

FIRST AMENDMENT
TO THE
CONSOLIDATED SERVICE PLAN
FOR
ERIE COMMONS METROPOLITAN DISTRICT NOS. 1 AND 2

November 23, 2004

Prepared for
Erie Commons Metropolitan District Nos. 1 and 2

By
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I. INTRODUCTION [Amended]

A. General Overview

The following shall supplement the "Introduction" contained in the Consolidated Service Plan:

This First Amendment to the Consolidated Service Plan ("Amendment") for Erie Commons Metropolitan District Nos. 1 and 2 (hereinafter collectively known as "Districts") is submitted in accordance with the requirements of Section 32-1-207(2) of Title 32, Colorado Revised Statutes. The purpose of this Amendment is to increase the combined new money revenue and general obligation debt limit ("Debt Limit") to \$23,500,000 to accommodate increased estimated cost of public improvements planned for the development expected to be financed and provided by the Districts.

The Consolidate Service Plan, dated June 30, 2003, was approved by approved by the Town of Erie (the "Town") on July 8, 2003, pursuant to the Town's Resolution No. 03-42. The provisions of this Amendment are intended to supplement and/or augment the provisions contained in the Consolidated Service Plan, but are not intended to replace the same unless otherwise noted.

1. Multiple District Structure. [No Change]
 2. Benefits of Multiple District Structure. [No Change]
 - a. Coordinated Services. [No Change]
 - b. Debt Allocation. [No Change]
 - c. Bond Interest Rates. [No Change]
 3. Configuration of Districts. [No Change]
 4. Long-Term District Plan. [No Change]
 5. Existing Services and Districts. [No Change]
 6. Property Owner Associations. [No Change]
- B. General Financial Information and Assumptions [No Change]
- C. Contents of Service Plan [No Change]
- D. Modification of Service Plan [No Change]
- II. NEED FOR NEW DISTRICTS AND GENERAL POWERS [No Change]
- A. Need for Metropolitan Districts [No Change]

B. General Powers of Districts [No Change]

1. Sanitation. [No Change]
2. Water. [No Change]
3. Streets. [No Change]
4. Traffic and Safety Controls. [No Change]
5. Parks and Recreation. [No Change]
6. Television Relay and Translator. [No Change]
7. Mosquito and Pest Control. [No Change]
8. Transportation. [No Change]
9. Legal Powers. [No Change]
10. Other. [No Change]

III. DESCRIPTION OF FACILITIES AND IMPROVEMENTS [No Change]

A. General [No Change]

B. General Design Standards [No Change]

1. Wastewater System. [No Change]
2. Storm Drainage. [No Change]
3. Water System. [No Change]
4. Street System and Traffic Safety. [No Change]
5. Park and Recreation. [No Change]

C. **Estimated Cost of Facilities and Surety** [Amended]

This section is amended only the extent described below.

The amended estimated construction costs of the facilities to be constructed, installed, acquired and otherwise financed and provided by the Districts are shown in Exhibit 1, and are exclusive of all costs of issuance, including but not limited to such issuance expenses and costs like debt service reserves, capitalized interest, underwriter's discount and legal fees, organizational costs, inflation, but inclusive of contingencies and construction management. Exhibit 1 contains a comparison of the amended costs to the original budget and a narrative describing the reason for the various cost category and improvement variances.

IV. DEVELOPMENT PROJECTIONS [No Change]

V. PROPOSED AND EXISTING AGREEMENTS [No Change]

A. Master Intergovernmental Agreement [No Change]

B. Intergovernmental Agreement with Erie [No Change]

C. Other Agreements/Authority [No Change]

VI. OPERATING COSTS [No Change]

VII. **FINANCIAL PLAN [Amended]**

This section is amended only the extent described below.

Attached to this Amendment as Exhibit 2 is the Amended Financing Plan that shows how the proposed services and amended improvement costs may be financed and operated by the Districts. The Amended Financing Plan demonstrates one method that might be used by the Districts, however, alternative financing plans may be employed and utilized by the Districts without additional approval so long as such plans are within the parameters and limits contained herein, and do not constitute a material modification.

