

**CITY OF GUNNISON COUNCIL AGENDA
MEETING IS HELD AT CITY HALL, 201 W. VIRGINIA AVENUE
GUNNISON, CO, IN THE 2ND FLOOR COUNCIL CHAMBERS**

MARCH 8, 2016

REGULAR SESSION

7:00 P.M.

- I. Call Regular Session Meeting to Order:
- II. Consent Agenda:
The listing under "CONSENT AGENDA" is a group of items, which Council has already reviewed, to be acted on with a single motion or vote. This agenda is designed to expedite the handling of limited routine matters by Council. The Mayor will ask if any Councilor or Citizen wishes to have any specific item removed from the Consent Agenda and acted upon individually.
 - A. Minutes of February 23, 2016, Regular Session Meeting
 - B. Minutes of March 1, 2016, Special Session Meeting
 - C. Action on 2016 Farmers' Market City Event Permit Application
 - D. Action on VanTuyl Ranch Lease with Parker Pastures
 - E. Action to Appoint Councilor Morrison to Gunnison Chamber Advisory Board
 - F. Action to Appoint Councilor Schwartz to Visitors Center Oversight Committee
- III. Pre-Scheduled Citizens: Introduction of Mike Tanner with Strategic Government Resources; City Manager Recruitment Services
- IV. New Business:
 - A. Presentation on Proposed Gunnison Rising Metropolitan District Formation By Gunnison Rising Applicant Representatives
 - B. Possible Action By Council Determining Gunnison Rising Metropolitan District Service Plan to be in Substantial Compliance with City's Special District Policy
 - C. Action to Set Public Hearing for 7:00 P.M., Thursday, March 30, 2016; on Gunnison Rising Metropolitan District Service Plan Resolution
 - D. Discussion on Use of Downtown/CBD Sidewalks By Businesses
 - E. Discussion and Possible Action on OC Sports Haute Route June 2016 Cycling Event
- V. Resolutions and Ordinances: None.
- VI. Reports:
City Attorney Report: Kathleen Fogo
City Manager Report: Mark Achen
City Clerk Report: Gail Davidson
Parks & Recreation Report: Dan Ampietro - Parks Restroom Order Update
WSCU Liaison Report: Alex Alejandre
- VII. Non-Scheduled Citizens: **At this agenda time, non-scheduled citizens may present issues of City concern to Council. Per Colorado Open Meetings Laws, NO action or Council discussion will be take place until a later date, unless an emergency situation is deemed to exist by the City Attorney. Speaker has a time limit of 3 minutes.**
- VIII. City Council Meeting Reports, Discussion, Items for Future Work Sessions
- IX. Meeting Adjournment

The City Council Meeting agenda is subject to change. The City Manager and City Attorney reports may include administrative items not listed. Regular Meetings and Special Meetings are recorded and action can be taken. Minutes are posted at City Hall and on the City website at www.cityofgunnison-co.gov. Work sessions are recorded, minutes are not produced and formal action cannot be taken. For further information, contact the City Clerk's office at 970-641-8140. **TO COMPLY WITH ADA REGULATIONS, PEOPLE WITH SPECIAL NEEDS ARE REQUESTED TO CONTACT THE CITY CLERK 24 HOURS BEFORE ALL MEETINGS AT 970-641-8140.**



To: City Council
CC: Interim City Manager Mark Achen
From: City Clerk Gail Davidson
Date: March 3, 2016
RE: Consent Agenda

City Council:

You will note the Regular Session agenda contains a Consent Agenda. This type of agenda item allows City Council to approve, by a single motion, second and vote, matters that have already been discussed by the entire Council or matters that are considered routine or non-controversial. A Consent Agenda allows for the meeting to proceed in a more efficient and timely manner. The agenda items will not be separately discussed unless a Councilor, City Staff, or a citizen requests an item be removed be discussed separately. Items removed from the Consent Agenda will then be considered under New Business.

If all of the Councilors who will vote on an item were not present for the initial discussion, then the item will not be placed on the Consent Agenda.

When a motion is made to approve the Consent Agenda, the Councilor making the motion should, for the record, include the list of the Consent Agenda items being considered in the vote. Please let me know if you have any questions regarding the Consent Agenda process.

Thank you, Gail

Action Requested of Council:

Motion, second and vote to approve the Consent Agenda as presented with the following items:

- Minutes of February 23, 2016, Regular Session Meeting;
- Minutes of March 1, 2016, Special Session Meeting;
- 2016 Farmers' Market City Event Permit Application;
- VanTuyl Ranch Lease with Parker Pastures;
- Appointment of Councilor Morrison to Gunnison Chamber Advisory Board; and
- Appointment of Councilor Schwartz to Visitors Center Oversight Committee.

FEBRUARY 23, 2016

**CITY OF GUNNISON COUNCIL
REGULAR SESSION MEETING MINUTES**

7:00 P.M.

The City Council Regular Session meeting was called to order at 7:00 P.M., by Mayor Hagan, with Councilors Ferguson, Drexel, Morrison and Schwartz present along with City Attorney Fogo, Interim City Manager Achen, City Clerk Davidson, Acting City Manager Westbay, Police Chief Robinson, Finance Director Cowan, Municipal Judge McDonald, Court Clerk McLeod, WSCU Liaison Alejandro, several citizens and the press. A Council quorum was present.

FEBRUARY 23, 2016

PUBLIC HEARING

7:00 P.M.

Receive Input on Retail Marijuana Store License Application from White Porch LLC dba Hashish Hut, 827 N. Main Street in Gunnison, CO.

Mayor Hagan called the Public Hearing to order and stated it is 7:00 P.M., on Tuesday, February 23, 2016, in the City Council Chambers of City Hall, 201 W. Virginia Avenue in Gunnison, Colorado. Present at the Public Hearing are myself, Mayor Richard Hagan, City Councilors Stu Ferguson, Robert Drexel, Leia Morrison and Matt Schwartz, Interim City Manager Mark Achen, City Attorney Kathy Fogo, City Clerk Gail Davidson, Police Chief Keith Robinson, and Community Development Director Steve Westbay. Mayor Hagan stated the purpose of this Public Hearing is to receive input on the merits of a Retail Marijuana Store License Application from White Porch LLC dba Hashish Hut, 827 N Main Street in Gunnison, Colorado, and then called for proof of publication. City Clerk Davidson stated a copy of the Notice of Public Hearing was included in their packets and the Affidavit of Publication is included in the official Affidavit of Publication File in the City records.

Mayor Hagan asked the Applicant to stand and identify themselves. Applicant Kimber Arsenault introduced herself to Council.

Mayor Hagan called for City Staff Comments and Recommendations. City Clerk Davidson stated the City Council of the City of Gunnison, approved and adopted Marijuana Establishment rules and regulations and these are found in the Gunnison Municipal Code and the City of Gunnison *Land Development Code*. To operate a Marijuana Establishment in the City, a license from both the State of Colorado and the City of Gunnison must be obtained. The City application and licensing regulations are outlined in GMC Section 8.40. White Porch LLC dba Hashish Hut, located at PO Box 1085 Paonia, Colorado 81428, completed and submitted the required State Marijuana Enforcement Division and City of Gunnison Marijuana Establishment License Application forms for a retail marijuana store to be located 827 N. Main Street in Gunnison. Principal in the LLC with 100% ownership is Kimber Arsenault. The building is co-owned by Dana Lilliard, PO Box 1085, Paonia, Colorado. City Clerk Davidson has received the required Property Ownership Consent form from Ms. Lilliard for the building to be considered for a retail marijuana store location.

The proposed location is within the allowed zoning district for a retail marijuana store establishment within the City. The State Marijuana Division submitted their completed forms back to the City within the required seven days of their submission. White Porch LLC paid the City-required license and application fees. Once the State Application forms were received, they were forwarded onto the Police, Finance, City Clerk, Public Works, and Community Development Departments, as well as to the City Attorney for review. A copy of the City of Gunnison Departmental Approvals form is included in the Public Hearing information packet. The results of that review include:

- Clerk's Department: the required complete application was filed including the property owner consent form. All City-required fees have been paid.
- The Finance Department has issued a City Sales Tax License and has provided sales tax remittance information to the applicant.
- The Police Department has completed local background checks and investigations on the applicant - the LLC Principal Kimber Arsenault.
- The Public Works Department has not identified any compliance issues with the City Utility Codes.
- The Community Development Department has received their internal Marijuana Site Development Application and has reviewed the application for compliance with the provisions of the City of Gunnison *Land Development Code* regarding allowed location, signage, control of marijuana-related odors, hours of operation, and City-adopted building Standards. The CD Department has issued their retail marijuana establishment permit with the following conditions:

- (1) The Marijuana establishment shall comply with all provisions, standards and regulations of the *Land Development Code* and all relevant building, mechanical and fire codes adopted by the City.
- (2) A mechanical source capture and exhaust system shall be installed and subject to inspection and approval by the Building Official.
- (3) A minimum of 3 exterior parking spaces with one handicap accessible space shall be dedicated to this retail Marijuana establishment operation.
- (4) Building occupancy for the licensed retail marijuana establishment shall be subject to final inspection and approval by the Building Official, Fire Marshal and Community Development Director.

Per City Code, after the Conditional State Retail Marijuana Store License was received from the Colorado Marijuana Enforcement Division, City Council set the Public Hearing for 7:00 P.M., Tuesday, February 23, 2016, the premises was posted with the Public Hearing notice for the minimum of 10 days, and the public hearing notice was published as required in the Gunnison Country Times Newspaper. Based on the review and investigations of the license application, City Staff recommends approval of the White Porch LLC dba Hashish Hut, 827 N. Main Street, Gunnison, Colorado, 81230, Retail Marijuana Store License Application with the four stated conditions.

Mayor Hagan called for the Determination of the Neighborhood within the City Limits. City Clerk Davidson stated the neighborhood is defined as the area within the incorporated City Limits of Gunnison, Colorado.

Mayor Hagan called for the Applicant's Testimony. Kimber Arsenault addressed Council. Ms. Arsenault stated she is a graduate of Western State College 30 years ago and is looking forward to being back in Gunnison and running a business. She will run a good business for the community. Ms. Arsenault passed out a petition to Council showing the wants and needs of the adult citizens of the community in wanting the business to be approved. Council thanked Ms. Arsenault.

Mayor Hagan called for public comment in favor of the application and asked that anyone wishing to give input for the record to please step up to the microphone, state their name, and sign the sign-in sheet. He asked comments be kept to addressing the Retail Marijuana Store license application. There were no comments in favor of the application.

Mayor Hagan called for public comment in opposition of the application and asked that anyone wishing to give input for the record to please step up to the microphone, state their name, and sign the sign-in sheet. He asked comments be kept to addressing the Retail Marijuana Store license application. There were no comments in opposition of the application.

Mayor Hagan asked if any letters, emails, or other comments were received from the public to be entered into the record. Clerk Davidson stated that no additional comments were received.

Mayor Hagan called for any further comments on the application. Hearing none, the Mayor closed the Public Hearing at 7:12 P.M.

Minutes of February 9, 2016, Regular Session Meeting.

Councilor Ferguson moved and Councilor Morrison seconded the motion to approve the Regular Session meeting minutes of February 9, 2016, as submitted.

Roll call vote, yes: Ferguson, Drexel, Hagan, Morrison, Schwartz. So carried.

Roll call vote, no: None.

Minutes of February 16, 2016, Special Session Meeting.

Councilor Drexel moved and Councilor Schwartz seconded the motion to approve the Special Session meeting minutes of February 16, 2016, as submitted.

Roll call vote, yes: Drexel, Morrison, Schwartz, Ferguson. Motion carried.

Roll call vote, no: None.

Roll call vote, abstain: Hagan. He was absent from the meeting.

Pre-Scheduled Citizens:

2015 Municipal Court Report: Judge James McDonald. Judge McDonald addressed Council and reported on the following: 2015 was a good year with nothing major happening;

Court staff did a great job with Missy, Tara and Gail keeping the day-to-day operations running smoothly; the numbers are down a bit partially because there were fewer parking citations due to not having a parking enforcement officer for part of the year; citizens are glad about the option for a reduction from \$30 to \$20 for a parking violation if they pay it within 30 days; and case flow is better in Court due to the presence of City Prosecuting Attorney Kathy Fogo. Councilor Ferguson asked the Judge to explain about a Court of Record. Judge McDonald explained that in order to be a Court of Record the Judge must be a licensed attorney in the State of Colorado and a recording must be made of the court proceedings. The recording allows for a case to be appealed to the District Court if the defendant wishes to do so. Councilor Ferguson stated it allows for the Gunnison Municipal Court to provide higher level of service and professionalism. Council thanked Judge McDonald for his report.

Unfinished Business: None.

New Business:

Action on Hashish Hut Retail Marijuana Store License Application.

Councilor Schwartz moved and Councilor Morrison seconded the motion that the Retail Marijuana Store License for White Porch, LLC dba Hashish Hut, 827 N. Main Street, Gunnison, Colorado, 81230, be approved based on the following findings and with the following conditions:

FINDINGS:

- (1) There has not been a denial of an application at the same location, on the grounds that the reasonable requirements of the neighborhood were satisfied by the existing establishment.
- (2) It appears from the evidence submitted with the application that the applicant is entitled to possession of the premises where the license is proposed to be exercised.
- (3) Selling Retail Marijuana and Allowed Retail Marijuana-Associated Products, as proposed in the application, is not in violation of the zoning, fire, building, technical, and other applicable codes of the City of Gunnison or the laws of the State of Colorado.
- (4) The building where the application proposes to sell Retail Marijuana and allowed marijuana-associated products does not appear to be within 1000 feet of any public, charter, or parochial school, daycare school, center or home, the principal campus of any college, university or seminary, or mental health facilities.
- (5) Within the City Limits where Retail Marijuana and Marijuana-associated products are proposed to be sold, there are the following existing other licensed marijuana establishment:
 - 7 – Retail Marijuana Stores
- (6) Based on the petitions of adult inhabitants of the City of Gunnison, the license applied for will meet the desires of the adult inhabitants of the City of Gunnison.
- (7) All fees necessary for the application have been paid.

CONDITIONS:

- (1) The Marijuana establishment shall comply with all provisions, standards and regulations of the *Land Development Code* and all relevant building, mechanical and fire codes adopted by the City.
- (2) A mechanical source capture and exhaust system shall be installed and subject to inspection and approval by the Building Official.
- (3) A minimum of 3 exterior parking spaces with one handicap accessible space shall be dedicated to this retail Marijuana establishment operation.
- (4) Building occupancy for the licensed retail marijuana establishment shall be subject to final inspection and approval by the Building Official, Fire Marshal and Community Development Director.

Roll call vote, yes: Hagan, Morrison, Schwartz, Ferguson. Motion carried.

Roll call vote, no: Drexel. Councilor Drexel stated he had citizens concerned with the number of retail stores already licensed, so he is voting “no” due to those concerns.

Action on Contract for Service with WSCU Center for Environment and Sustainability in the Amount of \$500.00 for Sage Grouse Summit. This item was discussed at last week’s Work Session meeting.

Councilor Ferguson moved and Councilor Drexel seconded the motion to approve the Memorandum of Understanding with WSCU Center for Environment and Sustainability in the amount of \$500 for the Sage Grouse Summit and to authorize the Mayor to sign the agreement.

Roll call vote, yes: Morrison, Schwartz, Ferguson, Drexel, Hagan. So carried.

Roll call vote, no: None.

Action on Letter of Support for Gunnison Arts Center Grant Application.

Councilor Schwartz moved and Councilor Morrison seconded the motion to approve the Letter of Support for the Gunnison Arts Center's Grant Application and to authorize the Mayor to sign the letter.

Roll call vote, yes: Schwartz, Ferguson, Drexel, Hagan, Morrison. So carried.

Roll call vote, no: None.

Action on Selection of New City Manager Executive Search Firm. Interviews of two recruiting firms took place at a Council Work Session meeting earlier in the day. Council discussion ensued.

Councilor Morrison moved and Councilor Ferguson seconded the motion to select Strategic Government Resources to conduct the new City Manager recruitment services and to direct staff to proceed with drafting a contract for those services as outlined in the firm's proposal.

Roll call vote, yes: Ferguson, Drexel, Hagan, Morrison, Schwartz. So carried.

Roll call vote, no: None.

Resolutions and Ordinances:

Resolution No. 2, Series 2016; Re: Canceling March 22, 2016, Regular Session Council Meeting. Councilor Schwartz introduced Resolution No. 2, Series 2016, and it was read by title by the City Attorney.

Councilor Schwartz moved and Councilor Ferguson seconded the motion that Resolution No.2 Series 2016, **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, CANCELING THE REGULAR SESSION MEETING SCHEDULED FOR MARCH 22, 2016**, be introduced, read, passed and adopted this 23rd day of February, 2016.

Roll call vote, yes: Drexel, Hagan, Morrison, Schwartz, Ferguson. So carried.

Roll call vote, no: None.

Reports:

City Attorney Kathleen Fogo: No report.

Interim City Manager Mark Achen: Interim City Manager Achen reported on the following: there was a snow melt event at the community center when a large amount of snow fell off the roof onto the patio, past the barricades and damaged a bicycle trailer; Director Ampietro has suggested adding some snow catchers to the roof next year and the alley to the west of the facility may need to be closed for a short time due to snow coming off the roof; there are some insurance liability issues with the Rail Jam Event scheduled for March 11th and City staff is working with the organizer on those issues. Council made some suggestions regarding shared insurance costs. Council concurred we need to reach out to Western students and get them involved in community events like this one; and Finance Director Cowan suggested establishing an insurance deductible fund in the budget that each department would pay into to cover liability issues.

Acting City Manager Community Development Director Steve Westbay: Semi-Annual Departmental Report and Safe Streets Update. Director Westbay briefly reviewed the semi-annual report that was included in Council packets. Items discussed included: the Department held the annual Household Hazardous Water Collection Day; Department staff is monitoring the ice jam problem along with the County; the Lazy- K Master Plan process with CU Denver planning students is underway; the City has provided input on the County's Airport Master Plan update; marijuana license application review has taken place; he has been involved in the action plan development for the OVPP; an application for a major change to the Gunnison Rising PUD has been received and is under review; he and Eric Jansen attended the annual Floodplain Managers meeting in September to maintain their certifications; Dennis conducted the annual Fire Prevention Safety week at the schools and participant levels on the Fire Department are increasing.

Director Westbay then gave an update on the Safe Street project. The 30% design drawings are essentially completed. Phase 3 will include AutoCAD drawings of the proposed project. The redefined cost is \$100,000. If the City wants to go forward with the design concept staff is recommending transferring \$41,760 from the Comprehensive Plan line item to the Safe Streets Plan Project. Some of the Comprehensive Plan narrative can be written in-house at the staff level. The transfer of the funds would be included in an additional appropriations ordinance in the near future. The 30% design is the basis for the project costs to be established and allows for the project plan to be used for grant funding potential. Also, CDOT permitting can be done at the 30% design phase. The first step is to meet with CDOT in Grand Junction. Council consensus was this project is a top priority and they want to proceed. Ideas for communicating progress on the project with the public were discussed. A monthly newsletter on the project and inclusion on the website and Facebook were discussed.

Mayor Hagan asked Director Westbay about the Gunnison Rising PUD Major Change. Director Westbay stated the change is to increase the allowed commercial footage in the commercial-zoned district. The Major Change is working its way through the Planning Commission and will come before Council in a few weeks. Director Westbay stated he attended the OVPP Housing Committee meeting and one of the objectives is to develop permanent funding sources for the Gunnison Valley Housing Authority. The final sub-committee report will be completed soon.

City Clerk Gail Davidson: had no further report.

Western State Colorado University Student Liaison Alex Alejandre. Alex informed Council the following: not much is going on at Western currently. There will be a US Job workshop held, Carnival, the Hispanic MardiGras, is being planned and tickers are on sale. The SGA is reviewing one bill and Western is hosting the Wrestling Regionals this coming weekend. There will be a lot of people in town for that event.

Police Chief Robinson: gave Council an update on the recent GPD officer-involved shooting incident. The PD is fairly limited on what can be released in press releases. Once a suspect is in custody, the prosecuting DA has limits on what can be released so as not to prejudice a potential court case. There are unanticipated PD expenses involved in the incident. Extra Officers had to be called in to cover patrol while the officers involved in the incident were out of the City. There is a continued investigations of the suspect and the Salida Hospital required security coverage of the suspect by the GPD. Therefore, there were expenses for the officers in Salida while that coverage took place. There will be an out-of-town review of the PD and there may be costs attached to that process. A critical incident debrief and potential psychological evaluation may be conducted prior to officers returning to work and the GPD patrol car was damaged and may need repair after it is released by the DA. The DA also has the involved officer's uniform and equipment in evidence and some of that equipment may need to be replaced awaiting release by the DA. Lastly, the Police Chief reported there was an incident on Monarch today involving a hostage. Chaffee County resolved the issue. The City has posted our traffic control board signs reminding traffic to slow down since we have increased truck and vehicle traffic through town due to the I-70 rockfall closure.

Non-Scheduled Citizens: Council welcomed the three Boy Scouts in attendance at the meeting. The Scouts indicated they were working on a local government merit badge and are attending the meeting to learn about community government.

City Council Discussion, Meeting Reports, Items for Work Session:

Councilor Schwartz: reported he had no scheduled meetings last week but attended the County Planning Commission meeting regarding a 3-Mile application that will be forthcoming to the City. He also attended the Gunnison Trails Winter Blast fundraiser. It was well attended.

Councilor Morrison: reported she also attended the Winter Blast event. The silent auction was a big success. The OVPP Housing Sub-Committee discussed affordable housing. She attended the Chamber Board meeting and they are narrowing the search for a new Executive Director. The new Chamber website is up and she then passed out the newly printed Visitor's Guide. The Gunnison Arts Center's *SonofaGunn* play includes City Council in the play this year. She has had some questions regarding temporary banners around town. Director Westbay asked Councilor Morrison to get with him regarding those questions and he will look into any problems.

Mayor Hagan: reported he attended the Gunnison Housing Authority meeting 2 weeks ago. There are plans for a new 60 unit, deed restricted, housing project. This is in addition to the Anthracite Place Units. Anthracite Place has 25 completed applications currently for the 30 spaces. July 17th is the target for the certificate of occupancy for the project. Mayor Hagan also attended the UGRWCD meeting last night. They discussed the ice jam that is now located by the Esty Ranch. The District would like to start the inventory of water use in the valley but there has been considerable push back in the “Ag” community. The District wants to start with Ohio Creek and then Tomichi Creek. The inventory is an outgrowth of the State Water Plan.

Councilor Drexel: reported he attended the Gunnison Valley Housing Foundation meeting. They too discussed the Anthracite Place housing project. The winners of the Habitat for Humanity Design Challenge will be announced in the newspapers soon. There was an issue with the Lost Canyon Cabin owned by the Foundation. They are currently getting insurance on the cabin so it can be rented. Murtaza, the Vista volunteer is looking for a full-time position. The investment policy for the Housing Foundation is being rewritten.

Councilor Ferguson: informed Council he was unable to attend his one scheduled meeting with the OVPP Housing Sub-Committee.

Adjournment: Mayor Hagan called for any further discussion from Council, Staff or the public, and hearing none, adjourned the Regular Session meeting at 8:36 P.M.

Mayor

City Clerk

MARCH 1, 2016

**CITY OF GUNNISON COUNCIL
SPECIAL SESSION MEETING MINUTES**

5:00 P.M.

The City Council Special Session meeting was called to order at 5:00 P.M., by Mayor Hagan with Councilors Ferguson, Drexel, Morrison and Schwartz present along with Interim City Manager Achen, City Clerk Davidson, WSCU Liaison Alejandre and the press. City Attorney Fogo was not present. A Council quorum was present.

Action on City Manager Recruitment Services Contract with Strategic Government Resources.

Interim City Manager Achen reported to Council the contract contains what was outlined in the proposal except for a couple minor wording changes. City Attorney Fogo has reviewed and approved the contract. SGR included the iOpt testing for City Council and the Department Heads in the proposed price. They have not done that in the past. Councilor Schwartz stated he reviewed the outlined costs and the “not to exceed” price listed in the contract is correct. If more than 4 finalists are identified there could be additional costs.

Councilor Schwartz moved and Councilor Morrison seconded the motion to approve the Contract with Strategic Government Resources for the city manager recruitment services and to authorize the Mayor to sign said contract.

Roll call vote, yes: Ferguson, Drexel, Hagan, Morrison, Schwartz. So carried.

Roll call vote, no: None.

Adjournment: Mayor Hagan called for any further discussion on the Special Session agenda items, and hearing none, adjourned the Special Session meeting at 5:06 P.M.

Mayor

City Clerk

INTEROFFICE MEMORANDUM

TO: CITY COUNCIL
FROM: CITY CLERK GAIL A. DAVIDSON
SUBJECT: MULTI-DAY SPECIAL EVENT PERMIT FOR GUNNISON FARMERS' MARKET
DATE: 2/26/2016

City Council:

Gunnison Farmers' Market Representatives will be present at the March 1st Work Session meeting to give Council an update on this year's proposed Market. They have submitted the required City Event Permit application.

Attached please find the 2016 Gunnison Farmers' Market Multi-day City Events Permit. The Farmers' Market is scheduled every Saturday, from June 18, 2016, through October 8, 2016, from 6am (set up) to 3:00pm, on the 1st three quarters of the 100 Block of East Virginia Avenue and the IOOF Park.

This event will take place on 4 or more consecutive and/or 4 or more days throughout the year, therefore, Council approval is needed for the multi-day permit. If Council concurs, action on the permit will be placed on the March 8th Regular Session agenda.

Staff has reviewed the application. Sales tax licenses are required for all vendors, the north-south alley must remain open for fire control access, the event sponsors are responsible for putting up and taking down the street barricades (which the City provides) and the barricades must be stored on the north side of the IOOF Park restroom while not in use. If any groups want to use the IOOF Park during the summer, they are to contact the Farmers Market group to work out access to and use of the Park. As you are aware, this event has been successful for many years and Staff feels it has been an asset to our citizens and visitors alike. If you have any questions, please feel free to contact me. Thank you.

Gail

City of Gunnison Special Event Permit Application

To be submitted to the City Clerks Office, at City Hall, 201 W. Virginia Avenue or at the Gunnison Community Center, 200 E Spencer Street in Gunnison, CO 81230

Phone: 970.641.8140 Fax: 970.641.8051

No later than ten (10) business days prior to the Proposed Event

Gunnison Farmers Market Same
Name of Applicant Sponsoring Agency (If Different than Applicant)

970.209.3122 OR 970.901.4181 PO Box 1472 Gunnison, CO 81230
Phone Number Address

manager@gunnisonfarmers same
E-Mail Address market.com Cell Number

Type of Event: community event / farmers market

Name or Title of Event: Gunnison Farmers Market

Location and Description of the Event: located on the first block of E.

Virginia St from Main St to 1/2 block east + beyond the alley -
A weekly Farmers Market @ which foods, arts + crafts produced in CO

Saturdays only

6/18/16 - 10/8/16 30-40 vendors From: 6 AM/PM to 3 AM/PM are sold.
Date of Event # of People Event Hours (including set up/take down)

List any streets requiring closure as a result of the Event (Please be specific in regards to time making sure there is extra time before and after the event for clearing parked cars, set-up and clean-up): First block of E. Virginia Street
from Main Street to 1/2 block beyond alley

Times of actual street closure: From: 6 AM/PM To: 3 AM/PM

Route to be Traveled (Display on accompanying map): N/A

Unless exempted by the City, Businesses and Residents located adjacent to your event must be notified at least 7 days prior to the event - of any possible street closures, potential noise or traffic impacts. See last page of application for and example of a notification form.

Does the Event Involve Any of the Following? (Please check if applicable):

Liquor/ Beer Sale and/or Consumption? If yes, please contact the City Clerk 641-8140

✓ Yes - wine vendor

Sales of Any Kind of Product? If yes, please contact the Finance Department 641-8070

✓ Yes

Distribution of Handbills/ Flyers or Hanging of Banners? If yes please contact the Community Development at 641-8090

✓ Yes

Use of a City Park/ Pavilion? If yes, please contact the Parks Dept 641-8060

✓ Yes - IOOF Park

Music/ Entertainment? If yes, please describe: local bands, dancers, entertainers and/or chefs during market

✓ Yes

Animals/ Livestock? If yes, please describe: _____

NO

Use of Tents or Fencing Causing Ground Disturbance? If yes, please contact the Parks Dept 641-8060

NO

Open Flame Cooking in Booths or Trailers? If yes, contact Fire Marshal at 641-8153.

✓ Yes

Use of Port-a-Toilets? If yes, please contact the Parks Department 641-8060

NO

Pyrotechnic Displays? If yes, contact Fire Marshal at 641-8153.

NO

Will you Require:

✓ Water? If yes, for what use, amount needed and method of dispensing Used to fill buckets that secure tent legs. Obtained from hose attached to spigot in park storage unit (between restrooms). We provide hoses!

✓ Electricity? If yes, for what use, type needed and method of dispensing FOR sound system for entertainers + vendor needs such as cooking + refrigeration - We provide extension cords.

✓ Dumpsters/ Trash Cans? If yes, amount needed, type, time delivered/ picked up and location We have traditionally used the dumpster permanently located on the N. side of Virginia Street in the alley.

✓ Traffic Cones/ Barricades? If yes, for what use, amount needed, time delivered/ picked up and location We need 6 cones to put out our "NO PARKING" signs on Friday evenings. We also need 4 barricades to block the street to prevent cars from parking in or driving through the market area on Saturdays.

Additional Police/ Fire Presence? If yes, for what purpose, type needed, and time/ location NO

Have You Placed the Event on the Gunnison-Crested Butte Community Calendar (www.gcbcalendar.com)?

These have traditionally been kept by the park restrooms for the duration of the market season. Members of the Farmers Market board set-up + take these down.

**INDEMNIFICATION AND RELEASE PROVISIONS
FOR USE OF CITY OF GUNNISON FACILITIES AND RIGHTS-OF-WAY**

A. In consideration for being permitted to use the facilities and/or rights-of-way of the City of Gunnison, (hereinafter "City"), (insert name of person/entity seeking permission to use facilities and/or rights-of-way, hereinafter "Applicant") agrees to indemnify and hold harmless the City, its officers, employees, insurers, and self-insurance pool, from and against all liability, claims, and demands, which are incurred, made, or brought by any person or entity on account of damage, loss, or injury, including without limitation claims arising from property loss or damage, bodily injury, personal injury, sickness, disease, death, or any other loss of any kind whatsoever, which arise out of or are in any manner connected with the use of the facilities and/or rights-of-way, whether any such liability, claims, and demands result from the act, omission, negligence, or other fault on the part of the City, its officers, or its employees, or from any other cause whatsoever.

B. By signing below, Applicant agrees that, in the event of any damage, loss, or injury to the facilities or to any property or equipment therein or to the City rights-of-way, the City may deduct from any damage deposit the full amount of such damage, loss, or injury. Applicant further agrees that, if such damage, loss, or injury exceeds the amount of the damage deposit, Applicant will promptly reimburse the City for all costs associated therewith upon billing by the City.

C. In addition, in consideration for being permitted to use the facilities and/or rights-of-way, Applicant, on behalf of itself, and its officers, employees, members, and participants, hereby expressly exempts and releases the City, its officers, employees, insurers, and self-insurance pool, from and against all liability, claims, and demands, on account of injury, loss, or damage, including without limitation claims arising from property loss or damage, bodily injury, personal injury, sickness, disease, or death, that Applicant may incur as a result of such use, whether any such liability claims and demands result from the act, omission, negligence, or other fault on the part of the City, its officers, or its employees, or from any other cause whatsoever.

Cathy Vader
Signature of Applicant

Catherine Vader
Printed Name of Applicant

~~11/20/16~~ 1/20/16
Date

Dear Gunnison Business or Resident:

We, the Gunnison Farmers Market
(name of event organizer)

Will be conducting a community Farmers Market
(type of event)

On 17 consecutive Saturdays beginning June 8, 2016 - October 8, 2016
(date of event)

From 9:30 am - 1:30 pm
(time of event)

The anticipated impacts, including street closures, from the event include:

Street closure of the first block of E. Virginia Street from Main Street to 1/2 block east + beyond the alley. We close the street @ 6am on the morning of the market + it remains closed through the market + until our vendors are totally broken down. The market also features family friendly live entertainment for ~ 2 hours each Saturday.

If you have any comments or concerns regarding this event, please contact us at

970.901.4181 - Catherine Vadez
(contact information of event organizer)

AND the City of Gunnison at 970-641-8080. Thank you for your input.

(Notification form for adjacent businesses/residents)

For Internal Use Only

Approved:

City Clerk: ADH
Additional Comments: _____

Finance: BC
Additional Comments: _____

Community Development: SW
Additional Comments: _____

Fire Marshall: _____
Additional Comments: Keep 20' fire lane on E. Virginia

Park and Recreation: DA
Additional Comments: Please fill out Park permit & associated fees.

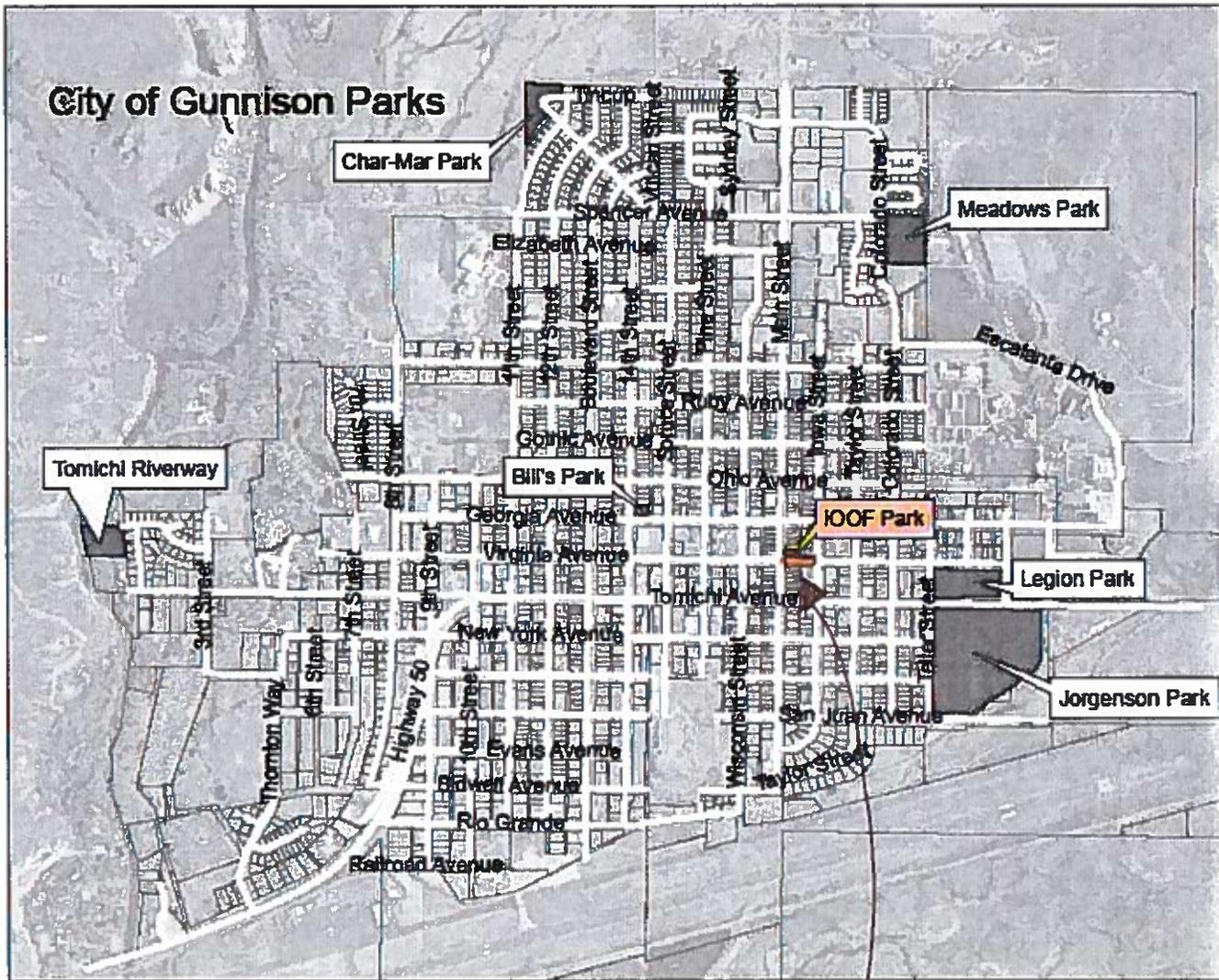
Police: KR
Additional Comments: _____

Public Works: TX
Additional Comments: _____

City Manager: DKA-2/24/16
Additional Comments: _____

It Guy M Comments: _____

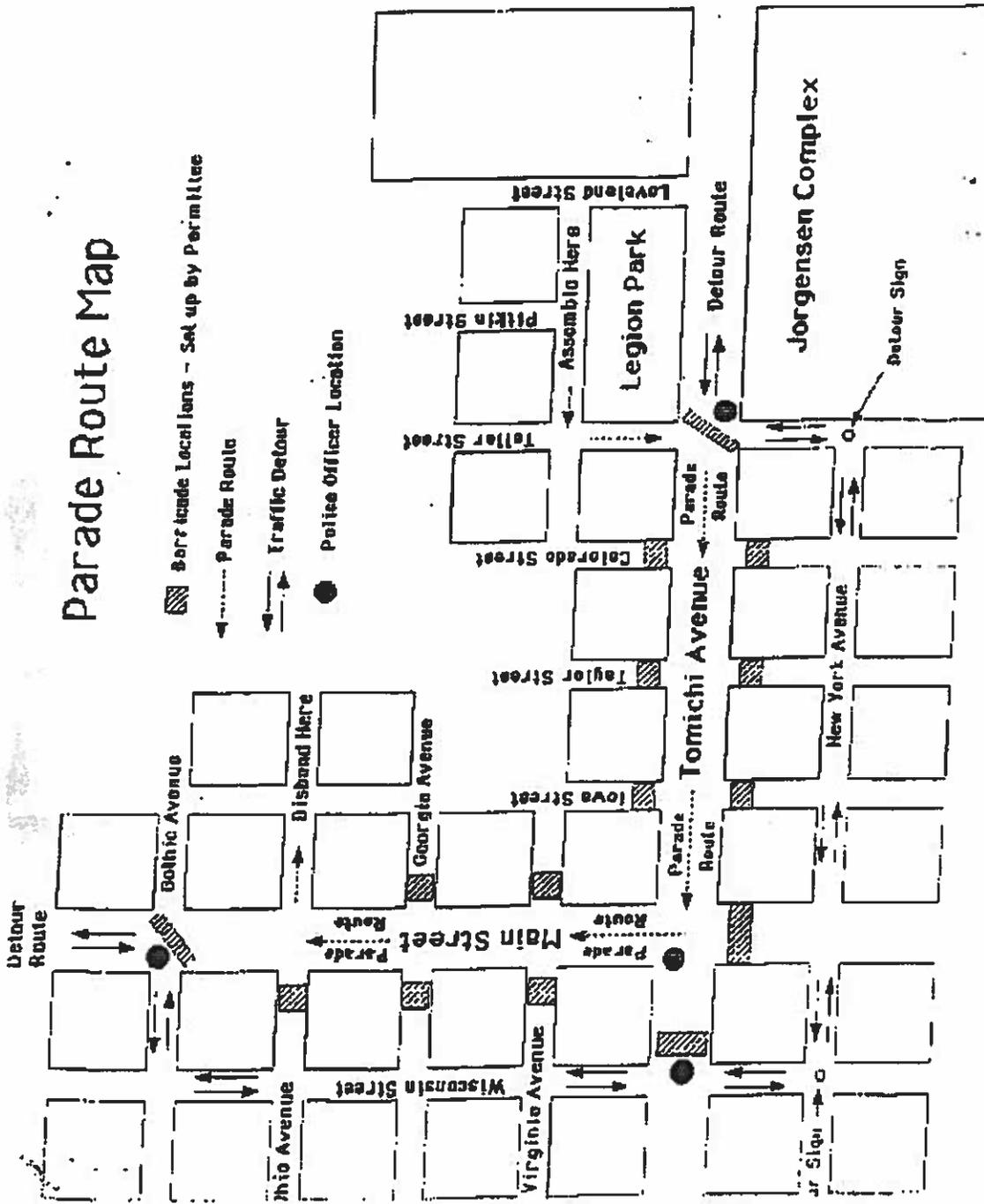
Council/ Mayor _____ Date: _____



Show on the Map the Location of Special Event

See Hightlighted Area

Parade Route Map



Not Applicable

AGRICULTURAL LEASE AGREEMENT

THIS AGRICULTURAL LEASE AGREEMENT is made and executed on this 29th day of April, 2016, by and between THE CITY OF GUNNISON, a Colorado home rule municipality, hereinafter referred to as "LESSOR," and WILLIAM M. PARKER, d/b/a Parker Pastures, of the County of Gunnison, State of Colorado, hereinafter referred to as "LESSEE."

The parties agree as follows:

1. DEMISE, DESCRIPTION, AND USE OF PREMISES. LESSOR demises and lets unto LESSEE, to occupy and use for agricultural purposes, and for no other purposes, the real property located in the County of Gunnison, State of Colorado, more particularly described in attached Exhibit A, commonly referred to as a portion of the "Van Tuyl Ranch," together with all fence and ditch improvements in and on the demised premises. Further excepted from the demised premises are the municipal well and well house located in the southeast corner of the property described in Exhibit A and the residence, barns, sheds, and corrals. While the sheds and corrals are not subject to this lease, LESSOR may allow LESSEE the use thereof, but LESSOR is not obligated to do so. Further, the LESSOR reserves unto

itself the right to use the unproductive high ground in the southeast corner of the property for city purposes.

2. TERM. The term of this lease agreement shall be for a period of four years from May 1, 2016, to April 30, 2020. Provided, however, that either LESSOR or LESSEE may cancel the remaining term of this lease as of May 1 of each year of the term by giving written notice of such cancellation to the other party no less than one year prior to May 1 of the year in which cancellation occurs. Ranch operations versus public use operations will be evaluated by the LESSOR and discussed between the LESSEE and LESSOR a minimum of once per year.

3. CONSIDERATION. As consideration for this lease agreement, LESSEE agrees that during the term of this lease, LESSEE shall pay to LESSOR annual rental in the amount of Fifteen Thousand and no/100 Dollars (\$15,000.00,) to be paid in two equal installments of Seven Thousand Five Hundred and no/100 Dollars (\$7,500.00) each due on May 1 and November 1 of each lease year, without notice or demand. In addition, the LESSEE shall timely and adequately perform all of the covenants and agreements undertaken by LESSEE for the benefit of the LESSOR, as hereinafter described. The failure or inability of LESSEE to perform the covenants and obligations undertaken by LESSEE as

spelled out herein shall entitle LESSOR to terminate this lease agreement as hereinafter set forth.

4. LAND USE. LESSEE shall use the real property described herein solely for the purpose of raising hay and grazing cattle, goats and associated or necessary horses used in LESSEE'S operation. Chickens and pigs are allowed under the following conditions. ~~No other types of livestock shall be kept on the premises by LESSEE without the express written consent of LESSOR. If permitted,~~ The LESSEE shall, at his expense, keep ~~livestock such as~~ pigs and chickens, a minimum of 75' from public trails and shall be rotated as often as necessary so as not to cause harm to land or water ways. Pigs shall be fenced in a secure area away from public access. LESSEE shall not utilize animal carcasses of any type as feed. Animal waste from chickens, pigs, goats and dairy cattle shall not be discharged into water ways. LESSEE dogs shall be on a leash or penned at all times other than while being utilized to herd or guard livestock. Any existing honey bee colonies shall be removed from the property at the earliest convenience and honey bees shall not be cultivated in the future. LESSEE shall follow best management practices as defined in the most recent copy of the Natural Resources Conservation Service (NRCS) document. LESSEE

may also store equipment used to irrigate, raise, and harvest hay upon the premises. No other use of the property shall be permitted without the express written consent of the LESSOR.

5. IRRIGATION OF PROPERTY. The irrigation of the property described herein is an essential element of the consideration to be undertaken by LESSEE on behalf of LESSOR. Irrigation of the property shall be undertaken in accordance with the following provisions:

a. Water Rights. The water rights appurtenant to the real property described herein held by the County of Gunnison shall be applied to the property in accordance with their historical use for so long as the County of Gunnison, the current owner of said water rights, permits the use of said water rights upon the property. Upon notice by the County of Gunnison to LESSEE and LESSOR that the County of Gunnison intends to apply to a court of competent jurisdiction for a change in point of diversion of the water rights historically appurtenant to the real property described in this lease, or for a change in use of such water rights, the LESSOR shall make prompt application to a court of competent jurisdiction for a change in point of diversion and change in use of those water rights owned by LESSOR which, in LESSOR'S sole judgment, are

appropriate for use upon the subject matter real property for agricultural purposes and other uses of LESSOR. Any water rights transferred by LESSOR shall be subject to the legal and physical availability of such rights, and LESSOR makes no express or implied warranties regarding the quantity or quality of water delivered under such rights. In the event that the transfer of LESSOR'S water rights to the subject property requires construction of diversion structures, ditches to convey such water to the subject property, or other improvements of like kind, LESSOR shall undertake construction of such improvements at its sole cost and expense.

b. Irrigation Practices. LESSOR and LESSEE agree that it is an essential element of the consideration to be paid by LESSEE to LESSOR that the real property described herein be irrigated to the fullest extent possible. LESSEE agrees that he shall apply to the land such water as is necessary to irrigate a hay crop during the historical irrigation season, which is approximately May 15 to November 1 of each year, depending upon the weather conditions at the beginning and end of each irrigation season. While LESSEE will be permitted to remove the water from the land for purposes of harvesting the hay crop, at all other times during the historical irrigation

season, LESSEE shall apply to the real property adequate water to maximize the raising of hay on the subject property, subject only to the legal and physical availability of such water.

c. Ditch maintenance. LESSEE agrees that he shall be solely responsible for maintenance of all diversion structures, head gates, ditches, flumes, and other structures which are located within the property described in Exhibit A, at his sole cost and expense, and in a manner adequate to allow or permit the full application of the necessary water to the subject property to maximize hay production. LESSOR agrees that it shall maintain the diversion structures, head gates, ditches, flumes, and other structures necessary to irrigate the property that are located off of the property described in Exhibit A, at its sole cost and expense. Such maintenance and any improvements thereto shall take place at such times as LESSOR deems most appropriate. Maintenance shall be required solely to maintain the historic flows to the property. Any improvements beyond required maintenance shall be done at the sole discretion of LESSOR.

d. Forfeiture for Failure to Irrigate. Any failure of the LESSEE to irrigate the lands as set forth above, or any of the following acts or omissions on the part of LESSEE

with respect to the water rights appurtenant to the leased property, shall be grounds for forfeiture of the lease by LESSOR: Failure or refusal to cultivate the land and make use of available water under such water rights; diversion of the water to other lands without the express permission of the LESSOR; or failure to maintain the irrigation structures in such a manner as to allow the full application of water rights to the subject property.

e. Water Rights Appurtenant to Land. The claim, assertion, or establishment of any water right in connection with the use of the leased property by LESSEE shall attach to and become appurtenant to the land, and no claim thereto shall be made by the LESSEE, individually, except for the right of use thereof during the term of this lease.

6. CONSTRUCTION, MAINTENANCE, AND REMOVAL OF FENCES. LESSEE shall not remove or relocate any fences that are on the leased premises at the commencement of this lease without the prior, express, and written consent of LESSOR. LESSEE shall, at his own expense, build neat, stock-proof, and lawful fences and gates, other than trails fences, upon the leased premises as LESSEE shall deem necessary for his operation of the premises. All fences, whether currently on the property or constructed

thereon in the future, shall be kept in good repair to the satisfaction of LESSOR. LESSOR may build such gates in the existing perimeter fences as are necessary to gain access to the areas reserved for use by LESSOR in paragraph 1 of this lease.

7. IMPROVEMENTS. LESSEE shall not build structures or other improvements, including fences, ditches, headgates, and other agricultural type improvements on the leased premises without the prior, express, and written consent of LESSOR. Upon such consent being given, LESSEE shall fully pay for all materials joined or affixed to the premises pursuant to this lease, and pay, in full, all persons who perform labor on the premises, and will not permit or suffer any mechanic's lien or material supplier's lien of any kind or nature to be enforced against the premises for any work done or materials furnished on the premises, at LESSEE'S insistence or request. At the time of termination of this lease agreement, all such improvements or structures, except those which may be expressly agreed by LESSOR and LESSEE to be trade fixtures, and then only if they can be removed without injury to the real property, shall immediately become a part of the real property, and the property of the LESSOR.

