

FEB 0 4 2014

DIV OF LOCAL GOVERNMENT

SERVICE PLAN

HIDDEN VALLEY FARM METROPOLITAN DISTRICT NOS. 1-4

TOWN OF SEVERANCE, COLORADO

Prepared

by

WHITE, BEAR & ANKELE Professional Corporation 2154 E. Commons Ave, Suite 2000 Centennial, CO 80122 (303) 858-1800

Approved August 26, 2013

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I. INTRODUCTION

A. Purpose and Intent.

The Districts are independent units of local government, separate and distinct from the Town of Severance (the "Town"), and, except as may otherwise be provided for by State or local law or this Service Plan, their activities are subject to review by the Town if they deviate in a material way from the requirements of the Service Plan. It is intended that the Districts will provide a part or all of various Public Improvements necessary and appropriate for the development of a project within the Town to be known as "Hidden Valley Farm" (hereafter defined as the "Project"). The Public Improvements will be constructed for the use and benefit of all anticipated inhabitants and taxpayers of the Districts and the general public, subject to such policies, rules and regulations as may be permitted under applicable law. A primary purpose of the Districts will be to finance the construction of these Public Improvements. The Districts would also be authorized to provide ongoing operations and maintenance services to the extent the Public Improvements are not accepted by other governmental entities for operations and maintenance.

District No. 1 is proposed to be the Coordinating District, and is expected to coordinate the financing, construction and maintenance of all Public Improvements. District Nos. 2-4 are proposed to be the Financing Districts which are expected to include all or substantially all of the future development comprising the Project and provide the revenue to support the District Activities. The Coordinating District is expected to enter into all contracts for District Activities, to establish the annual budgets for the Districts, to own any real property, easements or Public Improvements that are not dedicated to the Town or other governmental entity, and otherwise to undertake the District Activities for the common benefit of the property included within the Districts under this Service Plan. The Boards of Directors of the Districts will be comprised initially of appointees of the developer of the Project. The Board of Directors of the Coordinating District will be comprised of appointees of the developer of the Project during the buildout period. The Boards of Directors of the Financing Districts are expected to transition to membership comprised of future property owners who elect to run for Board The Districts, including the Coordinating District, are subject to positions in the future. dissolution as described in Section VIII of this Service Plan.

The Coordinating District will be permitted to provide public service and facilities throughout the Districts pursuant to this Service Plan. Property within the Service Area may be included within any District, and any District may individually issue Debt, subject to the limitations in this Service Plan.

B. Need for the Districts.

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

C. Objective of the Town Regarding Districts' Service Plan.

One of the Town's objectives in approving the Service Plan for the Districts is to authorize the Districts to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the Districts. All Debt is expected to be repaid by taxes imposed and collected at a tax mill levy no higher than the Maximum Debt Mill Levy, and other legally available revenues, including but not limited to Fees. Debt which is issued within these parameters, as further described in the Financial Plan, will insulate property owners from excessive tax burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

A further objective of the Town is to authorize the Districts to undertake operations and maintenance functions for Public Improvements that are not dedicated to the Town or to another appropriate governmental entity to perform such functions.

It is the intent of the Districts to dissolve upon payment or defeasance of all Debt incurred, except where continuing operations or maintenance functions exist.

The Districts shall also be authorized to finance the District Activities that can be funded from Debt to be repaid from tax revenues collected from a mill levy which shall not exceed the Maximum Debt Mill Levy, and other legally available revenues, including but not limited to Fees.

II. DEFINITIONS

In this Service Plan, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Boards: means the Boards of directors of the Districts.

Bond, Bonds or Debt: means bonds or other obligations for the payment of which any Districts has promised to impose an *ad valorem* property tax mill levy without making such promise subject to annual appropriation. Excluded from this definition are intergovernmental agreements between one or more of the Districts, and any agreement by which one or more of the Districts pledges revenue to payment of Debt issued by any other District or Districts.

<u>District No. 1</u>: means Hidden Valley Farm Metropolitan District No. 1

<u>District No. 2</u>: means Hidden Valley Farm Metropolitan District No. 2

District No. 3: means Hidden Valley Farm Metropolitan District No. 3

District No. 4: means Hidden Valley Farm Metropolitan District No. 4

Districts: means the Hidden Valley Farm Metropolitan Districts Nos. 1-4.

