

**SERVICE PLAN
FOR
RIVERDALE PEAKS II
METROPOLITAN DISTRICT
(COUNTY OF ADAMS, COLORADO)**

Approved: June 3, 2002

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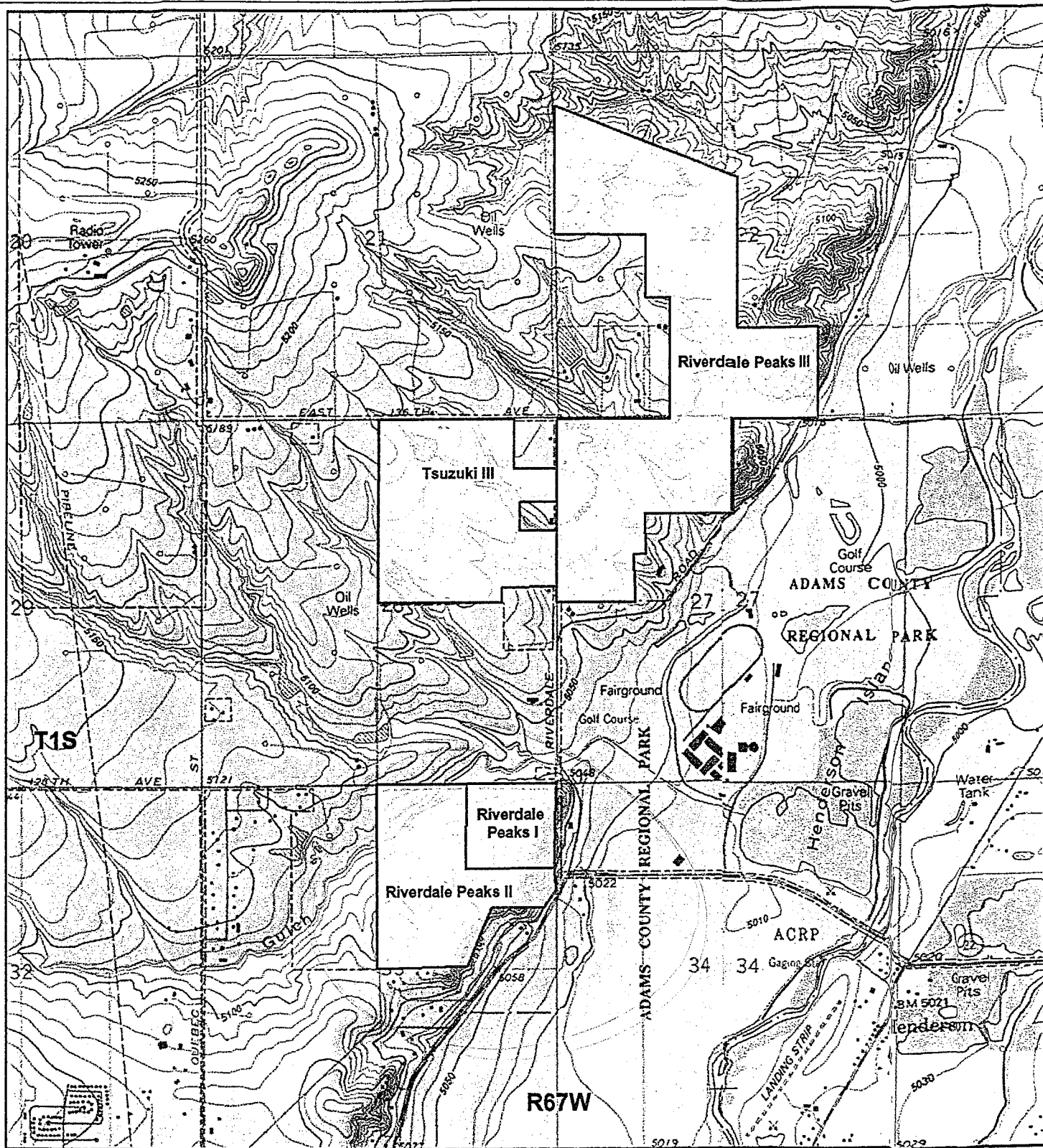
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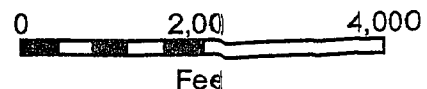
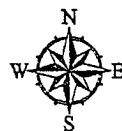
SCHEDULE OF EXHIBITS

EXHIBIT A	Legal Description of Property
EXHIBIT B-1	Property and Vicinity Map
EXHIBIT B-2	Existing, Proposed and Planned Development
EXHIBIT B-3	Three-Mile Radius Map
EXHIBIT B-4	List of Services by Other Entities
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EXHIBIT E-1	Water and Irrigation Improvements
EXHIBIT E-2	Sanitary Sewer and Storm Sewer Improvements
EXHIBIT E-3	Street Improvements
EXHIBIT F	Overlapping Mill Levies and Mill Levy Comparison
EXHIBIT G	Indebtedness of Overlapping Entities



 Approximate Property Boundaries

Source: US Geological Survey 7.5 Minute Series, Eastlake and Brighton Quadrangles
 Projection: UTM Zone 13 North, NAD 1983.



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Job No. 507.8
 Date: February 28, 2003

Figure 1: Riverdale Peas II & III Water Supply Report Gateway American Properties, LLC

**SERVICE PLAN FOR
RIVERDALE PEAKS II METROPOLITAN DISTRICT**

I. INTRODUCTION

Pursuant to the requirements of the Special District Control Act, Section 32-1-201, et seq., Colorado Revised Statutes, and the requirements of Chapter 13 of the Adams County Zoning Regulations, this Service Plan consists of a financial analysis and an engineering plan showing how the existing and proposed facilities and services of the proposed Riverdale Peaks II Metropolitan District ("District") will be provided and financed. The following items are included in this Service Plan:

1. A description of the proposed services;
2. A financial plan showing how the existing and proposed services are to be financed, including the proposed operating revenue derived from property taxes for the first budget year of the District;
3. A preliminary engineering or architectural survey showing how the proposed services are to be provided;
4. A map of the District boundaries, the proposed service area of the District and an estimate of the population and valuation for assessment of the District;
5. A general description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of the District are compatible with facility and service standards of Adams County ("County") and of any

municipalities and special districts which are interested parties pursuant to Section 32-1-204(1), Colorado Revised Statutes;

6. A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the operation of the District; and

7. A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the District and such other political subdivision, and if applicable, a form of the agreement is attached hereto.

II. DISTRICT BOUNDARIES/MAPS

The area to be served by the District is located in the County generally south of East 128th Avenue, east of Quebec Street and north of Riverdale Road. The total area to be included within the proposed District's initial boundaries is approximately 98 acres (the "Property"). A legal description of the Property is attached hereto as **Exhibit A**. A map of the Property and a vicinity map is attached as **Exhibit B-1**.

III. PURPOSE OF THE DISTRICT

It is proposed that the District have the following functions: (1) to provide water services and improvements; and (2) to provide sanitary sewer services and improvements; and (3) to provide street improvements; and (4) to provide parks and recreation facilities and services; and (5) to provide safety protection facilities and services; and (6) to provide transportation facilities and

services; and (7) to provide television relay and translation facilities and services; and (8) to provide mosquito control facilities and services.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS

An application for re-zoning of the Property has been filed with the County and is being processed concurrently with this Service Plan. Pursuant to such application, it is anticipated that the Property within the District will be zoned "A-1." The District is currently vacant and, as such is not presently served with the facilities and/or services proposed to be provided by the proposed District. At an estimated 2.5 persons per residence, this would result in a population estimate of 130 persons based on proposed zoning and zoning projections. Additionally, it is anticipated that the northwestern-most corner of the Property may be re-zoned in the future and developed with approximately 76,000 square feet of commercial development. In order to facilitate the development in the proposed service area as planned, organized provision of facilities and services proposed to be provided by the District will be necessary. See Exhibits B-2 through B-4 for maps showing the existing, proposed and planned development within the District, the location of other special districts, and municipalities within a three-mile radius of the District, and a list of services provided by such entities.

It is anticipated that the District's boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to parts 4 and 5 of Article 1, Title 32, C.R.S. The District shall establish a policy for inclusion and exclusion of property from the District's boundaries which

provides objective procedures for the determination of costs, standards and criteria to allow for the orderly extension of services to developable lands.

V. **DESCRIPTION OF PROPOSED SERVICES**

The following paragraphs provide a description of the proposed services to be provided by the District.

A. - Types of Improvements.

The District plans to provide for the design, acquisition, construction, installation, and financing of certain water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation, and mosquito control improvements and services within and without the boundaries of the District. This Service Plan generally describes those improvements anticipated to be constructed by the District. A general description and preliminary estimate of engineering costs associated with each type of improvement and service to be provided by the District follows this paragraph, and **Exhibit C** lists the improvements currently planned to be provided relating to each type, the phasing of construction of such facilities, and the costs in current dollars ("Improvements"). The Improvements which are planned to be constructed have been presented for illustration only, and the exact design, subphasing of construction and location of the Improvements will be determined at the time of platting and such decisions shall not be considered to be a material modification of the Service Plan.

1. Water. The District shall have the power to provide for the design, acquisition, construction, completion, installation, operation and maintenance of a complete potable

and nonpotable water supply, purification, storage, transmission and distribution system, which may include, but shall not be limited to, wells, water pumps, purification plants, pump stations, transmission lines, distribution mains and laterals, fire hydrants, irrigation facilities, storage facilities, land and easements, and all necessary, incidental, and appurtenant facilities, together with extensions of and improvements to said system within and without the boundaries of the District. The water supply system will supply the water needs for the service area as development occurs. Water facilities and service arrangements to the entire service area will be provided by the District. It is anticipated that the District will develop and implement municipal standards for the construction of the water main infrastructure, in association with any Colorado Department of Health or other applicable regulations. The water facilities will be constructed in phases. It is anticipated that the District will own, operate and maintain the water improvements constructed by the District.

2. Sanitation. The District shall have the power to provide for the design, acquisition, construction, completion, installation, operation and maintenance of a complete sanitary sewage collection, treatment, transmission, and disposal system which may include, but shall not be limited to, treatment plants, collection mains and laterals, lift stations, transmission lines, sludge handling and disposal facilities, and/or storm sewer, flood and surface drainage facilities and systems, including detention/retention ponds, box culverts and associated irrigation facilities, and all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said system within and without the boundaries of the District.

At the District's discretion, for the health, safety and welfare of the District's constituents, the District may finance and construct a centralized sanitary sewer system. Once

installed, the District may compel any existing or future service users to connect to such centralized system. The sanitary sewer system will be designed to adequately serve these areas of the Property and will be constructed to coincide with development needs. The District may enter into intergovernmental agreements with other governmental entities to provide for the acquisition, construction, installation, financing, operation, maintenance, repair and replacement of a regional sewage treatment facility which would provide sanitary sewer to the Property. It is anticipated that the District will own, operate and maintain the sanitary sewer improvements constructed by the District, including any drainage facilities that are not regional in nature.

In areas where no central sanitary sewer system will be installed, District residents will maintain individual septic systems. It will be each individual's responsibility to maintain their individual septic system. The District expects to adopt rules and regulations requiring any resident or proposed service to comply with certain maintenance requirements with respect to the individual septic systems so that the system does not adversely impact the District's water supply. The District will continue to work closely with the Tri-County Health Department in imposing such rules and regulations. The District will have the right to inspect the individual septic systems during construction as well as during operation, to insure compliance.

3. Streets. The District shall have the power to provide for the acquisition, construction, completion, installation and/or operation and maintenance of street improvements classified as local, collector or higher, including curbs, gutters, culverts, and other drainage facilities, sidewalks, bike paths and pedestrian ways, fencing, entry monumentation, streetscaping, bridges, overpasses, interchanges, median islands, paving, lighting, grading, landscaping and irrigation,

together with all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the boundaries of the District. With the exception of 128th Avenue, which has portions of 128th Avenue located in the City of Thornton which portions of 128th Avenue are anticipated to be maintained by the City of Thornton, it is anticipated that, following acceptance by the County, the County will own, operate and maintain the streets constructed by the District. The District may supplement the County's maintenance of the streets as it deems necessary or desirable to benefit its service users.

It is anticipated that all streetscaping or street landscaping improvements will be maintained by the District, another special district, or an association of landowners within the service area.

4. Safety Protection. The District shall have the power to provide for the acquisition, construction, completion, installation and/or operation and maintenance of facilities and/or services for a system of traffic and safety controls and devices on streets and highways, including signalization, signing and striping, together with all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the boundaries of the District. Following acceptance, all safety protection improvements will be transferred to the County for ownership and maintenance.

5. Park and Recreation. The District shall have the power to provide for the design, acquisition, construction, completion, installation, operation and maintenance of parks and recreational facilities and programs including, but not limited to, parks, bike paths and pedestrian ways, open space, landscaping, cultural activities, community recreational centers, water bodies,

irrigation facilities, and other active and passive recreational facilities and programs, and all necessary, incidental and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the boundaries of the District. All such parks and recreational facilities and landscaping will be owned and maintained by the District, another special district or an association of landowners within the Property.

6. Transportation. The District shall have the power to provide for the design, acquisition, construction, completion, installation, operation and maintenance of a system to transport the public by bus, rail, or any other means of conveyance, or combination thereof, or pursuant to contract, including park and ride facilities and parking lots, structures, and facilities; together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities of systems within and without the boundaries of the District. Following acceptance, the transportation improvements will be owned, operated and maintained by the District or other appropriate jurisdiction.

7. Television Relay and Translation. The District shall have the power to provide for the design, acquisition, construction, completion, installation, operation and maintenance of television relay and translation facilities and programs, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or programs within and without the boundaries of the District. Following acceptance, the television relay and translation improvements will be owned, operated and maintained by the District or other appropriate jurisdictions.

8. Mosquito Control. The District shall have the power to provide for the eradication and control of mosquitoes, including but not limited to elimination or treatment of breeding grounds, and purchase, lease, contracting or other use of equipment or supplies for mosquito control.

9. Other Powers. In addition to the enumerated powers, the Board of Directors of the District shall also have the following authority:

a. Plan Amendments. To amend the Service Plan as needed, subject to the appropriate statutory procedures.

b. Phasing, Deferral. Without amending this Service Plan, to defer, forego, reschedule, or restructure the financing and construction of certain improvements and facilities, to better accommodate the pace of growth, resource availability, and potential inclusions of property within the District.

c. Additional Services. Except as specifically provided herein, to provide such additional services and exercise such powers as are expressly or impliedly granted by Colorado law. The District shall have the authority pursuant to § 32-1-1101(1)(f)(I), C.R.S. and § 32-1-11-1(1.5)(a) through (1.5)(e), C.R.S. to divide the District into one or more areas consistent with the services, programs and facilities to be furnished therein. The exercise of such authority shall not be deemed a material modification of the Service Plan.

B. Standards of Construction/Statement of Compatibility.

1. The District's water system will be designed, constructed and maintained in accordance with the standards of the Colorado Department of Health, and any other jurisdiction, as appropriate.

2. The sanitary sewer treatment and/or collection facilities will be designed, constructed and maintained in accordance with the standards of Colorado Department of Health, and any other applicable local, state or federal rules and regulations.

3. All streets and safety protection facilities to be dedicated to the County will be designed and constructed in accordance with the standards and specifications of the County. If necessary, the District will seek the approval of the City of Thornton for any street construction plans on 128th Avenue.

4. All storm sewers and facilities will be designed and constructed in accordance with the standards and specifications of the County, and the Urban Drainage and Flood Control District and other local jurisdictions, as appropriate.

5. All parks and recreational facilities and/or services will be constructed in accordance with engineering and design requirements appropriate for the surrounding terrain, and shall be compatible with standards of the County, or other local public entities, as appropriate.

6. All transportation facilities and/or services will be provided in accordance with the standards and specifications of the County, if any, or other local public entities, as appropriate.

7. All mosquito eradication and control facilities will be designed, constructed, maintained and operated in accordance with the standards and specifications of the Colorado Department of Health, the County, if any, or other jurisdictions, as appropriate.

Based on an analysis of jurisdictions which are interested parties in the Service Plan proceedings as defined in the Colorado Revised Statutes, the District's engineers have determined that the standards by which the facilities are to be constructed are compatible with the facilities of such other jurisdictions.

VI. ASSESSED VALUATION

For purposes of the Financial Plan, the Property within the District's Boundaries is assumed to have an assessed valuation of \$-0-. The projected build-out for the proposed District is set forth in the Financial Plan attached hereto as **Exhibit D**. The projected assessed valuation of the property to be included within the District, based upon the land use expectations heretofore noted, is set forth in the Financial Plan. At build-out, the assessed valuation is expected to be approximately Six Million Seven Hundred Seventy Nine Thousand One Hundred Forty Six Dollars (\$6,779,146).

