	41,580	41,580	41,580	1,644,840
RESIDENTIAL O&M COSTS	38,435	39,588	40,775	983,291
LEGAL/AUDIT/ETC (+3%/YR)	5,318	5,318	5,424	173,064
COUNTY TREASURER 3.0% COLLECTION FEE	21,523	22,169	22,834	575,643
OPERATING AND ADMINISTRATIVE CONTING ALLOW (+3%/YR)	106,856	108,655	110,614	3,376,838
TOTAL OPERATING EXPENDITURES				

LIMITED G.O. BONDS

SERIES 12/1/2006 \$750,000 @ 8.0%	15,600	10,800	5,600	1,720,600
INTEREST @ 8.0%	60,000	95,000	70,000	750,000
PRINCIPAL REDUCTION	75,600	75,800	75,600	2,470,600
TOTAL DEBT SERVICE	135,000	70,000	0	0
LIMITED G.O. BONDS OUTSTANDING @ 12/31	0	0	0	750,000

INFRASTRUCTURE COSTS

REPAYMENT TO DEVELOPER OF UNPAID INTEREST	0	0	205,000	205,000
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TOTAL EXPEND INCLUDE DEBT SERVICE & NOTE REDEMP TIC

TOTAL EXPEND INCLUDE DEBT SERVICE & NOTE REDEMP TIC	182,456	184,455	391,214	6,802,438
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EXCESS REVENUES & BONDS OVER EXPENDITURES

EXCESS REVENUES & BONDS OVER EXPENDITURES	5,912	4,006	(198,948)	16,035
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BEGINNING FUNDS AVAILABLE - JANUARY 1

BEGINNING FUNDS AVAILABLE - JANUARY 1	205,065	210,977	214,983	0
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ENDING FUNDS AVAILABLE - DECEMBER 31

ENDING FUNDS AVAILABLE - DECEMBER 31	210,977	214,983	16,035	16,035
--------------------------------------	---------	---------	--------	--------

TOTAL LIMITED G.O. BONDS OUTSTANDING @ 12/31

TOTAL LIMITED G.O. BONDS OUTSTANDING @ 12/31	135,000	70,000	0	0
CASH FLOW BONDS UNPAID INTEREST OUTSTANDING	0	0	0	0
CASH FLOW BONDS UNPAID INTEREST OUTSTANDING CUMUL	205,000	205,000	0	0

SCHEDULE D
 LOVELAND MIC METROPOLITAN DISTRICT
 PROJECTED ASSESSED VALUATION - BUILDOUT
 FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2014

DRAFT, FEBRUARY 7, 2006
 PRELIMINARY, SUBJECT TO CHANGE

Description of Unit	Planned Number of Units	Average Per Unit Price	Total Gross Unit Volume
Residential Units			
North Boise Village	231	225,000	51,975,000
Total Residential - Increm.	231	225,000	51,975,000
Total Residential - Cumulat.	231		
Non Residential Sq. Ft. (Cumulative)	0	100	0
Total Value - Entire Project			51,975,000

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	TOTAL
Actual Values:	0	0	0	0	0	0	0	0	0	0	0	0
North Boise Village Residential	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Property	0	0	0	0	0	0	0	0	0	0	0	0
Vacant Land	0	0	0	0	0	0	0	0	0	0	0	0
Total Actual Values	0	0	0	0	0	0	0	0	0	0	0	0
Total Actual Values - Cumulative	0	0	0	0	0	0	0	0	0	0	0	0
Assessed Values:	0	0	0	0	0	0	0	0	0	0	0	0
North Boise Village Residential Living Units @ 7.96% of Actual Value	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Property @ 29% of Actual Value	0	0	0	0	0	0	0	0	0	0	0	0
Vacant Land @ 29% of Actual Value	0	0	0	0	0	0	0	0	0	0	0	0
Total Assessed Values	0	0	0	0	0	0	0	0	0	0	0	0
Total Assessed Values - Cumulative	0	0	0	0	0	0	0	0	0	0	0	0
Total Assessed Values - Cum. 2% Biennial Net Increases aft	0	0	0	0	0	0	0	0	0	0	0	0