8. USE OF CHEMICALS ON PROPERTY. LESSEE shall apply no chemicals, be they fertilizers, herbicides, or pesticides, at any place upon the property without the prior written and express consent of the LESSOR. While LESSOR'S consent shall not be unreasonably withheld, LESSOR'S interest herein is to protect the water supply of the LESSOR, and LESSOR may deny consent for application of any persistent chemicals which may affect the LESSOR'S water supply.

9. HAZARDOUS SUBSTANCES. The term "hazardous substances", as used in this lease, shall include, without limitation, flammable, explosives, radioactive materials, asbestos, polychlorinated biphenyls (PCBs), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, petroleum and petroleum products, and substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority.

a. LESSEE'S Restrictions. LESSEE shall not cause or permit to occur:

i. Any violation of any federal, state, or local law, ordinance, or regulation now or hereafter enacted, related to environmental conditions on, under, or about the

property or arising from LESSEE'S use or occupancy of the property, including but not limited to soil and ground water conditions; or

ii. The use, generation, release, manufacture, refining, production, processing, storage, or disposal of any hazardous substance on, under, or about the property, or the transportation to or from the property of any hazardous substance.

b. Environmental Clean-Up.

i. LESSEE shall, at LESSEE'S own expense, comply with all laws regulating the use, generation, storage, transportation, or disposal of hazardous substances ("laws").

ii. LESSEE shall, at LESSEE'S own expense, make all submissions to, provide all information required by, and comply with all requirements of all governmental authorities (the "authorities") under the laws.

iii. Should any authority or any third party demand that a clean-up plan be prepared and that a clean-up be undertaken because of any deposit, spill, discharge, or other release of hazardous substances that occurs during the term of this lease, at or from the property, or which arises at any time from LESSEE'S use or occupancy of the property, then

LESSEE shall, at LESSEE'S own expense, prepare and submit the required plans and all related bonds and other financial assurances, and LESSEE shall carry out all such clean-up plans.

iv. LESSEE shall promptly provide all information regarding the use, generation, storage, transportation, or disposal of hazardous substances that is requested by LESSOR. If LESSEE fails to fulfill any duty imposed under this paragraph b within a reasonable time, LESSOR may do so; and in such case, LESSEE shall cooperate with LESSOR in order to prepare all documents LESSOR deems necessary or appropriate to determine the applicability of the laws of the property and LESSEE'S use thereof, and for compliance therewith, and LESSEE shall execute all documents promptly upon LESSOR'S request. No such action by LESSOR and no attempt made by LESSOR to mitigate damages under any law shall constitute a waiver of any of LESSEE'S obligations under this paragraph b.

v. LESSEE'S obligations and liabilities under this paragraph b shall survive the expiration of this lease.

c. LESSEE'S Indemnity.

i. LESSEE shall indemnify, defend, and hold harmless LESSOR and its respective officers, council

members, agents, and employees, from all fines, suits, procedures, claims, and actions of every kind, and all costs associated therewith (including attorneys' and consultants' fees) arising out of or in any way connected with any deposit, spill, discharge, or other release of hazardous substances that occurs during the term of this lease at or from the property, or from LESSEE'S failure to provide all information, make all submissions, and take all steps required by all authorities under the laws and all other environmental laws.

ii. LESSEE'S obligations and liabilities under this paragraph c shall survive the expiration of this lease.

10. GRAZING OF PROPERTY. All grazing of livestock upon the property shall be conducted in accordance with sound agricultural practices, so as not to overgraze the property. Stubble height shall not be grazed or reduced to less than a 3" height average per pasture.

11. ASSIGNMENT OR SUBLEASE. This lease agreement is personal to the LESSEE, and LESSEE shall neither assign nor sublease any portion of the subject property during the term hereof. LESSEE may, by agreement with others, graze livestock of others for consideration, and may sell any hay crops raised

on the subject property, and keep the proceeds thereof for himself.

12. LABOR AND MATERIALS. LESSEE shall be solely responsible to acquire and pay for all labor and materials necessary to operate the subject property for agricultural purposes.

13. TAXES. LESSEE shall be solely responsible to pay all ad valorem taxes assessed against any personal property belonging to LESSEE and used in the operation of the real property for agricultural purposes. In addition, in the event any ad valorem taxes are assessed against the leasehold interest of the LESSEE, LESSEE shall be solely responsible to pay the ad valorem taxes assessed against his leasehold interest, and shall not permit the same to be deemed in default.

14. INSURANCE. LESSEE shall be solely responsible for acquisition of casualty loss and extended coverage insurance on all his personal property located upon the real estate, as well as such casualty insurance as he shall deem necessary to protect his interest in the improvements, if any, located upon the real property described herein. LESSOR undertakes no responsibility for casualty or extended coverage insurance or loss to any improvements located upon the subject real property.

In addition, LESSEE will obtain and deliver to LESSOR a certificate of public liability and property damage insurance, naming LESSOR as an additional insured, under LESSEE'S insurance policy in the event a claim is made resulting from any action taken by LESSEE pursuant to this lease agreement. Such insurance shall be in the amount of at least that required by the "Colorado Governmental Immunity Act", C.R.S. 24-10-101, et. seq., or any successor legislation, as the same may be amended from time to time. Such certificate of insurance shall provide that LESSOR shall be given prior notice of at least ten days prior to cancellation or termination of such insurance coverage. LESSEE shall provide such certificate of insurance to LESSOR annually, or upon such other periodic term as is required by such insurance policy. In addition, LESSEE shall maintain such workman's compensation insurance as may be necessary or required to cover his employees hired for the purpose of operating the real property pursuant to this lease agreement.

15. ASSUMPTION OF RISK AND INDEMNITY. LESSEE agrees to assume the risk or all injuries, including death, resulting directly or indirectly, wholly or in part, from the performance or omission of any work or obligations undertaken or required by this lease agreement, or the occupation and possession of the

real property, and to indemnify and save harmless the LESSOR from and against any and all liability arising therefrom, including liability arising in whole or in part from negligence or breach of duty, statutory or otherwise, on the part of LESSOR, its agents, servants, and employees, and including all expense, legal or otherwise, incurred by LESSOR in the investigation and defense of any claim or suit.

16. RIGHT OF ENTRY. LESSOR shall have free access to the above-described real property, including any building or structure that may, at any time, be on such property at all reasonable times for the purpose of examining or inspecting the condition of such property or in order to exercise any right, power, or obligation reserved to LESSOR under this lease agreement. Further, LESSOR shall have access to the property for the purpose of conducting surveys of the property, the preparation of maps of the property, conducting hydrological studies or tests, and have access through the property for purposes of flood control or riverbank restoration.

17. DEFAULT. If LESSEE shall fail to substantially carry out the provisions of this lease agreement, except the obligation to pay the rent set forth herein, within thirty days after service by LESSOR of written notice to LESSEE of LESSEE'S

failure to fulfill the obligations, or in the event the default identified in LESSOR'S notice is one that cannot be rectified within such thirty-day period, within a reasonable time thereafter, LESSOR, at its sole option, may elect to terminate this lease agreement, and to enter upon the leased premises and retake possession thereof. If LESSEE fails to pay any installment of rent due hereunder within three days of service by LESSOR upon LESSEE of a written demand therefor, LESSOR shall have the right to terminate this lease and recover judgment for such unpaid rental installment.

18. SURRENDER OF PREMISES UPON TERMINATION. Upon termination of this lease agreement, whether by cancellation by LESSOR or LESSEE, as a result of default hereunder by LESSEE, or by expiration of the full term hereof, LESSEE shall vacate the leased premises, leaving them in the same condition they were in at the time of execution hereof, except for reasonable use and wear, acts of God, or damage by causes beyond the control of LESSEE, and return possession thereof to LESSOR. Unless otherwise agreed by the parties, upon termination of this lease agreement, LESSOR shall have the right to own and possess, at LESSOR'S election, all crops remaining unharvested at the time of termination. It shall be LESSEE'S responsibility to remove

all personal property, including harvested crops, from the property at the termination of this lease agreement.

19. RESERVATION OF RIGHT TO GRANT EASEMENTS. LESSOR reserves the right to grant easements and rights-of-way across or upon the leased property for public highways, railroads, tramways, telephone and telegraph transmission lines, utility lines, irrigation canals, and similar purposes, provided, however, that such shall not unreasonably interfere with the use of the property for agricultural purposes. In the event of the grant of such easement, whether voluntarily by LESSOR or by acquisition pursuant to eminent domain, LESSEE shall have no right whatsoever to participate in any consideration paid for such easement or eminent domain award, all of which will be the property of LESSOR.

20. RESERVATION OF RIGHT TO CREATE AND USE A PUBLIC TRAIL. LESSOR reserves the right to create a public trail across the leased premises and to allow the public to use the trail. LESSEE may cross the trail as necessary for the allowable uses under this lease, but shall not obstruct such trail or interfere with the public's use of the trails. Prior to establishing the trails, LESSOR shall review their alignment with LESSEE. LESSEE shall not use public trails for his ranch

operations, other than to directly cross, in order to relocate livestock or motorized ranch equipment.

21. NO WAIVER. Failure of either party to this agreement to insist upon performance of any of the terms and conditions of this agreement, or the waiver of any breach of any of the terms and conditions of this agreement, shall not be construed as thereafter waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no such waiver or forbearance had occurred.

22. ATTORNEY'S FEES. In the event either LESSOR or LESSEE shall bring suit to compel performance of or recover for breach of any covenant, agreement, or condition contained in this lease agreement, the prevailing party shall be entitled to recover from the other party costs and reasonable attorney's fees.

23. GOVERNING LAW. It is agreed that this agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Colorado.

24. EFFECT OF PARTIAL INVALIDITY. The invalidity of any portion of this agreement will not and shall not be deemed to affect the validity of any other provision. In the event any provision of this agreement is held to be invalid, the parties

agree that the remaining provisions shall be deemed to be in full force and effect, as if they had been executed by both parties subsequent to the expungement of the invalid provision.

25. ENTIRE AGREEMENT. This agreement shall constitute the entire agreement between the parties, and any prior understanding or representation of any kind preceding the date of this agreement shall not be binding upon either party, except to the extent incorporated in this agreement.

26. MODIFICATION OF AGREEMENT. Any modification of this agreement or additional obligation assumed by either party in connection with this agreement shall be binding only if placed in writing and signed by each party, or an authorized representative of each party.

27. NOTICES. All notices and communications required herein shall be in writing and shall be sent by registered or certified mail at the following addresses:

LESSOR City of Gunnison
 Attention Public Works Director
 P. O. Box 239
 Gunnison, Colorado 81230

LESSEE William M. Parker, d/b/a
 Parker Pastures
 57564 East Highway 50
 Gunnison, Colorado 81230

Notice shall be deemed given properly when mailed to the above addresses. Any party may change its address of record by giving written notice of the change to the other party.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

THE CITY OF GUNNISON, a Colorado
Home rule municipality

By _____
Richard Hagan
Mayor

ATTEST:

Gail Davidson
City Clerk

William M. Parker

**EXHIBIT A to
VAN TUYL RANCH AGRICULTURAL LEASE AGREEMENT**

Township 50 North, Range 1 West, N.M.P.M.

Section 26: NE1/4NE1/4, W1/2SE1/4NE1/4, W1/2NE1/4, SE1/4NW1/4, SE1/4, E1/2SW1/4

TOGETHER WITH the parcel described in Bargain and Sale Deed from Elma L. Harris to Raymond P. Van Tuyl recorded in Book 714 at page 776.

EXCEPTING from the above described property the following described parcels:

A triangular track of land located in the NE1/4NE1/4 of said Section 26 as described in Deed from B.F. Anderson to Fred McDonald recorded in Book 274 at page 39;

A tract of land described in a Deed to H.L. Funk and D.R. Logan recorded in Book 249 at page 501;

A tract of land in the NW1/4NE1/4 of Section 36 as described in Warranty Deed from Elizabeth Harvey to J.D. Miller and Louise Miller recorded in Book 154 at page 495;

All railroad, highway and road rights of way;

That property conveyed to Hazel M. Calkins in Quit Claim Deed recorded in Book 640 at page 041.

That property conveyed from Raymond P. Van Tuyl to Elma L. Harris in Bargain and Sale Deed recorded in Book 714 at page 775.

As MODIFIED by the Fence Line Agreement between Raymond P. Van Tuyl and Elma L. Harris recorded in Book 714 at page 777.

AND AS FURTHER MODIFIED by the Fence Line Agreement between The Trust for Public Land, a California non-profit public benefit corporation, and Rebecca Jo Barkman recorded in Book 714 at page 796.

Section 35: NW1/4NE1/4, NE1/4NW1/4

EXCEPTING from the above described property the following described parcels:

That property conveyed to Lowell R. Wilson and Charlotte L. Wilson in Warranty Deed recorded in Book 288 at page 522;

Exhibit A to
Van Tuyl Ranch Agricultural Lease Agreement
Page Two

That property conveyed to the City of Gunnison in Quit Claim Deed recorded in Book 413 at page 323;

That property conveyed to Albert M. Starika and Ruth E. Starika in Warranty Deed recorded in Book 347 at page 347;

That portion of the SE1/4SW1/4 of said Section 26 and the NE1/4NW1/4 of said Section 35 lying and situate westerly of the westerly high water line of the Gunnison River as conveyed to the Palisade Retreat Club in Warranty Deed recorded June 4, 1973, in Book 453 at page 498.

FURTHER EXCEPTING THEREFROM a tract of land within the NW1/4NE1/4 of Section 35, said township and range, being more particularly described as follows:

Commencing at the northeast corner of said Section 35 (as marked by a brass cap monument set in concrete at the northeast corner of the Palisade Addition); thence South 45°04'11" West 1876.21 feet to a point on the intersection of the westerly boundary of the Palisade Addition to the City of Gunnison with the south boundary of said NW1/4NE1/4 of Section 35, this being the POINT OF BEGINNING for the herein described tract; thence the following courses around said tract:

North 00°36'00" West 780.92 feet along the westerly boundary of said Palisade Addition; North 89°32'00" West 190.10 feet; South 14°42'26" West 807.80 feet to a point on the southerly boundary of said NW1/4NE1/4; South 89°50'41" East 403.36 feet along said southerly boundary to the POINT OF BEGINNING of the herein described tract.

EXCEPTING those parcels in said Section 26 and in said Section 35 conveyed to the Bureau of Reclamation, an agency of the United States Government, in Warranty Deed recorded in Book 714 at Page 803, and Book 714 at Page 793.

County of Gunnison
State of Colorado

MEMORANDUM

TO: City Council
FROM: Steve Westbay and Kathy Fogo
DATE: March 8, 2016
RE: Gunnison Rising Metropolitan District – Draft Service Plan

The creation of metropolitan districts within the City is subject to the provisions contained in the *City of Gunnison Municipal Code*, Title 10, (Special Improvement Districts). On January 4, 2016 the City received an application submittal to form metropolitan districts to serve property within the Gunnison Rising annexation. The application submittal included a cover letter and a draft document titled, *Service Plan for Gunnison Rising Metropolitan Districts, City of Gunnison Colorado* (service plan). The service plan establishes “powers” to be used in the governance of the metropolitan district, and details the “financial plan” elements directing the fiduciary operation of the district. On January 29, 2016 the city staff and special legal counsel Jim Collins, conducted a phone conference with consultants representing Gunnison Valley Properties to discuss the merits and issues of the draft Service Plan. On February 22nd the city received a revised service plan draft – the staff and legal counsel have reviewed that version and provided the applicant with comments. The applicant submitted an updated document on March 3rd to be included in the Council packet, and this memorandum summarizes primary details of the latest proposed special district service plan.

Primary contents of the draft service plan include the Descriptions of Proposed Powers Improvements and Services (Section V). Proposed powers to be granted under the service plan are consistent with the powers that are granted by the Colorado Revised Statutes. Please note that any future changes to the established powers of the Gunnison Rising Districts are, for the most part, subject to review and discretionary approval by the City.

The Council is being asked to consider the inclusion of an additional power to enact a “Public Improvement Fee (PIF). A PIF is a fee that developers may require tenants to collect on sales transactions to pay for on-site improvements and it is used to repay debt service associated with infrastructure installation and funding operations of the district. Based on previous plan versions, it is anticipated the applicant will propose a PIF at 1.55%, with the City agreeing to reduce the 4.0% sales tax to 2.45% derived from businesses within the district boundary. Significant financial implications to the City revenues are probable and to date the City has not received a financial analysis that allows staff to evaluate its effects. City staff recommends that any reference to the PIF not be included in the final service plan at this time.

The other major service plan content section is the Financial Plan (Section VI). This section sets forth the districts’ authorization to provide for planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from revenues and by and through the proceeds of Debit to be issued by the Districts.

One concern of the Financial Plan section is associated with the proposed aggregate mill levy in excess of 35 mills. There are many examples of developments that have been burdened with significant mill levy caps which have affected the market value to a point where the development

fails. Additionally, there are periodic property tax ballot questions directed at larger community needs such as education, and support for these other needs can be diluted when an excessive property tax already exists. The staff believes that the combination of a 35 mill cap in conjunction with the proposed development fee, which is proposed in the service plan, provides a sufficient source to offset the cost of development. Any excess gap that exists must be considered by the developer in the land value derived at the time of development. A 35 mill levy cap is consistent with the City's special district policy.

In order to set a public hearing date, the City Manager is required to determine whether or not the proposed service plan is compliant with the *City of Gunnison Municipal Code*. The staff believes that the submitted service plan does meet the criteria required to set the public hearing date. Enclosed with the memorandum is the cover letter (March 3, 2016) submitted by White, Bear, Ankele, Tanaka, & Waldron and the Service Plan draft submitted to the City for consideration.

SERVICE PLAN
FOR
GUNNISON RISING METROPOLITAN DISTRICT NOS. 1-7
CITY OF GUNNISON, COLORADO

Prepared by:

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Dated as of March 3, 2016

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I. INTRODUCTION

A. Purpose and Intent.

The Gunnison Rising Metropolitan District Nos. 1-7 are intended to provide certain public improvements as the same are further generally described in this Service Plan, for the benefit of the residents and taxpayers located within the Project. The Project consists of approximately 622 acres of land located within the City of Gunnison. Tomichi Creek runs through property immediately south of the Project and the western boundary of the Project on the north side of Highway 50 abuts property held by Western State College, as well as existing commercial properties.

The City entered into a Memorandum of Agreement on November 18, 2009 (“MOA”) with the landowners associated with the Project and Western State College regarding annexation of the Property, easements, and public improvements associated with the Property’s future development. The Property was subsequently annexed into the City pursuant to an Annexation Agreement dated December 3, 2009, and recorded in the real property records of Gunnison County on February 24, 2010, between the City and Gunnison Valley Partners, LLC, Donna R Bratton, and Gunnison Gateway, LLC (the “Annexation Agreement”). Development is now proposed to be initiated and Gunnison Rising Metropolitan District Nos. 1-7 are intended to facilitate financing, construction and operation of the public improvements contemplated in the MOA and Annexation Agreement and as necessary for the overall development of the Project.

The Districts are intended to be independent units of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Service Plan, their activities are subject to review by the City only insofar as they may deviate in a material manner from the requirements of this Service Plan. It is intended that the Districts will provide the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of the Public Improvements.

The Districts are not being created to provide ongoing operations and maintenance services other than as specifically set forth in this Service Plan or which may otherwise be allowed pursuant to a future intergovernmental agreement with the City. This Service Plan has been prepared in accordance with Title 10, Chapter 10.20, of the City Code.

B. Need for the Districts.

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

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

The City's objective in approving the Service Plan for the Districts is to authorize the Districts to provide for the planning, design, acquisition, construction, installation, relocation and overall development of the Public Improvements from the proceeds of Debt to be issued by one or more of the Districts. All Debt issued will be repaid by taxes imposed and collected by the Districts at a tax mill levy no higher than the permitted Maximum Debt Mill Levy, and other legally available revenues of the Districts as further described in the Financial Plan. Debt which is issued within these parameters (as further described in the Financial Plan) will insulate property owners from excessive tax burdens while supporting the obligations of the Districts to service the Debt and will result in a timely and reasonable discharge of the Debt. Under no circumstances is the City agreeing or undertaking to be financially responsible for the Debt or the construction of Public Improvements through its authorization of this Service Plan.

This Service Plan is intended to establish a limited purpose for the Districts and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with the Project, including those regional improvements necessitated by the Project. Ongoing operational and maintenance activities are allowed, but only as specifically addressed in this Service Plan. In no case shall the mill levies imposed by the Districts for debt service and operations and maintenance functions exceed the Aggregate Mill Levy Cap.

It is the intent of the Districts to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt. However, if the Districts have authorized operating functions under this Service Plan, or if by agreement with the City it is desired that the Districts shall continue to exist, then the Districts shall not dissolve but shall retain only the power necessary to impose and collect taxes or fees to pay for costs associated with said operations and maintenance functions and/or to perform agreements with the City.

The Districts shall be authorized to finance the Public Improvements that can be funded from Debt to be paid from a mill levy, which shall not exceed the Maximum Debt Mill Levy nor the Maximum Debt Mill Levy Imposition Term, and other legally available revenues of the Districts, as the same are described and authorized herein. It is the intent of this Service Plan to ensure to the extent possible that, as a result of the formation and operation of the Districts, no taxable property within the boundaries of any of the Districts bears a tax burden that is greater than the Maximum Aggregate Mill Levy in amount, even under bankruptcy or other unusual situations. Generally, the costs of Public Improvements that cannot be funded within these parameters are not costs to be paid by the Districts.

II. DEFINITIONS

In this Service Plan, the following terms which appear in a capitalized format herein shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Aggregate Mill Levy Cap: means the maximum aggregate mill levy each of the Districts is permitted to impose within their respective legal boundaries for debt service and operations and maintenance, as set forth in Section VI.C below.

Approved Development Plan: means a development agreement, development plan or other process established by the City (including but not limited to approval of a final plat or PUD by the City Council) for identifying, among other things, Public Improvements necessary for facilitating development of property within the Service Area, as approved by the City pursuant to the City Code and as amended pursuant to the City Code from time to time.

Board(s): means the Board(s) of Directors of the District(s).

Bond, Bonds or Debt: means bonds or other financial obligations for which any of the Districts have promised to impose and have pledged on a multi fiscal year basis, an ad valorem property tax mill levy, and other legally available revenue, for payment. Such terms do not include intergovernmental agreements pledging the collection and payment of property taxes in connection with a service district and taxing district(s) structure, if applicable, and other contracts through which the Districts procure or provide services or tangible property.

City: means the City of Gunnison, Colorado.

City Code: means the City of Gunnison Code and any regulations, rules, or policies promulgated thereunder, as the same may be amended from time to time.

City Council: means the City Council of the City of Gunnison, Colorado.

Developer: means Gunnison Valley Properties, LLC.

Districts: means the Gunnison Rising Metropolitan Districts Numbers 1-7, collectively.

District No. 1: means the Gunnison Rising Metropolitan District No. 1.

District No. 2: means the Gunnison Rising Metropolitan District No. 2.

District No. 3: means the Gunnison Rising Metropolitan District No. 3.

District No. 4: means the Gunnison Rising Metropolitan District No. 4.

District No. 5: means the Gunnison Rising Metropolitan District No. 5.

District No. 6: means the Gunnison Rising Metropolitan District No. 6.

District No. 7: means the Gunnison Rising Metropolitan District No. 7.

External Financial Advisor: means a consultant that: (1) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (2) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place or shall provide an affidavit that it has prepared financial schedules used in more than 20 Colorado local government bond issuances; and (3) is not an officer or employee of the Districts.

Financial Plan: means the Financial Plan described in Section VI which has been prepared by an External Financial Advisor in accordance with the requirements of the City Code and describe (a) how the Public Improvements are to be financed; (b) how the Debt is expected to be incurred; and (c) the estimated operating revenue derived from property taxes for the first budget year through the year in which all District Debt is expected to be defeased.

Inclusion Area Boundaries: means the boundaries of the area described in the Inclusion Area Boundary Map, if any.

Inclusion Area Boundary Map: means the map attached hereto as **Exhibit D**, describing the property proposed for inclusion within the Districts (if any) in the future.

Initial District Boundaries: means the boundaries of the area described in the Initial District Boundary Map, as further set forth within the legal descriptions attached as **Exhibit A**.

Initial District Boundary Map: means the map attached hereto as **Exhibit C** describing the initial boundaries of District Nos. 1-7.

Maps Depicting Public Improvements: means the map or maps attached hereto as **Exhibit F**, showing the approximate location(s) of the Public Improvements listed in the Preliminary Infrastructure Plan.

Maximum Aggregate Mill Levy: means the maximum mill levy the Districts are permitted to impose within each of their respective legal boundaries for payment of Debt and administration, operations, and maintenance expenses, which shall be subject to future adjustment, all as set forth in Section VI.C. below.

Maximum Debt Authorization: means the total Debt the Districts are permitted to issue on an aggregate basis as set forth in Section V.A.6 and as the same is supported by the Financial Plan.

Maximum Debt Mill Levy: means the maximum mill levy the Districts are permitted to impose upon the taxable property within each of their respective legal boundaries for payment of Debt, which shall be subject to adjustment, as set forth in Section VI.C. below.

Maximum Operations and Maintenance Mill Levy: means the maximum mill levy the Districts are permitted to impose within each of their respective legal boundaries for payment of

administration, operations, and maintenance costs, which shall be subject to adjustment as set forth in Section VI.C. below.

Preliminary Infrastructure Plan or PIP: means the Preliminary Infrastructure Plan described in Section V.B. which includes: (a) a preliminary list of the Public Improvements to be developed by the Districts; and (b) an estimate of the cost of the Public Improvements.

Project: means the development or property commonly referred to as Gunnison Rising.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act, except as specifically limited in Section V, below, to serve the future taxpayers and inhabitants of the Service Area as determined from time to time by the Board of the Districts.

Service Area: means all property within the Project, as the same is depicted on the Initial District Boundary Map and the Inclusion Area Boundary Map.

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

Service Plan Amendment: means an amendment to the Service Plan approved by the City Council in accordance with applicable state law.

Special District Act or “Act”: means Article 1 of Title 32 of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

III. BOUNDARIES

The area of the Initial Districts Boundaries includes approximately 40 acres and the total area within the Inclusion Area Boundaries is approximately 593 acres. Legal descriptions of the Initial Districts Boundaries are attached hereto as **Exhibits A-1 through A-7**. A map of the Initial Districts Boundaries is attached hereto as **Exhibit C**. A map of the permitted Inclusion Area Boundaries is attached hereto as **Exhibit D**. A vicinity map is attached hereto as **Exhibit B** showing the general location of the Project as within the City. It is anticipated that the Districts’ Boundaries may change from time to time as they undergo inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Article V below. It is the intent of this Service Plan that all developable property within the Service Area be included into the legal boundaries of one of the Districts as development is phased over time. Inclusions or exclusions of property within Service Area are deemed necessary to implement the provisions of the Service Plan and provide the necessary financing, construction and services and shall not require prior City approval. Notice of any boundary adjustments approved by the Districts shall be provided to the City Planning Department within thirty (30) days of approval of the same and shall not require prior City

approval, but shall not proceed if the Planning Department objects within thirty (30) days of receiving notice. To the extent there is objection to any such boundary adjustment, the Districts may appeal the same to the City Council. . Inclusions of property outside the Service Area shall require the prior written consent of the City and, as deemed necessary or appropriate by the City, a public hearing to authorize the same prior to the Districts' undertaking such inclusions.

IV. PROPOSED LAND USE AND ASSESSED VALUATION

The Service Area consists of approximately six hundred twenty two (622) acres of real property with uses identified under the PUD, which include commercial, residential, light industrial and RV park development. The current assessed valuation of the Service Area is approximately \$16,055 and, at build out, is expected to be \$9,885,000 which amount is expected to be sufficient to reasonably discharge the Debt as demonstrated in the Financial Plan. The estimated population at build out is expected to be 1,725 persons (based upon 694 anticipated residential units x 2.5 persons per unit).

Approval of this Service Plan by the City does not supersede or impact any further development or planning approvals that may be necessary in that it does not (1) imply approval of the development of any specific area within the Districts, (2) imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings which may be identified in this Service Plan or any of the exhibits attached hereto or (3) imply approval of any of the Public Improvements, unless the same is contained within an Approved Development Plan.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the Districts and Service Plan Amendment.

The Districts shall have the power and authority to acquire, construct and install the Public Improvements within and without the permitted Service Area of the Districts as such power and authority is described in the Special District Act, and other applicable statutes, common law and the State Constitution, subject to the limitations in this Service Plan.

If, after the Service Plan is approved, the State Legislature includes additional powers or grants new or broader powers for Title 32 districts by amendment of the Special District Act, to the extent permitted by law any or all such powers shall be deemed to be a part hereof and available to or exercised by the Districts upon compliance by the Districts with the notice requirements set forth in §32-1-207(3)(b), C.R.S. The Districts shall provide certified delivery of such written notice to the secretary of the City Council. The Districts shall be permitted to exercise such proposed powers only upon review of the underlying notice provided by the City and the City may hold a public hearing to determine whether such additional power or activity constitutes a material modification of this Service Plan. If the City determines that the exercise

of such powers constitutes a material modification, the Districts shall submit a service plan amendment regarding same for approval by the City prior to the exercise of any such power.

1. Operations and Maintenance Limitation. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The Districts shall dedicate the Public Improvements to the City or other appropriate governmental entities or owners association in a manner consistent with the Approved Development Plan and applicable provisions of the City Code. Upon review and consent by the City, which shall be evidenced in a written intergovernmental agreement, the Districts shall be authorized to operate and maintain any part or all of the Public Improvements, to the extent the same are not accepted by another governmental entity. The Districts shall be permitted to fund the requisite operations and maintenance activities through imposition of the permitted Maximum Operations and Maintenance Mill Levy. The Districts' authorization to perform operations and maintenance services, if any, shall expire after twenty-five (25) years from the date of organization of the Districts unless the City Council approves the Districts' continuation of such services pursuant to an intergovernmental agreement subject to assurance that adequate provision may be made for the continued operations and maintenance services. Thereafter, the Districts shall be required to seek City approval to provide such services every ten years. If the City disapproves the continuation of operation and maintenance functions by the Districts, the City shall assure or make adequate provision for the provision of operation and maintenance services anticipated to be discontinued by the Districts. The failure by the Districts to obtain the City approvals shall not constitute a material modification unless such approval is not obtained forty-five (45) days after written notice to the Districts by the City of the need to request such approval.

2. Development Standards. The Districts will ensure that the Public Improvements are designed and constructed in accordance with the then current and applicable standards and specifications of the City and of other governmental entities having proper jurisdiction, as applicable. The Districts directly or indirectly, through the developer of the Project, will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work. Unless waived by the City, the Districts shall be required, in accordance with the City Code, to post a surety bond, letter of credit, or other approved development security for any Public Improvements to be constructed by the Districts. Such development security may be released when the Districts have obtained funds, through bond issuance or otherwise, adequate to ensure the construction of those Public Improvements for which development security would otherwise be required.

3. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt, the Districts shall provide notice to the City, which notice shall include the anticipated terms of the underlying Debt and to whom such Debt may be issued. To the extent that it is anticipated that Debt will be issued to the Developer, its principals or affiliates, the City at its discretion may advise the Districts within ten (10) calendar days of its intent to hold a hearing thereon to determine whether issuance of such Debt is within the parameters of this Service Plan. For all other privately placed debt, the Districts shall obtain and supply to the City 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 the Districts for the [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.

4. Inclusion and Exclusion Limitation. Unless otherwise provided for herein and specifically subject to the provisions of Section III, herein, the Districts shall not include within their boundaries any property outside the Service Area nor exclude from their boundaries any property inside the Service Area without the prior written consent of the City Council. The Districts shall be permitted to undertake boundary adjustments to accommodate phasing and financing considerations for property within the Service Area as deemed necessary or appropriate from time to time and shall give written notice to the City Planning Department of boundary adjustments considered and approved by the respective District.

5. Initial Debt Limitation. Prior to the effective date of approval of an Approved Development Plan relating to development within any or all of the Service Area, the Districts shall not issue any Debt.

6. Maximum Debt Authorization. The Maximum Debt Authorization of the Districts shall initially be set at an aggregate amount of Debt not in excess of \$4,323,000.

For an increase in the Maximum Debt Authorization of up to 10% of the then permitted limit, the Districts shall submit notice to the City pursuant to §32-1-207(3)(b), C.R.S. with certified written notice to the secretary of the City Council. To the extent the Districts seek to modify the Maximum Debt Authorization above 10% of the above limit, they shall demonstrate the need therefore and obtain the prior approval of the City Council, as set forth in a resolution. Increases which do not exceed 50% of the amount set forth above, and which are approved by resolution of the City Council, shall not constitute a material modification of this Service Plan.

Notwithstanding the aforesaid, to the extent there is a future public finance agreement or other intergovernmental agreement with the City, setting forth the conditions and agreement as to the imposition of a public improvement fee to be imposed on property as an offset (or credit) against sales tax revenues that would otherwise be imposed by the City (the "Credit PIF"), the Districts' Maximum Debt Limit shall be expressly authorized to be increased pursuant to the terms and conditions of any such agreement. Any such agreement and increases to the Maximum Debt Limit authorized thereunder shall not constitute a material modification to this Service Plan and all such increases shall be predicated upon an increased revenue stream

associated with the Credit PIF as the same is authorized pursuant to such future agreement with the City.

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 for which the City is eligible to apply for, except funds directly allocated to trails, parks and open space improvements as described in an approved final plat from the City for which the Districts are responsible for construction. 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. Consolidation Limitation. The Districts shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City.

9. Eminent Domain Limitation. The Districts shall not exercise its statutory power of eminent domain, except as may be necessary to construct, install, access, relocate or redevelop the Public Improvements identified in the Preliminary Infrastructure Plan. Any use of eminent domain shall be undertaken strictly in compliance with State law.

10. Service Plan Amendment Requirement. This Service Plan is general in nature and does not include specific detail in some instances because development plans have not been finalized. The 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. Modification of the general types of services and facilities making up the Public Improvements, and changes in proposed configurations, locations or dimensions of the Public Improvements shall be permitted to accommodate development needs consistent with the then-current Approved Development Plan(s) for the Project. The Districts shall be independent units of local government, separate and distinct from the City, and their activities are subject to review by the City only insofar as they may deviate in a material manner from the requirements of the Service Plan. Any action of the Districts which: (1) violates the limitations set forth in Section V.A. above or (2) violates the limitations set forth in Section VI. below, shall be deemed to be a material modification to this Service Plan unless otherwise agreed by the City as provided for in Section X of this Service Plan or unless otherwise expressly provided herein. Unless otherwise expressly provided herein, any other departure from the provisions of this Service Plan shall be considered on a case-by-case basis as to whether such departure is a material modification. Any determination by the City that a departure is not a material modification shall be conclusive and final and shall bind all residents, property owners and others affected by such departure.

To the extent permitted by law, the Districts may seek formal approval from the City Council of modifications to this Service Plan which are not material, but for which the Districts may desire a written amendment and approval by the City Council. Such approval may be evidenced by any instrument executed by the City Manager, City Attorney, or other specially designated representative of the City Council as to the matters set forth therein and shall be conclusive and final.

11. Location and Extent Limitation. The Districts hereby waive and shall not exercise any power pursuant to Section 31-23-209, C.R.S., or otherwise, to override or avoid compliance with the City Code, resolution, or decisions.

B. Preliminary Infrastructure Plan.

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, as the same are more specifically defined in an Approved Development Plan. The Preliminary Infrastructure Plan, including: (1) a list of the Public Improvements anticipated to be developed by the Districts; and (2) an estimate of the cost of the Public Improvements is attached hereto as **Exhibit E** and is hereby deemed to constitute the preliminary engineering or architectural survey required by Section 32-1-202(2)(c), C.R.S. The Maps Depicting Public Improvements is attached hereto as **Exhibit F** and is also available in size and scale approved by the City Planning Department.

As shown in the Preliminary Infrastructure Plan, the estimated cost of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed by the Districts is currently anticipated to be approximately \$19,222,000. The Preliminary Infrastructure Plan shall not obligate the Districts to construct all or any of the Public Improvements set forth therein. Rather such Preliminary Infrastructure Plan sets forth the scope and general Public Improvements that may be provided by or through the Districts at their discretion as the same are deemed appropriate and there may be financial capacity and authorization to do so. The Districts shall be permitted to allocate costs between such categories of the Public Improvements as deemed necessary in their discretion with the intent and understanding that provision of such Public Improvements shall be subject to the limitations expressed herein.

All of the Public Improvements described herein will be designed in such a way as to assure that the Public Improvements standards will be consistent with or exceed the then-current standards of the City and shall be in accordance with the requirements of the Approved Development Plan and all other City rules, regulations and policies concerning development and construction of public infrastructure. All descriptions of the Public Improvements herein to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, the City's requirements, and construction scheduling may require. Upon approval of this Service Plan, the Districts will continue to develop and refine the Preliminary Infrastructure Plan and the Map Depicting Public Improvements, as necessary, and prepare for issuance of Debt. All cost estimates will be inflated to then-current dollars at the time of the issuance of Debt and construction. All construction cost estimates contained in **Exhibit E** assume construction to applicable local, State or Federal requirements. Changes in the Public Improvements, Preliminary Infrastructure Plan, Map Depicting Public Improvements, or costs, which are approved by the City Council in an Approved Development Plan shall not constitute a material modification of this Service Plan. Additionally, due to the preliminary nature of the PIP, the City shall not be bound by the PIP in reviewing and approving the Approved Development Plan and the Approved Development Plan shall supersede the PIP.

C. Operational Services.

It is contemplated that the Public Improvements will be dedicated to the City or other appropriate governmental entities or owners association in a manner consistent with the Approved Development Plan and applicable provisions of the City Code for continued operation and maintenance by such entity. Notwithstanding, the Districts shall be authorized to operate and maintain any part or all of the Public Improvements, to the extent the same are not accepted by another governmental entity pursuant to the provisions of Section V.A.1. The Districts shall be permitted to fund the requisite operations and maintenance activities through imposition of the permitted Maximum Operations and Maintenance Mill Levy.

D. Multiple District Structure.

It is anticipated that the Districts, collectively, will undertake the financing and construction of the Public Improvements. The nature of the functions and services to be provided by each District shall be clarified in an intergovernmental agreement between and among the Districts. All such agreements will be designed to help assure the orderly development of the Public Improvements and essential services in accordance with the requirements of this Service Plan. Implementation of such intergovernmental agreement is essential to the orderly implementation of this Service Plan.

VI. FINANCIAL PLAN

A. General.

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from the Districts' revenues and by and through the proceeds of Debt to be issued by the Districts. The Financial Plan for the Districts shall be to: (i) issue no more Debt than each respective District can reasonably pay within thirty (30) years for each series of Debt from revenues derived from the Maximum Debt Mill Levy, and other legally available revenues and (ii) satisfy all other financial obligations arising out of the Districts' administrative and operations and maintenance activities. The Financial Plan attached hereto as **Exhibit G** is premised upon preliminary projections associated with the Project and shows that the Districts can reasonably discharge the Debt consistent with the requirements of the Special District Act. The total Debt that the Districts shall be permitted to issue shall not exceed the Maximum Debt Authorization, as authorized hereunder, or via a future agreement with the City as contemplated in Section V.A.6 of this Service Plan; provided, however, that Debt issued to refund outstanding Debt of the Districts, including Debt issued to refund Debt owed to the developer of the Project pursuant to a reimbursement agreement or other agreement, shall not count against the Maximum Debt Authorization so long as such refunding Debt does not result in a net present value expense. Issuance costs necessary to effectuate any such refunding shall not count against the Maximum Debt Authorization. District Debt shall be permitted to be issued on a schedule and in such year or years as the District determines shall meet the needs of the Financial Plan referenced above

and phased to serve the Project as it occurs. All Bonds and other Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, including 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, including revenues that may be authorized pursuant to future agreements with the City. These will include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time as further set forth in VI(E).

The Maximum Debt Authorization is supported by the tax revenue projections prepared by Anderson Analytics LLC, and the Financial Plan prepared by D.A. Davidson & Co. attached hereto as **Exhibit G**. The Financial Plan attached to this Service Plan satisfies the requirements of Section 10.20.20.I. of the City Code.

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. In the event of a default, the proposed maximum interest rate on any Debt is not permitted to exceed twelve percent (12%). The proposed maximum underwriting discount will be three percent (3%). 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 Mill Levies.

The “Maximum Debt Mill Levy” shall be the maximum mill levy the Districts are permitted to impose upon the taxable property within each of their respective legal boundaries for payment of Debt, and shall be thirty-five (35) mills.

The “Maximum Operations and Maintenance Mill Levy” shall be the maximum mill levy the Districts are permitted to impose upon the taxable property within the Districts for payment of administration, operations, and maintenance costs, and shall be ten (10) mills.

The “Maximum Aggregate Mill Levy” shall be the maximum mill levy each of the Districts are permitted to impose upon the taxable property within the legal boundaries of any of the Districts for payment of Debt and administration, operations, and maintenance costs, and shall be forty-five (45) mills, subject to adjustment as permitted herein. This means that Maximum Debt Mill Levy and the Maximum Operations Mill Levy may not be imposed simultaneously.

Notwithstanding, if, on or after January 1, 2008, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the preceding mill levy limitations may be increased or decreased to reflect such changes, with such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2008, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of

calculating assessed valuation. 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.

D. Maximum Debt Term.

The scheduled final maturity of any Debt or series of Debt shall be limited to thirty (30) years, including refundings thereof, unless a majority of the Board of the respective District are residents have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101 *et seq.*, C.R.S.

The Districts shall be limited to issuing new Debt to a period of not more than fifteen (15) years from the date of the Districts' first TABOR election. With the express consent of the City Council, which shall not constitute a material modification of this Service Plan, the Districts may depart from the Financial Plan and issue Debt after the originally permitted fifteen-year period in order to provide the services outlined in this Service Plan to the extent development phasing is of a duration that makes it impracticable to issue all Debt within such period.

E. Sources of Funds.

The Districts may impose a mill levy on taxable property within their respective boundaries in accordance with the provisions of this Service Plan as a primary source of revenue for repayment of debt service, administrative expenses and operations and maintenance, to the extent operations and maintenance functions are specifically addressed in this Service Plan. The Districts may also rely upon various other revenue sources authorized by law, as may be set forth in future agreements with the City or property owners affiliated with the Project, including initial loans for funding the Public Improvements. The Districts may also assess fees, rates, tolls, penalties, or charges as provided in the Special District Act that are reasonably related to the costs of operating and maintaining services and facilities. At the Districts' discretion, they may impose a one-time development fee only if such fee is payable and collectible at the time of issuance of a building permit. The development fee, the right to collect the development fee, and any lien on the property to secure the development fee shall terminate immediately following issuance of such building permit and payment of the development fee. The permitted development fee shall not exceed \$5,000 per Residential Lot, and \$1.00 per square foot of property intended for non-residential uses, including commercial, retail or office space, with a permitted adjustment on an annual basis to account for increases in the CPI – Denver/Boulder, Colorado. Tax exempt organizations that are zoned non-residential will be exempt from payment of the permitted development fee to the Districts. The Districts shall be permitted to assess fees, rates, tolls, penalties, or charges exceeding the amount of the Development Fee only upon review and consent by the City, in the City's sole discretion. The City may hold a public hearing to determine whether such fees, rates, tolls, penalties, or charges exceeding the amount of the Development Fee should be approved.

F. Security for Debt.

The Districts do not have the authority and shall not pledge any revenue or property of the City 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 City 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 City in the event of default by the Districts in the payment of any such obligation or performance of any other obligation.

G. TABOR Compliance.

The Districts will comply with the provisions of TABOR. In the discretion of the Boards of Directors, the Districts 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 Districts will remain under the control of the respective District Board.

H. Districts' 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 anticipated to be approximately \$100,000, which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs associated with the Public Improvements, the Districts will require operating funds for administration and to plan and cause the Public Improvements to be operated and maintained in accordance herewith. The first year's operating budget is estimated to be \$50,000. Ongoing administration, operations, and maintenance costs may be paid from property taxes and other revenues.

I. Elections.

The Districts will call an election on the questions of organizing the Districts, electing the initial Boards of Directors, and setting in place financial authorizations for debt, taxing and other matters as required by TABOR. The election will be conducted as required by law.

VII. ANNUAL REPORT

A. General. The Districts shall be responsible for submitting an annual report with the City Clerk not later than September 1st of each year following the year in which the Order and Decree creating the Districts has been issued by the District Court for and in County of Gunnison, Colorado. The City may waive this requirement in its sole discretion.

B. Reporting of Significant Events.

The annual report shall include the following:

1. A narrative summary of the progress of the Districts in implementing their service plan for the report year;

2. Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the Districts for the report year including a statement of financial condition (*i.e.*, balance sheet) as of December 31 of the report year and the statement of operations (*i.e.*, revenues and expenditures) for the report year;

3. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of Public Improvements in the report year;

4. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the Districts at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the report year, the amount of payment or retirement of existing indebtedness of the Districts in the report year, the total assessed valuation of all taxable properties within the Districts as of January 1 of the report year and the current mill levy of the Districts pledged to debt retirement in the report year; and

5. Any other information deemed relevant by the City Council or deemed reasonably necessary by the City Manager.

In the event the annual report is not timely received by the City Clerk or is not fully responsive, notice of such default may be given to the Board of such Districts, at its last known address. The failure of the Districts to file the annual report within forty-five (45) days of the mailing of such default notice by the City Clerk may constitute a material modification, at the discretion of the City.

VIII. DISSOLUTION

Upon a determination of the City Council that the purposes for which all or any of the Districts were created have been accomplished, the respective District agrees to file a petition in the District Court in and for County of Gunnison, Colorado, for dissolution, in accordance with the provisions of the Special District Act. In no event shall dissolution occur until the Districts have provided for the payment or discharge of all of outstanding Debt and other financial obligations as required pursuant to State statutes. If the Districts are responsible for ongoing operations and maintenance functions under this Service Plan (“Long Term District Obligations”), the Districts shall not be obligated to dissolve upon any such City Council determination, subject to the Districts’ requirement to obtain the City’s continuing approvals under Section V.A.1. However, should the Long Term District Obligations be undertaken by the City or other governmental entity, or should the Districts no longer be obligated to perform the Long Term District Obligations, the Districts agree to commence dissolution proceedings as set forth above in the event of such City Council determination.

IX. PROPOSED AND EXISTING INTERGOVERNMENTAL AGREEMENTS AND EXTRATERRITORIAL SERVICE AGREEMENTS

All intergovernmental agreements (“IGAs”) must be for purposes, facilities, services or agreements lawfully authorized to be provided by the Districts, pursuant to the State Constitution, Article XIV, Section 18(2)(a) and Sections 29-1-201, et seq., C.R.S. To the extent practicable, the Districts may enter into additional intergovernmental and private agreements to better ensure long-term provision of the Public Improvements identified herein or for other lawful purposes of the Districts. Agreements may also be executed with property owner associations and other service providers.

The following agreements are likely to be necessary, and the rationale therefore are set forth as follows:

1. It is anticipated that the Districts may enter into one or more intergovernmental agreements among themselves for purposes of setting forth an agreement as to the coordinated provision of services contemplated by the Service Plan, inclusive but not necessarily limited to financing, construction and operations. This may include additional reimbursement or pledge agreements as between the Districts.
2. It is anticipated that one or more Districts may enter into an agreement with the City that may include but not necessarily limited to the following subjects (1) Public Improvements necessary for the property, including any Approved Development Plan; (2) operations and maintenance of the Public Improvements; and (3) a Credit PIF arrangement.

No other agreements are currently required or contemplated as of the date of the Service Plan to fulfill the purposes of the Districts. Any extraterritorial service agreements by the Districts that are not described in this service plan shall require prior written notice of same to the City Council. Notice of any intergovernmental agreement entered into by the Districts shall be supplied to the City Manager, not less than annually; and may be satisfied by transmitting a copy of that Report supplied to the Colorado Division of Local Government reflecting Districts IGAs.

X. MATERIAL MODIFICATIONS

Material modifications to this Service Plan may be made only in accordance with Section 32-1-207, C.R.S. No modification shall be required for an action of the Districts which does not materially depart from the provisions of this Service Plan. The Districts may request from the City Manager (or his or her designee) a determination as to whether the City believes any particular action constitutes a material departure from the Service Plan, and the Districts may rely on the City Manager’s written determination with respect thereto; provided that the Districts acknowledge that the City Manager’s determination as aforesaid will be binding only upon the City, and will not be binding upon any other party entitled to enforce the provisions of the Service Plan as provided in Section 32-1-207, C.R.S., except as otherwise expressly provided

herein. Such other parties shall be deemed to have constructive notice of the provisions of this Service Plan concerning changes, departures or modifications which may be approved by the City in procedures described herein and not provided in Section 32-1-207, C.R.S., and, to the extent permitted by law, are deemed to be bound by the terms hereof. The City may hold a public hearing to determine whether proposed actions of the Districts constitute a material modification of the Service Plan. If the City determines that such actions constitute a material modification, the Districts shall be required to submit a service plan amendment and process the same pursuant to the requirements of Title 32 and the City Code prior to undertaking any such actions.

