

EXHIBIT 1

EXHIBIT A

Legal Description of Property

THE FOLLOWING PROPERTY LOCATED IN TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE 6TH P.M., COUNTY OF GRAND, STATE OF COLORADO:

SECTION 3:

THE SW1/4SW1/4, EXCEPT THAT PORTION LYING WITHIN THE DENVER AND RIO GRANDE WESTERN RAILROAD RIGHT-OF-WAY;
N1/2SW1/4;
SW1/4NW1/4.

SECTION 4:

THE S1/2, EXCEPT THAT PORTION LOCATED WITHIN THE DENVER AND RIO GRANDE WESTERN RAILROAD RIGHT-OF-WAY;
S1/2NW1/4, EXCEPT THAT PORTION LOCATED WITHIN THE DENVER AND RIO GRANDE WESTERN RAILROAD RIGHT-OF-WAY;
SE1/4NE1/4, EXCEPT THE S1/2NW1/4 AND THE NE1/4NE1/4SW1/4 OF SECTION 4, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN LYING NORTHERLY OF THE DENVER AND RIO GRANDE WESTERN RAILROAD RIGHT OF WAY

SECTION 5:

THE SW1/4, EXCEPT SILVER SAGE SUBDIVISION;
W1/2SE1/4;
LOT 5;
LOT 6;
S1/2N1/2, EXCEPT THAT PORTION LOCATED WITHIN THE DENVER AND RIO GRANDE WESTERN RAILROAD RIGHT-OF-WAY.

SECTION 6:

THAT PORTION OF THE S1/2NE1/4 LOCATED EAST OF HIGHWAY 40;
THAT PORTION OF THE N1/2SE1/4 LOCATED EAST OF HIGHWAY 40 AND NORTH OF (1) THE SILVER SAGE SUBDIVISION, AND (2) THE TRACT OF LAND CONVEYED BY SILVERCREEK DEVELOPMENT COMPANY TO TEDDY GENE KELLNER BY THE WARRANTY DEED RECORDED IN THE REAL PROPERTY RECORDS OF GRAND COUNTY, COLORADO ON JANUARY 6, 1987, IN BOOK 410 AT PAGE 642.

SECTION 7 (ENTRANCE PARCEL):

THAT PORTION OF THE NE1/4SE1/4 LYING EASTERLY OF HIGHWAY 40, EXCEPT (1) THE INN AT SILVERCREEK SUBDIVISION, AND (2) THAT PORTION LYING NORTH OF THE PROPERTY DESCRIBED IN THE DEED TO VAL MORITZ VILLAGE, INC. RECORDED IN THE REAL PROPERTY RECORDS OF GRAND COUNTY, COLORADO ON JULY 14, 1971, IN BOOK 178 AT PAGE 709.

SECTION 8:

NW1/4NW1/4NW1/4;
E1/2NW1/4NW1/4;
E1/2NW1/4, EXCEPT (1) THE SILVER SAGE SUBDIVISION, (2) THE INNSBRUCK-VAL MORITZ SUBDIVISION, AND (3) THE INN AT SILVERCREEK SUBDIVISION;
NE1/4SW1/4, EXCEPT (1) THAT PORTION LOCATED WITHIN THE INNSBRUCK-VAL MORITZ SUBDIVISION, AND (2) THAT PORTION LOCATED WITHIN THE LAKEVIEW SUBDIVISION;
LOTS 1 AND 2;
E1/2E1/2;
NW1/4SE1/4.

EXHIBIT 1

SECTION 9:

LOTS 1, 2, 3, 7, 8 AND 9;

NE1/4SW1/4;

E1/2NW1/4;

N1/2NE1/4, EXCEPT THAT PORTION LOCATED WITHIN THE DENVER AND RIO GRANDE WESTERN RAILROAD RIGHT-OF-WAY.

SECTION 10:

NW1/4NW1/4, EXCEPT THAT PORTION LOCATED WITHIN THE DENVER AND RIO GRANDE WESTERN RAILROAD RIGHT-OF-WAY.

SECTION 15:

W1/2W1/2;

E1/2NW1/4, EXCEPT (1) THE 23.99 ACRE OPEN SPACE PARCEL SHOWN ON THE FINAL PLAT OF EAGLECREST SUBDIVISION, AND 2) THAT PORTION LOCATED WITHIN THE DENVER AND RIO GRANDE WESTERN RAILROAD RIGHT-OF-WAY.

SECTION 16:

ALL, EXCEPT (1) THE 11.91 ACRE OPEN SPACE PARCEL SHOWN ON THE FINAL PLAT OF SKI HAVEN ESTATES - PHASE I SUBDIVISION, (2) THAT PORTION OF PHASE I OF THE SUMMIT AT SILVERCREEK PLATTED AS THE SUMMIT AT SILVERCREEK CONDOMINIUMS BY THE AS BUILT PLAT RECORDED IN THE REAL PROPERTY RECORDS OF GRAND COUNTY, COLORADO ON FEBRUARY 22, 1985 AT RECEPTION NO. 226723, (3) THE MOUNTAINSIDE AT SILVERCREEK PHASE I SUBDIVISION (INCLUDING THE 2.4 ACRE OPEN SPACE PARCEL SHOWN ON THE FINAL PLAT OF SUCH SUBDIVISION), (4) THE MOUNTAINSIDE AT SILVERCREEK PHASE II SUBDIVISION (INCLUDING THE 0.22 ACRE OPEN SPACE PARCEL SHOWN ON THE FINAL PLAT OF SUCH SUBDIVISION), (5) THE KICKING HORSE LODGES SUBDIVISION, (6) LOTS 1 AND 2, BLOCK 4, SILVERGATE SUBDIVISION, (7) THE TWO OPEN SPACE PARCELS SHOWN ON THE FINAL PLAT OF SILVERGATE SUBDIVISION, AND (8) THE PROPERTY DESCRIBED IN THE QUIT CLAIM DEED FROM SILVERCREEK DEVELOPMENT COMPANY TO THE SUMMIT OF SILVERCREEK HOMEOWNERS ASSOCIATION, RECORDED IN THE REAL PROPERTY RECORDS OF GRAND COUNTY, COLORADO ON APRIL 23, 1990 IN BOOK 462 AT PAGE 890.

SECTION 17:

E1/2SW1/4;

SE1/4;

E1/2NE1/4.

SECTION 20;

NE1/4NW1/4;

NE1/4, EXCEPT (1) VAL MORITZ VILLAGE (SECOND FILING), AND (2) THE 7.8 ACRE OPEN SPACE PARCEL SHOWN ON THE FINAL PLAT OF WESTRIDGE SUBDIVISION;

N1/2SE1/4, EXCEPT (1) VAL MORITZ VILLAGE (FIRST FILING), AND (2) VAL MORITZ VILLAGE (SECOND FILING);

SE1/4SE1/4, EXCEPT VAL MORITZ VILLAGE (FIRST FILING).

SECTION 21:

ALL, EXCEPT (1) VAL MORITZ VILLAGE (FIRST FILING), AND (2) VAL MORITZ VILLAGE (SECOND FILING).

EXHIBIT 1

SECTION 22:
W1/2NW1/4.

SECTION 28:

ALL, EXCEPT (1) VAL MORITZ VILLAGE (FIRST FILING), AND (2) THAT PORTION CONVEYED BY VAL MORITZ GROUP, LTD., D/B/A SILVERCREEK DEVELOPMENT COMPANY, A COLORADO LIMITED PARTNERSHIP TO HIGHLANDS PROPERTY OWNERS GROUP, INC., A COLORADO NON-PROFIT CORPORATION BY INSTRUMENT RECORDED AUGUST 1, 1990, IN BOOK 467 AT PAGE 130.

SECTION 29:

NE1/4NE1/4;
S1/2NE1/4;
SE1/4;

EXCEPT FROM SAID SECTION 29 (1) VAL MORITZ VILLAGE (FIRST FILING), AND (2) THE TRACT OF LAND CONVEYED BY PLAZA RESOURCES COMPANY TO GRAND INVESTMENTS, LLC BY SPECIAL WARRANTY DEED RECORDED OCTOBER 13, 1995 AT RECEPTION NO. 95008910.

SECTION 32:

NE1/4, EXCEPT THAT PORTION LYING WITHIN HIGHWAY 40 RIGHT-OF-WAY.

SECTION 33:

NW1/4;

NW1/4NE1/4;

S1/2NE1/4, EXCEPT (1) THAT PORTION CONVEYED BY VAL MORITZ INVESTMENT GROUP, ET AL. TO GRAND COUNTY BY INSTRUMENTS RECORDED MAY 18, 1983, IN BOOK 328 AT PAGES 625 AND 628, JUNE 8, 1983, IN BOOK 329 AT PAGE 809, MAY 22, 1984, IN BOOK 350 AT PAGES 946 AND 947, JULY 18, 1984, IN BOOK 354 AT PAGE 124, JUNE 17, 1985, IN BOOK 375 AT PAGES 46 AND 48, AUGUST 23, 1985, IN BOOK 379 AT PAGE 963 AND SEPTEMBER 25, 1985, IN BOOK 381 AT PAGE 755, AND (2) THAT PORTION CONVEYED BY VAL MORITZ INVESTMENT GROUP, LTD., D/B/A SILVERCREEK DEVELOPMENT COMPANY, A COLORADO LIMITED PARTNERSHIP TO HIGHLANDS PROPERTY OWNERS GROUP, INC., A COLORADO NON-PROFIT CORPORATION BY INSTRUMENT RECORDED AUGUST 1, 1990, IN BOOK 467 AT PAGE 130.

COMMERCIAL WEST PARCEL:

THAT PORTION OF SECTION 6 AND SECTION 7, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH P.M., GRAND COUNTY, COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL INFORMATION CONTAINED HEREIN IS BASED UPON THE LOCATION OF THE EXISTING B.L.M. BRASS CAP MONUMENTS AS ESTABLISHED BY THE BUREAU OF LAND MANAGEMENT DEPENDENT RESURVEY OF A PORTION OF TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH P.M., ACCEPTED OCTOBER 10, 1979 AND FILED IN THE COLORADO STATE OFFICE NOVEMBER 1, 1979.

CONSIDERING THE NORTH LINE OF THE NORTHWEST ONE-QUARTER (NW1/4) OF THE NORTHEAST ONE-QUARTER (NE1/4) OF SAID SECTION 7 AS EVIDENCED BY AN EXISTING B.L.M. BRASS CAP MONUMENT AT THE NORTHWEST CORNER OF THE NORTHWEST ONE-QUARTER (NW1/4) OF THE NORTHEAST ONE-QUARTER (NE1/4) OF SAID SECTION 7 AND AN EXISTING B.L.M. BRASS CAP MONUMENT AT THE NORTHEAST CORNER OF THE NORTHWEST ONE-QUARTER (NW1/4) OF THE NORTHEAST ONE-QUARTER (NE1/4) OF SAID SECTION 7 AS

EXHIBIT 1

BEARING SOUTH 89°11'02" EAST AND WITH ALL BEARINGS CONTAINED HEREIN RELATIVE HERETO.

BEGINNING AT THE NORTHWEST CORNER OF THE NORTHWEST ONE-QUARTER (NW1/4) OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 7,
THENCE ALONG THE NORTH LINE OF THE NORTHWEST ONE-QUARTER (NW1/4) OF THE NORTHEAST ONE-QUARTER (NE1/4) OF SAID SECTION 7 SOUTH 89°11'02" EAST, 980.44 FEET TO THE TRUE POINT OF BEGINNING,
THENCE CONTINUING ALONG THE NORTH LINE OF THE NORTHWEST ONE-QUARTER (NW1/4) OF THE NORTHEAST ONE-QUARTER (NE1/4) OF SAID SECTION 7 SOUTH 89°11'02" EAST, 334.12 FEET TO THE NORTHEAST CORNER OF THE NORTHWEST ONE-QUARTER (NW1/4) OF THE NORTHEAST ONE-QUARTER (NE1/4) OF SAID SECTION 7,
THENCE ALONG THE EAST LINE OF THE NORTHWEST ONE-QUARTER (NW1/4) OF THE NORTHEAST ONE-QUARTER (NE1/4) OF SAID SECTION 7 SOUTH 07°12'35" WEST, 1,277.49 FEET TO THE SOUTHEAST CORNER OF THE NORTHWEST ONE-QUARTER (NW1/4) OF THE NORTHEAST ONE-QUARTER (NE1/4) OF SAID SECTION 7 AS EVIDENCED BY AN EXISTING B.L.M. BRASS CAP MONUMENT, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF THE NORTHEAST ONE-QUARTER (NE1/4) OF THE NORTHEAST ONE-QUARTER (NE1/4) OF SAID SECTION 7,
THENCE ALONG THE SOUTH LINE OF THE NORTHEAST ONE-QUARTER (NE1/4) OF THE NORTHEAST ONE-QUARTER (NE1/4) OF SAID SECTION 7 SOUTH 87°57'16" EAST, 912.53 FEET;
THENCE NORTH 02°02'44" EAST, 75.00 FEET;
THENCE SOUTH 87°57'16" EAST, 114.54 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF HIGHWAY 40, SAID POINT BEING ON A CURVE CONCAVE TO THE SOUTHWEST, HAVING A PARTIAL CENTRAL ANGLE OF 01°51'52" AND A RADIUS OF 1,282.50 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 82°24'55" EAST,
THENCE NORTHWESTERLY ALONG THE ARC OF A CURVE AND SAID WEST RIGHT-OF-WAY LINE 41.73 FEET TO THE END OF SAID CURVE, A RADIAL LINE THROUGH SAID END OF CURVE BEARS NORTH 80°33'03" EAST,
THENCE ALONG THE WEST RIGHT-OF-WAY LINE OF SAID HIGHWAY 40, NORTH 00°58'57" WEST, 243.40 FEET TO AN EXISTING HIGHWAY RIGHT-OF-WAY MARKER SET IN CONCRETE,
THENCE ALONG THE WEST RIGHT-OF-WAY LINE OF SAID HIGHWAY 40, NORTH 14°24'04" WEST, 19.16 FEET TO THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN DEED RECORDED IN BOOK 151, PAGE 17, RECORDS OF SAID COUNTY;
THENCE ALONG THE SOUTH AND WEST AND NORTH LINES OF SAID DESCRIBED PARCEL THE FOLLOWING COURSES AND DISTANCES,
NORTH 78°54'04" WEST, 232.66 FEET,
THENCE NORTH 14°24'04" WEST, 572.10 FEET,
THENCE NORTH 75°35'56" EAST, 210.00 FEET TO THE NORTHEAST CORNER OF SAID DESCRIBED PARCEL, SAID POINT BEING ON THE WEST RIGHT-OF-WAY LINE OF SAID HIGHWAY 40, THENCE ALONG SAID WEST RIGHT-OF-WAY LINE NORTH 14°24'04" WEST, 781.76 FEET TO THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN DEED RECORDED IN BOOK 194, PAGE 624, RECORDS OF SAID COUNTY,
THENCE ALONG THE SOUTH AND WEST AND NORTH LINES OF SAID DESCRIBED PARCEL THE FOLLOWING COURSES AND DISTANCES, SOUTH 75°35'56" WEST, 300.00 FEET,
THENCE NORTH 14°24'04" WEST, 382.76 FEET,
THENCE SOUTH 89°54'04" EAST, 330.53 FEET TO THE NORTHEAST CORNER OF SAID DESCRIBED PARCEL, SAID POINT BEING ON THE WEST RIGHT-OF-WAY LINE OF SAID HIGHWAY 40,

EXHIBIT 1

THENCE ALONG SAID WEST RIGHT-OF-WAY LINE NORTH 14°24'04" WEST, 61.97 FEET,
THENCE NORTH 89°54'04" WEST, 695.50 FEET,
THENCE SOUTH 04°06'34" WEST, 836.61 FEET, MORE OR LESS TO THE TRUE POINT OF
BEGINNING.

EXCEPT: ANY PORTION OF SUBJECT PROPERTY LYING WITHIN THE PROPERTY DESCRIBED IN
BOOK 154 AT PAGE 119.

VAL MORITZ VILLAGE LOTS:

LOTS 1 THROUGH 21, 23, AND 25 THROUGH 32, BLOCK 1,
LOTS 1 THROUGH 11, AND 13 THROUGH 17, BLOCK 2,
VAL MORITZ VILLAGE (FIRST FILING), COUNTY OF GRAND, STATE OF COLORADO.

TOGETHER WITH:

LOTS 2, 3, 4 AND 5, LAKEVIEW SUBDIVISION, COUNTY OF GRAND, STATE OF COLORADO.

LOT 14, GRANBY RANCH FILING NO. 10, ACCORDING TO THE PLAT THEREOF RECORDED MAY
10, 2007 AT RECEPTION NO. 2007005105, COUNTY OF GRAND, STATE OF COLORADO.

LOTS 29 THROUGH 56, INCLUSIVE, TRACTS B, D AND E, GRANBY RANCH FILING NO. 5B,
COUNTY OF GRAND, STATE OF COLORADO.

TOGETHER WITH:

THE S1/2NW1/4 AND THE NE1/4NE1/4SW1/4 OF SECTION 4, TOWNSHIP 1 NORTH, RANGE 76
WEST OF THE SIXTH PRINCIPAL MERIDIAN LYING NORTHERLY OF THE DENVER AND RIO
GRANDE WESTERN RAILROAD RIGHT OF WAY.

EXCEPTING FROM THE ABOVE THE PROPERTY DESCRIBED IN THE FOLLOWING PARTIAL
RELEASES OF DEED OF TRUST:

PARTIAL RELEASE RECORDED NOVEMBER 29, 2005 AT RECEPTION NO. 2005-013514
PARTIAL RELEASE RECORDED FEBRUARY 6, 2006 AT RECEPTION NO. 2006-001188
PARTIAL RELEASE RECORDED FEBRUARY 21, 2006 AT RECEPTION NO. 2006-001629
PARTIAL RELEASE RECORDED JANUARY 22, 2007 AT RECEPTION NO. 2007-000842
PARTIAL RELEASE RECORDED JANUARY 22, 2007 AT RECEPTION NO. 2007-000843
PARTIAL RELEASE RECORDED JANUARY 22, 2007 AT RECEPTION NO. 2007-000844
PARTIAL RELEASE RECORDED MARCH 13, 2007 AT RECEPTION NO. 2007002799
PARTIAL RELEASE RECORDED JANUARY 28, 2008 AT RECEPTION NO. 2008000865
PARTIAL RELEASE RECORDED APRIL 18, 2008 AT RECEPTION NO. 2008003817
PARTIAL RELEASE RECORDED DECEMBER 3, 2010 AT RECEPTION NO. 2010009541
PARTIAL RELEASE RECORDED MAY 3, 2013 AT RECEPTION NO. 2013003893
PARTIAL RELEASE RECORDED MAY 30, 2014 AT RECEPTION NO. 2014003160
PARTIAL RELEASE RECORDED OCTOBER 3, 2014 AT RECEPTION NO. 2014006525
PARTIAL RELEASE RECORDED AUGUST 23, 2017 AT RECEPTION NO. 2017-006700
PARTIAL RELEASE RECORDED MARCH 13, 2020 AT RECEPTION NO. 2020-002047

AND FURTHER EXCEPTING FROM ALL OF THE ABOVE THE FOLLOWING:

EXHIBIT 1

EXCEPTING LOT 15, GRANBY RANCH FILING NO. 6, ACCORDING TO THE PLAT THEREOF RECORDED JULY 8, 2005 AT RECEPTION NO. 2005007220.

AND EXCEPTING:

TRACTS A, B, C, D, GRANBY RANCH FILING NO. 7 REPLAT, ACCORDING TO THE PLAT THEREOF RECORDED JUNE 30, 2006 AT RECEPTION NO. 2006-006560.

AND EXCEPTING:

TRACTS G, H, I, J AND K, GRANBY RANCH FILING NO. 10 ACCORDING TO THE PLAT RECORDED MAY 10, 2007 AT RECEPTION NO. 2007-005105.

AND EXCEPTING:

TRACTS C, D AND E, GRANBY RANCH FILING NO 11 ACCORDING TO THE PLAT THEREOF RECORDED MAY 10, 2007 AT RECEPTION NO. 2007005113.

AND EXCEPTING:

TRACT F, GRANBY RANCH FILING NO. 14 ACCORDING TO THE PLAT THEREOF RECORDED JUNE 5, 2008 AT RECEPTION NO. 2008005638 AND THE SECOND AMENDED PLAT RECORDED DECEMBER 16, 2011 AT RECEPTION NO. 2011009215.

AND EXCEPTING:

THE "STREET TRACTS" AS DEDICATED ON THE PLAT OF GRANBY RANCH FILING NO 13 RECORDED JULY 10, 2007 AT RECEPTION NO. 2007007434.

AND EXCEPTING:

THE PROPERTY DESCRIBED IN INSTRUMENT RECORDED MARCH 20, 2008 AT RECEPTION NO. 2008002816 AND AMENDMENT RECORDED JUNE 4, 2008 AT RECEPTION NO. 2008005579.

AND EXCEPTING:

TRACT A, SECOND ADMINISTRATIVE PLAT AMENDMENT TO GRANBY RANCH FILING NO. 12, ACCORDING TO THE PLAT RECORDED SEPTEMBER 25, 2017 AT RECEPTION NO. 2017-007891.

AND EXCEPTING:

LOT 2, FIRST ADMINISTRATIVE PLAT TO GRANBY RANCH FILING 12, ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 15, 2008 AT RECEPTION NO. 2008-008905.

ALSO EXCEPTING FROM THE ABOVE PROPERTY THE FOLLOWING:

EXHIBIT 1

FAIRWAY CABINS:

LOTS 1 THROUGH 35 AND 66 THROUGH 87, AND TRACTS A, B, C, D, E, F, G, H, K, L, M AND P, OF GRANBY RANCH FILING NO. 2B, ACCORDING TO THE PLAT THEREOF RECORD-ED JUNE 15, 2006 AT RECEPTION NO. 2006005927, COUNTY OF GRAND, STATE OF COLORADO.

EAGLE CREST:

LOTS 24 THROUGH 52, AND TRACTS A AND B, OF GRANBY RANCH FILING NO. 11, ACCORDING TO THE PLAT THEREOF RECORDED MAY 10, 2007 AT RECEPTION NO. 2007005113, COUNTY OF GRAND, STATE OF COLORADO.

THUNDERBOLT LOTS:

LOTS 21 AND 22, GRANBY RANCH FILING NO. 11 ACCORDING TO THE PLAT THEREOF RECORDED MAY 10, 2007 AT RECEPTION NO. 2007005113, COUNTY OF GRAND, STATE OF COLORADO.

PEAK VIEW :

LOTS 1 THROUGH 56, INCLUSIVE, AND TRACTS A, B, C, D AND E OF GRANBY RANCH FILING NO. 5B, ACCORDING TO THE PLAT THEREOF RECORDED NOVEMBER 20, 2006 AT RECEPTION NO. 2006012421, COUNTY OF GRAND, STATE OF COLORADO.

LAKEVIEW:

LOTS 2, 3, 4 AND 5 OF LAKEVIEW SUBDIVISION, COUNTY OF GRAND, STATE OF COLORADO.

SHOSHONI:

LOTS 2, 12, 13, 14, 15, 16 AND 17 ACCORDING TO GRANBY RANCH FILING NO. 11 IN THE COUNTY OF GRAND, STATE OF COLORADO, PER PLAT RECORDED AT RECEPTION 2007005113 IN THE OFFICE OF THE CLERK AND RECORDER OF SAID COUNTY

AND

LOT 18 ACCORDING TO THE ADMINISTRATIVE PLAT AMENDMENT, FIRST AMENDMENT GRANBY RANCH FILING NO. 11, IN THE COUNTY OF GRAND, STATE OF COLORADO, PER PLAT RECORDED AT RECEPTION 2008010123 IN THE OFFICE OF THE CLERK AND RECORDER OF SAID COUNTY.