<u>District Activities</u>: means any and all services, functions, and powers that special districts organized under the Special District Act may provide, perform or exercise, including provision of the Public Improvements, as more fully set forth in Section V hereof..

<u>District Boundaries</u>: means the territory legally included within the taxing boundaries of the Districts collectively.

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

<u>Financial Plan</u>: means the Financial Plan described in Section VI, below, which describes: (i) how the Public Improvements are to be financed; (ii) how the Debt is expected to be incurred; and (iii) the estimated operating revenue derived from property taxes for the first budget year.

<u>Inclusion Area Boundaries</u>: means the boundaries of the area described in the Inclusion Area Boundary Map.

<u>Inclusion Area Boundary Map</u>: means the map attached hereto as Exhibit B, describing the property proposed for inclusion within the Districts in the future.

<u>Initial District Boundaries</u>: means the boundaries of the area described in the Initial District Boundary Map.

<u>Initial District Boundary Map</u>: means the map attached hereto as Exhibit A, describing the Districts' initial boundaries.

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

<u>Project</u>: means the development or property commonly referred to as Hidden Valley Farm.

<u>Public Improvements</u>: means those improvements permitted under the Special District Act.

<u>Service Area</u>: means the area within the Initial District Boundaries, the Inclusion Area Boundaries, and the territory up to five miles outside of the Inclusion Area Boundaries.

Service Plan: means this service plan for the Districts approved by Town Board of Trustees.

<u>Service Plan Amendment</u>: means an amendment to the Service Plan approved by the Town Board of Trustees in accordance with applicable State law.

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

State: means the State of Colorado.

TABOR: means Article X Section 20 of the Colorado Constitution.

Town: means the Town of Severance, Colorado.

Town Code: means the Town Code of the Town of Severance, Colorado.

<u>Town Board of Trustees</u>: means the Board of Trustees of the Town of Severance, Colorado.

III. BOUNDARIES

The area of the Initial District Boundaries includes approximately 400 square feet and the total area of the Project is approximately 265 acres. A legal description and map of the Initial District Boundaries is attached hereto as Exhibit A. A legal description and map of the Inclusion Area Boundaries and Service Area is attached as Exhibit B. It is anticipated that the Districts' Boundaries may change from time to time as inclusions and exclusions occur pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Article V below.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION

The Project area consists of approximately 265 acres of land. The assessed valuation of the Project area is assumed to be \$0.00 for purposes of this Service Plan. The population of the Districts at build-out is estimated to be 2,000 residing in approximately 800 homes with the possibility of up to 25 acres of commercial properties.

Approval of this Service Plan by the Town assumes approval of the Project, but it does not imply approval of the number of residential units or commercial acreage identified in this Service Plan.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the Districts and Service Plan Amendment.

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

- 1. <u>Specific Powers</u>. The Districts shall have the power to provide the following types of facilities and associated services, all as authorized by the Special District Act:
 - a. Street Improvements
 - b. Safety Protection
 - c. Parks and Recreation (excluding recreation programs)
 - d. Water System and Supply (excluding domestic water service)
 - e. Sanitary Sewer (including storm drainage; excluding domestic sewer service)
 - f. Covenant Enforcement
 - g. Security
 - h. Mosquito Control
- 2. Operations and Maintenance Limitation. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. Certain Public Improvements may be designated for dedication to the Town or other governmental entity in accordance with future development agreements or development approvals. In such event, the Districts shall dedicate the designated Public Improvements to the Town or other appropriate jurisdiction in a manner consistent with rules and regulations of the Town and applicable provisions of the Town Code, or according to the particular development agreement or approval. Notwithstanding the foregoing, the Districts shall operate and maintain Public Improvements not dedicated to the Town or other appropriate governmental entity. 3.
- 3. <u>Construction Standards Limitation</u>. The Public Improvements shall be designed and constructed in accordance with the standards and specifications of the Town and of other governmental entities having proper jurisdiction, as applicable. The Districts will obtain the Town's approval of civil engineering plans for any offsite Public Improvements and applicable permits for construction and installation of all Public Improvements prior to performing such work. To the extent that the Developer constructs any of the Public Improvements in any phase of the Project, the terms of the Subdivision Improvement Agreement pertaining to that phase of the Project shall govern the completion security, acceptance, and warranty requirements for such Public Improvements.
- 4. <u>Privately Placed Debt Limitation</u>. Prior to the issuance of any privately placed Debt to the Project developer or its affiliated entities, the Districts shall obtain the certification of an External Financial Advisor substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the Districts' Service Plan. We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), 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 Districts.