Year Assessed Valuation Certified To LMMMD
 Year Taxes Received By LMMMD

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EXHIBIT E
Costs of District's Facilities

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TST TST, INC. CONSULTING ENGINEERS

EXHIBIT E

CONCEPTUAL OPINION OF COST

PROJECT: LOVELAND MIDTOWN METROPOLITAN DISTRICT JOB NUMBER: 1015.0000.00 PREPARED BY: MRJ DATE: 2-7-05

Improvement Unit	Units	Unit Cost	Estimated Quantity	Item Cost	Metro District 1
Site Underdrain 8" Underdrain	LOTS	\$ 1,000.00	223.00	\$	223,000.00
Open Space - Block 2, Lot 2					
Land Acquisition	AC	\$ 58,806.00	5.94	\$	349,307.64
Landscape, Detention and Open Space Improv.	AC	\$ 73,700.00	5.94	\$	437,776.00
Open Space - Tract A					
Land Acquisition	AC	\$ 58,806.00	0.74	\$	43,516.44
Landscape, Detention and Open Space Improv.	AC	\$ 73,700.00	0.74	\$	54,538.00
Open Space - Tract B					
Land Acquisition	AC	\$ 58,806.00	0.07	\$	4,116.42
Landscape, Detention and Open Space Improv.	AC	\$ 73,700.00	0.07	\$	5,159.00
Open Space - Tract C					
Land Acquisition	AC	\$ 58,806.00	0.07	\$	4,116.42
Landscape, Detention and Open Space Improv.	AC	\$ 73,700.00	0.07	\$	5,159.00
Open Space - Tract D					
Land Acquisition	AC	\$ 58,806.00	1.88	\$	110,555.28
Landscape, Detention and Open Space Improv.	AC	\$ 73,700.00	1.88	\$	138,556.00
Open Space - Tract E					
Land Acquisition	AC	\$ 58,806.00	0.19	\$	11,173.14
Landscape, Detention and Open Space Improv.	AC	\$ 73,700.00	0.19	\$	14,003.00
Open Space - Tract F					
Land Acquisition	AC	\$ 58,806.00	0.59	\$	34,695.54
Landscape, Detention and Open Space Improv.	AC	\$ 73,700.00	0.59	\$	43,483.00
Open Space - Tract G					
Land Acquisition	AC	\$ 58,806.00	0.02	\$	1,176.12
Landscape, Detention and Open Space Improv.	AC	\$ 73,700.00	0.02	\$	1,474.00