The Amended Financing Plan projects the amount of financing necessary to cover the estimated construction cost of infrastructure as well as the related financing costs. The amended combined new money revenue and general obligation debt limit ("Debt Limit") for the Districts will be \$23,500,000, inclusive of organizational costs, but exclusive of any surety requirement, costs of issuance, including but not limited to debt service reserves, capitalized interest, underwriter's discount and legal fees so that the Districts shall have the authority to issue debt in an amount sufficient to fully finance and construct all facilities contemplated herein and fully implement the Service Plan and this Amendment.

VIII. OTHER REQUIREMENTS [No Change]

IX. CONCLUSIONS

It is submitted that this Amendment, along with the previously approved Consolidated Service Plan, as required by § 32-1-203(2), C.R.S., has established that:

(a) There is sufficient existing and projected need for organized service in the area served by the Districts;

(b) The existing service in the area served by the Districts is inadequate for present and projected needs;

(c) The Districts are capable of providing economical and sufficient service to the area within its boundaries;

(d) The area included in the Districts will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;

Therefore, it is requested that the Town Council of Erie, Colorado, adopt a resolution that approves this First Amendment to the Consolidated Service Plan for Erie Commons Metropolitan District Nos. 1 and 2, as submitted, which shall be attached hereto as Exhibit 3.

WHITE, BEAR & ANKELE ^{VSA}
Professional Corporation

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EXHIBIT 1

Amended Cost Estimate

Erie Commons Metropolitan District
Analysis of Cost Increases

11/11/2004

	BUDGET OCTOBER 2004	APPROVED SERVICE PLAN BUDGET	VARIANCE	NARRATIVE
Leon A. Wurt Parkway, w/ landscaping	2,505,630	2,883,492	(377,862)	The water and sewer infrastructure within the LAW right-of-way was less than originally anticipated.
grade separated crossing mitigation at LAW	443,491	200,000	243,491	The Town's anticipated cost for the grade separated crossing were twice the original budget. The mitigation agreement provides for the expense of the greater cost in pedestrian friendly improvements throughout the LAW right-of-way and at a second bridge crossing of coal creek.
Mason, Austin & Bonnell	1,545,000	1,111,190	433,810	The original budget did not include any costs for Austin or Bonnell from Erie Commons through the Austin Industrial Park to County Line Road. These roads are being improved to full width with the development of Erie Commons.
Briggs Street connection, w/ landscaping	1,478,886	1,222,607	256,279	Original concept plans did not carry Briggs Street south of LAW as a collector roadway, therefore the costs increased by this proportionate amount.
County Line Road	678,077	678,077	0	Do not expect a change here.
Jasper (collector north)	1,208,000	1,208,000	0	Do not expect a change here.
Landscaping - Coal Creek	2,937,604	1,391,611	1,545,993	The amount of earthwork and complexity of fine grading the corridor, the scope of revegetation/ planting, armoring and irrigation increased dramatically from the originally anticipated scope of work.
Tot lots w/ misc trails	1,150,875	1,331,317	(180,442)	This reduction was based on the removal of the water resources fee from the park budget. The water is being provided by the raw water system, which is discussed below.
7-acre neighborhood park	677,977	767,622	(89,645)	This reduction was based on the removal of the water resources fee from the park budget. The water is being provided by the raw water system, which is discussed below.

Erie Commons Metropolitan District
Analysis of Cost Increases

11/11/2004

Community Amenity South	600,000	745,140	(145,140)	This reduction was based on the removal of the water resources fee from the park budget. The water is being provided by the raw water system, which is discussed below. In addition there was some savings by combining the amenity with the 7-acre neighborhood park.
Community Center contribution	500,000	500,000	0	No change fixed number.
raw water system	1,625,563	0	1,625,563	As anticipated in the annexation agreement the project has been able to integrate a raw water system for the irrigation of the parks & open spaces including the Community Center. The combination of cost of infrastructure for the system and reduction in water yield from the native water sources increased from the water resources costs originally included within the park specific budgets.
Water -	w/ above			
Sanitary -	w/ above			
Sewer connection	65,000	65,000	0	n/a
Drainage / Ditch Piping	1,135,830	1,270,836	(135,006)	A portion of the offsite drainage that it was believed to be necessary to convey through Filing No. 2 had been previously rerouted south of Erie Commons with another development, providing the associated savings.
In roadways	w/ above			
	16,551,933	13,374,892	3,177,041	