- 5. <u>Inclusion Limitation</u>. The Districts shall notify the Town of any boundary adjustments that occur via inclusion or exclusion as part of the required Annual Report under Section VII.B hereof.
- 6. <u>Total Debt Issuance Limitation</u>. The Districts shall not issue Debt in excess of \$40 Million.
- 7. Monies from Other Governmental Sources. The Districts shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the Town is eligible to apply for (and has applied for), except pursuant to approval of the Town Manager. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the Districts without any limitation.
- 8. <u>Bankruptcy Limitation</u>. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy have been established under the authority of the Town to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:
- a. Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and
- b. Are, together with all other requirements of Colorado law, included in the "political or governmental powers" reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the "regulatory or electoral approval necessary under applicable non-bankruptcy law" as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the Town as part of a Service Plan Amendment.

9. <u>Service Plan Amendment Requirement</u>. This Service Plan has been designed with sufficient flexibility to enable the Districts to provide required services and facilities under evolving circumstances without the need for numerous amendments. Actions of the Districts which violate the limitations set forth in Sections V.A.1-6 above or in Section VI.B-F shall be deemed to be material modifications to this Service Plan and the Town shall be entitled to all remedies available under State and local law to enjoin such actions of the Districts. Nothing shall prohibit the Districts from issuing notices to the Town of potential actions that might be considered material modifications, as permitted in Section 32-1-207(3)(b), C.R.S., and any such actions that are made the subject of such notices shall not be considered material modifications unless the Town objects as provided in said statutory section.

B. Preliminary Engineering Survey.

The Districts shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance and financing of the Public Improvements within and without the boundaries of the Districts. An estimate of the costs of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed was prepared based upon a preliminary engineering survey and estimates derived from the zoning on the property in the Service Area and is approximately \$26 Million.

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

VI. FINANCIAL PLAN

A. General.

The Districts shall be authorized to provide conduct the District Activities from any legally available revenue source or financing mechanism permitted under the Special District The Financial Plan for the Districts shall be to issue such Debt as the Districts can reasonably pay from revenues derived from the Maximum Debt Mill Levy and other legally available revenues. The total combined Debt that the Districts shall be permitted to issue shall not exceed \$40 Million, which Debt shall be permitted to be issued on a schedule and in such year or years as the Boards of Directors of the Districts determine shall meet the needs of the Financial Plan referenced above and shall be phased to serve development as it occurs. All Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, including but not limited to general ad valorem taxes to be imposed upon all taxable property within the Districts. The Districts will also rely upon various other revenue sources authorized by law to pay Debt and other District Activities. These will include but not be limited to revenues from Fees. It is anticipated that the developer of the Project and/or other parties may incur costs for Public Improvements, either in the form of direct payments for such costs, or by means of advances to the Districts; these direct payments and/or advances shall be reimbursable by the Districts from Debt, contractual reimbursement agreements and/or any legally available revenue source.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. The proposed maximum interest rate on any Debt may not exceed 12%. The proposed maximum underwriting discount will be 5%. Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

C. Maximum Debt Mill Levy.

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

- 1. For the portion of Debt which exceeds 50% of the issuing District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be 50 mills. If there are changes in the method of calculating assessed valuation or any constitutionally mandated or statutorily authorized tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Boards in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2013, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.
- 2. For the portion of any Debt which is equal to or less than 50% of the issuing District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.
- 3. For the purposes of the calculations set forth in Paragraphs C.1. and C.2. above, if Debt is issued by one District with a corresponding pledge of debt service tax revenues by the other District, the debt-to-assessed valuation calculation shall be made by aggregating the assessed valuation of the Districts making the tax pledge along with the issuing District's assessed valuation, and comparing this against the dollar amount of Debt being issued on such basis by the issuing District.
- 4. Once Debt has been determined to be within Section VII.C.2 above, so that the issuing District is entitled to pledge to its payment an unlimited ad valorem mill levy, the Districts may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in the Districts' Debt to assessed ratio. All Debt issued by the Districts must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