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EXHIBIT E

TST TST, INC. CONSULTING ENGINEERS

CONCEPTUAL OPINION OF COST

PROJECT: LOVELAND MIDTOWN METROPOLITAN DISTRICT JOB NUMBER: 1015.0000.00 PREPARED BY: MRJ
 DATE: 2-7-05

Improvement Unit	Units	Unit Cost	Estimated Quantity	Item Cost	Metro District 1
Improvements					
Open Space - Tract H	AC	\$ 58,806.00	2.43	\$ 142,896.58	\$ 142,896.58
Land Acquisition	AC	\$ 73,700.00	2.43	\$ 179,091.00	\$ 179,091.00
Landscaping, Detention and Open Space Improv.					
Open Space - Tract I	AC	\$ 58,806.00	0.07	\$ 4,116.42	\$ 4,116.42
Land Acquisition	AC	\$ 73,700.00	0.07	\$ 5,159.00	\$ 5,159.00
Landscaping, Detention and Open Space Improv.					
Open Space - Tract J	AC	\$ 58,806.00	0.01	\$ 588.06	\$ 588.06
Land Acquisition	AC	\$ 73,700.00	0.01	\$ 737.00	\$ 737.00
Landscaping, Detention and Open Space Improv.					
Open Space - Tract K	AC	\$ 58,806.00	0.34	\$ 19,994.04	\$ 19,994.04
Land Acquisition	AC	\$ 73,700.00	0.34	\$ 25,058.00	\$ 25,058.00
Landscaping, Detention and Open Space Improv.					
Open Space - Tract L	AC	\$ 58,806.00	0.05	\$ 2,940.30	\$ 2,940.30
Land Acquisition	AC	\$ 73,700.00	0.05	\$ 3,685.00	\$ 3,685.00
Landscaping, Detention and Open Space Improv.					
Engineering & Administration - 10%	LS	\$ 1,866,074.40	10%	\$ 186,607.44	\$ 186,607.44
Contingency - 10%	LS	\$ 1,866,074.40	10%	\$ 186,607.44	\$ 186,607.44
Total Cost for Improvements				\$ 2,239,289.28	\$ 2,239,289.28

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EXHIBIT F
Description of District's Facilities

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LOVELAND MIDTOWN METROPOLITAN DISTRICT