EXHIBIT 2

Amended Financial Plan

11/19/04

Erie Commons Metropolitan Districts No.1 and No. 2

Forecasted Statements

Sources and Uses of Funds

For the Years Ending

December 31, 2004 through 2043

Erie Commons Metropolitan Districts No. 1 and No. 2
Erie, Colorado

Summary of Significant Assumptions and Accounting Policies
December 31, 2004 through 2043

The following forecast presents, to the best of the Petitioner's knowledge and belief, the expected cash receipts and disbursements for the forecast period. Accordingly, the forecast reflects the Petitioner's judgment as of November 19, 2004. The assumptions disclosed herein are those that the Petitioner believes are significant to the forecast. 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.

The purpose of this forecast is to show the amount of funds available for construction of infrastructure within the Districts by the issuance of promissory notes to the Developer and the anticipated funds available for repayment of the promissory notes.

The Petitioner anticipates the formation of two (2) Title 32 Special Districts.

Note 1. Ad Valorem and Specific Ownership Taxes

Residential property is currently assessed at 8.00% of actual value. The market values of residential units within the District will range from \$220,000 to \$360,000 and will vary based upon the type of unit, development location and lot size. Market values are inflated at 4% per year commencing in the third year of buildout of all units. Commercial property is currently assessed at 29% of actual value. The market value of commercial property within the District assumes a total of 317,000 square feet at a value of \$85 per square foot.

Property is assumed to be assessed annually as of January 1. Residences are assumed to be assessed on January 1 of the year following the year of construction. The forecast of property tax revenue recognizes the related revenue in the subsequent year.

The Weld County Treasurer currently charges a 1.5% fee for the collection of property taxes on the assessed property and improvements. These charges are reflected in the accompanying forecasts as Treasurer's fees.

The forecast assumes that Specific Ownership Taxes collected on motor vehicle registrations will be 5.0% of property taxes collected.

The mill levy proposed to be imposed by the Districts is initially projected to be 40.00 mills, based upon the above assessment ratios. This levy is used to pay construction financing debt service, general obligation debt service and operating expenses of the District.

Note 2. Interest Income

Revenues received by the Districts are assumed to be invested, until expended, at a rate of 2.0%. Interest income earned is based on the beginning cash balance each year and includes an estimate of the timing of the receipt of other revenues and the disbursement of funds during the year.

Note 3. Bond Issuance Assumptions

District No. 1 will issue its promissory notes based upon the need for construction, operating and debt service funds for the project. The Developer will advance funds to the District for these purposes in exchange for the District's promissory notes. The promissory notes will bear a variable interest rate, estimated at 8.5%. District No. 1 has already issued \$3,250,000 of its five-year promissory notes to private investors at an interest rate of 7.5%. District No. 2 will issue bonds to refund the promissory notes of District No. 1, and these bonds will be general obligation bonds of the developed district. The mill levy is projected to not exceed 40.00 mills to pay debt service obligations and operating expenses of the District, based upon the above assessment ratios. The general obligation bonds will be issued in denominations of \$5,000 or multiples thereof and will bear an estimated interest rate of 5.5%.

Note 4. Operating Expenses

Operating expenses for legal, accounting, audit and management are forecast to be \$30,000 per year. Operating expenses are inflated at a constant rate of 4.0% per year over the life of the forecast.

Note 5. Construction Costs

Construction costs of infrastructure are estimated to be \$17,051,539.