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

D. <u>Debt Repayment Sources</u>.

The Districts may impose a mill levy on taxable property within its boundaries as a source of revenue for repayment of Debt and for operations and maintenance. The Districts may also rely upon various other revenue sources authorized by law, and upon grants, donations

or advances from public or private parties. At the Districts' discretion, these may include the power to impose Fees. In no event shall the debt service mill levy in the Districts exceed the Maximum Debt Mill Levy.

E. Security for Debt.

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

F. TABOR Compliance.

The Districts will comply with the provisions of TABOR. In the discretion of the Boards of Directors of the Districts, the Districts may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs.

G. District Operating Costs.

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the Districts' organization and initial operations, are included within the estimated cost of the Public Improvements set forth in Section VI.A, which amounts will be eligible for reimbursement from the proceeds of Debt or other revenues.

The first year's operating budget is estimated to be \$100,000 which is anticipated to be derived from property taxes and other revenues (including developer advances or other payments). The first year's operating budget is an estimate only, and variations from this estimate shall not be considered a material modification of this Service Plan.

The Maximum Debt Mill Levy for the repayment of Debt shall not apply to the Districts' ability to increase their mill levy as necessary for provision of operation and maintenance services.

VII. ANNUAL REPORT

A. General.

The Districts shall be responsible for submitting an annual report to the Town Manager no later than September 1st of each year following the year in which the Order and Decree creating the Districts has been issued.

B. Reporting of Significant Events.

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

- 1. Boundary changes made to any Districts' boundary as of December 31 of the prior year.
- 2. Intergovernmental agreements with other governmental entities entered into as of December 31 of the prior year.
- 3. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the Town as of December 31 of the prior year.
 - 4. The assessed valuation of the Districts for the current year.
- 5. Current year budget including a description of the Public Improvements to be constructed in such year.
- 6. Audit of the Districts' financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if required by law.
- 7. Notice of any uncured events of default by any Districts under any Debt instrument, which continue beyond a ninety (90) day period.

VIII. DISSOLUTION

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

IX. DISCLOSURE TO PURCHASERS

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

X. INTERGOVERNMENTAL AGREEMENTS

The Districts shall be authorized to enter into one or more intergovernmental agreements as may be necessary or appropriate to execute its functions.