LARIMER COUNTY, COLORADO

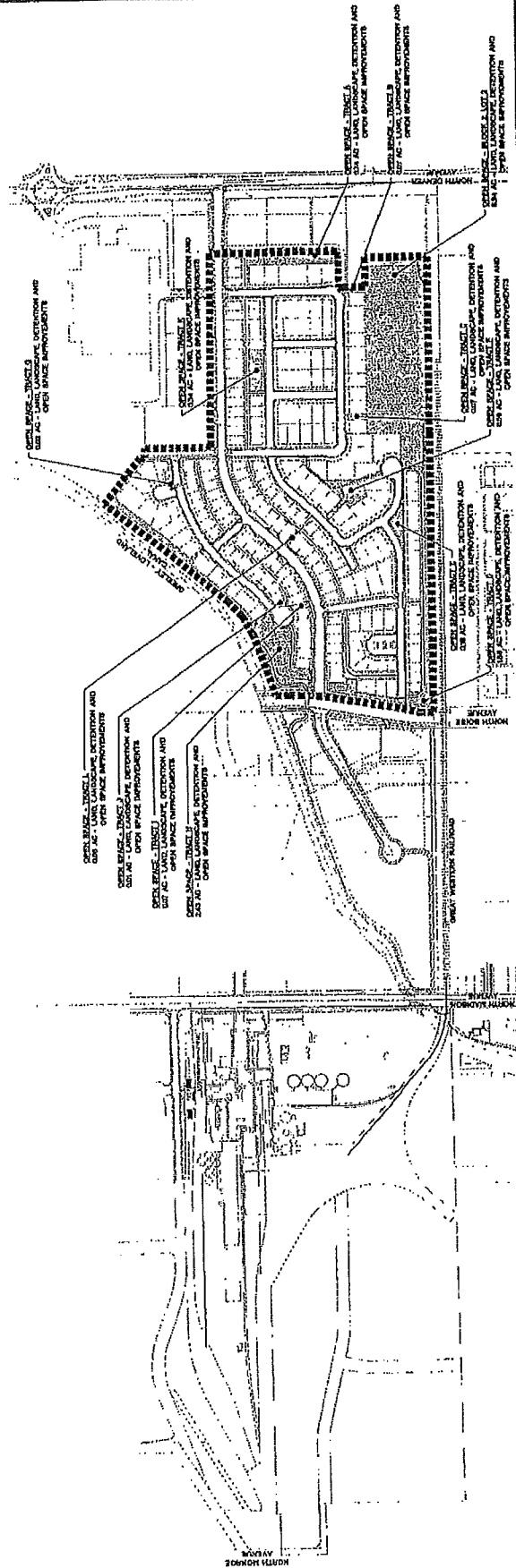


EXHIBIT F

DISTRICT IMPROVEMENTS PLAN

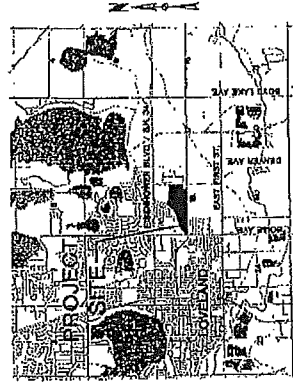
LOVELAND MIDTOWN METROPOLITAN DISTRICT



TST, INC. CONSULTING ENGINEERS

748 Wheeler Way, Bldg. D
 Fort Collins, Colorado 80521
 Phone: 970.226.0557
 Fax: 970.226.0204
 Job no. 1015.0000.00
 File name: Metro District\Exhibit 2-7-05
 February 7, 2005

VICINITY MAP



LEGEND

INSTALLED AND MAINTAINED BY METRO DISTRICT



DISTRICT BOUNDARY LINE



SCALE: 1" = 500'

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EXHIBIT G
Loveland Resolution of Approval

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STATE OF COLORADO)
COUNTY OF LARIMER) ss
CITY OF LOVELAND)

I, Kristi K. Bashor, Deputy City Clerk of the City of Loveland, Colorado, do hereby certify the attached to be a true and complete copy of Resolution #24-2005 approved on March 1, 2005. I also certify that I am the keeper of the original document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City of Loveland this 28th Day of March, 2005.



Kristi K. Bashor
Kristi K. Bashor, CMC
Deputy City Clerk
City of Loveland, Colorado

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13
RESOLUTION #R-24-2005

A RESOLUTION OF THE LOVELAND CITY COUNCIL
APPROVING THE AMENDED AND RESTATED SERVICE
PLAN FOR THE LOVELAND MIDTOWN METROPOLITAN
DISTRICT

WHEREAS, pursuant to Resolution No. R-81-2004, the City Council approved the Consolidated Service Plan (the "Original Service Plan") for Loveland Midtown Metropolitan District Nos. 1, 2, 3 and 4 (the "Districts"); and

WHEREAS, the Districts were subsequently organized pursuant to the authorized election held November 2, 2004; and

WHEREAS, pursuant to Sections 32-1-204.5 and 207, C.R.S., as amended, an Amended and Restated Service Plan (the "Restated Service Plan") for the Loveland Midtown Metropolitan District (the "District") has been submitted to the City Council; and

WHEREAS, a copy of said Restated Service Plan is attached hereto as Exhibit "A" and incorporated herein by reference; and

WHEREAS, the boundaries of the proposed District are wholly contained within the boundaries of the City; and

WHEREAS, notice of the hearing before the City Council for its consideration of the Restated Service Plan was duly published in the *Loveland Reporter-Herald* on November 23, 2004 for a public hearing scheduled for December 7, 2004, which public hearing was continued by the City Council to February 15, 2005, and then again to March 1, 2005, as required by law; and

WHEREAS, pursuant to the provisions of Title 32, Article 1, C.R.S., as amended, the City Council held a public hearing on the Restated Service Plan for the District on March 1, 2005; and

WHEREAS, the City Council has considered the Restated Service Plan, and all other testimony and evidence presented at the hearing.

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

1. That the hearing before the City Council was open to the public; that all interested parties were heard or had the opportunity to be heard; and that all relevant testimony and evidence submitted to the City Council was considered.

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2. That evidence satisfactory to the City Council for finding each of the following was presented at the hearing:

a. there is sufficient existing and projected need for organized service in the area to be served by the District;

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

c. the District is capable of providing economical and sufficient service to the area within its proposed boundaries;

d. the area to be included within the District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;

e. adequate service is not or will not be available to the area through the City or other existing municipal or quasi-municipal corporations within a reasonable time and on a comparable basis;

f. the facility and service standards of the District are compatible with the facility and service standards of the City;

g. the proposed Restated Service Plan is in substantial compliance with any Master Plan adopted by the City pursuant to Section 31-23-206 C.R.S., as amended;

h. the proposed Restated Service Plan is in compliance with any duly adopted City, County, regional and State long-range water quality management plans for the area; and

i. the approval of the Restated Service Plan for the District is in the best interests of the area served.