VII. ESTIMATED COSTS OF FACILITIES

The estimated costs of the Improvements to be designed, constructed, installed and/or acquired by the District are approximately Four Million Seven Hundred Fifty Thousand (\$4,750,000) as set forth in **Exhibit C** attached hereto. A general description and preliminary engineering sketch of the facilities to be constructed and/or acquired are shown on **Exhibit E-1 through E-3** attached

hereto. Due to the preliminary nature of the development, the cost estimates and preliminary engineering sketches do not anticipate park and recreation, transportation or television relay and translation improvements. The financing and construction of such improvements by the District is dependent upon any future re-zonings of the Property and any related development requirements. It will be in the discretion of the District's Board of Directors to modify the improvements required by any such future rezoning. However, in no event will the District exceed its debt authorization set forth in Section IX of this Service Plan. In addition to the sources of revenue described below, the District's Board may set up enterprises to fund such facilities, services and programs as may qualify for enterprise status using the procedures and criteria provided by Article X, Section 20, Colorado State Constitution. To the extent provided by law, any enterprise created by the District will remain under the control of the Board of the District.

VIII. OPERATION AND MAINTENANCE/ESTIMATED COSTS

Subject to the applicable warranty, the District intends to dedicate certain facilities constructed or acquired, to the appropriate jurisdiction for operations and maintenance. Facilities completed by the District or others within its boundaries may be owned, operated and/or maintained by the District. Estimated costs for operation and maintenance functions are shown on the Financial Plan. The District may impose a system of fees, rates, tolls, penalties or charges in connection with its provision of services. The estimated revenues from such fees, rates, tolls, penalties, or charges for the years 2003 and beyond are reflected in the Financial Plan. For the years 2004 and beyond the Financial Plan assumes the District will incur operation, maintenance and administrative

expenses from One thousand Nine Hundred Forty Three Dollars (\$1,943) increasing to Nineteen Thousand Nine Hundred Thirty One Dollars (\$19,931) at buildout. These projections are subject to change based upon final land use approvals. Prior to the District having sufficient revenue to cover its ongoing operation and maintenance expenses, the developer of property within the District will advance funds to the District.

In addition to the sources of revenue described above, the District's Board may set up enterprises to manage and operate such facilities, services and programs as may qualify for enterprise status using the procedures and criteria provided by Article X, Section 20, Colorado State Constitution. To the extent provided by law, any enterprise created by the District will remain under the control of the Board of the District.

IX. FINANCIAL PLAN/PROPOSED INDEBTEDNESS

A. General. The Financial Plan attached hereto as **Exhibit D** shows how the proposed facilities and/or services are to be financed including the estimated costs of engineering services, legal services, administrative services, proposed bond issuances and estimated proposed maximum interest rates and discounts, and other major expenses related to the operation of the District. It demonstrates the issuance of debt and the anticipated repayment based on the projected development within the District's service area. The Financial Plan demonstrates that, at various projected levels of development, the District has the ability to finance the facilities identified herein, and will be capable of discharging the proposed bonds on a reasonable basis. Prior to the time of issuance of any bonds by the District, the costs for necessary Improvements will be paid by the developer of the

Property within the District, subject to subsequent reimbursement or acquisition by the District of the completed Improvements and payment to the developer of such costs, together with accrued interest thereon.

It is anticipated that a Facility Fee of \$19,750 per single-family unit and \$1.00 per square foot of commercial development will be imposed ("Facility Fee"). The District may increase or decrease the amount of the Facility Fee at the discretion of the Board of Directors. Additionally, the District may receive revenues from an enterprise established by the Board. Such enterprise may incur debt only after performing a rate study demonstrating the ability of the enterprise to discharge such debt on a reasonable basis. Any debt of any such enterprise shall not be considered a debt of the District.

The estimated costs of the Improvements exceed the debt capacity of the District, as shown in the Financial Plan. As such, the costs of any Improvements which cannot be supported by the District will be funded by the Developer. In the event the District is capable of incurring additional debt or generates revenue in amounts greater than currently anticipated in the Financial Plan, the District may reimburse the Developer for such advances.

B. Proposed General Obligation Indebtedness. The provision of facilities by the proposed District will be primarily financed by the issuance of general obligation bonds, secured by the ad valorem taxing authority of the proposed District with limitations as discussed below. The Financial Plan demonstrates the issuance of the debt and the anticipated repayment based on the projected development in the District boundaries. It is anticipated that the first bond issue will occur in 2004. Prior to that time, the costs for necessary improvements will be advanced by the

developer(s) within the proposed District, subject to subsequent reimbursement of such costs or acquisition by the proposed District of the improvements.

Bonds would mature not more than forty (40) years from the date of issuance, with the first maturity being not later than three years from the date of their issuance. The proposed maximum voted interest rate is estimated at eighteen percent (18%) and the maximum underwriting discount at five percent (5%). The exact interest rates and discounts will be determined at the time the bonds are sold by the proposed District, and will reflect market conditions at the time of sale. The proposed District may also issue notes, certificates, debentures or other evidences of indebtedness long-term contracts, subject to the limitations set forth herein.

It is proposed that a total maximum amount of Five Million Eight Hundred Eighty Seven Thousand Five Hundred Dollars (\$5,887,500) of bonds that are secured by *ad valorem* property taxes for various purposes be submitted to the electors of the proposed District for their approval. The amount to be voted exceeds the amount of bonds anticipated to be sold, as shown in the Financial Plan, to allow for unforeseen contingencies and increases in construction costs due to inflation, and to cover all issuance costs, including capitalized interest, reserve funds, discounts, legal fees and other incidental costs of issuance.

C. Mill Levy. The proposed District will have a mill levy assessed on all taxable property in the proposed District as a primary source of revenue for repayment of debt service and for operations and maintenance. Although the mill levy may vary depending upon the elected board's decision to fund the projects contemplated in this Service Plan, it is estimated that a total mill levy of forty-one (41) mills will produce revenue sufficient to support the operations and

maintenance and debt retirement throughout the bond repayment period. In addition, the proposed District may capitalize interest to permit payment of interest during the time lapse between development of taxable properties and the collection of tax levies therefrom. Interest income through the reinvestment of construction funds, capitalized interest and annual tax receipts will provide additional funds. These revenue sources, together with the Facility Fee, should be sufficient to retire the proposed indebtedness if growth occurs as projected; otherwise, increases in the mill levy and/or the imposition of rates, tolls, fees and charges may be necessary.

The "Mill Levy Cap" shall be the maximum mill levy the District is permitted to promise to impose for payment of general obligation debt, and shall be determined as follows:

1. For debt which exceeds 50% of the District's assessed valuation, the Mill Levy Cap shall be fifty (50) mills; reduced by the number of mills necessary to pay the unlimited mill levy general obligation debt, provided however, that in the event the method of calculating assessed valuation is changed after the date of approval of this Service Plan, by any change in law, change in method or calculation, or in the event of any legislation or constitutionally mandated tax credit, cut or abatement, the mill levy limitation applicable to such debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board 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, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

2. For debt which is less than 50% of the District's assessed valuation, either on the date of issuance or at any time thereafter, the Mill Levy Cap shall be such amount as may be necessary to pay the debt service on such debt, without limitation of rate.

For purposes of the foregoing, once debt has been determined to be within C.2. above so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, the District may provide that such debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent reduction in the assessed valuation of the District.

D. Cost Summary and Bond Development. The Financial Plan reflects the total amount of bonds to be sold to finance the completion, construction, acquisition and/or installation of the proposed facilities, including all costs and expenses related to the anticipated bond issuances. The amount of bonds sold will be based upon the final engineering estimates and/or actual construction contracts. Organizational costs, including legal fees, and capitalized engineering costs, are to be paid from the proceeds of each bond issue. The interest rates as set forth in the Financial Plan area based upon the advice of Kirkpatrick Pettis.

The Financial Plan projects the anticipated flow of funds and is based upon estimates of construction and project needs for bond proceeds to finance the proposed District's improvements. The District's engineer has evaluated the timing and cost estimate of the proposed District's improvements which are necessary to support the proposed absorptions of development as projected in the Financial Plan and has concurred with the assumptions. The Financial Plan sets forth the most reasonable estimate of growth within the proposed District and allows the Board of Directors a

measure of flexibility such that the proposed District need not incur debt in excess of what it needs to meet a growing population's demands for facilities and services.

Based upon consultation with engineering, legal and financial advisors to this District, the provision of water and sanitary sewer and other facilities by the District will be financed by the issuance of general obligation bonds secured by the ad valorem taxing authority of the District.

The District may capitalize interest to permit payment of interest during the time lapse between development of properties and collection of fees, rates, tolls and charges. Interest income through the reinvestment of construction funds will provide additional income. The projected revenue sources will retire the proposed bonds if growth occurs as projected; otherwise increases and/or the imposition of new rates, tolls, fees and charges may be necessary.

E. Operations. Annual administrative, operational and maintenance expenses are estimated as shown in the Financial Plan. The Financial Plan projects that the District will have sufficient revenue to pay for its ongoing operations and maintenance expenses. If necessary, however, the District reserves the right to supplement these revenues with additional revenue sources as permitted by law. The County shall not be held liable for any of the District's obligations as set forth in this Service Plan.

F. Overlapping Debt Information. Information on the proposed mill levy for the District and for surrounding areas is set forth on **Exhibit F** attached hereto. Information concerning outstanding general obligations for municipalities, counties and special districts which the District is included in is set forth in the chart attached hereto as **Exhibit G**.

X. CONCLUSION

It is submitted that this Service Plan for the Riverdale Peaks II Metropolitan District:

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

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

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

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

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

F. The facility and service standards of the District are compatible with the facility and service standards of the County within which the special district is to be located and each municipality which is an interested party under Section 32-1-204(1), Colorado Revised Statutes;

G. The proposal is in substantial compliance with a master plan adopted pursuant to Section 30-28-106, C.R.S.; and

H. The proposal is in compliance with any duly adopted County, regional, or state long-range water quality management plan for the area; and

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

EXHIBIT A

Legal Description of Property

EXHIBIT A
92.03 ACRE DURLAND PARCEL

SHEET 1 OF 4

LEGAL DESCRIPTION

A PARCEL OF LAND BEING ALL OF OUTLOTS A AND B OF RIVERDALE PEAKS SUBDIVISION AND A PART OF THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 1 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF ADAMS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS FOR THIS LEGAL DESCRIPTION IS THE WEST LINE OF THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 1 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN WHICH WAS ASSUMED TO BEAR NORTH 00°12'41" WEST, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

COMMENCING AT THE NORTHWEST CORNER OF SAID NORTHEAST QUARTER OF SECTION 33;

THENCE SOUTH 00°12'41" EAST ALONG THE WEST LINE OF SAID NORTHEAST QUARTER OF SECTION 33 A DISTANCE OF 30.00 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF EAST 128TH AVENUE;

THENCE NORTH 89°20'20" EAST ALONG SAID SOUTHERLY RIGHT-OF-WAY A DISTANCE OF 856.25 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID SOUTHERLY RIGHT-OF-WAY THE FOLLOWING THREE (3) COURSES:

- 1) THENCE NORTH 89°20'30" EAST A DISTANCE OF 429.61 FEET TO A POINT ON THE WESTERLY LINE OF RIVERDALE PEAKS, A SUBDIVISION PLAT RECORDED IN THE OFFICE OF THE ADAMS COUNTY CLERK AND RECORDER IN FILE 17 AT MAP 779, SAID POINT ALSO BEING ON A LINE 33.00 FEET WESTERLY DISTANT AND PARALLEL, WHEN MEASURED AT RIGHT ANGLES, WITH THE NORTH - SOUTH CENTERLINE OF SAID NORTHEAST QUARTER;
- 2) THENCE SOUTH 00°11'36" EAST ALONG SAID WESTERLY LINE, AND ALONG SAID LINE 33.00 FEET WESTERLY DISTANT OF THE NORTH - SOUTH CENTERLINE A DISTANCE OF 10.00 FEET TO THE NORTHWEST CORNER OF SAID OUTLOT A;
- 3) THENCE NORTH 89°20'30" EAST ALONG THE NORTHERLY LINE OF SAID OUTLOT A A DISTANCE OF 140.00 FEET TO THE NORTHEAST CORNER OF SAID OUTLOT A, SAID POINT BEING A POINT ON A CURVE;

THENCE ALONG THE EASTERLY LINE OF SAID OUTLOT A, ALONG A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 28°51'28", A RADIUS OF 710.00 FEET, A CHORD BEARING OF SOUTH 14°45'34" WEST, AND AN ARC LENGTH OF 357.60 FEET TO THE NORTHWEST CORNER OF SAID OUTLOT B;

THENCE ALONG THE BOUNDARY OF SAID OUTLOT B THE FOLLOWING THREE (3) COURSES:

- 1) THENCE SOUTH 63°11'41" EAST A DISTANCE OF 80.06 FEET TO THE NORTHEAST CORNER OF SAID OUTLOT B, SAID POINT BEING A POINT ON A CURVE;
- 2) THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 08°39'13", A RADIUS OF 790.00 FEET, A CHORD BEARING OF SOUTH 33°16'26" WEST, AND AN ARC LENGTH OF 119.32 FEET;
- 3) THENCE SOUTH 37°36'02" WEST A DISTANCE OF 88.61 FEET TO A POINT ON THE WESTERLY LINE OF SAID RIVERDALE PEAKS, SAID POINT ALSO BEING ON SAID LINE 33.00 FEET WESTERLY DISTANT AND PARALLEL, WHEN MEASURED AT RIGHT ANGLES, WITH THE NORTH - SOUTH CENTERLINE OF THE NORTHEAST QUARTER OF SECTION 33;

O:\1334\EXHIBIT\DURLAND.DWG. SHEET 1 OF 4. PREPARED 6 MAR 02



Carroll & Lange ^{LLC}
Professional Engineers & Land Surveyors
165 South Union Blvd. Suite 156
Lakewood, Colorado 80228
(303) 980-0200

EXHIBIT A
PAGE 1 OF 6

EXHIBIT A
92.03 ACRE DURLAND PARCEL

SHEET 2 OF 4

LEGAL DESCRIPTION CONTINUED

THENCE SOUTH 00°11'36" EAST ALONG SAID WESTERLY LINE AND ALONG SAID LINE 33.00 FEET WESTERLY DISTANT OF THE NORTH - SOUTH CENTERLINE A DISTANCE OF 696.08 FEET TO THE SOUTHWEST CORNER OF SAID RIVERDALE PEAKS, SAID POINT ALSO BEING ON A LINE 33.00 FEET NORTHERLY DISTANT, WHEN MEASURED AT RIGHT ANGLES, AND PARALLEL WITH THE EAST - WEST CENTERLINE OF SAID NORTHEAST QUARTER OF SECTION 33;

THENCE NORTH 89°26'28" EAST ALONG THE SOUTHERLY LINE OF SAID RIVERDALE PEAKS AND ALONG SAID LINE 33.00 FEET NORTHERLY DISTANT OF THE EAST - WEST CENTERLINE A DISTANCE OF 1,357.70 FEET TO A POINT ON THE EAST LINE OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 33;

THENCE SOUTH 00°27'14" EAST ALONG SAID EAST LINE A DISTANCE OF 33.00 FEET TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID NORTHEAST QUARTER OF SECTION 33;

THENCE SOUTH 00°07'08" WEST ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER A DISTANCE OF 221.52 FEET TO THE NORTHWESTERLY RIGHT-OF-WAY OF RIVERDALE ROAD;

THENCE ALONG SAID NORTHWESTERLY RIGHT-OF-WAY THE FOLLOWING TWO (2) COURSES:

- 1) THENCE SOUTH 28°02'29" WEST A DISTANCE OF 290.09 FEET;
- 2) THENCE SOUTH 29°01'07" WEST A DISTANCE OF 19.18 FEET TO A POINT ON THE NORTH LINE OF THAT PARCEL DESCRIBED AS "PARCEL A" IN THE DOCUMENT RECORDED IN THE OFFICE OF THE ADAMS COUNTY CLERK AND RECORDER IN BOOK 3422 AT PAGE 812;

THENCE ALONG THE NORTHERLY AND WESTERLY LINE OF SAID "PARCEL A" THE FOLLOWING TWO (2) COURSES:

- 1) THENCE SOUTH 89°28'39" WEST A DISTANCE OF 813.08 FEET;
- 2) THENCE SOUTH 23°37'16" WEST A DISTANCE OF 901.37 FEET TO THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID NORTHEAST QUARTER OF SECTION 33;

THENCE SOUTH 89°29'52" WEST ALONG THE SOUTH LINE OF SAID SOUTHWEST QUARTER OF THE NORTHEAST QUARTER A DISTANCE OF 1,318.02 FEET TO THE SOUTHWEST CORNER OF SAID NORTHEAST QUARTER;

THENCE NORTH 00°12'41" WEST ALONG THE WEST LINE OF SAID NORTHEAST QUARTER A DISTANCE OF 1,984.95 FEET;

THENCE NORTH 52°19'08" EAST A DISTANCE OF 246.84;

THENCE NORTH 50°22'03" EAST A DISTANCE OF 137.33 FEET;

THENCE NORTH 48°40'29" EAST A DISTANCE OF 133.24 FEET;

0:\1334\EXHIBIT\DURLAND.DWG. SHEET 4 OF 4. PREPARED 6 MAR 02



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EXHIBIT A
PAGE 2 OF 6

EXHIBIT A
92.03 ACRE DURLAND PARCEL

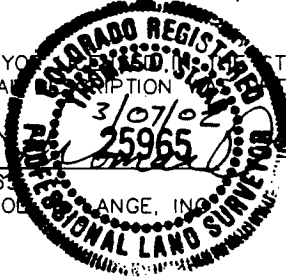
SHEET 3 OF 4

LEGAL DESCRIPTION CONTINUED

THENCE NORTH 55°03'39" EAST A DISTANCE OF 82.64 FEET;
THENCE NORTH 58°39'12" EAST A DISTANCE OF 123.92 FEET;
THENCE NORTH 68°43'11" EAST A DISTANCE OF 96.70 FEET;
THENCE NORTH 53°28'32" EAST A DISTANCE OF 61.84 FEET;
THENCE NORTH 51°21'00" EAST A DISTANCE OF 178.46 FEET TO THE POINT OF BEGINNING.
CONTAINING 92.03 ACRES (4,008,888 SQUARE FEET), MORE OR LESS.