AND FURTHER EXCEPTING FROM ANY PORTION OF THE ABOVE DESCRIBED LAND, PARCELS A THROUGH G DESCRIBED AS FOLLOWS:

PARCEL A:

A PARCEL OF LAND LOCATED IN THE SOUTH HALF OF SECTION 16, THE SOUTH-EAST QUARTER OF SECTION 17, THE NORTHEAST QUARTER OF SECTION 20, THE NORTH HALF OF: SECTION 21, AND THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF GRANBY, COUNTY OF GRAND, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

EXHIBIT 1

BEGINNING AT THE SOUTHEAST CORNER OF SAID SECTION 16, AND CONSIDERING THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 16 TO BEAR SOUTH 88°03'34" EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO:

THENCE SOUTH 05°26'12" WEST, A DISTANCE OF 462.06 FEET;
THENCE SOUTH 40°07'39" EAST, A DISTANCE OF 469.61. FEET;
THENCE SOUTH 04°18'25" EAST, A DISTANCE OF 462.16. FEET;
THENCE SOUTH 33°32'02" WEST, A DISTANCE OF 915.51 FEET;
THENCE SOUTH 81°08'12" WEST, A DISTANCE OF 1873.21 FEET;
THENCE: NORTH 70°30'00" WEST, A DISTANCE OF 668.03 FEET;
THENCE NORTH 23°18'26" WEST, A DISTANCE OF 776.98 FEET;
THENCE NORTH 30°49'51" WEST, A DISTANCE OF 328.94 FEET;
THENCE NORTH 09°04'28" EAST, A DISTANCE OF 313.33 FEET;
THENCE NORTH 07°43'55" WEST, A DISTANCE OF 706.28 FEET;
THENCE SOUTH 83°39'49" WEST, A DISTANCE OF 179.60 FEET;
THENCE NORTH 18°13'07" WEST, A DISTANCE OF 396.49 FEET;
THENCE SOUTH 76°42'33" WEST, A DISTANCE: OF 280.22 FEET;
THENCE SOUTH 14°43'51" EAST, A DISTANCE OF 570.85 FEET;
THENCE SOUTH 77°24'42" WEST, A DISTANCE OF 81.46 FEET;
THENCE NORTH 46°17'56" WEST, A DISTANCE OF 145.16 FEET;
THENCE SOUTH 83°40'40" WEST, A DISTANCE OF 588.82 FEET;
THENCE NORTH 81°31'51" WEST, A DISTANCE OF. 451.14 FEET;
THENCE SOUTH 52°15'23" WEST, A DISTANCE OF 243.82 FEET;
THENCE SOUTH 45°27'54" WEST, A DISTANCE OF 446.51 FEET;
THENCE SOUTH 08°47'03" WEST, A DISTANCE OF 161.42 FEET TO A POINT ON THE WESTERLY BOUNDARY OF THE 7.80 ACRE OPEN SPACE PARCEL DEDICATED BY WESTRIDGE SUBDIVISION, THE PLAT OF WHICH IS RECORDED AT RECEPTION NO. 203775 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER;
THENCE SOUTH 16°16'51" WEST, ALONG SAID WESTERLY BOUNDARY, A DISTANCE OF 502.04 FEET;
THENCE SOUTH 72°02'29" WEST, A DISTANCE OF 283.80 FEET;
THENCE SOUTH 46°48'58" WEST, A DISTANCE OF 229.29 FEET;
THENCE SOUTH 86°25'33" WEST, A DISTANCE OF 322.14 FEET;
THENCE NORTH 03°33'35" WEST, A DISTANCE OF 698.83 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 62°49'37", A RADIUS OF 210.00 FEET, AND AN ARC LENGTH OF 230.27 FEET;
THENCE NORTH 59°16'01" EAST, A DISTANCE OF 245.18 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 64°03'40", A RADIUS OF 190.00 FEET, AND AN .ARC LENGTH OF 212.43 FEET;
THENCE NORTH 04°47'39" WEST, A DISTANCE OF 164.28 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 74°06'19", A RADIUS OF 190.00 FEET, AND AN ARC LENGTH OF 245.74 FEET;
THENCE NORTH 78°53'58" WEST, A DISTANCE OF 129.25 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 91°01'52", A RADIUS OF 210.00 FEET, AND AN ARC LENGTH OF 333.65 FEET;
THENCE NORTH 12°07'54" EAST, A DISTANCE OF 159.45 FEET;
THENCE SOUTH 47°40'17" EAST, A DISTANCE OF 55.96 FEET;
THENCE NORTH 72°2'15" EAST, A DISTANCE OF 889.28 FEET;
THENCE SOUTH 55°44'06" EAST, A DISTANCE OF 525.10 FEET;

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THENCE NORTH 70°01'41" EAST, A DISTANCE OF 466.83 FEET;
THENCE NORTH 15°21'32" EAST, A DISTANCE OF 175.69 FEET;
THENCE NORTH 80°19'01" EAST, A DISTANCE OF 138.25 FEET;
THENCE NORTH 53°59'13" EAST, A DISTANCE OF 276.17 FEET;
THENCE SOUTH 88°37'12" EAST, A DISTANCE OF 307.57 FEET;
THENCE NORTH 78°19'12" EAST, A DISTANCE OF 108.71 FEET;
THENCE SOUTH 85°51'25" EAST, A DISTANCE OF 695.64 FEET;
THENCE SOUTH 04°47'55" WEST, A DISTANCE OF 36.68 FEET;
THENCE SOUTH 65°56'43" EAST, A DISTANCE OF 627.82 FEET;
THENCE NORTH 88°45'26" EAST; A DISTANCE OF 178.77 FEET;
THENCE NORTH 44°10'34" EAST, A DISTANCE OF 929.57 FEET;
THENCE SOUTH 56°43'40" EAST, A DISTANCE OF 2016.36 FEET TO THE POINT OF BEGINNING,

EXCEPT FROM SAID PARCEL A THE FOLLOWING DESCRIBED PARCEL:

THE 2.40 ACRE OPEN SPACE PARCEL SHOWN ON THE FINAL PLAT OF THE MOUNTAIN-SIDE. AT SILVERCREEK PHASE I SUBDIVISION, ACCORDING TO THE PLAT RECORDED AT RECEPTION NO. 203319 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER, TOGETHER WITH THE 0.22 ACRE OPEN SPACE PARCEL SHOWN ON THE FINAL PLAT OF THE MOUNTAIN-SIDE AT SILVERCREEK PHASE II SUBDIVISION, ACCORDING TO THE PLAT RECORDED AT RECEPTION NO. 222486 OF THE RECORDS OF THE GRAND COUNTY CLERK AND RECORDER LOCATED IN THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF GRANBY, COUNTY OF GRAND, STATE OF COLORADO, SUBORDINATELY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER SAID SECTION 16 AND CONSIDERING THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 16 TO BEAR SOUTH 88°03'34" EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE NORTH 73°01'23" EAST, A DISTANCE OF 1364.97 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 28°16'56" WEST, A DISTANCE OF 114.25 FEET;

THENCE NORTH 61°43'04" WEST, A DISTANCE OF 520.40 FEET;

THENCE NORTH 28°16'56" EAST, A DISTANCE OF 324.51 FEET;

THENCE SOUTH 39°43'04" EAST, A DISTANCE OF 561.27 FEET TO THE POINT OF BEGINNING;

PARCEL B:

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 17 AND THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF GRANBY, COUNTY OF GRAND, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 16, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, AND CONSIDERING THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 16 TO BEAR SOUTH 88°03'34" EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE SOUTH 78°20'20" WEST, A DISTANCE OF 6915.33 FEET TO THE POINT OF BEGINNING;

EXHIBIT 1

THENCE NORTH 29°40'56" WEST, A DISTANCE OF 348.56 FEET;
THENCE NORTH 39°20'38" WEST, A DISTANCE OF 356.52 FEET;
THENCE NORTH 36°59'58" EAST, A DISTANCE OF 336.92 FEET;
THENCE NORTH 28°32'00" WEST, A DISTANCE OF 243.37 FEET;
THENCE NORTH 19°06'15" EAST, A DISTANCE OF 274.21 FEET;
THENCE NORTH 19°20'21" WEST, A DISTANCE OF 180.51 FEET;
THENCE NORTH 04°42'05" EAST, A DISTANCE OF 120.69 FEET TO A POINT ON A CURVE;
THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 87°23'52", A RADIUS OF 210.00 FEET, AN ARC LENGTH OF 320.33 FEET; AND A CHORD THAT BEARS SOUTH 65°51'24" EAST;
THENCE SOUTH 22°09'28" EAST, A DISTANCE OF 416.94 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 51°27'15", A RADIUS OF 210.00 FEET, AND AN ARC LENGTH OF 188.59 FEET;
THENCE SOUTH 29°17'47" WEST, A DISTANCE OF 258.29 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 30°24'36", A RADIUS OF 190.00 FEET, AND AN ARC LENGTH OF 100.84 FEET;
THENCE SOUTH 01°06'49" EAST, A DISTANCE OF 588.47 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 04°15'11" A RADIUS OF 190.00 FEET, AND AN ARC LENGTH OF 14.10 FEET TO THE POINT OF BEGINNING.

PARCEL C:

LOT 1, FIRST ADMINISTRATIVE PLAT AMENDMENT TO GRANBY RANCH FILING NO. 12, LOCATED IN THE SOUTHWEST QUARTER OF SECTION 16, TOWNSHIP 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, RECORDED SEPTEMBER 15, 2008 AT RECEPTION NO. 2008008905 IN THE TOWN OF GRANBY, COUNTY OF GRAND, STATE OF COLORADO.

PARCEL D:

A PARCEL OF LAND LOCATED IN THE SOUTHWEST QUARTER OF SECTION 9 AND THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF GRANBY, COUNTY OF GRAND, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 16 AND CONSIDERING THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 16 TO BEAR SOUTH 88°38'53" EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;
THENCE NORTH 26°44'12" WEST, A DISTANCE OF 571.88 FEET TO THE POINT OF BEGINNING;
THENCE SOUTH 10°49'06" EAST, A DISTANCE OF 171.78 FEET;
THENCE SOUTH 31°11'51" WEST, A DISTANCE OF 69.43 FEET;
THENCE SOUTH 30°16'00" EAST, A DISTANCE OF 215.08 FEET;
THENCE SOUTH 04°11'05" EAST, A DISTANCE OF 200.36 FEET;
THENCE SOUTH 22°03'30" WEST, A DISTANCE OF 190.31 FEET;
THENCE SOUTH 23°39'38" WEST, A DISTANCE OF 264.41 FEET;
THENCE SOUTH 24°58'22" WEST, A DISTANCE OF 115.00 FEET;
THENCE SOUTH 10°51'59" WEST, A DISTANCE OF 86.25 FEET;
THENCE SOUTH 30°43'41" WEST, A DISTANCE OF 238.89 FEET;
THENCE SOUTH 41°30'36" WEST, A DISTANCE OF 87.33 FEET;
THENCE SOUTH 18°22'17" WEST, A DISTANCE OF 99.73 FEET;
THENCE SOUTH 39°28'33" WEST, A DISTANCE OF 65.32 FEET;

EXHIBIT 1

THENCE SOUTH 11°27'17" WEST, A DISTANCE OF 75.79 FEET;
THENCE SOUTH 55°40'15" WEST, A DISTANCE OF 123.34 FEET;
THENCE SOUTH 13°38'01" WEST, A DISTANCE OF 64.58 FEET;
THENCE SOUTH 47°16'02" WEST, A DISTANCE OF 87.81 FEET;
THENCE NORTH 85°35'47" WEST, A DISTANCE OF 65.54 FEET;
THENCE SOUTH 78°18'36" WEST, A DISTANCE OF 131.94 FEET;
THENCE SOUTH 51°51'24" WEST, A DISTANCE OF 67.58 FEET;
THENCE SOUTH 67°51'37" WEST, A DISTANCE OF 109.15 FEET;
THENCE SOUTH 11°11'42" WEST, A DISTANCE OF 122.16 FEET;
THENCE SOUTH 69°13'13" WEST, A DISTANCE OF 188.52 FEET;
THENCE SOUTH 54°18'35" WEST, A DISTANCE OF 134.87 FEET;
THENCE NORTH 52°47'23" WEST, A DISTANCE OF 52.62 FEET;
THENCE SOUTH 78°05'00" WEST, A DISTANCE OF 71.47 FEET;
THENCE SOUTH 41°40'33" WEST, A DISTANCE OF 32.64 FEET;
THENCE SOUTH 00°36'21" WEST, A DISTANCE OF 49.50 FEET;
THENCE SOUTH 36°08'18" WEST, A DISTANCE OF 71.00 FEET;
THENCE SOUTH 51°14'10" WEST, A DISTANCE OF 68.71 FEET;
THENCE NORTH 76°12'40" WEST, A DISTANCE OF 75.76 FEET;
THENCE NORTH 36°58'35" WEST, A DISTANCE OF 49.72 FEET;
THENCE NORTH 10°19'49" WEST, A DISTANCE OF 114.91 FEET;
THENCE NORTH 24°05'05" EAST, A DISTANCE OF 63.10 FEET;
THENCE NORTH 15°11'40" WEST, A DISTANCE OF 155.34 FEET;
THENCE NORTH 87°04'56" WEST, A DISTANCE OF 83.10 FEET;
THENCE NORTH 65°31'18" WEST, A DISTANCE OF 60.38 FEET;
THENCE NORTH 11°40'03" EAST, A DISTANCE OF 65.27 FEET;
THENCE SOUTH 85°25'56" EAST, A DISTANCE OF 85.07 FEET;
THENCE SOUTH 72°57'12" EAST, A DISTANCE OF 111.59 FEET;
THENCE NORTH 59°41'08" EAST, A DISTANCE OF 67.87 FEET;
THENCE NORTH 87°25'31" EAST, A DISTANCE OF 96.77 FEET;
THENCE NORTH 35°17'22" EAST, A DISTANCE OF 85.17 FEET;
THENCE NORTH 42°20'14" EAST, A DISTANCE OF 173.28 FEET;
THENCE NORTH 67°27'08" EAST, A DISTANCE OF 187.78 FEET;
THENCE NORTH 53°50'25" EAST, A DISTANCE OF 183.67 FEET;
THENCE NORTH 42°27'46" EAST, A DISTANCE OF 122.32 FEET;
THENCE NORTH 64°40'04" EAST, A DISTANCE OF 60.50 FEET;
THENCE NORTH 28°59'59" EAST, A DISTANCE OF 74.31 FEET;
THENCE NORTH 01°00'12" WEST, A DISTANCE OF 170.85 FEET;
THENCE NORTH 41°17'24" EAST, A DISTANCE OF 74.77 FEET;
THENCE NORTH 15°21'08" EAST, A DISTANCE OF 57.99 FEET;
THENCE NORTH 31°53'32" EAST, A DISTANCE OF 133.53 FEET;
THENCE SOUTH 86°38'08" EAST, A DISTANCE OF 65.21 FEET;
THENCE NORTH 06°10'55" EAST, A DISTANCE OF 64.88 FEET;
THENCE NORTH 46°20'47" EAST, A DISTANCE OF 106.06 FEET;
THENCE NORTH 44°41'02" EAST, A DISTANCE OF 67.03 FEET;
THENCE NORTH 02°52'47" EAST, A DISTANCE OF 203.27 FEET;
THENCE NORTH 10°49'47" EAST, A DISTANCE OF 141.19 FEET;
THENCE NORTH 25°50'54" EAST, A DISTANCE OF 204.17 FEET;
THENCE NORTH 33°56'56" EAST, A DISTANCE OF 113.87 FEET;
THENCE NORTH 11°18'19" EAST, A DISTANCE OF 161.91 FEET;

EXHIBIT 1

THENCE NORTH 59°56'47" EAST, A DISTANCE OF 145.06 FEET;
THENCE SOUTH 56°47'03" EAST, A DISTANCE OF 49.98 FEET TO THE POINT OF BEGINNING.

PARCEL E:

A PARCEL OF LAND LOCATED IN THE WEST HALF OF SECTION 9, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF GRANBY, COUNTY OF GRAND, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, AND CONSIDERING THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 16 TO BEAR SOUTH 88°38'53" EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;
THENCE NORTH 48°58'10" WEST, A DISTANCE OF 949.01 FEET TO THE POINT OF BEGINNING;
THENCE SOUTH 27°39'05" WEST; A DISTANCE OF 149.56 FEET;
THENCE NORTH 21°49'51" WEST, A DISTANCE OF 85.31 FEET;
THENCE NORTH 02°16'58" EAST, A DISTANCE OF 95.73 FEET;
THENCE NORTH 19°40'54" WEST, A DISTANCE OF 122.30 FEET;
THENCE NORTH 02°50'12" WEST, A DISTANCE OF 91.94 FEET;
THENCE NORTH 18°59'59" WEST, A DISTANCE OF 114.67 FEET;
THENCE SOUTH 90°00'00" WEST, A DISTANCE OF 31.02 FEET;
THENCE SOUTH 31°07'32" WEST, A DISTANCE OF 78.31 FEET;
THENCE SOUTH 05°20'45" WEST, A DISTANCE OF 120.20 FEET;
THENCE SOUTH 02°26'45" WEST, A DISTANCE OF 100.38 FEET;
THENCE SOUTH 04°02'51" WEST, A DISTANCE OF 204.18 FEET;
THENCE SOUTH 14°20'29" WEST, A DISTANCE OF 164.88 FEET;
THENCE SOUTH 21°12'57" WEST, A DISTANCE OF 70.29 FEET;
THENCE SOUTH 60°57'36" WEST, A DISTANCE OF 110.15 FEET;
THENCE NORTH 87°13'39" WEST: A DISTANCE OF 90.06 FEET;
THENCE NORTH 15°02'55" WEST, A DISTANCE OF 141.96 FEET;
THENCE NORTH 04°12'38" EAST, A DISTANCE OF 152.32 FEET;
THENCE NORTH 06°26'21" EAST, A DISTANCE OF 190.62 FEET;
THENCE NORTH 17°54'52" WEST, A DISTANCE OF 121.68 FEET;
THENCE NORTH 06°21'04" EAST, A DISTANCE OF 102.49 FEET;
THENCE NORTH 15°56'21" EAST, A DISTANCE OF 313.13 FEET;
THENCE NORTH 12°24'16" EAST, A DISTANCE OF 262.38 FEET;
THENCE NORTH 04°53'46" EAST, A DISTANCE OF 264.05 FEET;
THENCE NORTH 39°38'10" EAST, A DISTANCE OF 35.47 FEET;
THENCE NORTH 78°38'27" EAST, A DISTANCE OF 108.22 FEET;
THENCE NORTH 12°11'54" EAST, A DISTANCE OF 144.88 FEET;
THENCE NORTH 57°01'32" EAST, A DISTANCE OF 81.13 FEET;
THENCE NORTH 35°24'11" EAST, A DISTANCE OF 58.37 FEET;
THENCE NORTH 39°59'50" EAST, A DISTANCE OF 125.13 FEET;
THENCE NORTH 25°56'46" EAST, A DISTANCE OF 148.00 FEET;
THENCE NORTH 34°59' 42" EAST, A DISTANCE OF 89.86 FEET;
THENCE NORTH 18°57'13" EAST, A DISTANCE OF 120.37 FEET;
THENCE NORTH 28°31'37" EAST, A DISTANCE OF 79.61 FEET;
THENCE NORTH 04°37'14" EAST; A DISTANCE OF 66.36 FEET;
THENCE NORTH 20°45'26" EAST, A DISTANCE OF 119.34 FEET;

EXHIBIT 1

THENCE NORTH 34°01'38" EAST, A DISTANCE OF 57.73 FEET;
THENCE NORTH 51°45'22" EAST, A DISTANCE OF 75.61 FEET;
THENCE NORTH 61°34'35" EAST, A DISTANCE OF 222.24 FEET;
THENCE SOUTH 63°32'41" EAST, A DISTANCE OF 106.62 FEET;
THENCE SOUTH 77°22'29" EAST, A DISTANCE OF 81.80 FEET;
THENCE NORTH 78°50'24" EAST, A DISTANCE OF 160.26 FEET;
THENCE SOUTH 86°01'42" EAST, A DISTANCE OF 96.95 FEET;
THENCE NORTH 67°15'54" EAST, A DISTANCE OF 60.50 FEET;
THENCE NORTH 82°24'59" EAST, A DISTANCE OF 39.98 FEET;
THENCE SOUTH 39°09'53" EAST, A DISTANCE OF 36.16 FEET;
THENCE SOUTH 05°49'59" WEST, A DISTANCE OF 88.47 FEET;
THENCE SOUTH 35°11'24" EAST, A DISTANCE OF 49.09 FEET;
THENCE NORTH 62°06'13" EAST, A DISTANCE OF 68.56 FEET;
THENCE SOUTH 18°17'35" EAST, A DISTANCE OF 86.80 FEET;
THENCE SOUTH 16°56'59" EAST, A DISTANCE OF 73.19 FEET;
THENCE NORTH 66°29'56" WEST, A DISTANCE OF 70.79 FEET;
THENCE SOUTH 81°00'13" WEST, A DISTANCE OF 89.18 FEET;
THENCE SOUTH 44°58'52" WEST, A DISTANCE OF 45.06 FEET;
THENCE SOUTH 12°28'45" EAST, A DISTANCE OF 51.01 FEET;
THENCE NORTH 76°57'53" EAST, A DISTANCE OF 52.93 FEET;
THENCE SOUTH 79°49'55" EAST, A DISTANCE OF 49.58 FEET;
THENCE SOUTH 07°39'34" WEST, A DISTANCE OF 86.53 FEET;
THENCE SOUTH 24°56'04" EAST, A DISTANCE OF 104.72 FEET;
THENCE SOUTH 23°49'54" WEST, A DISTANCE OF 57.42 FEET;
THENCE SOUTH 50°21'02" WEST, A DISTANCE OF 249.87 FEET;
THENCE SOUTH 64°05'45" WEST, A DISTANCE OF 307.77 FEET;
THENCE SOUTH 45°21'15" WEST, A DISTANCE OF 217.70 FEET;
THENCE SOUTH 17°45'31" EAST, A DISTANCE OF 94.51 FEET;
THENCE SOUTH 41°28'07" WEST, A DISTANCE OF 218.66 FEET;
THENCE SOUTH 24°48'52" WEST, A DISTANCE OF 98.87 FEET;
THENCE SOUTH 18°35'35" EAST, A DISTANCE OF 144.24 FEET;
THENCE SOUTH 09°37'22" EAST, A DISTANCE OF 102.50 FEET;
THENCE SOUTH 12°47'12" WEST, A DISTANCE OF 140.40 FEET;
THENCE NORTH 89°19'22" EAST, A DISTANCE OF 57.18 FEET;
THENCE SOUTH 65°15'57" EAST, A DISTANCE OF 43.57 FEET;
THENCE SOUTH 04°34'27" WEST, A DISTANCE OF 90.43 FEET;
THENCE SOUTH 16°53'14" WEST, A DISTANCE OF 120.22 FEET;
THENCE NORTH 89°17'49" WEST, A DISTANCE OF 102.69 FEET;
THENCE SOUTH 71°44'29" WEST, A DISTANCE OF 214.86 FEET;
THENCE SOUTH 25°49'26" WEST, A DISTANCE OF 86.57 FEET;
THENCE SOUTH 17°12'32" WEST, A DISTANCE OF 143.89 FEET; TO THE POINT OF BEGINNING.

PARCEL F:

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 9, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF GRANBY, COUNTY OF GRAND, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

EXHIBIT 1

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, AND CONSIDERING THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 16 TO BEAR SOUTH 88°38'53" EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO; THENCE NORTH 23°23'47" EAST, A DISTANCE OF 4054.03 FEET TO THE POINT OF BEGINNING THENCE NORTH 22°32'13" WEST, A DISTANCE OF 67.33 FEET; THENCE NORTH 41°45'40" WEST, A DISTANCE OF 65.72 FEET; THENCE NORTH 36°12'35" WEST, A DISTANCE OF 70.46 FEET; THENCE NORTH 09°47'35" WEST, A DISTANCE OF 83.86 FEET; THENCE NORTH 57°14'35" EAST, A DISTANCE OF 142.17 FEET; THENCE NORTH 28°15'10" EAST, A DISTANCE OF 79.96 FEET; THENCE NORTH 42°41'22" EAST, A DISTANCE OF 66.46 FEET; THENCE NORTH 22°46'58" EAST, A DISTANCE OF 58.81 FEET; THENCE NORTH 05°42'12" WEST, A DISTANCE OF 135.05 FEET; THENCE NORTH 41°20'11" WEST, A DISTANCE OF 36.09 FEET; THENCE SOUTH 83°42'01" WEST, A DISTANCE OF 51.56 FEET; THENCE NORTH 35°04'28" WEST, A DISTANCE OF 61.74 FEET; THENCE SOUTH 86°15'56" WEST, A DISTANCE OF 74.59 FEET; THENCE NORTH 05°59'49" WEST, A DISTANCE OF 18.59 FEET; THENCE NORTH 80°55'02" EAST, A DISTANCE OF 277.05 FEET; THENCE SOUTH 13°11'14" EAST, A DISTANCE OF 28.80 FEET; THENCE SOUTH 27°32'14" WEST, A DISTANCE OF 43.04 FEET; THENCE SOUTH 17°59'41" EAST, A DISTANCE OF 57.88 FEET; THENCE SOUTH 00°00'42" EAST, A DISTANCE OF 115.67 FEET; THENCE SOUTH 05°21'27" EAST, A DISTANCE OF 109.22 FEET; THENCE SOUTH 37°30'03" WEST, A DISTANCE OF 103.69 FEET; THENCE SOUTH 05°33'23" WEST, A DISTANCE OF 183.33 FEET; THENCE SOUTH 37°55'57" EAST, A DISTANCE OF 77.94 FEET; THENCE SOUTH 18°18' 43" WEST, A DISTANCE OF 59.33 FEET; THENCE SOUTH 56°19'33" WEST, A DISTANCE OF 82.46 FEET; THENCE NORTH 82°20'58" WEST, A DISTANCE OF 68.14 FEET TO THE POINT OF BEGINNING.