ERIE COMMONS METROPOLITAN DISTRICT										
SOURCE AND APPLICATION OF FUNDS										
			THROUGH							
			9/30/2004	2004	2005	2006	2007	2008	2009	
SOURCES:		TOTAL								
Beginning cash			-	667,925	370,961	107,891	93,948	103,887	85,172	
Property tax revenue		51,610,887			-		55,723	318,602	685,564	
Specific ownership taxes		2,580,544		-	-	-	2,786	15,930	34,278	
Development fees		385,000		-	43,000	92,000	116,000	134,000		
Construction financing		17,575,000	(55,828)	55,828	5,950,000	4,800,000	3,700,000	2,200,000		
Accounts payable		-	52,503	(52,503)						
Private investors		4,000,000	3,250,000	750,000	-					
General obligation bonds		23,500,000							15,000,000	
Interest income		52,162	4,541	624	5,732	698	-	2,078	1,703	
		99,703,593	3,251,217	1,421,874	6,369,693	5,000,590	3,968,457	2,774,497	15,806,717	
APPLICATION:										
Infrastructure construction		17,051,539	2,005,475	1,059,863	6,229,395	4,270,716	2,459,028	1,027,062	-	
Interest - construction financing		6,623,625	-	-	252,875	709,750	1,071,000	1,321,750	1,007,250	
Principal - construction financing		17,575,000							9,600,000	
Interest reserve - private investor		(0)	394,587	(16,451)	(251,668)	(126,468)				
Interest - private investor		832,134	60,938			20,196	300,400	300,400	150,200	
Principal - private investor		4,000,000							4,000,000	
Issuance costs		766,799	3,049						487,500	
Interest - general obligation bonds		25,529,526							412,500	
Principal - general obligation bonds		23,500,000							-	
Treasurer's fees		812,871	-	-	-	-	878	5,018	10,798	
Formation and operating costs		2,947,509	119,243	7,500	31,200	32,448	33,746	35,096	36,500	
Contingency		14,591	-	-	-	-	(482)	-	-	
		99,653,593	2,583,292	1,050,912	6,261,802	4,906,642	3,864,570	2,689,326	15,704,747	
ENDING CASH		50,000	667,925	370,961	107,891	93,948	103,887	85,172	101,970	
MILL LEVY							40.00	40.00	40.00	

[illegible]

[illegible]

[illegible]

[illegible]

SOURCES:		2043
Beginning cash		51,786
Property tax revenue		1,001,424
Specific ownership taxes		50,071
Development fees		
Construction financing		
Accounts payable		
Private investors		
General obligation bonds		
Interest income		1,036
		1,104,317
APPLICATION:		
Infrastructure construction		
Interest - construction financing		
Principal - construction financing		
Interest reserve - private investor		
Interest - private investor		
Principal - private investor		
Issuance costs		
Interest - general obligation bonds		46,926
Principal - general obligation bonds		853,200
Treasurer's fees		15,772
Formation and operating costs		138,491
Contingency		(72)
		1,054,317
ENDING CASH		<u>50,000</u>
MILL LEVY		3.70

ERIE COMMONS METROPOLITAN DISTRICTS									
FINANCING AND VALUATION									
			THROUGH						
			9/30/2004	2004	2005	2006	2007	2008	2009
CONSTRUCTION FINANCING:									
	Beginning balance			(55,828)	-	5,950,000	10,750,000	14,450,000	16,650,000
	Draws		(55,828)	55,828	5,950,000	4,800,000	3,700,000	2,200,000	-
	Repayments		-	-	-	-	-	-	(9,600,000)
	Ending balance		(55,828)	-	5,950,000	10,750,000	14,450,000	16,650,000	7,050,000
INTEREST RESERVE - PRIVATE INVESTOR:									
	Beginning balance		-	455,624	439,174	187,505			
	Deposits		455,000	105,000	43,000	92,000			
	Earnings		624	624	5,732	698			
	Payouts			(122,075)	(300,400)	(280,204)			
	Ending balance		455,624	439,174	187,505	(0)			
GENERAL OBLIGATION BONDS:									
	Beginning balance			-	-	-	-	-	-
	Proceeds		-	-	-	-	-	-	15,000,000
	Repayments		-	-	-	-	-	-	-
	Ending balance		-	-	-	-	-	-	15,000,000
ASSESSED VALUATION:									
	Beginning valuation		-	-		-	1,393,074	7,965,050	17,139,097
	Increase from inflation			-				374,325	374,325
	Increase from building			-			1,393,074	6,571,976	8,799,722
	Ending valuation			-			1,393,074	7,965,050	17,139,097
ABSORPTION:									
	Assessed valuation increase						1,393,074	6,571,976	8,797,127
	Cumulative assessed valuation						1,393,074	7,965,050	25,561,899
DEBT TO ASSESSED RATIO:									
	Outstanding G.O. debt								15,000,000
	% Debt to assessed								57.01%