I, THOMAS D. STAAB, A SURVEYOR IN THE STATE OF COLORADO, DO HEREBY
CERTIFY THAT THE ABOVE LEGAL DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECT
SUPERVISION AND CHECKING.

THOMAS D. STAAB, P.L.S. 25965
FOR AND ON BEHALF OF CARROLL & LANGE, INC.



DATE _____

O:\1334\EXHIBIT\DURLAND DWG. SHEET 4 OF 4. PREPARED 6 MAR 02



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EXHIBIT A
PAGE 3 OF 6

EXHIBIT A 92.03 ACRE DURLAND PARCEL

SHEET 4 OF 4

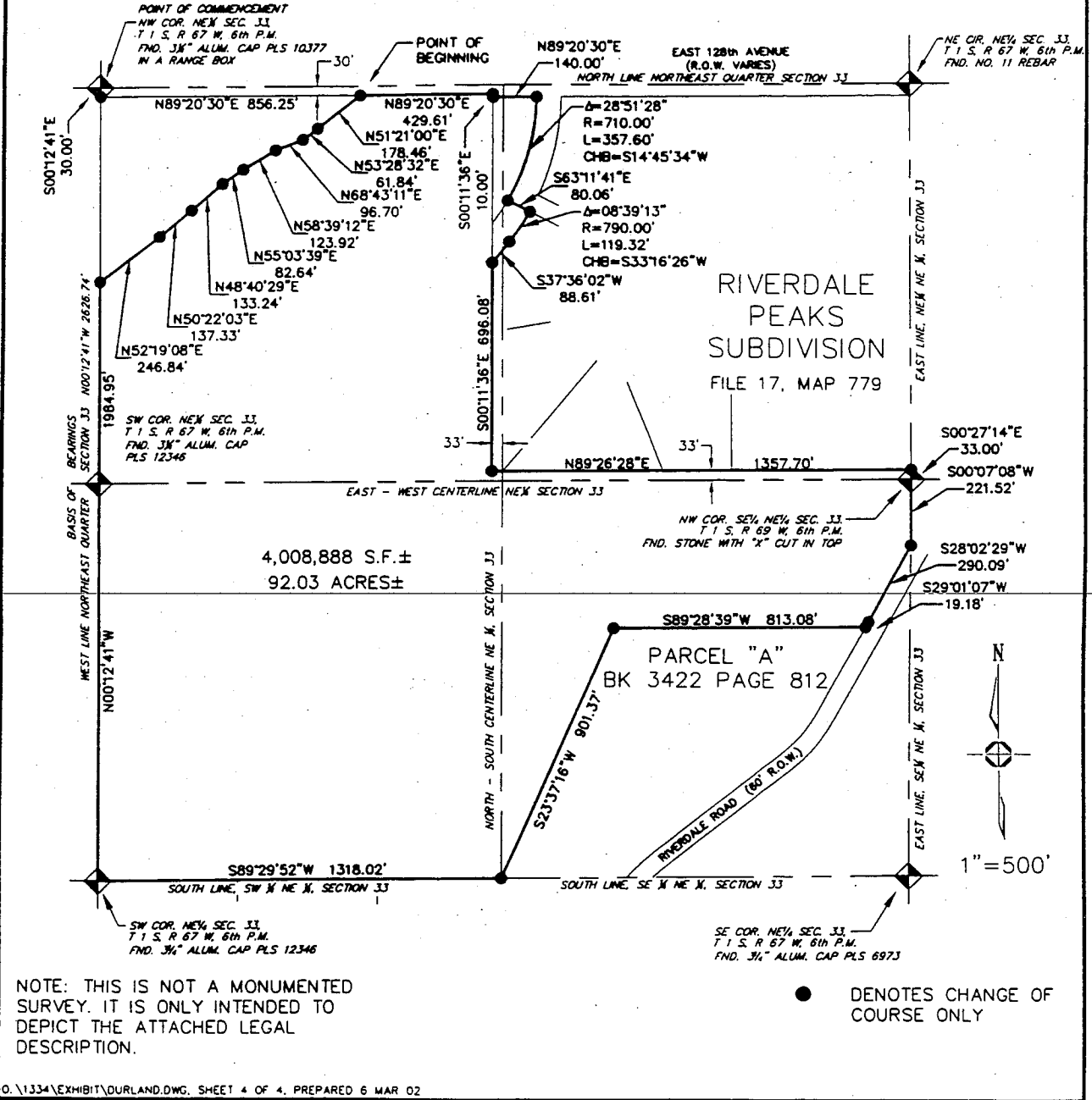


EXHIBIT A
5.8 ACRE DURLAND PARCEL

LEGAL DESCRIPTION

SHEET 1 OF 2

A PARCEL OF LAND BEING A PART OF THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 1 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF ADAMS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS FOR THIS LEGAL DESCRIPTION IS THE WEST LINE OF THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 1 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN WHICH WAS ASSUMED TO BEAR NORTH 00°12'41" WEST, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

COMMENCING AT THE NORTHWEST CORNER OF SAID NORTHEAST QUARTER OF SECTION 33;

THENCE SOUTH 00°12'41" EAST ALONG THE WEST LINE OF SAID NORTHEAST QUARTER OF SECTION 33 A DISTANCE OF 30.00 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF EAST 128TH AVENUE AND THE POINT OF BEGINNING;

THENCE NORTH 89°20'30" EAST ALONG SAID SOUTHERLY RIGHT-OF-WAY A DISTANCE OF 856.25 FEET;

THENCE SOUTH 51°21'00" WEST A DISTANCE OF 178.46 FEET;

THENCE SOUTH 53°28'32" WEST A DISTANCE OF 61.84 FEET;

THENCE SOUTH 68°43'11" WEST A DISTANCE OF 96.70 FEET;

THENCE SOUTH 58°39'12" WEST A DISTANCE OF 123.92 FEET;

THENCE SOUTH 55°03'39" WEST A DISTANCE OF 82.64 FEET;

THENCE SOUTH 48°40'29" WEST A DISTANCE OF 133.24 FEET;

THENCE SOUTH 50°22'03" WEST A DISTANCE OF 137.33 FEET;

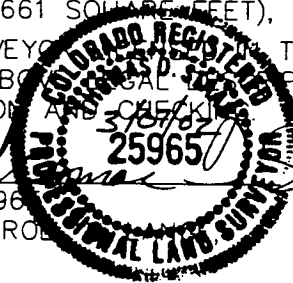
THENCE SOUTH 52°19'08" WEST A DISTANCE OF 246.84 FEET TO THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 33;

THENCE NORTH 00°12'41" WEST ALONG SAID WEST LINE A DISTANCE OF 611.79 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.80 ACRES (252,661 SQUARE FEET), MORE OR LESS.

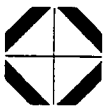
I, THOMAS D. STAAB, A SURVEYOR IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND CHECKED BY ME.

THOMAS D. STAAB, P.L.S. 25965
FOR AND ON BEHALF OF CARROLL & LANGE
INC.



DATE _____

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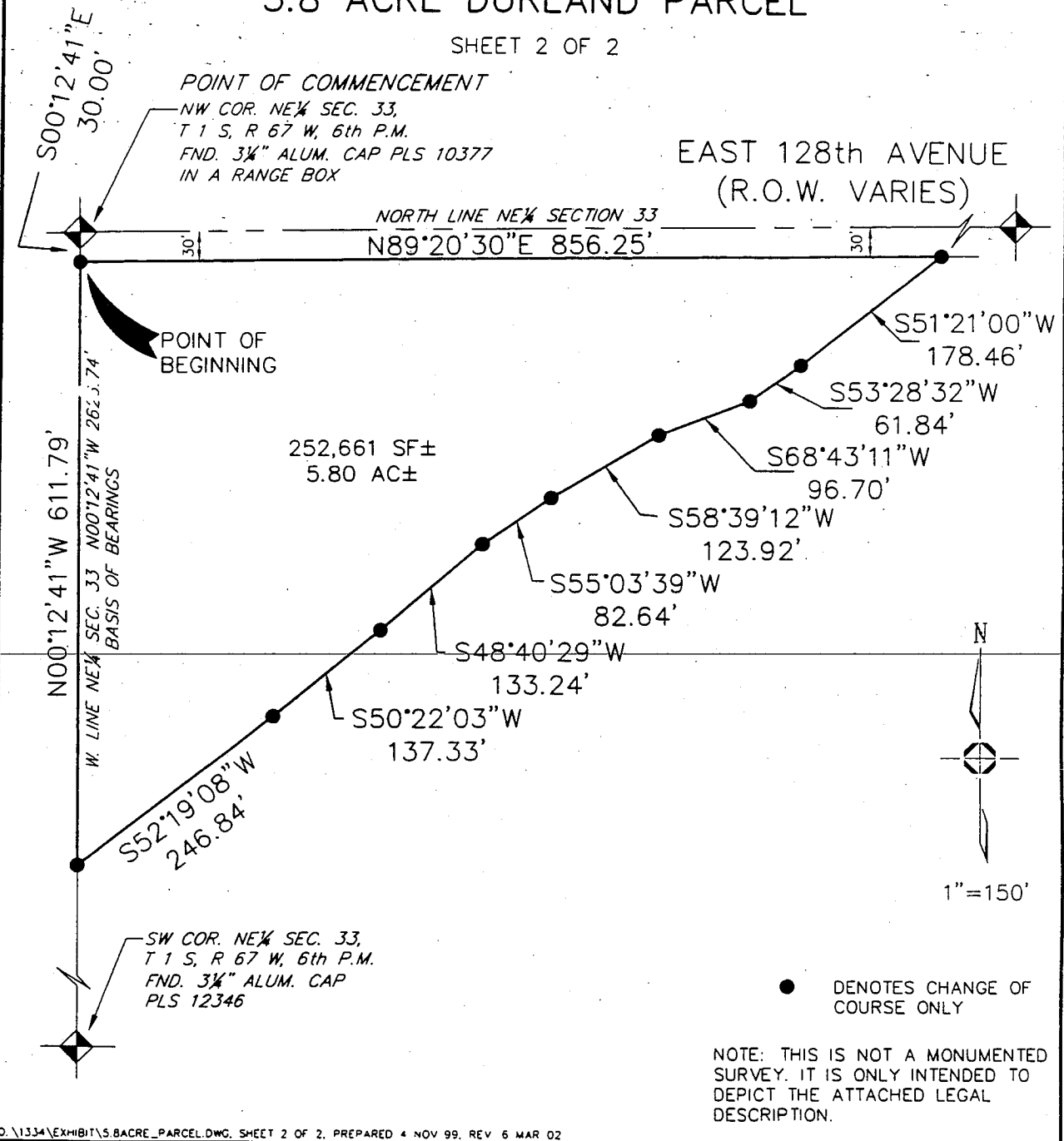


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EXHIBIT A
PAGE 5 OF 6

EXHIBIT A 5.8 ACRE DURLAND PARCEL

SHEET 2 OF 2



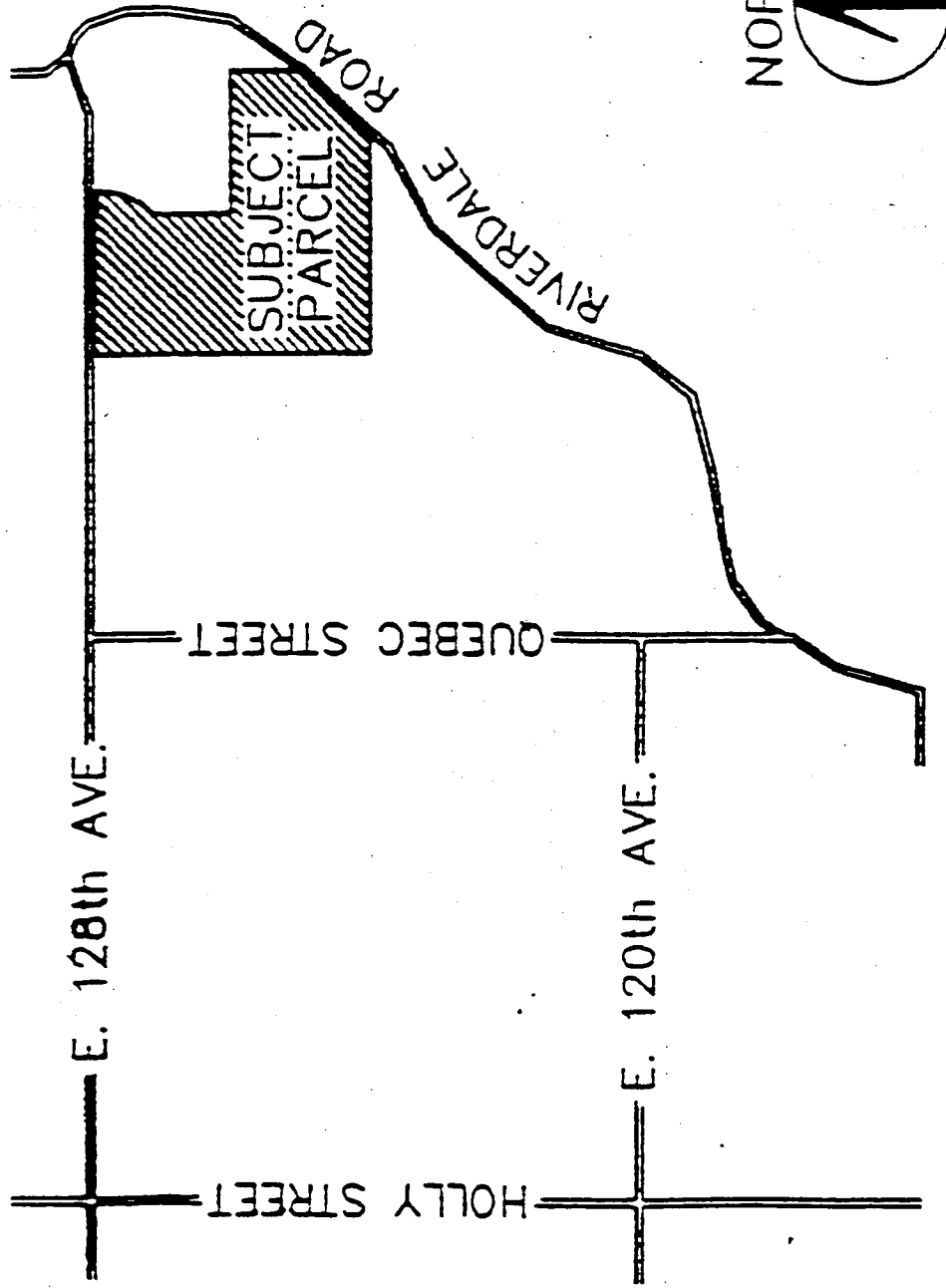
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EXHIBIT B-1