3. That the City Council hereby determines that the requirements of Sections 32-1-202 (1), (2) and (3), C.R.S., relating to the filing of the Restated Service Plan for the District, and the requirements of Sections 32-1-204 (1), C.R.S., relating to notice of the hearing by the City Council, and the requirements of Section 32-1-204.5 and 207, C.R.S., relating to the approval by the City Council have been fulfilled in a timely manner.

4. That the City Council does hereby approve the Restated Service Plan for the District as submitted.

5. That a certified copy of this Resolution shall be filed in the records of the City and the Larimer County Clerk and Recorder, and submitted to the petitioners under the Restated Service Plan for the purpose of filing in the District Court of Larimer County.

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6. That the City Council's findings in this Resolution and its approval of the Restated Service Plan are conditioned upon the proponents of the Restated Service Plan having reimbursed the City for all the charges and fees it has incurred with its bond counsel and public finance consultant relating to their review of the Restated Service Plan and creation of the District.

7. That this approval of the Restated Service Plan is further conditioned upon Loveland Midtown Development, Inc. and all other fee title owners of real property in the District (collectively "the Owners") providing to the Loveland City Attorney a mill levy disclosure statement for the District signed by the Owners and in a form acceptable to the City Attorney, which statement shall be recorded with the Larimer County Clerk and Recorder and further conditioned upon an agreement between the City and the Owners, in a form acceptable to the City Manager and City Attorney, requiring the Owners to provide the mill levy disclosure statement to all prospective purchasers of lots in the District prior to any purchaser entering into the contract to purchase a lot from the Owners or their successors and assigns.

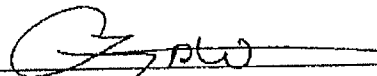
8. That nothing herein limits the City's powers with respect to the District, the property within the District, or the improvements to be constructed by the District.

9. The City's findings are based solely upon the evidence in the Restated Service Plan and such other evidence presented at the public hearing and the City has not conducted any independent investigation of the evidence. The City makes no guaranty as to the financial viability of the District or the achievability of the results.

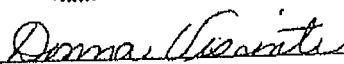
10. That this Resolution shall go into effect as of the date and time of its approval by the Council.



done this 1st day of March, 2005.



Mayor



City Clerk

APPROVED AS TO FORM:

City Attorney





SCOTT DOYLE, CLERK
LARIMER COUNTY CO

RCPTN#

2005-0074975

09/02/2005

16:44:00

PAGES - 4

FEE \$21.00

DOC \$0.00

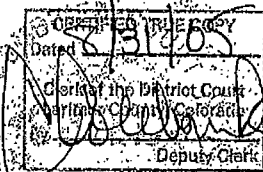
#510626

DISTRICT COURT, LARIMER COUNTY, COLORADO	
Court Address: 201 La Porte Avenue, Suite 100 Fort Collins, CO 80521	▲ COURT USE ONLY ▲
Telephone: (970) 498-6100	
IN RE THE ORGANIZATION OF LOVELAND MIDTOWN METROPOLITAN DISTRICTS NOS. 1-4, LARIMER COUNTY, COLORADO	
By the Court:	Case No: 04CV1898
	Ctrm: 5C
ORDER DISSOLVING DISTRICT	

THIS MATTER comes before the Court on a Petition for Dissolution, filed by the Boards of Directors of Loveland Midtown Metropolitan Districts Nos. 2, 3 and 4, on the 18th day of July, 2005, in accordance with Part 7 of Article 1 of Title 32, Colorado Revised Statutes. This Court, being fully advised in the premises and there being no objection by any person, hereby ORDERS:

1. That Loveland Midtown Metropolitan Districts Nos. 2, 3 and 4 (the "Districts"), as hereinafter described, shall be and are hereby dissolved.
2. The legal description and map of said Districts dissolved are attached as Exhibit A and Exhibit B.