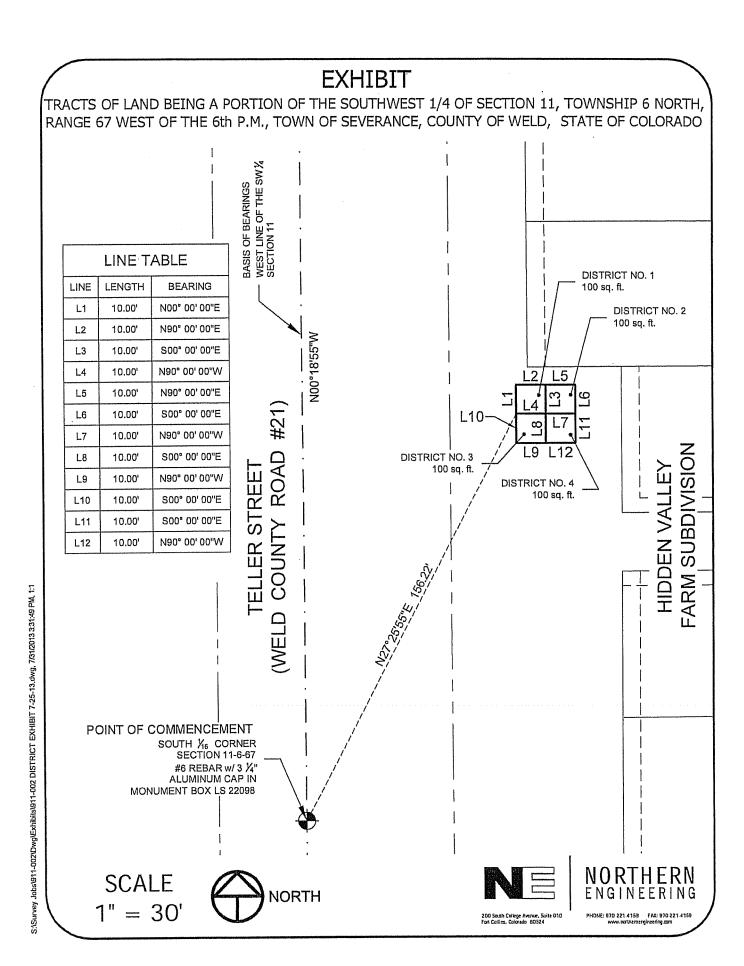
XI. CONCLUSION

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

- 1. There is sufficient existing and projected need for organized service in the area to be serviced by the Districts;
- 2. The existing service in the area to be served by the Districts is inadequate for present and projected needs;
- 3. The Districts are capable of providing economical and sufficient service to the area within its proposed boundaries; and
- 4. The area to be included in the Districts does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

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EXHIBIT A LEGAL DESCRIPTIONS AND MAPS INITIAL DISTRICT BOUNDARIES





ADDRESS: 200 S. College Ave. Suite 10 Fort Collins, CO 80524 PHONE: 970.221.4158 FAX: 970.221.4159

WEBSITE: www.northernengineering.com

DESCRIPTION: DISTRICT NO. 1

A tract of land located in the Southwest Quarter of Section 11, Township 6 North, Range 67 West of the 6th P.M., Town of Severance, County of Weld, State of Colorado being more particularly described as follows:

Considering the West line of the Southwest Quarter of said Section 11 as bearing North 00°18'55" West and with all bearings contained herein relative thereto:

COMMENCING at the South 16th Corner common to Section 10 and Section 11; thence, North 27° 25' 55" East, 156.22 feet to the **POINT OF BEGINNING**; thence, North 00° 00' 00" East, 10.00 feet; thence, North 90° 00' 00" East, 10.00 feet; thence, South 00° 00' 00" East, 10.00 feet; thence, North 90° 00' 00" West, 10.00 feet to the Point of Beginning, containing 100 square feet, more or less.

The above described tract is subject to all easements and rights of way now existing or of record.

LMS
July 25, 2013
S:\Survey Jobs\911-002\Dwg\Exhibits\911-002 District 1 Description.doc



ADDRESS: 200 S, College Ave. Suite 10 Fort Collins, CO 80524 PHONE: 970.221.4158 FAX: 970.221.4159

WEBSITE: www.northernengineering.com

DESCRIPTION: DISTRICT NO. 2

A tract of land located in the Southwest Quarter of Section 11, Township 6 North, Range 67 West of the 6th P.M., Town of Severance, County of Weld, State of Colorado being more particularly described as follows:

Considering the West line of the Southwest Quarter of said Section 11 as bearing North 00°18'55" West and with all bearings contained herein relative thereto:

COMMENCING at the South 16th Corner common to Section 10 and Section 11; thence, North 27° 25' 55" East, 156.22 feet; thence, North 90° 00' 00" East, 10.00 feet to the **POINT OF BEGINNING**; thence, North 00° 00' 00" East, 10.00 feet; thence, North 90° 00' 00" East, 10.00 feet; thence, South 00° 00' 00" East, 10.00 feet; thence, North 90° 00' 00" West, 10.00 feet to the Point of Beginning, containing 100 square feet, more or less.

The above described tract is subject to all easements and rights of way now existing or of record.