PARCEL G:

A PARCEL OF LAND LOCATED IN THE SOUTH HALF OF SECTION 4 AND THE NORTH HALF OF SECTION 9, TOWNSHIP :1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF GRANBY; COUNTY OF GRAND, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, AND CONSIDERING THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 16 TO BEAR SOUTH 88°38'53" EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE NORTH 24°07'19" EAST, A DISTANCE OF 5292.12 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 78°47'25" WEST, A DISTANCE OF 163.25 FEET; THENCE SOUTH 35°19'21" WEST, A DISTANCE OF 132.49 FEET; THENCE SOUTH 51°31'58" WEST, A DISTANCE OF 66;16 FEET; THENCE SOUTH 83°14'12" WEST, A DISTANCE OF 60.79 FEET; THENCE NORTH 68°06'15" WEST, A. DISTANCE OF 21.21 FEET;

EXHIBIT 1

THENCE SOUTH 60°38'26" WEST, A DISTANCE OF 368.49 FEET;
THENCE SOUTH 68°38'33" WEST, A DISTANCE OF 53.15 FEET;
THENCE SOUTH 80°51'55" WEST, A DISTANCE OF 47.32 FEET;
THENCE NORTH 72°12'48" WEST, A DISTANCE OF 94.40 FEET;
THENCE NORTH 61°57'12" WEST, A DISTANCE OF 93.32 FEET;
THENCE NORTH 82°07'24" WEST, A DISTANCE OF 87.35 FEET;
THENCE NORTH 46°25'18" WEST, A DISTANCE OF 154.87 FEET;
THENCE NORTH 51°57'32" WEST, A DISTANCE OF 185.44 FEET;
THENCE NORTH 48°24'52" WEST, A DISTANCE OF 328.84 FEET;
THENCE NORTH 31°30'02" WEST, A DISTANCE OF 75.47 FEET;
THENCE NORTH 15°27'13" WEST, A DISTANCE OF 160.03 FEET;
THENCE NORTH 07°52'52" WEST, A DISTANCE OF 166.48 FEET;
THENCE NORTH 21°22'23" WEST, A DISTANCE OF 150.38 FEET;
THENCE NORTH 03°34'44" EAST, A DISTANCE OF 97.67 FEET;
THENCE NORTH 06°59'38" WEST, A DISTANCE OF 171.36 FEET;
THENCE NORTH 23°20'48" EAST, A DISTANCE OF 91.96 FEET;
THENCE NORTH 11°13'40" WEST, A DISTANCE OF 68.56 FEET;
THENCE NORTH 87°51'51" WEST, A DISTANCE OF 94.29 FEET;
THENCE NORTH 53°30'47" WEST, A DISTANCE OF 48.62 FEET;
THENCE NORTH 68°08'50" WEST, A DISTANCE OF 110.80 FEET;
THENCE NORTH 56°44'29" WEST, A DISTANCE OF 120.36 FEET;
THENCE NORTH 80°58'26" WEST, A DISTANCE OF 111.84 FEET;
THENCE NORTH 64°44'06" WEST, A DISTANCE OF 155.45 FEET;
THENCE NORTH 22°53'02" WEST, A DISTANCE OF 127.41 FEET;
THENCE NORTH 77°51'20" WEST, A DISTANCE OF 94.54 FEET;
THENCE NORTH 45°39'52" WEST, A DISTANCE OF 111.50 FEET;
THENCE NORTH 24°18'34" WEST, A DISTANCE OF 142.31 FEET;
THENCE SOUTH 72°51'35" WEST, A DISTANCE OF 47.42 FEET;
THENCE NORTH 42°05'34" WEST, A DISTANCE OF 95.69 FEET;
THENCE NORTH 34°41'33" WEST, A DISTANCE OF 133.62 FEET;
THENCE NORTH 29°21'22" WEST, A DISTANCE OF 99.21 FEET;
THENCE NORTH 73°48'33" EAST, A DISTANCE OF 65.16 FEET;
THENCE SOUTH 79°13'24" EAST, A DISTANCE OF 71.29 FEET;
THENCE SOUTH 39°13'10" EAST, A DISTANCE OF 274.27 FEET;
THENCE SOUTH 46°58'23" WEST, A DISTANCE OF 57.64 FEET;
THENCE SOUTH 14°19'09" EAST, A DISTANCE OF 80.36 FEET;
THENCE NORTH 70°21'39" EAST, A DISTANCE OF 51.23 FEET;
THENCE SOUTH 51°55'34" EAST, A DISTANCE OF 30.29 FEET;
THENCE SOUTH 08°37'05" WEST, A DISTANCE OF 39.78 FEET;
THENCE SOUTH 28°14'50" EAST, A DISTANCE OF 67.19 FEET;
THENCE SOUTH 83°51'03" EAST, A DISTANCE OF 59.79 FEET;
THENCE NORTH 25°27'50" EAST, A DISTANCE OF 62.15 FEET;
THENCE NORTH 65°27'49" EAST, A DISTANCE OF 157.00 FEET;
THENCE SOUTH 64°12'58" EAST, A DISTANCE OF 52.97 FEET;
THENCE SOUTH 84°40'45" EAST, A DISTANCE OF 106.79 FEET;
THENCE NORTH 13°32'50" EAST, A DISTANCE OF 68.01 FEET;
THENCE NORTH 38°43'32" EAST, A DISTANCE OF 71.32 FEET;
THENCE NORTH 87°55'13" EAST, A DISTANCE OF 230.16 FEET;
THENCE NORTH 53°24'51" EAST, A DISTANCE OF 87.28 FEET;

EXHIBIT 1

THENCE NORTH 89°21'10" EAST, A DISTANCE OF 174.38 FEET;
THENCE NORTH 56°08'18" EAST, A DISTANCE OF 96.73 FEET;
THENCE SOUTH 68°32'34" EAST, A DISTANCE OF 112.66 FEET;
THENCE SOUTH 84°45'59" EAST, A DISTANCE OF 127.39 FEET;
THENCE SOUTH 41°13'30" EAST, A DISTANCE OF 92.74 FEET;
THENCE NORTH 22°52'01" EAST, A DISTANCE OF 42.81 FEET;
THENCE NORTH 46°13'17" EAST, A DISTANCE OF 109.61 FEET;
THENCE NORTH 82°04'23" EAST, A DISTANCE OF 57.35 FEET;
THENCE SOUTH 41°46'28" EAST, A DISTANCE OF 98.06 FEET;
THENCE NORTH 40°23'14" EAST, A DISTANCE OF .55.60 FEET;
THENCE SOUTH 73°39'23" EAST, A DISTANCE OF 125.66 FEET;
THENCE SOUTH 66°06'13" EAST, A DISTANCE OF 131.12 FEET;
THENCE SOUTH 82°07'57" EAST, A DISTANCE OF 477.61 FEET;
THENCE NORTH 88°01'42" EAST, A DISTANCE OF 204.65 FEET;
THENCE SOUTH 81°22'37" EAST, A DISTANCE OF 79.32 FEET;
THENCE SOUTH 16°33'23" EAST, A DISTANCE OF 67.68 FEET;
THENCE SOUTH 84°20'44" EAST, A DISTANCE OF 140.37 FEET;
THENCE SOUTH 67°12'01" EAST, A DISTANCE OF 240.45 FEET;
THENCE SOUTH 79°00'59" EAST, A DISTANCE OF 85.94 FEET;
THENCE SOUTH 77°54'11" EAST, A DISTANCE OF 166.58 FEET;
THENCE SOUTH 56°31'21" EAST, A DISTANCE OF 246.30 FEET;
THENCE SOUTH 24°28'40" EAST, A DISTANCE OF 71.45 FEET;
THENCE SOUTH 26°24'33" WEST, A DISTANCE OF 104.32 FEET;
THENCE SOUTH 09°53'10" WEST, A DISTANCE OF 86.84 FEET;
THENCE SOUTH 02°17'26" EAST, A DISTANCE OF 77.68 FEET;
THENCE SOUTH 30°50'13" EAST, A DISTANCE OF 79.32 FEET;
THENCE SOUTH 04°21'28" EAST, A DISTANCE OF 51.55 FEET;
THENCE SOUTH 21°40'55" EAST, A DISTANCE OF 87.25 FEET;
THENCE SOUTH 47°33'38" EAST, A DISTANCE OF 75.80 FEET;
THENCE SOUTH 43°58'16" EAST, A DISTANCE OF 81.48 FEET;
THENCE SOUTH 08°55'30" EAST, A DISTANCE OF 89.85 FEET;
THENCE SOUTH 00°52'53" WEST, A DISTANCE OF 69.81 FEET;
THENCE SOUTH 07°26'20" EAST, A DISTANCE OF 96.04 FEET;
THENCE SOUTH 39°04'15" EAST, A DISTANCE OF 105.67 FEET;
THENCE SOUTH 06°37'32" WEST, A DISTANCE OF 55.88 FEET;
THENCE SOUTH 77°12'11" WEST, A DISTANCE OF 218.29 FEET;
THENCE SOUTH 79°15'40" WEST, A DISTANCE OF 252.78 FEET;
THENCE NORTH 83°52'38" WEST, A DISTANCE OF 70.32 FEET;
THENCE SOUTH 75°32'07" WEST, A DISTANCE OF 61.38 FEET;
THENCE SOUTH 82°10'21" WEST, A DISTANCE OF 67.60 FEET;
THENCE SOUTH 69°19'31" WEST, A DISTANCE OF 104.46 FEET;
THENCE SOUTH 84°49'41" WEST, A DISTANCE OF 151.45 FEET;
THENCE NORTH 65°49'42" WEST, A DISTANCE OF 83.24 FEET;
THENCE SOUTH 48°21'20" WEST, A DISTANCE OF 62.07 FEET;
THENCE SOUTH 86°56'46" WEST, A DISTANCE OF 71.17 FEET;
THENCE SOUTH 63°33'48" WEST, A DISTANCE OF 112.87 FEET TO THE POINT OF BEGINNING;

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL:

EXHIBIT 1

A PARCEL OF LAND LOCATED IN THE SOUTH HALF OF SECTION 4 AND THE NORTH HALF OF SECTION 9, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF GRANBY, COUNTY OF GRAND, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, AND CONSIDERING THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 16 TO BEAR SOUTH 88°38'53" EAST. WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO; THENCE NORTH 20°01'49" EAST, A DISTANCE OF 5108.17 FEET TO THE POINT OF BEGINNING; THENCE NORTH 86°38'35" WEST, A DISTANCE OF 58.98 FEET; THENCE SOUTH 72°46'32" WEST, A DISTANCE OF 43.49 FEET; THENCE SOUTH 46°10'36" WEST, A DISTANCE OF 37.60 FEET; THENCE SOUTH 67°08'56" WEST, A DISTANCE OF 42.49 FEET; THENCE SOUTH 75°05'11" WEST, A DISTANCE OF 21.02 FEET; THENCE SOUTH 57°54'37" WEST, A DISTANCE OF 26.49 FEET; THENCE SOUTH 33°40'26" WEST, A DISTANCE OF 33.91 FEET; THENCE SOUTH 22°12'44" WEST, A DISTANCE OF 43.97 FEET; THENCE SOUTH 33°49'06" WEST, A DISTANCE OF 100.58 FEET; THENCE SOUTH 71°03'11" WEST, A DISTANCE OF 141.99 FEET; THENCE NORTH 67°22'21" WEST, A DISTANCE OF 29.91 FEET; THENCE NORTH 76°23'53" WEST, A DISTANCE OF 65.61 FEET; THENCE NORTH 64°07'32" WEST, A DISTANCE OF 47.27 FEET; THENCE NORTH 40°20'20" WEST, A DISTANCE OF 25.42 FEET; THENCE NORTH 18°23'18" WEST, A DISTANCE OF 45.29 FEET; THENCE NORTH 38°58'59" WEST, A DISTANCE OF 29.01 FEET; THENCE NORTH 64°53'42" WEST, A DISTANCE OF 102.28 FEET; THENCE NORTH 28°36'31" WEST, A DISTANCE OF 31.73 FEET; THENCE NORTH 06°02'51" WEST, A DISTANCE OF 43.13 FEET; THENCE NORTH 14°34'12" WEST, A DISTANCE OF 28.26 FEET; THENCE NORTH 28°32'18" WEST, A DISTANCE OF 23.62 FEET; THENCE NORTH 64°58'42" WEST, A DISTANCE OF 25.39 FEET; THENCE SOUTH 70°41'17" WEST, A DISTANCE OF 31.29 FEET; THENCE NORTH 72°46'04" WEST, A DISTANCE OF 26.87 FEET; THENCE NORTH 22°36'35" WEST, A DISTANCE OF 40.17 FEET; THENCE NORTH 19°52'45" WEST, A DISTANCE OF 29.06 FEET; THENCE NORTH 32°33'41" WEST, A DISTANCE OF 46.08 FEET; THENCE NORTH 17°20'50" WEST, A DISTANCE OF 33.64 FEET; THENCE NORTH 10°04'53" WEST, A DISTANCE OF 44.86 FEET; THENCE NORTH 00°07'52" WEST, A DISTANCE OF 58.85 FEET; THENCE NORTH 14°38'27" WEST, A DISTANCE OF 23.58 FEET; THENCE NORTH 30°14'12" WEST, A DISTANCE OF 56.79 FEET; THENCE NORTH 21°45'07" WEST, A DISTANCE OF 32.76 FEET; THENCE NORTH 30°19'22" WEST, A DISTANCE OF 90.99 FEET; THENCE NORTH 28°04'59" WEST, A DISTANCE OF 63.70 FEET; THENCE NORTH 08°56'26" WEST, A DISTANCE OF 45.60 FEET; THENCE NORTH 00°33'55" WEST, A DISTANCE OF 65.20 FEET; THENCE NORTH 00°08'07" WEST, A DISTANCE OF 55.27 FEET; THENCE NORTH 00°44'36" WEST, A DISTANCE OF 29.16 FEET;

EXHIBIT 1

THENCE NORTH 17°01'54" WEST, A DISTANCE OF 28.62 FEET;
THENCE NORTH 21°48'52" WEST, A DISTANCE OF 36.06 FEET;
THENCE NORTH 01°20'59" WEST, A DISTANCE OF 53.53 FEET;
THENCE NORTH 12°18'25" EAST, A DISTANCE OF 83.18 FEET;
THENCE NORTH 16°30'13" EAST, A DISTANCE OF 34.31 FEET;
THENCE NORTH 02°51'41" EAST, A DISTANCE OF 63.32 FEET;
THENCE NORTH 11°00'02" WEST, A DISTANCE OF 46.57 FEET;
THENCE NORTH 25°44'16" WEST A DISTANCE OF 98.47 FEET;
THENCE NORTH 05°36'56" WEST, A DISTANCE OF 30.39 FEET;
THENCE NORTH 36°24'16" WEST, A DISTANCE OF 52.00 FEET;
THENCE NORTH 36°32'26" WEST, A DISTANCE OF 26.84 FEET;
THENCE NORTH 11°53'56" WEST, A DISTANCE OF 183.27 FEET;
THENCE NORTH 14°25'52" EAST, A DISTANCE OF 52.02 FEET;
THENCE NORTH 29°20'26" EAST, A DISTANCE OF 62.68 FEET;
THENCE NORTH 69°27'19" EAST, A DISTANCE OF 39.30 FEET;
THENCE NORTH 62°30'26" EAST, A DISTANCE OF 59.69 FEET;
THENCE NORTH 80°28'14" EAST, A DISTANCE OF 45.30 FEET;
THENCE NORTH 88°49'59" EAST, A DISTANCE OF 49.02 FEET;
THENCE SOUTH 76°19'15" EAST, A DISTANCE OF 95.86 FEET;
THENCE SOUTH 50°44'24" EAST, A DISTANCE OF 34.79 FEET;
THENCE SOUTH 24°59'26" EAST, A DISTANCE OF 37.55 FEET;
THENCE SOUTH 37°11'45" EAST, A DISTANCE OF 106.64 FEET;
THENCE SOUTH 72°24'45" EAST, A DISTANCE OF 41.23 FEET;
THENCE SOUTH 82°42'20" EAST, A DISTANCE OF 55.66 FEET;
THENCE SOUTH 72°07'20" EAST, A DISTANCE OF 98.19 FEET;
THENCE SOUTH 61°53'35" EAST, A DISTANCE OF 66.69 FEET;
THENCE SOUTH 53°49'55" EAST, A DISTANCE OF 50.01 FEET;
THENCE SOUTH 42°34'36" EAST, A DISTANCE OF 37.86 FEET;
THENCE SOUTH 34°30'47" EAST, A DISTANCE OF 28.33 FEET;
THENCE SOUTH 47°23'55" EAST; A DISTANCE OF 147.93 FEET;
THENCE SOUTH 45°48'22" EAST, A DISTANCE OF 48.35 FEET;
THENCE SOUTH 32°09'35" EAST, A DISTANCE OF 76.73 FEET;
THENCE SOUTH 41°26'43" EAST, A DISTANCE OF 48.00 FEET;
THENCE SOUTH 45°12'35" EAST, A DISTANCE OF 61.63 FEET;
THENCE SOUTH 36°20'51" EAST, A DISTANCE OF 70.53 FEET;
THENCE SOUTH 46°15'19" EAST, A DISTANCE OF 61.48 FEET;
THENCE SOUTH 53°40'48" EAST, A DISTANCE OF 62.84 FEET;
THENCE SOUTH 02°31'08" EAST, A DISTANCE OF 54.11 FEET;
THENCE SOUTH 15°16'49" EAST, A DISTANCE OF 78.97 FEET;
THENCE SOUTH 18°12'50" EAST, A DISTANCE OF 112.80 FEET;
THENCE SOUTH 12°10'47" EAST, A DISTANCE OF 100.50 FEET;
THENCE SOUTH 06°29'41" EAST, A DISTANCE OF 129.73 FEET;
THENCE SOUTH 16°49'46" WEST, A DISTANCE OF 87.50 FEET;
THENCE SOUTH 01°11'55" WEST, A DISTANCE OF 154.65 FEET;
THENCE SOUTH 18°35'11" WEST, A DISTANCE OF 43.36 FEET;
THENCE SOUTH 09°35'21" WEST, A DISTANCE OF 85.95 FEET;
THENCE SOUTH 55°07'08" WEST, A DISTANCE OF 29.42 FEET TO THE POINT OF BEGINNING.

SOL VISTA
METROPOLITAN
DISTRICT No. 2

[TAXING DISTRICT]

SERVICE PLAN

Town of Granby, Colorado

May 2003

SOLVISTA
METROPOLITAN
DISTRICT No. 2

[TAXING DISTRICT]

SERVICE PLAN

Town of Granby, Colorado

May 2003

EXHIBIT 2

**SOLVISTA
METROPOLITAN DISTRICT NO. 2**

[TAXING DISTRICT]

TOWN OF GRANBY, COLORADO

PREPARED FOR

SOLVISTA CORP.

PREPARED BY

**MEURER & ASSOCIATES, CIVIL ENGINEERS
Lakewood, Colorado**

**BALCOMB & GREEN, P.C., WATER COUNSEL
Glenwood Springs, Colorado**

**STAN BERNSTEIN AND ASSOCIATES, FINANCIAL PLANNER
Denver, Colorado**

**HOLME ROBERTS & OWEN, LLP, SPECIAL COUNSEL
Denver, Colorado**

**COLLINS COCKREL & COLE, P.C.
Denver, Colorado**

Solvista Metropolitan District/Service Plans/
Dual District Service Plan - Tax District - Town (Final v8 05-05-03)

EXHIBIT 2

HWMD 001277

EXHIBIT 2

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SERVICE PLAN FOR SOLVISTA METROPOLITAN DISTRICT NO. 2

I. INTRODUCTION

A. General Information about the Districts.

This Service Plan ("Service Plan") for SolVista Metropolitan District No. 2 ("Tax District") constitutes the service plan for one of two new Title 32 special districts within the boundaries of the Town of Granby to be named SolVista Metropolitan District No. 1 ("Service District") and SolVista Metropolitan District No. 2 ("Tax District") (individually referred to as "District" or collectively referred to as the "Districts").

1. Location and General Description.

The SolVista Golf & Ski Ranch development consists of approximately 5,000 acres as described on Exhibit A-1 hereto (the "Development" or the "Property"), which is planned to be developed as a multiple-use development. The Property is located in the Town of Granby ("Town"), Colorado ("State"). SolVista Corp. (formerly known as SilverCreek Holding Co., Inc.) ("Company"), is the owner and developer of the Development.

The Planned Development Overlay District Preliminary Plan for SolVista Golf & Ski Ranch, ("Development Plan"), sets forth the zoning for the development of the Property.

The purpose of this Service Plan is to establish a public entity that can provide financing, participate in Intergovernmental Agreements and provide for operations for the essential community-wide infrastructure and public facilities and services that will serve the Development. Without the Districts, the financing would be more expensive than necessary and the cohesive development of the mixed use Development as well as the ongoing operation and maintenance would be less certain.

2. Boundaries of the Districts upon Full Build-Out.

Currently the boundaries of the Tax District and Service District contain approximately 3,570 acres of property, with the future expectation of inclusion into the Tax District of an additional 1,367 acres of property that currently overlaps or is contained within the boundaries of two existing Districts: the SolVista Metropolitan District ("Old District") and the Silver Creek Water & Sanitation District ("SCWSD"). The expectations of the Districts are as follows:

- (a) Old District shall consent to the organization of SolVista Metropolitan District Nos. 1 & 2;
- (b) Upon full integration of the additional 1,367 acres of property into the Tax District, Old District may dissolve;
- (c) The portion of the Development within the boundaries of SCWSD shall be municipally excluded by the Town of Granby as necessary; and

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- (d) The services provided or potentially provided by SCWSD shall be provided and facilities owned, operated and maintained either by the Town of Granby, the Districts, or some other more economic and efficient water and sewer service provider that is reasonably available.

3. Boundaries, Service Area, Population, and Assessed Valuation Estimates.

The service areas of the Districts are generally described as all real property within the collective boundaries of the Districts. The boundaries of the Districts are more particularly depicted in the maps contained in Exhibit A-2. Legal descriptions of the current boundaries of the Service District and the Tax District are attached as Exhibit B-1.

It is currently anticipated in the Development Plan that at full build out the Development will include approximately 5,000 acres of mixed use development, including approximately 2,100 single family homes, 2,119 multi-family homes, and approximately 655,000 square feet of non-residential space. Figure I - 1, at the end of this Section, contains a general "Development Plan" for the community, followed by Table I - 1, containing development projections.

The Service District will contain approximately 7 acres of land. The acreage within the boundaries of the Tax District will be separate and distinct from that of the Service District and will ultimately cover approximately 5,000 acres of land within the Development. Legal descriptions of the additional property that is expected to be included within the ultimate boundaries of the Tax District are attached as Exhibit B-2.

The "Service Area" (the jurisdictional area which may legally be served) of the Service District will consist of the entire area of the Development, including all property within the Tax District's boundaries as described in this Service Plan. The Board of Trustees of the Town and the Board of Directors ("Board") of each District shall be deemed to have consented as necessary to the overlapping of Service Areas as set forth herein in accordance with Section 32-1-107, C.R.S. The Tax District will have the power to impose property taxes only within its legal boundaries but the Service District will be permitted to provide public services and facilities throughout both Districts pursuant to the Service Plans and District IGA. The Service District may also furnish services outside of the Districts' boundaries, but not outside the Town's boundaries without Town Approval.

Additional property may be included in the Tax District in accordance with the provisions of the Act, subject to compliance with Section 32-1-401(1)(c), C.R.S. Under the Act, the fee owner or owners of 100% of any property proposed for inclusion may petition the Board of either District for the inclusion of property into such District. Further, less than all of the owners of an area may petition either District for inclusion, or the Board may adopt a resolution calling for an election on inclusion of the property within such area. Property may also be excluded from the District. The Boards of the Districts will have discretion to approve inclusions or exclusions without an amendment or modification of the Service Plan, subject to all limitations and Town Approvals set forth in the Town IGA.

The Company has projected the build-out of the Development based upon present market forecasts. The Development projections are incorporated into the Financial Plan set forth

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in Exhibit D. The projected population of the Development at full build-out is 12,657 persons (estimated at three (3) persons per household). The actual valuation of all property within the Tax District at \$350,000 per single family unit, \$250,000 per multi-family unit, and at \$100 per square foot of non-residential space is projected to be \$1,330,250,000 at full build-out in 2033. The assessed valuation of property within the Tax District set forth below and shown in the Financial Plan is based upon the Company's projections of actual values of improved property and present State property tax law.

The current estimated assessed value based upon information currently available for the property within the ultimate Districts boundaries for the tax year ending 2004 is estimated to be \$4,081,700.

4. Estimated Build-Out Schedule.

Build-out of the residential portion of the Development is anticipated over a 30-year period commencing in 2003. There will be multiple phases of development; however, the public infrastructure improvements are anticipated to be fully integrated to serve the planned build-out of the Development. All development projections are, of course, dependent upon market activity, governmental regulation, and other factors over which there may be little control.