DONE AND EFFECTIVE THIS 31st day of August, 2005.



LMND\Dis\olition\DAE1432071505
0784.1901

BY THE COURT:

[Handwritten Signature]
District Court Judge

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E
WHITE BEAR & ANKELE
PROFESSIONAL CORP
1805 SHEA CENTER DR #100
HIGHLANDS RANCH CO 80129

1084

EXHIBIT A

Legal Description of Districts Dissolved

Tract 1, Koldeway Industrial Addition, City of Loveland, County of Larimer, State of Colorado

EXHIBIT B

Map of Districts Dissolved

15/4

LOVELAND MIDTOWN METROPOLITAN DISTRICTS LARIMER COUNTY, COLORADO

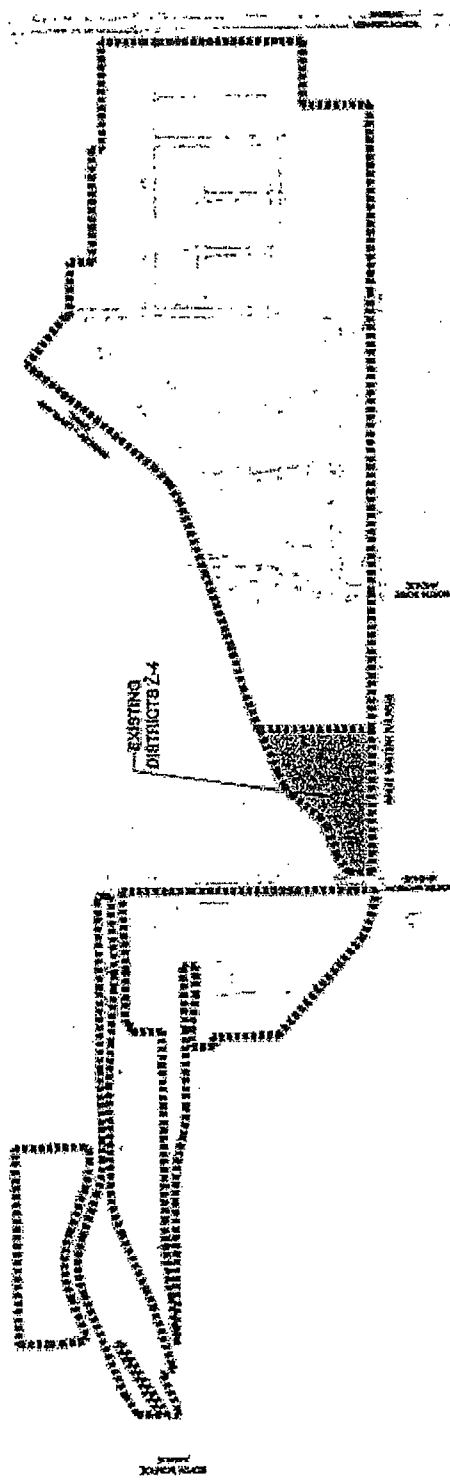


EXHIBIT B

MAP OF INCLUSION PROPERTY

LOVELAND MIDTOWN METROPOLITAN DISTRICTS NOB. 2-4

TST 2004, INC., 3000 PARKWAY CIRCLE, SUITE 100



748 West 1st St, Suite 100
Fort Collins, Colorado
Phone: 970.229.0557
Fax: 970.229.0554
Job No. 1018.0000.00

Fluenciel
November 2, 2004

NEIGHBORHOOD MAP



DISTRICT



DISTRICT BOUNDARY LINE

EXISTING DISTRICTS 2-4



SCALE 1" = 200'

4 of 4