XI. NOTICE TO PURCHASERS

Within thirty (30) days of the issuance of a decree organizing the Districts, the Districts, or the proponents of the Districts, shall cause Notice of the Organization of the Districts to be recorded in the land records of the Gunnison County Clerk and Recorder. Additionally, by submission of this Service Plan, the proponents of the Districts consent to the City's inclusion in an Approved Development Plan or other land use regulation document a requirement that the initial end-purchaser of property within the Districts receive Notice of the Districts and other Districts matters (i) in the contract to purchase the property and (ii) in a separate document to be acknowledged at closing. The Districts shall use reasonable efforts to confirm that such Notice is being provided. Notice shall be in the form of the following, with any changes subject to the approval the City Planning Department:

BUYER ACKNOWLEDGES THAT THE PROPERTY BEING PURCHASED IS WITHIN THE BOUNDARIES OF ONE OR MORE METROPOLITAN DISTRICTS. THE DISTRICT(S) EXIST PRIMARILY FOR INFRASTRUCTURE FINANCING PURPOSES. AS A RESULT, THE DISTRICTS ARE AUTHORIZED TO ASSESS A PROPERTY TAX MILL LEVY UP TO 45 MILLS, SUBJECT TO CHANGES IN THE STATEWIDE METHOD OF CALCULATING ASSESSED VALUATION. THE DISTRICTS ARE AUTHORIZED TO INCUR DEBT IN THE MAXIMUM AMOUNT OF \$4,323,000, WITH A MATURITY UP TO 30 YEARS FOLLOWING THE ISSUANCE OF THE DEBT. THE DISTRICTS ARE AUTHORIZED TO CHARGE A ONE-TIME DEVELOPMENT FEE PAYABLE AND COLLECTABLE NOT LATER THAN THE TIME OF ISSUANCE OF A BUILDING PERMIT. THE PERMITTED DEVELOPMENT FEE SHALL NOT EXCEED \$5,000 PER RESIDENTIAL LOT, AND \$1.00 PER SQUARE FOOT OF PROPERTY INTENDED FOR NON-RESIDENTIAL USE, INCLUDING COMMERCIAL, RETAIL OR OFFICE SPACE.

Acknowledged this _____ day of _____, 20_____.

Buyer

XII. CONCLUSION

It is submitted that this Service Plan for the Districts, as required by Section 32-1-204.5, C.R.S. and 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 are inadequate for present and projected needs;
3. The Districts are capable of providing economical and sufficient service to the area within their proposed boundaries;
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;

XIII. RESOLUTION OF APPROVAL

The Districts agree to incorporate the City Council's Resolution of approval, including any conditions on any such approval, into the Service Plan presented to the District Court for and in Gunnison County, Colorado.

EXHIBIT A

Legal Descriptions for
Initial District Legal Boundaries

Exhibit A-1

GUNNISON RISING METROPOLITAN DISTRICT DISTRICT NO. 1 - INITIAL BOUNDARY DESCRIPTION

A PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 50 NORTH, RANGE 1 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, GUNNISON COUNTY, COLORADO, BEING THAT PORTION OF THE TOMICHI CREEK CORRIDOR ANNEXATION AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY LINE OF SAID TOMICHI CREEK CORRIDOR ANNEXATION, SAID POINT BEING THE SOUTHERLY EXTENT OF THAT LINE BEARING N00°33'12"W (FOR A DISTANCE OF 1911.81 FEET) AS SHOWN ON SAID ANNEXATION MAP;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 150.00 FEET;
THENCE N89°26'48"E, A DISTANCE OF 150.00 FEET;
THENCE S00°33'12"E, A DISTANCE OF 150.00 FEET;
THENCE S89°26'48"W, A DISTANCE OF 150.00 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 0.52 ACRES, MORE OR LESS.

THE FOREGOING DESCRIPTION WAS PREPARED FOR GUNNISON RISING METROPOLITAN DISTRICT AND IS BASED UPON THE ANNEXATION PLAT OF THE TOMICHI CREEK CORRIDOR ANNEXATION PREPARED BY DEL-MONT CONSULTANTS, INC. (AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF GUNNISON COUNTY), THE ZONING MAP FOR SAID ANNEXATION AS PREPARED BY NES, INC. AND AVAILABLE RECORD INFORMATION. THIS DESCRIPTION IS NOT BASED UPON AN ACTUAL FIELD SURVEY OF THE PROPERTY DESCRIBED. ALL BEARINGS REFERRED TO HEREIN ARE RELATIVE TO SAID ANNEXATION PLAT.

Prepared October 12, 2015 for Gunnison Rising Metropolitan District

By: Lawrence J. VonDeBur, Colorado PLS 22106
2332 Oriole Ave
Colorado Springs, CO 80909

Exhibit A-2

GUNNISON RISING METROPOLITAN DISTRICT DISTRICT NO. 2 – INITIAL BOUNDARY DESCRIPTION

A PORTION OF SECTION 31, TOWNSHIP 50 NORTH, RANGE 1 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, GUNNISON COUNTY, COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL OF TRACT A OF GUNNISON RISING SUBDIVISION FILING NO. 1 AS RECORDED AT RECEPTION NO. 610833 OF THE RECORDS OF SAID COUNTY AND THAT TRACT AS DESCRIBED IN DEED RECORDED AT RECEPTION NO. 618344 OF SAID COUNTY RECORDS, SECONDARILY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID TRACT A ;

THENCE S89°47'18"W, A DISTANCE OF 1623.33 FEET TO THE WESTERLY LINE OF SAID SECTION 31;

THENCE N00°29'43"E ON SAID LINE, A DISTANCE OF 1318.65 FEET TO THE NORTHWEST CORNER OF SAID TRACT A;

THENCE ON THE NORTHERLY AND EASTERLY LINES OF SAID TRACT A FOR THE FOLLOWING FIFTEEN (15) COURSES;

- 1) ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT, THE CENTER POINT OF SAID CURVE BEARING N13°20'06"W, HAVING A RADIUS OF 700.00 FEET AND A CENTRAL ANGLE OF 06°12'52", FOR AN ARC DISTANCE OF 75.92 FEET;
- 2) ALONG THE ARC OF A REVERSE CURVE TO THE RIGHT, THE CENTER POINT OF SAID CURVE BEARING S19°20'19"E, HAVING A RADIUS OF 400.10 FEET AND A CENTRAL ANGLE OF 18°54'28", FOR AN ARC DISTANCE OF 132.03 FEET;
- 3) N89°34'14"E, A DISTANCE OF 174.08 FEET;
- 4) S89°30'16"E, A DISTANCE OF 110.16 FEET;
- 5) S84°51'22"E, A DISTANCE OF 70.23 FEET;
- 6) S72°41'49"E, A DISTANCE OF 47.30 FEET;
- 7) S36°55'57"E, A DISTANCE OF 55.14 FEET;
- 8) S49°48'20"E, A DISTANCE OF 18.13 FEET;
- 9) ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 37°19'04", FOR AN ARC DISTANCE OF 130.26 FEET;
- 10) S87°07'25"E, A DISTANCE OF 119.97 FEET;
- 11) ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 1250.00 FEET AND A CENTRAL ANGLE OF 17°50'51", FOR AN ARC DISTANCE OF 389.37 FEET;
- 12) N75°01'45"E, A DISTANCE OF 118.51 FEET;
- 13) S00°02'58"W, A DISTANCE OF 458.91 FEET;
- 14) S52°14'56"E, A DISTANCE OF 281.07 FEET;
- 15) S00°12'52"E, A DISTANCE OF 668.34 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 45.33 ACRES, MORE OR LESS.

TOGETHER WITH THE FOLLOWING DESCRIBED PARCEL, TO WIT:

A PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 50 NORTH, RANGE 1 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, GUNNISON COUNTY, COLORADO, BEING THAT PORTION OF THE TOMICHI CREEK CORRIDOR ANNEXATION AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE WESTERLY LINE OF SAID TOMICHI CREEK CORRIDOR ANNEXATION, SAID POINT BEING THE SOUTHERLY EXTENT OF THAT LINE BEARING N00°33'12"W (FOR A DISTANCE OF 1911.81 FEET) AS SHOWN ON SAID ANNEXATION MAP;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 150.00 FEET TO THE **POINT OF BEGINNING**;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 150.00 FEET;
THENCE N89°26'48"E, A DISTANCE OF 150.00 FEET;
THENCE S00°33'12"E, A DISTANCE OF 150.00 FEET;
THENCE S89°26'48"W, A DISTANCE OF 150.00 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 0.52 ACRES, MORE OR LESS.

THE FOREGOING DESCRIPTION WAS PREPARED FOR GUNNISON RISING METROPOLITAN DISTRICT AND IS BASED UPON THE ANNEXATION PLAT OF THE TOMICHI CREEK CORRIDOR ANNEXATION PREPARED BY DEL-MONT CONSULTANTS, INC. (AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF GUNNISON COUNTY), THE ZONING MAP FOR SAID ANNEXATION AS PREPARED BY NES, INC. AND AVAILABLE RECORD INFORMATION. THIS DESCRIPTION IS NOT BASED UPON AN ACTUAL FIELD SURVEY OF THE PROPERTY DESCRIBED. ALL BEARINGS REFERRED TO HEREIN ARE RELATIVE TO SAID ANNEXATION PLAT.

Prepared October 12, 2015 for Gunnison Rising Metropolitan District
By: Lawrence J. VonDeBur, Colorado PLS 22106
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Exhibit A-3

GUNNISON RISING METROPOLITAN DISTRICT DISTRICT NO. 3 - INITIAL BOUNDARY DESCRIPTION

A PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 50 NORTH, RANGE 1 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, GUNNISON COUNTY, COLORADO, BEING THAT PORTION OF THE TOMICHI CREEK CORRIDOR ANNEXATION AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE WESTERLY LINE OF SAID TOMICHI CREEK CORRIDOR ANNEXATION, SAID POINT BEING THE SOUTHERLY EXTENT OF THAT LINE BEARING N00°33'12"W (FOR A DISTANCE OF 1911.81 FEET) AS SHOWN ON SAID ANNEXATION MAP;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 300.00 FEET TO THE **POINT OF BEGINNING**;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 150.00 FEET;
THENCE N89°26'48"E, A DISTANCE OF 150.00 FEET;
THENCE S00°33'12"E, A DISTANCE OF 150.00 FEET;
THENCE S89°26'48"W, A DISTANCE OF 150.00 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 0.52 ACRES, MORE OR LESS.

THE FOREGOING DESCRIPTION WAS PREPARED FOR GUNNISON RISING METROPOLITAN DISTRICT AND IS BASED UPON THE ANNEXATION PLAT OF THE TOMICHI CREEK CORRIDOR ANNEXATION PREPARED BY DEL-MONT CONSULTANTS, INC. (AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF GUNNISON COUNTY), THE ZONING MAP FOR SAID ANNEXATION AS PREPARED BY NES, INC. AND AVAILABLE RECORD INFORMATION. THIS DESCRIPTION IS NOT BASED UPON AN ACTUAL FIELD SURVEY OF THE PROPERTY DESCRIBED. ALL BEARINGS REFERRED TO HEREIN ARE RELATIVE TO SAID ANNEXATION PLAT.

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2332 Oriole Ave
Colorado Springs, CO 80909

Exhibit A-4

GUNNISON RISING METROPOLITAN DISTRICT DISTRICT NO. 4 – INITIAL BOUNDARY DESCRIPTION

A PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 50 NORTH, RANGE 1 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, GUNNISON COUNTY, COLORADO, BEING THAT PORTION OF THE TOMICHI CREEK CORRIDOR ANNEXATION AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE WESTERLY LINE OF SAID TOMICHI CREEK CORRIDOR ANNEXATION, SAID POINT BEING THE SOUTHERLY EXTENT OF THAT LINE BEARING N00°33'12"W (FOR A DISTANCE OF 1911.81 FEET) AS SHOWN ON SAID ANNEXATION MAP;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 450.00 FEET TO THE **POINT OF BEGINNING**;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 150.00 FEET;
THENCE N89°26'48"E, A DISTANCE OF 150.00 FEET;
THENCE S00°33'12"E, A DISTANCE OF 150.00 FEET;
THENCE S89°26'48"W, A DISTANCE OF 150.00 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 0.52 ACRES, MORE OR LESS.

THE FOREGOING DESCRIPTION WAS PREPARED FOR GUNNISON RISING METROPOLITAN DISTRICT AND IS BASED UPON THE ANNEXATION PLAT OF THE TOMICHI CREEK CORRIDOR ANNEXATION PREPARED BY DEL-MONT CONSULTANTS, INC. (AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF GUNNISON COUNTY), THE ZONING MAP FOR SAID ANNEXATION AS PREPARED BY NES, INC. AND AVAILABLE RECORD INFORMATION. THIS DESCRIPTION IS NOT BASED UPON AN ACTUAL FIELD SURVEY OF THE PROPERTY DESCRIBED. ALL BEARINGS REFERRED TO HEREIN ARE RELATIVE TO SAID ANNEXATION PLAT.

Prepared October 12, 2015 for Gunnison Rising Metropolitan District

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Exhibit A-5

GUNNISON RISING METROPOLITAN DISTRICT DISTRICT NO. 5 – INITIAL BOUNDARY DESCRIPTION

A PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 50 NORTH, RANGE 1 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, GUNNISON COUNTY, COLORADO, BEING THAT PORTION OF THE TOMICHI CREEK CORRIDOR ANNEXATION AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE WESTERLY LINE OF SAID TOMICHI CREEK CORRIDOR ANNEXATION, SAID POINT BEING THE SOUTHERLY EXTENT OF THAT LINE BEARING N00°33'12"W (FOR A DISTANCE OF 1911.81 FEET) AS SHOWN ON SAID ANNEXATION MAP;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 600.00 FEET TO THE **POINT OF BEGINNING**;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 150.00 FEET;
THENCE N89°26'48"E, A DISTANCE OF 150.00 FEET;
THENCE S00°33'12"E, A DISTANCE OF 150.00 FEET;
THENCE S89°26'48"W, A DISTANCE OF 150.00 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 0.52 ACRES, MORE OR LESS.

THE FOREGOING DESCRIPTION WAS PREPARED FOR GUNNISON RISING METROPOLITAN DISTRICT AND IS BASED UPON THE ANNEXATION PLAT OF THE TOMICHI CREEK CORRIDOR ANNEXATION PREPARED BY DEL-MONT CONSULTANTS, INC. (AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF GUNNISON COUNTY), THE ZONING MAP FOR SAID ANNEXATION AS PREPARED BY NES, INC. AND AVAILABLE RECORD INFORMATION. THIS DESCRIPTION IS NOT BASED UPON AN ACTUAL FIELD SURVEY OF THE PROPERTY DESCRIBED. ALL BEARINGS REFERRED TO HEREIN ARE RELATIVE TO SAID ANNEXATION PLAT.

Prepared October 12, 2015 for Gunnison Rising Metropolitan District

By: Lawrence J. VonDeBur, Colorado PLS 22106
2332 Oriole Ave
Colorado Springs, CO 80909

Exhibit A-6

GUNNISON RISING METROPOLITAN DISTRICT DISTRICT NO. 6 – INITIAL BOUNDARY DESCRIPTION

A PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 50 NORTH, RANGE 1 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, GUNNISON COUNTY, COLORADO, BEING THAT PORTION OF THE TOMICHI CREEK CORRIDOR ANNEXATION AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE WESTERLY LINE OF SAID TOMICHI CREEK CORRIDOR ANNEXATION, SAID POINT BEING THE SOUTHERLY EXTENT OF THAT LINE BEARING N00°33'12"W (FOR A DISTANCE OF 1911.81 FEET) AS SHOWN ON SAID ANNEXATION MAP;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 750.00 FEET TO THE **POINT OF BEGINNING**;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 150.00 FEET;
THENCE N89°26'48"E, A DISTANCE OF 150.00 FEET;
THENCE S00°33'12"E, A DISTANCE OF 150.00 FEET;
THENCE S89°26'48"W, A DISTANCE OF 150.00 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 0.52 ACRES, MORE OR LESS.

THE FOREGOING DESCRIPTION WAS PREPARED FOR GUNNISON RISING METROPOLITAN DISTRICT AND IS BASED UPON THE ANNEXATION PLAT OF THE TOMICHI CREEK CORRIDOR ANNEXATION PREPARED BY DEL-MONT CONSULTANTS, INC. (AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF GUNNISON COUNTY), THE ZONING MAP FOR SAID ANNEXATION AS PREPARED BY NES, INC. AND AVAILABLE RECORD INFORMATION. THIS DESCRIPTION IS NOT BASED UPON AN ACTUAL FIELD SURVEY OF THE PROPERTY DESCRIBED. ALL BEARINGS REFERRED TO HEREIN ARE RELATIVE TO SAID ANNEXATION PLAT.

Prepared October 12, 2015 for Gunnison Rising Metropolitan District

By: Lawrence J. VonDeBur, Colorado PLS 22106
2332 Oriole Ave
Colorado Springs, CO 80909

Exhibit A-7

GUNNISON RISING METROPOLITAN DISTRICT DISTRICT NO. 7 – INITIAL BOUNDARY DESCRIPTION

A PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 50 NORTH, RANGE 1 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, GUNNISON COUNTY, COLORADO, BEING THAT PORTION OF THE TOMICHI CREEK CORRIDOR ANNEXATION AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE WESTERLY LINE OF SAID TOMICHI CREEK CORRIDOR ANNEXATION, SAID POINT BEING THE SOUTHERLY EXTENT OF THAT LINE BEARING N00°33'12"W (FOR A DISTANCE OF 1911.81 FEET) AS SHOWN ON SAID ANNEXATION MAP;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 900.00 FEET TO THE **POINT OF BEGINNING**;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 150.00 FEET;
THENCE N89°26'48"E, A DISTANCE OF 150.00 FEET;
THENCE S00°33'12"E, A DISTANCE OF 150.00 FEET;
THENCE S89°26'48"W, A DISTANCE OF 150.00 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 0.52 ACRES, MORE OR LESS.

THE FOREGOING DESCRIPTION WAS PREPARED FOR GUNNISON RISING METROPOLITAN DISTRICT AND IS BASED UPON THE ANNEXATION PLAT OF THE TOMICHI CREEK CORRIDOR ANNEXATION PREPARED BY DEL-MONT CONSULTANTS, INC. (AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF GUNNISON COUNTY), THE ZONING MAP FOR SAID ANNEXATION AS PREPARED BY NES, INC. AND AVAILABLE RECORD INFORMATION. THIS DESCRIPTION IS NOT BASED UPON AN ACTUAL FIELD SURVEY OF THE PROPERTY DESCRIBED. ALL BEARINGS REFERRED TO HEREIN ARE RELATIVE TO SAID ANNEXATION PLAT.

Prepared October 12, 2015 for Gunnison Rising Metropolitan District

By: Lawrence J. VonDeBur, Colorado PLS 22106
2332 Oriole Ave
Colorado Springs, CO 80909

EXHIBIT B

Vicinity Map

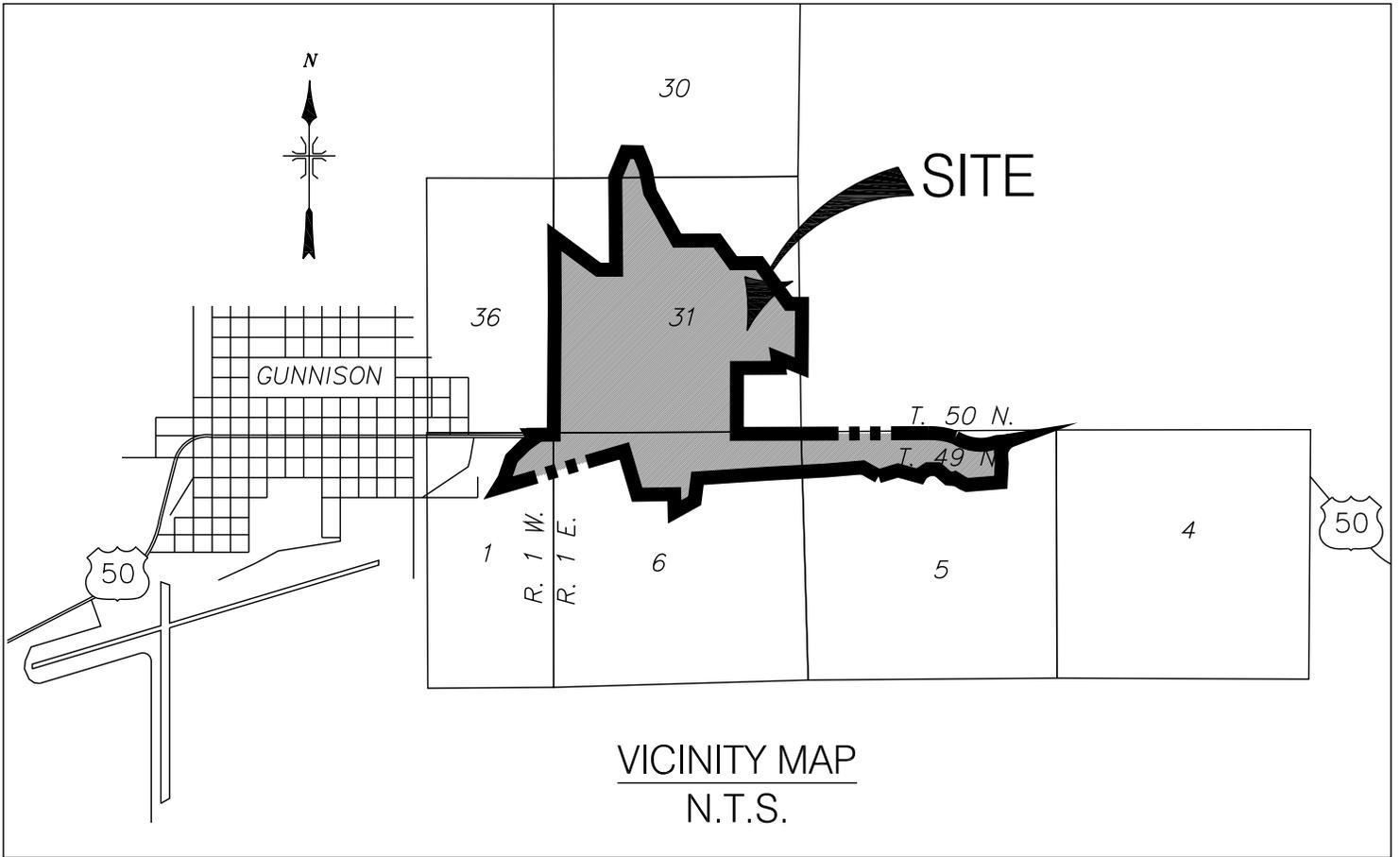
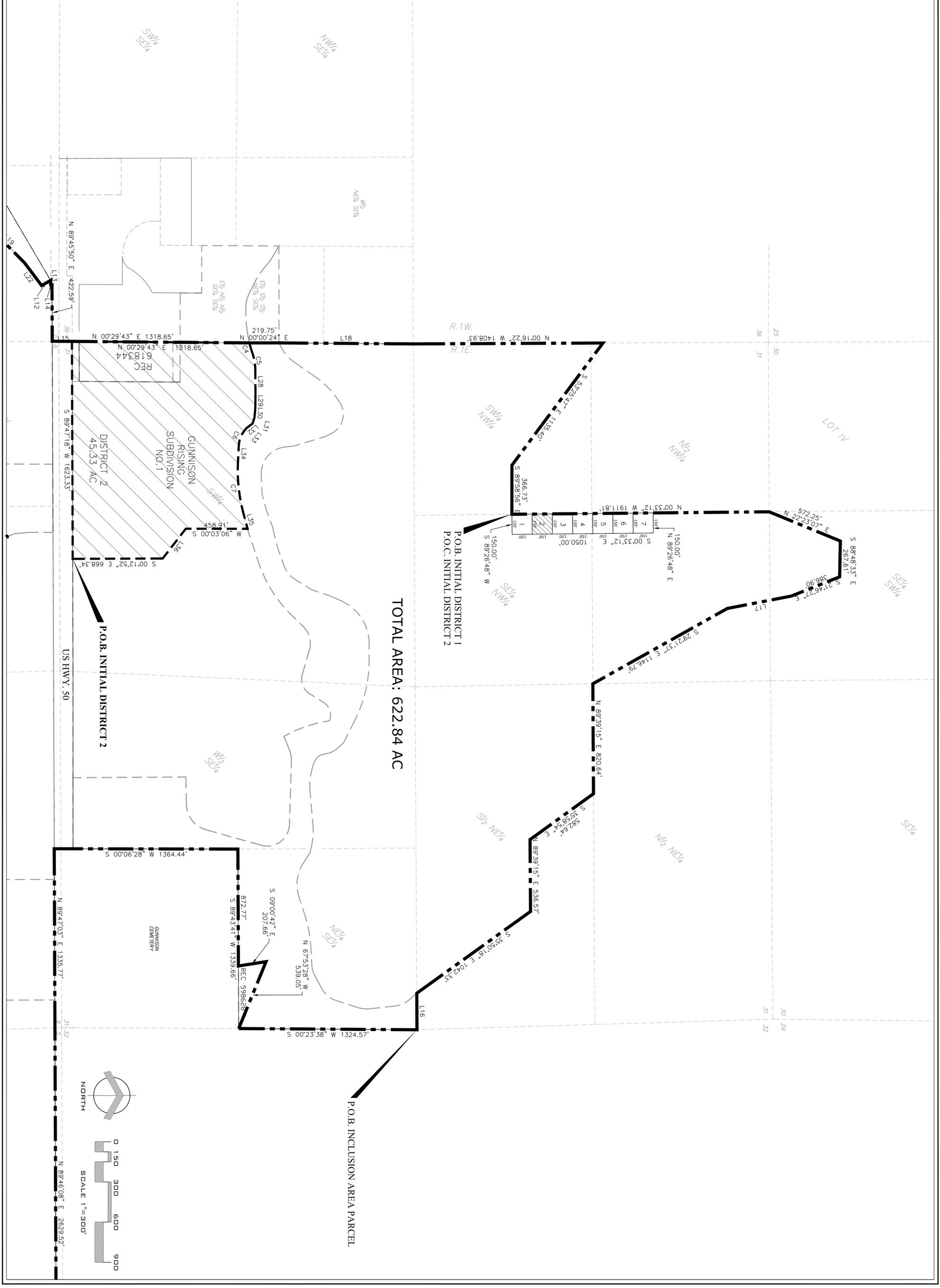


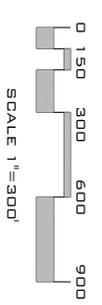
EXHIBIT B - VICINITY MAP

EXHIBIT C

Initial District Boundary Map



TOTAL AREA: 622.84 AC



GUNNISON RISING METROPOLITAN DISTRICT
EXHIBIT C - INITIAL DISTRICT BOUNDARY MAP
 FEBRUARY 2016

EXHIBIT D

Inclusion Area Boundary Map and Legal Description

Exhibit D

GUNNISON RISING METROPOLITAN DISTRICT INCLUSION AREA PARCEL DESCRIPTION

A PORTION OF SECTION 1, TOWNSHIP 49 NORTH, RANGE 1 WEST, SECTIONS 5 AND 6, TOWNSHIP 49 NORTH, RANGE 1 EAST AND SECTIONS 30 AND 31, TOWNSHIP 50 NORTH, RANGE 1 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, GUNNISON COUNTY, COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AT THE EAST QUARTER CORNER OF SAID SECTION 31;

THENCE S00°23'38"W ON THE EAST LINE OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION, A DISTANCE OF 1324.57 FEET TO THE SOUTHEAST CORNER THEREOF;

THENCE ON THE NORTHERLY AND WESTERLY LINES OF THAT PARCEL DESCRIBED IN DEED RECORDED AT RECEPTION NUMBER 598628 OF THE RECORDS OF SAID COUNTY FOR THE FOLLOWING TWO (2) COURSES;

- 1) N67°53'28"W, A DISTANCE OF 539.01 FEET;
- 2) S09°00'42"E, A DISTANCE OF 207.66 FEET;

THENCE ON THE EASTERLY, NORTHERLY, SOUTHERLY AND WESTERLY LINES OF THE TOMICHI CREEK CORRIDOR ANNEXATION AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF GUNNISON COUNTY COLORADO FOR THE FOLLOWING THIRTY (30) COURSES;

- 1) S89°43'41"W, A DISTANCE OF 872.77 FEET;
- 2) S00°06'28"W, A DISTANCE OF 1364.44 FEET;
- 3) N89°47'03"E, A DISTANCE OF 1335.77 FEET;
- 4) N89°46'08"E, A DISTANCE OF 2629.52 FEET;
- 5) ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT, THE CENTER POINT OF SAID CURVE BEARING S02°38'34"E, HAVING A RADIUS OF 1382.50 FEET AND A CENTRAL ANGLE OF 23°33'29", FOR AN ARC DISTANCE OF 568.43 FEET;
- 6) ALONG THE ARC OF A REVERSE CURVE TO THE LEFT, THE CENTER POINT OF SAID CURVE BEARING N31°48'47"E, HAVING A RADIUS OF 1005.00 FEET AND A CENTRAL ANGLE OF 51°11'25", FOR AN ARC DISTANCE OF 897.91 FEET;
- 7) ALONG THE ARC OF A COMPOUND CURVE TO THE LEFT, THE CENTER POINT OF SAID CURVE BEARING N02°48'16"W, HAVING A RADIUS OF 1980.00 FEET AND A CENTRAL ANGLE OF 08°03'09", FOR AN ARC DISTANCE OF 278.27 FEET;
- 8) S67°42'16"W, A DISTANCE OF 53.30 FEET;
- 9) S40°54'57"W, A DISTANCE OF 145.71 FEET;
- 10) S23°32'39"W, A DISTANCE OF 126.67 FEET;
- 11) S04°53'25"E, A DISTANCE OF 223.24 FEET;
- 12) S03°24'52"W, A DISTANCE OF 398.71 FEET;
- 13) S85°33'42"W, A DISTANCE OF 700.92 FEET;
- 14) N66°21'06"W, A DISTANCE OF 93.44 FEET;
- 15) N58°06'04"W, A DISTANCE OF 191.99 FEET;
- 16) S68°05'02"W, A DISTANCE OF 44.26 FEET;
- 17) N85°52'10"W, A DISTANCE OF 94.86 FEET;
- 18) N48°17'08"W, A DISTANCE OF 297.80 FEET;
- 19) S89°20'32"W, A DISTANCE OF 198.37 FEET;
- 20) S57°04'57"W, A DISTANCE OF 163.61 FEET;
- 21) S31°48'25"W, A DISTANCE OF 68.93 FEET;
- 22) N74°42'38"W, A DISTANCE OF 467.51 FEET;
- 23) S73°08'43"W, A DISTANCE OF 414.66 FEET;

24) N60°44'16"W, A DISTANCE OF 376.57 FEET;
 25) S85°00'41"W, A DISTANCE OF 740.78 FEET;
 26) S86°55'49"W, A DISTANCE OF 1238.95 FEET;
 27) S86°09'44"W, A DISTANCE OF 1447.72 FEET;
 28) S07°27'36"W, A DISTANCE OF 470.05 FEET;
 29) S61°10'21"W, A DISTANCE OF 472.51 FEET;
 30) N01°10'36"W, A DISTANCE OF 131.32 FEET;
 THENCE S89°46'10"W, A DISTANCE OF 704.62 FEET;
 THENCE N16°24'30"W, A DISTANCE OF 235.52 FEET TO THE SOUTHERLY LINE OF SAID TOMICHI CREEK CORRIDOR ANNEXATION;
 THENCE ON SAID SOUTHERLY LINE FOR THE FOLLOWING TWO (2) COURSES;
 1) N16°24'30"W, A DISTANCE OF 946.95 FEET
 2) S73°35'30"W, A DISTANCE OF 2703.42 FEET TO THE EASTERLY LINE OF PIONEER SUBDIVISION AS RECORDED AT RECEPTION NUMBER 634609 OF SAID COUNTY RECORDS;
 THENCE ON SAID EASTERLY LINE FOR THE FOLLOWING FIVE (5) COURSES;
 1) N31°39'37"E, A DISTANCE OF 213.59 FEET;
 2) N18°56'17"E, A DISTANCE OF 449.88 FEET;
 3) N45°23'06"E, A DISTANCE OF 406.83 FEET;
 4) N53°12'00"E, A DISTANCE OF 211.68 FEET;
 5) N29°41'25"W, A DISTANCE OF 77.19 FEET TO THE NORTHERLY LINE OF SAID TOMICHI CREEK CORRIDOR ANNEXATION;
 THENCE ON THE NORTHERLY AND WESTERLY LINES OF SAID ANNEXATION FOR THE FOLLOWING FOUR (4) COURSES;
 1) N89°45'50"E, A DISTANCE OF 31.74 FEET;
 2) N00°14'10"W, A DISTANCE OF 10.00 FEET;
 3) N89°45'50"E, A DISTANCE OF 422.59 FEET;
 4) N00°19'46"E, A DISTANCE OF 146.31 FEET TO A POINT ON THE WESTERLY LINE OF THAT TRACT OF LAND AS DESCRIBED IN DEED RECORDED AT RECEPTION NUMBER 618344 OF THE RECORDS OF SAID COUNTY;
 THENCE N00°29'43"E, A DISTANCE OF 1318.65 FEET ON SAID LINE AND THE WESTERLY LINE OF GUNNISON RISING SUBDIVISION NO. 1 AS RECORDED AT RECEPTION NUMBER 610833 OF SAID COUNTY RECORDS;
 THENCE N00°00'24"E, A DISTANCE OF 219.75 FEET TO A POINT ON THE WEST LINE OF SAID TOMICHI CREEK CORRIDOR ANNEXATION;
 THENCE ALONG THE WESTERLY, NORTHERLY AND EASTERLY LINES OF SAID ANNEXATION FOR THE FOLLOWING FIFTEEN (15) COURSES;
 1) THENCE N00°25'34"E, A DISTANCE OF 998.76 FEET;
 2) THENCE N00°16'22"W, A DISTANCE OF 1408.93 FEET;
 3) THENCE S53°25'47"E, A DISTANCE OF 1135.40 FEET;
 4) THENCE S89°58'56"E, A DISTANCE OF 366.73 FEET;
 5) THENCE N00°33'12"W, A DISTANCE OF 1911.81 FEET;
 6) THENCE N22°23'07"E, A DISTANCE OF 572.25 FEET;
 7) THENCE S88°48'33"E, A DISTANCE OF 267.61 FEET;
 8) THENCE S21°46'27"E, A DISTANCE OF 386.90 FEET;
 9) THENCE S10°59'31"E, A DISTANCE OF 483.90 FEET;
 10) THENCE S29°21'37"E, A DISTANCE OF 1146.79 FEET;
 11) THENCE N89°39'15"E, A DISTANCE OF 820.64 FEET;
 12) THENCE S35°58'54"E, A DISTANCE OF 582.64 FEET;
 13) THENCE N89°39'15"E, A DISTANCE OF 536.57 FEET;
 14) THENCE S35°50'18"E, A DISTANCE OF 1042.33 FEET;
 15) THENCE N89°41'54"E, A DISTANCE OF 272.84 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 622.84 ACRES, MORE OR LESS.

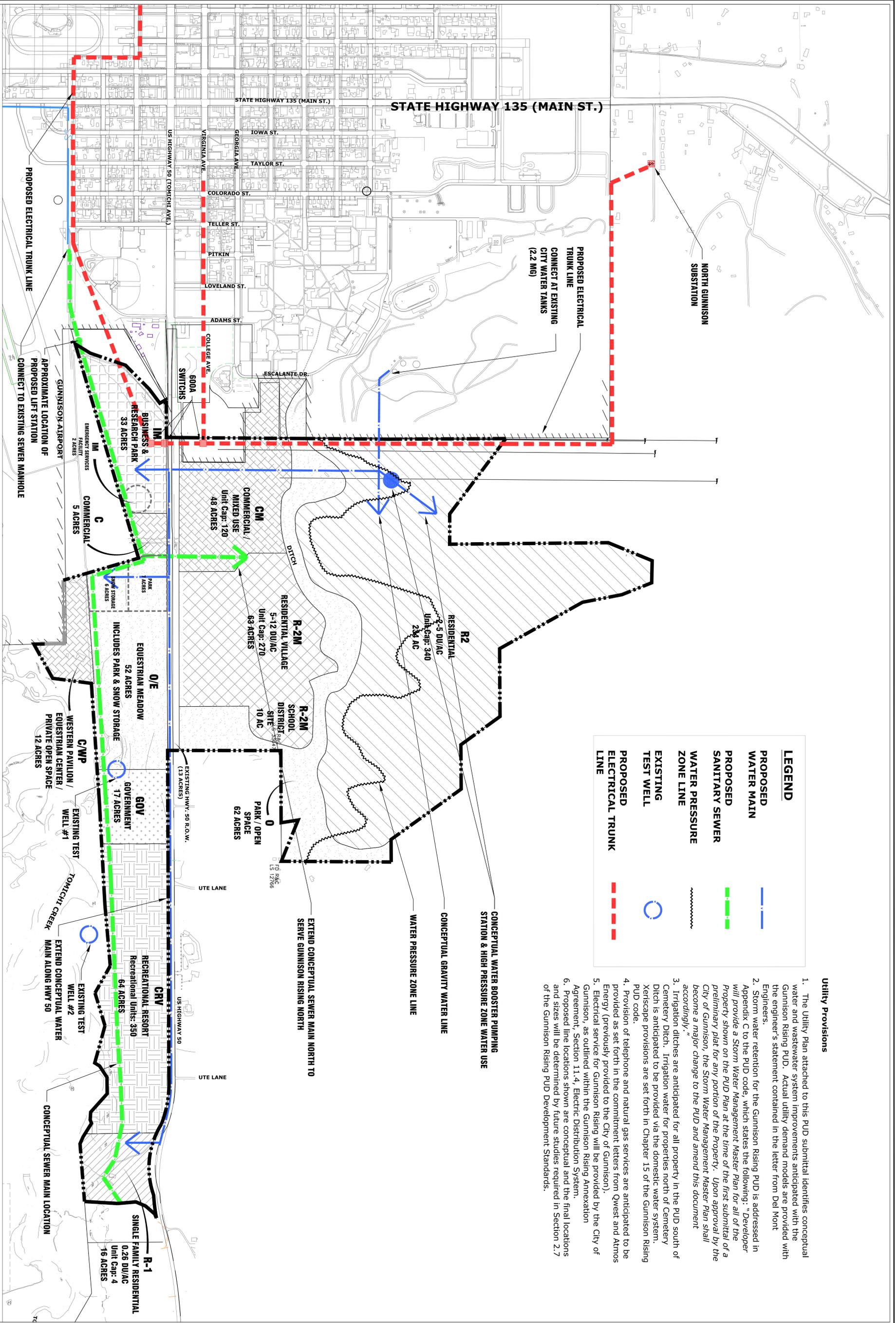
THE FOREGOING DESCRIPTION WAS PREPARED FOR GUNNISON RISING METROPOLITAN DISTRICT AND IS BASED UPON THE ANNEXATION PLAT OF THE TOMICHI CREEK CORRIDOR ANNEXATION PREPARED BY DEL-MONT CONSULTANTS, INC. (AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF GUNNISON COUNTY), THE ZONING MAP FOR SAID ANNEXATION AS PREPARED BY NES, INC. AND AVAILABLE RECORD INFORMATION. THIS DESCRIPTION IS NOT BASED UPON AN ACTUAL FIELD SURVEY OF THE PROPERTY DESCRIBED. ALL BEARINGS REFERRED TO HEREIN ARE RELATIVE TO SAID ANNEXATION PLAT.

Prepared October 12, 2015 for GUNNISON RISING METROPOLITAN DISTRICT

By: Lawrence J. VonDeBur, Colorado PLS 22106
2332 Oriole Ave
Colorado Springs, CO 80909

EXHIBIT E

Preliminary Infrastructure Plan



LEGEND

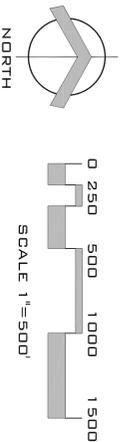
PROPOSED WATER MAIN	—
PROPOSED SANITARY SEWER	—
WATER PRESSURE ZONE LINE	—
EXISTING TEST WELL	○
PROPOSED ELECTRICAL TRUNK LINE	—

Utility Provisions

1. The Utility Plan attached to this PUD submittal identifies conceptual water and wastewater system improvements anticipated with the Gunnison Rising PUD. Actual utility demand models are provided with the engineer's statement contained in the letter from Del Mont Engineers.
2. Storm water retention for the Gunnison Rising PUD is addressed in Appendix C to the PUD code, which states the following: "Developer will provide a Storm Water Management Master Plan for all of the Property shown on the PUD Plan at the time of the first submittal of a preliminary plat for any portion of the Property. Upon approval by the City of Gunnison, the Storm Water Management Master Plan shall become a major change to the PUD and amend this document accordingly."
3. Irrigation ditches are anticipated for all property in the PUD south of Cemetery Ditch. Irrigation water for properties north of Cemetery Ditch is anticipated to be provided via the domestic water system. Xeriscape provisions are set forth in Chapter 15 of the Gunnison Rising PUD code.
4. Provision of telephone and natural gas services are anticipated to be provided as set forth in the commitment letters from Qwest and Atmos Energy (previously provided to the City of Gunnison).
5. Electrical service for Gunnison Rising will be provided by the City of Gunnison, as outlined within the Gunnison Rising Annexation Agreement, Section 11.4, Electric Distribution System.
6. Proposed line locations shown are conceptual and the final locations and sizes will be determined by future studies required in Section 2.7 of the Gunnison Rising PUD Development Standards.

**GUNNISON RISING METROPOLITAN DISTRICT
EXHIBIT E - PRELIMINARY INFRASTRUCTURE PLAN**

AUGUST 2015



GUNNISON RISING METROPOLITAN DISTRICT

Construction Costs

For the years 2016 through 2021

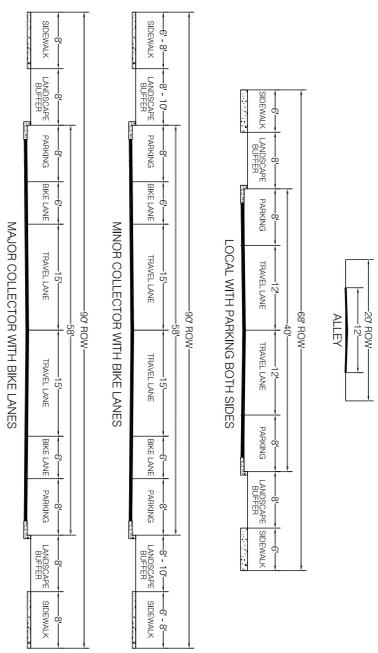
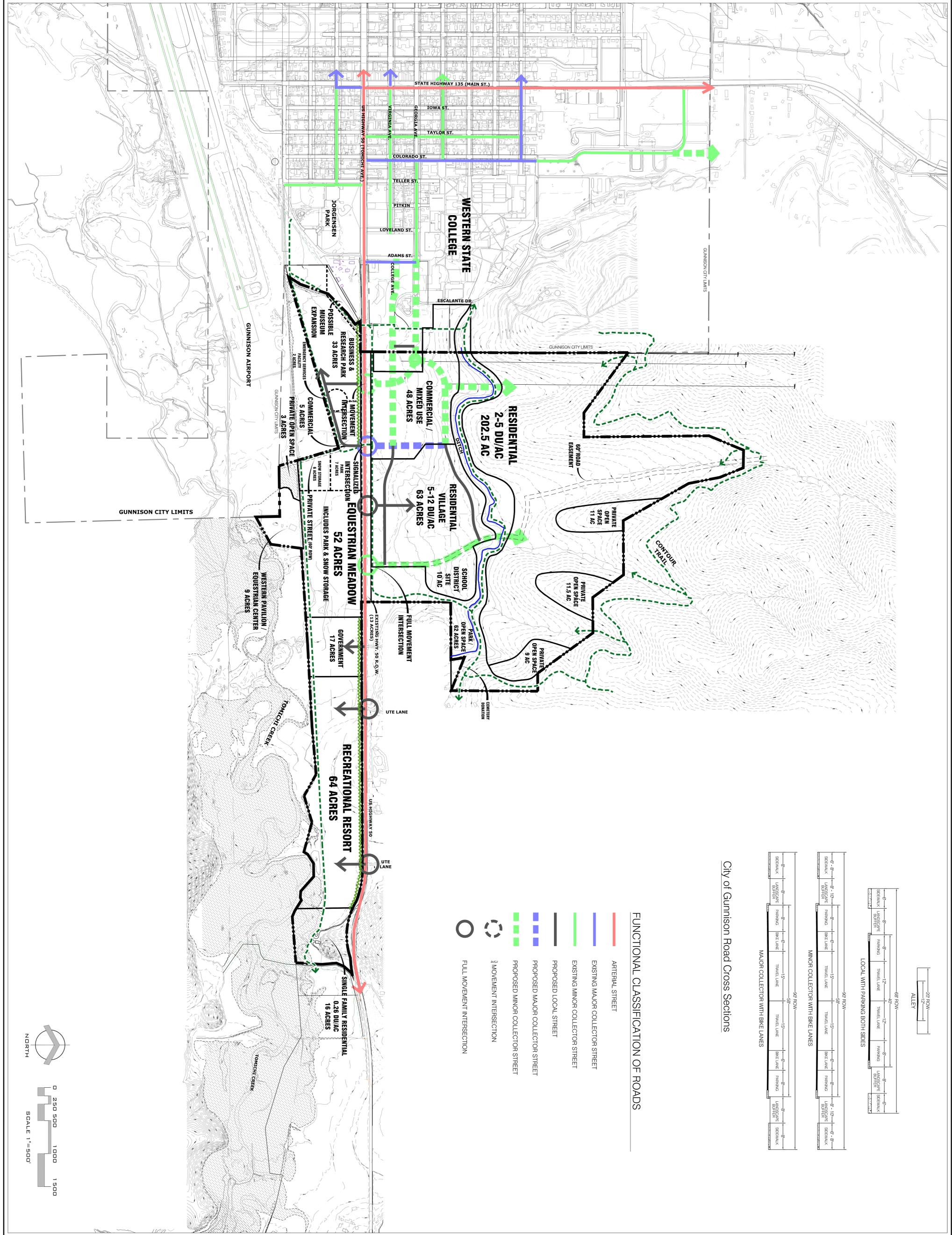
October, 2015

DESCRIPTION	Cost	Note
Earthwork	\$ 1,570,300	Public rights of way only
Sanitary Sewer	\$ 1,111,900	
Potable Water	\$ 1,623,000	
Storm Sewer	\$ 554,000	
Roadways	\$ 5,169,800	
Highway Improvements, Trails, & Public Safety	\$ 3,411,250	
Contingency	\$ 2,016,038	15% of hard costs
Soft Costs	\$ 2,550,287	Includes engineering, soils, survey, & CM
Total Costs	\$ 18,006,575	

Note: This estimate was prepared for Gunnison Rising Metro District and based on the Illustrative Plan in the Gunnison Rising PUD.