5. Dual District Structure.

The organization of the Service District to finance, construct, manage and operate public facilities and services throughout the Development, and the establishment of the Tax District to produce property tax and other revenue sufficient to pay the costs of operations and debt service expenses incurred for the public improvements, until such obligations are discharged, will create mutual benefits for the Development and for the Town. In general, these benefits are: (i) coordinated administration of construction, completion and operation of the public improvements needed for the Development by the Service District rather than an owners' association; (ii) maintenance of uniform property tax levies and reasonable tax burdens on all properties within the Tax District through sound management of the financing and operation of public improvements helping to assure that no area within the Development becomes obligated for more than its share of the costs of public improvements and operations; and (iii) assurance that all public improvements needed for the Development are constructed and paid for in a timely and cost effective manner without any cost to the Town. Each of these concepts is addressed in greater detail in the following paragraphs.

The use of the Service District and Tax District in tandem to finance the costs of public improvements in the Development will assure that bonds are issued at market interest rates. The Financing Plan for the Districts anticipates that bonds issued by the Service District will be secured by the limited tax obligation pledge of the Tax District, and may also be secured by revenue generated under a developer fee agreement with the Company, which effectively places the risk of development with the Company until such time as it has successfully developed a property tax base within the Development at a level sufficient to pay for the financing costs of the public improvements while maintaining reasonable tax levies. The use of a dual district structure allows the Service District to coordinate the timing and issuance of bonds in such a way that improvements required for the Development are constructed only when needed. The

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combination of appropriate control of the timing of financing and the ability of the Districts to obtain market interest rates from bond investors will benefit all property owners within the Development. The dual district structure reduces inherent risks with other alternatives and should result in lower rates on District bonds in the long term.

The interrelationship between the Districts is governed, generally, by a master intergovernmental agreement ("District IGA") which will be executed by the Districts clarifying the dual responsibilities and the nature of the functions and services to be provided by each District. The District IGA will be written to assure (i) the orderly provision of essential services and facilities and (ii) the economic administration of the Districts' fiscal affairs. As a consequence of the integrated structure of the Districts, information provided within the Service Plan often concerns and relates to both the Service District and the Tax District.

As presently planned, build-out of the Development will proceed in multiple phases over the next 30 years, each of which will require the extension of public improvements and services planned in corresponding construction phases. The dual district structure will assure that the construction and operation of each phase of public improvements will be administered consistently with a practicable and economical long-term consolidated financial plan. The availability of the Service District as the entity responsible for the financing and construction of each phase of public improvements and for the management and operation of such improvements will facilitate the implementation of the Financing Plan through all phases of construction and will ensure the coordinated provision of services within the Service Area without Town involvement or funding.

The dual district structure will also assure that public improvements and services needed for future build-out of the Development will be provided when needed, but not sooner. Absent an appropriate mechanism to guarantee timely completion of future improvements, the Company or another developer might be influenced to cause improvements to be financed and completed well before they are needed regardless of economic consequences, simply to implement the Financing Plan. Appropriate agreements between the Service District, Tax District and Company will provide for the continuation of financing for future public improvements thereby helping taxpayers to avoid long-term debt service costs associated with financing improvements too early. This, in turn, allows the full costs of public improvements to be allocated fairly over the full build-out of the Development and avoids the imposition of disproportionate cost burdens upon the initial phases of the Development.

6. Board of Directors – Town Representative.

Provision will be made to provide notice of meetings, meeting materials, and all other documents and notices provided to a member of the Boards of Directors of the Districts to a Town appointed representative ("Town Representative"). Town Representative will be authorized to participate as a non-voting attendee to all Boards of Directors meetings of both of the Districts, including access to Executive Sessions and Executive Session materials to the full extent allowed by law.

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II. SPECIFIC FACILITIES AND SERVICES NEEDED FOR DEVELOPMENT OF THE PROPERTY.

A. Existing Services and Districts.

There are currently no other governmental agencies or organizations in existence within the Service Area that have the willingness to undertake the financing, completion and economical operation of all of the public improvements to be furnished by the District. Consequently, the organization of the Districts is necessary for the provision of public improvements and services in the Development and for the development of the property itself as contemplated in the Development Plan. The Service District will operate and maintain the public improvements within the Development on a long-term basis, the Tax District will provide the tax base necessary to pay for the public improvements and services needed for the Development, and the Service Plan demonstrates how the Tax District will work in cooperation with the Service District as proposed in its Service Plan filed concurrently herewith. The two Districts will work together to serve the Development and to provide the necessary public improvements and services needed by the residents within the Development in accordance with the District IGA.

B. Needed Facilities and Services.

In light of the lack of existing, available, economic and efficient services the District anticipates the need for the design, financing, acquisition, construction, and economical operation and maintenance of a number of public improvements to serve the Development. To allow for the appropriate development of the Property in accordance with the Development Plan submitted to and approved by the Town, the Town authorizes the Districts to provide the following services and/or facilities: Streets, Roadways and Drainage; Traffic and Safety Protection; Parks and Recreation; Sanitation; Water; Transportation; and Mosquito Control. In accordance with the Town IGA and as described in Section V below, the Town authorizes and the Districts agree to help finance through their Bond Proceeds jointly funded improvements for downtown improvements and for park facilities on a site to be dedicated by Developer in Planning Area 1 of the SolVista Preliminary Plan. The Districts' contributions to Joint Improvements Funds shall be disbursed to the Town in accordance with the agreements between the parties.

C. Overlapping Districts.

A portion of the boundaries of the Old District currently overlap with and are incorporated within the boundaries of the Silver Creek Water & Sanitation District ("SCWSD"). The boundaries of the new Districts currently include portions of the Old District that are not within such overlapping areas, and it is expected, at full build-out, that the boundaries of the new Districts will contain these overlapping areas as well. The water and sewer service of SCWSD, while potentially available to property in the new Districts, is currently not economically, efficiently, and reasonably available to the Development. The Districts also have an obligation to their inhabitants and property owners within the Districts' service area to serve and promote the health, safety, prosperity, security and general welfare of its inhabitants. The Development is best able to provide these services in the best interests of the Districts through the Town of Granby and/or other special districts.

EXHIBIT 2

D. Existing Districts.

The boundaries of the SCWSD currently are adjacent to and do not overlap the boundaries of the new Districts. It is expected, at full build-out, that most or all of the area currently within the boundaries of the Old District shall be included within the new Districts and provision of all metropolitan district services and facilities will be through the Service District and the financial support therefore will be through the Tax District. The Old District has consented to the organization of the new Districts and will cooperate in the ultimate inclusion of property and consolidation of services, facilities, rights, and obligations in the new Districts pursuant to intergovernmental agreement(s) approved by the Town. If the Town elects to own, operate, and maintain the water and sewer functions and facilities for the new Districts, the new Districts shall cooperate in transferring those rights, duties and obligations accordingly.

III. GENERAL POWERS OF TAX DISTRICT

The Districts will have all powers and authorities granted under the Act to provide the services and facilities described in the Service Plan both within and without its boundaries, subject to the limitations set forth in the Service Plan and the Town IGA. Subject to the Town IGA, the powers and authorities of the Districts will be further refined in the District IGA.

In general, the Service District will have power and authority to provide the services and facilities described in this Section III both within and outside its boundaries, but not outside the boundaries of the Town without the Approval of the Town, and in accordance with applicable law. The Tax District will have the power to finance public improvements, impose property taxes, and collect revenue or take other actions in cooperation with the Service District that may be necessary to provide the services and facilities needed within the Service Area. Until the Service District is consolidated or dissolved in accordance with the District IGA, only the Service District will have the authority to provide services and complete public improvements within the Service Area. The powers and authorities of the Districts will be further refined in the District IGA. In general, the Tax District shall have authority to provide, finance, and pay for the following services and facilities, in accordance with the terms of the District IGA:

A. Streets, Roadways and Drainage. The design, financing, acquisition, installation, construction, operation, and maintenance of arterial, collector and local streets and other roadway improvements, including without limitation curbs, gutters, culverts, storm sewers systems, including without limitation lines, channels, detention ponds, flood and surface drainage disposal works and facilities, retaining walls and appurtenances, and other drainage facilities, as well as sidewalks, bridges, parking, paving, lighting, grading, landscaping, entrance facilities, undergrounding of public utilities, and other street improvements, together with all necessary, incidental, and appurtenant facilities, land and easements, and all necessary extensions of and improvements to such facilities and systems within and without the boundaries of the District, but not outside the boundaries of the Town without the Approval of the Town.

B. Traffic and Safety Protection. The design, financing, acquisition, installation, construction, operation, and maintenance of traffic and safety protection facilities and services through traffic and safety controls and devices on all streets and roadways, as well as other facilities and improvements, including without limitation street lighting and signage,

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signalization at intersections, traffic, area identification, directional assistance, and driver information signs, and security systems and services, together with all necessary, incidental, and appurtenant facilities, land and easements, and all necessary extensions of and improvements to such facilities and systems within and without the boundaries of the District, but not outside the boundaries of the Town without the Approval of the Town.

C. Parks and Recreation. The design, financing, acquisition, installation, construction, operation and maintenance of public parks and recreation facilities or programs, including without limitation grading, soil preparation, sprinkler systems, playgrounds, playfields, ski areas and/or ski lifts, golf courses, bike, hiking and nature trails, pedestrian and equestrian trails, pedestrian bridges, picnic areas, a swimming pool facility, lakes, open spaces, common area landscaping and weed control, outdoor lighting of all types, and other recreational facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to such facilities and systems within and without the boundaries of the District, but not outside the boundaries of the Town without the Approval of the Town. All recreation facilities will be available to all Town residents on similar terms and conditions as applicable to in-District residents, at rates equivalent to in-District resident rates, but taking into account the tax subsidy of such District residents.

D. Sanitation. The design, financing, acquisition, installation, construction, operation and maintenance of storm and sanitary sewer systems, including without limitation collection lines, lift stations, wastewater treatment facilities (financing only), flood and surface drainage, related disposal works and facilities, and solid waste disposal facilities or waste services, and all necessary equipment and improvements, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to such facilities and systems within and without the boundaries of the District, but not outside the boundaries of the Town without the Approval of the Town.

E. Water. The design, financing, acquisition, installation, construction, operation and maintenance of water systems, including without limitation water distribution and transmission lines, hydrants, storage tanks and reservoirs, water treatment, transmission and distribution facilities, wells, irrigation systems and pumping facilities, and all necessary equipment and improvements, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to such facilities and systems within and without the boundaries of the District, but not outside the boundaries of the Town without the Approval of the Town.

F. Transportation. The design, financing, acquisition, installation, construction, operation and maintenance of public transportation system improvements, including infrastructure facilities (i.e., bus stops, parking areas) for transportation equipment, bus systems, parking lots, structures, roofs, covers, and facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to such facilities and systems within and without the boundaries of the District, but not outside the boundaries of the Town without the Approval of the Town.

G. Mosquito Control. The design, financing, acquisition, installation, construction, operation and maintenance of systems and methods for the elimination and control of mosquitoes, rodents, and other pests.

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H. Miscellaneous Services. The design, financing, acquisition, installation, construction, operation and maintenance of television relay and translator systems and related electronic and cable facilities, subject to the Town IGA and all limitations under the Act, together with all necessary, incidental, and appurtenant facilities, land and easements, and all necessary extensions of and improvements to such facilities and systems within and without the boundaries of the District, but not outside the boundaries of the Town without the Approval of the Town.

I. Other Services. The Tax District may, in cooperation with the Service District, provide, finance and pay for other services and facilities authorized under the Act or by law, subject to the Approval of the Town, if needed to serve the Development and not otherwise provided by the Town or other governmental agencies within the Service Area.

J. Legal Powers. The powers of the Tax District will be exercised by the Board to provide the services and facilities contemplated in the Service Plan. The authorized facilities and services, along with other activities permitted by law, will be undertaken in accordance with, and pursuant to, the procedures and conditions set forth in the Act, other applicable statutes, the Service Plan, and the Regulations of the Town, if applicable.

K. Other Authorities. In addition to the powers enumerated herein, the Board shall also have the following authorities:

1. To amend the Service Plan as necessary, subject to compliance with all statutory procedures set forth in the Act. *See Section VII.A.1.* The Tax District shall have the right to amend the Service Plan independent of any participation by the Service District; provided, however, that the Tax District shall not be permitted to amend those portions of the Service Plan which materially affect, impair, or impinge upon the rights or powers of the Service District without the Service District's consent;

2. In cooperation with the Service District, to revise, resize, reschedule, and restructure the financing, construction and operation of the various public improvements and facilities in order to accommodate the rate of development within the Service Area, the costs of public improvements, and inclusions of property into the Districts, or, subject to agreements with the Town, the provision of any public improvement, facility or service by the Town or another entity;

3. To exercise all necessary and implied powers under the Act to provide the facilities and services herein authorized for the District.

IV. DESCRIPTION OF FACILITIES AND IMPROVEMENTS

A. General.

The Tax District will exercise its statutory powers and the authority set forth in the Service Plan to finance and pay for the public facilities and improvements needed to serve the Development. The Service District will exercise its statutory powers and authority set forth in its

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Service Plan to acquire, construct, install, operate and maintain the public facilities and improvements to be furnished by the District, either directly or by contract, or by acquisition from the Company or other persons. After completion, the Service District will operate and maintain the public improvements unless the Town elects to operate and maintain them. If appropriate, the Service District may contract with various public and/or private entities to effect such functions and activities, including without limitation the District IGA and acquisition and reimbursement agreements with the Company or other developers.

General information relating to each type of public improvement to be furnished by the District has been prepared by the District Engineer and is set forth in this Section. It is important to note that the engineering information contained in the Service Plan is preliminary in nature but representative of the magnitude of capital costs, and that modifications to the type, configuration, quantity, location, and costs of the public improvements may be necessary as development progresses. The District will acquire, construct and install only the major public improvements generally described in the Service Plan, unless the Approval of the Town is first obtained. All plans and specifications for public facilities and improvements within the Development must be submitted to the Town for Approval in accordance with the Regulations. To the extent practicable, the Service District and Company will coordinate the submittal of plans for all public improvements to be installed within each major phase of the Development together with current development applications. All public facilities shall be designed and installed in such a manner to be compatible with the facility and service standards of the Town, other governmental agencies and utility providers, if applicable to the Development.

Construction of all public facilities and improvements will be engineered and scheduled to allow for proper sizing and phasing consistent with the need for services within each major phase of the Development. All descriptions of specific facilities and improvements to be constructed and their costs are estimates only and are subject to modification and revision as actual engineering design, development plans, market conditions, governmental requirements, and construction scheduling may require.

B. General Design Standards.

All public improvements within the Development will be acquired, constructed, installed, completed, operated and maintained by the Service District in conformance with current Regulations of the Town and other utility providers. A general description and the estimated costs of the public improvements within the Districts are set forth in Exhibit C. Design and specifications for the public improvements must be approved by the Town. The public improvements will be installed as set forth in the SolVista Preliminary Plan and the Development Plan in accordance with all Regulations and procedures of the Town and other governmental agencies, if required. The Town may specify procedures and provisions that must be followed to assure compliance with all applicable Regulations and the implementation of the Service Plan. The location, installation, and completion of the public improvements needed for the Development as authorized in the Service Plan shall be exempt from the provisions of Section 30-28-110, C.R.S., or similar laws.

There follows a preliminary engineering survey of the public improvements that will be financed, acquired and completed by the Service District in cooperation with the Tax District to serve the Development:

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1. Streets, Roadways, Drainage Improvements, Traffic Safety System.

a. General. The Service District will construct and complete the arterial and collector streets and other road improvements and install and complete the necessary storm drainage systems, improvements and facilities as needed to serve the Development in accordance with the design criteria, standards, and specifications approved by the Town. Other roads within the Development may be installed by the Company or other developers. The proposed street improvements will accommodate anticipated traffic within the Development. The improvement of offsite roads within the Service Area will be completed in accordance with State, County, and Town requirements, as applicable.

The storm drainage system will include a network of gutters, drain inlets and outlets, ditches, culvert pipes, detention ponds, and erosion control measures. The Service District will design and install storm drainage improvements associated with the street improvements. Any drainage facilities associated with overlot grading will be designed and installed by the Company or other developers. Any drainage facilities associated with individual lots will be designed and installed by builders or lot owners. The Service District will maintain or administer all applicable licenses and discharge permits, and be responsible for compliance with the terms and conditions thereof.

b. Town Standards. Streets will be designed, installed, completed, and maintained in accordance with the design criteria, standards and specifications set forth in Article 5 of the SolVista Preliminary Plan. Drainage facilities will be designed in accordance with the design criteria, standards and specifications approved by the Town. Drainage facilities will be designed to prevent major damage or flooding of residences in a one-hundred year storm.

c. Landscaping. Landscaping may be installed and maintained by the Service District along certain streets. The Service District may install and maintain other landscaped areas within the Development, including entry features at major street entrances to the Development. Additional landscaping features may be installed by the Company or other developers and maintained by the Service District.

d. Signals and Signage. Traffic controls and signage may be installed along streets to control the flow of traffic and provide for safety protection within the Development. Streetlights are proposed to provide street lighting as needed within the Development and in accordance with applicable agreements with the Town.

e. Operation and Maintenance. All streets, except private streets, will be operated and maintained by the Service District. All storm drainage facilities, including gutters, drain inlets and outlets, culvert pipe, detention ponds, and other appurtenances, will be operated and maintained by the Service District.

2. Sanitary Sewer System.

a. General. The Service District will construct and complete all public sanitary sewer facilities necessary to convey wastewater from the Development for

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treatment at the Granby Sanitation District wastewater treatment facility and internal small-diameter collection lines.

b. Sewer Standards. The sanitary sewer lines will be designed and installed to conform to current standards, specifications and regulations of the Colorado Department of Public Health and Environment ("State Health Department"), Granby Sanitation District, and the Town.

c. Operation and Maintenance. All interceptor lines, sanitary sewers and related facilities will be operated and maintained by the Service District, the Town, or Granby Sanitation District if accepted by that District or the Town.

3. Water System.

a. General. The Service District will construct and complete all public water transmission and major distribution lines and appurtenant facilities necessary to furnish potable water within the Development for interconnection to the Town water system. Alternately, the feasibility of a separate supply, treatment, storage, and distribution system for potable and/or irrigation water may be considered to satisfy the water service requirements within the Development. The Service District will review strategic planning for such alternate water system with the Town, particularly with respect to new water treatment facilities. Water demand and flow criteria are currently being developed.

b. Water Line Standards. The water distribution lines and other water facilities will be designed and installed to conform to current standards, specifications and regulations of the State Health Department, if applicable.

c. Operation and Maintenance. All water transmission and distribution lines and appurtenant facilities will be operated and maintained by the Service District or the Town, if accepted by the Town.

4. Park and Recreation.

Park and recreation facilities may include parks, open space, playfields, ski areas and/or ski lifts, golf courses, recreation facilities, trails, common area and boulevard landscaping. The Districts also propose to construct a swimming facility. All park and recreation facilities will be constructed in accordance with the design criteria, standards and specifications approved by the Town, unless otherwise approved by the Town, standards of other governmental agencies, if applicable, and engineering and design requirements appropriate for the specific facility. All park and recreation facilities will be operated and maintained by the Service District. All recreation facilities will be available to all Town residents on similar terms and conditions as applicable to in-District residents, at rates equivalent to in-District residents, but taking into account the tax subsidy of such District resident rates.

5. Transportation.

The Service District proposes to provide transportation functions and facilities in cooperation with the Tax District.

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C. Estimated Costs of Public Improvements. and Capital Expenditure Plan.

The estimated costs of all public improvements to be acquired, constructed, installed and completed by the Service District within the Development and those Improvements to be jointly funded with the Town are \$35,000,000 (based upon projected available financing as reflected in Exhibit C, plus \$1.0 million for transportation, plus the 8% Town allocation and the costs of issuance). The Company will not be compensated for land dedicated to the Service District which must under Town Regulations be dedicated for public use, except that the Service District may compensate the Company for land located outside the Districts' boundaries or land acquired from other persons. The preliminary engineering survey of the District facilities and improvements as shown in Exhibit C may be modified, changed and revised as necessary to provide the public improvements to be furnished by the District without any amendment or modification of the Service Plan, unless such change constitutes a material modification as provided in Section VII.A.1.

V. FINANCIAL PLAN

A. Administration and Operation Costs

Initial costs of general administration and operations of the Districts are set forth in the Financing Plan. These costs have been estimated based upon typical expenses incurred for special districts in general. Any increases in such costs over time will be funded by property taxes, fees, charges, and other revenue sources generally available for such purposes as determined during the annual budget process in accordance with the District IGA.

B. Financing Plan

The Financing Plan as set forth in Exhibit D demonstrates that the consolidated financial management and operations of the Districts will (i) provide economic and sufficient services within the Districts, (ii) result in the discharge of the Districts' proposed indebtedness on a reasonable basis, and (iii) protect future property owners within the Tax District from unreasonable property taxes and bond defaults.

The Financing Plan includes projected revenues derived from property taxes collected within the Tax District, developer fees from the Developer Fee Agreement, capital fees, specific ownership taxes, and other revenue generally available each year, including the first budget year commencing in the 2004 fiscal year through the 2039 fiscal year, when the Financing Plan projects the Service District debt to be retired. The District IGA will provide that the obligation of the Tax District to pay the Service District for the costs of financing the public improvements to be furnished by the District and for annual service costs shall constitute voter-approved multiple-fiscal year financial obligations of the Tax District. Accordingly, Tax District property tax levies certified to make necessary payments to the Service District may be characterized as financial obligations exempt from spending limits, after voter approval is obtained pursuant to Article X, Section 20 of the Colorado Constitution ("TABOR"). The Service District may enter into funding, acquisition and reimbursement agreements with the Company or other developers, and may issue revenue bonds, bond anticipation notes or other

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multiple-fiscal year financial obligations to fund the costs of the public improvements and other interim expenses, until such time as revenues are available from the Tax District or other sources and the Financing Plan can be reasonably implemented. Any funds advanced by the Company or other persons for the purposes of designing, constructing and installing the improvements may be reimbursed from property taxes collected by the Tax District and other available revenue sources.

The Financing Plan shows how the financial operations of the Districts will be consolidated. Preliminary debt repayment schedules for each series of the District bonds (assuming a 25-year term, no credit enhancement, and a coupon interest rate of 6.50%) are attached as Exhibit D. The District bond series coincide with the major phases of construction of the public improvements. The Town will be provided with copies of final bond documents, together with supporting documentation for each series of District bonds.

Prior to the issuance of long-term bonds, the Service District may issue limited property tax supported revenue bonds, bond anticipation notes, or other multiple-fiscal year financial obligations secured by the revenues generated under the District IGA and the Developer Fee Agreement. Credit enhancement may be provided for any obligation of the Service District. The Tax District may make multiple-fiscal year financial obligation pledges to the Service District secured by property taxes to fund the acquisition and completion of the public improvements for the Development. Revenue from such sources and other available funds will be used to retire the Service District bonds or other multiple-fiscal year financial obligations. The Tax District may also issue limited tax general obligation bonds directly, subject to the approval of the Service District in accordance with the terms of the District IGA.

The Districts intend to issue limited tax general obligation and/or revenue bonds secured primarily by (i) property taxes from levies of the Tax District and (ii) revenue from other available sources. The property tax levy of the Tax District will not exceed 50 mills for operating and debt repayment purposes, unless otherwise Approved by the Town; provided, however, in the event that the method of calculating assessed valuation is changed after the approval of the Service Plan by any change in law or method of calculation or by any change in the percentage of actual value used to determine assessed valuation pursuant to Section 39-1-104.2, C.R.S., and Article X, Section 3 of the State Constitution, the mill levy limitation shall be increased or decreased to reflect such change, as reasonably determined by the Board of the Tax District so that, to the greatest extent possible, the actual property tax revenues generated by the mill levy as adjusted are neither enhanced nor diminished as a consequence of such adjustment.

The Service District is not expected to have a separate property tax levy. No provision of the Service Plan shall be construed to restrict the issuance of any form or type of bond, note, or other multiple-fiscal year financial obligation of either District. The Financing Plan illustrates that adequate revenues are available from various sources for the payment of debt issued to provide public improvements for the Development, thus eliminating risks of excessive property tax levies or bond defaults.

All bonds issued by the Districts may be payable from any and all legally available revenues of the Districts, including general *ad valorem* taxes to be imposed upon all taxable property within the Taxing District. Any debt exceeding fifty percent (50%) of the valuation for assessment of the taxable property in the Taxing District must be issued in

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compliance with Colorado law, and specifically, Section 32-1-1101(6), C.R.S. as may be amended.

Alternate financing plans may be implemented by the Districts without having to amend or modify the Service Plan, if (i) subsequently determined by the Service District to be in the best interests of the Districts and (ii) in material compliance with the general projections in the Financing Plan. For example, the Service District may issue variable rate bonds or notes, if interest and other issuance costs thereon are less than the financing costs projected in the Financing Plan, particularly during the initial years of development until the assessed valuation of property in the Tax District is sufficient to comply with statutory debt to assessed valuation ratios. Alternatively, the District may issue unsecured or partially credit enhanced, non-rated bonds with fixed interest rates to institutional or accredited investors, which might cause interest rates, debt service and other issuance costs to be higher than the financing costs in the Financing Plan. In such event, the District will reduce the size of the bond issue so that debt service payments can reasonably be made from the projected revenue expected to be available to the Districts.