Property and Vicinity Map



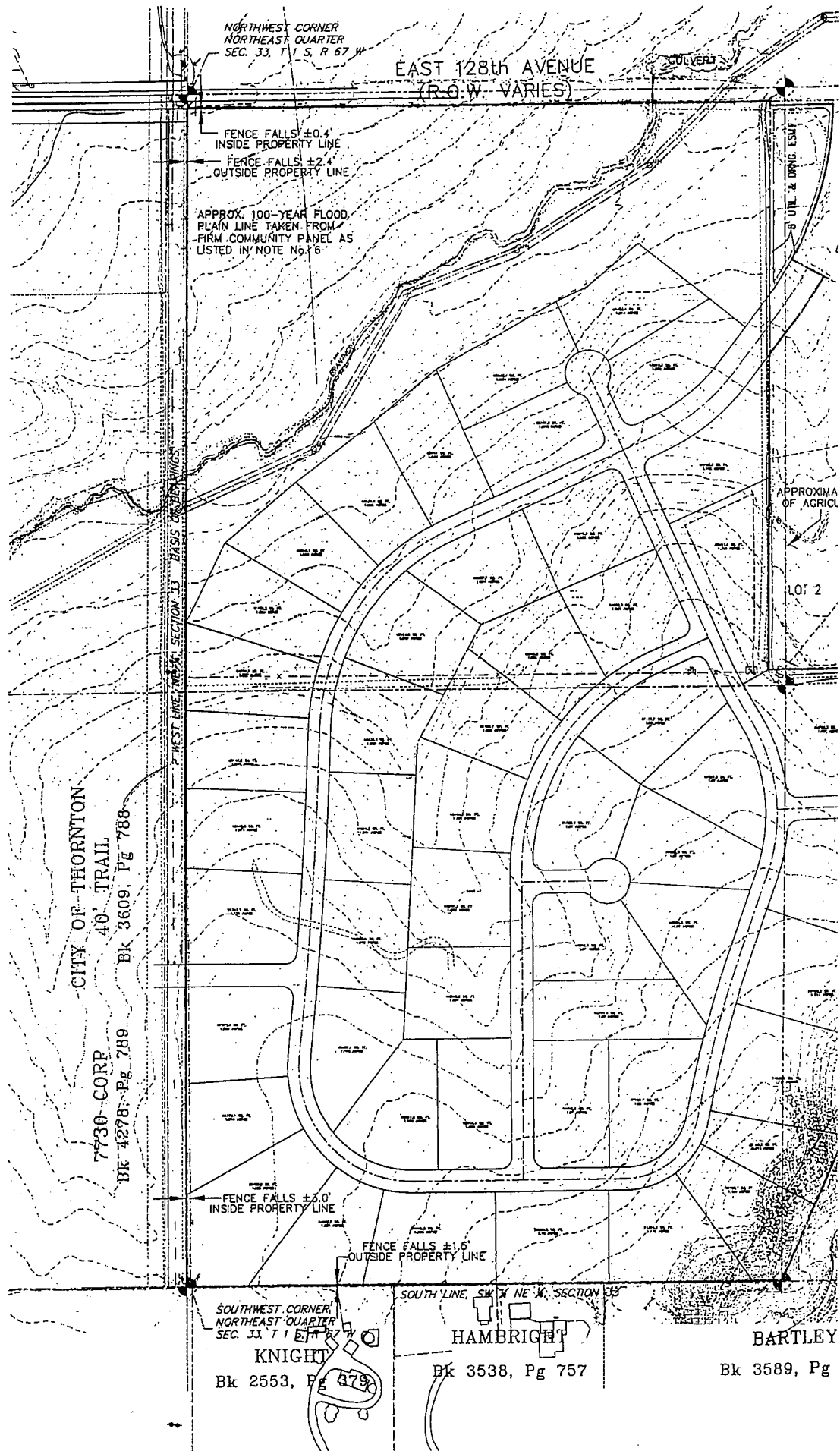
VICINITY MAP

NOT TO SCALE

EXHIBIT B-2

Existing, Proposed and Planned Development

G:\Common\Russ's Team\ANDREW\2278\CONCEPT.dwg, 03/05/02 11:14:40 AM, Carroll & Lange, Inc.



NORTHEAST CORNER
SEC. 33, T. 1 S., R. 97 W.
POINT NO. 1, REBAR
(SEE NOTE 9)

NORTH LINE, T. 1 S., SECTION 33

LOT 13

RIVERDALE PEAKS

File 17, Map 779

ENTERLINE
DITCH

LOT 5

LOT 3

LOT 4

IRRIGATION STRUCTURE
EAST 1/4 CORNER
NORTHEAST QUARTER
SEC. 33, T. 1 S., R. 97 W.

APPROX. CENTERLINE
OF LOWER CLEAR
CREEK CANAL

APPROXIMATE CENTERLINE
OF AGRICULTURAL DITCH
(NOT FUNCTIONAL)

NOTE: OVERHEAD UTILITY
LINE CROSSES PROPERTY
(NO EASEMENT OF RECORD)

"PARCEL A"
Bk 3422, Pg 812

RIVERDALE ROAD (60' R.O.W.)

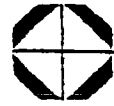
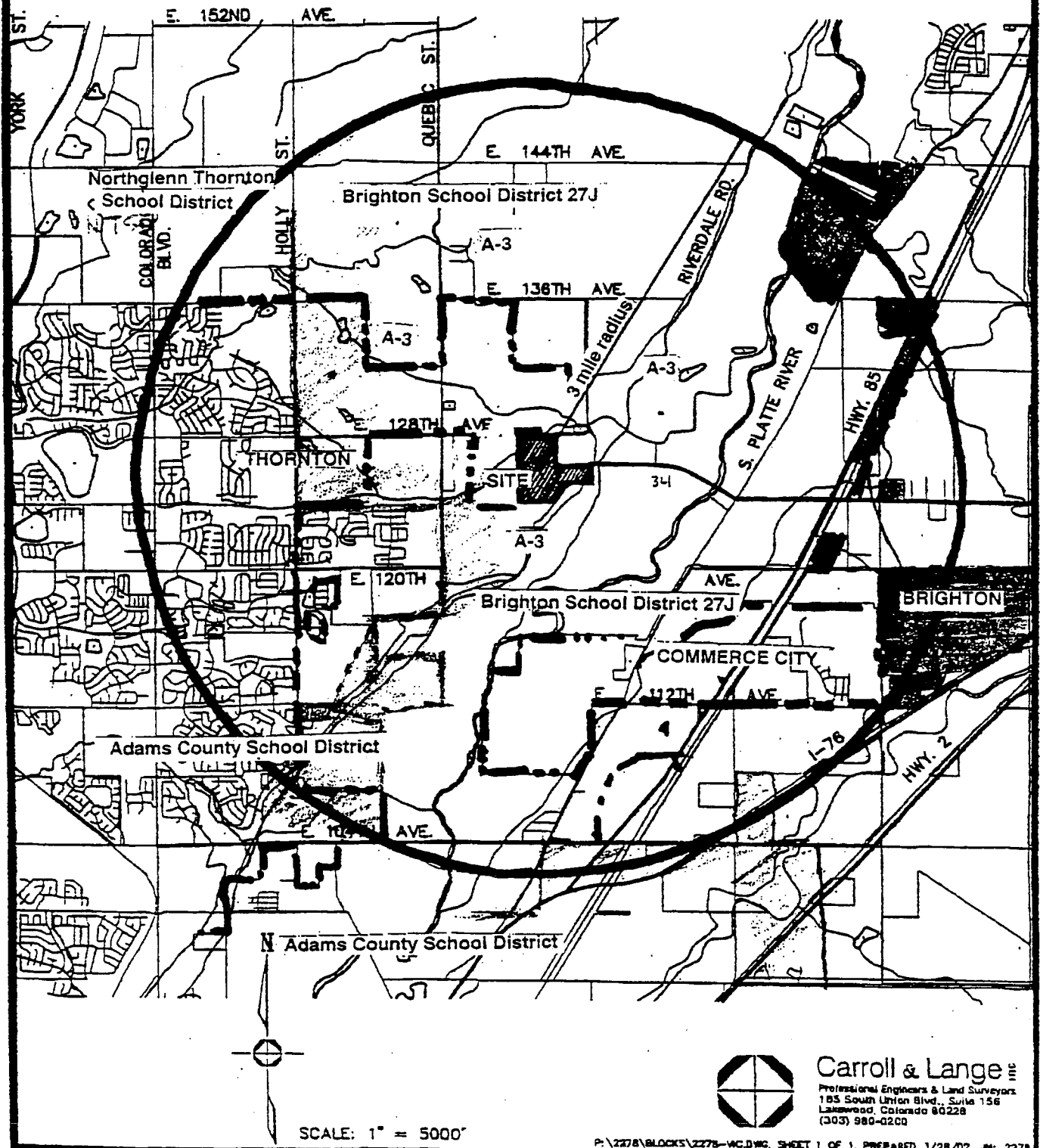
SPANO
Bk 3402, Pg 716

EXHIBIT B-3

Three-Mile Radius Map

ADJACENT ZONING,
CITY BOUNDARIES
AND SCHOOL DISTRICTS

RIVERDALE PEAKS VICINITY MAP



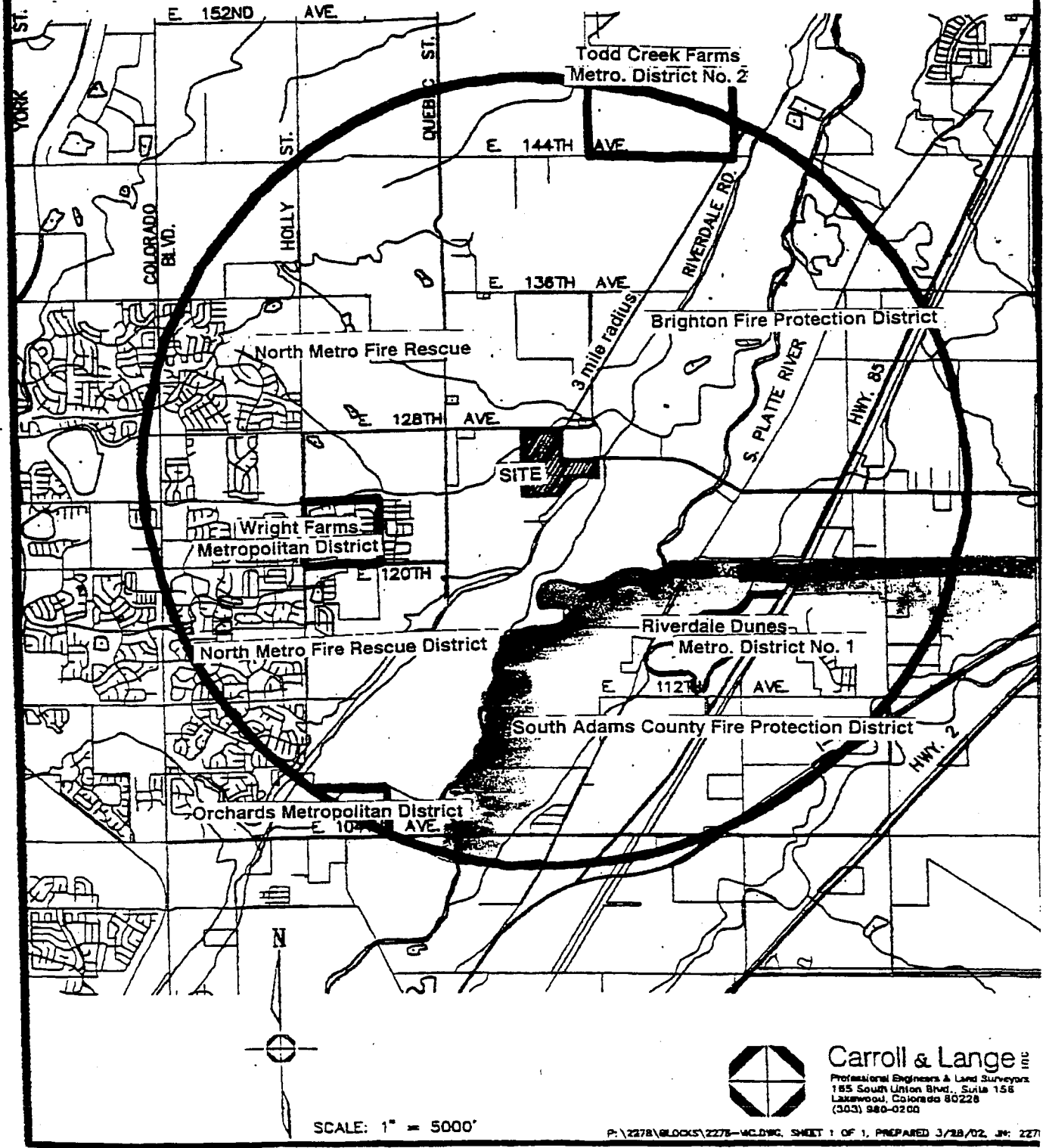
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Professional Engineers & Land Surveyors
185 South Union Blvd., Suite 156
Lakewood, Colorado 80228
(303) 980-0200

SCALE: 1" = 5000'

P:\2278\BLOCKS\2278-WC.DWG, SHEET 1 OF 1, PREPARED 3/28/02, JM: 2278

METROPOLITAN AND
FIRE PROTECTION DISTRICTS

RIVERDALE PEAKS VICINITY MAP



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EXHIBIT B-4

List of Services by Other Entities

Thornton, Brighton, Hazeltine Heights Water and Sanitation District, South Adams County Water and Sanitation District and Todd Creek Farms Metropolitan District Nos. 1 and 2 are all located within a three (3) mile radius of the District and all such entities provide water and/or sewer services to the service users within their respective areas. The boundaries of the District do not overlap the boundaries of any of the aforementioned special districts. Adequate service to the District is not, or will not be, available to the Property proposed to be served by the District by such entities within a reasonable time and on a comparable basis.

EXHIBIT C

List of Improvements and Preliminary Engineer's Estimate of Costs

**RIVERDALE PEAKS METROPOLITAN DISTRICT
ENGINEER'S ESTIMATE OF PROBABLE COSTS
SUMMARY**

MARCH 13, 2002

I) <u>Sanitary Sewer</u>		\$ 315,000
II) <u>Potable Water</u>		\$ 2,160,000
a) Offsite Potable Water System	\$ 800,000	
b) Onsite Tank, Well, Treatment, & Pump Station	\$1,200,000	
c) Onsite Distribution System	\$ 160,000	
III) <u>Irrigation</u>		\$ 581,000
a) Pond	\$ 210,000	
b) Onsite Distribution System	\$ 220,000	
c) Clear Creek Water	\$ 151,000	
IV) <u>Storm Sewer</u>		\$ 320,000
V) <u>Streets</u>		\$ 885,000
a) 128 th Ave. Street Improvements	\$ 185,000	
b) Entry Street Improvements	\$ 110,000	
c) Internal Street Improvements	\$ 590,000	
VI) <u>Landscaping</u>		\$ 470,000
a) Median Landscaping	\$ 65,000	
b) Entryway Sign/Landscaping	\$ 60,000	
c) Street Fencing	\$ 345,000	
	TOTAL	\$ 4,731,000

**RIVERDALE PEAKS METROPOLITAN DISTRICT
ENGINEER'S ESTIMATE OF PROBABLE COSTS**

MARCH 13, 2002

I) Sanitary Sewer

• 8" Main within Property - 6,500' @ \$40.00 LF =	\$ 260,000
20% Engineering, Testing, Surveying & Contingency =	\$ 52,000
	\$ 312,000
SAY	\$ 315,000

II) Potable Water

a) Offsite Potable Water System

• 4" Raw Water Transmission Line - 6,600' @ \$25.00 LF =	\$ 165,000
• Well Construction	\$ 500,000
	\$ 665,000
20% Engineering, Testing, Surveying & Contingency =	\$ 133,000
	\$ 798,000
SAY	\$ 800,000

b) Onsite Tank, Well, Treatment & Pump Station

• Tank, Treatment & Pump	\$ 500,000
• Well Construction	\$ 500,000
	\$ 1,000,000
20% Engineering, Testing, Surveying & Contingency =	\$ 200,000
	\$ 1,200,000
SAY	\$ 1,200,000

c) Onsite Distribution System

• 1,600' - 6" Main @ \$27.00 LF =	\$ 43,200
• 2,600' - 8" Main @ \$30.00 LF =	\$ 78,000
• 300' - 10" Main @ \$35.00 LF =	\$ 10,500
	\$ 131,700
20% Engineering, Testing, Surveying & Contingency =	\$ 26,340
	\$ 158,040
SAY	\$ 160,000