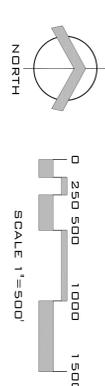
EXHIBIT F

Maps Depicting Public Improvements



City of Gunnison Road Cross Sections

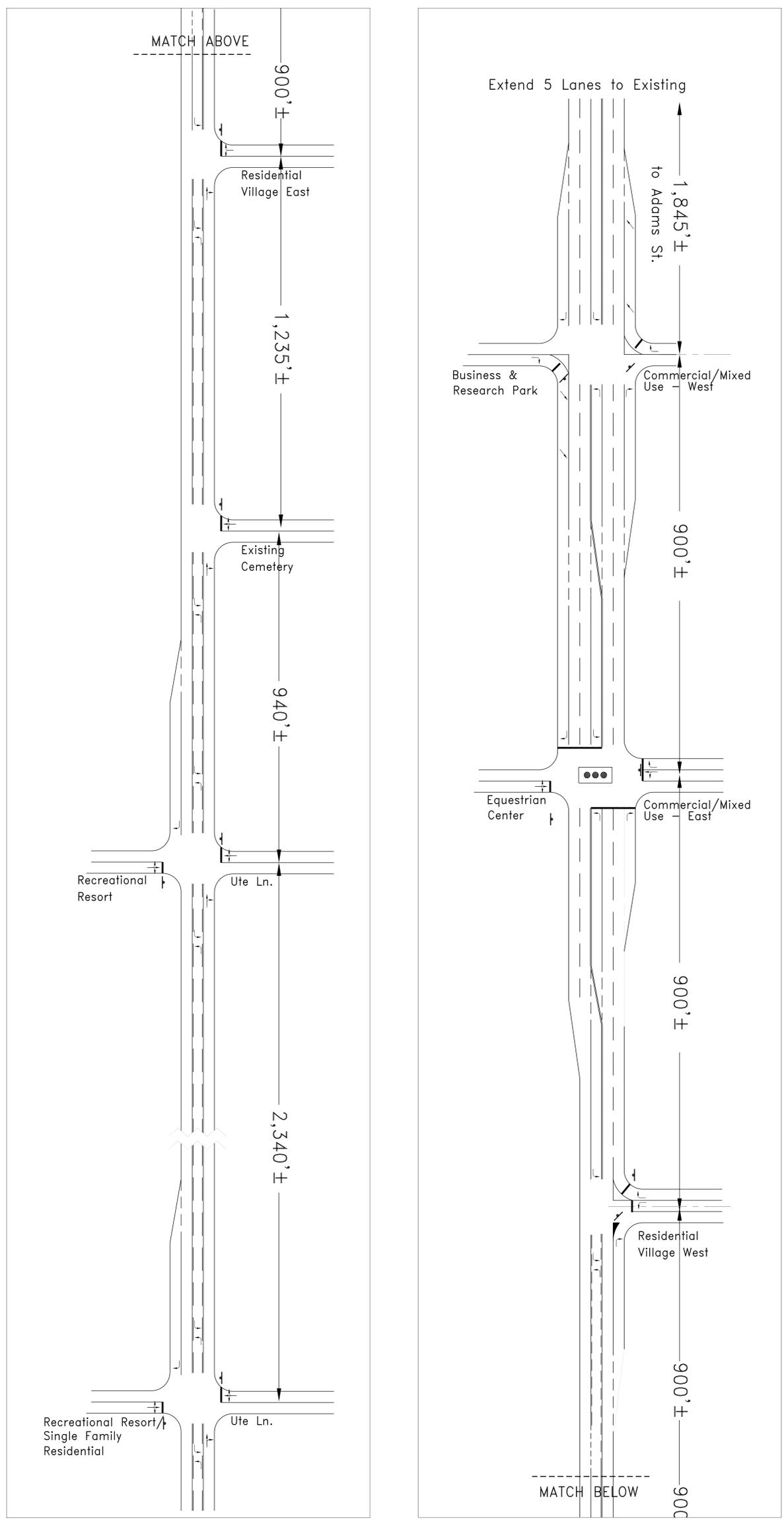
- FUNCTIONAL CLASSIFICATION OF ROADS**
- ARTERIAL STREET
 - EXISTING MAJOR COLLECTOR STREET
 - EXISTING MINOR COLLECTOR STREET
 - PROPOSED LOCAL STREET
 - PROPOSED MAJOR COLLECTOR STREET
 - PROPOSED MINOR COLLECTOR STREET
 - MOVEMENT INTERSECTION
 - FULL MOVEMENT INTERSECTION





NOTE:
 Specific lengths of auxiliary lanes, transition tapers and redirect tapers will depend on the posted speed at the time a CDOT State Highway Access Permit is applied for. These details will be provided in future development plan traffic studies and access permit applications.

US 50 Conceptual Lane Geometry Along Site Frontage
 Intersection Locations will be in Accordance with CDOT Approved Access Control Plan



↑ - Stop sign
 - Traffic Signal

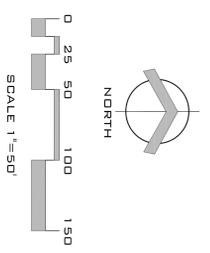


EXHIBIT G

Financial Plan

TABLE 1

**Gunnison Rising
Metropolitan Districts 1-7
Development Phasing and Build-Out**

LAND USE CATEGORY	FAR/DU per Acre	Acres	Total Units/Sq. Ft. 1/	Const. Cost per unit/Sq. Ft. 2/	Year of Construction												
					2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
COMMERCIAL MIXED USE (CM) - 45.2 total acres		21.65															
Non-Residential Uses																	
Retail - Anchor	0.35	6.10	93,000	\$120	-	93,000	-	-	-	-	-	-	-	-	-	-	-
Retail - Restaurant	0.35	0.77	11,750	\$150	-	7,500	-	4,250	-	-	-	-	-	-	-	-	-
Retail - Tire Store	0.35	0.52	7,927	\$150	-	-	-	7,927	-	-	-	-	-	-	-	-	-
Retail - In-line	0.35	0.89	13,500	\$150	-	-	7,000	6,500	-	-	-	-	-	-	-	-	-
Retail - Other	0.35	2.62	40,000	\$150	-	-	-	10,000	-	-	10,000	-	-	10,000	-	-	10,000
Residential Uses																	
Multi-Family (average 800 sq. ft.)	15	2.00	30	\$85,000	-	-	-	-	30	-	-	-	-	-	-	-	-
Townhome (average 1,800 sq ft.)	8	8.75	70	\$216,000	-	-	10	10	10	-	-	10	10	-	-	10	10
COMMERCIAL (C) - 5.0 total acres		2.30															
Non-Residential Uses																	
Retail - Travel Plaza	0.10	2.30	10,000	\$150	-	10,000	-	-	-	-	-	-	-	-	-	-	-
Retail - QSR	0.10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BUSINESS AND RESEARCH PARK (IM) - 28.8 total acres		-															
Non-Residential Uses																	
Office	0.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Warehousing	0.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Light Industrial	0.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RECREATIONAL RESORT - 63.74 total acres		0.66															
Non-Residential Uses																	
Retail	0.35	0.13	2,000	\$150	-	-	-	2,000	-	-	-	-	-	-	-	-	-
Event space	0.35	0.52	8,000	\$150	-	-	-	8,000	-	-	-	-	-	-	-	-	-
NON-RESIDENTIAL ACRES ABSORBED		13.85			0.00	8.89	0.46	2.54	0.00	0.00	0.66	0.00	0.00	0.66	0.00	0.00	0.66
RESIDENTIAL ACRES ABSORBED		10.75			0.00	0.00	1.25	1.25	3.25	0.00	0.00	1.25	1.25	0.00	0.00	1.25	1.25
TOTAL NON-RESIDENTIAL SQ. FT.			186,177		-	110,500	7,000	38,677	-	-	10,000	-	-	10,000	-	-	10,000
TOTAL DUs			100		-	-	10	10	40	-	-	10	10	-	-	10	10

1/ Totals are consistent with Development Phasing caps/maximums in Table A.1 of Gunnison Rising PUD Development Standards.

2/ Cost data obtained from Internation Code Council building valuation data for February 2015. Cost data increased by 15% to reflect higher construction cost environment in mountain community.

ANDERSON ANALYTICS has compiled this information based upon key assumptions provided by others. We have not independently examined or evaluated those assumptions, and consequently disclaim any form of assurance or opinion on them. Actual results may differ materially from projected results.

TABLE 2

**Gunnison Rising
Metropolitan Districts 1-7
Projection of Assessed Value**

Key Assumptions

Land Use	Construction cost per sq. ft./DU	Market Value Adj. Factor	Estimated Market Value per sq. ft./DU
Retail - Anchor	\$120	65%	\$78
Retail - QSR	\$150	70%	\$105
Retail - Tire Store	\$150	70%	\$105
Retail - In-line	\$150	70%	\$105
Retail - Other	\$150	70%	\$105
Retail - Travel Plaza	\$150	70%	\$105
Office	\$0	70%	\$0
Warehousing	\$0	70%	\$0
Light Industrial	\$0	70%	\$0
RV - Retail	\$150	70%	\$105
RV - Event space	\$150	70%	\$105
Multi-Family	\$85,000	120%	\$102,000
Townhome	\$216,000	120%	\$259,200
Non-Residential Land - Improved			\$6.00
Residential Land - Improved			\$3.00
Annual Inflation in Market Values	2%		

ANDERSON ANALYTICS has compiled this information based upon key assumptions provided by others. We have not independently examined or evaluated those assumptions, and consequently disclaim any form of assurance or opinion on them. Actual results may differ materially from projected results.

TABLE 3

**Gunnison Rising
Metropolitan Districts 1-7
Projection of Assessed Value**

LAND USE CATEGORY	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Retail - Anchor	93,000	-	-	-	-	-	-	-	-	-
Cumulative Sq Ft	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000
Sq Ft Market Value	\$80	\$81	\$83	\$84	\$86	\$88	\$90	\$91	\$93	\$95
Market Value	\$7,399,080	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$7,399,080	\$7,547,062	\$7,698,003	\$7,851,963	\$8,009,002	\$8,169,182	\$8,332,566	\$8,499,217	\$8,669,201	\$8,842,586
Retail - Restaurant	7,500	-	4,250	-	-	-	-	-	-	-
Cumulative Sq Ft	7,500	7,500	11,750	11,750	11,750	11,750	11,750	11,750	11,750	11,750
Sq Ft Market Value	\$107	\$109	\$111	\$114	\$116	\$118	\$121	\$123	\$125	\$128
Market Value	\$803,250	\$0	\$473,564	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$803,250	\$819,315	\$1,309,265	\$1,335,451	\$1,362,160	\$1,389,403	\$1,417,191	\$1,445,535	\$1,474,445	\$1,503,934
Retail - Other	-	7,000	24,427	-	-	10,000	-	-	10,000	-
Cumulative Sq Ft	-	7,000	31,427	31,427	31,427	41,427	41,427	41,427	51,427	51,427
Sq Ft Market Value	\$107	\$109	\$111	\$114	\$116	\$118	\$121	\$123	\$125	\$128
Market Value	\$0	\$764,694	\$2,721,823	\$0	\$0	\$1,182,471	\$0	\$0	\$1,254,847	\$0
Cumulative Market Value	\$0	\$764,694	\$3,501,811	\$3,571,848	\$3,643,284	\$4,898,621	\$4,996,593	\$5,096,525	\$6,453,303	\$6,582,369
Retail - Travel Plaza	10,000	-	-	-	-	-	-	-	-	-
Cumulative Sq Ft	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Sq Ft Market Value	\$107	\$109	\$111	\$114	\$116	\$118	\$121	\$123	\$125	\$128
Market Value	\$1,071,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$1,071,000	\$1,092,420	\$1,114,268	\$1,136,554	\$1,159,285	\$1,182,471	\$1,206,120	\$1,230,242	\$1,254,847	\$1,279,944
RV - Retail/Event Space	-	-	10,000	-	-	-	-	-	-	-
Cumulative Sq Ft	-	-	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Sq Ft Market Value	\$107	\$109	\$111	\$114	\$116	\$118	\$121	\$123	\$125	\$128
Market Value	\$0	\$0	\$1,114,268	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$0	\$0	\$1,114,268	\$1,136,554	\$1,159,285	\$1,182,471	\$1,206,120	\$1,230,242	\$1,254,847	\$1,279,944
Total Cumulative Non-Res Sq Ft	110,500	117,500	156,177	156,177	156,177	166,177	166,177	166,177	176,177	176,177
Multi-Family (average 800 sq. ft.)	-	-	-	30	-	-	-	-	-	-
Cumulative Dwelling Units	-	-	-	30	30	30	30	30	30	30
Dwelling Unit Market Value	\$104,040	\$106,121	\$108,243	\$110,408	\$112,616	\$114,869	\$117,166	\$119,509	\$121,899	\$124,337
Market Value	\$0	\$0	\$0	\$3,312,242	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$0	\$0	\$0	\$3,312,242	\$3,378,487	\$3,446,057	\$3,514,978	\$3,585,278	\$3,656,983	\$3,730,123
Townhome (average 1,800 sq ft.)	-	10	10	10	-	-	10	10	-	-
Cumulative Dwelling Units	-	10	20	30	30	30	40	50	50	50
Dwelling Unit Market Value	\$264,384	\$269,672	\$275,065	\$280,566	\$286,178	\$291,901	\$297,739	\$303,694	\$309,768	\$315,963
Market Value	\$0	\$2,696,717	\$2,750,651	\$2,805,664	\$0	\$0	\$2,977,393	\$3,036,941	\$0	\$0
Cumulative Market Value	\$0	\$2,696,717	\$5,501,302	\$8,416,992	\$8,585,332	\$8,757,039	\$11,909,573	\$15,184,706	\$15,488,400	\$15,798,168
Cumulative Nonres Improv Market Value (2 year lag)	\$0	\$0	\$9,273,330	\$10,223,491	\$14,737,616	\$15,032,369	\$15,333,016	\$16,822,147	\$17,158,590	\$17,501,762
Cumulative Nonres Land Market Value (2 year lag)	\$0	\$0	\$2,369,314	\$2,541,549	\$3,295,997	\$3,361,917	\$3,429,155	\$3,690,795	\$3,764,611	\$3,839,903
Non-Residential Assessment Ratio	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
Non-Residential Assessed Valuation	\$0	\$0	\$3,376,367	\$3,701,861	\$5,229,748	\$5,334,343	\$5,441,030	\$5,948,753	\$6,067,728	\$6,189,083
Cumulative Res Improv Market Value (2 year lag)	\$0	\$0	\$0	\$2,696,717	\$5,501,302	\$11,729,235	\$11,963,820	\$12,203,096	\$15,424,551	\$18,769,983
Cumulative Res Land Market Value (2 year lag)	\$0	\$0	\$0	\$0	\$173,348	\$353,631	\$829,617	\$846,210	\$863,134	\$1,071,787
Residential Assessment Ratio	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796
Residential Assessed Valuation	\$0	\$0	\$0	\$214,659	\$451,702	\$961,796	\$1,018,358	\$1,038,725	\$1,296,500	\$1,579,405
Projected Total Assessed Value	\$0	\$0	\$3,376,367	\$3,916,520	\$5,681,450	\$6,296,139	\$6,459,387	\$6,987,478	\$7,364,228	\$7,768,488

TABLE 3

**Gunnison Rising
Metropolitan Districts 1-7
Projection of Assessed Value**

LAND USE CATEGORY	2027	2028	2029	2030	2035	2040	2045	2046
Retail - Anchor	-	-	-	-	-	-	-	-
Cumulative Sq Ft	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000
Sq Ft Market Value	\$97	\$99	\$101	\$103	\$114	\$125	\$139	\$141
Market Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$9,019,437	\$9,199,826	\$9,383,822	\$9,571,499	\$10,567,708	\$11,667,604	\$12,881,977	\$13,139,617
Retail - Restaurant	-	-	-	-	-	-	-	-
Cumulative Sq Ft	11,750	11,750	11,750	11,750	11,750	11,750	11,750	11,750
Sq Ft Market Value	\$131	\$133	\$136	\$139	\$153	\$169	\$186	\$190
Market Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$1,534,013	\$1,564,693	\$1,595,987	\$1,627,907	\$1,797,341	\$1,984,409	\$2,190,948	\$2,234,767
Retail - Other	-	10,000	-	-	-	-	-	-
Cumulative Sq Ft	51,427	61,427	61,427	61,427	61,427	61,427	61,427	61,427
Sq Ft Market Value	\$131	\$133	\$136	\$139	\$153	\$169	\$186	\$190
Market Value	\$0	\$1,331,654	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$6,714,016	\$8,179,950	\$8,343,549	\$8,510,420	\$9,396,192	\$10,374,155	\$11,453,905	\$11,682,983
Retail - Travel Plaza	-	-	-	-	-	-	-	-
Cumulative Sq Ft	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Sq Ft Market Value	\$131	\$133	\$136	\$139	\$153	\$169	\$186	\$190
Market Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$1,305,543	\$1,331,654	\$1,358,287	\$1,385,453	\$1,529,652	\$1,688,859	\$1,864,637	\$1,901,930
RV - Retail/Event Space	-	-	-	-	-	-	-	-
Cumulative Sq Ft	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Sq Ft Market Value	\$131	\$133	\$136	\$139	\$153	\$169	\$186	\$190
Market Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$1,305,543	\$1,331,654	\$1,358,287	\$1,385,453	\$1,529,652	\$1,688,859	\$1,864,637	\$1,901,930
Total Cumulative Non-Res Sq Ft	176,177	186,177	186,177	186,177	186,177	186,177	186,177	186,177
Multi-Family (average 800 sq. ft.)	-	-	-	-	-	-	-	-
Cumulative Dwelling Units	30	30	30	30	30	30	30	30
Dwelling Unit Market Value	\$126,824	\$129,361	\$131,948	\$134,587	\$148,595	\$164,061	\$181,136	\$184,759
Market Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$3,804,725	\$3,880,820	\$3,958,436	\$4,037,605	\$4,457,842	\$4,921,818	\$5,434,085	\$5,542,766
Townhome (average 1,800 sq ft.)	10	10	-	-	-	-	-	-
Cumulative Dwelling Units	60	70	70	70	70	70	70	70
Dwelling Unit Market Value	\$322,283	\$328,728	\$335,303	\$342,009	\$377,605	\$416,907	\$460,299	\$469,505
Market Value	\$3,222,826	\$3,287,283	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$19,336,957	\$23,010,979	\$23,471,199	\$23,940,623	\$26,432,382	\$29,183,485	\$32,220,926	\$32,865,345
Cumulative Nonres Improv Market Value (2 year lag)	\$19,106,644	\$19,488,777	\$19,878,552	\$21,607,777	\$23,856,732	\$26,339,760	\$29,081,223	\$29,662,848
Cumulative Nonres Land Market Value (2 year lag)	\$4,121,574	\$4,204,005	\$4,288,085	\$4,591,260	\$5,069,122	\$5,596,720	\$6,179,231	\$6,302,816
Non-Residential Assessment Ratio	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
Non-Residential Assessed Valuation	\$6,736,183	\$6,870,907	\$7,008,325	\$7,597,721	\$8,388,498	\$9,261,579	\$10,225,532	\$10,430,043
Cumulative Res Improv Market Value (2 year lag)	\$19,145,383	\$19,528,291	\$23,141,683	\$26,891,799	\$29,690,719	\$32,780,953	\$36,192,821	\$36,916,677
Cumulative Res Land Market Value (2 year lag)	\$1,288,441	\$1,314,210	\$1,340,494	\$1,574,471	\$1,967,073	\$2,171,808	\$2,397,851	\$2,445,808
Residential Assessment Ratio	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796
Residential Assessed Valuation	\$1,626,532	\$1,659,063	\$1,948,781	\$2,265,915	\$2,519,960	\$2,782,240	\$3,071,817	\$3,133,254
Projected Total Assessed Value	\$8,362,716	\$8,529,970	\$8,957,106	\$9,863,636	\$10,908,458	\$12,043,819	\$13,297,349	\$13,563,296

TABLE 4

**Gunnison Rising
Metropolitan Districts 1-7
Projection of Taxable Retail Sales**

annual inflation in sales = 2%

Taxable Sales			2017	2018 1/	2019	2020	2021	2022	2023	2024	2025
Sq/Ft	% taxable	Taxable Sales									
\$436.00	95%	Retail - Anchor	\$0	\$26,717,888	\$40,878,369	\$41,695,936	\$42,529,855	\$43,380,452	\$44,248,061	\$45,133,022	\$46,035,683
\$350.00	100%	Retail - Restaurant	\$0	\$1,820,700	\$2,785,671	\$4,451,502	\$4,540,532	\$4,631,343	\$4,723,970	\$4,818,449	\$4,914,818
\$275.00	100%	Retail - Tire Store	\$0	\$0	\$0	\$2,359,621	\$2,406,813	\$2,454,950	\$2,504,049	\$2,554,130	\$2,605,212
\$275.00	90%	Retail - In-line	\$0	\$0	\$1,838,543	\$3,616,676	\$3,689,010	\$3,762,790	\$3,838,046	\$3,914,807	\$3,993,103
\$275.00	90%	Retail - Other	\$0	\$0	\$0	\$2,679,020	\$2,732,600	\$2,787,252	\$5,685,994	\$5,799,714	\$5,915,708
\$275.00	100%	Retail - Travel Plaza	\$0	\$1,907,400	\$2,918,322	\$2,976,688	\$3,036,222	\$3,096,947	\$3,158,886	\$3,222,063	\$3,286,505
\$27.00	100%	RV - Retail	\$0	\$0	\$0	\$58,451	\$59,620	\$60,813	\$62,029	\$63,270	\$64,535
\$146.00	100%	RV - Event Space	\$0	\$0	\$0	\$1,264,281	\$1,289,566	\$1,315,358	\$1,341,665	\$1,368,498	\$1,395,868
Total			\$0	\$30,445,988	\$48,420,905	\$59,102,176	\$60,284,220	\$61,489,904	\$65,562,699	\$66,873,953	\$68,211,432

1/ Assumes a May 1, 2018 opening date.

ANDERSON ANALYTICS has compiled this information based upon key assumptions provided by others. We have not independently examined or evaluated those assumptions, and consequently disclaim any form of assurance or opinion on them. Actual results may differ materially from projected results.

TABLE 4

**Gunnison Rising
Metropolitan Districts 1-7
Projection of Taxable Retail Sales**

annual inflation in sales = 2%

Taxable Sales											
Sq/Ft	% taxable	Taxable Sales	2026	2027	2028	2029	2030	2035	2040	2045	2046
\$436.00	95%	Retail - Anchor	\$46,956,396	\$47,895,524	\$48,853,435	\$49,830,504	\$50,827,114	\$56,117,240	\$61,957,968	\$68,406,603	\$69,774,735
\$350.00	100%	Retail - Restaurant	\$5,013,115	\$5,113,377	\$5,215,644	\$5,319,957	\$5,426,356	\$5,991,136	\$6,614,698	\$7,303,161	\$7,449,225
\$275.00	100%	Retail - Tire Store	\$2,657,316	\$2,710,463	\$2,764,672	\$2,819,965	\$2,876,365	\$3,175,739	\$3,506,273	\$3,871,208	\$3,948,632
\$275.00	90%	Retail - In-line	\$4,072,965	\$4,154,424	\$4,237,513	\$4,322,263	\$4,408,708	\$4,867,570	\$5,374,191	\$5,933,541	\$6,052,212
\$275.00	90%	Retail - Other	\$9,051,034	\$9,232,054	\$9,416,695	\$12,806,706	\$13,062,840	\$14,422,431	\$15,923,529	\$17,580,862	\$17,932,480
\$275.00	100%	Retail - Travel Plaza	\$3,352,235	\$3,419,279	\$3,487,665	\$3,557,418	\$3,628,567	\$4,006,231	\$4,423,202	\$4,883,573	\$4,981,244
\$27.00	100%	RV - Retail	\$65,826	\$67,142	\$68,485	\$69,855	\$71,252	\$78,668	\$86,856	\$95,896	\$97,814
\$146.00	100%	RV - Event Space	\$1,423,785	\$1,452,261	\$1,481,306	\$1,510,933	\$1,541,151	\$1,701,555	\$1,878,655	\$2,074,187	\$2,115,670
Total			\$72,592,672	\$74,044,525	\$75,525,416	\$80,237,601	\$81,842,353	\$90,360,570	\$99,765,371	\$110,149,031	\$112,352,012

1/ Assumes a May 1, 2018 opening date.

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TABLE 5

**Gunnison Rising
Metropolitan Districts 1-7
Projection of Revenues**

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sales Tax Revenue									
Taxable Sales									
Retail - Anchor	\$ -	\$ 26,717,888	\$ 40,878,369	\$ 41,695,936	\$ 42,529,855	\$ 43,380,452	\$ 44,248,061	\$ 45,133,022	\$ 46,035,683
Retail - Restaurant	\$ -	\$ 1,820,700	\$ 2,785,671	\$ 4,451,502	\$ 4,540,532	\$ 4,631,343	\$ 4,723,970	\$ 4,818,449	\$ 4,914,818
Retail - Tire Store	\$ -	\$ -	\$ -	\$ 2,359,621	\$ 2,406,813	\$ 2,454,950	\$ 2,504,049	\$ 2,554,130	\$ 2,605,212
Retail - In-line	\$ -	\$ -	\$ 1,838,543	\$ 3,616,676	\$ 3,689,010	\$ 3,762,790	\$ 3,838,046	\$ 3,914,807	\$ 3,993,103
Retail - Other	\$ -	\$ -	\$ -	\$ 2,679,020	\$ 2,732,600	\$ 2,787,252	\$ 5,685,994	\$ 5,799,714	\$ 5,915,708
Retail - Travel Plaza	\$ -	\$ 1,907,400	\$ 2,918,322	\$ 2,976,688	\$ 3,036,222	\$ 3,096,947	\$ 3,158,886	\$ 3,222,063	\$ 3,286,505
RV - Retail	\$ -	\$ -	\$ -	\$ 58,451	\$ 59,620	\$ 60,813	\$ 62,029	\$ 63,270	\$ 64,535
RV - Event Space	\$ -	\$ -	\$ -	\$ 1,264,281	\$ 1,289,566	\$ 1,315,358	\$ 1,341,665	\$ 1,368,498	\$ 1,395,868
Public Improvement Fee (credit PIF) Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxable Building Materials Purchases @50%	\$ 7,030,350	\$ 1,669,842	\$ 3,428,524	\$ 2,549,128	\$ -	\$ 844,622	\$ 1,240,581	\$ 1,265,392	\$ 896,319
Total Taxable Sales	\$ 7,030,350	\$ 32,115,830	\$ 51,849,429	\$ 61,651,304	\$ 60,284,220	\$ 62,334,526	\$ 66,803,280	\$ 68,139,345	\$ 69,107,752
Gunison Rising Public Improvement Fee (credit PIF) Revenue @1.55%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City of Gunnison Sales Tax Revenue @4.00% (less 5% vendor fee)	\$ 267,153	\$ 1,220,402	\$ 1,970,278	\$ 2,342,750	\$ 2,290,800	\$ 2,368,712	\$ 2,538,525	\$ 2,589,295	\$ 2,626,095
City of Gunnison Parks & Rec Sales Tax Revenue @1.00% (less 5% vendor fee)	\$ 66,788	\$ 305,100	\$ 492,570	\$ 585,687	\$ 572,700	\$ 592,178	\$ 634,631	\$ 647,324	\$ 656,524

Property Tax Revenue									
Market Value									
Non-Residential	\$ -	\$ -	\$ 11,642,644	\$ 12,765,039	\$ 18,033,613	\$ 18,394,285	\$ 18,762,171	\$ 20,512,941	\$ 20,923,200
Residential	\$ -	\$ -	\$ -	\$ 2,696,717	\$ 5,674,651	\$ 12,082,865	\$ 12,793,437	\$ 13,049,306	\$ 16,287,685
Non - Residential Assessment Rate	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
Residential Assessment Rate	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796
Gross Improvement Assessed Valuation	\$ -	\$ -	\$ 3,376,367	\$ 3,916,520	\$ 5,681,450	\$ 6,296,139	\$ 6,459,387	\$ 6,987,478	\$ 7,364,228
Vacant Land Assessed Valuation	\$ 16,376	\$ 16,703	\$ 17,037	\$ 17,378	\$ 17,726	\$ 18,080	\$ 18,442	\$ 18,811	\$ 19,187
Total Assessed Valuation	\$ 16,376	\$ 16,703	\$ 3,393,404	\$ 3,933,898	\$ 5,699,176	\$ 6,314,219	\$ 6,477,829	\$ 7,006,289	\$ 7,383,415
Gunnison Rising Metropolitan Districts 1-5 @ 35.000 mills (for debt)	\$ 567	\$ 579	\$ 117,581	\$ 136,310	\$ 197,476	\$ 218,788	\$ 224,457	\$ 242,768	\$ 255,835
Gunnison Rising Metropolitan Districts @ 5.000 mills (for maint/oper)	\$ 81	\$ 83	\$ 16,797	\$ 19,473	\$ 28,211	\$ 31,255	\$ 32,065	\$ 34,681	\$ 36,548
City of Gunnison @3.868 mills	\$ 63	\$ 64	\$ 12,994	\$ 15,064	\$ 21,824	\$ 24,179	\$ 24,806	\$ 26,829	\$ 28,273

Development fee Revenue									
Residential Lot Fee	\$ 5,100	\$ 5,202	\$ 5,306	\$ 5,412	\$ 5,520	\$ 5,631	\$ 5,743	\$ 5,858	\$ 5,975
Projected Residential Lots Developed	0	10	10	40	0	0	10	10	0
Residential Lot Fee Revenue	\$ -	\$ 52,020	\$ 53,060	\$ 216,486	\$ -	\$ -	\$ 57,434	\$ 58,583	\$ -
Non-Residential Fee per Sq Ft	\$ 1.02	\$ 1.04	\$ 1.06	\$ 1.08	\$ 1.10	\$ 1.13	\$ 1.15	\$ 1.17	\$ 1.20
Projected Non-Residential Sq Ft	110,500	7,000	38,677	-	-	10,000	-	-	10,000
Non-Residential Lot Fee Revenue	\$ 112,710	\$ 7,283	\$ 41,044	\$ -	\$ -	\$ 11,262	\$ -	\$ -	\$ 11,951
Total Development Fee Revenue	\$ 112,710	\$ 59,303	\$ 94,105	\$ 216,486	\$ -	\$ 11,262	\$ 57,434	\$ 58,583	\$ 11,951

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TABLE 5

**Gunnison Rising
Metropolitan Districts 1-7
Projection of Revenues**

	2026	2027	2028	2029	2030	2035	2040	2045	2046
Sales Tax Revenue									
Taxable Sales									
Retail - Anchor	\$ 46,956,396	\$ 47,895,524	\$ 48,853,435	\$ 49,830,504	\$ 50,827,114	\$ 56,117,240	\$ 61,957,968	\$ 68,406,603	\$ 69,774,735
Retail - Restaurant	\$ 5,013,115	\$ 5,113,377	\$ 5,215,644	\$ 5,319,957	\$ 5,426,356	\$ 5,991,136	\$ 6,614,698	\$ 7,303,161	\$ 7,449,225
Retail - Tire Store	\$ 2,657,316	\$ 2,710,463	\$ 2,764,672	\$ 2,819,965	\$ 2,876,365	\$ 3,175,739	\$ 3,506,273	\$ 3,871,208	\$ 3,948,632
Retail - In-line	\$ 4,072,965	\$ 4,154,424	\$ 4,237,513	\$ 4,322,263	\$ 4,408,708	\$ 4,867,570	\$ 5,374,191	\$ 5,933,541	\$ 6,052,212
Retail - Other	\$ 9,051,034	\$ 9,232,054	\$ 9,416,695	\$ 12,806,706	\$ 13,062,840	\$ 14,422,431	\$ 15,923,529	\$ 17,580,862	\$ 17,932,480
Retail - Travel Plaza	\$ 3,352,235	\$ 3,419,279	\$ 3,487,665	\$ 3,557,418	\$ 3,628,567	\$ 4,006,231	\$ 4,423,202	\$ 4,883,573	\$ 4,981,244
RV - Retail	\$ 65,826	\$ 67,142	\$ 68,485	\$ 69,855	\$ 71,252	\$ 78,668	\$ 86,856	\$ 95,896	\$ 97,814
RV - Event Space	\$ 1,423,785	\$ 1,452,261	\$ 1,481,306	\$ 1,510,933	\$ 1,541,151	\$ 1,701,555	\$ 1,878,655	\$ 2,074,187	\$ 2,115,670
Public Improvement Fee (credit PIF) Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxable Building Materials Purchases @50%	\$ -	\$ 1,342,844	\$ 2,320,882	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Taxable Sales	\$ 72,592,672	\$ 75,387,370	\$ 77,846,298	\$ 80,237,601	\$ 81,842,353	\$ 90,360,570	\$ 99,765,371	\$ 110,149,031	\$ 112,352,012
Gunison Rising Public Improvement Fee (credit PIF) Revenue @1.55%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City of Gunnison Sales Tax Revenue @4.00% (less 5% vendor fee)	\$ 2,758,522	\$ 2,864,720	\$ 2,958,159	\$ 3,049,029	\$ 3,110,009	\$ 3,433,702	\$ 3,791,084	\$ 4,185,663	\$ 4,269,376
City of Gunnison Parks & Rec Sales Tax Revenue @1.00% (less 5% vendor fee)	\$ 689,630	\$ 716,180	\$ 739,540	\$ 762,257	\$ 777,502	\$ 214,606	\$ 236,943	\$ 261,604	\$ 266,836

Property Tax Revenue									
Market Value									
Non-Residential	\$ 21,341,664	\$ 23,228,218	\$ 23,692,782	\$ 24,166,638	\$ 26,199,037	\$ 28,925,854	\$ 31,936,480	\$ 35,260,455	\$ 35,965,664
Residential	\$ 19,841,770	\$ 20,433,824	\$ 20,842,501	\$ 24,482,177	\$ 28,466,270	\$ 31,657,792	\$ 34,952,761	\$ 38,590,672	\$ 39,362,485
Non - Residential Assessment Rate	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
Residential Assessment Rate	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796
Gross Improvement Assessed Valuation	\$ 7,768,488	\$ 8,362,716	\$ 8,529,970	\$ 8,957,106	\$ 9,863,636	\$ 10,908,458	\$ 12,043,819	\$ 13,297,349	\$ 13,563,296
Vacant Land Assessed Valuation	\$ 19,571	\$ 19,962	\$ 20,361	\$ 20,769	\$ 21,184	\$ 23,389	\$ 25,823	\$ 28,511	\$ 29,081
Total Assessed Valuation	\$ 7,788,058	\$ 8,382,678	\$ 8,550,331	\$ 8,977,875	\$ 9,884,820	\$ 10,931,847	\$ 12,069,642	\$ 13,325,860	\$ 13,592,377
Gunnison Rising Metropolitan Districts 1-5 @ 35.000 mills (for debt)	\$ 269,856	\$ 290,460	\$ 296,269	\$ 311,083	\$ 342,509	\$ 378,788	\$ 418,213	\$ 461,741	\$ 470,976
Gunnison Rising Metropolitan Districts @ 5.000 mills (for maint/oper)	\$ 38,551	\$ 41,494	\$ 42,324	\$ 44,440	\$ 48,930	\$ 54,113	\$ 59,745	\$ 65,963	\$ 67,282
City of Gunnison @3.868 mills	\$ 29,823	\$ 32,100	\$ 32,742	\$ 34,379	\$ 37,852	\$ 41,862	\$ 46,219	\$ 51,029	\$ 52,050

Development fee Revenue									
Residential Lot Fee	\$ 6,095	\$ 6,217	\$ 6,341	\$ 6,468	\$ 6,597	\$ 7,284	\$ 8,042	\$ 8,879	\$ 9,057
Projected Residential Lots Developed	0	10	10	0	0	0	0	0	0
Residential Lot Fee Revenue	\$ -	\$ 62,169	\$ 63,412	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Residential Fee per Sq Ft	\$ 1.22	\$ 1.24	\$ 1.27	\$ 1.29	\$ 1.32	\$ 1.46	\$ 1.61	\$ 1.78	\$ 1.81
Projected Non-Residential Sq Ft	-	-	10,000	-	-	-	-	-	-
Non-Residential Lot Fee Revenue	\$ -	\$ -	\$ 12,682	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Development Fee Revenue	\$ -	\$ 62,169	\$ 76,095	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ANDERSON ANALYTICS has compiled this information based upon key assumptions provided by others. We have not independently examined or evaluated those assumptions, and consequently disclaim any form of assurance or opinion on them. Actual results may differ materially from projected results.

**Gunnison Rising
Metropolitan Districts 1-7**

TABLE 6

Net Revenue Available for Debt Service

	2017	2018	2019	2020	2021	2022	2023	2024	2025
TOTAL PROJECT REVENUES									
Public Improvement Fee (credit) 0.00%	0	0	0	0	0	0	0	0	0
Metro District Property Tax (for debt) 35.00 mills	567	579	117,581	136,310	197,476	218,788	224,457	242,768	255,835
Metro District Property Tax (for maint/oper) 5.00 mills	81	83	16,797	19,473	28,211	31,255	32,065	34,681	36,548
Specific Ownership Tax Revenue (@7%)	40	41	8,231	9,542	13,823	15,315	15,712	16,994	17,908
Development Fee Revenue	112,710	59,303	94,105	216,486	0	11,262	57,434	58,583	11,951
Developer Advance for Admin Expenses	4,919	29,917	13,203	10,527	1,789	0	0	0	0
TOTAL REVENUES	118,317	89,922	249,917	392,338	241,300	276,620	329,668	353,026	322,243
OPERATING EXPENSES									
District Admin Expenses	-5,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000
Maintenance Expenses - Public Infrastructure	0	0	0	0	0	-1,255	-2,065	-4,681	-6,548
TOTAL OPERATING EXPENSES	-5,000	-30,000	-30,000	-30,000	-30,000	-31,255	-32,065	-34,681	-36,548
NET REVENUE AVAILABLE FOR DEBT SERVICE	\$113,317	\$59,922	\$219,917	\$362,338	\$211,300	\$245,364	\$297,603	\$318,345	\$285,695

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**Gunnison Rising
Metropolitan Districts 1-7**

TABLE 6

Net Revenue Available for Debt Service

	2026	2027	2028	2029	2030	2035	2040	2045	2046
TOTAL PROJECT REVENUES									
Public Improvement Fee (credit) 0.00%	0	0	0	0	0	0	0	0	0
Metro District Property Tax (for debt) 35.00 mills	269,856	290,460	296,269	311,083	342,509	378,788	418,213	461,741	470,976
Metro District Property Tax (for maint/oper) 5.00 mills	38,551	41,494	42,324	44,440	48,930	54,113	59,745	65,963	67,282
Specific Ownership Tax Revenue (@7%)	18,890	20,332	20,739	21,776	23,976	26,515	29,275	32,322	32,968
Development Fee Revenue	0	62,169	76,095	0	0	0	0	0	0
Developer Advance for Admin Expenses	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	327,297	414,455	435,426	377,300	415,414	459,416	507,233	560,026	571,226
OPERATING EXPENSES									
District Admin Expenses	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000
Maintenance Expenses - Public Infrastructure	-8,551	-11,494	-12,324	-14,440	-18,930	-24,113	-29,745	-35,963	-37,282
TOTAL OPERATING EXPENSES	-38,551	-41,494	-42,324	-44,440	-48,930	-54,113	-59,745	-65,963	-67,282
NET REVENUE AVAILABLE FOR DEBT SERVICE	\$288,746	\$372,961	\$393,102	\$332,859	\$366,485	\$405,304	\$447,488	\$494,063	\$503,944

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GUNNISON RISING METROPOLITAN DISTRICT

Development Projection (Full Growth No PIF) - Total Project Revenues*

Series 2017, Special Revenue Bonds, Non-Rated, 150x, 2046 Final Maturity; plus Series 2017B Cash-Flow Subs.

Coll'n YEAR	Net Project Revenues*	Plus Dev. Fees	Net Revenue Avail. for D/S	Series 2017 \$3,125,000 Par [Net \$3.278 MM] Net Debt Service	Annual Surplus	Surplus Release @ to \$312,500	Cumulative Surplus \$312,500 Target	Coverage of Net DS (Not incl. Fees)
2015	0		0		0		0	n/a
2016	0		0		0	0	0	n/a
2017	607	112,710	113,317	\$0	113,317	0	113,317	n/a
2018	619	59,303	59,922	0	59,922	0	173,239	n/a
2019	125,812	94,105	219,917	0	219,917	80,656	312,500	n/a
2020	145,851	216,486	362,338	155,938	206,400	206,400	312,500	93.5%
2021	211,300	0	211,300	186,875	24,425	24,425	312,500	113.1%
2022	234,103	11,262	245,364	186,875	58,489	58,489	312,500	125.3%
2023	240,169	57,434	297,603	186,875	110,728	110,728	312,500	128.5%
2024	259,762	58,583	318,345	186,875	131,470	131,470	312,500	139.0%
2025	273,744	11,951	285,695	186,875	98,820	98,820	312,500	146.5%
2026	288,746	0	288,746	191,875	96,871	96,871	312,500	150.5%
2027	310,792	62,169	372,961	206,575	166,386	166,386	312,500	150.4%
2028	317,008	76,095	393,102	210,375	182,727	182,727	312,500	150.7%
2029	332,859	0	332,859	218,875	113,984	113,984	312,500	152.1%
2030	366,485	0	366,485	241,775	124,710	124,710	312,500	151.6%
2031	374,438	0	374,438	248,175	126,263	126,263	312,500	150.9%
2032	381,927	0	381,927	253,975	127,952	127,952	312,500	150.4%
2033	389,565	0	389,565	259,175	130,390	130,390	312,500	150.3%
2034	397,357	0	397,357	263,775	133,582	133,582	312,500	150.6%
2035	405,304	0	405,304	267,775	137,529	137,529	312,500	151.4%
2036	413,410	0	413,410	271,175	142,235	142,235	312,500	152.5%
2037	421,678	0	421,678	278,975	142,703	142,703	312,500	151.2%
2038	430,112	0	430,112	285,875	144,237	144,237	312,500	150.5%
2039	438,714	0	438,714	291,875	146,839	146,839	312,500	150.3%
2040	447,488	0	447,488	296,975	150,513	150,513	312,500	150.7%
2041	456,438	0	456,438	301,175	155,263	155,263	312,500	151.6%
2042	465,567	0	465,567	309,475	156,092	156,092	312,500	150.4%
2043	474,878	0	474,878	311,575	163,303	163,303	312,500	152.4%
2044	484,375	0	484,375	322,775	161,600	161,600	312,500	150.1%
2045	494,063	0	494,063	327,475	166,588	166,588	312,500	150.9%
2046	503,944	0	503,944	333,475	170,469	482,969	0	151.1%
								n/a
	10,087,112	760,097	10,847,209	6,783,488	4,063,722	4,063,722		

[HFeb1016 17nrH5]

[*] Source: Anderson Analytics

GUNNISON RISING METROPOLITAN DISTRICT

Development Projection (Full Growth No PIF) - Total Project Revenues*

Series 2017, Special Revenue Bonds, Non-Rated, 150x, 2046 Final Maturity; plus Series 2017B Cash-Flow Subs.