LMS

July 25, 2013

S:\Survey Jobs\911-002\Dwg\Exhibits\911-002 District 2 Description.doc



ADDRESS: 200 S, College Ave. Suite 10 Fort Collins, CO 80524 PHONE: 970.221.4158 FAX: 970.221.4159

WEBSITE: www.northernengineering.com

DESCRIPTION: DISTRICT NO. 3

A tract of land located in the Southwest Quarter of Section 11, Township 6 North, Range 67 West of the 6th P.M., Town of Severance, County of Weld, State of Colorado being more particularly described as follows:

Considering the West line of the Southwest Quarter of said Section 11 as bearing North 00°18'55" West and with all bearings contained herein relative thereto:

COMMENCING at the South 16th Corner common to Section 10 and Section 11; thence, North 27° 25' 55" East, 156.22 feet to the **POINT OF BEGINNING**; thence, North 90° 00' 00" East, 10.00 feet; thence, South 00° 00' 00" East, 10.00 feet; thence, South 90° 00' 00" West, 10.00 feet; thence, North 00° 00' 00" West, 10.00 feet to the Point of Beginning, containing 100 square feet, more or less.

The above described tract is subject to all easements and rights of way now existing or of record.

LMS
July 25, 2013
S:\Survey Jobs\911-002\Dwg\Exhibits\911-002 District 3 Description.doc



ADDRESS: 200 S. College Ave. Suite 10 Fort Collins, CO 80524 PHONE: 970.221.4158 FAX: 970.221.4159

WEBSITE: www.northernengineering.com

DESCRIPTION: DISTRICT NO. 4

A tract of land located in the Southwest Quarter of Section 11, Township 6 North, Range 67 West of the 6th P.M., Town of Severance, County of Weld, State of Colorado being more particularly described as follows:

Considering the West line of the Southwest Quarter of said Section 11 as bearing North 00°18'55" West and with all bearings contained herein relative thereto:

COMMENCING at the South 16th Corner common to Section 10 and Section 11; thence, North 27° 25' 55" East, 156.22 feet; thence, North 90° 00' 00" East, 10.00 feet to the **POINT OF BEGINNING**; thence, North 90° 00' 00" East, 10.00 feet; thence, South 00° 00' 00" East, 10.00 feet; thence, South 90° 00' 00" West, 10.00 feet; thence, North 00° 00' 00" West, 10.00 feet to the Point of Beginning, containing 100 square feet, more or less.

The above described tract is subject to all easements and rights of way now existing or of record.

LMS
July 25, 2013
S:\Survey Jobs\911-002\Dwg\Exhibits\911-002 District 4 Description.doc

EXHIBIT B

LEGAL DESCRIPTIONS AND MAPS

INCLUSION AREA/SERVICE AREA BOUNDARIES*

^{*}Service Area includes the Inclusion Area boundaries described in the attached legal description and the territory up to five miles outside the described Inclusion Area.

--1/1/1001

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HIDDEN VALLEY FARM SUBDIVISION FIRST FILING

Located In The West Half of Section 11, Township 6 North (T.6N), Range Sixty-seven West (R.67W) of the 6th P.M., Town of Severance, County of Weld, State of Colorado

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HIDDEN VALLEY FARM SUBDIVISION FIRST FILING

Located In The West Half of Section 11, Township 6 North (T.6N), Range Sixty-seven West (R.67W) of the 6th P.M.,
Town of Severance, County of Weld, State of Colorado