The Districts shall, without limiting other financing alternatives or having to amend or modify the Service Plan, be entitled to change the structure of the Financing Plan, including without limitation by obtaining financing directly from the Company or financial institutions in compliance with State law, so long as aggregate debt and mill levy limits are not exceeded. For example, the Service Districts may obtain funding directly from the Company or other developers and repay or reimburse such financial obligations from property tax collections and other revenues generated under the District IGA and Developer Fee Agreement or from other available funds of the Districts. The Service District shall also be entitled to issue contingent repayment obligations in amounts not to exceed 20% of the debt estimated in the Service Plan on condition that the provisions of such contingent repayment obligations are (i) in compliance with State law, (ii) subordinate to senior debt obligations of the Districts, and (iii) subject to the mill levy limitation specified herein. The Districts shall have the authority to utilize excess property valuation/debt capacity which may be developed within the Districts to accomplish additional financing, if the projections contained in the Financing Plan are lower than actually realized within the Development, and the District tax levy will not exceed the mill levy limits as set forth herein.

Upon Approval of the Service Plan, the Service District will continue to develop and refine the cost estimates for the public improvements needed for the Development and implement a viable Financing Plan therefore. Costs for construction, engineering and contingencies, capitalized interest, reserve requirements, credit enhancement or letter of credit fees, and other costs of financing will be included in the Financing Plan, as appropriate. All construction cost estimates are based upon current prices and assume construction in compliance with applicable Town and State requirements. The total estimated costs of all public improvements, capitalized interest, and related issuance and organizational costs are approximately \$35.0 million. The Districts shall have the authority to issue or incur limited tax general obligation indebtedness (secured by a property tax levy not to exceed the mill levy limits set forth herein), revenue debt, and other multiple-fiscal year financial obligations in amounts sufficient to finance and construct all public improvements specified under the Service Plan, if not greater than \$40.0 million, without the need to obtain the Approval of the Town or process any amendment or modification of the Service Plan. The Districts shall not incur indebtedness

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greater than \$40.0 million in the aggregate, exclusive of refundings or other refinancings, without the Approval of the Town.

A portion of the total authorized property tax levy not to exceed 5 mills will be reserved, in accordance with the Town IGA, in a "Transportation Fund". This Transportation Fund will be comprised of funds restricted for transportation functions and transportation facilities.

The Service District may seek debt authorization from its electorate in excess of \$40.0 million to account for contingencies or other unforeseeable expenses. Modifications of all capital cost estimates shall likewise be permitted, if not materially greater than the estimates set forth in the Service Plan. Final determination of the amount of debt for which voter approval will be sought from the Districts' electorate will be made, from time to time, by the Board in accordance with the terms of the District IGA. All ballot questions will be filed with the Town. Authorization to issue bonds and enter into the various agreements described herein will be sought from the Districts' electorate in accordance with the terms of the District IGA, the Act, and the State Constitution.

The Service District presently anticipates issuing debt in the amounts and for the following purposes stated below. These amounts reflect the estimates contained in Exhibit C, plus \$1.0 million for transportation, plus the estimated costs of Bond Issuance, and the 8% commitment to jointly funded improvements with the Town, generally allocated two-thirds to downtown improvements, and one-third towards park improvements.

1.	Sanitary Sewer	\$ 5,000,000
2.	Water System	\$ 9,700,000
3.	Roads (includes traffic safety)	\$ 17,000,000
4.	Park & Recreation	\$ 2,000,000
5.	Drainage	\$ 300,000
6.	Transportation	<u>\$ 1,000,000</u>
	Total	\$ 35,000,000

In addition, the District will seek authorization for taxes for operation and maintenance of the Districts' systems and facilities in the amount of up to \$2,875,000 annually.

An amount equal to 8% of the total Bond Proceeds is expected to be provided to the Town for jointly funded improvements expected to cost approximately \$2.80 million in 2003 dollars, allocated approximately 67% for downtown improvements and approximately 33% for park facilities on a site to be dedicated by Developer in Planning Area 1 of the SolVista Preliminary Plan ("the Joint Improvement Funds"). The Districts' contributions to Joint Improvements Funds shall be disbursed to the Town according to the following schedule: The Town shall receive 0.00% of the total proceeds from the first \$10.0 million of District General Obligation Bonds, 8.00% of the total proceeds from the second \$10.0 million of District General Obligation Bonds, 16.00% of the total proceeds from the third \$10.0 million of District General Obligation Bonds, and 8% of the total proceeds from subsequent issues of the District General Obligation Bond as contemplated in this Service Plan. If the Districts ultimately issue less than

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\$30 million of General Obligation Bonds, the parties will adjust District disbursements to the Joint Improvement Funds in accordance with the Town IGA to effectuate their agreement that such payments shall equal 8% of the Districts' total bond proceeds.

In addition to property taxes and developer fees, which may be increased to fund the costs of the public improvements, the Districts may also rely upon various other revenue sources authorized by law to fund their financial obligations. These include the power to establish fees, rates, tolls, penalties, or charges as provided in the Act. Developer fees may also be imposed for the various public improvements made by the District. The Financing Plan has been developed without reliance upon all possible sources of revenue available to the Districts, but this will not preclude the Districts from implementing any revenue source legally available to the Districts, if needed to fund debt service, operations or other expenses.

Another possible revenue source of the Districts is the assessment of an Availability of Service Charge, which may be assessed as provided by State law in the maximum amount of 50% of the water or sewer Service Charge assessed to connect customers or the average of such charge. The Availability of Service Charge is able to be assessed to vacant lots which lie within 100 feet of a water or sewer main. Proceeds of Availability of Service Charges are restricted by statute to be spent only for Debt Service on Bonds issued for the purposes of constructing the mains lying within the 100 feet statutory requirement.

The Financing Plan does not project any significant accumulation of fund balances which might represent revenues in excess of limits imposed by TABOR. It is anticipated that certain operations of the Service District may qualify as "enterprises" under TABOR. If operations of the Service District do not qualify as enterprises under TABOR, revenues from all sources which exceed the permitted level of expenditures in any year will be refunded to taxpayers, unless a vote approving the retention or "de-Brucing" of such revenues is obtained. The Districts will seek voter approvals in advance at the organizational election, so that fluctuations in District revenue from year to year do not create a TABOR refund requirement. To the extent that annual District revenues exceed TABOR limits without prior voter approval, the Districts will comply with the provisions of TABOR and either refund any excess revenue or obtain voter approval to retain such amounts. At the discretion of its Board, the Service District may establish enterprises or other qualifying entities to manage, finance, construct, and operate facilities, services, and programs.

The estimated costs of the public facilities and improvements to be acquired, constructed and installed by the Districts, including the costs of acquisition of land, engineering, legal, and administrative services, initial proposed indebtedness, capitalized interest and other financing costs, and other major expenses related to such facilities and improvements, are set forth in the Financing Plan. For full build-out of the Development, the principal costs of all items are not expected to exceed \$35.0 million. If for any reason build-out does not occur as anticipated, the capital improvements will be deferred or phased to coincide with actual development, and unnecessary expenditures will be avoided. Organizational costs authorized under the Act are estimated to be \$40,000. Interim expenses of the Districts funded by the Company will be reimbursed from available revenue sources, including bond proceeds.

The principal amount of voter-authorized debt shall not exceed \$40.0 million exclusive of refundings or other refinancings, unless otherwise approved by the Town. The

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maximum interest rate on District bonds is estimated to be 14%. The maximum underwriting discount is estimated to be 3%. It is anticipated that each series of District bonds, when issued, will mature not more than 40 years from the date of issuance, with the first maturity being not later than three years thereafter as required by the Act. Maturities may, however, be extended to reduce annual debt service costs. District bonds may be refunded in accordance with State law.

The consolidated Financing Plan demonstrates that, at the projected levels of development, the Districts will have the economic ability to (i) finance the public improvements needed for the Development, (ii) provide services and pay for service costs likely to be incurred by the Districts, and (iii) discharge the proposed indebtedness of the Districts on a reasonable basis relying upon reasonable tax levies. No funds or assets of the Town will be pledged as security for the repayment of debt incurred by the Districts, and the Town shall have no financial liability of any nature for the debt of the Districts or their operations.

C. **Risk Disclosure.** The ability of the Districts to meet the projections upon which the financial plan is premised is subject to various risks and uncertainties, including but not necessarily limited to, actual development that occurs within the Districts' boundaries and the sale of lots/construction of homes as might occur within the area and actual market valuation of property within the Districts' boundaries. Development in the Districts will be impacted by many factors including governmental policies regarding land development, the availability of utilities, construction costs, interest rates, competition from other developments and other political, legal and economic conditions.

VI. PROPOSED AND EXISTING AGREEMENTS

A. District IGA

The relationship between the Service District and Tax District, including the terms for financing, acquiring, constructing, and operating the public services and improvements to be furnished by the District, will be established in one or more intergovernmental agreements between the Districts, generally referred to as the "District IGA." Such agreements shall constitute binding and enforceable agreements between the Districts regarding the implementation of the authorities and powers set forth in the Service Plan.

The District IGA will provide comprehensive procedures and requirements for the payment of: (i) capital costs of the public improvements, including any payments to the Town; (ii) administrative, operational and maintenance expenses of the Districts; (iii) costs of issuance of District bonds and payment of debt service, funding and reimbursement agreements, and related financing expenses of the Districts; and (iv) other costs associated with the construction, acquisition, operation and maintenance of all public improvements and services needed for the Development and the administration of the affairs of the Districts by the Service District.

The Service District will be generally responsible for management of the financing program, contracting for and supervising the acquisition and construction of all public improvements within the Service Area, including the preparation of engineering plans and specifications, and public bidding and contracting. Upon completion of the public improvements, the Service District will be responsible for the operation and maintenance of all

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facilities not subsequently transferred to another governmental agency. The Tax District will pay the Service District for operating and maintaining the improvements and administering the affairs of the Districts in accordance with the terms of the District IGA. The Service District will also be responsible for management, recordkeeping, and financial planning services for the Tax District. The Tax District will also pay the Service District for debt service costs and any major capital repairs or replacement of the facilities in accordance with the terms of the District IGA.

B. Town IGA.

The relationship between the Districts and the Town is reflected in the Town IGA attached hereto as Exhibit F. Specifically, the Agreement provides for the Districts to maintain roadways within the Districts' boundaries in accordance with Town standards, construct water systems to Town standards and convey the same to the Town, construct wastewater systems to the Town and Granby Sanitation District standards and convey the same, if requested, to the Town or the Granby Sanitation District, and related statements of obligation between the Districts and the Town.

C. Developer Fee Agreement.

The Service District may enter into a Developer Fee Agreement with the Company and other developers to install the public improvements to be furnished by the District. Under the Developer Fee Agreement, the Company and other developers will be obligated to pay a developer fee in the estimated amount of \$1,500 per lot or equivalent unit. The Service District may increase the developer fee as necessary to fund the capital costs of the public improvements. If a Developer Fee Agreement is entered into, the developer fee will constitute an unconditional obligation of, and lien against, each lot within the Development until paid.

D. Other Agreements/Authority

To the extent necessary, the Tax District may enter into additional intergovernmental and private agreements to ensure the long-term provision of the public facilities and services needed for the Development and for the effective management of District affairs. Agreements may also be entered into with the Company, other developers, owner associations, and other service providers to discharge any facility or service responsibility of the Districts.

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VII. OTHER REQUIREMENTS

A. Additional Requirements. The Tax District shall be subject to the following additional requirements:

1. Any material change in the Service Plan will be submitted to the Town, and if the Town determines that such change constitutes a "material modification" of the Service Plan pursuant to Section 32-1-207, C.R.S., it shall be subject to Approval by the Town in accordance with the provisions of the Act.

2. The Districts shall cooperate to implement their Service Plans and to discharge their responsibilities to furnish services and facilities needed for the Development. The failure by either District to perform its responsibilities under the Service Plan or District IGA shall constitute a material modification of the Service Plan pursuant to Section 32-1-207, C.R.S., which may be enjoined by the other District, unless its Approval is first obtained.

3. Unless otherwise approved in writing by the Town Board of Trustees, which approval shall not be unreasonably withheld, delayed or conditioned, the District' bonded debt shall be subject to an aggregate limit of \$40.0 million, a maximum net effective interest rate of 14 percent (14%) per annum, a maximum maturity term of forty (40) years from date of issue except for refundings at a lower rate of interest, and a 25-year limit on debt authorization measured from date of election. These limitations were established and agreed based upon current financial market conditions, and current construction costs generally. District requests based upon changes in these and other relevant and appropriate factors shall be given favorable consideration. No such change shall be deemed a material modification of the Service Plan.

4. Neither District shall apply for or claim any entitlement to Conservation Trust Fund money for which the Town is eligible to apply.

5. The Town's remedies for failure of any District to comply with this Agreement or any material provision of its approved Service Plan shall include authority for the Town, upon a finding of such failure by the Board of Trustees, following notice to the District and an opportunity to be heard, to withhold the issuance of any related permit, authorization, acceptance or other administrative approval needed or required by the District.

6. The consolidation of either or both Districts with any other special district shall be subject to the prior approval of the Town. Each District will take all action necessary to dissolve pursuant to Title 32, Article 1, Part 7, C.R.S., as amended from time to time, at such time as it does not need to remain in existence to own, operate or maintain facilities, or to discharge its financial obligations.

7. On or before January 31 of each year, the Service District will file an annual report with the Town which explains all major actions taken by the Districts during the preceding year to implement the functions of the Districts as set forth in the Service Plans, together with projections for the ensuing fiscal year and such other available information as the Town may request. The Service District shall also file copies of the Districts' statutory audits with the Town.

EXHIBIT 2

8. The Service District shall file any ballot issue or bond financing (including interest rates and security terms) with the Town in advance of its certification or implementation. The Town may, pursuant to the provisions of Section 32-1-207(3) (a), C.R.S., enjoin any proposed action in connection therewith which is not in material compliance with the Service Plan. The Service District will work cooperatively with the Town to implement the various provisions of the Service Plan.

9. The Company or other developers shall provide a written disclosure to the first buyer of any residential lot within the Development in accordance with Section 38-35.7-101, C.R.S.

VIII. CONCLUSION

It is submitted that the Service Plan establishes, as required by the Act, that:

- A. There is sufficient existing and projected need for organized service in the area to be served by the Districts;
- B. The existing service in the area to be served by the Districts is inadequate for present and projected needs;
- C. The Districts acting in cooperation are capable of providing economical and sufficient service to the area within their boundaries (and within the Service Area); and
- D. The area included in the Districts (and within their Service Area) has, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

Therefore, it is requested that the Board of Trustees of the Town of Granby, Colorado, which has jurisdiction to Approve the Service Plan pursuant to §32-1-204.5, C.R.S., adopt a resolution approving the Service Plan for SolVista Metropolitan District No. 1 without condition or modification.

EXHIBIT 2

ADDENDUM

Definitions. Unless the context requires otherwise, the terms defined in the Service Plan shall have the meanings as follows:

1. "Act" means Article 1 of Title 32, C.R.S.
2. "Approval" means the review and approval by the Town of any specific bond financing, construction or development plan for the public improvements installed within the Districts in accordance with the provisions hereof.
3. "Board" means the Board of Directors of either District.
4. "Boards" means the Boards of Directors of both Districts.
5. "Company" or "Developer" means SolVista Corp., a Colorado corporation, and its successors, transferees and assigns.
6. "De-Brucing" means a voter approved retention of revenues from all sources which exceeds the permitted level of expenditures in any year under TABOR.
7. "Development" means the development known as SolVista or the SolVista Golf & Ski Ranch located in the County of Grand, Colorado, as more specifically described in Exhibit A-1.
8. "Development Plan" means Planned Development Overlay District Preliminary Plan for SolVista Golf & Ski Ranch and all amendments thereof subsequently approved by the Town.
9. "District Engineer" means Meurer Associates, of Lakewood, Colorado 80228, and any other professional engineer designated by the Service District.
10. "District IGA" means a master intergovernmental agreement that will be executed by the Districts clarifying the dual responsibilities and the nature of the functions and services to be provided by each District.
11. "District" or "Districts" means the Service District or the Tax District separately, or the Service District and the Tax District collectively, as applicable.
12. "Enterprise" means an enterprise as defined under TABOR.
13. "Financing Plan" means the consolidated financial plan for the Districts set forth in Section V and Exhibit D of the Service Plan.
14. "Regulations" means all codes, ordinances, rules, regulations, and other governing laws of the Town and other governmental agencies, as applicable; provided,

EXHIBIT 2

however, that where any such regulations are inconsistent with the SolVista Preliminary Plan, the provisions of the SolVista Preliminary Plan shall be controlling.

15. "Service Area" means the jurisdictional area that the Service District will be serving, which encompasses the entire area of the Development, including all property within the Tax District's boundaries as described in its Service Plan.
16. "Service District" or "Control District" means SolVista Metropolitan District No. 1.
17. "Service Plan" means the Service Plan for the Service District.
18. "SolVista Preliminary Plan" means the Planned Development Overlay District Preliminary Plan for SolVista Golf & Ski Ranch, and all amendments thereof subsequently approved by the Town.
19. "TABOR" means Article X, Section 20 of the State Constitution.
20. "Tax District" or "Financing District" means SolVista Metropolitan District No. 2.
21. "Town IGA" means an intergovernmental agreement among the Town of Granby, Service District and Tax District attached in Exhibit F.

EXHIBIT 2

EXHIBIT A-1

MAP SHOWING THE BOUNDARIES OF THE SOL VISTA GOLF & SKI RANCH DEVELOPMENT

EXHIBIT 2

EXHIBIT A-1

Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado

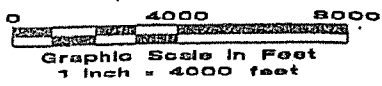
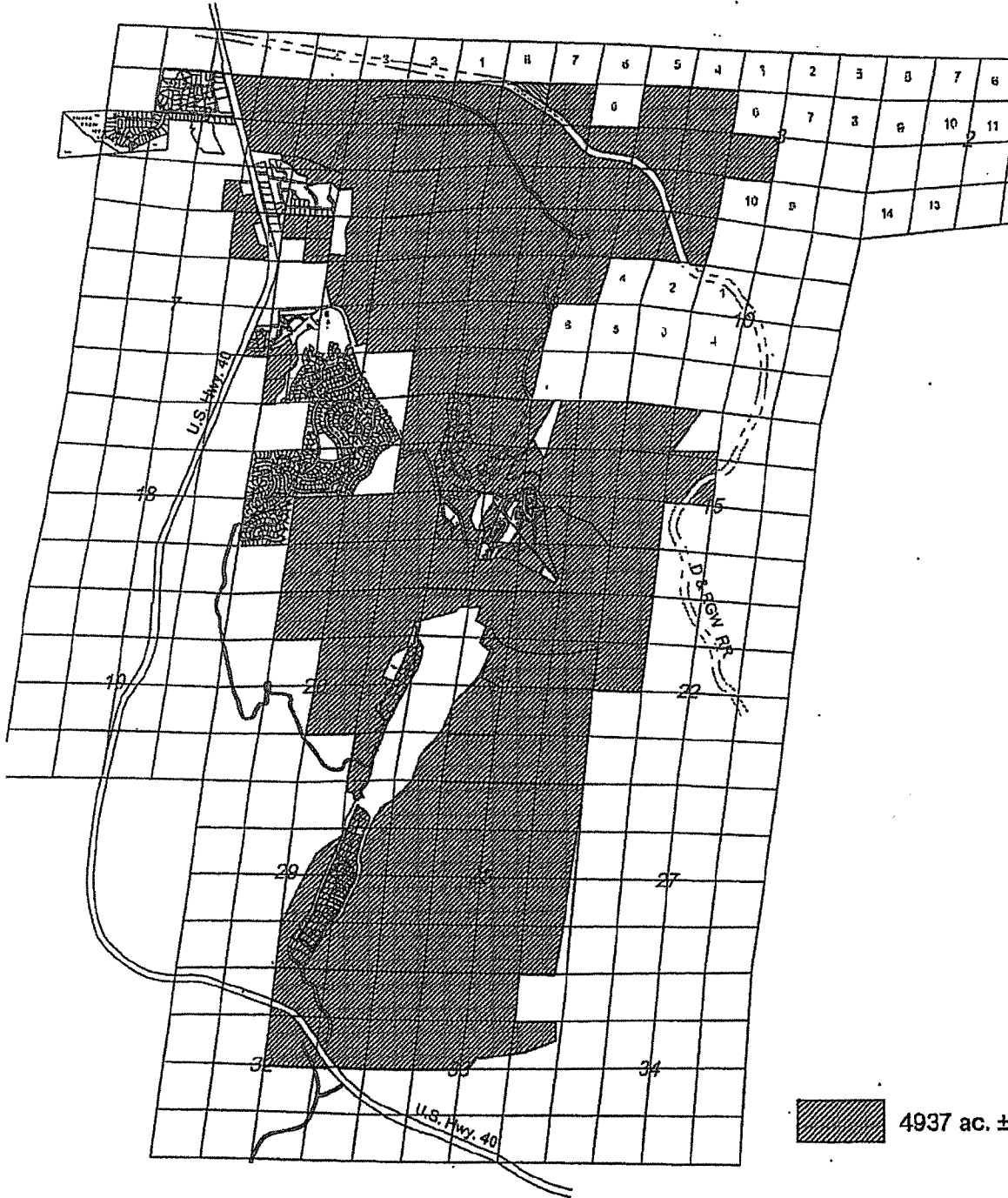


EXHIBIT 2

EXHIBIT A-2.