III) Irrigation

a) Pond

• Grade & Line Pond	\$ 75,000
• Construct Strainer & Pump Station	\$ 100,000
	\$ 175,000
20% Engineering, Testing, Surveying & Contingency =	\$ 35,000
	\$ 210,000

SAY \$ 210,000

b) Onsite Distribution System

• 200' - 2" @ \$21.00 LF =	\$ 4,200
• 6,800' - 4" @ \$25.00 LF =	\$ 170,000
• 400' - 6" @ \$27.00 LF =	\$ 10,800
	\$ 185,000
20% Engineering, Testing, Surveying & Contingency =	\$ 37,000
	\$ 222,000

SAY \$ 220,000

c) Clear Creek Water

• Cost to Acquire Rights =	\$ 70,000
• Pump Station =	\$ 40,000
• 6" Conveyance Line - 600' @ \$27.00 LF =	\$ 16,200
	\$ 126,200
20% Engineering, Testing, Surveying & Contingency =	\$ 25,240
	\$ 151,440

SAY \$ 151,000

IV) Storm Sewer

• 18" Street Crossings - 8 x 65' = 520' @ \$30.00 LF =	\$ 15,600
• Inlet /Outlet for Pond	
18" Pipe - 150' @ \$30.00 LF =	\$ 4,500
Rip Rap, FES, Etc. =	\$ 20,000
• Pond Excavation	\$ 25,000
• Contribution to 128 th Ave./Brantner Gulch Box Culvert	\$ 200,000
	\$ 265,100
20% Engineering, Testing, Surveying & Contingency =	\$ 53,020
	\$ 318,120

SAY \$ 320,000

V) Streets

a) 128th Street Improvements

• Vertical Curb & Gutter - 1 side =	\$ 9.50 LF
• Curb & Gutter Prep & Backfill =	\$ 2.20 LF
• 8' Sidewalk @ \$2.60 SF =	\$20.80 LF
• Sidewalk Prep =	\$ 2.20 LF
• 12" Full Depth Asphalt @ \$2.00 Sq. Yd. Inch 27.5 LF (width) = 3.06 SY/LF \$24.00 SY + \$1.50 SY (Prep) = \$25.50/SY x 3.06 =	<u>\$78.00 LF</u>

\$112.70

SAY

\$113.00

• 1,320' @ \$113.00 LF =	\$ 149,160
• Striping =	<u>\$ 5,000</u>
	\$ 154,160
20% Engineering, Testing, Surveying & Contingency =	<u>\$ 30,832</u>
	\$ 184,992

SAY

\$ 185,000

b) Entry Street Improvements

• Vertical Curb & Gutter (Median Only) = 2 (\$9.50) =	\$19.00 LF
• Curb & Gutter Prep & Backfill - 2 (\$2.20) =	\$ 4.40 LF
• 8" Full Depth Asphalt @ \$2.00 Sq. Yd. Inch 2 x 18' = 36 SF = 4.0 SY/LF \$16.00 SY + \$1.50 SY (Prep) = \$17.50 SY \$17.50 x 4.0 =	<u>\$70.00 LF</u>

\$93.40 LF

SAY

\$95.00 LF

• 950' @ \$95.00 LF =	\$ 90,250
20% Engineering, Testing, Surveying & Contingency =	<u>\$ 18,050</u>
	\$ 108,300

SAY

\$ 110,000

c) Internal Street Improvements		
• Curb & Gutter = 0		
• 8" Full Depth Asphalt at \$2.00 Sq. Yd. Inch		
32' Wide = 3.56 SY/LF		
\$16.00 SY + \$1.50 SY (Prep) = \$17.50 SY x 3.56 =		\$62.30
• Drainage Ditch Grading = 2 (\$2.00 LF) =		<u>\$ 4.00</u>
		\$66.30
	SAY	\$70.00 LF
• 7,000' @ \$70.00 LF =		\$ 490,000
20% Engineering, Testing, Surveying & Contingency =		<u>\$ 98,000</u>
		\$ 588,000
	SAY	\$ 590,000

VI) Landscaping

a) Median Landscaping		
• 13' x 950' = 12,350 SF @ \$4.00		\$ 49,400
• Electric/Water Meter		<u>\$ 4,000</u>
		\$ 53,400
20% Engineering, Testing, Surveying & Contingency =		<u>\$ 10,680</u>
		\$ 64,080
	SAY	\$ 65,000
b) Entryway Sign/Landscaping =		\$ 50,000
20% Engineering, Testing, Surveying & Contingency =		<u>\$ 10,000</u>
		\$ 60,000
	SAY	\$ 60,000
c) Street Fencing		
• 15,900' @ \$18.00 LF =		\$ 286,200
20% Engineering, Testing, Surveying & Contingency =		<u>\$ 57,240</u>
		\$ 343,440
	SAY	\$ 345,000

EXHIBIT D

Financial Plan



**The Petitioners for Formation of
Riverdale Peaks II Metropolitan District
Adams County, Colorado**

**County Commissioners
Adams County, Colorado**

We have compiled the accompanying forecasted cash surplus balances and cash receipts and disbursements of Riverdale Peaks II Metropolitan District (the "District") (in the Formation Stage of Development) as of the date of formation and for the 38 subsequent calendar years ending on December 31, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast information that is the representation of the Petitioners for Formation of the District and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying statements or assumptions. However, we did become aware of a departure from the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants, which is described in the following paragraph. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

As discussed in Note 4, the forecast is presented on the cash basis of accounting, whereas the historical financial statements for the forecast period are expected to be presented in conformity with generally accepted accounting principles on the modified accrual or full accrual basis. Guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants require disclosure of the differences resulting from the use of a different basis of accounting in the forecast than that expected to be used in the historical financial statements for the period. If the AICPA presentation guidelines were followed, the forecast would indicate that the presentation reflects cash balances and the cash received and disbursed rather than fund balances and the revenue and expenditures that would be recognized under generally accepted accounting principles based on the modified accrual basis of accounting.

Clifton Gunderson LLP

Greenwood Village, Colorado

March 27, 2002

6399 South Fiddler's Green Circle, Suite 100
Greenwood Village, Colorado 80111

tel: 303.779.5710

fax: 303.779.0348

www.cliftoncpa.com

Offices in 15 states and Washington, DC



RIVERDALE PEAKS II METROPOLITAN DISTRICT
 (IN THE FORMATION STAGE OF DEVELOPMENT)
 FORECASTED CASH SURPLUS BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

SUMMARY (continued)

AS OF THE DATE OF FORMATION AND FOR THE CALENDAR YEARS ENDING THROUGH 2039

Year	Assessed Value (Page 7)	Debt Service Mill Levy	O & M Mill Levy	Total Mill Levy	CASH RECEIPTS					Interest Income 3.00%	Total Receipts
					Net Property Taxes 98.00%	Specific Ownership Taxes 10.00%	System Development Fees - SF \$1	System Development Fees - Comm. \$1	System Development Fees - Comm. \$1		
2002	0	0.000	0.000	0.000	0	0	197,500	0	0	0	197,500
2003	660,987	38.000	3.000	41.000	26,538	5,064	197,500	0	0	5,925	232,639
2004	1,260,237	38.000	3.000	41.000	50,636	7,637	197,500	0	0	8,725	261,925
2005	1,900,662	38.000	3.000	41.000	76,369	10,270	237,000	76,230	0	8,229	289,734
2006	2,555,910	38.000	3.000	41.000	102,696	13,753	0	0	0	8,511	434,707
2007	3,422,953	38.000	3.000	41.000	137,534	27,239	0	0	0	13,084	164,372
2008	6,779,146	38.000	3.000	41.000	272,386	27,783	0	0	0	1,971	301,595
2009	6,914,729	38.000	3.000	41.000	277,834	27,783	0	0	0	1,953	307,570
2010	6,914,729	38.000	3.000	41.000	277,834	27,783	0	0	0	1,855	307,472
2011	7,053,024	38.000	3.000	41.000	283,390	28,339	0	0	0	1,828	313,538
2012	7,053,024	38.000	3.000	41.000	283,390	28,339	0	0	0	1,745	313,474
2013	7,194,084	38.000	3.000	41.000	289,058	28,906	0	0	0	1,753	319,718
2014	7,194,084	38.000	3.000	41.000	289,058	28,906	0	0	0	1,731	319,696
2015	7,337,966	38.000	3.000	41.000	294,839	29,484	0	0	0	1,674	325,998
2016	7,337,966	38.000	3.000	41.000	294,839	29,484	0	0	0	1,619	325,943
2017	7,484,725	38.000	3.000	41.000	300,736	30,074	0	0	0	1,560	332,370
2018	7,484,725	38.000	3.000	41.000	300,736	30,074	0	0	0	1,538	332,348
2019	7,634,420	38.000	3.000	41.000	306,751	30,675	0	0	0	1,544	338,970
2020	7,634,420	38.000	3.000	41.000	306,751	30,675	0	0	0	1,474	338,900
2021	7,787,108	38.000	3.000	41.000	312,886	31,289	0	0	0	1,473	345,647
2022	7,787,108	38.000	3.000	41.000	312,886	31,289	0	0	0	1,441	345,616
2023	7,942,850	38.000	3.000	41.000	319,144	31,914	0	0	0	1,371	352,429
2024	7,942,850	38.000	3.000	41.000	319,144	31,914	0	0	0	1,326	352,384
2025	8,101,707	38.000	3.000	41.000	325,527	32,553	0	0	0	1,294	359,373
2026	8,101,707	38.000	3.000	41.000	325,527	32,553	0	0	0	1,193	359,273
2027	8,263,741	38.000	3.000	41.000	332,037	33,204	0	0	0	1,168	366,409
2028	8,263,741	38.000	3.000	41.000	332,037	33,204	0	0	0	1,141	366,382
2029	8,429,016	38.000	3.000	41.000	338,678	33,868	0	0	0	1,105	373,651
2030	8,429,016	38.000	3.000	41.000	338,678	33,868	0	0	0	994	373,540
2031	8,597,597	38.000	3.000	41.000	345,451	34,545	0	0	0	956	380,932
2032	8,597,597	38.000	3.000	41.000	345,451	34,545	0	0	0	781	380,778
2033	8,769,549	38.000	3.000	41.000	352,360	35,236	0	0	0	621	388,217
2034	8,769,549	38.000	3.000	41.000	352,360	35,236	0	0	0	580	28,940
2035	8,769,549	0.000	3.000	3.000	26,298	2,630	0	0	0	674	29,602
2036	8,944,940	0.000	3.000	3.000	26,298	2,630	0	0	0	773	29,701
2037	8,944,940	0.000	3.000	3.000	26,298	2,630	0	0	0	876	30,382
2038	9,123,838	0.000	3.000	3.000	26,824	2,682	0	0	0	982	30,489
2039	9,123,838	0.000	3.000	3.000	26,824	2,682	0	0	0		
					8,603,232	860,323	1,027,000	76,230	85,468	10,652,253	
					Total SD Fees		1,103,230				

Note: Net Property Taxes assumes a 1.5% County Treasurer's Collection Fee and a .5% Allowance for Uncollectible Accounts.
 SEE SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES AND ACCOUNTANT'S REPORT

RIVERDALE PEAKS II METROPOLITAN DISTRICT
 (IN THE FORMATION STAGE OF DEVELOPMENT)
FORECASTED CASH SURPLUS BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

Page 3

SUMMARY

AS OF THE DATE OF FORMATION AND FOR THE CALENDAR YEARS ENDING THROUGH 2039

Year	Total Receipts (See Page 2)	DISBURSEMENTS		Available for Debt Service	Debt Service Series 2004 Bonds	Annual Cash Surplus	Cumulative Cash Surplus	Year
		Administration & Landscaping & Maintenance 3,000	Mills					
2002	0	0	0	197,500	0	197,500	0	2002
2003	197,500	0	1,943	230,696	137,375	93,321	197,500	2003
2004	232,639	1,943	3,705	258,219	274,750	(16,531)	200,821	2004
2005	261,925	3,705	5,388	284,146	274,750	9,396	274,290	2005
2006	289,734	5,388	7,514	427,192	274,750	152,442	283,687	2006
2007	434,707	7,514	10,063	154,308	524,750	(370,442)	436,129	2007
2008	164,372	10,063	19,931	281,665	282,250	(585)	65,687	2008
2009	301,595	19,931	20,329	287,241	290,500	(3,259)	65,102	2009
2010	307,472	20,329	20,736	287,143	288,050	(907)	61,843	2010
2011	313,558	20,736	21,151	292,822	292,450	(628)	60,936	2011
2012	319,718	21,151	21,574	298,567	300,450	(1,883)	58,158	2012
2013	319,696	21,574	22,005	298,545	306,250	(1,905)	55,808	2013
2014	325,998	22,005	22,445	304,424	311,100	(1,826)	53,982	2014
2015	325,943	22,445	22,894	304,369	316,500	(1,981)	52,001	2015
2016	332,370	22,894	23,352	310,365	318,850	(2,325)	51,266	2016
2017	332,348	23,352	23,819	316,455	323,800	(45)	49,088	2017
2018	338,970	23,819	24,295	322,722	325,050	(1,047)	48,041	2018
2019	345,647	24,295	24,781	322,722	330,600	(2,328)	45,713	2019
2020	345,616	24,781	25,277	329,078	330,100	(1,068)	44,191	2020
2021	352,384	25,277	25,782	329,032	338,900	(3,346)	43,122	2021
2022	352,384	25,782	26,298	335,554	343,000	(846)	38,930	2022
2023	359,373	26,298	26,998	335,454	343,000	(887)	38,043	2023
2024	359,273	26,998	27,782	342,113	352,550	(3,681)	33,149	2024
2025	366,409	27,782	28,295	342,087	361,500	(5,225)	26,033	2025
2026	366,382	28,295	28,819	348,869	360,850	(5,349)	20,684	2026
2027	373,651	28,819	29,277	348,759	363,800	(1,365)	19,319	2027
2028	373,540	29,277	29,602	355,675	363,800	0	19,319	2028
2029	380,952	29,602	29,701	355,501	361,500	3,304	25,781	2029
2030	380,778	29,701	29,824	362,435	363,800	3,403	29,184	2030
2031	388,217	29,824	30,382	362,435	363,800	3,558	32,742	2031
2032	388,217	30,382	30,489	362,435	363,800	3,665	36,406	2032
2033	388,217	30,489	30,588	362,435	363,800	3,665	36,406	2033
2034	388,217	30,588	30,687	362,435	363,800	3,665	36,406	2034
2035	388,217	30,687	30,786	362,435	363,800	3,665	36,406	2035
2036	388,217	30,786	30,885	362,435	363,800	3,665	36,406	2036
2037	388,217	30,885	30,984	362,435	363,800	3,665	36,406	2037
2038	388,217	30,984	31,083	362,435	363,800	3,665	36,406	2038
2039	388,217	31,083	31,182	362,435	363,800	3,665	36,406	2039
2002-2039	10,652,253	751,871	9,900,381	9,900,381	9,863,975	36,406	36,406	

SEE SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES AND ACCOUNTANT'S REPORT

RIVERDALE PEAKS II METROPOLITAN DISTRICT
 (IN THE FORMATION STAGE OF DEVELOPMENT)
 FORECASTED CASH SURPLUS BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

SCHEDULE OF ESTIMATED ASSESSED VALUATION (continued)