ERIE COMMONS METROPOLITAN DISTRICT									
FINANCING AND VALUATION									
CONSTRUCTION FINANCING:		2010	2011	2012	2013	2014	2015	2016	2017
	Beginning balance	7,050,000	7,400,000	7,700,000	7,975,000	-	-	-	-
	Draws	350,000	300,000	275,000	-	-	-	-	-
	Repayments	-	-	-	(7,975,000)	-	-	-	-
	Ending balance	7,400,000	7,700,000	7,975,000	-	-	-	-	-
GENERAL OBLIGATION BONDS:									
	Beginning balance	15,000,000	15,000,000	15,000,000	15,000,000	23,500,000	23,250,000	22,950,000	22,550,000
	Proceeds	-	-	-	8,500,000	-	-	-	-
	Repayments	-	-	-	-	(250,000)	(300,000)	(400,000)	(520,000)
	Ending balance	15,000,000	15,000,000	15,000,000	23,500,000	23,250,000	22,950,000	22,550,000	22,030,000
ASSESSED VALUATION:									
	Beginning valuation	26,310,549	28,886,635	30,624,621	33,005,071	35,385,521	38,121,145	40,856,768	44,015,885
	Increase from inflation	1,737,986	1,737,986	2,380,450	2,380,450	2,735,624	2,735,624	3,159,117	3,159,117
	Increase from building	838,100	-	-	-	-	-	-	-
	Ending valuation	28,886,635	30,624,621	33,005,071	35,385,521	38,121,145	40,856,768	44,015,885	47,175,001
ABSORPTION:									
	Assessed valuation increase	838,100	-						
	Cumulative assessed valuation	26,399,999	26,399,999						
DEBT TO ASSESSED RATIO:									
	Outstanding G. O. debt	15,000,000	15,000,000	15,000,000	23,500,000	23,250,000	22,950,000	22,550,000	22,030,000
	% Debt to assessed	51.93%	48.98%	45.45%	66.41%	60.99%	56.17%	51.23%	46.70%

ERIE COMMONS METROPOLITAN DISTRICT										
FINANCING AND VALUATION										
		2018	2019	2020	2021	2022	2023	2024	2025	2026
CONSTRUCTION FINANCING:										
Beginning balance	-	-	-	-	-	-	-	-	-	-
Draws	-	-	-	-	-	-	-	-	-	-
Repayments	-	-	-	-	-	-	-	-	-	-
Ending balance	-	-	-	-	-	-	-	-	-	-
GENERAL OBLIGATION BONDS:										
Beginning balance	22,030,000	21,330,000	20,476,800	19,623,600	18,770,400	17,917,200	17,064,000	16,210,800	15,357,600	
Proceeds	-	-	-	-	-	-	-	-	-	
Repayments	(700,000)	(853,200)	(853,200)	(853,200)	(853,200)	(853,200)	(853,200)	(853,200)	(853,200)	
Ending balance	21,330,000	20,476,800	19,623,600	18,770,400	17,917,200	17,064,000	16,210,800	15,357,600	14,504,400	
ASSESSED VALUATION:										
Beginning valuation	47,175,001	50,569,908	53,964,814	58,146,203	62,327,591	67,146,543	71,965,495	77,529,976	83,094,458	
Increase from inflation	3,394,906	3,394,906	4,181,389	4,181,389	4,818,952	4,818,952	5,564,482	5,564,482	6,424,977	
Increase from building	-	-	-	-	-	-	-	-	-	
Ending valuation	50,569,908	53,964,814	58,146,203	62,327,591	67,146,543	71,965,495	77,529,976	83,094,458	89,519,435	
ABSORPTION:										
Assessed valuation increase										
Cumulative assessed valuation	-	-	-	-	-	-	-	-	-	
DEBT TO ASSESSED RATIO:										
Outstanding G.O. debt	21,330,000	20,476,800	19,623,600	18,770,400	17,917,200	17,064,000	16,210,800	15,357,600	14,504,400	
% Debt to assessed	42.18%	37.94%	33.75%	30.12%	26.68%	23.71%	20.91%	18.48%	16.20%	