Cash-flow Sub. Bonds >>>

Coll'n YEAR	Total Available for Sub Debt Service	Date Bonds Issued	Bond Interest on Balance 8.00%	Less Payments Toward CF Bond Interest	Accrued Interest + Int. on Bal. @ 8.00%	Less Payments Toward Accrued Interest	Balance of Accrued Interest	CF Bond Principal Issued	Less Payments Toward Bond Principal	Balance of CF Bond Principal	Surplus Cash Flow to District
2015	0										
2016	0										
2017	0	2/1/17	\$83,594	0	83,594	0	83,594	\$1,198,000	0	1,198,000	0
2018	0		95,840	0	102,528	0	186,121		0	1,198,000	0
2019	80,656		95,840	80,656	30,074	0	216,195		0	1,198,000	0
2020	206,400		95,840	95,840	17,296	110,560	122,930		0	1,198,000	0
2021	24,425		95,840	24,425	81,250	0	204,180		0	1,198,000	0
2022	58,489		95,840	58,489	53,685	0	257,865		0	1,198,000	0
2023	110,728		95,840	95,840	20,629	14,888	263,606		0	1,198,000	0
2024	131,470		95,840	95,840	21,088	35,630	249,065		0	1,198,000	0
2025	98,820		95,840	95,840	19,925	2,980	266,010		0	1,198,000	0
2026	96,871		95,840	95,840	21,281	1,031	286,260		0	1,198,000	0
2027	166,386		95,840	95,840	22,901	70,546	238,615		0	1,198,000	0
2028	182,727		95,840	95,840	19,089	86,887	170,817		0	1,198,000	0
2029	113,984		95,840	95,840	13,665	18,144	166,338		0	1,198,000	0
2030	124,710		95,840	95,840	13,307	28,870	150,776		0	1,198,000	0
2031	126,263		95,840	95,840	12,062	30,423	132,415		0	1,198,000	0
2032	127,952		95,840	95,840	10,593	32,112	110,896		0	1,198,000	0
2033	130,390		95,840	95,840	8,872	34,550	85,218		0	1,198,000	0
2034	133,582		95,840	95,840	6,817	37,742	54,293		0	1,198,000	0
2035	137,529		95,840	95,840	4,343	41,689	16,948		0	1,198,000	0
2036	142,235		95,840	95,840	1,356	18,304	0		28,000	1,170,000	91
2037	142,703		93,600	93,600	0	0	0		49,000	1,121,000	103
2038	144,237		89,680	89,680	0	0	0		54,000	1,067,000	557
2039	146,839		85,360	85,360	0	0	0		61,000	1,006,000	479
2040	150,513		80,480	80,480	0	0	0		70,000	936,000	33
2041	155,263		74,880	74,880	0	0	0		80,000	856,000	383
2042	156,092		68,480	68,480	0	0	0		87,000	769,000	612
2043	163,303		61,520	61,520	0	0	0		101,000	668,000	783
2044	161,600		53,440	53,440	0	0	0		108,000	560,000	160
2045	166,588		44,800	44,800	0	0	0		121,000	439,000	788
2046	482,969		35,120	35,120	0	0	0		439,000	0	8,849
	4,063,722		2,591,914	2,288,530		564,355		1,198,000	1,198,000		12,837

SOURCES AND USES OF FUNDS

**GUNNISON RISING METROPOLITAN DISTRICT
SPECIAL REVENUE BONDS, SERIES 2017
30.00 (target) District Mills (no PIF)
(Total Project Revenues - Full Growth No PIF*)
Non-Rated, 150x, 2046 Final Maturity
[Preliminary -- for discussion only]**

Dated Date 02/01/2017
Delivery Date 02/01/2017

Sources:

Bond Proceeds:	
Par Amount	3,125,000.00
Other Sources of Funds:	
Subordinate Bond Par Amount	1,198,000.00
	<hr/> 4,323,000.00 <hr/>

Uses:

Project Fund Deposits:	
Project Fund (Snr&Sub)	3,278,142.42
Other Fund Deposits:	
Capitalized Interest Fund	559,437.58
Debt Service Reserve Fund	<u>312,500.00</u>
	871,937.58
Other Delivery Date Expenses:	
Cost of Issuance-Snr.&Sub. (est.)	172,920.00
	<hr/> 4,323,000.00 <hr/>

BOND SUMMARY STATISTICS

**GUNNISON RISING METROPOLITAN DISTRICT
SPECIAL REVENUE BONDS, SERIES 2017
30.00 (target) District Mills (no PIF)
(Total Project Revenues - Full Growth No PIF*)
Non-Rated, 150x, 2046 Final Maturity
[Preliminary -- for discussion only]**

Dated Date	02/01/2017
Delivery Date	02/01/2017
First Coupon	06/01/2017
Last Maturity	12/01/2046
Arbitrage Yield	6.000774%
True Interest Cost (TIC)	6.000774%
Net Interest Cost (NIC)	6.000000%
All-In TIC	6.462712%
Average Coupon	6.000000%
Average Life (years)	24.267
Duration of Issue (years)	12.876
Par Amount	3,125,000.00
Bond Proceeds	3,125,000.00
Total Interest	4,550,050.00
Net Interest	4,550,050.00
Bond Years from Dated Date	75,834,166.67
Bond Years from Delivery Date	75,834,166.67
Total Debt Service	7,675,050.00
Maximum Annual Debt Service	646,600.00
Average Annual Debt Service	257,264.25
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	

Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Term Bond due 2046	3,125,000.00	100.000	6.000%	24.267	4,312.50
	3,125,000.00			24.267	4,312.50

	TIC	All-In TIC	Arbitrage Yield
Par Value	3,125,000.00	3,125,000.00	3,125,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts		-172,920.00	
Target Value	3,125,000.00	2,952,080.00	3,125,000.00
Target Date	02/01/2017	02/01/2017	02/01/2017
Yield	6.000774%	6.462712%	6.000774%

BOND DEBT SERVICE

**GUNNISON RISING METROPOLITAN DISTRICT
SPECIAL REVENUE BONDS, SERIES 2017
30.00 (target) District Mills (no PIF)
(Total Project Revenues - Full Growth No PIF*)
Non-Rated, 150x, 2046 Final Maturity
[Preliminary -- for discussion only]**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2017			62,500	62,500	
12/01/2017			93,750	93,750	156,250
06/01/2018			93,750	93,750	
12/01/2018			93,750	93,750	187,500
06/01/2019			93,750	93,750	
12/01/2019			93,750	93,750	187,500
06/01/2020			93,750	93,750	
12/01/2020			93,750	93,750	187,500
06/01/2021			93,750	93,750	
12/01/2021			93,750	93,750	187,500
06/01/2022			93,750	93,750	
12/01/2022			93,750	93,750	187,500
06/01/2023			93,750	93,750	
12/01/2023			93,750	93,750	187,500
06/01/2024			93,750	93,750	
12/01/2024			93,750	93,750	187,500
06/01/2025			93,750	93,750	
12/01/2025			93,750	93,750	187,500
06/01/2026			93,750	93,750	
12/01/2026	5,000	6.000%	93,750	98,750	192,500
06/01/2027			93,600	93,600	
12/01/2027	20,000	6.000%	93,600	113,600	207,200
06/01/2028			93,000	93,000	
12/01/2028	25,000	6.000%	93,000	118,000	211,000
06/01/2029			92,250	92,250	
12/01/2029	35,000	6.000%	92,250	127,250	219,500
06/01/2030			91,200	91,200	
12/01/2030	60,000	6.000%	91,200	151,200	242,400
06/01/2031			89,400	89,400	
12/01/2031	70,000	6.000%	89,400	159,400	248,800
06/01/2032			87,300	87,300	
12/01/2032	80,000	6.000%	87,300	167,300	254,600
06/01/2033			84,900	84,900	
12/01/2033	90,000	6.000%	84,900	174,900	259,800
06/01/2034			82,200	82,200	
12/01/2034	100,000	6.000%	82,200	182,200	264,400
06/01/2035			79,200	79,200	
12/01/2035	110,000	6.000%	79,200	189,200	268,400
06/01/2036			75,900	75,900	
12/01/2036	120,000	6.000%	75,900	195,900	271,800
06/01/2037			72,300	72,300	
12/01/2037	135,000	6.000%	72,300	207,300	279,600
06/01/2038			68,250	68,250	
12/01/2038	150,000	6.000%	68,250	218,250	286,500
06/01/2039			63,750	63,750	
12/01/2039	165,000	6.000%	63,750	228,750	292,500
06/01/2040			58,800	58,800	
12/01/2040	180,000	6.000%	58,800	238,800	297,600
06/01/2041			53,400	53,400	
12/01/2041	195,000	6.000%	53,400	248,400	301,800
06/01/2042			47,550	47,550	
12/01/2042	215,000	6.000%	47,550	262,550	310,100
06/01/2043			41,100	41,100	
12/01/2043	230,000	6.000%	41,100	271,100	312,200
06/01/2044			34,200	34,200	
12/01/2044	255,000	6.000%	34,200	289,200	323,400
06/01/2045			26,550	26,550	
12/01/2045	275,000	6.000%	26,550	301,550	328,100
06/01/2046			18,300	18,300	
12/01/2046	610,000	6.000%	18,300	628,300	646,600
	3,125,000		4,550,050	7,675,050	7,675,050

NET DEBT SERVICE

**GUNNISON RISING METROPOLITAN DISTRICT
SPECIAL REVENUE BONDS, SERIES 2017
30.00 (target) District Mills (no PIF)
(Total Project Revenues - Full Growth No PIF*)
Non-Rated, 150x, 2046 Final Maturity
[Preliminary -- for discussion only]**

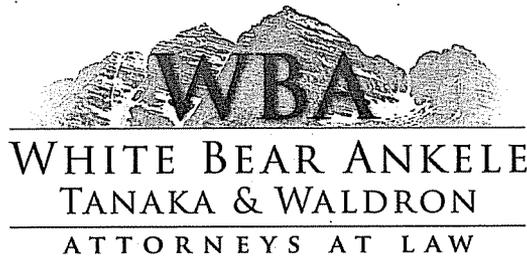
Period Ending	Principal	Interest	Total Debt Service	Debt Service Reserve Fund	Capitalized Interest Fund	Net Debt Service
12/01/2017		156,250	156,250		-156,250	
12/01/2018		187,500	187,500		-187,500	
12/01/2019		187,500	187,500		-187,500	
12/01/2020		187,500	187,500	-312.50	-31,250	155,937.50
12/01/2021		187,500	187,500	-625.00		186,875.00
12/01/2022		187,500	187,500	-625.00		186,875.00
12/01/2023		187,500	187,500	-625.00		186,875.00
12/01/2024		187,500	187,500	-625.00		186,875.00
12/01/2025		187,500	187,500	-625.00		186,875.00
12/01/2026	5,000	187,500	192,500	-625.00		191,875.00
12/01/2027	20,000	187,200	207,200	-625.00		206,575.00
12/01/2028	25,000	186,000	211,000	-625.00		210,375.00
12/01/2029	35,000	184,500	219,500	-625.00		218,875.00
12/01/2030	60,000	182,400	242,400	-625.00		241,775.00
12/01/2031	70,000	178,800	248,800	-625.00		248,175.00
12/01/2032	80,000	174,600	254,600	-625.00		253,975.00
12/01/2033	90,000	169,800	259,800	-625.00		259,175.00
12/01/2034	100,000	164,400	264,400	-625.00		263,775.00
12/01/2035	110,000	158,400	268,400	-625.00		267,775.00
12/01/2036	120,000	151,800	271,800	-625.00		271,175.00
12/01/2037	135,000	144,600	279,600	-625.00		278,975.00
12/01/2038	150,000	136,500	286,500	-625.00		285,875.00
12/01/2039	165,000	127,500	292,500	-625.00		291,875.00
12/01/2040	180,000	117,600	297,600	-625.00		296,975.00
12/01/2041	195,000	106,800	301,800	-625.00		301,175.00
12/01/2042	215,000	95,100	310,100	-625.00		309,475.00
12/01/2043	230,000	82,200	312,200	-625.00		311,575.00
12/01/2044	255,000	68,400	323,400	-625.00		322,775.00
12/01/2045	275,000	53,100	328,100	-625.00		327,475.00
12/01/2046	610,000	36,600	646,600	-313,125.00		333,475.00
	3,125,000	4,550,050	7,675,050	-329,062.50	-562,500	6,783,487.50

BOND SOLUTION

**GUNNISON RISING METROPOLITAN DISTRICT
SPECIAL REVENUE BONDS, SERIES 2017
30.00 (target) District Mills (no PIF)
(Total Project Revenues - Full Growth No PIF*)
Non-Rated, 150x, 2046 Final Maturity
[Preliminary -- for discussion only]**

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2017		156,250	-156,250		607	607	
12/01/2018		187,500	-187,500		619	619	
12/01/2019		187,500	-187,500		125,812	125,812	
12/01/2020		187,500	-31,563	155,938	145,851	-10,086	93.53186%
12/01/2021		187,500	-625	186,875	211,300	24,425	113.07012%
12/01/2022		187,500	-625	186,875	234,103	47,228	125.27242%
12/01/2023		187,500	-625	186,875	240,169	53,294	128.51839%
12/01/2024		187,500	-625	186,875	259,762	72,887	139.00289%
12/01/2025		187,500	-625	186,875	273,744	86,869	146.48498%
12/01/2026	5,000	192,500	-625	191,875	288,746	96,871	150.48660%
12/01/2027	20,000	207,200	-625	206,575	310,792	104,217	150.44994%
12/01/2028	25,000	211,000	-625	210,375	317,008	106,633	150.68702%
12/01/2029	35,000	219,500	-625	218,875	332,859	113,984	152.07730%
12/01/2030	60,000	242,400	-625	241,775	366,485	124,710	151.58087%
12/01/2031	70,000	248,800	-625	248,175	374,438	126,263	150.87658%
12/01/2032	80,000	254,600	-625	253,975	381,927	127,952	150.37965%
12/01/2033	90,000	259,800	-625	259,175	389,565	130,390	150.30973%
12/01/2034	100,000	264,400	-625	263,775	397,357	133,582	150.64223%
12/01/2035	110,000	268,400	-625	267,775	405,304	137,529	151.35979%
12/01/2036	120,000	271,800	-625	271,175	413,410	142,235	152.45128%
12/01/2037	135,000	279,600	-625	278,975	421,678	142,703	151.15259%
12/01/2038	150,000	286,500	-625	285,875	430,112	144,237	150.45440%
12/01/2039	165,000	292,500	-625	291,875	438,714	146,839	150.30878%
12/01/2040	180,000	297,600	-625	296,975	447,488	150,513	150.68205%
12/01/2041	195,000	301,800	-625	301,175	456,438	155,263	151.55235%
12/01/2042	215,000	310,100	-625	309,475	465,567	156,092	150.43752%
12/01/2043	230,000	312,200	-625	311,575	474,878	163,303	152.41206%
12/01/2044	255,000	323,400	-625	322,775	484,375	161,600	150.06597%
12/01/2045	275,000	328,100	-625	327,475	494,063	166,588	150.87043%
12/01/2046	610,000	646,600	-313,125	333,475	503,944	170,469	151.11903%
	3,125,000	7,675,050	-891,563	6,783,488	10,087,112	3,303,625	

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March 3, 2016

VIA ELECTRONIC MAIL

Steve Westbay
 Community Development Director
 City of Gunnison
 201 W. Virginia Avenue
 Gunnison, Colorado 81230
swestbay@cityofgunnison-co.gov

RE: Gunnison Rising Metropolitan District Nos. 1-7 Service Plan Submittal

Dear Mr. Westbay:

Enclosed for consideration by the City of Gunnison (the “City”) is a proposed Service Plan (the “Service Plan”) for the Gunnison Rising Metropolitan District Nos. 1-7 (the “Districts”). This submittal includes a copy of the Service Plan in Adobe PDF format, including all exhibits. Also included is a redlined copy of the Service Plan showing any and all changes made to the Service Plan based on the City’s comments dated February 25th, 2016. The mark-up copy is in color-coded MS Word “Track Changes” format with the “Original Showing Markup” view. The proposed Service Plan is based upon the format of the Gunnison Model Service Plan with revisions intended to address staff comments and concerns received to date.

Below is a calendar showing the agreed upon timing associated with City consideration of the Service Plan.

DATE	EVENT	AUTHORITY
Friday, February 19, 2016	Submission of Service Plan to City of Gunnison for approval	§10.20.020, <i>Gunnison Municipal Code</i>
Monday, February 22, 2016 through Friday, February 26, 2016	Review of Service Plan by Gunnison	
Tuesday March 8, 2016	Work session with City Council	
Tuesday, March 8, 2016 <i>(Within a reasonable time of plan submission)</i>	Establishment that Service Plan is in compliance with the Gunnison Special District Policy by City Manager and Date Set for Public Hearing	§10.20.110, <i>Gunnison Municipal Code</i>

DATE	EVENT	AUTHORITY
Wednesday, March 9, 2016 through Friday, March 18, 2016. (At least 10 days prior to the hearing on the resolution)	Notice of proposed resolution to approve Service Plan mailed to the owners of record of all property within the proposed district and within any inclusion area specifically identified in the Service Plan	<i>§ 10.20.110, Gunnison Municipal Code</i>
Thursday, March 31, 2016 (Within a reasonable time of establishing that Service Plan is in compliance with the Gunnison Special District Policy)	Consideration of resolution before the City Council regarding approving the Service Plan and public hearing on the same	<i>§10.20.110, Gunnison Municipal Code</i>

Also, in response to the City's submittal requirements for Service Plans pursuant to the City Code, please find the following information:

1. Name of the Districts: Gunnison Rising Metropolitan District Nos. 1-7.

2. Contact Information:

a. Metro District Counsel:

WHITE BEAR ANKELE TANAKA & WALDRON
 Attorneys at Law
 Attention: Kristen D. Bear, Esq.
 2154 East Commons Avenue, Suite 2000
 Centennial, Colorado 80122
 Phone: (303) 858-1800
kbear@wbapc.com

b. Petitioner and Owner/Developer of land:

Gunnison Valley Properties, LLC
 c/o: Dennis Minchow
 234 North Main Street, Suite 3A
 Gunnison, Colorado 81230
 Phone: (970) 986-3400
dam@theschuckcorporation.com

3. Type of Service Plan: New Service Plan with no existing residents.
4. Form of Service Plan: Multiple District Single Service Plan.
5. Type of Development: Residential and commercial.
6. Justification for Petitioner's Request to City Council to Approve: There are currently no other governmental entities, including the City, located in the immediate vicinity of the Districts that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the public improvements needed for the project to be provided in the most economic manner possible.

Pursuant to Gunnison Municipal Code § 10.20.060, Service Plans shall be submitted in such numbers and format as specified by the City planning department. Petitioner asks that the City Planning department to confirm the number of hard copies to be provided for submission of Service Plan.

Pursuant to Gunnison Municipal Code § 10.20.120, with the submittal of a Service Plan, the proponent of the district shall also pay the City Clerk (A) a nonrefundable application fee not to exceed \$1,000 and (B) a \$5,000 deposit to reimburse the City for staff legal, and consultant time on a monthly basis. Petitioner has mailed a check in the amount of \$6,000 to the City Clerk under separate cover.

We look forward to discussing this matter further with you. In the interim, should you have any immediate questions regarding this submittal, please do not hesitate to contact me.

Respectfully,

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



Kristen D. Bear

KDB:mta

Cc: L. Richard Bratton
Byron Chrisman
Tyler Carlson
Michael Anderson
Dennis Minchow
Kathleen Fogo
James P. Collins
Mark Achen

Enclosures

SERVICE PLAN
FOR
GUNNISON RISING METROPOLITAN DISTRICT NOS. 1-7
CITY OF GUNNISON, COLORADO

Prepared by:

White Bear Ankele Tanaka & Waldron Professional Corporation
2154 E. Commons Avenue, Suite 2000
Centennial, Colorado 80122

Dated as of ~~February 19~~March 3, 2016

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EXHIBIT C	Initial District Boundary Map
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EXHIBIT E	Preliminary Infrastructure Plan
EXHIBIT F	Maps Depicting Public Improvements
EXHIBIT G	Financial Plan

I. INTRODUCTION

A. Purpose and Intent.

The Gunnison Rising Metropolitan District Nos. 1-7 are intended to provide certain public improvements as the same are further generally described in this Service Plan, for the benefit of the residents and taxpayers located within the Project. The Project consists of approximately 622 acres of land located within the City of Gunnison. Tomichi Creek runs through property immediately south of the Project and the western boundary of the Project on the north side of Highway 50 abuts property held by Western State College, as well as existing commercial properties.

The City entered into a Memorandum of Agreement on November 18, 2009 (“MOA”) with the landowners associated with the Project and Western State College regarding annexation of the Property, easements, and public improvements associated with the Property’s future development. The Property was subsequently annexed into the City pursuant to an Annexation Agreement dated December 3, 2009, and recorded in the real property records of Gunnison County on February 24, 2010, between the City and Gunnison Valley Partners, LLC, Donna R Bratton, and Gunnison Gateway, LLC (the “Annexation Agreement”). Development is now proposed to be initiated and Gunnison Rising Metropolitan District Nos. 1-7 are intended to facilitate financing, construction and operation of the public improvements contemplated in the MOA and Annexation Agreement and as necessary for the overall development of the Project.

The Districts are intended to be independent units of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Service Plan, their activities are subject to review by the City only insofar as they may deviate in a material manner from the requirements of this Service Plan. It is intended that the Districts will provide the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of the Public Improvements.

The Districts are not being created to provide ongoing operations and maintenance services other than as specifically set forth in this Service Plan or which may otherwise be allowed pursuant to a future intergovernmental agreement with the City. This Service Plan has been prepared in accordance with Title 10, Chapter 10.20, of the City Code.

B. Need for the Districts.

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

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

The City's objective in approving the Service Plan for the Districts is to authorize the Districts to provide for the planning, design, acquisition, construction, installation, relocation and overall development of the Public Improvements from the proceeds of Debt to be issued by one or more of the Districts. All Debt issued will be repaid by taxes imposed and collected by the Districts at a tax mill levy no higher than the permitted Maximum Debt Mill Levy, and other legally available revenues of the Districts as further described in the Financial Plan. Debt which is issued within these parameters (as further described in the Financial Plan) will insulate property owners from excessive tax burdens while supporting the obligations of the Districts to service the Debt and will result in a timely and reasonable discharge of the Debt. Under no circumstances is the City agreeing or undertaking to be financially responsible for the Debt or the construction of Public Improvements through its authorization of this Service Plan.

This Service Plan is intended to establish a limited purpose for the Districts and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with the Project, including those regional improvements necessitated by the Project. Ongoing operational and maintenance activities are allowed, but only as specifically addressed in this Service Plan. In no case shall the mill levies imposed by the Districts for debt service and operations and maintenance functions exceed the Aggregate Mill Levy Cap.

It is the intent of the Districts to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt. However, if the Districts have authorized operating functions under this Service Plan, or if by agreement with the City it is desired that the Districts shall continue to exist, then the Districts shall not dissolve but shall retain only the power necessary to impose and collect taxes or fees to pay for costs associated with said operations and maintenance functions and/or to perform agreements with the City.

The Districts shall be authorized to finance the Public Improvements that can be funded from Debt to be paid from a mill levy, which shall not exceed the Maximum Debt Mill Levy nor the Maximum Debt Mill Levy Imposition Term, and other legally available revenues of the Districts, as the same are described and authorized herein. It is the intent of this Service Plan to ensure to the extent possible that, as a result of the formation and operation of the Districts, no taxable property within the boundaries of any of the Districts bears a tax burden that is greater than the Maximum Aggregate Mill Levy in amount, even under bankruptcy or other unusual situations. Generally, the costs of Public Improvements that cannot be funded within these parameters are not costs to be paid by the Districts.

II. DEFINITIONS

In this Service Plan, the following terms which appear in a capitalized format herein shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Aggregate Mill Levy Cap: means the maximum aggregate mill levy each of the Districts is permitted to impose within their respective legal boundaries for debt service and operations and maintenance, as set forth in Section VI.C below.

Approved Development Plan: means a development agreement, development plan or other process established by the City (including but not limited to approval of a final plat or PUD by the City Council) for identifying, among other things, Public Improvements necessary for facilitating development of property within the Service Area, as approved by the City pursuant to the City Code and as amended pursuant to the City Code from time to time.

Board(s): means the Board(s) of Directors of the District(s).

Bond, Bonds or Debt: means bonds or other financial obligations for which any of the Districts have promised to impose and have pledged on a multi fiscal year basis, an ad valorem property tax mill levy, and other legally available revenue, for payment. Such terms do not include intergovernmental agreements pledging the collection and payment of property taxes in connection with a service district and taxing district(s) structure, if applicable, and other contracts through which the Districts procure or provide services or tangible property.

City: means the City of Gunnison, Colorado.

City Code: means the City of Gunnison Code and any regulations, rules, or policies promulgated thereunder, as the same may be amended from time to time.

City Council: means the City Council of the City of Gunnison, Colorado.

Developer: means Gunnison Valley Properties, LLC.

Districts: means the Gunnison Rising Metropolitan Districts Numbers 1-7, collectively.

District No. 1: means the Gunnison Rising Metropolitan District No. 1.

District No. 2: means the Gunnison Rising Metropolitan District No. 2.

District No. 3: means the Gunnison Rising Metropolitan District No. 3.

District No. 4: means the Gunnison Rising Metropolitan District No. 4.

District No. 5: means the Gunnison Rising Metropolitan District No. 5.

District No. 6: means the Gunnison Rising Metropolitan District No. 6.

District No. 7: means the Gunnison Rising Metropolitan District No. 7.

External Financial Advisor: means a consultant that: (1) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (2) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place or shall provide an affidavit that it has prepared financial schedules used in more than 20 Colorado local government bond issuances; and (3) is not an officer or employee of the Districts.

Financial Plan: means the Financial Plan described in Section VI which has been prepared by an External Financial Advisor in accordance with the requirements of the City Code and describe (a) how the Public Improvements are to be financed; (b) how the Debt is expected to be incurred; and (c) the estimated operating revenue derived from property taxes for the first budget year through the year in which all District Debt is expected to be defeased.

Inclusion Area Boundaries: means the boundaries of the area described in the Inclusion Area Boundary Map, if any.

Inclusion Area Boundary Map: means the map attached hereto as **Exhibit D**, describing the property proposed for inclusion within the Districts (if any) in the future.

Initial District Boundaries: means the boundaries of the area described in the Initial District Boundary Map, as further set forth within the legal descriptions attached as **Exhibit A**.

Initial District Boundary Map: means the map attached hereto as **Exhibit C** describing the initial boundaries of District Nos. 1-7.

Maps Depicting Public Improvements: means the map or maps attached hereto as **Exhibit F**, showing the approximate location(s) of the Public Improvements listed in the Preliminary Infrastructure Plan.

Maximum Aggregate Mill Levy: means the maximum mill levy the Districts are permitted to impose within each of their respective legal boundaries for payment of Debt and administration, operations, and maintenance expenses, which shall be subject to future adjustment, all as set forth in Section VI.C. below.

Maximum Debt Authorization: means the total Debt the Districts are permitted to issue on an aggregate basis as set forth in Section V.A.6 and as the same is supported by the Financial Plan.

Maximum Debt Mill Levy: means the maximum mill levy the Districts are permitted to impose upon the taxable property within each of their respective legal boundaries for payment of Debt, which shall be subject to adjustment, as set forth in Section VI.C. below.

Maximum Operations and Maintenance Mill Levy: means the maximum mill levy the Districts are permitted to impose within each of their respective legal boundaries for payment of

administration, operations, and maintenance costs, which shall be subject to adjustment as set forth in Section VI.C. below.

Preliminary Infrastructure Plan or PIP: means the Preliminary Infrastructure Plan described in Section V.B. which includes: (a) a preliminary list of the Public Improvements to be developed by the Districts; and (b) an estimate of the cost of the Public Improvements.

Project: means the development or property commonly referred to as Gunnison Rising.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act, except as specifically limited in Section V, below, to serve the future taxpayers and inhabitants of the Service Area as determined from time to time by the Board of the Districts.

Service Area: means all property within the Project, as the same is depicted on the Initial District Boundary Map and the Inclusion Area Boundary Map.

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

Service Plan Amendment: means an amendment to the Service Plan approved by the City Council in accordance with applicable state law.

Special District Act or “Act”: means Article 1 of Title 32 of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

III. BOUNDARIES

The area of the Initial Districts Boundaries includes approximately 40 acres and the total area within the Inclusion Area Boundaries is approximately 593 acres. Legal descriptions of the Initial Districts Boundaries are attached hereto as **Exhibits A-1 through A-7**. A map of the Initial Districts Boundaries is attached hereto as **Exhibit C**. A map of the permitted Inclusion Area Boundaries is attached hereto as **Exhibit D**. A vicinity map is attached hereto as **Exhibit B** showing the general location of the Project as within the City. It is anticipated that the Districts’ Boundaries may change from time to time as they undergo inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Article V below. It is the intent of this Service Plan that all developable property within the Service Area be included into the legal boundaries of one of the Districts as development is phased over time. Inclusions or exclusions of property within Service Area are deemed necessary to implement the provisions of the Service Plan and provide the necessary

financing, construction and services and shall not require prior City approval. Notice of any boundary adjustments approved by the Districts shall be provided to the City Planning Department within thirty (30) days of approval of the same and shall not require prior City approval, but shall not proceed if the Planning Department objects within thirty (30) days of receiving notice. To the extent there is objection to any such boundary adjustment, the Districts may appeal the same to the City Council. and to the City as part of the Annual Report required under Section VII of this Service Plan. Inclusions of property outside the Service Area shall require the prior written consent of the City and, as deemed necessary or appropriate by the City, a public hearing to authorize the same prior to the Districts' undertaking such inclusions.

IV. PROPOSED LAND USE AND ASSESSED VALUATION

The Service Area consists of approximately six hundred twenty two (622) acres of real property with uses identified under the PUD, which include commercial, residential, light industrial and RV park development. The current assessed valuation of the Service Area is approximately \$16,055 and, at build out, is expected to be \$9,885,000 which amount is expected to be sufficient to reasonably discharge the Debt as demonstrated in the Financial Plan. The estimated population at build out is expected to be 1,725 persons (based upon 694 anticipated residential units x 2.5 persons per unit).

Approval of this Service Plan by the City does not supersede or impact any further development or planning approvals that may be necessary in that it does not (1) imply approval of the development of any specific area within the Districts, (2) imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings which may be identified in this Service Plan or any of the exhibits attached hereto or (3) imply approval of any of the Public Improvements, unless the same is contained within an Approved Development Plan.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the Districts and Service Plan Amendment.

The Districts shall have the power and authority to acquire, construct and install the Public Improvements within and without the permitted Service Area of the Districts as such power and authority is described in the Special District Act, and other applicable statutes, common law and the State Constitution, subject to the limitations in this Service Plan.

If, after the Service Plan is approved, the State Legislature includes additional powers or grants new or broader powers for Title 32 districts by amendment of the Special District Act, to the extent permitted by law any or all such powers shall be deemed to be a part hereof and available to or exercised by the Districts upon compliance by the Districts with the notice requirements set forth in §32-1-207(3)(b), C.R.S. The Districts shall provide certified delivery of such written notice to the secretary of the City Council. The Districts shall be permitted to

exercise such proposed powers only upon review of the underlying notice provided by the City and the City may hold a public hearing to determine whether such additional power or activity constitutes a material modification of this Service Plan. If the City determines that the exercise of such powers constitutes a material modification, the Districts shall submit a service plan amendment regarding same for approval by the City prior to the exercise of any such power.

1. Operations and Maintenance Limitation. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The Districts shall dedicate the Public Improvements to the City or other appropriate governmental entities or owners association in a manner consistent with the Approved Development Plan and applicable provisions of the City Code. Upon review and consent by the City, which shall be evidenced in a written intergovernmental agreement, the Districts shall be authorized to operate and maintain any part or all of the Public Improvements, to the extent the same are not accepted by another governmental entity. The Districts shall be permitted to fund the requisite operations and maintenance activities through imposition of the permitted Maximum Operations and Maintenance Mill Levy. The Districts' authorization to perform operations and maintenance services, if any, shall expire after twenty-five (25) years from the date of organization of the Districts unless the City Council approves the Districts' continuation of such services pursuant to an intergovernmental agreement subject to assurance that adequate provision may be made for the continued operations and maintenance services. Thereafter, the Districts shall be required to seek City approval to provide such services every ten years. If the City disapproves the continuation of operation and maintenance functions by the Districts, the City shall assure or make adequate provision for the provision of operation and maintenance services anticipated to be discontinued by the Districts. The failure by the Districts to obtain the City approvals shall not constitute a material modification unless such approval is not obtained forty-five (45) days after written notice to the Districts by the City of the need to request such approval.

2. Development Standards. The Districts will ensure that the Public Improvements are designed and constructed in accordance with the then current and applicable standards and specifications of the City and of other governmental entities having proper jurisdiction, as applicable. The Districts directly or indirectly, through the developer of the Project, will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work. Unless waived by the City, the Districts shall be required, in accordance with the City Code, to post a surety bond, letter of credit, or other approved development security for any Public Improvements to be constructed by the Districts. Such development security may be released when the Districts have obtained funds, through bond issuance or otherwise, adequate to ensure the construction of those Public Improvements for which development security would otherwise be required.

3. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt, the Districts shall provide notice to the City, which notice shall include the anticipated terms of the underlying Debt and to whom such Debt may be issued. To the extent that it is anticipated that Debt will be issued to the Developer, its principals or affiliates, the City at its discretion may advise the Districts within ten (10) calendar days of its intent to hold a

hearing thereon to determine whether issuance of such Debt is within the parameters of this Service Plan. For all other privately placed debt, the Districts shall obtain and supply to the City 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 the Districts for the [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.

4. Inclusion and Exclusion Limitation. Unless otherwise provided for herein and specifically subject to the provisions of Section III, herein, the Districts shall not include within their boundaries any property outside the Service Area nor exclude from their boundaries any property inside the Service Area without the prior written consent of the City Council. The Districts shall be permitted to undertake boundary adjustments to accommodate phasing and financing considerations for property within the Service Area as deemed necessary or appropriate from time to time and shall give written notice to the City Planning Department of boundary adjustments considered and approved by the respective District.

5. Initial Debt Limitation. Prior to the effective date of approval of an Approved Development Plan relating to development within any or all of the Service Area, the Districts shall not issue any Debt.

6. Maximum Debt Authorization. The Maximum Debt Authorization of the Districts shall initially be set at an aggregate amount of Debt not in excess of \$4,323,000.

For an increase in the Maximum Debt Authorization of up to 10% of the then permitted limit, the Districts shall submit notice to the City pursuant to §32-1-207(3)(b), C.R.S. with certified written notice to the secretary of the City Council. To the extent the Districts seek to modify the Maximum Debt Authorization above 10% of the above limit, they shall demonstrate the need therefore and obtain the prior approval of the City Council, as set forth in a resolution. Increases which do not exceed 50% of the amount set forth above, and which are approved by resolution of the City Council, shall not constitute a material modification of this Service Plan.

Notwithstanding the aforesaid, to the extent there is a future public finance agreement or other intergovernmental agreement with the City, setting forth the conditions and agreement as to the imposition of a public improvement fee to be imposed on property as an offset (or credit) against sales tax revenues that would otherwise be imposed by the City (the "Credit PIF"), the Districts' Maximum Debt Limit shall be expressly authorized to be increased pursuant to the

terms and conditions of any such agreement. Any such agreement and increases to the Maximum Debt Limit authorized thereunder shall not constitute a material modification to this Service Plan and all such increases shall be predicated upon an increased revenue stream associated with the Credit PIF as the same is authorized pursuant to such future agreement with the City.

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 for which the City is eligible to apply for, except funds directly allocated to trails, parks and open space improvements as described in an approved final plat from the City for which the Districts are responsible for construction. 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. Consolidation Limitation. The Districts shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City.

9. Eminent Domain Limitation. The Districts shall not exercise its statutory power of eminent domain, except as may be necessary to construct, install, access, relocate or redevelop the Public Improvements identified in the Preliminary Infrastructure Plan. Any use of eminent domain shall be undertaken strictly in compliance with State law.

10. Service Plan Amendment Requirement. This Service Plan is general in nature and does not include specific detail in some instances because development plans have not been finalized. The 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. Modification of the general types of services and facilities making up the Public Improvements, and changes in proposed configurations, locations or dimensions of the Public Improvements shall be permitted to accommodate development needs consistent with the then-current Approved Development Plan(s) for the Project. The Districts shall be independent units of local government, separate and distinct from the City, and their activities are subject to review by the City only insofar as they may deviate in a material manner from the requirements of the Service Plan. Any action of the Districts which: (1) violates the limitations set forth in Section V.A. above or (2) violates the limitations set forth in Section VI. below, shall be deemed to be a material modification to this Service Plan unless otherwise agreed by the City as provided for in Section X of this Service Plan or unless otherwise expressly provided herein. Unless otherwise expressly provided herein, any other departure from the provisions of this Service Plan shall be considered on a case-by-case basis as to whether such departure is a material modification. Any determination by the City that a departure is not a material modification shall be conclusive and final and shall bind all residents, property owners and others affected by such departure.

To the extent permitted by law, the Districts may seek formal approval from the City Council of modifications to this Service Plan which are not material, but for which the Districts may desire a written amendment and approval by the City Council. Such approval may be evidenced by any instrument executed by the City Manager, City Attorney, or other specially

designated representative of the City Council as to the matters set forth therein and shall be conclusive and final.

11. Location and Extent Limitation. The Districts hereby waive and shall not exercise any power pursuant to Section 31-23-209, C.R.S., or otherwise, to override or avoid compliance with the City Code, resolution, or decisions.

B. Preliminary Infrastructure Plan.

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, as the same are more specifically defined in an Approved Development Plan. The Preliminary Infrastructure Plan, including: (1) a list of the Public Improvements anticipated to be developed by the Districts; and (2) an estimate of the cost of the Public Improvements is attached hereto as **Exhibit E** and is hereby deemed to constitute the preliminary engineering or architectural survey required by Section 32-1-202(2)(c), C.R.S. The Maps Depicting Public Improvements is attached hereto as **Exhibit F** and is also available in size and scale approved by the City Planning Department.

As shown in the Preliminary Infrastructure Plan, the estimated cost of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed by the Districts is currently anticipated to be approximately \$19,222,000. The Preliminary Infrastructure Plan shall not obligate the Districts to construct all or any of the Public Improvements set forth therein. Rather such Preliminary Infrastructure Plan sets forth the scope and general Public Improvements that may be provided by or through the Districts at their discretion as the same are deemed appropriate and there may be financial capacity and authorization to do so. The Districts shall be permitted to allocate costs between such categories of the Public Improvements as deemed necessary in their discretion with the intent and understanding that provision of such Public Improvements shall be subject to the limitations expressed herein.

All of the Public Improvements described herein will be designed in such a way as to assure that the Public Improvements standards will be consistent with or exceed the then-current standards of the City and shall be in accordance with the requirements of the Approved Development Plan and all other City rules, regulations and policies concerning development and construction of public infrastructure. All descriptions of the Public Improvements herein to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, the City's requirements, and construction scheduling may require. Upon approval of this Service Plan, the Districts will continue to develop and refine the Preliminary Infrastructure Plan and the Map Depicting Public Improvements, as necessary, and prepare for issuance of Debt. All cost estimates will be inflated to then-current dollars at the time of the issuance of Debt and construction. All construction cost estimates contained in **Exhibit E** assume construction to applicable local, State or Federal requirements. Changes in the Public Improvements, Preliminary Infrastructure Plan, Map Depicting Public Improvements, or costs, which are approved by the City Council in an Approved Development Plan shall not constitute a material modification of this Service Plan.

Additionally, due to the preliminary nature of the PIP, the City shall not be bound by the PIP in reviewing and approving the Approved Development Plan and the Approved Development Plan shall supersede the PIP.

C. Operational Services.

It is contemplated that the Public Improvements will be dedicated to the City or other appropriate governmental entities or owners association in a manner consistent with the Approved Development Plan and applicable provisions of the City Code for continued operation and maintenance by such entity. Notwithstanding, the Districts shall be authorized to operate and maintain any part or all of the Public Improvements, to the extent the same are not accepted by another governmental entity pursuant to the provisions of Section V.A.1. The Districts shall be permitted to fund the requisite operations and maintenance activities through imposition of the permitted Maximum Operations and Maintenance Mill Levy.

D. Multiple District Structure.

It is anticipated that the Districts, collectively, will undertake the financing and construction of the Public Improvements. The nature of the functions and services to be provided by each District shall be clarified in an intergovernmental agreement between and among the Districts. All such agreements will be designed to help assure the orderly development of the Public Improvements and essential services in accordance with the requirements of this Service Plan. Implementation of such intergovernmental agreement is essential to the orderly implementation of this Service Plan.

VI. FINANCIAL PLAN

A. General.

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from the Districts' revenues and by and through the proceeds of Debt to be issued by the Districts. The Financial Plan for the Districts shall be to: (i) issue no more Debt than each respective District can reasonably pay within thirty (30) years for each series of Debt from revenues derived from the Maximum Debt Mill Levy, and other legally available revenues and (ii) satisfy all other financial obligations arising out of the Districts' administrative and operations and maintenance activities. The Financial Plan attached hereto as **Exhibit G** is premised upon preliminary projections associated with the Project and shows that the Districts can reasonably discharge the Debt consistent with the requirements of the Special District Act. The total Debt that the Districts shall be permitted to issue shall not exceed the Maximum Debt Authorization, as authorized hereunder, or via a future agreement with the City as contemplated in Section V.A.6 of this Service Plan; provided, however, that Debt issued to refund outstanding Debt of the Districts, including Debt issued to refund Debt owed to the developer of the Project pursuant to a reimbursement agreement or other agreement, shall not count against the Maximum Debt Authorization so long as such refunding Debt does not result in a net present value expense.

Issuance costs necessary to effectuate any such refunding shall not count against the Maximum Debt Authorization. District Debt shall be permitted to be issued on a schedule and in such year or years as the District determines shall meet the needs of the Financial Plan referenced above and phased to serve the Project as it occurs. All Bonds and other Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, including 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, including revenues that may be authorized pursuant to future agreements with the City. These will include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time as further set forth in VI(E).

The Maximum Debt Authorization is supported by the tax revenue projections prepared by Anderson Analytics LLC, and the Financial Plan prepared by D.A. Davidson & Co. attached hereto as **Exhibit G**. The Financial Plan attached to this Service Plan satisfies the requirements of Section 10.20.20.I. of the City Code.

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. In the event of a default, the proposed maximum interest rate on any Debt is not permitted to exceed twelve percent (12%). The proposed maximum underwriting discount will be three percent (3%). 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 Mill Levies.

The “Maximum Debt Mill Levy” shall be the maximum mill levy the Districts are permitted to impose upon the taxable property within each of their respective legal boundaries for payment of Debt, and shall be thirty-five (35) mills.

The “Maximum Operations and Maintenance Mill Levy” shall be the maximum mill levy the Districts are permitted to impose upon the taxable property within the Districts for payment of administration, operations, and maintenance costs, and shall be ten (10) mills.

The “Maximum Aggregate Mill Levy” shall be the maximum mill levy each of the Districts are permitted to impose upon the taxable property within the legal boundaries of any of the Districts for payment of Debt and administration, operations, and maintenance costs, and shall be forty-five (45) mills, subject to adjustment as permitted herein. This means that Maximum Debt Mill Levy and the Maximum Operations Mill Levy may not be imposed simultaneously.

Notwithstanding, if, on or after January 1, 2008, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the preceding mill levy limitations may be increased or decreased to reflect such changes, with such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill

levy, as adjusted for changes occurring after January 1, 2008, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation. 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.

D. Maximum Debt Term.

The scheduled final maturity of any Debt or series of Debt shall be limited to thirty (30) years, including refundings thereof, unless a majority of the Board of the respective District are residents have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101 *et seq.*, C.R.S.

The Districts shall be limited to issuing new Debt to a period of not more than fifteen (15) years from the date of the Districts' first TABOR election. With the express consent of the City Council, which shall not constitute a material modification of this Service Plan, the Districts may depart from the Financial Plan and issue Debt after the originally permitted fifteen-year period in order to provide the services outlined in this Service Plan to the extent development phasing is of a duration that makes it impracticable to issue all Debt within such period.

E. Sources of Funds.

The Districts may impose a mill levy on taxable property within their respective boundaries in accordance with the provisions of this Service Plan as a primary source of revenue for repayment of debt service, administrative expenses and operations and maintenance, to the extent operations and maintenance functions are specifically addressed in this Service Plan. The Districts may also rely upon various other revenue sources authorized by law, as may be set forth in future agreements with the City or property owners affiliated with the Project, including initial loans for funding the Public Improvements. The Districts may also assess fees, rates, tolls, penalties, or charges as provided in the Special District Act that are reasonably related to the costs of operating and maintaining services and facilities. At the Districts' discretion, they may impose a one-time development fee only if such fee is payable and collectible at the time of issuance of a building permit. The development fee, the right to collect the development fee, and any lien on the property to secure the development fee shall terminate immediately following issuance of such building permit and payment of the development fee. The permitted development fee shall not exceed \$5,000 per Residential Lot, and \$1.00 per square foot of property intended for non-residential uses, including commercial, retail or office space, with a permitted adjustment on an annual basis to account for increases in the CPI – Denver/Boulder, Colorado. Tax exempt organizations that are zoned non-residential will be exempt from payment of the permitted development fee to the Districts. The Districts shall be permitted to assess fees, rates, tolls, penalties, or charges exceeding the amount of the Development Fee only upon review and consent by the City, in the City's sole discretion. The City may hold a public hearing to determine whether such fees, rates, tolls, penalties, or charges exceeding the amount of the Development Fee should be approved.

F. Security for Debt.

The Districts do not have the authority and shall not pledge any revenue or property of the City 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 City 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 City in the event of default by the Districts in the payment of any such obligation or performance of any other obligation.

G. TABOR Compliance.

The Districts will comply with the provisions of TABOR. In the discretion of the Boards of Directors, the Districts 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 Districts will remain under the control of the respective District Board.

H. Districts' 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 anticipated to be approximately \$100,000, which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs associated with the Public Improvements, the Districts will require operating funds for administration and to plan and cause the Public Improvements to be operated and maintained in accordance herewith. The first year's operating budget is estimated to be \$50,000. Ongoing administration, operations, and maintenance costs may be paid from property taxes and other revenues.

I. Elections.

The Districts will call an election on the questions of organizing the Districts, electing the initial Boards of Directors, and setting in place financial authorizations for debt, taxing and other matters as required by TABOR. The election will be conducted as required by law.

VII. ANNUAL REPORT

A. General. The Districts shall be responsible for submitting an annual report with the City Clerk not later than September 1st of each year following the year in which the Order and Decree creating the Districts has been issued by the District Court for and in County of Gunnison, Colorado. The City may waive this requirement in its sole discretion.

B. Reporting of Significant Events.

The annual report shall include the following:

1. A narrative summary of the progress of the Districts in implementing their service plan for the report year;
2. Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the Districts for the report year including a statement of financial condition (*i.e.*, balance sheet) as of December 31 of the report year and the statement of operations (*i.e.*, revenues and expenditures) for the report year;
3. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of Public Improvements in the report year;
4. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the Districts at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the report year, the amount of payment or retirement of existing indebtedness of the Districts in the report year, the total assessed valuation of all taxable properties within the Districts as of January 1 of the report year and the current mill levy of the Districts pledged to debt retirement in the report year; and
5. Any other information deemed relevant by the City Council or deemed reasonably necessary by the City Manager.

In the event the annual report is not timely received by the City Clerk or is not fully responsive, notice of such default may be given to the Board of such Districts, at its last known address. The failure of the Districts to file the annual report within forty-five (45) days of the mailing of such default notice by the City Clerk may constitute a material modification, at the discretion of the City.

VIII. DISSOLUTION

Upon a determination of the City Council that the purposes for which all or any of the Districts were created have been accomplished, the respective District agrees to file a petition in the District Court in and for County of Gunnison, Colorado, for dissolution, in accordance with the provisions of the Special District Act. In no event shall dissolution occur until the Districts have provided for the payment or discharge of all of outstanding Debt and other financial obligations as required pursuant to State statutes. If the Districts are responsible for ongoing operations and maintenance functions under this Service Plan (“Long Term District Obligations”), the Districts shall not be obligated to dissolve upon any such City Council determination, subject to the Districts’ requirement to obtain the City’s continuing approvals

under Section V.A.1. However, should the Long Term District Obligations be undertaken by the City or other governmental entity, or should the Districts no longer be obligated to perform the Long Term District Obligations, the Districts agree to commence dissolution proceedings as set forth above in the event of such City Council determination.

IX. PROPOSED AND EXISTING INTERGOVERNMENTAL AGREEMENTS AND EXTRATERRITORIAL SERVICE AGREEMENTS

All intergovernmental agreements (“IGAs”) must be for purposes, facilities, services or agreements lawfully authorized to be provided by the Districts, pursuant to the State Constitution, Article XIV, Section 18(2)(a) and Sections 29-1-201, et seq., C.R.S. To the extent practicable, the Districts may enter into additional intergovernmental and private agreements to better ensure long-term provision of the Public Improvements identified herein or for other lawful purposes of the Districts. Agreements may also be executed with property owner associations and other service providers.

The following agreements are likely to be necessary, and the rationale therefore are set forth as follows:

1. It is anticipated that the Districts may enter into one or more intergovernmental agreements among themselves for purposes of setting forth an agreement as to the coordinated provision of services contemplated by the Service Plan, inclusive but not necessarily limited to financing, construction and operations. This may include additional reimbursement or pledge agreements as between the Districts.
2. It is anticipated that one or more Districts may enter into an agreement with the City that may include but not necessarily limited to the following subjects (1) Public Improvements necessary for the property, including any Approved Development Plan; (2) operations and maintenance of the Public Improvements; and (3) a Credit PIF arrangement.

No other agreements are currently required or contemplated as of the date of the Service Plan to fulfill the purposes of the Districts. Any extraterritorial service agreements by the Districts that are not described in this service plan shall require prior written notice of same to the City Council. Notice of any intergovernmental agreement entered into by the Districts shall be supplied to the City Manager, not less than annually; and may be satisfied by transmitting a copy of that Report supplied to the Colorado Division of Local Government reflecting Districts’ IGAs.

X. MATERIAL MODIFICATIONS

Material modifications to this Service Plan may be made only in accordance with Section 32-1-207, C.R.S. No modification shall be required for an action of the Districts which does not materially depart from the provisions of this Service Plan. The Districts may request from the

City Manager (or his or her designee) a determination as to whether the City believes any particular action constitutes a material departure from the Service Plan, and the Districts may rely on the City Manager's written determination with respect thereto; provided that the Districts acknowledge that the City Manager's determination as aforesaid will be binding only upon the City, and will not be binding upon any other party entitled to enforce the provisions of the Service Plan as provided in Section 32-1-207, C.R.S., except as otherwise expressly provided herein. Such other parties shall be deemed to have constructive notice of the provisions of this Service Plan concerning changes, departures or modifications which may be approved by the City in procedures described herein and not provided in Section 32-1-207, C.R.S., and, to the extent permitted by law, are deemed to be bound by the terms hereof. The City may hold a public hearing to determine whether proposed actions of the Districts constitute a material modification of the Service Plan. If the City determines that such actions constitute a material modification, the Districts shall be required to submit a service plan amendment and process the same pursuant to the requirements of Title 32 and the City Code prior to undertaking any such actions.

XI. NOTICE TO PURCHASERS

Within thirty (30) days of the issuance of a decree organizing the Districts, the Districts, or the proponents of the Districts, shall cause Notice of the Organization of the Districts to be recorded in the land records of the Gunnison County Clerk and Recorder. Additionally, by submission of this Service Plan, the proponents of the Districts consent to the City's inclusion in an Approved Development Plan or other land use regulation document a requirement that the initial end-purchaser of property within the Districts receive Notice of the Districts and other Districts matters (i) in the contract to purchase the property and (ii) in a separate document to be acknowledged at closing. The Districts shall use reasonable efforts to confirm that such Notice is being provided. Notice shall be in the form of the following, with any changes subject to the approval the City Planning Department:

BUYER ACKNOWLEDGES THAT THE PROPERTY BEING PURCHASED IS WITHIN THE BOUNDARIES OF ONE OR MORE METROPOLITAN DISTRICTS. THE DISTRICT(S) EXIST PRIMARILY FOR INFRASTRUCTURE FINANCING PURPOSES. AS A RESULT, THE DISTRICTS ARE AUTHORIZED TO ASSESS A PROPERTY TAX MILL LEVY UP TO 45 MILLS, SUBJECT TO CHANGES IN THE STATEWIDE METHOD OF CALCULATING ASSESSED VALUATION. THE DISTRICTS ARE AUTHORIZED TO INCUR DEBT IN THE MAXIMUM AMOUNT OF \$4,323,000 , ~~FOR A PERIOD OF~~ WITH A MATURITY UP TO 30 YEARS FOLLOWING THE ISSUANCE OF THE DEBT. ~~OTHER PROVISIONS AND ALLOWANCES APPLY AS CONTAINED IN THE DISTRICTS' SERVICE PLAN.—~~ THE DISTRICTS ARE AUTHORIZED TO CHARGE A ONE-TIME DEVELOPMENT FEE PAYABLE AND COLLECTABLE NOT LATER THAN THE TIME OF ISSUANCE OF A BUILDING PERMIT. THE PERMITTED DEVELOPMENT FEE SHALL NOT EXCEED \$5,000 PER RESIDENTIAL LOT, AND \$1.00 PER SQUARE FOOT OF NON-RESIDENTIAL PROPERTY

INTENDED FOR NON-RESIDENTIAL USE, INCLUDING COMMERCIAL,
RETAIL OR OFFICE -SPACE.

Acknowledged this _____ day of _____, 20_____.

Buyer

XII. CONCLUSION

It is submitted that this Service Plan for the Districts, as required by Section 32-1-204.5, C.R.S. and 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 are inadequate for present and projected needs;
3. The Districts are capable of providing economical and sufficient service to the area within their proposed boundaries;
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;

XIII. RESOLUTION OF APPROVAL

The Districts agree to incorporate the City Council's Resolution of approval, including any conditions on any such approval, into the Service Plan presented to the District Court for and in Gunnison County, Colorado.

EXHIBIT A

Legal Descriptions for
Initial District Legal Boundaries

EXHIBIT B

Vicinity Map

EXHIBIT C

Initial District Boundary Map

EXHIBIT D

Inclusion Area Boundary Map and Legal Description

EXHIBIT E

Preliminary Infrastructure Plan

EXHIBIT F

Maps Depicting Public Improvements

EXHIBIT G

Financial Plan

SERVICE PLAN
FOR
GUNNISON RISING METROPOLITAN DISTRICT NOS. 1-7
CITY OF GUNNISON, COLORADO

Prepared by:

White Bear Ankele Tanaka & Waldron Professional Corporation
2154 E. Commons Avenue, Suite 2000
Centennial, Colorado 80122

Dated as of March 3, 2016

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EXHIBIT C	Initial District Boundary Map
EXHIBIT D	Inclusion Area Boundary Map – Legal Description
EXHIBIT E	Preliminary Infrastructure Pla
EXHIBIT F	Maps Depicting Public Improvements
EXHIBIT G	Financial Plan

I. INTRODUCTION

A. Purpose and Intent.

The Gunnison Rising Metropolitan District Nos. 1-7 are intended to provide certain public improvements as the same are further generally described in this Service Plan, for the benefit of the residents and taxpayers located within the Project. The Project consists of approximately 622 acres of land located within the City of Gunnison. Tomichi Creek runs through property immediately south of the Project and the western boundary of the Project on the north side of Highway 50 abuts property held by Western State College, as well as existing commercial properties.