AS OF THE DATE OF FORMATION AND FOR THE CALENDAR YEARS ENDING THROUGH 2039

Construction Year	Collection Year	Custom Homes	Est. Market Value per Residence	Annual Value of New SF Residences	Est. Biennial Revaluation per State Statute	Cumulative Valuation of New Residences	Estimated Residential Assessment Rate	Residential Assessed Valuation
			\$750,000		2%			
Inflation compounded annually on base price 4%								
2002	2004	10	750,000	7,500,000	0	0	9.15%	0
2003	2005	10	780,000	7,800,000	150,000	7,500,000	9.15%	686,250
2004	2006	10	811,200	8,112,000	471,240	15,450,000	9.15%	1,413,675
2005	2007	10	843,648	8,436,480	859,969	23,562,000	9.15%	2,155,923
2006	2008	12	877,394	10,528,727	877,168	32,469,720	9.15%	2,970,979
2007	2009		912,490	0	894,712	42,998,447	9.15%	3,934,358
2008	2010		948,989	0	912,606	43,858,416	9.15%	4,013,045
2009	2011		986,949	0	930,858	43,858,416	9.15%	4,013,045
2010	2012		1,026,427	0	949,475	44,735,584	9.15%	4,093,306
2011	2013				968,465	44,735,584	9.15%	4,093,306
2012	2014				987,834	45,630,296	9.15%	4,175,172
2013	2015				1,007,591	46,542,902	9.15%	4,258,676
2014	2016				1,027,742	46,542,902	9.15%	4,258,676
2015	2017				1,048,297	47,473,760	9.15%	4,343,849
2016	2018				1,069,263	47,473,760	9.15%	4,343,849
2017	2019				1,090,649	48,423,235	9.15%	4,430,726
2018	2020				1,112,462	48,423,235	9.15%	4,430,726
2019	2021				1,134,711	49,391,700	9.15%	4,519,341
2020	2022					49,391,700	9.15%	4,519,341
2021	2023					50,379,534	9.15%	4,609,727
2022	2024					50,379,534	9.15%	4,609,727
2023	2025					51,387,125	9.15%	4,701,922
2024	2026					51,387,125	9.15%	4,701,922
2025	2027					52,414,867	9.15%	4,795,960
2026	2028					52,414,867	9.15%	4,795,960
2027	2029					53,463,164	9.15%	4,891,880
2028	2030					53,463,164	9.15%	4,891,880
2029	2031					54,532,428	9.15%	4,989,717
2030	2032					54,532,428	9.15%	4,989,717
2031	2033					55,623,076	9.15%	5,089,511
2032	2034					55,623,076	9.15%	5,089,511
2033	2035					56,735,538	9.15%	5,191,302
2034	2036					56,735,538	9.15%	5,191,302
2035	2037					57,870,248	9.15%	5,295,128
2036	2038					57,870,248	9.15%	5,295,128
2037	2039					57,870,248	9.15%	5,295,128
		52		42,377,207	15,493,041			

SEE SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES AND ACCOUNTANT'S REPORT

RIVERDALE PEAKS II METROPOLITAN DISTRICT
 (IN THE FORMATION STAGE OF DEVELOPMENT)
 FORECASTED CASH SURPLUS BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
 SCHEDULE OF ESTIMATED ASSESSED VALUATION

AS OF THE DATE OF FORMATION AND FOR THE CALENDAR YEARS ENDING THROUGH 2039

Construction Year	Collection Year	Commercial Development				Undeveloped Residential Land				TOTAL Assessed Valuation			
		Number of Square Feet of Bldg.	Est. Annual Market Value per sq \$110	Estimated Annual Value	Biennial Revaluation per State Statute	Cummulative Actual Value	Platted/ Partially Finished Lots \$30,000	Lots Developed Dollar Values for Residential Land	Finished Lots \$60,000		Cummulative Actual Value	Assessed Valuation 29%	
													5.00%
2002													
2003													
2004			110.00	0	0	0	1,679,265	10	600,000	2,279,265	660,987	660,987	
2005			114.40	0	0	0	(300,000)	10	0	1,979,265	573,987	1,260,237	
2006			118.98	0	0	0	(300,000)	10	0	1,679,265	486,987	1,900,662	
2007			123.74	0	0	0	(300,000)	10	0	1,379,265	399,987	2,555,910	
2008			128.68	9,809,615	0	0	(779,265)	12	958,530	1,558,530	451,974	3,422,953	
2009			133.83	0	196,192	9,809,615	0	0	(1,558,530)	0	2,844,788	6,779,146	
2010			139.19	0	200,116	10,005,807	0	0	0	0	2,901,684	6,914,729	
2011			144.75	0	204,118	10,205,923	0	0	0	0	2,901,684	6,914,729	
2012					208,201	10,410,042	0	0	0	0	2,959,718	7,053,024	
2013					212,365	10,618,243	0	0	0	0	3,018,912	7,053,024	
2014					216,612	10,830,608	0	0	0	0	3,079,290	7,194,084	
2015					220,944	11,047,220	0	0	0	0	3,079,290	7,337,966	
2016					225,363	11,268,164	0	0	0	0	3,079,290	7,337,966	
2017					229,871	11,493,527	0	0	0	0	3,140,876	7,484,725	
2018					234,468	11,723,398	0	0	0	0	3,140,876	7,484,725	
2019					239,157	11,957,866	0	0	0	0	3,203,694	7,634,420	
2020					243,940	12,197,023	0	0	0	0	3,203,694	7,634,420	
2021					248,819	12,440,964	0	0	0	0	3,267,768	7,787,108	
2022					253,796	12,689,783	0	0	0	0	3,267,768	7,787,108	
2023					258,872	12,943,579	0	0	0	0	3,333,123	7,942,850	
2024					263,940	13,202,450	0	0	0	0	3,333,123	7,942,850	
2025					269,007	13,471,723	0	0	0	0	3,399,785	8,101,707	
2026					274,074	13,752,214	0	0	0	0	3,399,785	8,101,707	
2027					279,141	14,043,828	0	0	0	0	3,467,781	8,263,741	
2028					284,208	14,346,565	0	0	0	0	3,467,781	8,263,741	
2029					289,275	14,661,436	0	0	0	0	3,537,137	8,429,016	
2030					294,342	14,988,441	0	0	0	0	3,537,137	8,429,016	
2031					299,409	15,327,580	0	0	0	0	3,607,879	8,597,597	
2032					304,476	15,678,853	0	0	0	0	3,607,879	8,597,597	
2033					309,543	16,042,360	0	0	0	0	3,680,037	8,769,549	
2034					314,610	16,419,101	0	0	0	0	3,680,037	8,769,549	
2035					319,677	16,809,178	0	0	0	0	3,753,638	8,944,940	
2036					324,744	17,212,601	0	0	0	0	3,753,638	8,944,940	
2037					329,811	17,629,480	0	0	0	0	3,828,711	9,123,838	
2038					334,878	18,060,001	0	0	0	0	3,828,711	9,123,838	
2039					339,945	18,504,464	0	0	0	0	3,828,711	9,123,838	
TOTAL					9,809,615	3,392,835	0	0	52	0	0	0	0

SEE SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES AND ACCOUNTANT'S REPORT

SOURCES AND USES OF FUNDS

**RIVERDALE PEAKS II METROPOLITAN DISTRICT
SERIES 2004 G.O. BONDS
30-year final maturity, Non-Rated**

Dated Date 06/01/2004
Delivery Date 06/01/2004

Sources:

Bond Proceeds:	
Par Amount	3,925,000.00
	<hr/>
	3,925,000.00

Uses:

Project Fund Deposits:	
Project Funds	3,728,750.00
Delivery Date Expenses:	
Cost of Issuance	196,250.00
	<hr/>
	3,925,000.00

BOND DEBT SERVICE

**RIVERDALE PEAKS II METROPOLITAN DISTRICT
SERIES 2004 G.O. BONDS
30-year final maturity, Non-Rated**

Dated Date 06/01/2004
Delivery Date 06/01/2004

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2004					
12/01/2004			137,375	137,375	137,375
06/01/2005			137,375	137,375	
12/01/2005			137,375	137,375	274,750
06/01/2006			137,375	137,375	
12/01/2006			137,375	137,375	274,750
06/01/2007			137,375	137,375	
12/01/2007			137,375	137,375	274,750
06/01/2008			137,375	137,375	
12/01/2008	250,000	7.000%	137,375	387,375	524,750
06/01/2009			128,625	128,625	
12/01/2009	25,000	7.000%	128,625	153,625	282,250
06/01/2010			127,750	127,750	
12/01/2010	35,000	7.000%	127,750	162,750	290,500
06/01/2011			126,525	126,525	
12/01/2011	35,000	7.000%	126,525	161,525	288,050
06/01/2012			125,300	125,300	
12/01/2012	45,000	7.000%	125,300	170,300	295,600
06/01/2013			123,725	123,725	
12/01/2013	45,000	7.000%	123,725	168,725	292,450
06/01/2014			122,150	122,150	
12/01/2014	55,000	7.000%	122,150	177,150	299,300
06/01/2015			120,225	120,225	
12/01/2015	60,000	7.000%	120,225	180,225	300,450
06/01/2016			118,125	118,125	
12/01/2016	70,000	7.000%	118,125	188,125	306,250
06/01/2017			115,675	115,675	
12/01/2017	75,000	7.000%	115,675	190,675	306,350
06/01/2018			113,050	113,050	
12/01/2018	85,000	7.000%	113,050	198,050	311,100
06/01/2019			110,075	110,075	
12/01/2019	90,000	7.000%	110,075	200,075	310,150
06/01/2020			106,925	106,925	
12/01/2020	105,000	7.000%	106,925	211,925	318,850
06/01/2021			103,250	103,250	
12/01/2021	110,000	7.000%	103,250	213,250	316,500
06/01/2022			99,400	99,400	
12/01/2022	125,000	7.000%	99,400	224,400	323,800
06/01/2023			95,025	95,025	
12/01/2023	135,000	7.000%	95,025	230,025	325,050
06/01/2024			90,300	90,300	
12/01/2024	150,000	7.000%	90,300	240,300	330,600
06/01/2025			85,050	85,050	
12/01/2025	160,000	7.000%	85,050	245,050	330,100
06/01/2026			79,450	79,450	
12/01/2026	180,000	7.000%	79,450	259,450	338,900
06/01/2027			73,150	73,150	
12/01/2027	190,000	7.000%	73,150	263,150	336,300
06/01/2028			66,500	66,500	
12/01/2028	210,000	7.000%	66,500	276,500	343,000
06/01/2029			59,150	59,150	
12/01/2029	225,000	7.000%	59,150	284,150	343,300
06/01/2030			51,275	51,275	
12/01/2030	250,000	7.000%	51,275	301,275	352,550
06/01/2031			42,525	42,525	
12/01/2031	265,000	7.000%	42,525	307,525	350,050
06/01/2032			33,250	33,250	

BOND DEBT SERVICE

**RIVERDALE PEAKS II METROPOLITAN DISTRICT
SERIES 2004 G.O. BONDS
30-year final maturity, Non-Rated**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2032	295,000	7.000%	33,250	328,250	361,500
06/01/2033			22,925	22,925	
12/01/2033	315,000	7.000%	22,925	337,925	360,850
06/01/2034			11,900	11,900	
12/01/2034	340,000	7.000%	11,900	351,900	363,800
	3,925,000		5,938,975	9,863,975	9,863,975

NET DEBT SERVICE

**RIVERDALE PEAKS II METROPOLITAN DISTRICT
SERIES 2004 G.O. BONDS
30-year final maturity, Non-Rated**

Date	Principal	Interest	Total Debt Service	Net Debt Service	Annual Net D/S
12/01/2004		137,375	137,375	137,375	137,375
06/01/2005		137,375	137,375	137,375	137,375
12/01/2005		137,375	137,375	137,375	274,750
06/01/2006		137,375	137,375	137,375	137,375
12/01/2006		137,375	137,375	137,375	274,750
06/01/2007		137,375	137,375	137,375	137,375
12/01/2007		137,375	137,375	137,375	274,750
06/01/2008		137,375	137,375	137,375	137,375
12/01/2008	250,000	137,375	387,375	387,375	524,750
06/01/2009		128,625	128,625	128,625	128,625
12/01/2009	25,000	128,625	153,625	153,625	282,250
06/01/2010		127,750	127,750	127,750	127,750
12/01/2010	35,000	127,750	162,750	162,750	290,500
06/01/2011		126,525	126,525	126,525	126,525
12/01/2011	35,000	126,525	161,525	161,525	288,050
06/01/2012		125,300	125,300	125,300	125,300
12/01/2012	45,000	125,300	170,300	170,300	295,600
06/01/2013		123,725	123,725	123,725	123,725
12/01/2013	45,000	123,725	168,725	168,725	292,450
06/01/2014		122,150	122,150	122,150	122,150
12/01/2014	55,000	122,150	177,150	177,150	299,300
06/01/2015		120,225	120,225	120,225	120,225
12/01/2015	60,000	120,225	180,225	180,225	300,450
06/01/2016		118,125	118,125	118,125	118,125
12/01/2016	70,000	118,125	188,125	188,125	306,250
06/01/2017		115,675	115,675	115,675	115,675
12/01/2017	75,000	115,675	190,675	190,675	306,350
06/01/2018		113,050	113,050	113,050	113,050
12/01/2018	85,000	113,050	198,050	198,050	311,100
06/01/2019		110,075	110,075	110,075	110,075
12/01/2019	90,000	110,075	200,075	200,075	310,150
06/01/2020		106,925	106,925	106,925	106,925
12/01/2020	105,000	106,925	211,925	211,925	318,850
06/01/2021		103,250	103,250	103,250	103,250
12/01/2021	110,000	103,250	213,250	213,250	316,500
06/01/2022		99,400	99,400	99,400	99,400
12/01/2022	125,000	99,400	224,400	224,400	323,800
06/01/2023		95,025	95,025	95,025	95,025
12/01/2023	135,000	95,025	230,025	230,025	325,050
06/01/2024		90,300	90,300	90,300	90,300
12/01/2024	150,000	90,300	240,300	240,300	330,600
06/01/2025		85,050	85,050	85,050	85,050
12/01/2025	160,000	85,050	245,050	245,050	330,100
06/01/2026		79,450	79,450	79,450	79,450
12/01/2026	180,000	79,450	259,450	259,450	338,900
06/01/2027		73,150	73,150	73,150	73,150
12/01/2027	190,000	73,150	263,150	263,150	336,300
06/01/2028		66,500	66,500	66,500	66,500
12/01/2028	210,000	66,500	276,500	276,500	343,000
06/01/2029		59,150	59,150	59,150	59,150
12/01/2029	225,000	59,150	284,150	284,150	343,300
06/01/2030		51,275	51,275	51,275	51,275
12/01/2030	250,000	51,275	301,275	301,275	352,550
06/01/2031		42,525	42,525	42,525	42,525
12/01/2031	265,000	42,525	307,525	307,525	350,050
06/01/2032		33,250	33,250	33,250	33,250
12/01/2032	295,000	33,250	328,250	328,250	361,500

NET DEBT SERVICE

**RIVERDALE PEAKS II METROPOLITAN DISTRICT
SERIES 2004 G.O. BONDS
30-year final maturity, Non-Rated**

Date	Principal	Interest	Total Debt Service	Net Debt Service	Annual Net D/S
06/01/2033		22,925	22,925	22,925	
12/01/2033	315,000	22,925	337,925	337,925	360,850
06/01/2034		11,900	11,900	11,900	
12/01/2034	340,000	11,900	351,900	351,900	363,800
	3,925,000	5,938,975	9,863,975	9,863,975	9,863,975

RIVERDALE PEAKS II METROPOLITAN DISTRICT
(In the Formation Stage of Development)

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
AND ACCOUNTING POLICIES**

March 27, 2002

NOTE 1) NATURE AND LIMITATION OF FORECAST

This forecast of financial information is for the purpose of a financial analysis of the proposed plan of Riverdale Peaks II Metropolitan District (the "District") (in the Formation Stage of Development). It is to display how the proposed facilities and services are to be provided and financed.

This financial forecast presents, to the best knowledge and belief of Management of the District, the District's expected cash position and results of cash receipts and disbursements for the forecasted periods. Accordingly, the forecast reflects Management's judgement, as of March 27, 2002, the date of this forecast, of the expected conditions and the District's expected course of action.

The assumptions disclosed herein are those that Management believes are significant to the forecast and are not all-inclusive. There still usually may be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The forecast is stated in term of 2002 dollars with the only adjustments for inflation as follows. Based upon the biennial revaluation of property required by state statute, an increase in property valuation of 2% due to reassessment has been assumed every other year. The forecasted market values per residential unit and commercial property have been increased by 4% each year, compounded annually, beginning in 2004.

NOTE 2) ORGANIZATION

The Petitioners for the formation of the District, a quasi-municipal corporation, are in the process of organization. The District will be governed pursuant to provisions of the Colorado Special District Act (Title 32). The District will operate under a service plan approved by the Adams County Board of Commissioners. The District's service area is located entirely in Adams County. The District is being established to provide financing for the design, acquisition, installation and construction of water, sanitary sewer, street, traffic and safety control, park and recreation, transportation, television relay and translation, mosquito control and limited fire protection improvements and facilities.

RIVERDALE PEAKS II METROPOLITAN DISTRICT
(In the Formation Stage of Development)

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
AND ACCOUNTING POLICIES**

March 27, 2002

NOTE 2) ORGANIZATION (continued)

The Service Plan anticipates that the District will own, operate and maintain water and sewer improvements that it constructs. This forecast does NOT include water and sewer operating revenue and expenditures. Although these revenue and expenditures may be material, a rate study will be developed before operations begin to determine rates, fees and charges to produce net operating revenue to continue service to the customers and provide for replacement of the systems.