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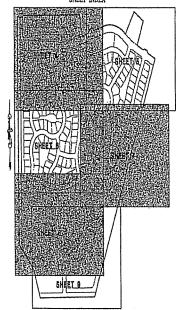
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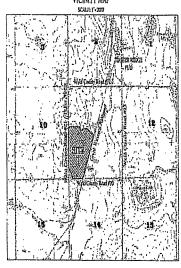
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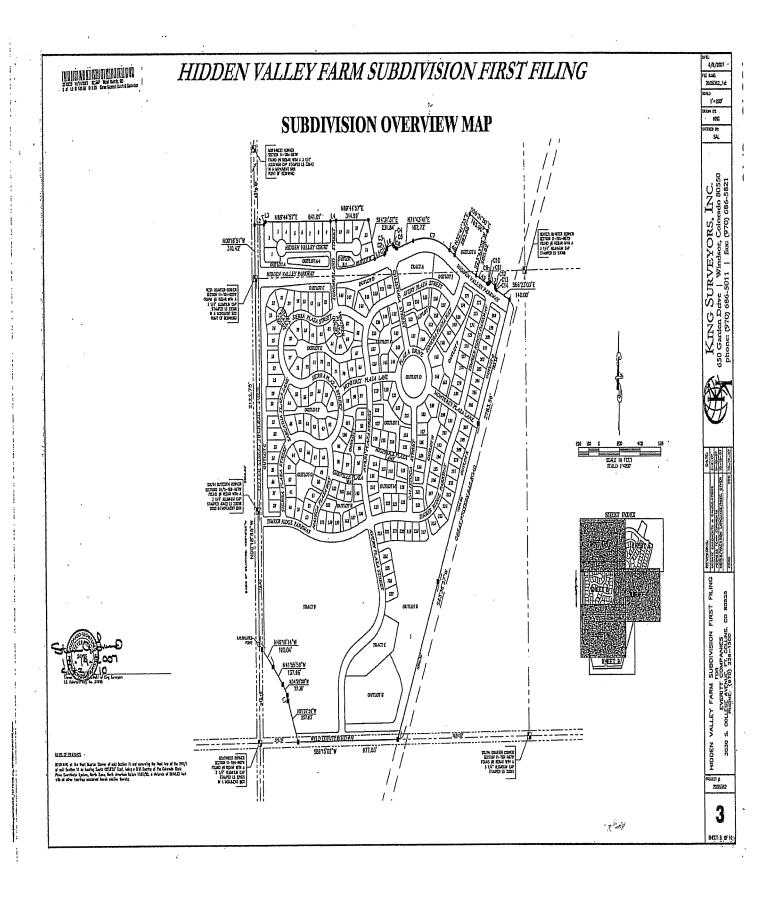
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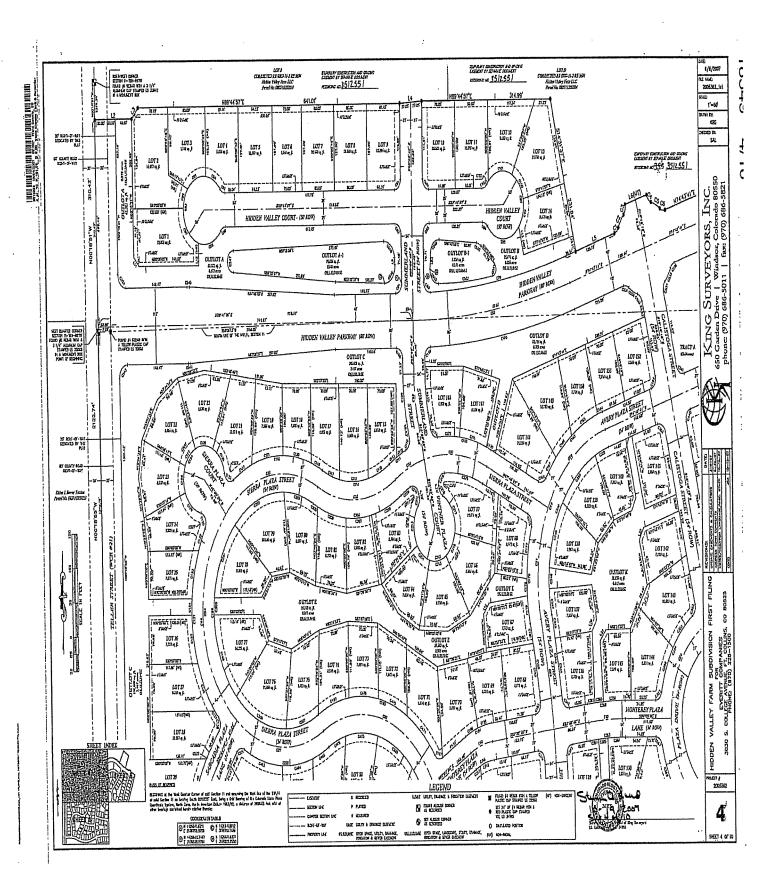
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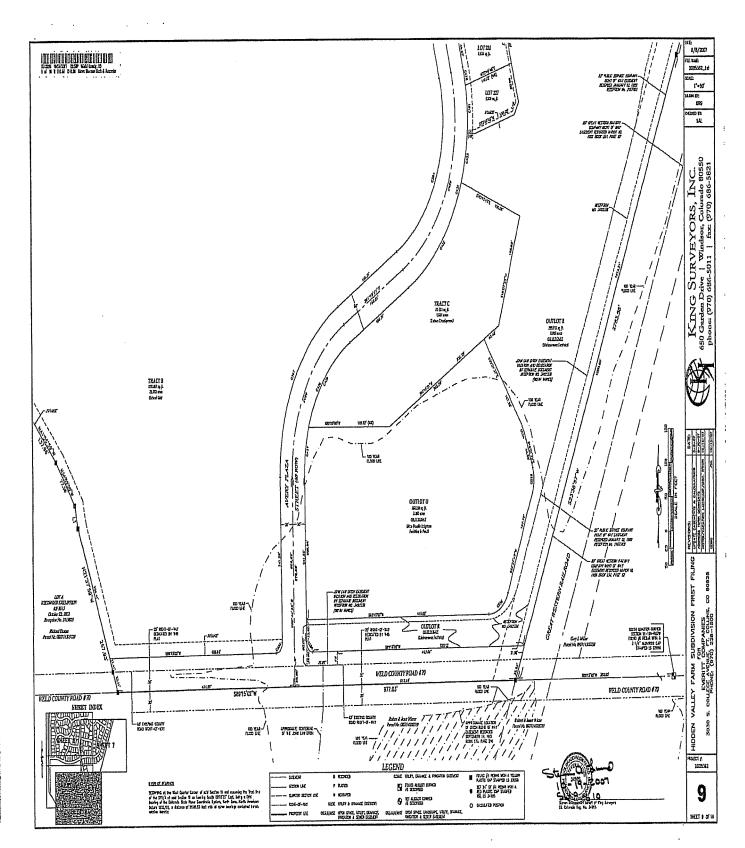
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DIV OF LOCAL GOVERNMENT