The City entered into a Memorandum of Agreement on November 18, 2009 (“MOA”) with the landowners associated with the Project and Western State College regarding annexation of the Property, easements, and public improvements associated with the Property’s future development. The Property was subsequently annexed into the City pursuant to an Annexation Agreement dated December 3, 2009, and recorded in the real property records of Gunnison County on February 24, 2010, between the City and Gunnison Valley Partners, LLC, Donna R Bratton, and Gunnison Gateway, LLC (the “Annexation Agreement”). Development is now proposed to be initiated and Gunnison Rising Metropolitan District Nos. 1-7 are intended to facilitate financing, construction and operation of the public improvements contemplated in the MOA and Annexation Agreement and as necessary for the overall development of the Project.

The Districts are intended to be independent units of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Service Plan, their activities are subject to review by the City only insofar as they may deviate in a material manner from the requirements of this Service Plan. It is intended that the Districts will provide the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of the Public Improvements.

The Districts are not being created to provide ongoing operations and maintenance services other than as specifically set forth in this Service Plan or which may otherwise be allowed pursuant to a future intergovernmental agreement with the City. This Service Plan has been prepared in accordance with Title 10, Chapter 10.20, of the City Code.

B. Need for the Districts.

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

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

The City's objective in approving the Service Plan for the Districts is to authorize the Districts to provide for the planning, design, acquisition, construction, installation, relocation and overall development of the Public Improvements from the proceeds of Debt to be issued by one or more of the Districts. All Debt issued will be repaid by taxes imposed and collected by the Districts at a tax mill levy no higher than the permitted Maximum Debt Mill Levy, and other legally available revenues of the Districts as further described in the Financial Plan. Debt which is issued within these parameters (as further described in the Financial Plan) will insulate property owners from excessive tax burdens while supporting the obligations of the Districts to service the Debt and will result in a timely and reasonable discharge of the Debt. Under no circumstances is the City agreeing or undertaking to be financially responsible for the Debt or the construction of Public Improvements through its authorization of this Service Plan.

This Service Plan is intended to establish a limited purpose for the Districts and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with the Project, including those regional improvements necessitated by the Project. Ongoing operational and maintenance activities are allowed, but only as specifically addressed in this Service Plan. In no case shall the mill levies imposed by the Districts for debt service and operations and maintenance functions exceed the Aggregate Mill Levy Cap.

It is the intent of the Districts to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt. However, if the Districts have authorized operating functions under this Service Plan, or if by agreement with the City it is desired that the Districts shall continue to exist, then the Districts shall not dissolve but shall retain only the power necessary to impose and collect taxes or fees to pay for costs associated with said operations and maintenance functions and/or to perform agreements with the City.

The Districts shall be authorized to finance the Public Improvements that can be funded from Debt to be paid from a mill levy, which shall not exceed the Maximum Debt Mill Levy nor the Maximum Debt Mill Levy Imposition Term, and other legally available revenues of the Districts, as the same are described and authorized herein. It is the intent of this Service Plan to ensure to the extent possible that, as a result of the formation and operation of the Districts, no taxable property within the boundaries of any of the Districts bears a tax burden that is greater than the Maximum Aggregate Mill Levy in amount, even under bankruptcy or other unusual situations. Generally, the costs of Public Improvements that cannot be funded within these parameters are not costs to be paid by the Districts.

II. DEFINITIONS

In this Service Plan, the following terms which appear in a capitalized format herein shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Aggregate Mill Levy Cap: means the maximum aggregate mill levy each of the Districts is permitted to impose within their respective legal boundaries for debt service and operations and maintenance, as set forth in Section VI.C below.

Approved Development Plan: means a development agreement, development plan or other process established by the City (including but not limited to approval of a final plat or PUD by the City Council) for identifying, among other things, Public Improvements necessary for facilitating development of property within the Service Area, as approved by the City pursuant to the City Code and as amended pursuant to the City Code from time to time.

Board(s): means the Board(s) of Directors of the District(s).

Bond, Bonds or Debt: means bonds or other financial obligations for which any of the Districts have promised to impose and have pledged on a multi fiscal year basis, an ad valorem property tax mill levy, and other legally available revenue, for payment. Such terms do not include intergovernmental agreements pledging the collection and payment of property taxes in connection with a service district and taxing district(s) structure, if applicable, and other contracts through which the Districts procure or provide services or tangible property.

City: means the City of Gunnison, Colorado.

City Code: means the City of Gunnison Code and any regulations, rules, or policies promulgated thereunder, as the same may be amended from time to time.

City Council: means the City Council of the City of Gunnison, Colorado.

Developer: means Gunnison Valley Properties, LLC.

Districts: means the Gunnison Rising Metropolitan Districts Numbers 1-7, collectively.

District No. 1: means the Gunnison Rising Metropolitan District No. 1.

District No. 2: means the Gunnison Rising Metropolitan District No. 2.

District No. 3: means the Gunnison Rising Metropolitan District No. 3.

District No. 4: means the Gunnison Rising Metropolitan District No. 4.

District No. 5: means the Gunnison Rising Metropolitan District No. 5.

District No. 6: means the Gunnison Rising Metropolitan District No. 6.

District No. 7: means the Gunnison Rising Metropolitan District No. 7.

External Financial Advisor: means a consultant that: (1) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (2) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place or shall provide an affidavit that it has prepared financial schedules used in more than 20 Colorado local government bond issuances; and (3) is not an officer or employee of the Districts.

Financial Plan: means the Financial Plan described in Section VI which has been prepared by an External Financial Advisor in accordance with the requirements of the City Code and describe (a) how the Public Improvements are to be financed; (b) how the Debt is expected to be incurred; and (c) the estimated operating revenue derived from property taxes for the first budget year through the year in which all District Debt is expected to be defeased.

Inclusion Area Boundaries: means the boundaries of the area described in the Inclusion Area Boundary Map, if any.

Inclusion Area Boundary Map: means the map attached hereto as **Exhibit D**, describing the property proposed for inclusion within the Districts (if any) in the future.

Initial District Boundaries: means the boundaries of the area described in the Initial District Boundary Map, as further set forth within the legal descriptions attached as **Exhibit A**.

Initial District Boundary Map: means the map attached hereto as **Exhibit C** describing the initial boundaries of District Nos. 1-7.

Maps Depicting Public Improvements: means the map or maps attached hereto as **Exhibit F**, showing the approximate location(s) of the Public Improvements listed in the Preliminary Infrastructure Plan.

Maximum Aggregate Mill Levy: means the maximum mill levy the Districts are permitted to impose within each of their respective legal boundaries for payment of Debt and administration, operations, and maintenance expenses, which shall be subject to future adjustment, all as set forth in Section VI.C. below.

Maximum Debt Authorization: means the total Debt the Districts are permitted to issue on an aggregate basis as set forth in Section V.A.6 and as the same is supported by the Financial Plan.

Maximum Debt Mill Levy: means the maximum mill levy the Districts are permitted to impose upon the taxable property within each of their respective legal boundaries for payment of Debt, which shall be subject to adjustment, as set forth in Section VI.C. below.

Maximum Operations and Maintenance Mill Levy: means the maximum mill levy the Districts are permitted to impose within each of their respective legal boundaries for payment of

administration, operations, and maintenance costs, which shall be subject to adjustment as set forth in Section VI.C. below.

Preliminary Infrastructure Plan or PIP: means the Preliminary Infrastructure Plan described in Section V.B. which includes: (a) a preliminary list of the Public Improvements to be developed by the Districts; and (b) an estimate of the cost of the Public Improvements.

Project: means the development or property commonly referred to as Gunnison Rising.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act, except as specifically limited in Section V, below, to serve the future taxpayers and inhabitants of the Service Area as determined from time to time by the Board of the Districts.

Service Area: means all property within the Project, as the same is depicted on the Initial District Boundary Map and the Inclusion Area Boundary Map.

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

Service Plan Amendment: means an amendment to the Service Plan approved by the City Council in accordance with applicable state law.

Special District Act or “Act”: means Article 1 of Title 32 of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

III. BOUNDARIES

The area of the Initial Districts Boundaries includes approximately 40 acres and the total area within the Inclusion Area Boundaries is approximately 593 acres. Legal descriptions of the Initial Districts Boundaries are attached hereto as **Exhibits A-1 through A-7**. A map of the Initial Districts Boundaries is attached hereto as **Exhibit C**. A map of the permitted Inclusion Area Boundaries is attached hereto as **Exhibit D**. A vicinity map is attached hereto as **Exhibit B** showing the general location of the Project as within the City. It is anticipated that the Districts' Boundaries may change from time to time as they undergo inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Article V below. It is the intent of this Service Plan that all developable property within the Service Area be included into the legal boundaries of one of the Districts as development is phased over time. Inclusions or exclusions of property within Service Area are deemed necessary to implement the provisions of the Service Plan and provide the necessary financing, construction and services and shall not require prior City approval. Notice of any boundary adjustments approved by the Districts shall be provided to the City Planning Department within thirty (30) days of approval of the same and shall not require prior City

approval, but shall not proceed if the Planning Department objects within thirty (30) days of receiving notice. To the extent there is objection to any such boundary adjustment, the Districts may appeal the same to the City Council. . Inclusions of property outside the Service Area shall require the prior written consent of the City and, as deemed necessary or appropriate by the City, a public hearing to authorize the same prior to the Districts' undertaking such inclusions.

IV. PROPOSED LAND USE AND ASSESSED VALUATION

The Service Area consists of approximately six hundred twenty two (622) acres of real property with uses identified under the PUD, which include commercial, residential, light industrial and RV park development. The current assessed valuation of the Service Area is approximately \$16,055 and, at build out, is expected to be \$9,885,000 which amount is expected to be sufficient to reasonably discharge the Debt as demonstrated in the Financial Plan. The estimated population at build out is expected to be 1,725 persons (based upon 694 anticipated residential units x 2.5 persons per unit).

Approval of this Service Plan by the City does not supersede or impact any further development or planning approvals that may be necessary in that it does not (1) imply approval of the development of any specific area within the Districts, (2) imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings which may be identified in this Service Plan or any of the exhibits attached hereto or (3) imply approval of any of the Public Improvements, unless the same is contained within an Approved Development Plan.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the Districts and Service Plan Amendment.

The Districts shall have the power and authority to acquire, construct and install the Public Improvements within and without the permitted Service Area of the Districts as such power and authority is described in the Special District Act, and other applicable statutes, common law and the State Constitution, subject to the limitations in this Service Plan.

If, after the Service Plan is approved, the State Legislature includes additional powers or grants new or broader powers for Title 32 districts by amendment of the Special District Act, to the extent permitted by law any or all such powers shall be deemed to be a part hereof and available to or exercised by the Districts upon compliance by the Districts with the notice requirements set forth in §32-1-207(3)(b), C.R.S. The Districts shall provide certified delivery of such written notice to the secretary of the City Council. The Districts shall be permitted to exercise such proposed powers only upon review of the underlying notice provided by the City and the City may hold a public hearing to determine whether such additional power or activity constitutes a material modification of this Service Plan. If the City determines that the exercise

of such powers constitutes a material modification, the Districts shall submit a service plan amendment regarding same for approval by the City prior to the exercise of any such power.

1. Operations and Maintenance Limitation. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The Districts shall dedicate the Public Improvements to the City or other appropriate governmental entities or owners association in a manner consistent with the Approved Development Plan and applicable provisions of the City Code. Upon review and consent by the City, which shall be evidenced in a written intergovernmental agreement, the Districts shall be authorized to operate and maintain any part or all of the Public Improvements, to the extent the same are not accepted by another governmental entity. The Districts shall be permitted to fund the requisite operations and maintenance activities through imposition of the permitted Maximum Operations and Maintenance Mill Levy. The Districts' authorization to perform operations and maintenance services, if any, shall expire after twenty-five (25) years from the date of organization of the Districts unless the City Council approves the Districts' continuation of such services pursuant to an intergovernmental agreement subject to assurance that adequate provision may be made for the continued operations and maintenance services. Thereafter, the Districts shall be required to seek City approval to provide such services every ten years. If the City disapproves the continuation of operation and maintenance functions by the Districts, the City shall assure or make adequate provision for the provision of operation and maintenance services anticipated to be discontinued by the Districts. The failure by the Districts to obtain the City approvals shall not constitute a material modification unless such approval is not obtained forty-five (45) days after written notice to the Districts by the City of the need to request such approval.

2. Development Standards. The Districts will ensure that the Public Improvements are designed and constructed in accordance with the then current and applicable standards and specifications of the City and of other governmental entities having proper jurisdiction, as applicable. The Districts directly or indirectly, through the developer of the Project, will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work. Unless waived by the City, the Districts shall be required, in accordance with the City Code, to post a surety bond, letter of credit, or other approved development security for any Public Improvements to be constructed by the Districts. Such development security may be released when the Districts have obtained funds, through bond issuance or otherwise, adequate to ensure the construction of those Public Improvements for which development security would otherwise be required.

3. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt, the Districts shall provide notice to the City, which notice shall include the anticipated terms of the underlying Debt and to whom such Debt may be issued. To the extent that it is anticipated that Debt will be issued to the Developer, its principals or affiliates, the City at its discretion may advise the Districts within ten (10) calendar days of its intent to hold a hearing thereon to determine whether issuance of such Debt is within the parameters of this Service Plan. For all other privately placed debt, the Districts shall obtain and supply to the City 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 the Districts for the [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.

4. Inclusion and Exclusion Limitation. Unless otherwise provided for herein and specifically subject to the provisions of Section III, herein, the Districts shall not include within their boundaries any property outside the Service Area nor exclude from their boundaries any property inside the Service Area without the prior written consent of the City Council. The Districts shall be permitted to undertake boundary adjustments to accommodate phasing and financing considerations for property within the Service Area as deemed necessary or appropriate from time to time and shall give written notice to the City Planning Department of boundary adjustments considered and approved by the respective District.

5. Initial Debt Limitation. Prior to the effective date of approval of an Approved Development Plan relating to development within any or all of the Service Area, the Districts shall not issue any Debt.

6. Maximum Debt Authorization. The Maximum Debt Authorization of the Districts shall initially be set at an aggregate amount of Debt not in excess of \$4,323,000.

For an increase in the Maximum Debt Authorization of up to 10% of the then permitted limit, the Districts shall submit notice to the City pursuant to §32-1-207(3)(b), C.R.S. with certified written notice to the secretary of the City Council. To the extent the Districts seek to modify the Maximum Debt Authorization above 10% of the above limit, they shall demonstrate the need therefore and obtain the prior approval of the City Council, as set forth in a resolution. Increases which do not exceed 50% of the amount set forth above, and which are approved by resolution of the City Council, shall not constitute a material modification of this Service Plan.

Notwithstanding the aforesaid, to the extent there is a future public finance agreement or other intergovernmental agreement with the City, setting forth the conditions and agreement as to the imposition of a public improvement fee to be imposed on property as an offset (or credit) against sales tax revenues that would otherwise be imposed by the City (the "Credit PIF"), the Districts' Maximum Debt Limit shall be expressly authorized to be increased pursuant to the terms and conditions of any such agreement. Any such agreement and increases to the Maximum Debt Limit authorized thereunder shall not constitute a material modification to this Service Plan and all such increases shall be predicated upon an increased revenue stream

associated with the Credit PIF as the same is authorized pursuant to such future agreement with the City.

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 for which the City is eligible to apply for, except funds directly allocated to trails, parks and open space improvements as described in an approved final plat from the City for which the Districts are responsible for construction. 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. Consolidation Limitation. The Districts shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City.

9. Eminent Domain Limitation. The Districts shall not exercise its statutory power of eminent domain, except as may be necessary to construct, install, access, relocate or redevelop the Public Improvements identified in the Preliminary Infrastructure Plan. Any use of eminent domain shall be undertaken strictly in compliance with State law.

10. Service Plan Amendment Requirement. This Service Plan is general in nature and does not include specific detail in some instances because development plans have not been finalized. The 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. Modification of the general types of services and facilities making up the Public Improvements, and changes in proposed configurations, locations or dimensions of the Public Improvements shall be permitted to accommodate development needs consistent with the then-current Approved Development Plan(s) for the Project. The Districts shall be independent units of local government, separate and distinct from the City, and their activities are subject to review by the City only insofar as they may deviate in a material manner from the requirements of the Service Plan. Any action of the Districts which: (1) violates the limitations set forth in Section V.A. above or (2) violates the limitations set forth in Section VI. below, shall be deemed to be a material modification to this Service Plan unless otherwise agreed by the City as provided for in Section X of this Service Plan or unless otherwise expressly provided herein. Unless otherwise expressly provided herein, any other departure from the provisions of this Service Plan shall be considered on a case-by-case basis as to whether such departure is a material modification. Any determination by the City that a departure is not a material modification shall be conclusive and final and shall bind all residents, property owners and others affected by such departure.

To the extent permitted by law, the Districts may seek formal approval from the City Council of modifications to this Service Plan which are not material, but for which the Districts may desire a written amendment and approval by the City Council. Such approval may be evidenced by any instrument executed by the City Manager, City Attorney, or other specially designated representative of the City Council as to the matters set forth therein and shall be conclusive and final.

11. Location and Extent Limitation. The Districts hereby waive and shall not exercise any power pursuant to Section 31-23-209, C.R.S., or otherwise, to override or avoid compliance with the City Code, resolution, or decisions.

B. Preliminary Infrastructure Plan.

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, as the same are more specifically defined in an Approved Development Plan. The Preliminary Infrastructure Plan, including: (1) a list of the Public Improvements anticipated to be developed by the Districts; and (2) an estimate of the cost of the Public Improvements is attached hereto as **Exhibit E** and is hereby deemed to constitute the preliminary engineering or architectural survey required by Section 32-1-202(2)(c), C.R.S. The Maps Depicting Public Improvements is attached hereto as **Exhibit F** and is also available in size and scale approved by the City Planning Department.

As shown in the Preliminary Infrastructure Plan, the estimated cost of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed by the Districts is currently anticipated to be approximately \$19,222,000. The Preliminary Infrastructure Plan shall not obligate the Districts to construct all or any of the Public Improvements set forth therein. Rather such Preliminary Infrastructure Plan sets forth the scope and general Public Improvements that may be provided by or through the Districts at their discretion as the same are deemed appropriate and there may be financial capacity and authorization to do so. The Districts shall be permitted to allocate costs between such categories of the Public Improvements as deemed necessary in their discretion with the intent and understanding that provision of such Public Improvements shall be subject to the limitations expressed herein.

All of the Public Improvements described herein will be designed in such a way as to assure that the Public Improvements standards will be consistent with or exceed the then-current standards of the City and shall be in accordance with the requirements of the Approved Development Plan and all other City rules, regulations and policies concerning development and construction of public infrastructure. All descriptions of the Public Improvements herein to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, the City's requirements, and construction scheduling may require. Upon approval of this Service Plan, the Districts will continue to develop and refine the Preliminary Infrastructure Plan and the Map Depicting Public Improvements, as necessary, and prepare for issuance of Debt. All cost estimates will be inflated to then-current dollars at the time of the issuance of Debt and construction. All construction cost estimates contained in **Exhibit E** assume construction to applicable local, State or Federal requirements. Changes in the Public Improvements, Preliminary Infrastructure Plan, Map Depicting Public Improvements, or costs, which are approved by the City Council in an Approved Development Plan shall not constitute a material modification of this Service Plan. Additionally, due to the preliminary nature of the PIP, the City shall not be bound by the PIP in reviewing and approving the Approved Development Plan and the Approved Development Plan shall supersede the PIP.

C. Operational Services.

It is contemplated that the Public Improvements will be dedicated to the City or other appropriate governmental entities or owners association in a manner consistent with the Approved Development Plan and applicable provisions of the City Code for continued operation and maintenance by such entity. Notwithstanding, the Districts shall be authorized to operate and maintain any part or all of the Public Improvements, to the extent the same are not accepted by another governmental entity pursuant to the provisions of Section V.A.1. The Districts shall be permitted to fund the requisite operations and maintenance activities through imposition of the permitted Maximum Operations and Maintenance Mill Levy.

D. Multiple District Structure.

It is anticipated that the Districts, collectively, will undertake the financing and construction of the Public Improvements. The nature of the functions and services to be provided by each District shall be clarified in an intergovernmental agreement between and among the Districts. All such agreements will be designed to help assure the orderly development of the Public Improvements and essential services in accordance with the requirements of this Service Plan. Implementation of such intergovernmental agreement is essential to the orderly implementation of this Service Plan.

VI. FINANCIAL PLAN

A. General.

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from the Districts' revenues and by and through the proceeds of Debt to be issued by the Districts. The Financial Plan for the Districts shall be to: (i) issue no more Debt than each respective District can reasonably pay within thirty (30) years for each series of Debt from revenues derived from the Maximum Debt Mill Levy, and other legally available revenues and (ii) satisfy all other financial obligations arising out of the Districts' administrative and operations and maintenance activities. The Financial Plan attached hereto as **Exhibit G** is premised upon preliminary projections associated with the Project and shows that the Districts can reasonably discharge the Debt consistent with the requirements of the Special District Act. The total Debt that the Districts shall be permitted to issue shall not exceed the Maximum Debt Authorization, as authorized hereunder, or via a future agreement with the City as contemplated in Section V.A.6 of this Service Plan; provided, however, that Debt issued to refund outstanding Debt of the Districts, including Debt issued to refund Debt owed to the developer of the Project pursuant to a reimbursement agreement or other agreement, shall not count against the Maximum Debt Authorization so long as such refunding Debt does not result in a net present value expense. Issuance costs necessary to effectuate any such refunding shall not count against the Maximum Debt Authorization. District Debt shall be permitted to be issued on a schedule and in such year or years as the District determines shall meet the needs of the Financial Plan referenced above

and phased to serve the Project as it occurs. All Bonds and other Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, including 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, including revenues that may be authorized pursuant to future agreements with the City. These will include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time as further set forth in VI(E).

The Maximum Debt Authorization is supported by the tax revenue projections prepared by Anderson Analytics LLC, and the Financial Plan prepared by D.A. Davidson & Co. attached hereto as **Exhibit G**. The Financial Plan attached to this Service Plan satisfies the requirements of Section 10.20.20.I. of the City Code.

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. In the event of a default, the proposed maximum interest rate on any Debt is not permitted to exceed twelve percent (12%). The proposed maximum underwriting discount will be three percent (3%). 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 Mill Levies.

The “Maximum Debt Mill Levy” shall be the maximum mill levy the Districts are permitted to impose upon the taxable property within each of their respective legal boundaries for payment of Debt, and shall be thirty-five (35) mills.

The “Maximum Operations and Maintenance Mill Levy” shall be the maximum mill levy the Districts are permitted to impose upon the taxable property within the Districts for payment of administration, operations, and maintenance costs, and shall be ten (10) mills.

The “Maximum Aggregate Mill Levy” shall be the maximum mill levy each of the Districts are permitted to impose upon the taxable property within the legal boundaries of any of the Districts for payment of Debt and administration, operations, and maintenance costs, and shall be forty-five (45) mills, subject to adjustment as permitted herein. This means that Maximum Debt Mill Levy and the Maximum Operations Mill Levy may not be imposed simultaneously.

Notwithstanding, if, on or after January 1, 2008, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the preceding mill levy limitations may be increased or decreased to reflect such changes, with such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2008, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of

calculating assessed valuation. 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.

D. Maximum Debt Term.

The scheduled final maturity of any Debt or series of Debt shall be limited to thirty (30) years, including refundings thereof, unless a majority of the Board of the respective District are residents have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101 *et seq.*, C.R.S.

The Districts shall be limited to issuing new Debt to a period of not more than fifteen (15) years from the date of the Districts' first TABOR election. With the express consent of the City Council, which shall not constitute a material modification of this Service Plan, the Districts may depart from the Financial Plan and issue Debt after the originally permitted fifteen-year period in order to provide the services outlined in this Service Plan to the extent development phasing is of a duration that makes it impracticable to issue all Debt within such period.

E. Sources of Funds.

The Districts may impose a mill levy on taxable property within their respective boundaries in accordance with the provisions of this Service Plan as a primary source of revenue for repayment of debt service, administrative expenses and operations and maintenance, to the extent operations and maintenance functions are specifically addressed in this Service Plan. The Districts may also rely upon various other revenue sources authorized by law, as may be set forth in future agreements with the City or property owners affiliated with the Project, including initial loans for funding the Public Improvements. The Districts may also assess fees, rates, tolls, penalties, or charges as provided in the Special District Act that are reasonably related to the costs of operating and maintaining services and facilities. At the Districts' discretion, they may impose a one-time development fee only if such fee is payable and collectible at the time of issuance of a building permit. The development fee, the right to collect the development fee, and any lien on the property to secure the development fee shall terminate immediately following issuance of such building permit and payment of the development fee. The permitted development fee shall not exceed \$5,000 per Residential Lot, and \$1.00 per square foot of property intended for non-residential uses, including commercial, retail or office space, with a permitted adjustment on an annual basis to account for increases in the CPI – Denver/Boulder, Colorado. Tax exempt organizations that are zoned non-residential will be exempt from payment of the permitted development fee to the Districts. The Districts shall be permitted to assess fees, rates, tolls, penalties, or charges exceeding the amount of the Development Fee only upon review and consent by the City, in the City's sole discretion. The City may hold a public hearing to determine whether such fees, rates, tolls, penalties, or charges exceeding the amount of the Development Fee should be approved.

F. Security for Debt.

The Districts do not have the authority and shall not pledge any revenue or property of the City 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 City 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 City in the event of default by the Districts in the payment of any such obligation or performance of any other obligation.

G. TABOR Compliance.

The Districts will comply with the provisions of TABOR. In the discretion of the Boards of Directors, the Districts 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 Districts will remain under the control of the respective District Board.

H. Districts' 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 anticipated to be approximately \$100,000, which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs associated with the Public Improvements, the Districts will require operating funds for administration and to plan and cause the Public Improvements to be operated and maintained in accordance herewith. The first year's operating budget is estimated to be \$50,000. Ongoing administration, operations, and maintenance costs may be paid from property taxes and other revenues.

I. Elections.

The Districts will call an election on the questions of organizing the Districts, electing the initial Boards of Directors, and setting in place financial authorizations for debt, taxing and other matters as required by TABOR. The election will be conducted as required by law.

VII. ANNUAL REPORT

A. General. The Districts shall be responsible for submitting an annual report with the City Clerk not later than September 1st of each year following the year in which the Order and Decree creating the Districts has been issued by the District Court for and in County of Gunnison, Colorado. The City may waive this requirement in its sole discretion.

B. Reporting of Significant Events.

The annual report shall include the following:

1. A narrative summary of the progress of the Districts in implementing their service plan for the report year;

2. Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the Districts for the report year including a statement of financial condition (*i.e.*, balance sheet) as of December 31 of the report year and the statement of operations (*i.e.*, revenues and expenditures) for the report year;

3. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of Public Improvements in the report year;

4. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the Districts at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the report year, the amount of payment or retirement of existing indebtedness of the Districts in the report year, the total assessed valuation of all taxable properties within the Districts as of January 1 of the report year and the current mill levy of the Districts pledged to debt retirement in the report year; and

5. Any other information deemed relevant by the City Council or deemed reasonably necessary by the City Manager.

In the event the annual report is not timely received by the City Clerk or is not fully responsive, notice of such default may be given to the Board of such Districts, at its last known address. The failure of the Districts to file the annual report within forty-five (45) days of the mailing of such default notice by the City Clerk may constitute a material modification, at the discretion of the City.

VIII. DISSOLUTION

Upon a determination of the City Council that the purposes for which all or any of the Districts were created have been accomplished, the respective District agrees to file a petition in the District Court in and for County of Gunnison, Colorado, for dissolution, in accordance with the provisions of the Special District Act. In no event shall dissolution occur until the Districts have provided for the payment or discharge of all of outstanding Debt and other financial obligations as required pursuant to State statutes. If the Districts are responsible for ongoing operations and maintenance functions under this Service Plan (“Long Term District Obligations”), the Districts shall not be obligated to dissolve upon any such City Council determination, subject to the Districts’ requirement to obtain the City’s continuing approvals under Section V.A.1. However, should the Long Term District Obligations be undertaken by the City or other governmental entity, or should the Districts no longer be obligated to perform the Long Term District Obligations, the Districts agree to commence dissolution proceedings as set forth above in the event of such City Council determination.

IX. PROPOSED AND EXISTING INTERGOVERNMENTAL AGREEMENTS AND EXTRATERRITORIAL SERVICE AGREEMENTS

All intergovernmental agreements (“IGAs”) must be for purposes, facilities, services or agreements lawfully authorized to be provided by the Districts, pursuant to the State Constitution, Article XIV, Section 18(2)(a) and Sections 29-1-201, et seq., C.R.S. To the extent practicable, the Districts may enter into additional intergovernmental and private agreements to better ensure long-term provision of the Public Improvements identified herein or for other lawful purposes of the Districts. Agreements may also be executed with property owner associations and other service providers.

The following agreements are likely to be necessary, and the rationale therefore are set forth as follows:

1. It is anticipated that the Districts may enter into one or more intergovernmental agreements among themselves for purposes of setting forth an agreement as to the coordinated provision of services contemplated by the Service Plan, inclusive but not necessarily limited to financing, construction and operations. This may include additional reimbursement or pledge agreements as between the Districts.
2. It is anticipated that one or more Districts may enter into an agreement with the City that may include but not necessarily limited to the following subjects (1) Public Improvements necessary for the property, including any Approved Development Plan; (2) operations and maintenance of the Public Improvements; and (3) a Credit PIF arrangement.

No other agreements are currently required or contemplated as of the date of the Service Plan to fulfill the purposes of the Districts. Any extraterritorial service agreements by the Districts that are not described in this service plan shall require prior written notice of same to the City Council. Notice of any intergovernmental agreement entered into by the Districts shall be supplied to the City Manager, not less than annually; and may be satisfied by transmitting a copy of that Report supplied to the Colorado Division of Local Government reflecting Districts IGAs.

X. MATERIAL MODIFICATIONS

Material modifications to this Service Plan may be made only in accordance with Section 32-1-207, C.R.S. No modification shall be required for an action of the Districts which does not materially depart from the provisions of this Service Plan. The Districts may request from the City Manager (or his or her designee) a determination as to whether the City believes any particular action constitutes a material departure from the Service Plan, and the Districts may rely on the City Manager’s written determination with respect thereto; provided that the Districts acknowledge that the City Manager’s determination as aforesaid will be binding only upon the City, and will not be binding upon any other party entitled to enforce the provisions of the Service Plan as provided in Section 32-1-207, C.R.S., except as otherwise expressly provided

herein. Such other parties shall be deemed to have constructive notice of the provisions of this Service Plan concerning changes, departures or modifications which may be approved by the City in procedures described herein and not provided in Section 32-1-207, C.R.S., and, to the extent permitted by law, are deemed to be bound by the terms hereof. The City may hold a public hearing to determine whether proposed actions of the Districts constitute a material modification of the Service Plan. If the City determines that such actions constitute a material modification, the Districts shall be required to submit a service plan amendment and process the same pursuant to the requirements of Title 32 and the City Code prior to undertaking any such actions.

XI. NOTICE TO PURCHASERS

Within thirty (30) days of the issuance of a decree organizing the Districts, the Districts, or the proponents of the Districts, shall cause Notice of the Organization of the Districts to be recorded in the land records of the Gunnison County Clerk and Recorder. Additionally, by submission of this Service Plan, the proponents of the Districts consent to the City's inclusion in an Approved Development Plan or other land use regulation document a requirement that the initial end-purchaser of property within the Districts receive Notice of the Districts and other Districts matters (i) in the contract to purchase the property and (ii) in a separate document to be acknowledged at closing. The Districts shall use reasonable efforts to confirm that such Notice is being provided. Notice shall be in the form of the following, with any changes subject to the approval the City Planning Department:

BUYER ACKNOWLEDGES THAT THE PROPERTY BEING PURCHASED IS WITHIN THE BOUNDARIES OF ONE OR MORE METROPOLITAN DISTRICTS. THE DISTRICT(S) EXIST PRIMARILY FOR INFRASTRUCTURE FINANCING PURPOSES. AS A RESULT, THE DISTRICTS ARE AUTHORIZED TO ASSESS A PROPERTY TAX MILL LEVY UP TO 45 MILLS, SUBJECT TO CHANGES IN THE STATEWIDE METHOD OF CALCULATING ASSESSED VALUATION. THE DISTRICTS ARE AUTHORIZED TO INCUR DEBT IN THE MAXIMUM AMOUNT OF \$4,323,000, WITH A MATURITY UP TO 30 YEARS FOLLOWING THE ISSUANCE OF THE DEBT. THE DISTRICTS ARE AUTHORIZED TO CHARGE A ONE-TIME DEVELOPMENT FEE PAYABLE AND COLLECTABLE NOT LATER THAN THE TIME OF ISSUANCE OF A BUILDING PERMIT. THE PERMITTED DEVELOPMENT FEE SHALL NOT EXCEED \$5,000 PER RESIDENTIAL LOT, AND \$1.00 PER SQUARE FOOT OF PROPERTY INTENDED FOR NON-RESIDENTIAL USE, INCLUDING COMMERCIAL, RETAIL OR OFFICE SPACE.

Acknowledged this _____ day of _____, 20_____.

Buyer

XII. CONCLUSION

It is submitted that this Service Plan for the Districts, as required by Section 32-1-204.5, C.R.S. and 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 are inadequate for present and projected needs;
3. The Districts are capable of providing economical and sufficient service to the area within their proposed boundaries;
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;

XIII. RESOLUTION OF APPROVAL

The Districts agree to incorporate the City Council's Resolution of approval, including any conditions on any such approval, into the Service Plan presented to the District Court for and in Gunnison County, Colorado.

EXHIBIT A

Legal Descriptions for
Initial District Legal Boundaries

Exhibit A-1

GUNNISON RISING METROPOLITAN DISTRICT DISTRICT NO. 1 - INITIAL BOUNDARY DESCRIPTION

A PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 50 NORTH, RANGE 1 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, GUNNISON COUNTY, COLORADO, BEING THAT PORTION OF THE TOMICHI CREEK CORRIDOR ANNEXATION AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY LINE OF SAID TOMICHI CREEK CORRIDOR ANNEXATION, SAID POINT BEING THE SOUTHERLY EXTENT OF THAT LINE BEARING N00°33'12"W (FOR A DISTANCE OF 1911.81 FEET) AS SHOWN ON SAID ANNEXATION MAP;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 150.00 FEET;
THENCE N89°26'48"E, A DISTANCE OF 150.00 FEET;
THENCE S00°33'12"E, A DISTANCE OF 150.00 FEET;
THENCE S89°26'48"W, A DISTANCE OF 150.00 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 0.52 ACRES, MORE OR LESS.

THE FOREGOING DESCRIPTION WAS PREPARED FOR GUNNISON RISING METROPOLITAN DISTRICT AND IS BASED UPON THE ANNEXATION PLAT OF THE TOMICHI CREEK CORRIDOR ANNEXATION PREPARED BY DEL-MONT CONSULTANTS, INC. (AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF GUNNISON COUNTY), THE ZONING MAP FOR SAID ANNEXATION AS PREPARED BY NES, INC. AND AVAILABLE RECORD INFORMATION. THIS DESCRIPTION IS NOT BASED UPON AN ACTUAL FIELD SURVEY OF THE PROPERTY DESCRIBED. ALL BEARINGS REFERRED TO HEREIN ARE RELATIVE TO SAID ANNEXATION PLAT.

Prepared October 12, 2015 for Gunnison Rising Metropolitan District

By: Lawrence J. VonDeBur, Colorado PLS 22106
2332 Oriole Ave
Colorado Springs, CO 80909

Exhibit A-2

GUNNISON RISING METROPOLITAN DISTRICT DISTRICT NO. 2 – INITIAL BOUNDARY DESCRIPTION

A PORTION OF SECTION 31, TOWNSHIP 50 NORTH, RANGE 1 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, GUNNISON COUNTY, COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL OF TRACT A OF GUNNISON RISING SUBDIVISION FILING NO. 1 AS RECORDED AT RECEPTION NO. 610833 OF THE RECORDS OF SAID COUNTY AND THAT TRACT AS DESCRIBED IN DEED RECORDED AT RECEPTION NO. 618344 OF SAID COUNTY RECORDS, SECONDARILY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID TRACT A ;

THENCE S89°47'18"W, A DISTANCE OF 1623.33 FEET TO THE WESTERLY LINE OF SAID SECTION 31;

THENCE N00°29'43"E ON SAID LINE, A DISTANCE OF 1318.65 FEET TO THE NORTHWEST CORNER OF SAID TRACT A;

THENCE ON THE NORTHERLY AND EASTERLY LINES OF SAID TRACT A FOR THE FOLLOWING FIFTEEN (15) COURSES;

- 1) ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT, THE CENTER POINT OF SAID CURVE BEARING N13°20'06"W, HAVING A RADIUS OF 700.00 FEET AND A CENTRAL ANGLE OF 06°12'52", FOR AN ARC DISTANCE OF 75.92 FEET;
- 2) ALONG THE ARC OF A REVERSE CURVE TO THE RIGHT, THE CENTER POINT OF SAID CURVE BEARING S19°20'19"E, HAVING A RADIUS OF 400.10 FEET AND A CENTRAL ANGLE OF 18°54'28", FOR AN ARC DISTANCE OF 132.03 FEET;
- 3) N89°34'14"E, A DISTANCE OF 174.08 FEET;
- 4) S89°30'16"E, A DISTANCE OF 110.16 FEET;
- 5) S84°51'22"E, A DISTANCE OF 70.23 FEET;
- 6) S72°41'49"E, A DISTANCE OF 47.30 FEET;
- 7) S36°55'57"E, A DISTANCE OF 55.14 FEET;
- 8) S49°48'20"E, A DISTANCE OF 18.13 FEET;
- 9) ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 37°19'04", FOR AN ARC DISTANCE OF 130.26 FEET;
- 10) S87°07'25"E, A DISTANCE OF 119.97 FEET;
- 11) ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 1250.00 FEET AND A CENTRAL ANGLE OF 17°50'51", FOR AN ARC DISTANCE OF 389.37 FEET;
- 12) N75°01'45"E, A DISTANCE OF 118.51 FEET;
- 13) S00°02'58"W, A DISTANCE OF 458.91 FEET;
- 14) S52°14'56"E, A DISTANCE OF 281.07 FEET;
- 15) S00°12'52"E, A DISTANCE OF 668.34 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 45.33 ACRES, MORE OR LESS.

TOGETHER WITH THE FOLLOWING DESCRIBED PARCEL, TO WIT:

A PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 50 NORTH, RANGE 1 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, GUNNISON COUNTY, COLORADO, BEING THAT PORTION OF THE TOMICHI CREEK CORRIDOR ANNEXATION AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE WESTERLY LINE OF SAID TOMICHI CREEK CORRIDOR ANNEXATION, SAID POINT BEING THE SOUTHERLY EXTENT OF THAT LINE BEARING N00°33'12"W (FOR A DISTANCE OF 1911.81 FEET) AS SHOWN ON SAID ANNEXATION MAP;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 150.00 FEET TO THE **POINT OF BEGINNING**;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 150.00 FEET;
THENCE N89°26'48"E, A DISTANCE OF 150.00 FEET;
THENCE S00°33'12"E, A DISTANCE OF 150.00 FEET;
THENCE S89°26'48"W, A DISTANCE OF 150.00 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 0.52 ACRES, MORE OR LESS.

THE FOREGOING DESCRIPTION WAS PREPARED FOR GUNNISON RISING METROPOLITAN DISTRICT AND IS BASED UPON THE ANNEXATION PLAT OF THE TOMICHI CREEK CORRIDOR ANNEXATION PREPARED BY DEL-MONT CONSULTANTS, INC. (AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF GUNNISON COUNTY), THE ZONING MAP FOR SAID ANNEXATION AS PREPARED BY NES, INC. AND AVAILABLE RECORD INFORMATION. THIS DESCRIPTION IS NOT BASED UPON AN ACTUAL FIELD SURVEY OF THE PROPERTY DESCRIBED. ALL BEARINGS REFERRED TO HEREIN ARE RELATIVE TO SAID ANNEXATION PLAT.

Prepared October 12, 2015 for Gunnison Rising Metropolitan District
By: Lawrence J. VonDeBur, Colorado PLS 22106
2332 Oriole Ave
Colorado Springs, CO 80909

Exhibit A-3

GUNNISON RISING METROPOLITAN DISTRICT DISTRICT NO. 3 - INITIAL BOUNDARY DESCRIPTION

A PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 50 NORTH, RANGE 1 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, GUNNISON COUNTY, COLORADO, BEING THAT PORTION OF THE TOMICHI CREEK CORRIDOR ANNEXATION AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE WESTERLY LINE OF SAID TOMICHI CREEK CORRIDOR ANNEXATION, SAID POINT BEING THE SOUTHERLY EXTENT OF THAT LINE BEARING N00°33'12"W (FOR A DISTANCE OF 1911.81 FEET) AS SHOWN ON SAID ANNEXATION MAP;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 300.00 FEET TO THE **POINT OF BEGINNING**;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 150.00 FEET;
THENCE N89°26'48"E, A DISTANCE OF 150.00 FEET;
THENCE S00°33'12"E, A DISTANCE OF 150.00 FEET;
THENCE S89°26'48"W, A DISTANCE OF 150.00 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 0.52 ACRES, MORE OR LESS.

THE FOREGOING DESCRIPTION WAS PREPARED FOR GUNNISON RISING METROPOLITAN DISTRICT AND IS BASED UPON THE ANNEXATION PLAT OF THE TOMICHI CREEK CORRIDOR ANNEXATION PREPARED BY DEL-MONT CONSULTANTS, INC. (AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF GUNNISON COUNTY), THE ZONING MAP FOR SAID ANNEXATION AS PREPARED BY NES, INC. AND AVAILABLE RECORD INFORMATION. THIS DESCRIPTION IS NOT BASED UPON AN ACTUAL FIELD SURVEY OF THE PROPERTY DESCRIBED. ALL BEARINGS REFERRED TO HEREIN ARE RELATIVE TO SAID ANNEXATION PLAT.

Prepared October 12, 2015 for Gunnison Rising Metropolitan District

By: Lawrence J. VonDeBur, Colorado PLS 22106
2332 Oriole Ave
Colorado Springs, CO 80909

Exhibit A-4

GUNNISON RISING METROPOLITAN DISTRICT DISTRICT NO. 4 – INITIAL BOUNDARY DESCRIPTION

A PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 50 NORTH, RANGE 1 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, GUNNISON COUNTY, COLORADO, BEING THAT PORTION OF THE TOMICHI CREEK CORRIDOR ANNEXATION AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE WESTERLY LINE OF SAID TOMICHI CREEK CORRIDOR ANNEXATION, SAID POINT BEING THE SOUTHERLY EXTENT OF THAT LINE BEARING N00°33'12"W (FOR A DISTANCE OF 1911.81 FEET) AS SHOWN ON SAID ANNEXATION MAP;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 450.00 FEET TO THE **POINT OF BEGINNING**;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 150.00 FEET;
THENCE N89°26'48"E, A DISTANCE OF 150.00 FEET;
THENCE S00°33'12"E, A DISTANCE OF 150.00 FEET;
THENCE S89°26'48"W, A DISTANCE OF 150.00 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 0.52 ACRES, MORE OR LESS.

THE FOREGOING DESCRIPTION WAS PREPARED FOR GUNNISON RISING METROPOLITAN DISTRICT AND IS BASED UPON THE ANNEXATION PLAT OF THE TOMICHI CREEK CORRIDOR ANNEXATION PREPARED BY DEL-MONT CONSULTANTS, INC. (AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF GUNNISON COUNTY), THE ZONING MAP FOR SAID ANNEXATION AS PREPARED BY NES, INC. AND AVAILABLE RECORD INFORMATION. THIS DESCRIPTION IS NOT BASED UPON AN ACTUAL FIELD SURVEY OF THE PROPERTY DESCRIBED. ALL BEARINGS REFERRED TO HEREIN ARE RELATIVE TO SAID ANNEXATION PLAT.

Prepared October 12, 2015 for Gunnison Rising Metropolitan District

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Exhibit A-5

GUNNISON RISING METROPOLITAN DISTRICT DISTRICT NO. 5 – INITIAL BOUNDARY DESCRIPTION

A PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 50 NORTH, RANGE 1 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, GUNNISON COUNTY, COLORADO, BEING THAT PORTION OF THE TOMICHI CREEK CORRIDOR ANNEXATION AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE WESTERLY LINE OF SAID TOMICHI CREEK CORRIDOR ANNEXATION, SAID POINT BEING THE SOUTHERLY EXTENT OF THAT LINE BEARING N00°33'12"W (FOR A DISTANCE OF 1911.81 FEET) AS SHOWN ON SAID ANNEXATION MAP;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 600.00 FEET TO THE **POINT OF BEGINNING**;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 150.00 FEET;
THENCE N89°26'48"E, A DISTANCE OF 150.00 FEET;
THENCE S00°33'12"E, A DISTANCE OF 150.00 FEET;
THENCE S89°26'48"W, A DISTANCE OF 150.00 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 0.52 ACRES, MORE OR LESS.

THE FOREGOING DESCRIPTION WAS PREPARED FOR GUNNISON RISING METROPOLITAN DISTRICT AND IS BASED UPON THE ANNEXATION PLAT OF THE TOMICHI CREEK CORRIDOR ANNEXATION PREPARED BY DEL-MONT CONSULTANTS, INC. (AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF GUNNISON COUNTY), THE ZONING MAP FOR SAID ANNEXATION AS PREPARED BY NES, INC. AND AVAILABLE RECORD INFORMATION. THIS DESCRIPTION IS NOT BASED UPON AN ACTUAL FIELD SURVEY OF THE PROPERTY DESCRIBED. ALL BEARINGS REFERRED TO HEREIN ARE RELATIVE TO SAID ANNEXATION PLAT.

Prepared October 12, 2015 for Gunnison Rising Metropolitan District

By: Lawrence J. VonDeBur, Colorado PLS 22106
2332 Oriole Ave
Colorado Springs, CO 80909

Exhibit A-6

GUNNISON RISING METROPOLITAN DISTRICT DISTRICT NO. 6 – INITIAL BOUNDARY DESCRIPTION

A PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 50 NORTH, RANGE 1 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, GUNNISON COUNTY, COLORADO, BEING THAT PORTION OF THE TOMICHI CREEK CORRIDOR ANNEXATION AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE WESTERLY LINE OF SAID TOMICHI CREEK CORRIDOR ANNEXATION, SAID POINT BEING THE SOUTHERLY EXTENT OF THAT LINE BEARING N00°33'12"W (FOR A DISTANCE OF 1911.81 FEET) AS SHOWN ON SAID ANNEXATION MAP;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 750.00 FEET TO THE **POINT OF BEGINNING**;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 150.00 FEET;
THENCE N89°26'48"E, A DISTANCE OF 150.00 FEET;
THENCE S00°33'12"E, A DISTANCE OF 150.00 FEET;
THENCE S89°26'48"W, A DISTANCE OF 150.00 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 0.52 ACRES, MORE OR LESS.

THE FOREGOING DESCRIPTION WAS PREPARED FOR GUNNISON RISING METROPOLITAN DISTRICT AND IS BASED UPON THE ANNEXATION PLAT OF THE TOMICHI CREEK CORRIDOR ANNEXATION PREPARED BY DEL-MONT CONSULTANTS, INC. (AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF GUNNISON COUNTY), THE ZONING MAP FOR SAID ANNEXATION AS PREPARED BY NES, INC. AND AVAILABLE RECORD INFORMATION. THIS DESCRIPTION IS NOT BASED UPON AN ACTUAL FIELD SURVEY OF THE PROPERTY DESCRIBED. ALL BEARINGS REFERRED TO HEREIN ARE RELATIVE TO SAID ANNEXATION PLAT.