Formation of the District is intended to be timed to allow for the proper legislative, judicial and election process to be completed in order for the District electors to be able to vote for the authorization of debt and TABOR questions in November 2002 and tax levies for tax collections in 2004. The Petitioners expect the favorable approval at the election since they constitute the majority of the current eligible electors within the proposed District's boundaries.

NOTE 3) PETITIONERS / BOARD OF DIRECTORS

The Petitioners for Formation of the District are principals of the company that intends to develop the property included within the boundaries of the District and the Service Area. The Developer is Gateway American Properties, LLC.

NOTE 4) BASIS OF ACCOUNTING

The basis of accounting for this forecast is the cash basis which is a basis of accounting that is different from the generally accepted accounting principles under which the District will prepare its financial statements. The forecast does not include any revenue or expenses or expenditures related to the ongoing operations of the water and sewer facilities that may be owned and operated by the District.

RIVERDALE PEAKS II METROPOLITAN DISTRICT
(In the Formation Stage of Development)

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
AND ACCOUNTING POLICIES**

March 27, 2002

NOTE 5) PROPERTY TAXES

The primary source of revenue or cash receipts will be ad valorem property taxes. Property taxes are determined annually by the District's Board of Directors and set by County Commissioners as to rate or levy based upon the assessed valuation of the property within the District. The Adams County Assessor determines the assessed valuation. The levy is expressed in terms of mills. A mill is 1/1,000 of the assessed valuation. The forecast assumes that the District will be able to set its mill levy at 38.000 mills for debt service and 3.000 mills for administration and landscaping maintenance purposes for a total of 41.000 mills until the bonds are paid off.

The forecast assumes that the mill levy has not been adjusted according to provisions of the State's Gallagher Amendment. The Gallagher Amendment states that residential assessed values State-wide must be approximately 45% of total assessed values. When the market values of residential property increase faster than the values of nonresidential property, the residential assessment ratio must decline to keep the 45 percent/55 percent ratio. According to information as set forth in the Colorado Legislative Council Staff's "Assessed Values and Property Tax Projections" issued in December 2001, the residential assessment rate is projected to decline from its current 9.15% for 2002 to 8.31% in 2003 (for collection in 2004), 7.76% in 2005 and 7.23% in 2007. This forecast has included the current residential assessment ratio of 9.15% through the term of the forecast period. Historical trends would indicate that adjustments under the State's Gallagher Amendment would continue to lower the assessment ratio and adjust the mill levy upward. Since residential values have increased greater than commercial since 1986, the ratio has decreased in most reassessment years except for 1999 which indicated no change. This forecast does not reduce the current residential assessment ratio beyond 9.15% since it is assumed that the District's Board will increase the mill levy as allowed under the service plan and election questions, which contain provisions that will allow the District to increase its mill levy above the forecasted 41.000 mills, to override these reductions in ratio beyond 2003 up to the maximum mill levy of 50.000 mills. This maximum mill levy limitation may be increased or decreased to reflect changes in the method of calculating assessed valuation. The projections of the Legislative Council Staff are estimates only, do not have force of law and may or may not occur as projected.

RIVERDALE PEAKS II METROPOLITAN DISTRICT
(In the Formation Stage of Development)

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
AND ACCOUNTING POLICIES**

March 27, 2002

NOTE 5) PROPERTY TAXES (continued)

The assessed valuation for the District is dependent upon the build-out schedule of the homes within the District. Management of the District has based the estimate of build-out on their forecasted build-out schedule. The forecasted development build-out schedule and conversion to assessed valuation is presented as a Schedule. The assessed valuation rate for raw ground and developed lots is 29% until a home is constructed. The assessed valuation rate for commercial property is 29%.

The beginning assessed value of the land which constitutes the District is estimated to be immaterial for taxing purposes in 2003.

Increases to valuation for the development of infrastructure within the District for platted and finished lots held for build-out are included in the forecasted assessed valuation. No assessed valuation has been assumed for State Assessed property that may be owned by public utilities within the District.

The property taxes resultant from the above mill levy and assessed valuation has been reduced for the Adams County Treasurer's fee for collection of the taxes at 1.5% and further reduced for uncollectible taxes of one half percent (.5%).

NOTE 6) SPECIFIC OWNERSHIP TAXES

Specific ownership taxes are set by the State and collected by the County Treasurer primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The forecast assumes that the District's share will be equal to approximately 10% of the property taxes collected.

RIVERDALE PEAKS II METROPOLITAN DISTRICT
(In the Formation Stage of Development)

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
AND ACCOUNTING POLICIES**

March 27, 2002

NOTE 7) FACILITIES FEES

The forecast assumes that facilities fees will be set and collected by the District. The facilities fees are anticipated and forecasted to include separate fee schedules for single-family residential units and per square foot of commercial building developed which will be imposed at the time of issuance of a building permit. The fees for single-family residential units have been calculated based on the following but are subject to change by the Board of Directors upon implementation and further rate studies.

Water development fee	\$9,000
Sanitary Sewer development fee	4,000
Storm Drainage fee	2,500
Crossings and street fee	1,250
Infrastructure district fee	<u>3,000</u>
 Total single-family equivalent	 <u>\$19,750</u>

The facilities fee for commercial property is forecasted to be \$1.00 per building square foot.

NOTE 8) DEVELOPER ADVANCES

The forecast assumes that the Developer will advance funds to the District for organization and operational costs and may be reimbursed from bond proceeds. The forecast also assumes that the Developer will advance all funds needed for construction costs to the District. To the extent that bond proceeds are available for construction payments in any year, the Developer advance (or Developer note) would be reduced accordingly.

Developer advances or notes may be paid back at an interest rate to be determined in the future. Interest was not accrued on Developer advances in this forecast, as its only impact would be to reduce the amount of bond proceeds available to reimburse the Developer for capital infrastructure costs, and not all of the infrastructure costs can be funded by bond proceeds in this Plan (see Note 12). Developer notes would be restructured under the terms of the Service Plan.

NOTE 9) INTEREST INCOME

The forecast has included interest income on monies that are forecasted to be on deposit or invested by the District at the prior year-end at an interest rate of 3%.

RIVERDALE PEAKS II METROPOLITAN DISTRICT
(In the Formation Stage of Development)

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
AND ACCOUNTING POLICIES**

March 27, 2002

NOTE 10) ADMINISTRATIVE DISBURSEMENTS

Administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting and audit, general engineering, insurance, banking, meeting expense, and other administrative expenses. Administrative costs, including those costs associated with the organization of the District, have been included in the forecast and combined with the following landscaping and maintenance disbursements and estimated to be included in the amount equivalent to the net property taxes generated from the levy of 3.000 mills.

NOTE 11) LANDSCAPING AND MAINTENANCE DISBURSEMENTS

Landscaping and maintenance disbursements have been included in the forecast together with the above administrative disbursements in an amount equivalent to the net property taxes generated from a levy of 3.00 mills.

NOTE 12) INFRASTRUCTURE IMPROVEMENTS

The estimated cost of the capital infrastructure improvements to be funded under the plan for the District is displayed on the Sources and Uses of Funds schedule. The forecast assumes that the Developer will advance funds for all infrastructure costs and be reimbursed from bond proceeds to the extent bonds can be issued.

The capital infrastructure costs per the engineering estimate exceed the amount that can be reimbursed to the Developer under this Plan. The Petitioners expect that the District will allow the Developer to either advance funds to the District or to actually construct the improvements under the District's supervision for reimbursement by the District upon completion to the extent bondable. The reimbursement of the additional costs is subject to the District's authorized indebtedness and other revenue available to the District. There may be additional construction costs in the future. To the extent costs are not reimbursed, the Developer is responsible for the infrastructure costs.

RIVERDALE PEAKS II METROPOLITAN DISTRICT
(In the Formation Stage of Development)

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
AND ACCOUNTING POLICIES**

March 27, 2002

NOTE 13) DEBT SERVICE

The District anticipates issuing general obligation bonds on June 1, 2004, in the amount of \$3,925,000. The proceeds of such debt will be used for issuance costs and to reimburse the Developer for capital infrastructure improvements and organizational costs. The bonds are assumed to bear interest at an estimated rate of 7.0% and are assumed to be paid over a 30 year period with the final payment on December 1, 2034. The District may be authorized and able to issue revenue bonds under the Service Plan to provide for future funding of water enterprise needs which are not included within the forecast.

Assumptions related to the proposed bond issue have been provided to Management by Kirkpatrick Pettis, the proposed underwriter of the proposed bond issue of the District.

EXHIBIT E-1

Water and Irrigation Improvements

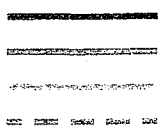
136TH AVENUE

YOSEMITE STREET

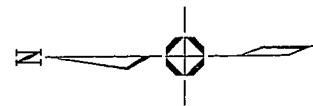
RIVERDALE ROAD

WATER WELL LOCATION

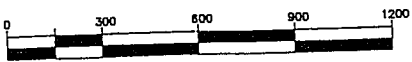
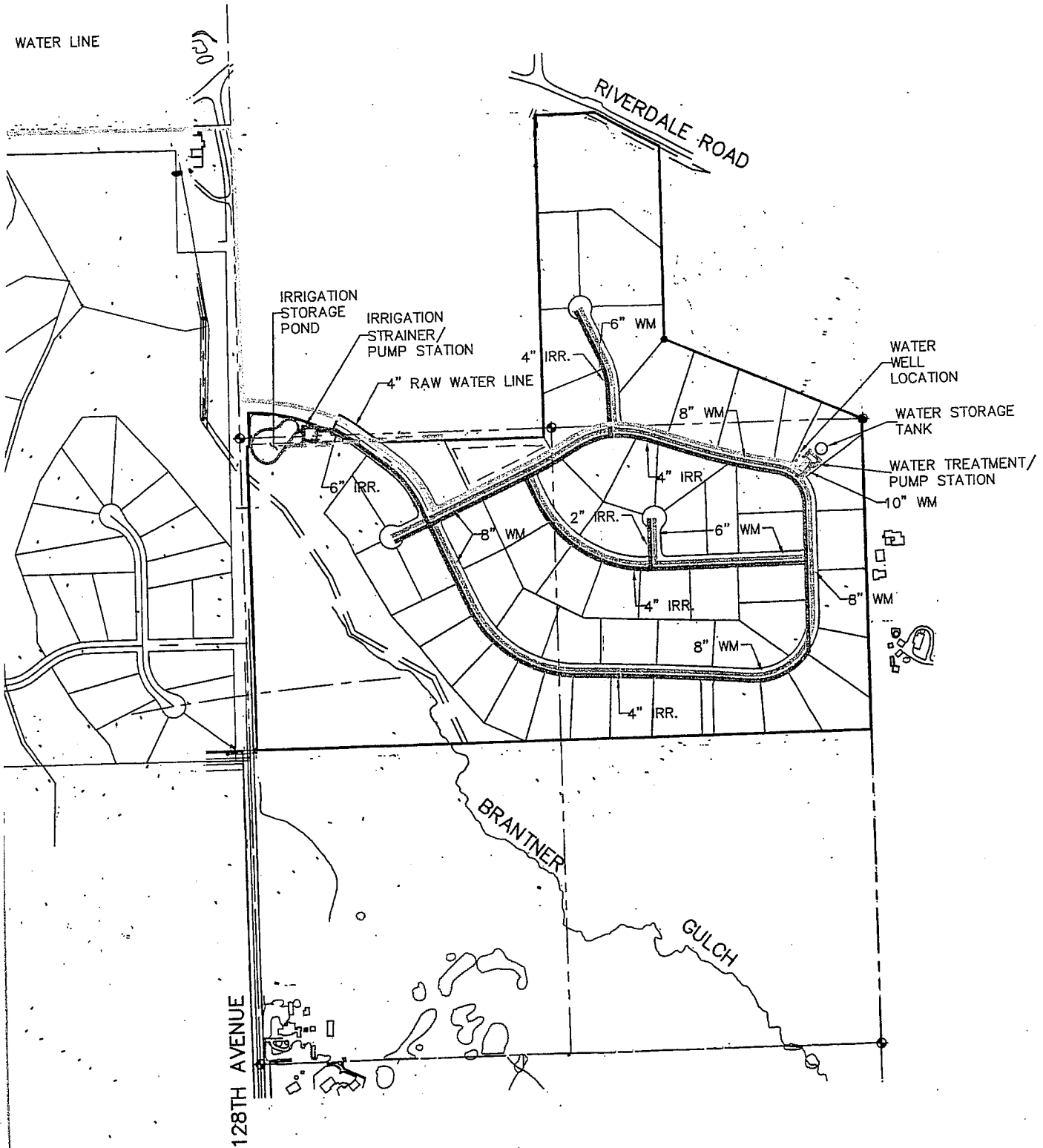
4"



IRRIGATION WATER LINE
POTABLE WATER LINE
RAW WATER LINE
6" IRRIGATION CONVEYANCE LINE



WATER LINE



SCALE: 1"=600'
ORIGINAL GRAPHIC SCALE



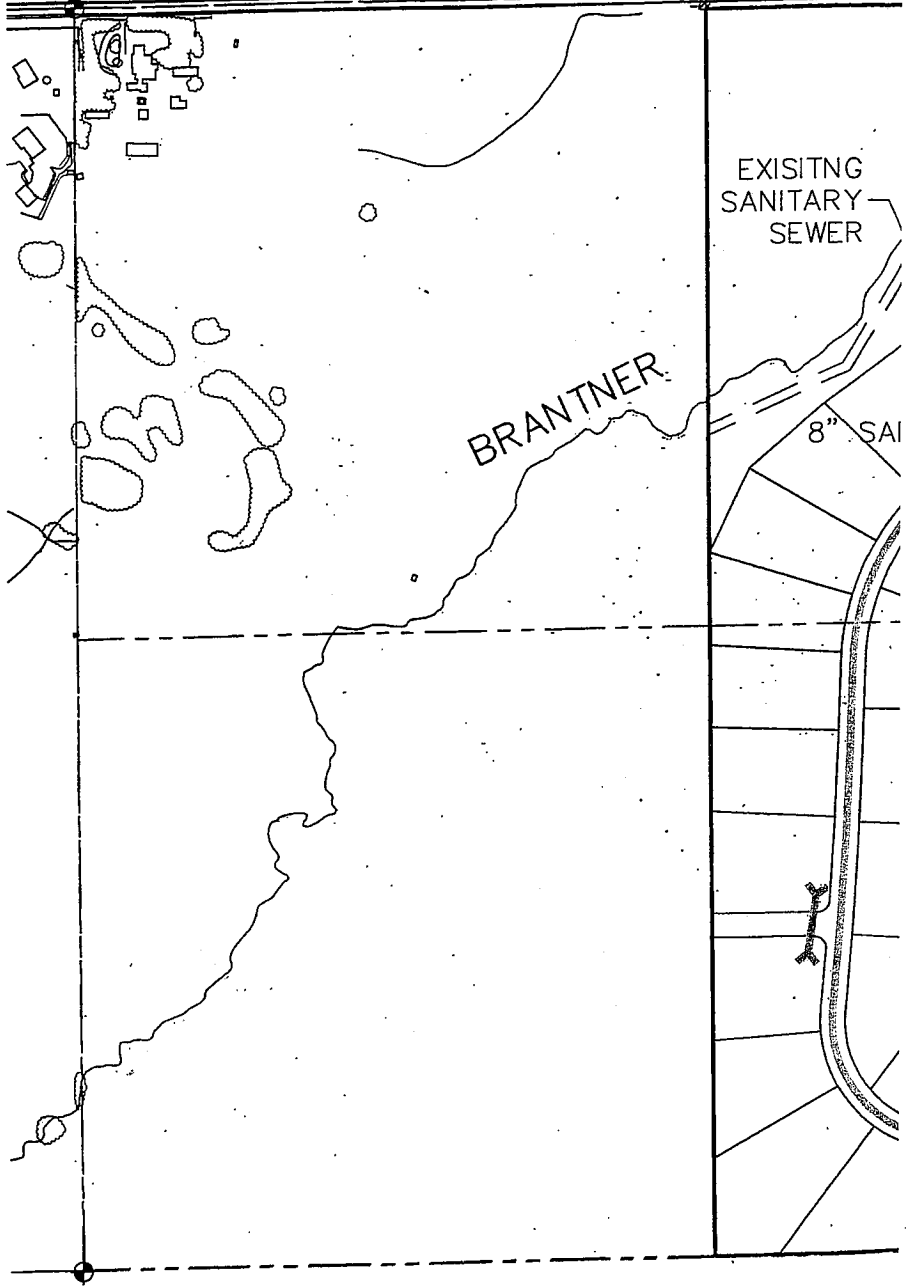
Carroll & Lange
Professional Engineers & Land Surveyors
165 South Union Blvd., Suite 156
Lakewood, Colorado 80226
(303) 980-0200