TOWN OF SEVERANCE, COLORADO RESOLUTION NO. 2013-13R

A RESOLUTION OF THE TOWN OF SEVERANCE, COLORADO APPROVING THE SERVICE PLAN FOR HIDDEN VALLEY FARM METROPOLITAN DISTRICT NOS. 1-4 TOWN OF SEVERANCE, COUNTY OF WELD, COLORADO

WHEREAS, Babcock Land Corp., the owner of the property within the Hidden Valley Farm Subdivision, Town of Severance (the "Proponent" and the "Project," respectively), has proposed the organization of Hidden Valley Farm Metropolitan District Nos. 1-4, to provide certain public improvements and services for the benefit of the Project; and

WHEREAS, a service plan for the proposed Districts dated August 14, 2013 (the "Service Plan") has been submitted by the Proponent in accordance with the provisions of Section 32-1-204.5, C.R.S., containing the information required by Section 32-1-202(2), C.R.S.; and

WHEREAS, the Board of Trustees has reviewed the Service Plan and considered evidence in support of the formation of the Hidden Valley Metropolitan District Nos. 1-4 as set forth in the Service Plan; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Town of Severance, Colorado, Weld County, Colorado as follows:

- 1. That the Board of Trustees has authority to approve the Service Plan and pursuant to the provisions of Section 32-1-204.5, C.R.S.
- 2. That the Service Plan contains the information required by Section 32-1-202(2), C.R.S.
- 3. That, based on the contents of the Service Plan and other evidence presented at the meeting of the Board of Trustees held on August 26, 2013, and in accordance with Section 32-1-203(2), C.R.S., the Board of Trustees hereby finds and determines as follows:
 - a. There is sufficient existing and projected need for organized service in the area to be served by the proposed Districts;
 - b. The existing service in the area to be served by the proposed Districts is inadequate for present and projected needs;
 - c. The proposed Districts are capable of providing economical and sufficient service to the area within their proposed boundaries; and

- d. The area to be included within the proposed Districts has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.
- 4. The Service Plan for Hidden Valley Farm Metropolitan District Nos. 1-4 is hereby approved.
- 5. This Resolution shall be effective upon adoption.

INTRODUCED, READ, PASSED AND ADOPTED this 26th day of August 2013.



TOWN OF SEVERANCE

Donald R. Brookshire, Mayor

Patricia J. Lesh, Town Clerk/Treasurer