MAP SHOWING THE BOUNDARIES OF THE DISTRICTS

EXHIBIT 2

EXHIBIT A-2

Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado

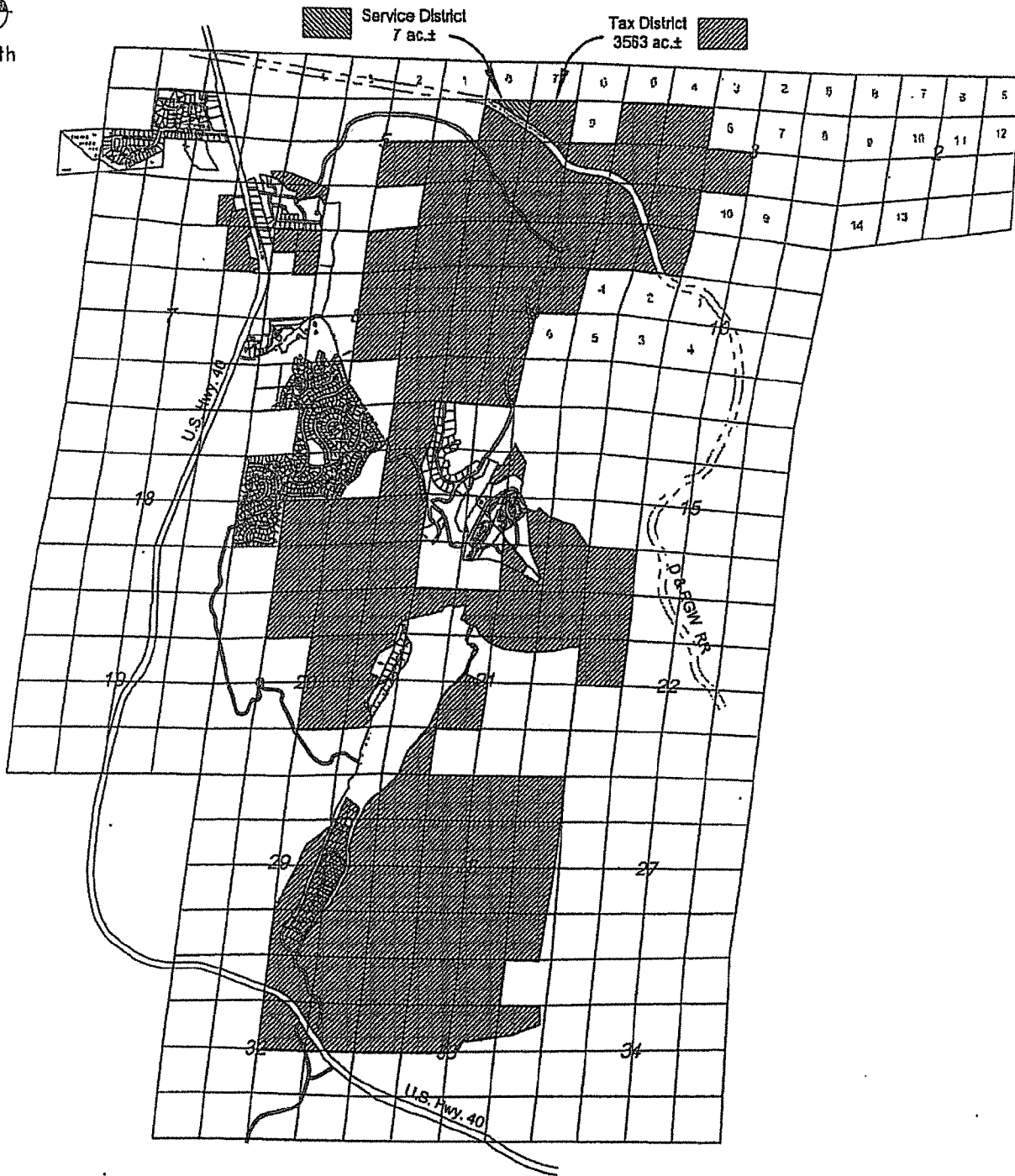
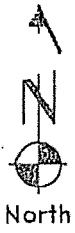


EXHIBIT 2

EXHIBIT B

LEGAL DESCRIPTION OF THE CURRENT BOUNDARIES OF THE DISTRICTS

EXHIBIT 2

EXHIBIT B-1

Description of Service District Boundary

That portion of Section 4, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado, described as follows:

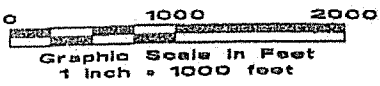
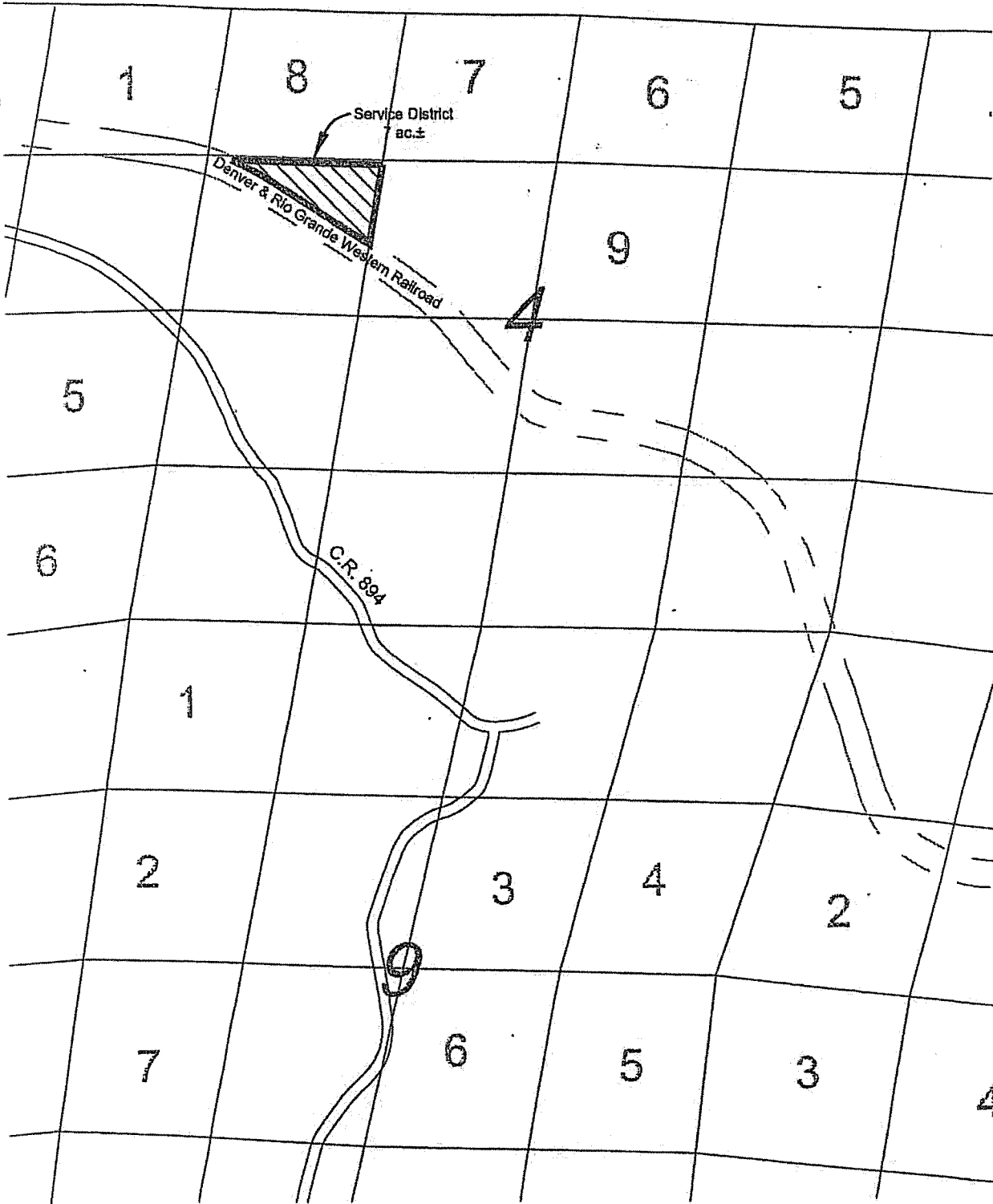
That portion of the SW1/4NW1/4, located north of the Denver and Rio Grande Western Railroad right-of-way.

prepared by: David Costner
date prepared: 05/07/03
for and on behalf of GEOSURV, Inc.
Lafayette, CO 80026 303 666 0379


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EXHIBIT 2

EXHIBIT B-1
Service District



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Service Plan.dwg
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EXHIBIT 2

EXHIBIT B-1

Description of Property Located Within Initial Tax District Boundary

That portion of Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado, described as follows:

Section 3, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

SW1/4SW1/4, EXCEPT that portion located within the Denver and Rio Grande Western Railroad right-of-way; and
N1/2SW1/4; and
SW1/4SW1/4;

Section 4, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

SE1/4NE1/4; and
S1/2, EXCEPT that portion located within the Denver and Rio Grande Western Railroad right-of-way; and
SE1/4NW1/4, EXCEPT that portion located within the Denver and Rio Grande Western Railroad right-of-way; and
That portion of the SW1/4NW1/4 located south of the Denver and Rio Grande Western Railroad right-of-way;

Section 5, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

Lots 5 & 6; and
NW1/4SE1/4; and
That portion of the W1/2SW1/4, being a parcel excepted in the description of "The Silver Creek Water & Sanitation District", recorded in the real property records of Grand County, Colorado on August 18, 1982 in Book 314 at Page 856, EXCEPT that portion located within the Silversage Subdivision;

Section 6, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

That portion of the NE1/4SE1/4, lying south of a parcel described in the description of "The Silver Creek Water & Sanitation District", recorded in the real property records of Grand County, Colorado on August 18, 1982 in Book 314 at Page 856, north of the Silversage Subdivision and east of the Kellner Outright Exemption; and
S1/2 SE1/4, lying westerly of U.S. Highway, southerly of the north boundary line of that perpetual non exclusive easement recorded in the real property records of Grand County, Colorado in Book 435 at Page 742, and easterly of Clubhouse Cabins and The Village at Saddle Ridge, Grand Elk Ranch and Club, recorded in the real property records of Grand County, Colorado at Reception Number 2001-011667, EXCEPT the Ocean Spray Outright Exemption recorded in the real property records of Grand County, Colorado at Reception No. 285776;

Section 7, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

That portion of NE1/4NE1/4, lying westerly of U. S. Highway 40, EXCEPT (1) that parcel recorded in the real property records of Grand County, Colorado in Book 151 at Page 17 and (2) that parcel recorded in the real property records of Grand County, Colorado in Book 145 at Page 168; and
That portion of the NE1/4SE1/4, being all of the property described in the deed to Val Moritz Village, Inc, recorded in the real property records of Grand County, Colorado on July 14, 1971, in Book 178 at Page 709;

prepared by: David Costner
date prepared: 05/07/2003
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Lafayette, CO 80028 303 666 0379

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EXHIBIT B-1

Section 8, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

Lots 1 & 2; and
E1/2E1/2; and
NW1/4SE1/4; and
E1/2NW1/4NW1/4; and
NW1/4NW1/4NW1/4;

Section 9, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

Lots 1, 2, 3, 7, 8 & 9; and
NE1/4SW1/4; and
E1/2NW1/4; and
N1/2NE1/4, EXCEPT that portion located within the Denver and Rio Grande Western Railroad right-of-way;

Section 10, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

NW1/4NW1/4, EXCEPT that portion located within the Denver and Rio Grande Western Railroad right-of-way;

Section 15, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

SW1/4SW1/4;

Section 16, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

SE1/4, EXCEPT

(1) the 234.581 acre parcel contained in the "Court Order of Annexation" Case No. 82-CV-67, recorded in the real property records of Grand County, Colorado on August 30, 1985 in Book 380 at Page 378, (2) the 50.459 acre parcel contained in the "Court Order of Annexation" Case No. 82-CV-67, recorded in the real property records of Grand County, Colorado on May 8, 1984 in Book 350 at Page 154, (3) the Kicking Horse Lodges subdivision, (4) Phase I of the Summit at SilverCreek platted as The Summit at SilverCreek Condominiums by the As Built Plat recorded in the real property records of Grand County, Colorado on February 22, 1985 at Reception No. 226723, and (5) the 2.4 acre Open Space Parcel of The Mountainside at SilverCreek Phase I subdivision; and
N1/2, EXCEPT (1) the 11.91 acre Open Space parcel shown on the Final Plat of Ski Haven Estates-Phase I Subdivision, (2) the 50.459 acre parcel contained in the "Court Order of Annexation" Case No. 82-CV-67, recorded in the real property records of Grand County, Colorado on May 8, 1984 in Book 350 at Page 154, and (3) the 11.52 acre parcel described in ATTACHMENT 1 attached hereto (4) the 100.91 acre parcel described in the "Court Order of Annexation" Case No. 82-CV-67, recorded in the real property records of Grand County, Colorado on August 30, 1985 in Book 380 at Page 378, and (5) the 234.581 acre parcel described in the "Court Order of Annexation" Case No. 82-CV-67, recorded in the real property records of Grand County, Colorado on August 30, 1985 in Book 380 at Page 378;

Section 17, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

E1/2NE1/4, EXCEPT the 10.11 acre parcel described in ATTACHMENT 2 attached hereto; and
SE1/4; EXCEPT the 10.11 acre parcel described in ATTACHMENT 2 attached hereto; and
E1/2SW1/4;

prepared by: David Costner
date prepared: 05/07/2003
for and on behalf of GEOSURV, Inc.
Lafayette, CO 80026 303 666 0378

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EXHIBIT 2

EXHIBIT B-1

Section 20, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

NE1/4, EXCEPT (1) Val Moritz Village (First Filing), (2) Moritz Village (Second Filing), (3) that parcel of land described in Exhibit "A" in "Court Order of Annexation", Case No. 82-CV-67, recorded in the real property records of Grand County, Colorado on April 8, 1983 in Book 326 at Page 506; and
N1/2SE1/4, EXCEPT (1) described in Exhibit "A" in "Court Order of Annexation", Case No. 82-CV-67, recorded in the real property records of Grand County, Colorado on April 8, 1983 in Book 326 at Page 506, (2) Val Moritz Village (First Filing), and (3) Moritz Village (Second Filing); and
NE1/4NW1/4;

Section 21, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

N1/2, EXCEPT (1) Val Moritz Village (First Filing), (2) Val Moritz Village (Second Filing), (3) that parcel of land described as the 39 acre parcel described in ATTACHMENT 3 attached hereto; (4) those parcels of land described in Exhibit "A" in "Court Order of Annexation", Case No. 82-CV-67, recorded in the real property records of Grand County, Colorado on September 4, 1984 in Book 357 at Page 340, and (5) that parcel of land described in Exhibit "A" in "Court Order of Annexation", Case No. 82-CV-67, recorded in the real property records of Grand County, Colorado on April 8, 1983 in Book 326 at Page 506; and
SW1/4, EXCEPT (1) Val Moritz Village (First Filing), (2) Val Moritz Village (Second Filing), and (3) SE1/4SW1/4;

Section 22, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

W1/2NW1/4;

Section 28, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

Section 28, EXCEPT (1) Val Moritz Village (First Filing), and (2) that portion conveyed by Val Moritz Group, Ltd., d/b/a SilverCreek Development Company, a Colorado limited partnership to Highlands Property Owners Group, Inc., a Colorado non-profit corporation by instrument recorded August 1, 1990, in Book 467 at Page 130;

Section 29, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

E1/2NE1/4, EXCEPT (1) Val Moritz Village (First Filing) and (2) the tract of land conveyed by Plaza Resources Company to Grand Investments, LLC by Special Warranty Deed recorded October 13, 1995 at Reception No. 95008910; and
SW1/4NE1/4, EXCEPT (1) Val Moritz Village (First Filing) and (2) the tract of land conveyed by Plaza Resources Company to Grand Investments, LLC by Special Warranty Deed recorded October 13, 1995 at Reception No. 95008910; and
SE1/4, EXCEPT (1) Val Moritz Village (First Filing) and (2) the tract of land conveyed by Plaza Resources Company to Grand Investments, LLC by Special Warranty Deed recorded October 13, 1995 at Reception No. 95008910; and
Lots 1 through 21, 23, and 25 through 32, Block 1, and Lots 1 through 11, and 13 through 17, Block 2, Val Moritz Village (First Filing).

Section 32, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

NE1/4, EXCEPT that portion located within U. S. Highway 40;

EXHIBIT 2

EXHIBIT B-1

Section 33, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

NW1/4NE1/4; and

S1/2NE1/4, EXCEPT (1) that portion conveyed by Val Moritz Investment Group, et al. to Grand County by instruments recorded May 18, 1983, in Book 328 at Page 625 and 628, June 8, 1983, in Book 329 at Page 809, May 22, 1984, in Book 350 at Page 946 and 947, July 18, 1984, in Book 354 at Page 124, June 17, 1985, in Book 375 at Page 46 and 48, August 23, 1985, in Book 379 at Page 963 and September 25, 1985, in Book 381 at Page 755 and (2) that portion conveyed by Val Moritz Group, Ltd., d/b/a SilverCreek Development Company, a Colorado limited partnership to Highlands Property Owners Group, Inc., a Colorado non-profit corporation by instrument recorded August 1, 1990, in Book 467 at Page 130; and

NW1/4;

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Lafayette, CO 80026 303 666 0379

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EXHIBIT 2



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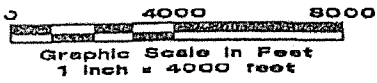
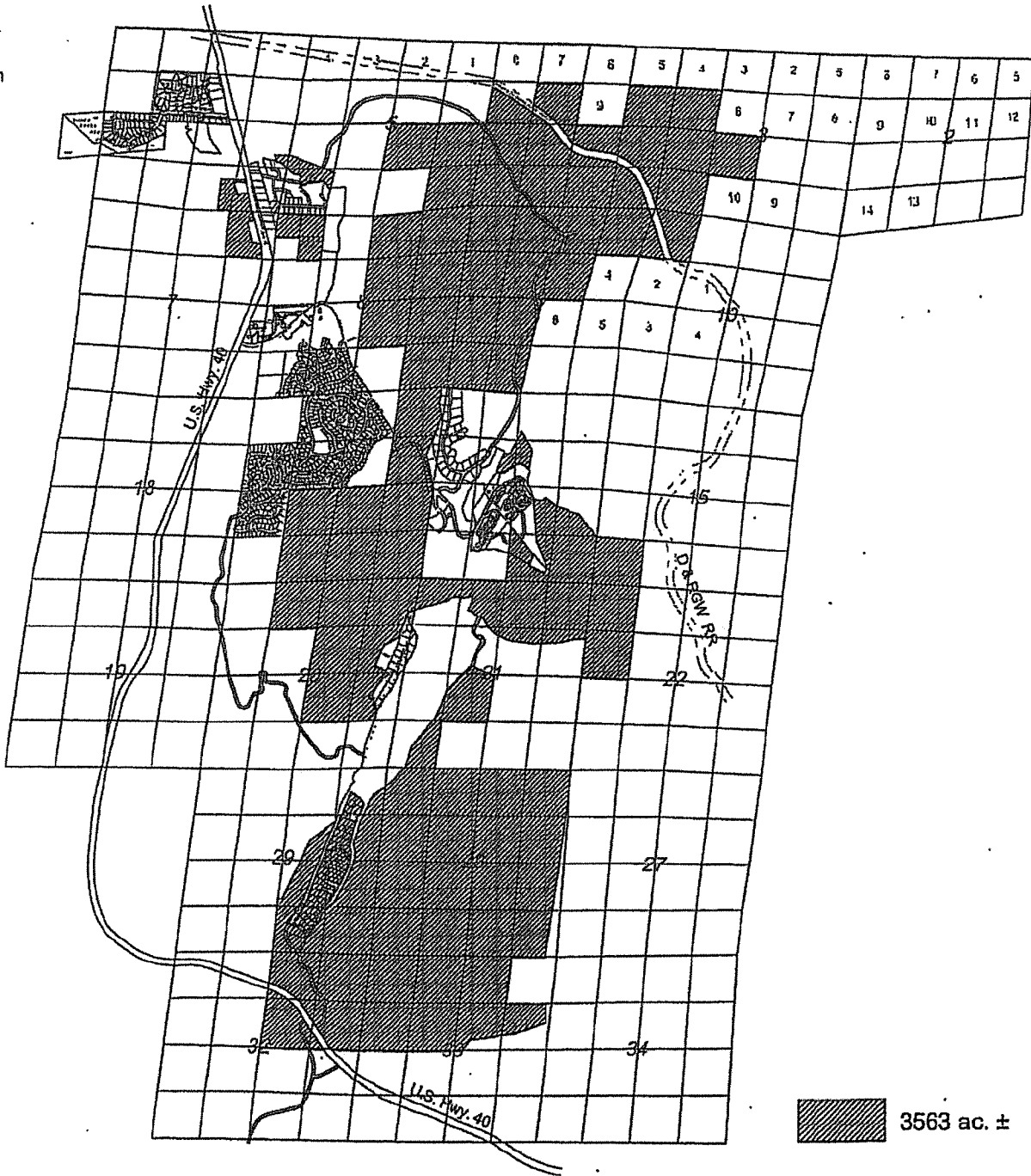


EXHIBIT 2

EXHIBIT B-1

ATTACHMENT 1 to Parcel Description

That portion of Section 16, Township 1 North, Range 76 West of the Sixth Principle Meridian, County of Grand, State of Colorado, described as follows:

The Basis of Bearings is the north line of the northwest one quarter of Section 16, Township 1 North, Range 76 West of the Sixth Principle Meridian and is assumed to bear S 85(13'21" E...

COMMENCING at the northwest corner of said Section 16; Thence S 42°10'13" E a distance of 2450.97 feet to the POINT OF BEGINNING:

Thence S 26°45'38" W a distance of 568.29 feet;
Thence S 29°22'10" W a distance of 137.17 feet;
Thence S 58°58'49" W a distance of 316.67 feet;
Thence S 00°28'04" W a distance of 78.02 feet;
Thence N 89°26'23" W a distance of 284.72 feet;
Thence N 06°25'43" E a distance of 874.71 feet;
Thence S 89°43'11" E a distance of 781.96 feet to the POINT OF BEGINNING.

Containing 11.52 acres, more or less.

EXHIBIT 2

EXHIBIT B-1

ATTACHMENT 2 to Parcel Description

That portion of Section 17, Township 1 North, Range 76 West of the Sixth Principle Meridian, County of Grand, State of Colorado, described as follows:

The Basis of Bearings is the north line of the northwest one quarter of Section 16, Township 1 North, Range 76 West of the Sixth Principle Meridian and is assumed to bear S 85°13'21" E.

BEGINNING at the northwest corner of said Section 16:

Thence S 08°12'35" W a distance of 2804.34 feet;
Thence along a curve to the right a distance of 70.59 feet said curve having a radius of 191.39 feet a delta angle of 21°08'00" a tangent distance of 35.70 feet and a chord distance of 70.19 feet which bears N 19°24'31" W
Thence N 08°50'31" W a distance of 489.19 feet;
Thence along a curve to the left a distance of 366.66 feet said curve having a radius of 2600.00 feet a delta angle of 8°04'48" a tangent distance of 183.63 feet and a chord distance of 366.36 feet which bears N 12°52'55" W
Thence N 20°52'31" E a distance of 1179.90 feet;
Thence N 11°55'13" W a distance of 326.62 feet;
Thence N 09°25'00" E a distance of 441.31 feet;
Thence N 85°46'27" E a distance of 155.89 feet to the POINT OF BEGINNING.

Containing 10.11 acres, more or less.

EXHIBIT 2

EXHIBIT B-1

ATTACHMENT 3 to Parcel Description

NO. 8 CONDOMINIUM DEVELOPMENT AREA

July 1, 1982

LEGAL DESCRIPTION:

That portion of the North 1/2 of Section 21, Township 1 North, Range 76 West of the 6th P.M., Grand County, Colorado, more particularly described as follows:

Considering the South line of the Northeast 1/4 of said Section 21 as bearing South 88°36'19" East and with all bearings contained herein relative thereto, beginning at the Southwest corner of the Northeast 1/4 of said Section 21; thence along the South line of the Northeast 1/4 of said Section 21, South 88°36'19" East 1081.87 feet; thence North 00°00'00" East 941.94 feet; thence North 84°00'00" West 600.00 feet; thence North 67°00'00" West 500.00 feet; thence North 45°00'00" West 300.00 feet; thence North 25°00'00" West 280.00 feet; thence on a line bearing North 90°00'00" West to the said lines intersection with the Easterly boundary line of Val Moritz Village (Second Filing), according to the plat on file in the Office of the Clerk and Recorder, records of said county; thence Southerly along the Easterly boundary line of said Val Moritz Village (Second Filing) to a line which bears South 65°00'00" East and passes through the POINT OF BEGINNING; thence along said line South 65°00'00" East to the POINT OF BEGINNING.

The above described parcel contains 39 acres more or less.

COUNTY OF GRAND
STATE OF COLORADO

EXHIBIT 2

EXHIBIT B-2

**LEGAL DESCRIPTION OF THE ADDITIONAL PROPERTY EXPECTED TO BE INCLUDED IN
THE BOUNDARIES OF THE TAX DISTRICT**

EXHIBIT 2

Exhibit B-2

Description of Property Expected to be Included in Tax District

That portion of Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado, described as follows:

Section 5, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

S1/2NE1/4, EXCEPT that portion located within the Denver and Rio Grande Western Railroad right-of-way; and SW1/4SE1/4; and SW1/4, EXCEPT (1) that portion located within the Silversage Subdivision (2) that parcel excepted in Section 5 in the description of "The Silver Creek Water & Sanitation District", recorded in the real property records of Grand County, Colorado on August 18, 1982 in Book 314 at Page 856; and S1/2NW1/4.

Section 6, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

That portion of Section 6 described in "The Silver Creek Water & Sanitation District", recorded in the real property records of Grand County, Colorado on August 18, 1982 in Book 314 at Page 856, located east of the easterly right of way line of U.S. Highway 40;

Section 7, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

That portion of the NE1/4SE1/4, lying east of U.S. Highway 40, EXCEPT (1) The Inn at SilverCreek Subdivision, (2) all of the property described in the deed to Val Moritz Village, Inc, recorded in the real property records of Grand County, Colorado on July 14, 1971, in Book 178 at Page 709, and (3) that portion lying north of the property described in said Book 178 at Page 709.

Section 8, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

E1/2NW1/4, EXCEPT (1) the Silversage Subdivision, (2) the Innsbruck-Val Moritz Subdivision, and (3) The Inn at SilverCreek Subdivision; and

NE1/4SW1/4, EXCEPT (1) that portion located within the Innsbruck-Val Moritz Subdivision, and (2) that portion located within the Lakeview Subdivision; and

That portion of the W1/2SW1/4, described as follows:

BEGINNING at the southwest corner of Section 8; thence along the west line of Section 8, N 07°02'09" E, 1304.65 to the northwest corner of the southwest one quarter of the southwest one quarter of Section 8; thence departing said west line N 23°36'45" E, 285.82 feet to a point on the southerly line of Village Road; thence along the southerly line of Village Road the following three courses: 1) N 72°00'00" E, 207.66 feet 2) 168.94 feet along the arc of a curve to the left having a radius of 440.00 feet, a central angle of 22°00'00" and a long chord which bears N 61°00'00" E, 167.91 feet 3) N 50°00'00" E, 175.15 feet; thence S39°59'59" E, 30.00 feet to a point on the easterly line of Nymph Drive; thence along the easterly line of Nymph Drive the following two courses: 1) S 39°59'59" E; 8.20 feet 2) 130.66 feet along the arc of a curve to the right having a radius of 280.00 feet, a central angle of 26°44'14" and a long chord which bears S 26°37'54" E, 129.48 feet to the northwest corner of Lot 5, Block 5; thence along the northerly line of Lot 5 N 76°44'14" E, 135.12 feet; thence along the easterly line of Lots 5, 4, 3 and 2, Block 5, S 04°15'15" E, 435.00 feet to the northeast corner of Lot 1, Block 5; thence along the easterly and southerly lines of Lot 1 the following two courses: 1) S 15°16'16" W, 127.52 feet 2) N 63°19'18" W, 140.00 feet to a point on the easterly line of Nymph Drive; thence along the easterly line 41.93 feet along the arc of a non-tangent curve to the right having a radius of 230.00 feet and a central angle of 10°26'47" to the north corner of Lot 12, Block 4; thence along the northerly, easterly and southerly lines of Block 4 the following nine courses: 1) S52°52'31" E, 140.00 feet 2) S 54°46'02" W, 314.39 feet 3) S 29°27'00" W, 115.57 feet 4) S 06°34'33" E, 135.29 feet 5) S 05°20'29" W, 144.50 feet 6) S 27°08'50" W, 141.09 feet 7) S 48°37'10" W, 199.82 feet 8) S 18°50'13" W, 171.02 feet 9) N 54°26'51" W, 130.00 feet to a point on the easterly line of Crystal Drive; thence along the easterly line 5.00 feet along the arc of a non-tangent curve to the right having a radius of 50.00 feet and a central angle of 17°11'20" to the

EXHIBIT 2

Exhibit B-2

northeast corner of Lot 12, Block 3; thence along the easterly and southerly lines of Lots 12 and 11, Block 3, the following two courses: 1) S 37°15'32" E, 183.87 feet 2) S 85°44'44" W, 345.00 feet to the POINT OF BEGINNING.