Project: RIVERDALE PEAKS II		Sheet 1 of 1
Title: WATER LAYOUT EXHIBIT		Job No. 2278
Designed By: BMS	Scale: 1" = 600'	File No. WATER
Drawn By: AKD	Date: MARCH, 2002	
Checked By:		

EXHIBIT E-2

Sanitary Sewer and Storm Sewer Improvements

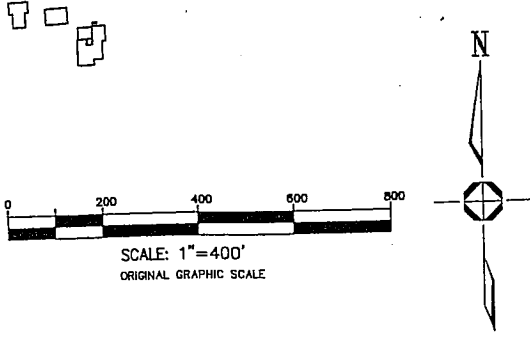
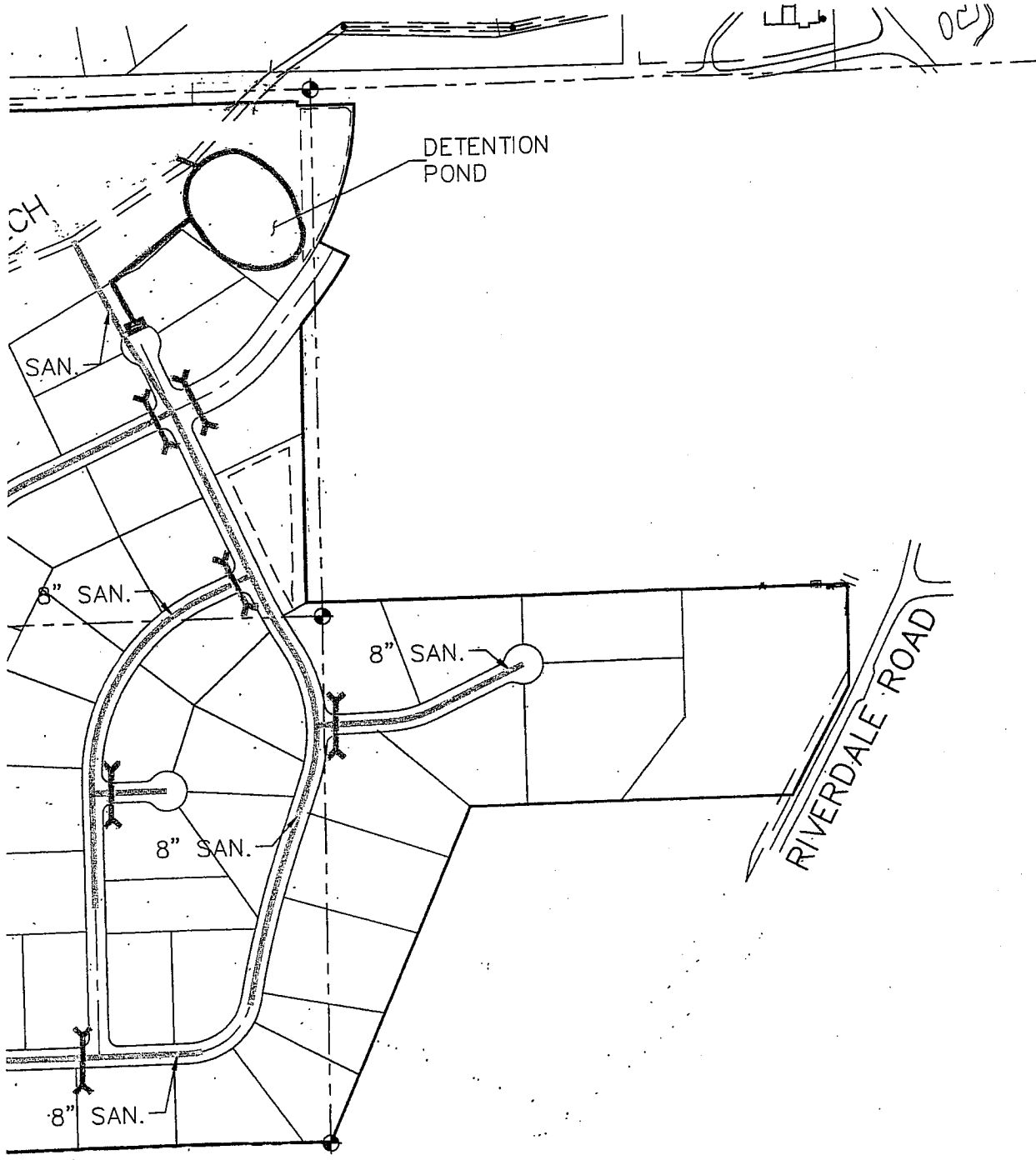
128TH AVENUE



BOX CULVERT

STORM SEWER IMPROVEMENTS - 18" RCP

SANITARY SEWER IMPROVEMENTS




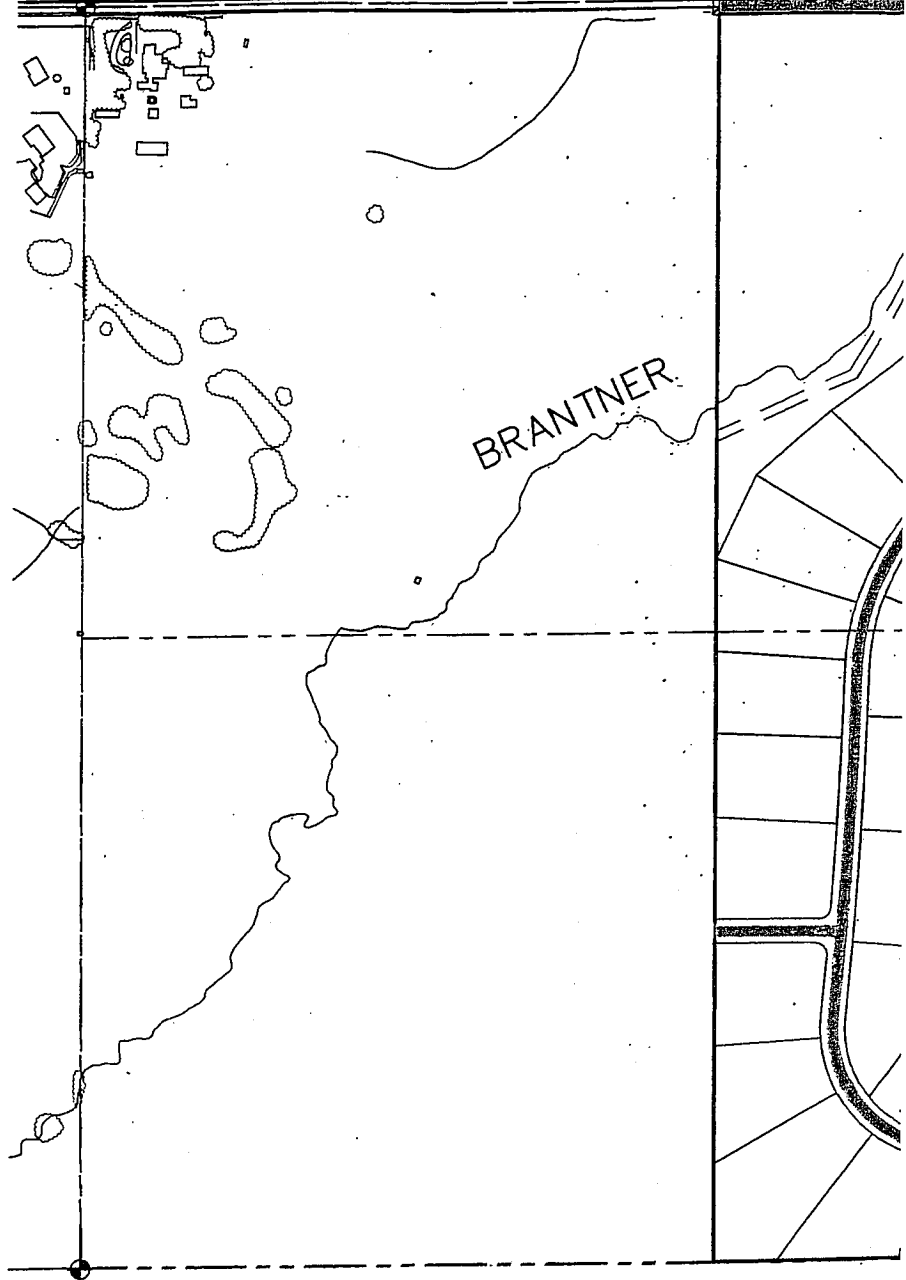
 Carroll & Lange Professional Engineers & Land Surveyors 160 South Union Blvd., Suite 156 Lakewood, Colorado 80226 (303) 980-0700		
Title: SANITARY AND STORM SEWER LAYOUT EXHIBIT		
Designed By: BMS	Scale: 1" = 400'	Sheet 1 of 1
Drawn By: AKD		Job No. 2278
Checked By:	Date: MARCH, 2002	File No. SAN-DRNG

EXHIBIT E-3

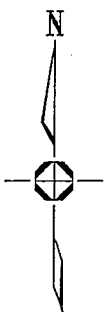
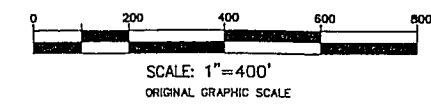
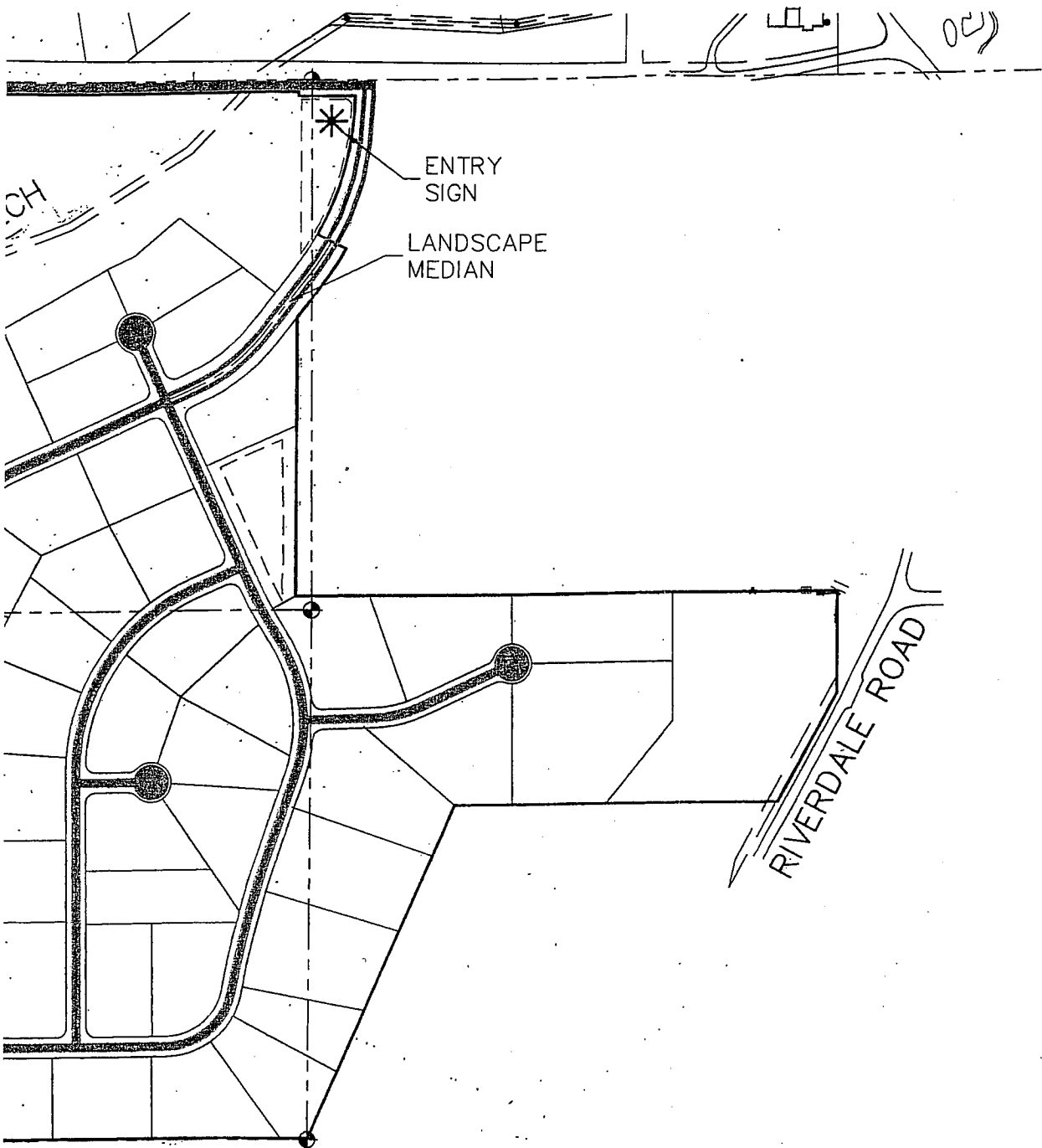
Street Improvements

128TH AVENUE



 STREET IMPROVEMENTS






 Carroll & Lange <small>Professional Engineers & Land Surveyors 165 South Union Blvd., Suite 158 Lakewood, Colorado 80226 (303) 919-0200</small>		
Project:		RIVERDALE PEAKS II
Title:		STREET LAYOUT EXHIBIT
Designed By: BMS	Scale: 1" = 400'	Sheet 1 of 1
Drawn By: AKD		Job No. 2278
Checked By:	Date: MARCH, 2002	File No. SAN-DRNG

EXHIBIT F

Riverdale Peaks II

Overlapping Mill Levies and Fees

Proposed Mill Levy Cap	50 mills
<i>Taxing Entity</i>	<i>Mill Levy</i>
Adams County	23.541
North Metropolitan Fire Rescue	8.227
Adams Library District	1.388
School District 27 Bond	14.329
School District 27 General	32.688
Urban Drainage District	.521
Urban Drainage District - South Platte	.069
<i>*Proposed Riverdale Peaks District Mill Levy</i>	41.000
Total	121.763

Riverdale Peaks II Metropolitan District Comparison of Mill Levies by District

Riverdale Peaks II M. D.		Todd Creek Farms M. D. No. 2		Riverdale Dunes M. D. No. 1		Reunion Metropolitan District	
Proposed Mill Cap	50	Mill Levy Cap	50	Mill Levy Cap	No cap	Mill Levy Cap	50
Proposed Riverdale Peaks II Metro District	41.000	Todd Creek Farms Metro Dist. No. 2	30.00	Riverdale Dunes Metro District No. 1	50.000	Proposed Reunion Metro District	45.000
Adams County	23.541	Adams County	23.541	Adams County	23.541	Adams County	23.541
North Metropolitan Fire Rescue	8.227	Brighton Fire District #6	8.220	Commerce City	3.280	Commerce City	3.280
Adams County Library District	1.388	Adams County Library District	1.388	Adams County Library District	1.388	South Adams Fire Protection District	2.643
School District 27	47.017	School District 27	47.017	School District 27	47.017	School District 27	47.017
Urban Drainage and Flood Control District	.521	Urban Drainage and Flood Control District	.521	Urban Drainage and Flood Control District	.521	Urban Drainage and Flood Control District	.521
Urban Drainage District - South Platte	.069	Urban Drainage District - South Platte	.069	Urban Drainage District - South Platte	.069	Urban Drainage District - South Platte	.069
				Central Colorado Water Conservancy District	.871		
				South Adams Water and Sanitation District	3.508		
				South Adams Fire #4	2.643		
Total	121.763	Total	110.756	Total	132.838	Total	121.971

EXHIBIT G

Indebtedness of Overlapping Entities

1.	Adams County	\$ -0-
2.	Adams County Library System	\$ -0-
3.	North Metro Fire Rescue	\$ 665,000
4.	Urban Drainage and Flood Control District	\$ -0-
5.	Urban Drainage and Flood Control District - South Platte	\$ -0-
6.	Regional Transportation District	\$ -0-
7.	School District 27-J	\$58,930,000

*Information received from Adams County Finance Department