Prepared October 12, 2015 for Gunnison Rising Metropolitan District

By: Lawrence J. VonDeBur, Colorado PLS 22106
2332 Oriole Ave
Colorado Springs, CO 80909

Exhibit A-7

GUNNISON RISING METROPOLITAN DISTRICT DISTRICT NO. 7 – INITIAL BOUNDARY DESCRIPTION

A PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 50 NORTH, RANGE 1 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, GUNNISON COUNTY, COLORADO, BEING THAT PORTION OF THE TOMICHI CREEK CORRIDOR ANNEXATION AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE WESTERLY LINE OF SAID TOMICHI CREEK CORRIDOR ANNEXATION, SAID POINT BEING THE SOUTHERLY EXTENT OF THAT LINE BEARING N00°33'12"W (FOR A DISTANCE OF 1911.81 FEET) AS SHOWN ON SAID ANNEXATION MAP;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 900.00 FEET TO THE **POINT OF BEGINNING**;
THENCE N00°33'12"W ON SAID LINE, A DISTANCE OF 150.00 FEET;
THENCE N89°26'48"E, A DISTANCE OF 150.00 FEET;
THENCE S00°33'12"E, A DISTANCE OF 150.00 FEET;
THENCE S89°26'48"W, A DISTANCE OF 150.00 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 0.52 ACRES, MORE OR LESS.

THE FOREGOING DESCRIPTION WAS PREPARED FOR GUNNISON RISING METROPOLITAN DISTRICT AND IS BASED UPON THE ANNEXATION PLAT OF THE TOMICHI CREEK CORRIDOR ANNEXATION PREPARED BY DEL-MONT CONSULTANTS, INC. (AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF GUNNISON COUNTY), THE ZONING MAP FOR SAID ANNEXATION AS PREPARED BY NES, INC. AND AVAILABLE RECORD INFORMATION. THIS DESCRIPTION IS NOT BASED UPON AN ACTUAL FIELD SURVEY OF THE PROPERTY DESCRIBED. ALL BEARINGS REFERRED TO HEREIN ARE RELATIVE TO SAID ANNEXATION PLAT.

Prepared October 12, 2015 for Gunnison Rising Metropolitan District

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EXHIBIT B

Vicinity Map

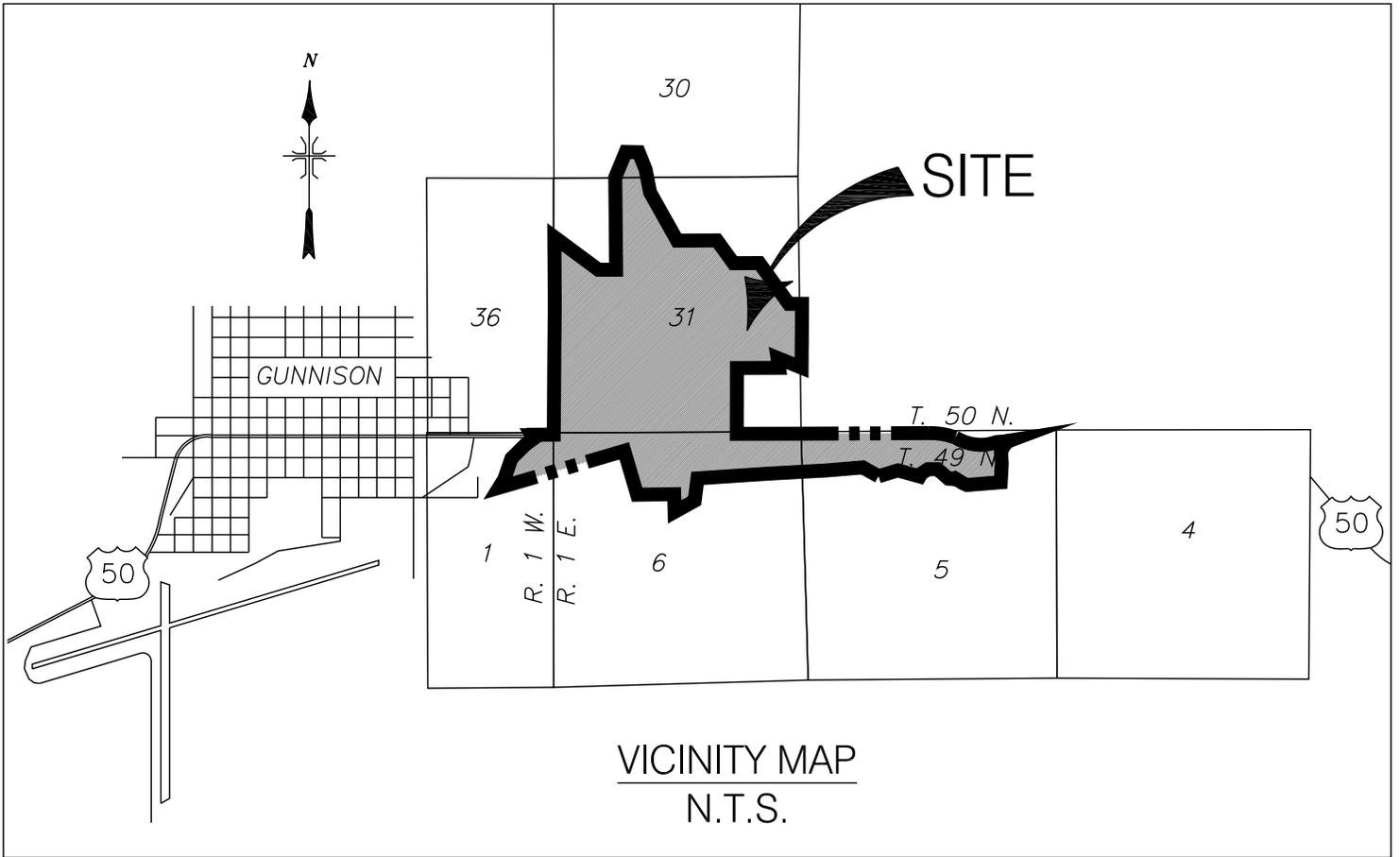
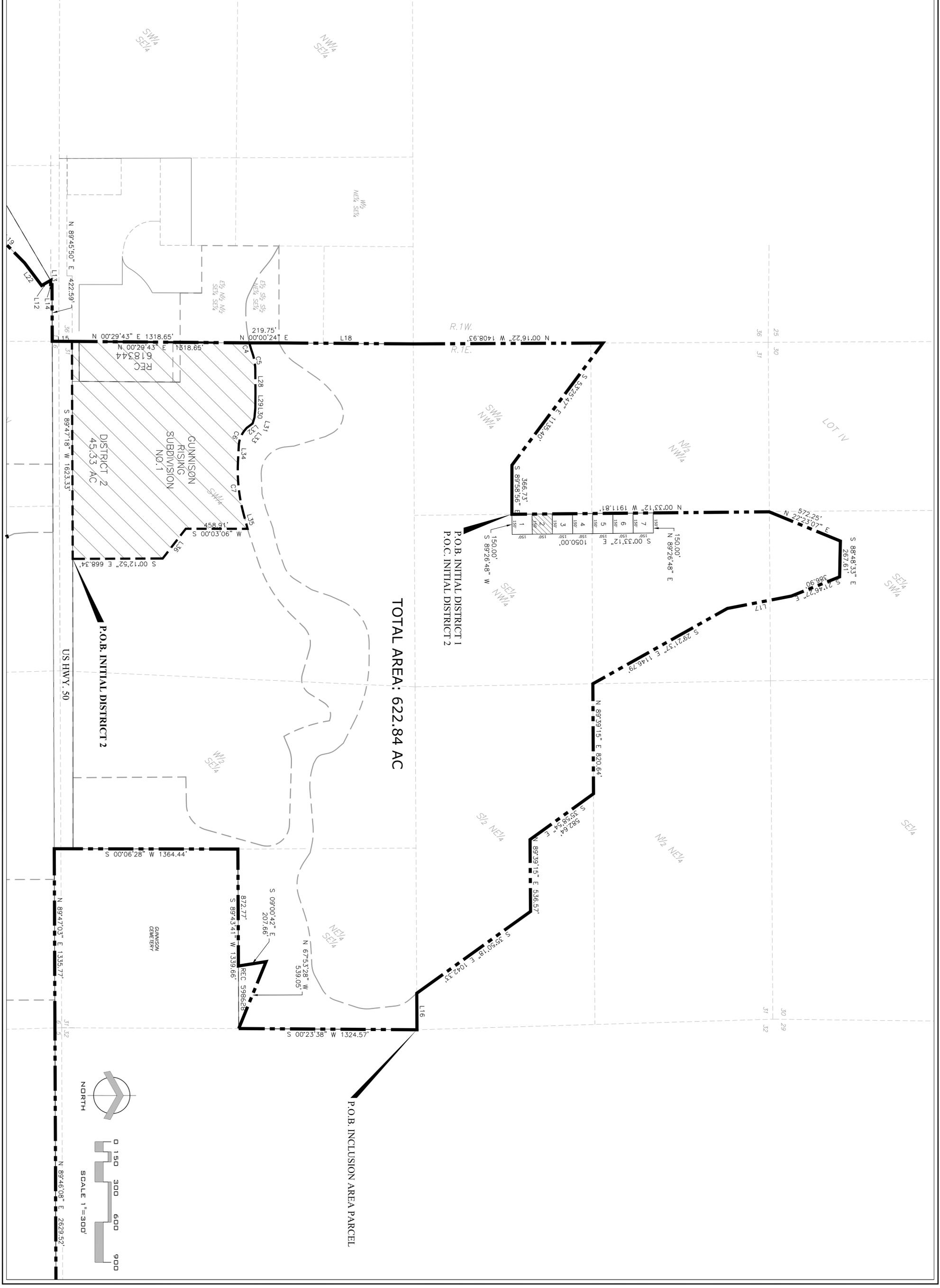


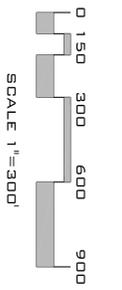
EXHIBIT B - VICINITY MAP

EXHIBIT C

Initial District Boundary Map



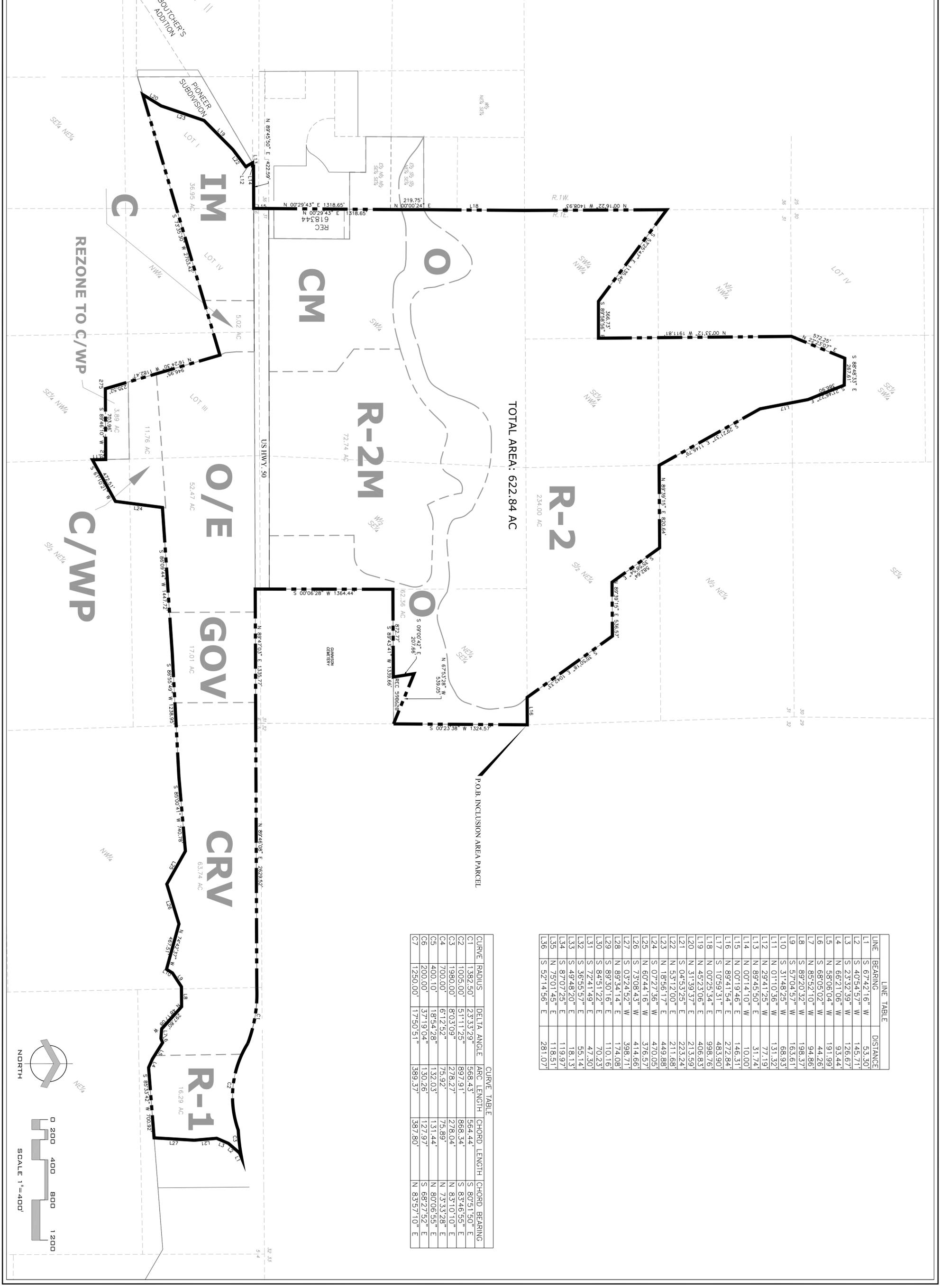
TOTAL AREA: 622.84 AC



GUNNISON RISING METROPOLITAN DISTRICT
EXHIBIT C - INITIAL DISTRICT BOUNDARY MAP
 FEBRUARY 2016

EXHIBIT D

Inclusion Area Boundary Map and Legal Description



TOTAL AREA: 622.84 AC

JOB INCLUSION AREA PARCEL

LINE	BEARING	DISTANCE
L1	S 67°42'16" W	53.30'
L2	S 40°54'57" W	145.71'
L3	S 25°32'39" W	126.67'
L4	N 66°21'06" W	93.44'
L5	N 58°06'04" W	191.99'
L6	S 68°05'02" W	44.26'
L7	N 85°52'10" W	94.86'
L8	S 89°20'32" W	198.37'
L9	S 57°04'57" W	163.61'
L10	S 31°48'25" W	68.93'
L11	N 01°10'36" W	131.32'
L12	N 29°41'29" W	77.19'
L13	N 89°45'50" E	31.74'
L14	N 00°14'10" W	10.00'
L15	N 00°19'46" E	146.31'
L16	N 88°41'54" E	272.84'
L17	S 10°59'31" E	483.90'
L18	N 00°25'34" E	998.76'
L19	N 45°23'06" E	408.83'
L20	N 31°39'37" E	213.59'
L21	S 04°53'29" E	223.24'
L22	N 53°12'00" E	211.68'
L23	N 18°56'17" E	449.88'
L24	S 07°27'36" W	470.05'
L25	N 60°44'16" W	376.57'
L26	S 73°08'45" W	414.66'
L27	S 03°24'52" W	398.71'
L28	N 89°34'14" E	174.08'
L29	S 89°30'16" E	110.16'
L30	S 84°51'22" E	70.23'
L31	S 72°41'49" E	47.30'
L32	S 36°55'57" E	55.14'
L33	S 49°48'20" E	18.13'
L34	S 87°07'25" E	119.97'
L35	N 75°01'48" E	118.51'
L36	S 52°14'56" E	281.07'

CURVE	RADIUS	DELTA ANGLE	ARC LENGTH	CHORD LENGTH	CHORD BEARING
C1	1382.50'	23°33'29"	568.43'	564.44'	S 80°51'50" E
C2	1005.00'	51°11'25"	897.91'	868.34'	S 83°46'55" E
C3	1980.00'	8°03'09"	278.27'	278.04'	N 83°10'10" E
C4	700.00'	6°12'52"	75.92'	75.89'	N 73°53'28" E
C5	400.10'	18°54'28"	132.03'	131.44'	N 80°06'56" E
C6	200.00'	37°19'04"	130.26'	127.97'	S 68°27'52" E
C7	1250.00'	17°50'51"	389.37'	387.80'	N 83°57'10" E

GUNNISON RISING METROPOLITAN DISTRICT
 EXHIBIT D - INCLUSION AREA MAP
 FEBRUARY 2016

Exhibit D

GUNNISON RISING METROPOLITAN DISTRICT INCLUSION AREA PARCEL DESCRIPTION

A PORTION OF SECTION 1, TOWNSHIP 49 NORTH, RANGE 1 WEST, SECTIONS 5 AND 6, TOWNSHIP 49 NORTH, RANGE 1 EAST AND SECTIONS 30 AND 31, TOWNSHIP 50 NORTH, RANGE 1 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, GUNNISON COUNTY, COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AT THE EAST QUARTER CORNER OF SAID SECTION 31;

THENCE S00°23'38"W ON THE EAST LINE OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION, A DISTANCE OF 1324.57 FEET TO THE SOUTHEAST CORNER THEREOF;

THENCE ON THE NORTHERLY AND WESTERLY LINES OF THAT PARCEL DESCRIBED IN DEED RECORDED AT RECEPTION NUMBER 598628 OF THE RECORDS OF SAID COUNTY FOR THE FOLLOWING TWO (2) COURSES;

- 1) N67°53'28"W, A DISTANCE OF 539.01 FEET;
- 2) S09°00'42"E, A DISTANCE OF 207.66 FEET;

THENCE ON THE EASTERLY, NORTHERLY, SOUTHERLY AND WESTERLY LINES OF THE TOMICHI CREEK CORRIDOR ANNEXATION AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF GUNNISON COUNTY COLORADO FOR THE FOLLOWING THIRTY (30) COURSES;

- 1) S89°43'41"W, A DISTANCE OF 872.77 FEET;
- 2) S00°06'28"W, A DISTANCE OF 1364.44 FEET;
- 3) N89°47'03"E, A DISTANCE OF 1335.77 FEET;
- 4) N89°46'08"E, A DISTANCE OF 2629.52 FEET;
- 5) ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT, THE CENTER POINT OF SAID CURVE BEARING S02°38'34"E, HAVING A RADIUS OF 1382.50 FEET AND A CENTRAL ANGLE OF 23°33'29", FOR AN ARC DISTANCE OF 568.43 FEET;
- 6) ALONG THE ARC OF A REVERSE CURVE TO THE LEFT, THE CENTER POINT OF SAID CURVE BEARING N31°48'47"E, HAVING A RADIUS OF 1005.00 FEET AND A CENTRAL ANGLE OF 51°11'25", FOR AN ARC DISTANCE OF 897.91 FEET;
- 7) ALONG THE ARC OF A COMPOUND CURVE TO THE LEFT, THE CENTER POINT OF SAID CURVE BEARING N02°48'16"W, HAVING A RADIUS OF 1980.00 FEET AND A CENTRAL ANGLE OF 08°03'09", FOR AN ARC DISTANCE OF 278.27 FEET;
- 8) S67°42'16"W, A DISTANCE OF 53.30 FEET;
- 9) S40°54'57"W, A DISTANCE OF 145.71 FEET;
- 10) S23°32'39"W, A DISTANCE OF 126.67 FEET;
- 11) S04°53'25"E, A DISTANCE OF 223.24 FEET;
- 12) S03°24'52"W, A DISTANCE OF 398.71 FEET;
- 13) S85°33'42"W, A DISTANCE OF 700.92 FEET;
- 14) N66°21'06"W, A DISTANCE OF 93.44 FEET;
- 15) N58°06'04"W, A DISTANCE OF 191.99 FEET;
- 16) S68°05'02"W, A DISTANCE OF 44.26 FEET;
- 17) N85°52'10"W, A DISTANCE OF 94.86 FEET;
- 18) N48°17'08"W, A DISTANCE OF 297.80 FEET;
- 19) S89°20'32"W, A DISTANCE OF 198.37 FEET;
- 20) S57°04'57"W, A DISTANCE OF 163.61 FEET;
- 21) S31°48'25"W, A DISTANCE OF 68.93 FEET;
- 22) N74°42'38"W, A DISTANCE OF 467.51 FEET;
- 23) S73°08'43"W, A DISTANCE OF 414.66 FEET;

24) N60°44'16"W, A DISTANCE OF 376.57 FEET;
 25) S85°00'41"W, A DISTANCE OF 740.78 FEET;
 26) S86°55'49"W, A DISTANCE OF 1238.95 FEET;
 27) S86°09'44"W, A DISTANCE OF 1447.72 FEET;
 28) S07°27'36"W, A DISTANCE OF 470.05 FEET;
 29) S61°10'21"W, A DISTANCE OF 472.51 FEET;
 30) N01°10'36"W, A DISTANCE OF 131.32 FEET;
 THENCE S89°46'10"W, A DISTANCE OF 704.62 FEET;
 THENCE N16°24'30"W, A DISTANCE OF 235.52 FEET TO THE SOUTHERLY LINE OF SAID TOMICHI CREEK CORRIDOR ANNEXATION;
 THENCE ON SAID SOUTHERLY LINE FOR THE FOLLOWING TWO (2) COURSES;
 1) N16°24'30"W, A DISTANCE OF 946.95 FEET
 2) S73°35'30"W, A DISTANCE OF 2703.42 FEET TO THE EASTERLY LINE OF PIONEER SUBDIVISION AS RECORDED AT RECEPTION NUMBER 634609 OF SAID COUNTY RECORDS;
 THENCE ON SAID EASTERLY LINE FOR THE FOLLOWING FIVE (5) COURSES;
 1) N31°39'37"E, A DISTANCE OF 213.59 FEET;
 2) N18°56'17"E, A DISTANCE OF 449.88 FEET;
 3) N45°23'06"E, A DISTANCE OF 406.83 FEET;
 4) N53°12'00"E, A DISTANCE OF 211.68 FEET;
 5) N29°41'25"W, A DISTANCE OF 77.19 FEET TO THE NORTHERLY LINE OF SAID TOMICHI CREEK CORRIDOR ANNEXATION;
 THENCE ON THE NORTHERLY AND WESTERLY LINES OF SAID ANNEXATION FOR THE FOLLOWING FOUR (4) COURSES;
 1) N89°45'50"E, A DISTANCE OF 31.74 FEET;
 2) N00°14'10"W, A DISTANCE OF 10.00 FEET;
 3) N89°45'50"E, A DISTANCE OF 422.59 FEET;
 4) N00°19'46"E, A DISTANCE OF 146.31 FEET TO A POINT ON THE WESTERLY LINE OF THAT TRACT OF LAND AS DESCRIBED IN DEED RECORDED AT RECEPTION NUMBER 618344 OF THE RECORDS OF SAID COUNTY;
 THENCE N00°29'43"E, A DISTANCE OF 1318.65 FEET ON SAID LINE AND THE WESTERLY LINE OF GUNNISON RISING SUBDIVISION NO. 1 AS RECORDED AT RECEPTION NUMBER 610833 OF SAID COUNTY RECORDS;
 THENCE N00°00'24"E, A DISTANCE OF 219.75 FEET TO A POINT ON THE WEST LINE OF SAID TOMICHI CREEK CORRIDOR ANNEXATION;
 THENCE ALONG THE WESTERLY, NORTHERLY AND EASTERLY LINES OF SAID ANNEXATION FOR THE FOLLOWING FIFTEEN (15) COURSES;
 1) THENCE N00°25'34"E, A DISTANCE OF 998.76 FEET;
 2) THENCE N00°16'22"W, A DISTANCE OF 1408.93 FEET;
 3) THENCE S53°25'47"E, A DISTANCE OF 1135.40 FEET;
 4) THENCE S89°58'56"E, A DISTANCE OF 366.73 FEET;
 5) THENCE N00°33'12"W, A DISTANCE OF 1911.81 FEET;
 6) THENCE N22°23'07"E, A DISTANCE OF 572.25 FEET;
 7) THENCE S88°48'33"E, A DISTANCE OF 267.61 FEET;
 8) THENCE S21°46'27"E, A DISTANCE OF 386.90 FEET;
 9) THENCE S10°59'31"E, A DISTANCE OF 483.90 FEET;
 10) THENCE S29°21'37"E, A DISTANCE OF 1146.79 FEET;
 11) THENCE N89°39'15"E, A DISTANCE OF 820.64 FEET;
 12) THENCE S35°58'54"E, A DISTANCE OF 582.64 FEET;
 13) THENCE N89°39'15"E, A DISTANCE OF 536.57 FEET;
 14) THENCE S35°50'18"E, A DISTANCE OF 1042.33 FEET;
 15) THENCE N89°41'54"E, A DISTANCE OF 272.84 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 622.84 ACRES, MORE OR LESS.

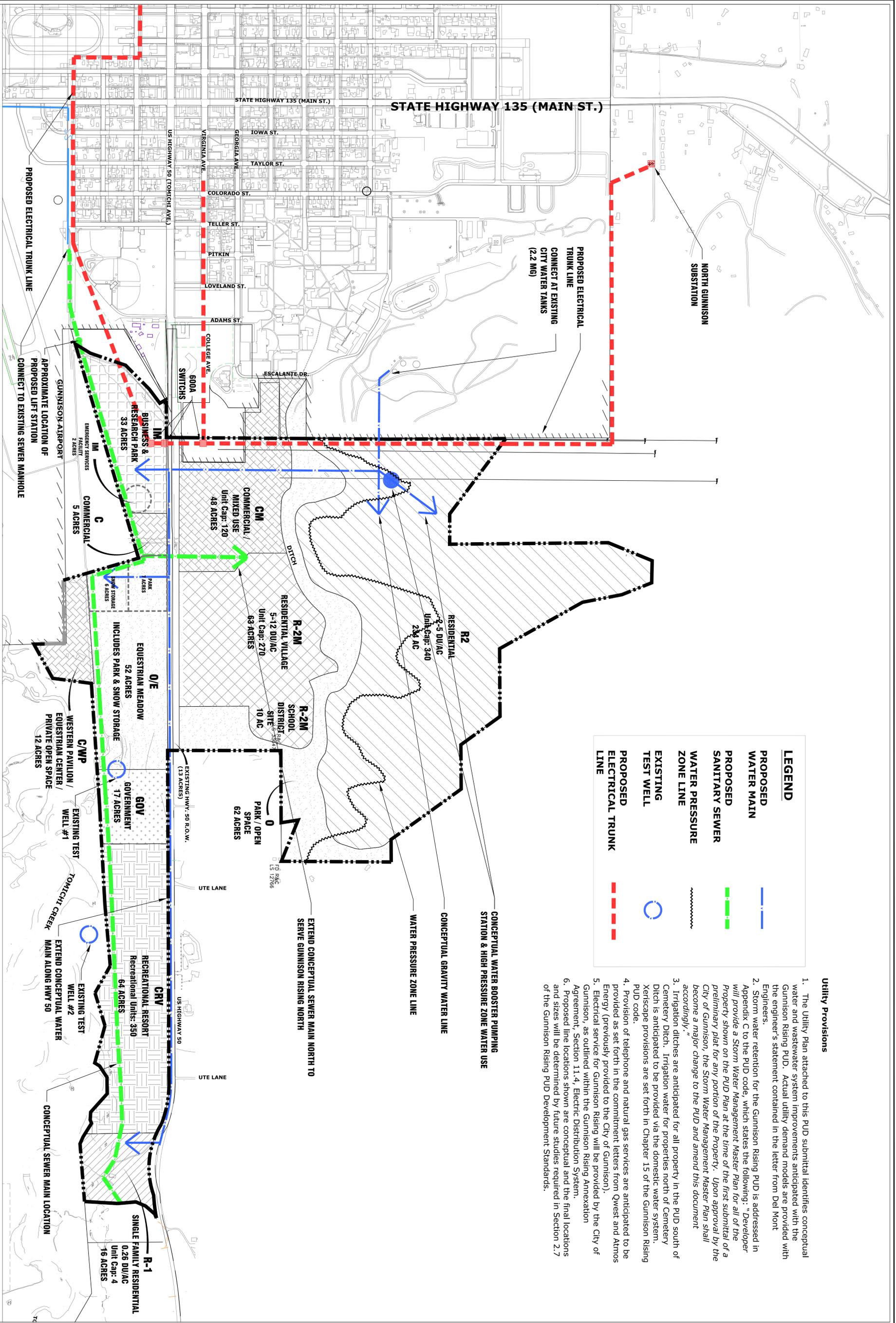
THE FOREGOING DESCRIPTION WAS PREPARED FOR GUNNISON RISING METROPOLITAN DISTRICT AND IS BASED UPON THE ANNEXATION PLAT OF THE TOMICHI CREEK CORRIDOR ANNEXATION PREPARED BY DEL-MONT CONSULTANTS, INC. (AS RECORDED AT RECEPTION NUMBER 597050 OF THE RECORDS OF GUNNISON COUNTY), THE ZONING MAP FOR SAID ANNEXATION AS PREPARED BY NES, INC. AND AVAILABLE RECORD INFORMATION. THIS DESCRIPTION IS NOT BASED UPON AN ACTUAL FIELD SURVEY OF THE PROPERTY DESCRIBED. ALL BEARINGS REFERRED TO HEREIN ARE RELATIVE TO SAID ANNEXATION PLAT.

Prepared October 12, 2015 for GUNNISON RISING METROPOLITAN DISTRICT

By: Lawrence J. VonDeBur, Colorado PLS 22106
2332 Oriole Ave
Colorado Springs, CO 80909

EXHIBIT E

Preliminary Infrastructure Plan



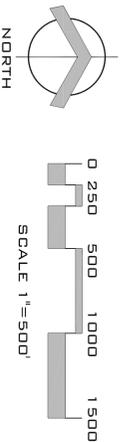
LEGEND	
Proposed Water Main	Blue dashed line
Proposed Sanitary Sewer	Green dashed line
Water Pressure Zone Line	Black dashed line
Existing Test Well	Blue circle
Proposed Electrical Trunk Line	Red dashed line

Utility Provisions

1. The Utility Plan attached to this PUD submittal identifies conceptual water and wastewater system improvements anticipated with the Gunnison Rising PUD. Actual utility demand models are provided with the engineer's statement contained in the letter from Del Mont Engineers.
2. Storm water retention for the Gunnison Rising PUD is addressed in Appendix C to the PUD code, which states the following: "Developer will provide a Storm Water Management Master Plan for all of the Property shown on the PUD Plan at the time of the first submittal of a preliminary plat for any portion of the Property. Upon approval by the City of Gunnison, the Storm Water Management Master Plan shall become a major change to the PUD and amend this document accordingly."
3. Irrigation ditches are anticipated for all property in the PUD south of Cemetery Ditch. Irrigation water for properties north of Cemetery Ditch is anticipated to be provided via the domestic water system. Xeriscape provisions are set forth in Chapter 15 of the Gunnison Rising PUD code.
4. Provision of telephone and natural gas services are anticipated to be provided as set forth in the commitment letters from Qwest and Atmos Energy (previously provided to the City of Gunnison).
5. Electrical service for Gunnison Rising will be provided by the City of Gunnison, as outlined within the Gunnison Rising Annexation Agreement, Section 11.4, Electric Distribution System.
6. Proposed line locations shown are conceptual and the final locations and sizes will be determined by future studies required in Section 2.7 of the Gunnison Rising PUD Development Standards.

**GUNNISON RISING METROPOLITAN DISTRICT
EXHIBIT E - PRELIMINARY INFRASTRUCTURE PLAN**

AUGUST 2015



GUNNISON RISING METROPOLITAN DISTRICT

Construction Costs

For the years 2016 through 2021

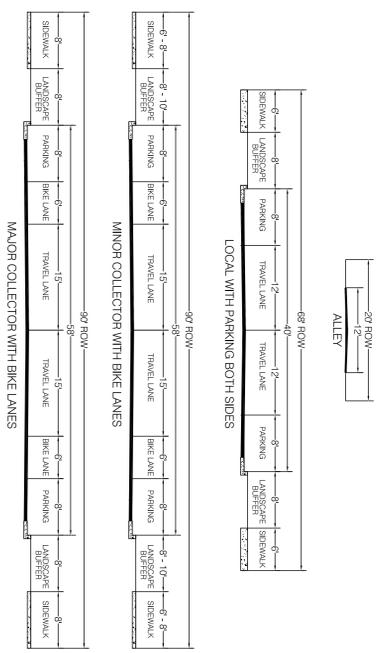
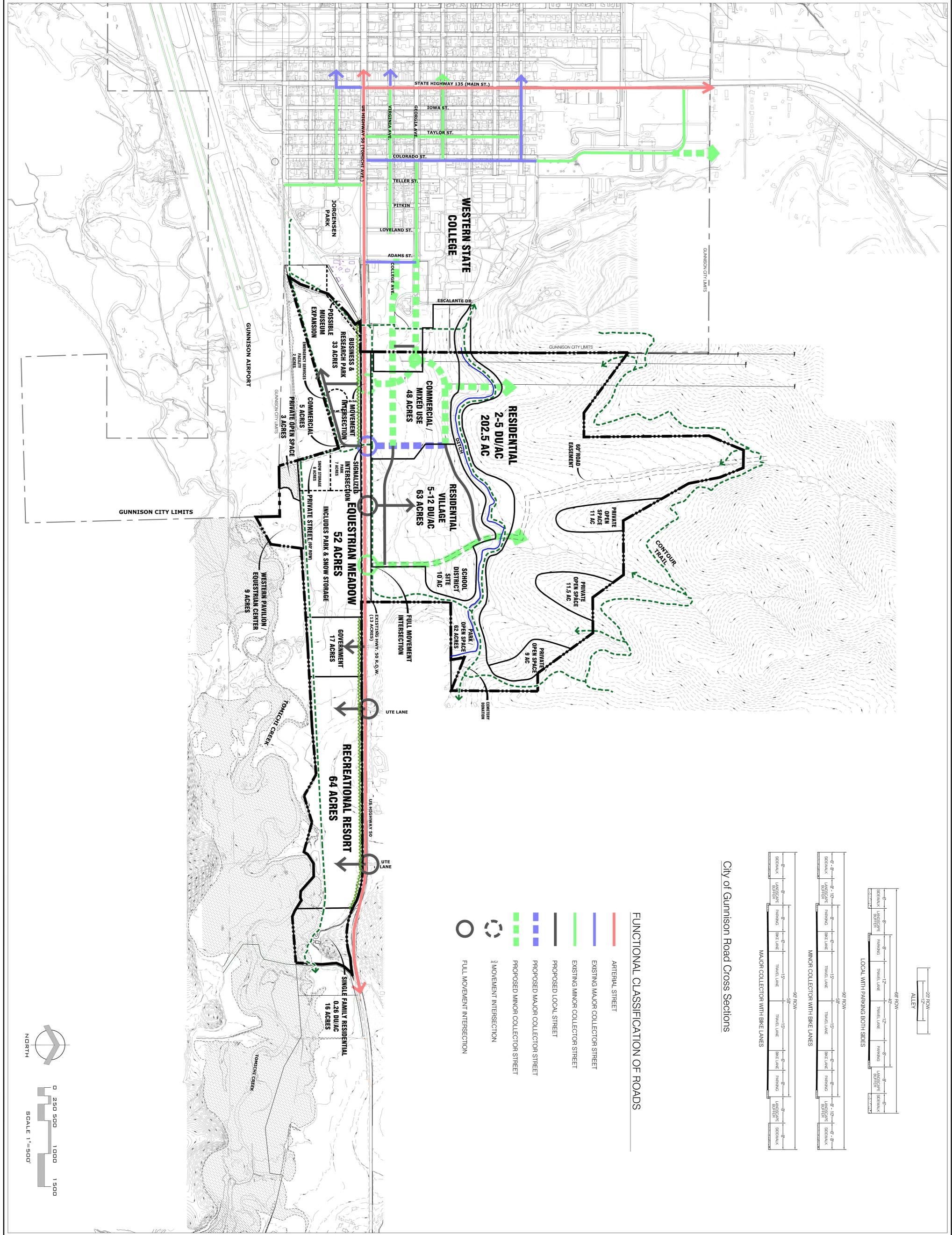
October, 2015

DESCRIPTION	Cost	Note
Earthwork	\$ 1,570,300	Public rights of way only
Sanitary Sewer	\$ 1,111,900	
Potable Water	\$ 1,623,000	
Storm Sewer	\$ 554,000	
Roadways	\$ 5,169,800	
Highway Improvements, Trails, & Public Safety	\$ 3,411,250	
Contingency	\$ 2,016,038	15% of hard costs
Soft Costs	\$ 2,550,287	Includes engineering, soils, survey, & CM
Total Costs	\$ 18,006,575	

Note: This estimate was prepared for Gunnison Rising Metro District and based on the Illustrative Plan in the Gunnison Rising PUD.

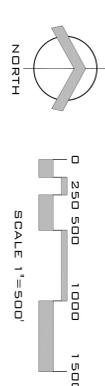
EXHIBIT F

Maps Depicting Public Improvements



City of Gunnison Road Cross Sections

- FUNCTIONAL CLASSIFICATION OF ROADS**
- ARTERIAL STREET
 - EXISTING MAJOR COLLECTOR STREET
 - EXISTING MINOR COLLECTOR STREET
 - PROPOSED LOCAL STREET
 - PROPOSED MAJOR COLLECTOR STREET
 - PROPOSED MINOR COLLECTOR STREET
 - 3 MOVEMENT INTERSECTION
 - FULL MOVEMENT INTERSECTION

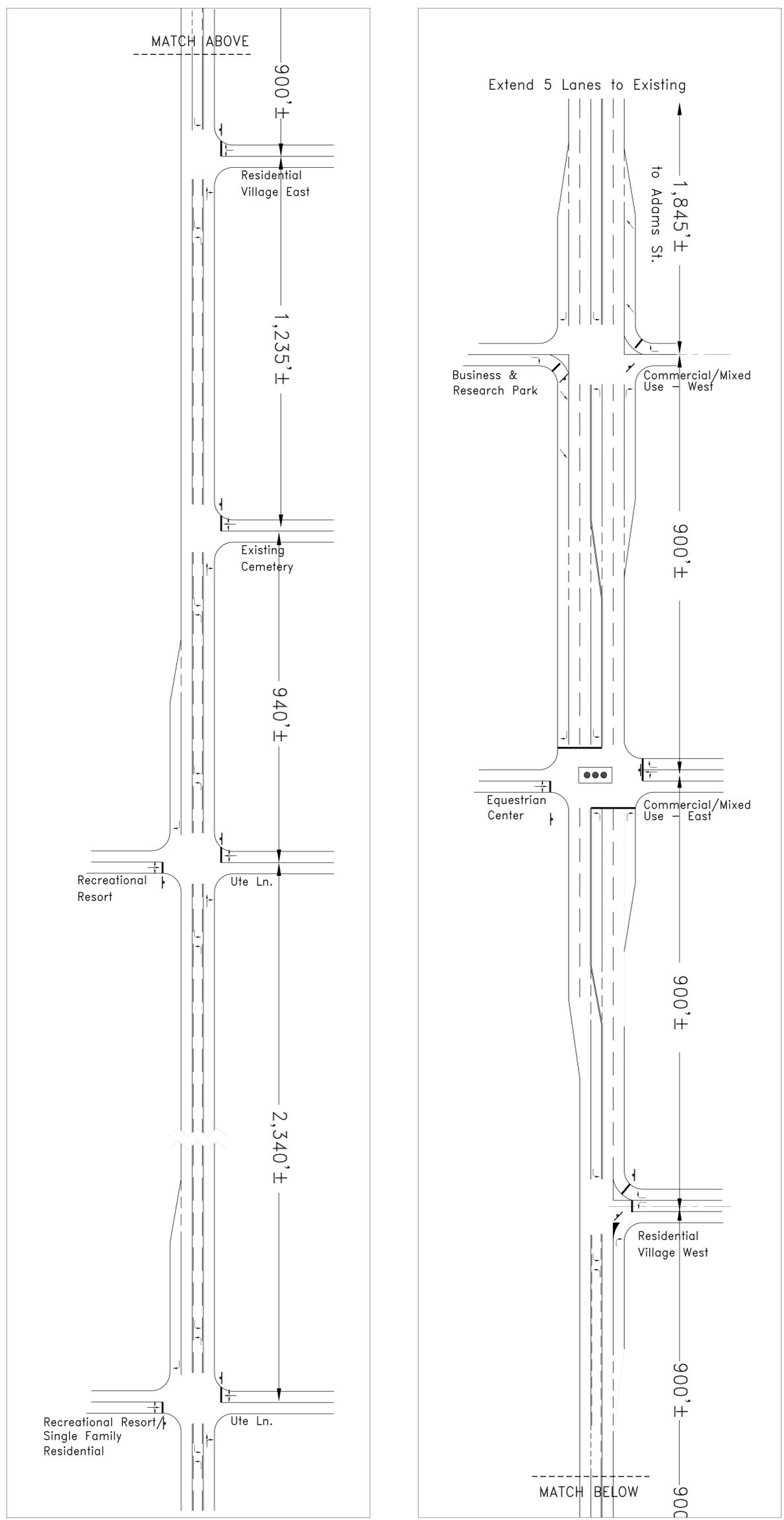


GUNNISON RISING METROPOLITAN DISTRICT
EXHIBIT F - PUBLIC IMPROVEMENTS- ROADWAY MASTER PLAN
 AUGUST 2015



NOTE:
 Specific lengths of auxiliary lanes, transition tapers and redirect tapers will depend on the posted speed at the time a CDOT State Highway Access Permit is applied for. These details will be provided in future development plan traffic studies and access permit applications.

US 50 Conceptual Lane Geometry Along Site Frontage
 Intersection Locations will be in Accordance with CDOT Approved Access Control Plan



↑ - Stop sign
 - Traffic Signal

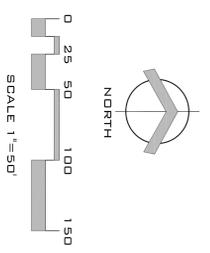


EXHIBIT G

Financial Plan

TABLE 1

**Gunnison Rising
Metropolitan Districts 1-7
Development Phasing and Build-Out**

LAND USE CATEGORY	FAR/DU per Acre	Acres	Total Units/Sq. Ft. 1/	Const. Cost per unit/Sq. Ft. 2/	Year of Construction												
					2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
COMMERCIAL MIXED USE (CM) - 45.2 total acres		21.65															
Non-Residential Uses																	
Retail - Anchor	0.35	6.10	93,000	\$120	-	93,000	-	-	-	-	-	-	-	-	-	-	-
Retail - Restaurant	0.35	0.77	11,750	\$150	-	7,500	-	4,250	-	-	-	-	-	-	-	-	-
Retail - Tire Store	0.35	0.52	7,927	\$150	-	-	-	7,927	-	-	-	-	-	-	-	-	-
Retail - In-line	0.35	0.89	13,500	\$150	-	-	7,000	6,500	-	-	-	-	-	-	-	-	-
Retail - Other	0.35	2.62	40,000	\$150	-	-	-	10,000	-	-	10,000	-	-	10,000	-	-	10,000
Residential Uses																	
Multi-Family (average 800 sq. ft.)	15	2.00	30	\$85,000	-	-	-	-	30	-	-	-	-	-	-	-	-
Townhome (average 1,800 sq ft.)	8	8.75	70	\$216,000	-	-	10	10	10	-	-	10	10	-	-	10	10
COMMERCIAL (C) - 5.0 total acres		2.30															
Non-Residential Uses																	
Retail - Travel Plaza	0.10	2.30	10,000	\$150	-	10,000	-	-	-	-	-	-	-	-	-	-	-
Retail - QSR	0.10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BUSINESS AND RESEARCH PARK (IM) - 28.8 total acres		-															
Non-Residential Uses																	
Office	0.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Warehousing	0.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Light Industrial	0.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RECREATIONAL RESORT - 63.74 total acres		0.66															
Non-Residential Uses																	
Retail	0.35	0.13	2,000	\$150	-	-	-	2,000	-	-	-	-	-	-	-	-	-
Event space	0.35	0.52	8,000	\$150	-	-	-	8,000	-	-	-	-	-	-	-	-	-
NON-RESIDENTIAL ACRES ABSORBED		13.85			0.00	8.89	0.46	2.54	0.00	0.00	0.66	0.00	0.00	0.66	0.00	0.00	0.66
RESIDENTIAL ACRES ABSORBED		10.75			0.00	0.00	1.25	1.25	3.25	0.00	0.00	1.25	1.25	0.00	0.00	1.25	1.25
TOTAL NON-RESIDENTIAL SQ. FT.			186,177		-	110,500	7,000	38,677	-	-	10,000	-	-	10,000	-	-	10,000
TOTAL DUs			100		-	-	10	10	40	-	-	10	10	-	-	10	10

1/ Totals are consistent with Development Phasing caps/maximums in Table A.1 of Gunnison Rising PUD Development Standards.

2/ Cost data obtained from Internation Code Council building valuation data for February 2015. Cost data increased by 15% to reflect higher construction cost environment in mountain community.

ANDERSON ANALYTICS has compiled this information based upon key assumptions provided by others. We have not independently examined or evaluated those assumptions, and consequently disclaim any form of assurance or opinion on them. Actual results may differ materially from projected results.

TABLE 2

**Gunnison Rising
Metropolitan Districts 1-7
Projection of Assessed Value**

Key Assumptions

Land Use	Construction cost per sq. ft./DU	Market Value Adj. Factor	Estimated Market Value per sq. ft./DU
Retail - Anchor	\$120	65%	\$78
Retail - QSR	\$150	70%	\$105
Retail - Tire Store	\$150	70%	\$105
Retail - In-line	\$150	70%	\$105
Retail - Other	\$150	70%	\$105
Retail - Travel Plaza	\$150	70%	\$105
Office	\$0	70%	\$0
Warehousing	\$0	70%	\$0
Light Industrial	\$0	70%	\$0
RV - Retail	\$150	70%	\$105
RV - Event space	\$150	70%	\$105
Multi-Family	\$85,000	120%	\$102,000
Townhome	\$216,000	120%	\$259,200
Non-Residential Land - Improved			\$6.00
Residential Land - Improved			\$3.00
Annual Inflation in Market Values	2%		

ANDERSON ANALYTICS has compiled this information based upon key assumptions provided by others. We have not independently examined or evaluated those assumptions, and consequently disclaim any form of assurance or opinion on them. Actual results may differ materially from projected results.