Section 15, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

NW1/4, EXCEPT (1) that portion located within the Denver and Rio Grande Western Railroad right-of-way, and (2) the 23.99 acre open space parcel shown on the Final Plat of Eaglecrest Subdivision; and NW1/4SW1/4;

Section 16, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

That portion of Section 16, described as (A) the 50.459 acre parcel contained in the "Court Order of Annexation" Case No. 82-CV-67, recorded in the real property records of Grand County, Colorado on May 8, 1984 in Book 350 at Page 154, (B) the 11.52 acre parcel described in ATTACHMENT 1 attached hereto, (C) those parcels described in Exhibit "B" and "C" in "Court Order of Annexation", Case No. 82-CV-67, recorded in the real property records of Grand County, Colorado on April 8, 1983 in Book 326 at Page 506, (D) the 100.91 acre parcel contained in the "Court Order of Annexation" Case No. 82-CV-67, recorded in the real property records of Grand County, Colorado on August 30, 1985 in Book 380 at Page 376, and (E) the 234.581 acre parcel contained in the "Court Order of Annexation" Case No. 82-CV-67, recorded in the real property records of Grand County, Colorado on August 30, 1985 in Book 380 at Page 378, EXCEPT (1) the 11.91 acre Open Space parcel shown on the Final Plat of Ski Haven Estates-Phase I Subdivision, (2) that portion of Phase I of the Summit at SilverCreek platted as The Summit at SilverCreek Condominiums by the As Built Plat recorded in the real property records of Grand County, Colorado on February 22, 1985 at Reception No. 226723, (3) The Mountainside at SilverCreek Phase I Subdivision (including the 2.4 acre open space parcel), (4) The Mountainside at SilverCreek Phase II subdivision (including the 0.22 acre open space parcel), (5) the Kicking Horse Lodges subdivision, (6) Lots 1 and 2, Block 4 and the Open Space parcels as shown on the final plat of Silvergate Subdivision, and (7) the property described in the Quitclaim Deed from SilverCreek Development Company to The Summit at SilverCreek Homeowner's Association, recorded on April 23, 1990 in Book 462 at Page 890;

Section 17, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

That portion of the E1/2E1/2, described as the 10.11 acre parcel described in ATTACHMENT 2 attached hereto;

Section 20, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

That portion of the E1/2E1/2, described in Exhibit "A" in "Court Order of Annexation", Case No. 82-CV-67, recorded in the real property records of Grand County, Colorado on April 8, 1983 in Book 326 at Page 506; EXCEPT (1) the 7.8 acre open space parcel shown on the final plat of Westridge Subdivision (2) Val Moritz Village (First Filing) and (3) Val Moritz Village (Second Filing);

Section 21, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

The 39 acre parcel described in ATTACHMENT 3 attached hereto; and All of those parcels of land described in Exhibit "A" in "Court Order of Annexation", Case No. 82-CV-67, filed September 4, 1984 in Book 357 at Page 340; and SW1/4NW1/4, EXCEPT (1) Val Moritz Village (Second Filing)

Section 29, Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado.

NW1/4NE1/4NE1/4, EXCEPT (1) Val Moritz Village (First Filing), and (2) the tract of land conveyed by Plaza Resources Company to Grand Investments, LLC by Special Warranty Deed recorded October 13, 1995 at Reception No. 95008910.

EXHIBIT 2



EXHIBIT B-2

Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado

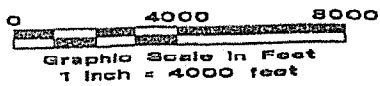
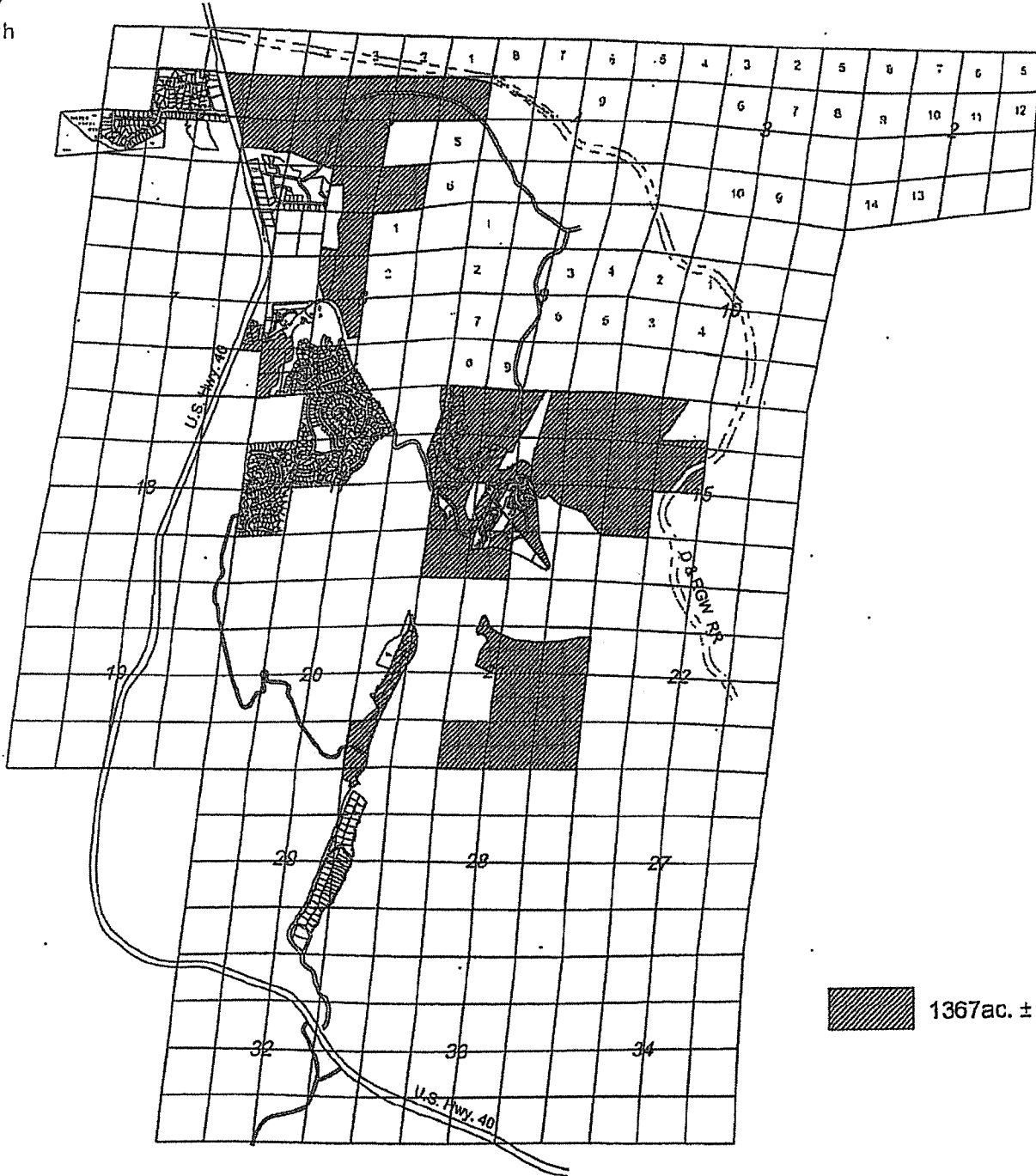


EXHIBIT 2

EXHIBIT B-2

Attachment 1

That portion of Section 16, Township 1 North, Range 76 West of the Sixth Principle Meridian, County of Grand, State of Colorado, described as follows:

The Basis of Bearings is the north line of the northwest one quarter of Section 16, Township 1 North, Range 76 West of the Sixth Principle Meridian and is assumed to bear S 65(13'21" E...

COMMENCING at the northwest corner of said Section 16; Thence S 42°10'13" E a distance of 2450.97 feet to the POINT OF BEGINNING:

Thence S 26°45'38" W a distance of 568.29 feet;
Thence S 29°22'10" W a distance of 137.17 feet;
Thence S 58°58'49" W a distance of 316.67 feet;
Thence S 00°28'04" W a distance of 78.02 feet;
Thence N 89°26'23" W a distance of 284.72 feet;
Thence N 06°25'43" E a distance of 874.71 feet;
Thence S 89°43'11" E a distance of 781.96 feet to the POINT OF BEGINNING.

Containing 11.52 acres, more or less.

EXHIBIT 2

EXHIBIT B-2

Attachment 2

That portion of Section 17, Township 1 North, Range 76 West of the Sixth Principle Meridian, County of Grand, State of Colorado, described as follows:

The Basis of Bearings is the north line of the northwest one quarter of Section 16, Township 1 North, Range 76 West of the Sixth Principle Meridian and is assumed to bear S 85(13'21" E).

BEGINNING at the northwest corner of said Section 16:

Thence S 08°12'35" W a distance of 2804.34 feet;
Thence along a curve to the right a distance of 70.59 feet said curve having a radius of 191.39 feet a delta angle of 21°08'00" a tangent distance of 35.70 feet and a chord distance of 70.19 feet which bears N 19°24'31" W
Thence N 08°50'31" W a distance of 489.19 feet;
Thence along a curve to the left a distance of 366.66 feet said curve having a radius of 2600.00 feet a delta angle of 8°04'48" a tangent distance of 183.63 feet and a chord distance of 366.36 feet which bears N 12°52'55" W
Thence N 20°52'31" E a distance of 1179.90 feet;
Thence N 11°55'13" W a distance of 326.62 feet;
Thence N 09°25'00" E a distance of 441.31 feet;
Thence N 85°46'27" E a distance of 155.89 feet to the POINT OF BEGINNING.

Containing 10.11 acres, more or less.

EXHIBIT 2

EXHIBIT B-2

Attachment 3

NO. 8 CONDOMINIUM DEVELOPMENT AREA

July 1, 1982

LEGAL DESCRIPTION:

That portion of the North 1/2 of Section 21, Township 1 North, Range 76 West of the 6th P.M., Grand County, Colorado, more particularly described as follows:

Considering the South line of the Northeast 1/4 of said Section 21 as bearing South 88°36'19" East and with all bearings contained herein relative thereto, beginning at the Southwest corner of the Northeast 1/4 of said Section 21; thence along the South line of the Northeast 1/4 of said Section 21, South 88°36'19" East 1081.87 feet; thence North 00°00'00" East 941.94 feet; thence North 84°00'00" West 600.00 feet; thence North 67°00'00" West 500.00 feet; thence North 45°00'00" West 300.00 feet; thence North 25°00'00" West 280.00 feet; thence on a line bearing North 90°00'00" West to the said lines intersection with the Easterly boundary line of Val Moritz Village (Second Filing), according to the plat on file in the Office of the Clerk and Recorder, records of said county; thence Southerly along the Easterly boundary line of said Val Moritz Village (Second Filing) to a line which bears South 65°00'00" East and passes through the POINT OF BEGINNING; thence along said line South 65°00'00" East to the POINT OF BEGINNING.

The above described parcel contains 39 acres more or less.

COUNTY OF GRAND
STATE OF COLORADO

EXHIBIT 2

EXHIBIT C

ENGINEERING SURVEY OF ESTIMATED COSTS OF PUBLIC IMPROVEMENTS

EXHIBIT 2

Metro District Capital Projects, 2003

	Metro. Capital (2003-2023)	Categorized Costs (Rounded) Category	Costs	Plus 10%	Total
South Mountain					
Water Reservoirs (1 @ 100 acre ft.)	500,000	Water	8,810,000		9,700,000
SolVista Drive South	3,330,000	Sewer	3,984,000		4,400,000
South Mt. West Collector Road (15,000 L.F.)	1,500,000	Roads	13,551,500		14,900,000
South Mt. East Collector Road (15,000 L.F.)	1,750,000	P&R	1,457,000		1,600,000
Slope Stabilization	400,000	Drainage	200,000		300,000
Sewer Main Lines (15,000 L.F.)	1,440,000	Total	28,002,500	2,800,250	30,900,000
Trail System Upgrades	200,000				
Blasting and Rock Handling	450,000				
Overall Master Storm Drainage	100,000				
Contingency (10%)	940,000				
	10,610,000				
Saddle Mountain Area					
Village Commons	300,000				
Water Reservoirs (2 @ 100 acre ft. each)	1,000,000				
Bury Overhead Power Lines	200,000				
Village Road Improvements	120,000				
SolVista Drive North/Intersection Improv.	600,000				
CR 894 Road Improvements	400,000				
Golf Lot Subdivision Road	300,000				
Slope Stabilization	400,000				
Shallow Utilities (4,000 L.F.)	0				
scape and Revegetation	567,000				
grade Landscape of Existing Infrastructure	0				
Trail System Upgrades	250,000				
Blasting and Rock Handling	886,500				
Overall Master Storm Drainage	100,000				
Wetland Mitigation	400,000				
Entry Way/Resort Signage	40,000				
Base Lodge Remodel	0				
Raw Water Transfer Line	270,000				
South Entrance Eng. And Design	75,000				
Accel/Deceleration Hwy 40 (Village & Meadows)	400,000				
Sewer Lift Station (Relocate & South Mtn.)	844,000				
Water Main Lines	2,140,000				
Water Tanks and Connection Lines (1)	1,600,000				
Water Booster Pumps (1)	700,000				
Contingency (10%)	820,000				
	12,412,500				
North Property					
Kibab Sewer Line	400,000				
North Sewer and Water Trunk Lines	2,600,000				
SolVista Drive North	2,940,000				
Water Supply Wells	1,300,000				
Contingency (10%)	720,000				
	7,960,000				
Total	30,982,500				

EXHIBIT 2

EXHIBIT D

FINANCING PLAN

EXHIBIT 2

Stan Bernstein and Associates, Inc.

Financial Planners and Consultants

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

8400 East Prentice Avenue, Penthouse

Greenwood Village, Colorado 80111

Telephone: 303-409-7611 Fax: 303-409-7612 Email: stanplan@earthlink.net

MEMORANDUM

TO: Mr. James P. Collins, Esq.
Mr. David O'Leary, Esq.
Mr. Paul Timmins, Esq.
Mr. Steve Amsbaugh, Vice President Real Estate Development
Ms. Marise Cipriani, Chairman and President

FROM: Stan Bernstein

DATE: February 18, 2003

SUBJECT: **Financing Plan Re: SolVista Metropolitan District #1 – Service District**

Attached for your review is a fourth draft of a Financing Plan for SolVista Metropolitan District # 1 ("Service District") associated with the property proposed to be annexed to the Town of Granby. The Financing Plan is based upon the construction of 2,100 single family homes with an assumed average uninflated value of \$350,000; 2,119 multi-family units with an assumed average value of \$250,000, and the phased construction of 655,000 square feet of non-residential space with an assumed average market value of \$100 per square foot – see Schedule 1, page 2 of SolVista Metropolitan District #2 ("Financing District") for detailed buildout assumptions. The Financing Plan also assumes that an 18-hole golf course will be completed by the end of 2003.

Exhibit I (Combined General and Debt Service Funds Cash Flow Forecast – 2004 – 2039), page 1, indicates that SolVista Development Company will advance (pursuant to a cost recovery and note payable agreement) as much as \$31,900,000 to the Service District to help defray the District's capital improvement costs as presented on Schedule 1, page 2 – it is assumed that these advances will be repaid by future revenue bond proceeds issued by the Service District (these revenue bonds will presumably be supported by a general obligation pledge by the Financing District). It is assumed that revenue bonds will be issued by the Service District at interest rates averaging 6.5% and maturing serially over no longer than a twenty-five year period as follows (see Schedule 2, page 3 for detailed debt service schedules):

EXHIBIT 2

Memorandum
February 18, 2003
Page ii

• 12/1/2008	\$ 4,000,000
• 12/1/2011	\$10,000,000
• 12/1/2017	\$10,500,000
• 12/1/2023	\$10,500,000
• Totals	\$35,000,000

It is assumed that (i) pursuant to an IGA with the Town of Granby, the Town will receive 8% of the second \$10 million of bonds issued by the Service District, 16% of the third \$10 million of bonds issued by the Service District, and 8% of all additional bonds issued by the Service District, and (ii) the remaining net proceeds of the proposed revenue bonds (\$31,149,200) will either be used to fund needed capital improvements or to reimburse Sol Vista Development Company for capital improvement costs previously advanced to the Service District for capital improvements.

It is assumed that revenue bonds will not be issued until the board of directors of the Service District believes that it will be able to pay all Service District debt service and operating expenditures with property tax revenues generated from the Financing District's 50.0 mill levy (45 mills after 2027).

It is assumed that all of the property taxes generated from Financing District's 50.0 debt service mill levy (45 mills after 2027) will be transferred to the Service District for the purposes of enabling the District to fund its revenue bond debt service, administrative, operating, recreation, transportation and road maintenance expenditures as detailed on Exhibit I, page 1. It is also assumed that revenues generated from a \$1,500 per residence Capital Improvement Fee will be used to fund Service Districts operating and capital costs as presented on Schedule 2, page 3.

EXHIBIT 2

Memorandum
February 18, 2003
Page iii

Stan Bernstein and Associates, Inc. has developed the above information based upon key assumptions regarding real estate development plans and values provided by SolVista Development Company (the "Developer"). An assumed residential assessment rate of 8.11% of actual value has been assumed for the entire forecast period – while it is likely that this rate will decline in future years, it is assumed that such declines (and related declines in assessed value) will be offset by inflation and appreciation of residential real estate (i.e., no inflation has been assumed for estimating the District's future assessed valuation). Capital improvement infrastructure cost estimates were developed by the Developer's engineers (the timing and phasing of these infrastructure costs was reviewed by officials of the Developer for appropriateness). Operating and administrative costs should be viewed as ample allowances (detailed cost analyses have not been performed) for providing high quality service levels – especially when the relatively large contingency allowance is taken into consideration. Stan Bernstein and Associates, Inc. has not independently reviewed, evaluated, examined, or audited such assumptions and, consequently, does not vouch for the achievability of the Cash Flow Forecasts presented on Exhibit I or on supporting Schedules 1, 2 and 3. Furthermore, because of the inherent nature of prospective financial information and because of the uncertainties of attempting to predict future events, actual results (including the amounts and timing of the issuance of revenue bonds expected to be issued by the Service District which will be used to repay developer capital improvement related advances made to the Service District) are likely to vary from forecast results and such variation could be material. Stan Bernstein and Associates, Inc. has no responsibility to update this Financial Plan.

EXHIBIT 2

Stan Bernstein and Associates, Inc.

Financial Planners and Consultants

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

8400 East Prentice Avenue, Penthouse

Greenwood Village, Colorado 80111

Telephone: 303-409-7611 Fax: 303-409-7612 Email: stanplan@earthlink.net

MEMORANDUM

TO: Mr. James P. Collins, Esq.
Mr. David O'Leary, Esq.
Mr. Paul Timmins, Esq.
Mr. Steve Amsbaugh, Vice President Real Estate Development
Ms. Marise Cipriani, Chairman and President

FROM: Stan Bernstein

DATE: February 18, 2003

SUBJECT: Financing Plan Re: SolVista Metropolitan District #2 – Financing District

Attached for your review is a fourth draft Financing Plan for SolVista Metropolitan District #2 ("Financing District") associated with the property proposed to be annexed to the Town of Granby. The Financing Plan is based upon the construction of 2,100 single family homes with an assumed average uninflated value of \$350,000; 2,119 multi-family units with an assumed average value of \$250,000, and the phased construction of 655,000 square feet of non-residential space with an assumed average market value of \$100 per square foot – see Schedule 1, page 2 for detailed buildout assumptions. The Financing Plan also assumes that an 18-hole golf course will be completed by the end of 2003.

Exhibit I (Combined General, and Debt Service Funds Cash Flow Forecast – 2004 – 2039), page 1, indicates based upon (i) a debt service mill levy of 50.0 (45 after 2027), and (ii) the SolVista Development Company's expectations of buildout and values (as presented on Schedule 1, page 2), that non-rated 6.5% revenue bonds maturing serially over no longer than a twenty five-year period could be issued by the SolVista Metropolitan District # 1 ("Service District") as follows:

• 12/1/2008	\$ 4,000,000
• 12/1/2011	\$ 10,000,000
• 12/1/2017	\$ 10,500,000
• 12/1/2023	\$ 10,500,000
• Totals	\$ 35,000,000

EXHIBIT 2

Memorandum
February 18, 2003
Page ii

It is assumed that all of the Financing District's 50.0 mill debt service levy (45 mills after 2027), will be transferred to the Service District on an annual basis to help defray the costs associated with providing road maintenance, recreation, transportation and administration services, as well as the debt service payments on revenue bonds, for the Service District.

Stan Bernstein and Associates, Inc. has developed the above information based upon key assumptions regarding real estate development plans and values provided by Sol Vista Development Company. Based upon discussions with Ms. Peggy Dowswell, CPA, the Districts' accountant, it is assumed that by tax collection year 2004 the Financing District will have an assessed valuation (excluding the Kicking Horse Condominium project) ranging from \$3.0 to \$3.5 million. An assumed residential assessment rate of 8.11% of actual value has been assumed for the entire forecast period – while it is likely that this rate will decline in future years, it is assumed that such declines (and related declines in assessed value) will be offset by inflation and appreciation of residential real estate (i.e., no inflation has been assumed for estimating the District's future assessed valuation). Stan Bernstein and Associates, Inc. has not independently reviewed, evaluated, examined, or audited such assumptions and, consequently, does not vouch for the achievability of the Cash Flow Forecasts presented on Exhibit I or on supporting Schedule 1. Furthermore, because of the inherent nature of prospective financial information and because of the uncertainties of attempting to predict future events, actual results (including the amounts and timing of the issuance of revenue bonds expected to be issued by the Service District) are likely to vary from forecast results and such variation could be material. Stan Bernstein and Associates, Inc. has no responsibility to update this forecast.