ERIE COMMONS METROPOLITAN DISTRICT										
FINANCING AND VALUATION										
CONSTRUCTION FINANCING:		2027	2028	2029	2030	2031	2032	2033	2034	
Beginning balance	-	-	-	-	-	-	-	-	-	-
Draws	-	-	-	-	-	-	-	-	-	-
Repayments	-	-	-	-	-	-	-	-	-	-
Ending balance	-	-	-	-	-	-	-	-	-	-
GENERAL OBLIGATION BONDS:										
Beginning balance	14,504,400	13,651,200	12,798,000	11,944,800	11,091,600	10,238,400	9,385,200	8,532,000		
Proceeds	-	-	-	-	-	-	-	-	-	-
Repayments	(853,200)	(853,200)	(853,200)	(853,200)	(853,200)	(853,200)	(853,200)	(853,200)	(853,200)	(853,200)
Ending balance	13,651,200	12,798,000	11,944,800	11,091,600	10,238,400	9,385,200	8,532,000	7,678,800		
ASSESSED VALUATION:										
Beginning valuation	89,519,435	95,944,413	103,362,967	110,781,520	119,347,300	127,913,079	137,803,495	147,693,910		
Increase from inflation	6,424,977	7,418,554	7,418,554	8,565,779	8,565,779	9,890,415	9,890,415	11,419,896		
Increase from building	-	-	-	-	-	-	-	-	-	-
Ending valuation	95,944,413	103,362,967	110,781,520	119,347,300	127,913,079	137,803,495	147,693,910	159,113,806		
ABSORPTION:										
Assessed valuation increase										
Cumulative assessed valuation	-	-	-	-	-	-	-	-	-	-
DEBT TO ASSESSED RATIO:										
Outstanding G.O. debt	13,651,200	12,798,000	11,944,800	11,091,600	10,238,400	9,385,200	8,532,000	7,678,800		
% Debt to assessed	14.23%	12.38%	10.78%	9.29%	8.00%	6.81%	5.78%	4.83%		

ERIE COMMONS METROPOLITAN DISTRICT												
FINANCING AND VALUATION												
CONSTRUCTION FINANCING:		2035	2036	2037	2038	2039	2040	2041				
Beginning balance		-	-	-	-	-	-	-				
Draws		-	-	-	-	-	-	-				
Repayments		-	-	-	-	-	-	-				
Ending balance		-	-	-	-	-	-	-				
GENERAL OBLIGATION BONDS:												
Beginning balance		7,678,800	6,825,600	5,972,400	5,119,200	4,266,000	3,412,800	2,559,600	1,706,400			
Proceeds		-	-	-	-	-	-	-	-			
Repayments		(853,200)	(853,200)	(853,200)	(853,200)	(853,200)	(853,200)	(853,200)	(853,200)			
Ending balance		6,825,600	5,972,400	5,119,200	4,266,000	3,412,800	2,559,600	1,706,400	853,200			
ASSESSED VALUATION:												
Beginning valuation		159,113,806	170,533,702	182,806,011	195,078,319	210,193,693	225,309,066	240,424,439	255,539,812			
Increase from inflation		11,419,896	12,272,309	12,272,309	15,115,373	15,115,373	15,115,373	15,115,373	15,115,373			
Increase from building		-	-	-	-	-	-	-	-			
Ending valuation		170,533,702	182,806,011	195,078,319	210,193,693	225,309,066	240,424,439	255,539,812	270,655,185			
ABSORPTION:												
Assessed valuation increase												
Cumulative assessed valuation		-	-	-	-	-	-	-	-			
DEBT TO ASSESSED RATIO:												
Outstanding G.O. debt		6,825,600	5,972,400	5,119,200	4,266,000	3,412,800	2,559,600	1,706,400	853,200			
% Debt to assessed		4.00%	3.27%	2.62%	2.03%	1.51%	1.06%	0.67%	0.32%			