TABLE 3

**Gunnison Rising
Metropolitan Districts 1-7
Projection of Assessed Value**

LAND USE CATEGORY	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Retail - Anchor	93,000	-	-	-	-	-	-	-	-	-
Cumulative Sq Ft	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000
Sq Ft Market Value	\$80	\$81	\$83	\$84	\$86	\$88	\$90	\$91	\$93	\$95
Market Value	\$7,399,080	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$7,399,080	\$7,547,062	\$7,698,003	\$7,851,963	\$8,009,002	\$8,169,182	\$8,332,566	\$8,499,217	\$8,669,201	\$8,842,586
Retail - Restaurant	7,500	-	4,250	-	-	-	-	-	-	-
Cumulative Sq Ft	7,500	7,500	11,750	11,750	11,750	11,750	11,750	11,750	11,750	11,750
Sq Ft Market Value	\$107	\$109	\$111	\$114	\$116	\$118	\$121	\$123	\$125	\$128
Market Value	\$803,250	\$0	\$473,564	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$803,250	\$819,315	\$1,309,265	\$1,335,451	\$1,362,160	\$1,389,403	\$1,417,191	\$1,445,535	\$1,474,445	\$1,503,934
Retail - Other	-	7,000	24,427	-	-	10,000	-	-	10,000	-
Cumulative Sq Ft	-	7,000	31,427	31,427	31,427	41,427	41,427	41,427	51,427	51,427
Sq Ft Market Value	\$107	\$109	\$111	\$114	\$116	\$118	\$121	\$123	\$125	\$128
Market Value	\$0	\$764,694	\$2,721,823	\$0	\$0	\$1,182,471	\$0	\$0	\$1,254,847	\$0
Cumulative Market Value	\$0	\$764,694	\$3,501,811	\$3,571,848	\$3,643,284	\$4,898,621	\$4,996,593	\$5,096,525	\$6,453,303	\$6,582,369
Retail - Travel Plaza	10,000	-	-	-	-	-	-	-	-	-
Cumulative Sq Ft	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Sq Ft Market Value	\$107	\$109	\$111	\$114	\$116	\$118	\$121	\$123	\$125	\$128
Market Value	\$1,071,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$1,071,000	\$1,092,420	\$1,114,268	\$1,136,554	\$1,159,285	\$1,182,471	\$1,206,120	\$1,230,242	\$1,254,847	\$1,279,944
RV - Retail/Event Space	-	-	10,000	-	-	-	-	-	-	-
Cumulative Sq Ft	-	-	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Sq Ft Market Value	\$107	\$109	\$111	\$114	\$116	\$118	\$121	\$123	\$125	\$128
Market Value	\$0	\$0	\$1,114,268	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$0	\$0	\$1,114,268	\$1,136,554	\$1,159,285	\$1,182,471	\$1,206,120	\$1,230,242	\$1,254,847	\$1,279,944
Total Cumulative Non-Res Sq Ft	110,500	117,500	156,177	156,177	156,177	166,177	166,177	166,177	176,177	176,177
Multi-Family (average 800 sq. ft.)	-	-	-	30	-	-	-	-	-	-
Cumulative Dwelling Units	-	-	-	30	30	30	30	30	30	30
Dwelling Unit Market Value	\$104,040	\$106,121	\$108,243	\$110,408	\$112,616	\$114,869	\$117,166	\$119,509	\$121,899	\$124,337
Market Value	\$0	\$0	\$0	\$3,312,242	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$0	\$0	\$0	\$3,312,242	\$3,378,487	\$3,446,057	\$3,514,978	\$3,585,278	\$3,656,983	\$3,730,123
Townhome (average 1,800 sq ft.)	-	10	10	10	-	-	10	10	-	-
Cumulative Dwelling Units	-	10	20	30	30	30	40	50	50	50
Dwelling Unit Market Value	\$264,384	\$269,672	\$275,065	\$280,566	\$286,178	\$291,901	\$297,739	\$303,694	\$309,768	\$315,963
Market Value	\$0	\$2,696,717	\$2,750,651	\$2,805,664	\$0	\$0	\$2,977,393	\$3,036,941	\$0	\$0
Cumulative Market Value	\$0	\$2,696,717	\$5,501,302	\$8,416,992	\$8,585,332	\$8,757,039	\$11,909,573	\$15,184,706	\$15,488,400	\$15,798,168
Cumulative Nonres Improv Market Value (2 year lag)	\$0	\$0	\$9,273,330	\$10,223,491	\$14,737,616	\$15,032,369	\$15,333,016	\$16,822,147	\$17,158,590	\$17,501,762
Cumulative Nonres Land Market Value (2 year lag)	\$0	\$0	\$2,369,314	\$2,541,549	\$3,295,997	\$3,361,917	\$3,429,155	\$3,690,795	\$3,764,611	\$3,839,903
Non-Residential Assessment Ratio	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
Non-Residential Assessed Valuation	\$0	\$0	\$3,376,367	\$3,701,861	\$5,229,748	\$5,334,343	\$5,441,030	\$5,948,753	\$6,067,728	\$6,189,083
Cumulative Res Improv Market Value (2 year lag)	\$0	\$0	\$0	\$2,696,717	\$5,501,302	\$11,729,235	\$11,963,820	\$12,203,096	\$15,424,551	\$18,769,983
Cumulative Res Land Market Value (2 year lag)	\$0	\$0	\$0	\$0	\$173,348	\$353,631	\$829,617	\$846,210	\$863,134	\$1,071,787
Residential Assessment Ratio	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796
Residential Assessed Valuation	\$0	\$0	\$0	\$214,659	\$451,702	\$961,796	\$1,018,358	\$1,038,725	\$1,296,500	\$1,579,405
Projected Total Assessed Value	\$0	\$0	\$3,376,367	\$3,916,520	\$5,681,450	\$6,296,139	\$6,459,387	\$6,987,478	\$7,364,228	\$7,768,488

TABLE 3

**Gunnison Rising
Metropolitan Districts 1-7
Projection of Assessed Value**

LAND USE CATEGORY	2027	2028	2029	2030	2035	2040	2045	2046
Retail - Anchor	-	-	-	-	-	-	-	-
Cumulative Sq Ft	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000
Sq Ft Market Value	\$97	\$99	\$101	\$103	\$114	\$125	\$139	\$141
Market Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$9,019,437	\$9,199,826	\$9,383,822	\$9,571,499	\$10,567,708	\$11,667,604	\$12,881,977	\$13,139,617
Retail - Restaurant	-	-	-	-	-	-	-	-
Cumulative Sq Ft	11,750	11,750	11,750	11,750	11,750	11,750	11,750	11,750
Sq Ft Market Value	\$131	\$133	\$136	\$139	\$153	\$169	\$186	\$190
Market Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$1,534,013	\$1,564,693	\$1,595,987	\$1,627,907	\$1,797,341	\$1,984,409	\$2,190,948	\$2,234,767
Retail - Other	-	10,000	-	-	-	-	-	-
Cumulative Sq Ft	51,427	61,427	61,427	61,427	61,427	61,427	61,427	61,427
Sq Ft Market Value	\$131	\$133	\$136	\$139	\$153	\$169	\$186	\$190
Market Value	\$0	\$1,331,654	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$6,714,016	\$8,179,950	\$8,343,549	\$8,510,420	\$9,396,192	\$10,374,155	\$11,453,905	\$11,682,983
Retail - Travel Plaza	-	-	-	-	-	-	-	-
Cumulative Sq Ft	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Sq Ft Market Value	\$131	\$133	\$136	\$139	\$153	\$169	\$186	\$190
Market Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$1,305,543	\$1,331,654	\$1,358,287	\$1,385,453	\$1,529,652	\$1,688,859	\$1,864,637	\$1,901,930
RV - Retail/Event Space	-	-	-	-	-	-	-	-
Cumulative Sq Ft	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Sq Ft Market Value	\$131	\$133	\$136	\$139	\$153	\$169	\$186	\$190
Market Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$1,305,543	\$1,331,654	\$1,358,287	\$1,385,453	\$1,529,652	\$1,688,859	\$1,864,637	\$1,901,930
Total Cumulative Non-Res Sq Ft	176,177	186,177	186,177	186,177	186,177	186,177	186,177	186,177
Multi-Family (average 800 sq. ft.)	-	-	-	-	-	-	-	-
Cumulative Dwelling Units	30	30	30	30	30	30	30	30
Dwelling Unit Market Value	\$126,824	\$129,361	\$131,948	\$134,587	\$148,595	\$164,061	\$181,136	\$184,759
Market Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$3,804,725	\$3,880,820	\$3,958,436	\$4,037,605	\$4,457,842	\$4,921,818	\$5,434,085	\$5,542,766
Townhome (average 1,800 sq ft.)	10	10	-	-	-	-	-	-
Cumulative Dwelling Units	60	70	70	70	70	70	70	70
Dwelling Unit Market Value	\$322,283	\$328,728	\$335,303	\$342,009	\$377,605	\$416,907	\$460,299	\$469,505
Market Value	\$3,222,826	\$3,287,283	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Market Value	\$19,336,957	\$23,010,979	\$23,471,199	\$23,940,623	\$26,432,382	\$29,183,485	\$32,220,926	\$32,865,345
Cumulative Nonres Improv Market Value (2 year lag)	\$19,106,644	\$19,488,777	\$19,878,552	\$21,607,777	\$23,856,732	\$26,339,760	\$29,081,223	\$29,662,848
Cumulative Nonres Land Market Value (2 year lag)	\$4,121,574	\$4,204,005	\$4,288,085	\$4,591,260	\$5,069,122	\$5,596,720	\$6,179,231	\$6,302,816
Non-Residential Assessment Ratio	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
Non-Residential Assessed Valuation	\$6,736,183	\$6,870,907	\$7,008,325	\$7,597,721	\$8,388,498	\$9,261,579	\$10,225,532	\$10,430,043
Cumulative Res Improv Market Value (2 year lag)	\$19,145,383	\$19,528,291	\$23,141,683	\$26,891,799	\$29,690,719	\$32,780,953	\$36,192,821	\$36,916,677
Cumulative Res Land Market Value (2 year lag)	\$1,288,441	\$1,314,210	\$1,340,494	\$1,574,471	\$1,967,073	\$2,171,808	\$2,397,851	\$2,445,808
Residential Assessment Ratio	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796
Residential Assessed Valuation	\$1,626,532	\$1,659,063	\$1,948,781	\$2,265,915	\$2,519,960	\$2,782,240	\$3,071,817	\$3,133,254
Projected Total Assessed Value	\$8,362,716	\$8,529,970	\$8,957,106	\$9,863,636	\$10,908,458	\$12,043,819	\$13,297,349	\$13,563,296

TABLE 4

**Gunnison Rising
Metropolitan Districts 1-7
Projection of Taxable Retail Sales**

annual inflation in sales = 2%

Taxable Sales			2017	2018 1/	2019	2020	2021	2022	2023	2024	2025
Sq/Ft	% taxable	Taxable Sales									
\$436.00	95%	Retail - Anchor	\$0	\$26,717,888	\$40,878,369	\$41,695,936	\$42,529,855	\$43,380,452	\$44,248,061	\$45,133,022	\$46,035,683
\$350.00	100%	Retail - Restaurant	\$0	\$1,820,700	\$2,785,671	\$4,451,502	\$4,540,532	\$4,631,343	\$4,723,970	\$4,818,449	\$4,914,818
\$275.00	100%	Retail - Tire Store	\$0	\$0	\$0	\$2,359,621	\$2,406,813	\$2,454,950	\$2,504,049	\$2,554,130	\$2,605,212
\$275.00	90%	Retail - In-line	\$0	\$0	\$1,838,543	\$3,616,676	\$3,689,010	\$3,762,790	\$3,838,046	\$3,914,807	\$3,993,103
\$275.00	90%	Retail - Other	\$0	\$0	\$0	\$2,679,020	\$2,732,600	\$2,787,252	\$5,685,994	\$5,799,714	\$5,915,708
\$275.00	100%	Retail - Travel Plaza	\$0	\$1,907,400	\$2,918,322	\$2,976,688	\$3,036,222	\$3,096,947	\$3,158,886	\$3,222,063	\$3,286,505
\$27.00	100%	RV - Retail	\$0	\$0	\$0	\$58,451	\$59,620	\$60,813	\$62,029	\$63,270	\$64,535
\$146.00	100%	RV - Event Space	\$0	\$0	\$0	\$1,264,281	\$1,289,566	\$1,315,358	\$1,341,665	\$1,368,498	\$1,395,868
Total			\$0	\$30,445,988	\$48,420,905	\$59,102,176	\$60,284,220	\$61,489,904	\$65,562,699	\$66,873,953	\$68,211,432

1/ Assumes a May 1, 2018 opening date.

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TABLE 4

**Gunnison Rising
Metropolitan Districts 1-7
Projection of Taxable Retail Sales**

annual inflation in sales = 2%

Taxable Sales											
Sq/Ft	% taxable	Taxable Sales	2026	2027	2028	2029	2030	2035	2040	2045	2046
\$436.00	95%	Retail - Anchor	\$46,956,396	\$47,895,524	\$48,853,435	\$49,830,504	\$50,827,114	\$56,117,240	\$61,957,968	\$68,406,603	\$69,774,735
\$350.00	100%	Retail - Restaurant	\$5,013,115	\$5,113,377	\$5,215,644	\$5,319,957	\$5,426,356	\$5,991,136	\$6,614,698	\$7,303,161	\$7,449,225
\$275.00	100%	Retail - Tire Store	\$2,657,316	\$2,710,463	\$2,764,672	\$2,819,965	\$2,876,365	\$3,175,739	\$3,506,273	\$3,871,208	\$3,948,632
\$275.00	90%	Retail - In-line	\$4,072,965	\$4,154,424	\$4,237,513	\$4,322,263	\$4,408,708	\$4,867,570	\$5,374,191	\$5,933,541	\$6,052,212
\$275.00	90%	Retail - Other	\$9,051,034	\$9,232,054	\$9,416,695	\$12,806,706	\$13,062,840	\$14,422,431	\$15,923,529	\$17,580,862	\$17,932,480
\$275.00	100%	Retail - Travel Plaza	\$3,352,235	\$3,419,279	\$3,487,665	\$3,557,418	\$3,628,567	\$4,006,231	\$4,423,202	\$4,883,573	\$4,981,244
\$27.00	100%	RV - Retail	\$65,826	\$67,142	\$68,485	\$69,855	\$71,252	\$78,668	\$86,856	\$95,896	\$97,814
\$146.00	100%	RV - Event Space	\$1,423,785	\$1,452,261	\$1,481,306	\$1,510,933	\$1,541,151	\$1,701,555	\$1,878,655	\$2,074,187	\$2,115,670
Total			\$72,592,672	\$74,044,525	\$75,525,416	\$80,237,601	\$81,842,353	\$90,360,570	\$99,765,371	\$110,149,031	\$112,352,012

1/ Assumes a May 1, 2018 opening date.

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TABLE 5

**Gunnison Rising
Metropolitan Districts 1-7
Projection of Revenues**

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sales Tax Revenue									
Taxable Sales									
Retail - Anchor	\$ -	\$ 26,717,888	\$ 40,878,369	\$ 41,695,936	\$ 42,529,855	\$ 43,380,452	\$ 44,248,061	\$ 45,133,022	\$ 46,035,683
Retail - Restaurant	\$ -	\$ 1,820,700	\$ 2,785,671	\$ 4,451,502	\$ 4,540,532	\$ 4,631,343	\$ 4,723,970	\$ 4,818,449	\$ 4,914,818
Retail - Tire Store	\$ -	\$ -	\$ -	\$ 2,359,621	\$ 2,406,813	\$ 2,454,950	\$ 2,504,049	\$ 2,554,130	\$ 2,605,212
Retail - In-line	\$ -	\$ -	\$ 1,838,543	\$ 3,616,676	\$ 3,689,010	\$ 3,762,790	\$ 3,838,046	\$ 3,914,807	\$ 3,993,103
Retail - Other	\$ -	\$ -	\$ -	\$ 2,679,020	\$ 2,732,600	\$ 2,787,252	\$ 5,685,994	\$ 5,799,714	\$ 5,915,708
Retail - Travel Plaza	\$ -	\$ 1,907,400	\$ 2,918,322	\$ 2,976,688	\$ 3,036,222	\$ 3,096,947	\$ 3,158,886	\$ 3,222,063	\$ 3,286,505
RV - Retail	\$ -	\$ -	\$ -	\$ 58,451	\$ 59,620	\$ 60,813	\$ 62,029	\$ 63,270	\$ 64,535
RV - Event Space	\$ -	\$ -	\$ -	\$ 1,264,281	\$ 1,289,566	\$ 1,315,358	\$ 1,341,665	\$ 1,368,498	\$ 1,395,868
Public Improvement Fee (credit PIF) Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxable Building Materials Purchases @50%	\$ 7,030,350	\$ 1,669,842	\$ 3,428,524	\$ 2,549,128	\$ -	\$ 844,622	\$ 1,240,581	\$ 1,265,392	\$ 896,319
Total Taxable Sales	\$ 7,030,350	\$ 32,115,830	\$ 51,849,429	\$ 61,651,304	\$ 60,284,220	\$ 62,334,526	\$ 66,803,280	\$ 68,139,345	\$ 69,107,752
Gunison Rising Public Improvement Fee (credit PIF) Revenue @1.55%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City of Gunnison Sales Tax Revenue @4.00% (less 5% vendor fee)	\$ 267,153	\$ 1,220,402	\$ 1,970,278	\$ 2,342,750	\$ 2,290,800	\$ 2,368,712	\$ 2,538,525	\$ 2,589,295	\$ 2,626,095
City of Gunnison Parks & Rec Sales Tax Revenue @1.00% (less 5% vendor fee)	\$ 66,788	\$ 305,100	\$ 492,570	\$ 585,687	\$ 572,700	\$ 592,178	\$ 634,631	\$ 647,324	\$ 656,524

Property Tax Revenue									
Market Value									
Non-Residential	\$ -	\$ -	\$ 11,642,644	\$ 12,765,039	\$ 18,033,613	\$ 18,394,285	\$ 18,762,171	\$ 20,512,941	\$ 20,923,200
Residential	\$ -	\$ -	\$ -	\$ 2,696,717	\$ 5,674,651	\$ 12,082,865	\$ 12,793,437	\$ 13,049,306	\$ 16,287,685
Non - Residential Assessment Rate	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
Residential Assessment Rate	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796
Gross Improvement Assessed Valuation	\$ -	\$ -	\$ 3,376,367	\$ 3,916,520	\$ 5,681,450	\$ 6,296,139	\$ 6,459,387	\$ 6,987,478	\$ 7,364,228
Vacant Land Assessed Valuation	\$ 16,376	\$ 16,703	\$ 17,037	\$ 17,378	\$ 17,726	\$ 18,080	\$ 18,442	\$ 18,811	\$ 19,187
Total Assessed Valuation	\$ 16,376	\$ 16,703	\$ 3,393,404	\$ 3,933,898	\$ 5,699,176	\$ 6,314,219	\$ 6,477,829	\$ 7,006,289	\$ 7,383,415
Gunnison Rising Metropolitan Districts 1-5 @ 35.000 mills (for debt)	\$ 567	\$ 579	\$ 117,581	\$ 136,310	\$ 197,476	\$ 218,788	\$ 224,457	\$ 242,768	\$ 255,835
Gunnison Rising Metropolitan Districts @ 5.000 mills (for maint/oper)	\$ 81	\$ 83	\$ 16,797	\$ 19,473	\$ 28,211	\$ 31,255	\$ 32,065	\$ 34,681	\$ 36,548
City of Gunnison @3.868 mills	\$ 63	\$ 64	\$ 12,994	\$ 15,064	\$ 21,824	\$ 24,179	\$ 24,806	\$ 26,829	\$ 28,273

Development fee Revenue									
Residential Lot Fee	\$ 5,100	\$ 5,202	\$ 5,306	\$ 5,412	\$ 5,520	\$ 5,631	\$ 5,743	\$ 5,858	\$ 5,975
Projected Residential Lots Developed	0	10	10	40	0	0	10	10	0
Residential Lot Fee Revenue	\$ -	\$ 52,020	\$ 53,060	\$ 216,486	\$ -	\$ -	\$ 57,434	\$ 58,583	\$ -
Non-Residential Fee per Sq Ft	\$ 1.02	\$ 1.04	\$ 1.06	\$ 1.08	\$ 1.10	\$ 1.13	\$ 1.15	\$ 1.17	\$ 1.20
Projected Non-Residential Sq Ft	110,500	7,000	38,677	-	-	10,000	-	-	10,000
Non-Residential Lot Fee Revenue	\$ 112,710	\$ 7,283	\$ 41,044	\$ -	\$ -	\$ 11,262	\$ -	\$ -	\$ 11,951
Total Development Fee Revenue	\$ 112,710	\$ 59,303	\$ 94,105	\$ 216,486	\$ -	\$ 11,262	\$ 57,434	\$ 58,583	\$ 11,951

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TABLE 5

**Gunnison Rising
Metropolitan Districts 1-7
Projection of Revenues**

	2026	2027	2028	2029	2030	2035	2040	2045	2046
Sales Tax Revenue									
Taxable Sales									
Retail - Anchor	\$ 46,956,396	\$ 47,895,524	\$ 48,853,435	\$ 49,830,504	\$ 50,827,114	\$ 56,117,240	\$ 61,957,968	\$ 68,406,603	\$ 69,774,735
Retail - Restaurant	\$ 5,013,115	\$ 5,113,377	\$ 5,215,644	\$ 5,319,957	\$ 5,426,356	\$ 5,991,136	\$ 6,614,698	\$ 7,303,161	\$ 7,449,225
Retail - Tire Store	\$ 2,657,316	\$ 2,710,463	\$ 2,764,672	\$ 2,819,965	\$ 2,876,365	\$ 3,175,739	\$ 3,506,273	\$ 3,871,208	\$ 3,948,632
Retail - In-line	\$ 4,072,965	\$ 4,154,424	\$ 4,237,513	\$ 4,322,263	\$ 4,408,708	\$ 4,867,570	\$ 5,374,191	\$ 5,933,541	\$ 6,052,212
Retail - Other	\$ 9,051,034	\$ 9,232,054	\$ 9,416,695	\$ 12,806,706	\$ 13,062,840	\$ 14,422,431	\$ 15,923,529	\$ 17,580,862	\$ 17,932,480
Retail - Travel Plaza	\$ 3,352,235	\$ 3,419,279	\$ 3,487,665	\$ 3,557,418	\$ 3,628,567	\$ 4,006,231	\$ 4,423,202	\$ 4,883,573	\$ 4,981,244
RV - Retail	\$ 65,826	\$ 67,142	\$ 68,485	\$ 69,855	\$ 71,252	\$ 78,668	\$ 86,856	\$ 95,896	\$ 97,814
RV - Event Space	\$ 1,423,785	\$ 1,452,261	\$ 1,481,306	\$ 1,510,933	\$ 1,541,151	\$ 1,701,555	\$ 1,878,655	\$ 2,074,187	\$ 2,115,670
Public Improvement Fee (credit PIF) Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxable Building Materials Purchases @50%	\$ -	\$ 1,342,844	\$ 2,320,882	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Taxable Sales	\$ 72,592,672	\$ 75,387,370	\$ 77,846,298	\$ 80,237,601	\$ 81,842,353	\$ 90,360,570	\$ 99,765,371	\$ 110,149,031	\$ 112,352,012
Gunison Rising Public Improvement Fee (credit PIF) Revenue @1.55%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City of Gunnison Sales Tax Revenue @4.00% (less 5% vendor fee)	\$ 2,758,522	\$ 2,864,720	\$ 2,958,159	\$ 3,049,029	\$ 3,110,009	\$ 3,433,702	\$ 3,791,084	\$ 4,185,663	\$ 4,269,376
City of Gunnison Parks & Rec Sales Tax Revenue @1.00% (less 5% vendor fee)	\$ 689,630	\$ 716,180	\$ 739,540	\$ 762,257	\$ 777,502	\$ 214,606	\$ 236,943	\$ 261,604	\$ 266,836

Property Tax Revenue									
Market Value									
Non-Residential	\$ 21,341,664	\$ 23,228,218	\$ 23,692,782	\$ 24,166,638	\$ 26,199,037	\$ 28,925,854	\$ 31,936,480	\$ 35,260,455	\$ 35,965,664
Residential	\$ 19,841,770	\$ 20,433,824	\$ 20,842,501	\$ 24,482,177	\$ 28,466,270	\$ 31,657,792	\$ 34,952,761	\$ 38,590,672	\$ 39,362,485
Non - Residential Assessment Rate	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
Residential Assessment Rate	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796	0.0796
Gross Improvement Assessed Valuation	\$ 7,768,488	\$ 8,362,716	\$ 8,529,970	\$ 8,957,106	\$ 9,863,636	\$ 10,908,458	\$ 12,043,819	\$ 13,297,349	\$ 13,563,296
Vacant Land Assessed Valuation	\$ 19,571	\$ 19,962	\$ 20,361	\$ 20,769	\$ 21,184	\$ 23,389	\$ 25,823	\$ 28,511	\$ 29,081
Total Assessed Valuation	\$ 7,788,058	\$ 8,382,678	\$ 8,550,331	\$ 8,977,875	\$ 9,884,820	\$ 10,931,847	\$ 12,069,642	\$ 13,325,860	\$ 13,592,377
Gunnison Rising Metropolitan Districts 1-5 @ 35.000 mills (for debt)	\$ 269,856	\$ 290,460	\$ 296,269	\$ 311,083	\$ 342,509	\$ 378,788	\$ 418,213	\$ 461,741	\$ 470,976
Gunnison Rising Metropolitan Districts @ 5.000 mills (for maint/oper)	\$ 38,551	\$ 41,494	\$ 42,324	\$ 44,440	\$ 48,930	\$ 54,113	\$ 59,745	\$ 65,963	\$ 67,282
City of Gunnison @3.868 mills	\$ 29,823	\$ 32,100	\$ 32,742	\$ 34,379	\$ 37,852	\$ 41,862	\$ 46,219	\$ 51,029	\$ 52,050

Development fee Revenue									
Residential Lot Fee	\$ 6,095	\$ 6,217	\$ 6,341	\$ 6,468	\$ 6,597	\$ 7,284	\$ 8,042	\$ 8,879	\$ 9,057
Projected Residential Lots Developed	0	10	10	0	0	0	0	0	0
Residential Lot Fee Revenue	\$ -	\$ 62,169	\$ 63,412	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Residential Fee per Sq Ft	\$ 1.22	\$ 1.24	\$ 1.27	\$ 1.29	\$ 1.32	\$ 1.46	\$ 1.61	\$ 1.78	\$ 1.81
Projected Non-Residential Sq Ft	-	-	10,000	-	-	-	-	-	-
Non-Residential Lot Fee Revenue	\$ -	\$ -	\$ 12,682	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Development Fee Revenue	\$ -	\$ 62,169	\$ 76,095	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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**Gunnison Rising
Metropolitan Districts 1-7**

TABLE 6

Net Revenue Available for Debt Service

	2017	2018	2019	2020	2021	2022	2023	2024	2025	
TOTAL PROJECT REVENUES										
Public Improvement Fee (credit)	0.00%	0	0	0	0	0	0	0	0	
Metro District Property Tax (for debt)	35.00 mills	567	579	117,581	136,310	197,476	218,788	224,457	242,768	255,835
Metro District Property Tax (for maint/oper)	5.00 mills	81	83	16,797	19,473	28,211	31,255	32,065	34,681	36,548
Specific Ownership Tax Revenue (@7%)		40	41	8,231	9,542	13,823	15,315	15,712	16,994	17,908
Development Fee Revenue		112,710	59,303	94,105	216,486	0	11,262	57,434	58,583	11,951
Developer Advance for Admin Expenses		4,919	29,917	13,203	10,527	1,789	0	0	0	0
TOTAL REVENUES		118,317	89,922	249,917	392,338	241,300	276,620	329,668	353,026	322,243
OPERATING EXPENSES										
District Admin Expenses		-5,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000
Maintenance Expenses - Public Infrastructure		0	0	0	0	0	-1,255	-2,065	-4,681	-6,548
TOTAL OPERATING EXPENSES		-5,000	-30,000	-30,000	-30,000	-30,000	-31,255	-32,065	-34,681	-36,548
NET REVENUE AVAILABLE FOR DEBT SERVICE		\$113,317	\$59,922	\$219,917	\$362,338	\$211,300	\$245,364	\$297,603	\$318,345	\$285,695

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**Gunnison Rising
Metropolitan Districts 1-7**

TABLE 6

Net Revenue Available for Debt Service

	2026	2027	2028	2029	2030	2035	2040	2045	2046
TOTAL PROJECT REVENUES									
Public Improvement Fee (credit) 0.00%	0	0	0	0	0	0	0	0	0
Metro District Property Tax (for debt) 35.00 mills	269,856	290,460	296,269	311,083	342,509	378,788	418,213	461,741	470,976
Metro District Property Tax (for maint/oper) 5.00 mills	38,551	41,494	42,324	44,440	48,930	54,113	59,745	65,963	67,282
Specific Ownership Tax Revenue (@7%)	18,890	20,332	20,739	21,776	23,976	26,515	29,275	32,322	32,968
Development Fee Revenue	0	62,169	76,095	0	0	0	0	0	0
Developer Advance for Admin Expenses	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	327,297	414,455	435,426	377,300	415,414	459,416	507,233	560,026	571,226
OPERATING EXPENSES									
District Admin Expenses	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000
Maintenance Expenses - Public Infrastructure	-8,551	-11,494	-12,324	-14,440	-18,930	-24,113	-29,745	-35,963	-37,282
TOTAL OPERATING EXPENSES	-38,551	-41,494	-42,324	-44,440	-48,930	-54,113	-59,745	-65,963	-67,282
NET REVENUE AVAILABLE FOR DEBT SERVICE	\$288,746	\$372,961	\$393,102	\$332,859	\$366,485	\$405,304	\$447,488	\$494,063	\$503,944

ANDERSON ANALYTICS has compiled this information based upon key assumptions provided by others. We have not independently examined or evaluated those assumptions, and consequently disclaim any form of assurance or opinion on them. Actual results may differ materially from projected results.

GUNNISON RISING METROPOLITAN DISTRICT

Development Projection (Full Growth No PIF) - Total Project Revenues*

Series 2017, Special Revenue Bonds, Non-Rated, 150x, 2046 Final Maturity; plus Series 2017B Cash-Flow Subs.

Coll'n YEAR	Net Project Revenues*	Plus Dev. Fees	Net Revenue Avail. for D/S	Series 2017 \$3,125,000 Par [Net \$3.278 MM] Net Debt Service	Annual Surplus	Surplus Release @ to \$312,500	Cumulative Surplus \$312,500 Target	Coverage of Net DS (Not incl. Fees)
2015	0		0		0		0	n/a
2016	0		0		0	0	0	n/a
2017	607	112,710	113,317	\$0	113,317	0	113,317	n/a
2018	619	59,303	59,922	0	59,922	0	173,239	n/a
2019	125,812	94,105	219,917	0	219,917	80,656	312,500	n/a
2020	145,851	216,486	362,338	155,938	206,400	206,400	312,500	93.5%
2021	211,300	0	211,300	186,875	24,425	24,425	312,500	113.1%
2022	234,103	11,262	245,364	186,875	58,489	58,489	312,500	125.3%
2023	240,169	57,434	297,603	186,875	110,728	110,728	312,500	128.5%
2024	259,762	58,583	318,345	186,875	131,470	131,470	312,500	139.0%
2025	273,744	11,951	285,695	186,875	98,820	98,820	312,500	146.5%
2026	288,746	0	288,746	191,875	96,871	96,871	312,500	150.5%
2027	310,792	62,169	372,961	206,575	166,386	166,386	312,500	150.4%
2028	317,008	76,095	393,102	210,375	182,727	182,727	312,500	150.7%
2029	332,859	0	332,859	218,875	113,984	113,984	312,500	152.1%
2030	366,485	0	366,485	241,775	124,710	124,710	312,500	151.6%
2031	374,438	0	374,438	248,175	126,263	126,263	312,500	150.9%
2032	381,927	0	381,927	253,975	127,952	127,952	312,500	150.4%
2033	389,565	0	389,565	259,175	130,390	130,390	312,500	150.3%
2034	397,357	0	397,357	263,775	133,582	133,582	312,500	150.6%
2035	405,304	0	405,304	267,775	137,529	137,529	312,500	151.4%
2036	413,410	0	413,410	271,175	142,235	142,235	312,500	152.5%
2037	421,678	0	421,678	278,975	142,703	142,703	312,500	151.2%
2038	430,112	0	430,112	285,875	144,237	144,237	312,500	150.5%
2039	438,714	0	438,714	291,875	146,839	146,839	312,500	150.3%
2040	447,488	0	447,488	296,975	150,513	150,513	312,500	150.7%
2041	456,438	0	456,438	301,175	155,263	155,263	312,500	151.6%
2042	465,567	0	465,567	309,475	156,092	156,092	312,500	150.4%
2043	474,878	0	474,878	311,575	163,303	163,303	312,500	152.4%
2044	484,375	0	484,375	322,775	161,600	161,600	312,500	150.1%
2045	494,063	0	494,063	327,475	166,588	166,588	312,500	150.9%
2046	503,944	0	503,944	333,475	170,469	482,969	0	151.1%
								n/a
	10,087,112	760,097	10,847,209	6,783,488	4,063,722	4,063,722		

[HFeb1016 17nrH5]

[*] Source: Anderson Analytics

GUNNISON RISING METROPOLITAN DISTRICT

Development Projection (Full Growth No PIF) - Total Project Revenues*

Series 2017, Special Revenue Bonds, Non-Rated, 150x, 2046 Final Maturity; plus Series 2017B Cash-Flow Subs.

Cash-flow Sub. Bonds >>>

Coll'n YEAR	Total Available for Sub Debt Service	Date Bonds Issued	Bond Interest on Balance 8.00%	Less Payments Toward CF Bond Interest	Accrued Interest + Int. on Bal. @ 8.00%	Less Payments Toward Accrued Interest	Balance of Accrued Interest	CF Bond Principal Issued	Less Payments Toward Bond Principal	Balance of CF Bond Principal	Surplus Cash Flow to District
2015	0										
2016	0										
2017	0	2/1/17	\$83,594	0	83,594	0	83,594	\$1,198,000	0	1,198,000	0
2018	0		95,840	0	102,528	0	186,121		0	1,198,000	0
2019	80,656		95,840	80,656	30,074	0	216,195		0	1,198,000	0
2020	206,400		95,840	95,840	17,296	110,560	122,930		0	1,198,000	0
2021	24,425		95,840	24,425	81,250	0	204,180		0	1,198,000	0
2022	58,489		95,840	58,489	53,685	0	257,865		0	1,198,000	0
2023	110,728		95,840	95,840	20,629	14,888	263,606		0	1,198,000	0
2024	131,470		95,840	95,840	21,088	35,630	249,065		0	1,198,000	0
2025	98,820		95,840	95,840	19,925	2,980	266,010		0	1,198,000	0
2026	96,871		95,840	95,840	21,281	1,031	286,260		0	1,198,000	0
2027	166,386		95,840	95,840	22,901	70,546	238,615		0	1,198,000	0
2028	182,727		95,840	95,840	19,089	86,887	170,817		0	1,198,000	0
2029	113,984		95,840	95,840	13,665	18,144	166,338		0	1,198,000	0
2030	124,710		95,840	95,840	13,307	28,870	150,776		0	1,198,000	0
2031	126,263		95,840	95,840	12,062	30,423	132,415		0	1,198,000	0
2032	127,952		95,840	95,840	10,593	32,112	110,896		0	1,198,000	0
2033	130,390		95,840	95,840	8,872	34,550	85,218		0	1,198,000	0
2034	133,582		95,840	95,840	6,817	37,742	54,293		0	1,198,000	0
2035	137,529		95,840	95,840	4,343	41,689	16,948		0	1,198,000	0
2036	142,235		95,840	95,840	1,356	18,304	0		28,000	1,170,000	91
2037	142,703		93,600	93,600	0	0	0		49,000	1,121,000	103
2038	144,237		89,680	89,680	0	0	0		54,000	1,067,000	557
2039	146,839		85,360	85,360	0	0	0		61,000	1,006,000	479
2040	150,513		80,480	80,480	0	0	0		70,000	936,000	33
2041	155,263		74,880	74,880	0	0	0		80,000	856,000	383
2042	156,092		68,480	68,480	0	0	0		87,000	769,000	612
2043	163,303		61,520	61,520	0	0	0		101,000	668,000	783
2044	161,600		53,440	53,440	0	0	0		108,000	560,000	160
2045	166,588		44,800	44,800	0	0	0		121,000	439,000	788
2046	482,969		35,120	35,120	0	0	0		439,000	0	8,849
	<u>4,063,722</u>		<u>2,591,914</u>	<u>2,288,530</u>		<u>564,355</u>		<u>1,198,000</u>	<u>1,198,000</u>		<u>12,837</u>

SOURCES AND USES OF FUNDS

**GUNNISON RISING METROPOLITAN DISTRICT
SPECIAL REVENUE BONDS, SERIES 2017
30.00 (target) District Mills (no PIF)
(Total Project Revenues - Full Growth No PIF*)
Non-Rated, 150x, 2046 Final Maturity
[Preliminary -- for discussion only]**

Dated Date 02/01/2017
Delivery Date 02/01/2017

Sources:

<hr/>	
Bond Proceeds:	
Par Amount	3,125,000.00
Other Sources of Funds:	
Subordinate Bond Par Amount	1,198,000.00
	<hr/>
	4,323,000.00
	<hr/> <hr/>

Uses:

<hr/>	
Project Fund Deposits:	
Project Fund (Snr&Sub)	3,278,142.42
Other Fund Deposits:	
Capitalized Interest Fund	559,437.58
Debt Service Reserve Fund	<u>312,500.00</u>
	871,937.58
Other Delivery Date Expenses:	
Cost of Issuance-Snr.&Sub. (est.)	172,920.00
	<hr/>
	4,323,000.00
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Note: [*] Source: Anderson Analytics

BOND SUMMARY STATISTICS

**GUNNISON RISING METROPOLITAN DISTRICT
SPECIAL REVENUE BONDS, SERIES 2017
30.00 (target) District Mills (no PIF)
(Total Project Revenues - Full Growth No PIF*)
Non-Rated, 150x, 2046 Final Maturity
[Preliminary -- for discussion only]**

Dated Date	02/01/2017
Delivery Date	02/01/2017
First Coupon	06/01/2017
Last Maturity	12/01/2046
Arbitrage Yield	6.000774%
True Interest Cost (TIC)	6.000774%
Net Interest Cost (NIC)	6.000000%
All-In TIC	6.462712%
Average Coupon	6.000000%
Average Life (years)	24.267
Duration of Issue (years)	12.876
Par Amount	3,125,000.00
Bond Proceeds	3,125,000.00
Total Interest	4,550,050.00
Net Interest	4,550,050.00
Bond Years from Dated Date	75,834,166.67
Bond Years from Delivery Date	75,834,166.67
Total Debt Service	7,675,050.00
Maximum Annual Debt Service	646,600.00
Average Annual Debt Service	257,264.25
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	

Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Term Bond due 2046	3,125,000.00	100.000	6.000%	24.267	4,312.50
	3,125,000.00			24.267	4,312.50

	TIC	All-In TIC	Arbitrage Yield
Par Value	3,125,000.00	3,125,000.00	3,125,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts		-172,920.00	
Target Value	3,125,000.00	2,952,080.00	3,125,000.00
Target Date	02/01/2017	02/01/2017	02/01/2017
Yield	6.000774%	6.462712%	6.000774%

BOND DEBT SERVICE

GUNNISON RISING METROPOLITAN DISTRICT
SPECIAL REVENUE BONDS, SERIES 2017
30.00 (target) District Mills (no PIF)
(Total Project Revenues - Full Growth No PIF*)
Non-Rated, 150x, 2046 Final Maturity
[Preliminary -- for discussion only]

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2017			62,500	62,500	
12/01/2017			93,750	93,750	156,250
06/01/2018			93,750	93,750	
12/01/2018			93,750	93,750	187,500
06/01/2019			93,750	93,750	
12/01/2019			93,750	93,750	187,500
06/01/2020			93,750	93,750	
12/01/2020			93,750	93,750	187,500
06/01/2021			93,750	93,750	
12/01/2021			93,750	93,750	187,500
06/01/2022			93,750	93,750	
12/01/2022			93,750	93,750	187,500
06/01/2023			93,750	93,750	
12/01/2023			93,750	93,750	187,500
06/01/2024			93,750	93,750	
12/01/2024			93,750	93,750	187,500
06/01/2025			93,750	93,750	
12/01/2025			93,750	93,750	187,500
06/01/2026			93,750	93,750	
12/01/2026	5,000	6.000%	93,750	98,750	192,500
06/01/2027			93,600	93,600	
12/01/2027	20,000	6.000%	93,600	113,600	207,200
06/01/2028			93,000	93,000	
12/01/2028	25,000	6.000%	93,000	118,000	211,000
06/01/2029			92,250	92,250	
12/01/2029	35,000	6.000%	92,250	127,250	219,500
06/01/2030			91,200	91,200	
12/01/2030	60,000	6.000%	91,200	151,200	242,400
06/01/2031			89,400	89,400	
12/01/2031	70,000	6.000%	89,400	159,400	248,800
06/01/2032			87,300	87,300	
12/01/2032	80,000	6.000%	87,300	167,300	254,600
06/01/2033			84,900	84,900	
12/01/2033	90,000	6.000%	84,900	174,900	259,800
06/01/2034			82,200	82,200	
12/01/2034	100,000	6.000%	82,200	182,200	264,400
06/01/2035			79,200	79,200	
12/01/2035	110,000	6.000%	79,200	189,200	268,400
06/01/2036			75,900	75,900	
12/01/2036	120,000	6.000%	75,900	195,900	271,800
06/01/2037			72,300	72,300	
12/01/2037	135,000	6.000%	72,300	207,300	279,600
06/01/2038			68,250	68,250	
12/01/2038	150,000	6.000%	68,250	218,250	286,500
06/01/2039			63,750	63,750	
12/01/2039	165,000	6.000%	63,750	228,750	292,500
06/01/2040			58,800	58,800	
12/01/2040	180,000	6.000%	58,800	238,800	297,600
06/01/2041			53,400	53,400	
12/01/2041	195,000	6.000%	53,400	248,400	301,800
06/01/2042			47,550	47,550	
12/01/2042	215,000	6.000%	47,550	262,550	310,100
06/01/2043			41,100	41,100	
12/01/2043	230,000	6.000%	41,100	271,100	312,200
06/01/2044			34,200	34,200	
12/01/2044	255,000	6.000%	34,200	289,200	323,400
06/01/2045			26,550	26,550	
12/01/2045	275,000	6.000%	26,550	301,550	328,100
06/01/2046			18,300	18,300	
12/01/2046	610,000	6.000%	18,300	628,300	646,600
	3,125,000		4,550,050	7,675,050	7,675,050

NET DEBT SERVICE

**GUNNISON RISING METROPOLITAN DISTRICT
SPECIAL REVENUE BONDS, SERIES 2017
30.00 (target) District Mills (no PIF)
(Total Project Revenues - Full Growth No PIF*)
Non-Rated, 150x, 2046 Final Maturity
[Preliminary -- for discussion only]**

Period Ending	Principal	Interest	Total Debt Service	Debt Service Reserve Fund	Capitalized Interest Fund	Net Debt Service
12/01/2017		156,250	156,250		-156,250	
12/01/2018		187,500	187,500		-187,500	
12/01/2019		187,500	187,500		-187,500	
12/01/2020		187,500	187,500	-312.50	-31,250	155,937.50
12/01/2021		187,500	187,500	-625.00		186,875.00
12/01/2022		187,500	187,500	-625.00		186,875.00
12/01/2023		187,500	187,500	-625.00		186,875.00
12/01/2024		187,500	187,500	-625.00		186,875.00
12/01/2025		187,500	187,500	-625.00		186,875.00
12/01/2026	5,000	187,500	192,500	-625.00		191,875.00
12/01/2027	20,000	187,200	207,200	-625.00		206,575.00
12/01/2028	25,000	186,000	211,000	-625.00		210,375.00
12/01/2029	35,000	184,500	219,500	-625.00		218,875.00
12/01/2030	60,000	182,400	242,400	-625.00		241,775.00
12/01/2031	70,000	178,800	248,800	-625.00		248,175.00
12/01/2032	80,000	174,600	254,600	-625.00		253,975.00
12/01/2033	90,000	169,800	259,800	-625.00		259,175.00
12/01/2034	100,000	164,400	264,400	-625.00		263,775.00
12/01/2035	110,000	158,400	268,400	-625.00		267,775.00
12/01/2036	120,000	151,800	271,800	-625.00		271,175.00
12/01/2037	135,000	144,600	279,600	-625.00		278,975.00
12/01/2038	150,000	136,500	286,500	-625.00		285,875.00
12/01/2039	165,000	127,500	292,500	-625.00		291,875.00
12/01/2040	180,000	117,600	297,600	-625.00		296,975.00
12/01/2041	195,000	106,800	301,800	-625.00		301,175.00
12/01/2042	215,000	95,100	310,100	-625.00		309,475.00
12/01/2043	230,000	82,200	312,200	-625.00		311,575.00
12/01/2044	255,000	68,400	323,400	-625.00		322,775.00
12/01/2045	275,000	53,100	328,100	-625.00		327,475.00
12/01/2046	610,000	36,600	646,600	-313,125.00		333,475.00
	3,125,000	4,550,050	7,675,050	-329,062.50	-562,500	6,783,487.50

BOND SOLUTION

**GUNNISON RISING METROPOLITAN DISTRICT
SPECIAL REVENUE BONDS, SERIES 2017
30.00 (target) District Mills (no PIF)
(Total Project Revenues - Full Growth No PIF*)
Non-Rated, 150x, 2046 Final Maturity
[Preliminary -- for discussion only]**

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2017		156,250	-156,250		607	607	
12/01/2018		187,500	-187,500		619	619	
12/01/2019		187,500	-187,500		125,812	125,812	
12/01/2020		187,500	-31,563	155,938	145,851	-10,086	93.53186%
12/01/2021		187,500	-625	186,875	211,300	24,425	113.07012%
12/01/2022		187,500	-625	186,875	234,103	47,228	125.27242%
12/01/2023		187,500	-625	186,875	240,169	53,294	128.51839%
12/01/2024		187,500	-625	186,875	259,762	72,887	139.00289%
12/01/2025		187,500	-625	186,875	273,744	86,869	146.48498%
12/01/2026	5,000	192,500	-625	191,875	288,746	96,871	150.48660%
12/01/2027	20,000	207,200	-625	206,575	310,792	104,217	150.44994%
12/01/2028	25,000	211,000	-625	210,375	317,008	106,633	150.68702%
12/01/2029	35,000	219,500	-625	218,875	332,859	113,984	152.07730%
12/01/2030	60,000	242,400	-625	241,775	366,485	124,710	151.58087%
12/01/2031	70,000	248,800	-625	248,175	374,438	126,263	150.87658%
12/01/2032	80,000	254,600	-625	253,975	381,927	127,952	150.37965%
12/01/2033	90,000	259,800	-625	259,175	389,565	130,390	150.30973%
12/01/2034	100,000	264,400	-625	263,775	397,357	133,582	150.64223%
12/01/2035	110,000	268,400	-625	267,775	405,304	137,529	151.35979%
12/01/2036	120,000	271,800	-625	271,175	413,410	142,235	152.45128%
12/01/2037	135,000	279,600	-625	278,975	421,678	142,703	151.15259%
12/01/2038	150,000	286,500	-625	285,875	430,112	144,237	150.45440%
12/01/2039	165,000	292,500	-625	291,875	438,714	146,839	150.30878%
12/01/2040	180,000	297,600	-625	296,975	447,488	150,513	150.68205%
12/01/2041	195,000	301,800	-625	301,175	456,438	155,263	151.55235%
12/01/2042	215,000	310,100	-625	309,475	465,567	156,092	150.43752%
12/01/2043	230,000	312,200	-625	311,575	474,878	163,303	152.41206%
12/01/2044	255,000	323,400	-625	322,775	484,375	161,600	150.06597%
12/01/2045	275,000	328,100	-625	327,475	494,063	166,588	150.87043%
12/01/2046	610,000	646,600	-313,125	333,475	503,944	170,469	151.11903%
	3,125,000	7,675,050	-891,563	6,783,488	10,087,112	3,303,625	



CITY OF GUNNISON PARKS AND RECREATION

To: City Council
From: Dan Ampietro
Re: OC Bike Tour Application

Andy and I spoke briefly and intermittently with the OC sport guys today as they were traveling in and out of cell range. Nothing much can be added from that conversation other than they were informed that we would have a totally different bid if this event were in September. The proposal is due March 11th. We need to decide if we are interested in shooting them a lowball number for 2017 or simply not respond. We do not know their route so we also do not know if we have any leverage in that regard.

We figure that a barebones offer should include:

•	1/2 the requested number of rooms 43 X \$120/room estimate	\$5,160
•	Lunch for 500 riders @ \$10/rider	\$5,000
•	Porta pots	\$1,000
•	Riders bike appetizer	\$1,000
•	Cash donation this is the wild card. Requesting \$30,000	\$4,000
•	MSC expenses	\$1,000
Total for 2017		\$17,000

Request for 2016

Test ride in 2016

•	Dinner for 30	\$450
•	Lunch for 30	\$300
•	Rooms for 30 (offer 1/2 rooms)	\$1,400

Total for 2016 \$2150

We believe that the bikers could easily be hosted at the Jorgensen events Center, feeding the lunch to the riders as they finish under the covered rink. The indoor rink would serve as the parking area for the bikes, and the parking lot would accommodate the entourage. They could both start and finish from the ice rink. This of course does not factor in any City personnel time which would include traffic control for starts and finish, prepping rinks for feeding and accommodating the bikes and many other tasks.

We would like to meet with whoever would be interested soon to decide if we want to offer a proposal. Since time is limited we will not have an opportunity to present the concept at a work session. Attached is the information provided by OC Sports and the application. Please let us know how you would like to proceed.



CITY OF GUNNISON PARKS AND RECREATION

To: City Council
From: Dan Ampietro
Re: Restrooms

We have been unable to complete a signed contract with the low bid precast concrete restroom provider or secure engineered plans for the flush unit that we have planned for Legion Park. Our 2015 budget approval included the Legion unit and two vault replacement toilets for Taylor mountain Park. The GOCO Trails grant also included 2 vault units for that project, one off of the Van Tuyl ranch road where the porta pot is located and one off of the new trail south of the highway 50 box culvert. The bid process occurred in April of 2015 and we reached verbal agreement with the low bidder in July. I authorized payment of a \$20,000 deposit in early August and we have heard nothing but excuses for non-delivery since then. The City Attorney has written a formal letter to the low bidder requesting the return of our deposit in hopes of either speeding up the contract and securing the plans or flat out returning the \$20,000. The contractor has responded to the letter stating that he is working on securing funds to return the deposit. Kathy believes that we will not have a problem getting a judgement for return of the deposit however collecting may be an issue. In the interim we can order the 4 vault units from another pre cast company and get those units into production. The flush replacement unit at Legion Park becomes more complicated. The competing pre cast manufacturer has a higher cost for their similar unit and the lead time right now is 120 days. This unit would cost approximately \$5,000 more and the budget amount was rolled over minus the \$20,000 deposit. We suggest waiting until we receive the deposit money back before moving forward with this unit. Installation will be most advantageous either at the conclusion of the season or in the spring of 2017 prior to opening for the year. Installation at any other time would leave us with no legion restrooms during our busiest time.