ERIE COMMONS METROPOLITAN DISTRICT	
FINANCING AND VALUATION	
CONSTRUCTION FINANCING:	
Beginning balance	-
Draws	-
Repayments	-
Ending balance	-
INTEREST RESERVE - PRIVATE INVESTOR:	
Beginning balance	
Deposits	
Earnings	
Payouts	
Ending balance	
GENERAL OBLIGATION BONDS:	
Beginning balance	853,200
Proceeds	-
Repayments	(853,200)
Ending balance	-
ASSESSED VALUATION:	
Beginning valuation	270,655,185
Increase from inflation	15,115,373
Increase from building	-
Ending valuation	285,770,559
ABSORPTION:	
Assessed valuation increase	
Cumulative assessed valuation	-
DEBT TO ASSESSED RATIO:	
Outstanding G.O. debt	-
% Debt to assessed	0.00%

EXHIBIT 3

Erie Resolution of Approval For First Amendment

RESOLUTION NO. 05-02

**RESOLUTION OF THE TOWN OF ERIE APPROVING THE FIRST AMENDMENT
TO THE CONSOLIDATED SERVICE PLAN FOR ERIE COMMONS
METROPOLITAN DISTRICT NOS. 1 AND 2**

WHEREAS, on July 8, 2003, the Town of Erie ("Town") adopted and approved Resolution No. 03-42 approving the June 30, 2004, Consolidated Service Plan ("Service Plan") for Erie Commons Metropolitan District Nos. 1 and 2 (the "Districts"); and

WHEREAS, a First Amendment to the Consolidated Service Plan ("First Amendment") was filed in the office of the Town Clerk; and

WHEREAS, subsequent to the 2003 Service Plan approval, cost estimates for the Districts' construction and provision of the public capital infrastructure have increased resulting in a need to increase the Districts' debt limit, as defined in the Service Plan, so that the Districts are able to fully finance, acquire, construct, install and otherwise provide such infrastructure needs of the development; and

WHEREAS, pursuant to the Special District Control Act ("Act"), material modification of the Service Plan may be made by the Districts upon petition to and approval by the Town's Board of Trustees in substantially the same manner as is provided for the approval of the original Service Plan; and

WHEREAS, the Board of Trustees has reviewed the First Amendment, the evidence and related exhibits and has determined that the same, along with the approved Service Plan, meets the conditions necessary under the Act for approval, and therefore, has determined to conduct a public hearing on the matter, which has been properly noticed, and adopt a resolution of approval of the First Amendment, subject to the conditions set forth herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF ERIE, COLORADO, AS FOLLOWS:

Section 1. The above and foregoing recitals are incorporated herein by reference and are adopted as findings and determinations of the Board of Trustees.

Section 2. The Board of Trustees further finds and determines that all of the requirements of the Act relating to the filing of the First Amendment have been fulfilled and that notice of the public hearing was given in an acceptable time and manner.

Section 3. Upon consideration of the First Amendment, and all the facts appearing at the public hearing thereon, the Board of Trustees does find, determine and declare as follows:

A. That there is sufficient existing and projected need for the organized service in the area to be served by the Districts; and

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

C. That the Districts are capable of providing economical and sufficient service to the area within the boundaries, the service area, or both; and

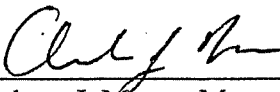
D. That the area within the Districts has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis; and

Section 4. The First Amendment shall be and the same is hereby approved.


Section 5. The Town's approval of the First Amendment is neither a waiver of nor a limitation upon any power that the Town is legally permitted to exercise with respect to the property subject to the Districts.

RESOLUTION ADOPTED AND APPROVED THIS 4th DAY OF JANUARY 2005.

TOWN OF ERIE,
a Colorado municipal corporation

By: 
Andrew J. Moore, Mayor

ATTEST:

By: 
Teresa G. Andrews, Town Clerk