SOL VISTA METROPOLITAN DISTRICT #1
 CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
 FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2039

PRELIMINARY DRAFT 2-19-03
 SUBJECT TO CHANGE AND REVISION

EXHIBIT 1 - FORECASTED REVENUES, EXPENDITURES,
 AND FUND BALANCES - UNINFLATED

DESCRIPTION	SCHEDULE										
	REFERENCE	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013

BEGINNING FUND BALANCE - JANUARY 1	0	33,255	75,175	173,334	270,284	536,055	541,399	754,989	754,989	754,989	754,989
REVENUES:											
PROPERTY TAXES @ 50 MILLS X \$5,000 A.V. (45 MILLS AFTER 2027)	250	250	250	250	250	250	250	250	250	250	250
SPEC. OWNER TAXES @ 5% OF PROP TAXES	13	13	13	13	13	13	13	13	13	13	13
CAPITAL FACILITY FEES @ \$1,500 AVERAGE PER UNIT	30,000	30,000	139,286	135,000	227,143	210,000	453,884	674,332	835,640	210,000	210,000
PROPERTY TAX & S.O. TAX TRANSFERS FROM SVAMD#2	153,000	176,500	207,453	236,405	3,879,500	0	0	0	0	9,700,000	835,640
REVENUE BOND ISSUES (NET OF COSTS OF ISSUANCE)	0	0	0	0	0	0	0	0	0	212,000	212,000
DEVELOPER COST RECOVERY ADVANCES - CAPITAL IMPROVEMENTS	4,156,000	4,485,000	3,011,000	5,085,000	4,798,000	2,125,000	10,721	1,624,000	10,828	15,100	15,100
INTEREST EARNINGS OPERATING FUNDS @ 2%	0	685	1,504	3,462	5,405	5,405	10,721	10,828	10,828	10,828	10,828
TOTAL REVENUES	4,339,283	4,894,428	3,389,504	5,480,135	9,252,941	2,800,948	2,653,708	10,873,002	10,873,002	10,873,002	10,873,002
TOTAL REVENUES AND FUND BALANCE	4,339,283	4,727,683	3,424,680	5,653,468	9,533,124	3,335,993	3,185,109	11,727,991	11,727,991	11,727,991	11,727,991
OPERATING EXPENDITURES:											
ALLOWANCE FOR ADMINISTRATION	135,000	135,000	150,000	150,000	150,000	150,000	150,000	200,000	210,000	210,000	210,000
ALLOWANCE FOR ROAD MAINTENANCE, REPAIR, REPLACEMENT	0	15,000	50,000	75,000	100,000	125,000	150,000	150,000	175,000	175,000	175,000
ALLOWANCE FOR RECREATION	0	0	5,000	5,000	10,000	15,000	15,000	20,000	25,000	25,000	25,000
ALLOWANCE FOR TRANSPORTATION @ 5 MILLS	15,000	17,500	20,339	23,177	34,562	44,487	66,111	66,111	81,928	81,928	81,928
COUNTY TREASURER FEES @ 3% OF PROP. TAXES	8	8	8	8	8	8	8	8	8	8	8
CONTINGENCY ALLOWANCE FOR REPAIR, MAINTENANCE, CAPITAL ADMIN.	150,000	167,508	250,346	250,000	278,185	250,000	409,504	536,118	125,000	125,000	125,000
TOTAL OPERATING EXPENDITURES	150,000	167,508	250,346	278,185	319,589	409,504	536,118	616,933	616,933	616,933	616,933
PAYMENTS TO DEVELOPER FOR COST RECOVERY (FROM NET BONDS)	0	0	0	0	0	3,879,500	0	0	0	0	0
PAYMENTS TO TOWN OF GRANBY FROM BOND PROCEEDS	0	0	0	0	0	0	0	0	0	0	320,000
CAPITAL IMPROVEMENTS	1	4,156,000	4,485,000	3,011,000	5,085,000	4,798,000	2,125,000	1,624,000	212,000	212,000	212,000
REVENUE BONDS DEBT SERVICE:											
SERIES 12/1/2008 REVENUE BONDS	2	0	0	0	0	0	0	280,000	270,000	274,350	274,350
SERIES 12/1/2011 REVENUE BONDS	2	0	0	0	0	0	0	0	0	0	0
SERIES 12/1/2017 REVENUE BONDS	2	0	0	0	0	0	0	0	0	0	0
SERIES 12/1/2023 REVENUE BONDS	2	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE BONDS DEBT SERVICE	2	0	0	0	0	0	0	280,000	270,000	274,350	274,350
TOTAL EXPENDITURES		4,305,008	4,652,508	3,261,346	5,363,185	8,997,089	2,795,504	2,430,119	10,803,283	10,803,283	10,803,283
EXCESS ANNUAL REVENUES OVER EXPENDITURES		33,255	41,920	98,158	96,950	265,722	536,055	541,399	754,989	169,719	169,719
ENDING FUND BALANCE - DECEMBER 31		33,255	75,175	173,334	270,284	536,055	541,399	754,989	924,208	924,208	924,208
TOTAL BONDS OUTSTANDING @ DECEMBER 31		0	0	0	0	4,000,000	4,000,000	3,990,000	13,975,000	13,975,000	13,975,000
PROPERTY TAX TRANSFER FROM SVAMD#2:											
PROJECTED ASSESSED VALUE SVAMD#2		3,000,000	3,500,000	4,087,200	4,635,400	6,912,350	8,899,300	13,222,200	16,385,100	16,385,100	16,385,100
MILL LEVY TRANSFER FROM SVAMD#2		50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
PROPERTY TAX TRANSFER FROM SVAMD#2		130,000	173,000	203,385	231,720	345,618	444,965	661,110	819,255	819,255	819,255

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

SOLVEMAR 10123rafc455mcl11a 02-13-03

2/27/2007 1:28

PAGE 1

EXHIBIT 2

SOL VISTA METROPOLITAN DISTRICT #1
CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2019

EXHIBIT I - FORECASTED REVENUES, EXPENDITURES,
AND FUND BALANCES - UNINFLATED

DESCRIPTION	SCHEDULE REFERENCE									
	2012	2013	2014	2015	2016	2017	2018	2019		
BEGINNING FUND BALANCE - JANUARY 1	924,708	937,579	957,697	924,454	975,549	1,218,528	1,594,295	1,412,236		
REVENUES:										
PROPERTY TAXES @ 50 MILLS X \$5,000 A.Y. (45 MILLS AFTER 2027)	250	250	250	250	250	250	250	250	250	250
SPEC. OWNER TAXES @ 5% OF PROP TAXES	13	13	13	13	13	13	13	13	13	13
CAPITAL FACILITY FEES @ \$1,500 AVERAGE PER UNIT	261,429	240,000	261,429	240,000	261,429	270,000	240,000	240,000	240,000	240,000
PROPERTY TAX & S.O. TAX TRANSFERS FROM SIVMD#2	1,425,858	1,587,166	1,691,377	2,041,637	2,305,848	2,496,108	2,760,319	2,979,532	2,979,532	0
REVENUE BOND ISSUES (NET OF COSTS OF ISSUANCE)	0	0	0	0	0	10,195,000	0	0	0	0
DEVELOPER COST RECOVERY ADVANCES - CAPITAL IMPROVEMENTS	0	1,706,000	1,037,000	1,811,000	0	1,849,000	0	0	0	0
INTEREST EARNINGS OPERATING FUNDS @ 2%	18,484	18,752	19,164	18,484	19,511	24,571	31,685	31,685	28,245	28,245
TOTAL REVENUES	1,708,043	3,652,180	3,169,222	4,111,359	2,587,080	14,924,741	3,032,267	3,268,039	3,268,039	3,268,039
TOTAL REVENUES AND FUND BALANCE	2,630,752	4,489,759	4,128,918	5,035,842	3,562,589	18,043,289	4,616,563	4,880,275		
OPERATING EXPENDITURES:										
ALLOWANCE FOR ADMINISTRATION	220,000	230,000	240,000	250,000	260,000	270,000	280,000	290,000	290,000	290,000
ALLOWANCE FOR ROAD MAINTENANCE, REPAIR, REPLACEMENT	200,000	225,000	250,000	275,000	300,000	325,000	350,000	375,000	375,000	375,000
ALLOWANCE FOR RECREATION	30,000	35,000	40,000	45,000	50,000	55,000	60,000	65,000	65,000	65,000
ALLOWANCE FOR TRANSPORTATION @ 5 MILLS	139,790	155,605	181,508	200,161	226,064	244,717	270,620	292,111	292,111	292,111
COUNTY TREASURER FEES @ 3% OF PROP. TAXES	8	8	8	8	8	8	8	8	8	8
CONTINGENCY ALLOWANCE FOR REPAIR, MAINTENANCE, CAPITAL ADMIN.	150,000	175,000	250,000	275,000	300,000	325,000	350,000	375,000	375,000	375,000
TOTAL OPERATING EXPENDITURES	739,798	820,612	981,515	1,048,158	1,138,071	1,219,724	1,310,627	1,397,119	1,397,119	1,397,119
PAYMENTS TO DEVELOPER FOR COST RECOVERY (FROM NET BONDS)	0	0	0	0	0	0	0	0	0	0
PAYMENTS TO TOWN OF GRANBY FROM BOND PROCEEDS	0	0	0	0	0	0	0	0	0	0
CAPITAL IMPROVEMENTS	0	1,708,000	1,037,000	1,811,000	0	1,849,000	0	0	0	0
REVENUE BONDS DEBT SERVICE:										
SERIES 12/1/2008 REVENUE BONDS	303,375	355,450	393,950	357,125	359,650	356,525	350,075	359,975	359,975	359,975
SERIES 12/1/2011 REVENUE BONDS	650,000	650,000	650,000	647,000	648,350	648,725	653,125	651,225	651,225	651,225
SERIES 12/1/2017 REVENUE BONDS	0	0	0	0	0	0	0	682,500	682,500	682,500
SERIES 12/1/2023 REVENUE BONDS	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE BONDS DEBT SERVICE	953,375	1,005,450	1,203,950	1,204,125	1,208,000	1,205,250	1,003,200	1,342,700	1,342,700	1,342,700
TOTAL EXPENDITURES	1,693,173	3,532,062	3,202,465	4,050,293	2,344,071	14,458,974	3,202,327	3,289,819	3,289,819	3,289,819
EXCESS ANNUAL REVENUES OVER EXPENDITURES	12,871	20,118	(33,243)	51,096	242,979	365,767	(172,060)	(41,779)	(41,779)	(41,779)
ENDING FUND BALANCE - DECEMBER 31	937,579	957,697	924,454	975,549	1,218,528	1,594,295	1,412,236	1,412,236	1,412,236	1,412,236
TOTAL BONDS OUTSTANDING @ DECEMBER 31	13,930,000	13,830,000	13,525,000	13,200,000	12,850,000	22,980,000	22,480,000	22,155,000	22,155,000	22,155,000
PROPERTY TAX TRANSFER FROM SIVMD#2:										
PROJECTED ASSESSED VALUE SIVMD#2	27,959,000	31,120,900	35,391,500	40,032,100	45,212,200	48,943,300	54,123,900	58,422,200	58,422,200	58,422,200
MILL LEVY TRANSFER FROM SIVMD#2	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
PROPERTY TAX TRANSFER FROM SIVMD#2	1,397,800	1,568,045	1,816,075	2,001,605	2,280,635	2,447,165	2,706,185	2,921,110	2,921,110	2,921,110

SEE CONSULTANTS SUMMARY AND DISCLAIMER

solvatam mdata645cm11s 02-19-03

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SOL VISTA METROPOLITAN DISTRICT #1
 CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
 FOR THE YEARS ENDING DECEMBER 31, 2024 THROUGH 2039

EXHIBIT I - FORECASTED REVENUES, EXPENDITURES,
 AND FUND BALANCES - UNINFLATED

DESCRIPTION	SCHEDULE REFERENCE									
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
BEGINNING FUND BALANCE - JANUARY 1	1,370,457	1,295,984	1,284,872	1,807,557	2,092,828	1,742,011	1,845,454	1,898,435		

REVENUES:										
PROPERTY TAXES @ 80 MILLS X \$5,000 A.V. (45 MILLS AFTER 2027)	250	250	250	250	250	250	250	250	250	250
SPEC. OWNER TAXES @ 5% OF PROP TAXES	13	13	13	13	13	13	13	13	13	13
CAPITAL FACILITY FEES @ \$1,500 AVERAGE PER UNIT	291,429	240,000	300,000	288,285	270,000	270,000	270,000	270,000	270,000	270,000
PROPERTY TAX & S.O. TAX TRANSFERS FROM SYMD#2	3,178,095	3,376,598	3,752,611	3,931,143	4,207,582	4,509,894	4,745,652	4,981,410		
REVENUE BOND ISSUES (NET OF COSTS OF ISSUANCE)	0	0	0	10,184,700	0	0	0	0	0	0
DEVELOPER COST RECOVERY ADVANCES - CAPITAL IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0
INTEREST EARNINGS OPERATING FUNDS @ 2%	27,409	25,919	25,892	32,161	40,857	34,840	32,809	33,929		
TOTAL REVENUES	3,497,165	3,682,780	4,078,571	14,457,543	4,518,701	4,814,997	5,048,874	5,285,601		

TOTAL REVENUES AND FUND BALANCE	4,867,622	4,938,744	5,353,443	16,065,100	6,581,520	6,587,008	6,094,277	6,982,038		
OPERATING EXPENDITURES:										
ALLOWANCE FOR ADMINISTRATION	300,000	310,000	320,000	330,000	340,000	350,000	360,000	370,000		
ALLOWANCE FOR ROAD MAINTENANCE, REPAIR, REPLACEMENT	400,000	425,000	450,000	475,000	500,000	525,000	550,000	575,000		
ALLOWANCE FOR RECREATION	70,000	75,000	80,000	85,000	90,000	95,000	100,000	105,000		
ALLOWANCE FOR TRANSPORTATION @ 5 MILLS	311,575	331,039	357,903	387,367	412,508	442,147	465,280	488,374		
COUNTY TREASURER FEES @ 3% OF PROP. TAXES	8	8	8	8	8	8	8	8		
CONTRAGENCY ALLOWANCE FOR REPAIR, MAINTENANCE, CAPITAL, ADMIN.	400,000	425,000	450,000	475,000	500,000	525,000	550,000	575,000		
TOTAL OPERATING EXPENDITURES	1,481,583	1,568,047	1,667,911	1,752,375	1,842,516	1,937,154	2,025,268	2,113,381		

PAYMENTS TO DEVELOPER FOR COST RECOVERY (FROM NET BONDS)	0	0	0	8,904,700	0	0	0	0	0	0
PAYMENTS TO TOWN OF GRANBY FROM BOND PROCEEDS	0	0	0	1,280,000	0	0	0	0	0	0
CAPITAL IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0

REVENUE BONDS DEBT SERVICE:										
SERIES 12/1/2008 REVENUE BONDS	359,225	358,825	357,775	356,075	358,725	360,400	361,100	355,825		
SERIES 12/1/2011 REVENUE BONDS	848,350	849,500	849,350	847,900	850,150	850,775	849,775	847,150		
SERIES 12/1/2017 REVENUE BONDS	882,500	879,500	880,850	881,225	885,625	883,725	889,850	882,000		
SERIES 12/1/2023 REVENUE BONDS	0	0	0	0	882,500	879,500	880,850	881,225		
TOTAL REVENUE BONDS DEBT SERVICE	2,090,075	2,087,825	2,087,975	2,085,200	2,977,000	2,974,400	2,972,575	2,965,200		

TOTAL EXPENDITURES	3,571,658	3,653,872	3,755,886	14,022,275	4,819,516	4,911,554	4,997,843	5,078,581		
EXCESS ANNUAL REVENUES OVER EXPENDITURES	(74,492)	(11,092)	322,685	435,288	(300,315)	(96,557)	50,981	206,020		
ENDING FUND BALANCE - DECEMBER 31	1,295,984	1,284,872	1,607,557	2,092,828	1,742,011	1,845,454	1,898,435	1,902,455		
TOTAL BONDS OUTSTANDING @ DECEMBER 31	21,505,000	20,815,000	20,080,000	29,800,000	28,750,000	27,655,000	26,480,000	25,235,000		

PROPERTY TAX TRANSFER FROM SYMD#2:										
PROJECTED ASSESSED VALUE SYMD#2	62,315,000	66,207,800	73,580,800	77,473,400	82,501,600	88,429,300	93,052,000	97,674,700		
MILL LEVY TRANSFER FROM SYMD#2	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00		
PROPERTY TAX TRANSFER FROM SYMD#2	3,115,750	3,310,390	3,679,030	3,873,670	4,125,080	4,421,465	4,652,600	4,883,735		

SEE CONSULTANTS SUMMARY AND DISCLAIMER

SOL VISTA METROPOLITAN DISTRICT #1
 CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
 FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2039

EXHIBIT 1 - FORECASTED REVENUES, EXPENDITURES,
 AND FUND BALANCES - UNINFLATED

DESCRIPTION	SCHEDULE REFERENCE				
	2028	2029	2030	2031	2032

BEGINNING FUND BALANCE - JANUARY 1 1,802,485 1,754,422 1,754,272 1,905,488 2,146,946 2,425,452 3,082,858 3,740,653

REVENUES:
 PROPERTY TAXES @ 50 MILLS X \$6,000 A.V. (46 MILLS AFTER 2027) 225 225 225 225 225 225 225 225
 SPEC. OWNER TAXES @ 6% OF PROP TAXES 11 11 11 11 11 11 11 11
 CAPITAL FACILITY FEES @ \$1,500 AVERAGE PER UNIT 270,000 270,000 270,000 210,000 68,500 0 0 0
 PROPERTY TAX & S.D. TAX TRANSFERS FROM SWMD#2 4,695,451 4,907,633 5,119,615 5,331,996 5,544,178 5,704,245 5,740,540 5,740,540
 REVENUE BOND ISSUES (NET OF COSTS OF ISSUANCE) 0 0 0 0 0 0 0 0
 DEVELOPER COST RECOVERY ADVANCES - CAPITAL IMPROVEMENTS 0 0 0 0 0 0 0 0
 INTEREST EARNINGS OPERATING FUNDS @ 2% 38,249 35,988 35,085 38,110 42,939 48,509 51,857 74,813
 TOTAL REVENUES 5,003,736 5,212,937 5,425,136 5,590,342 5,945,854 6,292,991 6,502,433 6,815,589

TOTAL REVENUES AND FUND BALANCE 6,806,191 6,967,379 7,179,408 7,485,830 7,792,799 8,178,442 8,885,291 9,556,242

OPERATING EXPENDITURES:
 ALLOWANCE FOR ADMINISTRATION 390,000 390,000 400,000 410,000 420,000 430,000 440,000 450,000
 ALLOWANCE FOR ROAD MAINTENANCE, REPAIR, REPLACEMENT 690,000 625,000 650,000 675,000 700,000 725,000 750,000 775,000
 ALLOWANCE FOR RECREATION 110,000 115,000 120,000 125,000 130,000 135,000 140,000 145,000
 ALLOWANCE FOR TRANSPORTATION @ 5 MILLS 511,487 534,601 557,114 580,628 603,941 621,378 628,331 628,331
 COUNTY TREASURER FEES @ 3% OF PROP. TAXES 7 7 7 7 7 7 7 7
 CONTINGENCY ALLOWANCE FOR REPAIR, MAINTENANCE, CAPITAL ADMIN. 575,000 575,000 575,000 575,000 575,000 575,000 575,000 575,000
 TOTAL OPERATING EXPENDITURES 2,176,494 2,239,607 2,302,121 2,365,634 2,428,948 2,486,394 2,550,338 2,570,338

PAYMENTS TO DEVELOPER FOR COST RECOVERY (FROM NET BONDS) 0 0 0 0 0 0 0 0
 PAYMENTS TO TOWN OF GRANBY FROM BOND PROCEEDS 0 0 0 0 0 0 0 0
 CAPITAL IMPROVEMENTS 1 0 0 0 0 0 0 0

REVENUE BONDS DEBT SERVICE:
 SERIES 12/1/2008 REVENUE BONDS 359,900 357,975 354,475 335,300 324,625 0 0 0
 SERIES 12/1/2011 REVENUE BONDS 847,900 851,700 863,225 852,475 840,450 849,150 851,250 850,425
 SERIES 12/1/2017 REVENUE BONDS 881,650 880,400 882,650 883,275 882,275 879,650 880,400 884,200
 SERIES 12/1/2023 REVENUE BONDS 885,625 883,225 880,850 882,000 881,850 880,400 882,650 883,275
 TOTAL REVENUE BONDS DEBT SERVICE 2,973,125 2,973,500 2,971,200 2,973,050 2,938,400 2,609,200 2,614,300 2,617,900

TOTAL EXPENDITURES 5,151,769 5,213,107 5,273,921 5,338,884 5,387,348 5,095,594 5,144,638 5,188,238
 EXCESS ANNUAL REVENUES OVER EXPENDITURES (146,083) (150) 151,215 241,458 278,506 657,406 657,795 627,351
 ENDING FUND BALANCE - DECEMBER 31 1,754,422 1,754,272 1,905,488 2,146,946 2,425,452 3,082,858 3,740,653 4,368,005
 TOTAL BONDS OUTSTANDING @ DECEMBER 31 23,900,000 22,480,000 20,870,000 19,380,000 17,680,000 16,220,000 14,680,000 12,895,000

PROPERTY TAX TRANSFER FROM SWMD#2: 102,297,400 106,920,400 111,542,800 116,165,600 120,789,200 124,275,500 125,065,225 125,065,225
 PROJECTED ASSESSED VALUE SWMD#2 45,00 45,00 45,00 45,00 45,00 45,00 45,00 45,00
 MILL LEVY TRANSFER FROM SWMD#2 4,693,393 4,811,405 5,019,426 5,227,448 5,436,469 5,592,998 5,627,980 5,627,980
 PROPERTY TAX TRANSFER FROM SWMD#2

SEE CONSULTANTS SUMMARY AND DISCLAIMER
 SOLVISTER WADSWORTH MALLIS 02-19-03

EXHIBIT 2

SO1 VISTA METROPOLITAN DISTRICT #1
CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2019

EXHIBIT 1 - FORECASTED REVENUES, EXPENDITURES,
AND FUND BALANCES - UNINFLATED

DESCRIPTION	SCHEDULE REFERENCE					TOTALS
	2036	2037	2038	2039	TOTALS	
REVENUES:						
PROPERTY TAXES @ 80 MILLS X \$5,000 A.V. (45 MILLS AFTER 2027)	225	225	225	225	8,700	
SPCG. OWNER TAXES @ 5% OF PROP TAXES	11	11	11	11	435	
CAPITAL FACILITY FEES @ \$1,500 AVERAGE PER UNIT	0	0	0	0	6,809,214	
PROPERTY TAX & S.O. TAX TRANSFERS FROM SWAMD#2	6,740,540	5,740,540	5,740,540	5,740,540	118,989,080	
REVENUE BOND ISSUES (NET OF COSTS OF ISSUANCE)	0	0	0	0	33,949,200	
DEVELOPER COST RECOVERY/ADVANCES - CAPITAL IMPROVEMENTS	0	0	0	0	31,900,000	
INTEREST EARNINGS OPERATING FUNDS @ 2%	87,380	99,423	127,827	158,248	1,325,811	
TOTAL REVENUES	5,828,136	5,840,199	5,868,703	5,887,024	192,781,840	
TOTAL REVENUES AND FUND BALANCE	10,198,141	10,811,326	12,285,087	13,709,402	192,781,840	
OPERATING EXPENDITURES:						
ALLOWANCE FOR ADMINISTRATION	460,000	470,000	480,000	490,000	11,220,000	
ALLOWANCE FOR ROAD MAINTENANCE, REPAIR, REPLACEMENT	800,000	825,000	850,000	875,000	15,740,000	
ALLOWANCE FOR RECREATION	150,000	155,000	160,000	165,000	2,810,000	
ALLOWANCE FOR TRANSPORTATION @ 5 MILLS	625,331	625,331	625,331	625,331	12,381,790	
COUNTY TREASURER FEES @ 3% OF PROP. TAXES	7	7	7	7	281	
COUNTY TREASURER FEES @ 3% OF PROP. TAXES	7	7	7	7	281	
CONTINGENCY ALLOWANCE FOR REPAIR, MAINTENANCE, CAPITAL, ADMIN.	575,000	575,000	575,000	575,000	13,875,000	
TOTAL OPERATING EXPENDITURES	2,610,338	2,650,338	2,690,338	2,730,338	55,627,051	
PAYMENTS TO DEVELOPER FOR COST RECOVERY (FROM NET BONDS)	0	0	0	0	31,149,200	
PAYMENTS TO TOWN OF GRANBY FROM BOND PROCEEDS	0	0	0	0	2,800,000	
CAPITAL IMPROVEMENTS	0	0	0	0	31,900,000	
REVENUE BONDS DEBT SERVICE:						
SERIES 12/1/2008 REVENUE BONDS	0	0	0	0	8,227,800	
SERIES 12/1/2011 REVENUE BONDS	846,675	0	0	0	20,843,625	
SERIES 12/1/2017 REVENUE BONDS	885,725	884,975	881,950	3,631,650	21,780,275	
SERIES 12/1/2023 REVENUE BONDS	882,275	879,650	880,400	6,049,200	19,275,975	
TOTAL REVENUE BONDS DEBT SERVICE	2,614,675	1,764,625	1,762,350	9,680,850	70,107,675	
TOTAL EXPENDITURES	5,225,013	4,414,963	4,452,688	12,411,188	191,483,726	
EXCESS ANNUAL REVENUES OVER EXPENDITURES	803,128	1,425,236	1,416,015	(6,514,184)	1,298,214	
ENDING FUND BALANCE - DECEMBER 31	4,971,128	6,396,363	7,812,378	1,298,214	1,298,214	
TOTAL BONDS OUTSTANDING @ DECEMBER 31	11,225,000	10,180,000	9,080,000	0	0	
PROPERTY TAX TRANSFER FROM SWAMD#2:	125,086,225	125,086,225	125,086,225	125,086,225	125,086,225	
PROJECTED ASSESSED VALUE SWAMD#2	45,000	45,000	45,000	45,000	45,000	
MILL LEVY TRANSFER FROM SWAMD#2	5,627,980	5,627,980	5,627,980	5,627,980	5,627,980	
PROPERTY TAX TRANSFER FROM SWAMD#2	5,627,980	5,627,980	5,627,980	5,627,980	5,627,980	

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

SO1_Vista_CFR 4/5/04mills 02-19-03

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SOL VISTA METROPOLITAN DISTRICT #1
 CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
 FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2020

PRELIMINARY DRAFT 2-18-03
 SUBJECT TO CHANGE AND REVISION

SCHEDULE 1 - FORECASTED CAPITAL IMPROVEMENTS COSTS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
CAPITAL IMPROVEMENTS												
SANITARY SEWER INFRASTRUCTURE	1,860,000	648,000	0	360,000	1,212,000	0	108,000	212,000	0	0	0	0
DOMESTIC WATER INFRASTRUCTURE	950,000	1,943,000	927,000	720,000	998,000	0	0	0	0	706,000	0	0
DOMESTIC WATER TREATMENT	0	0	0	2,419,000	0	0	0	0	0	0	1,037,000	0
ROAD IMPROVEMENTS	1,248,000	1,484,000	1,734,000	1,256,000	1,138,000	1,676,000	1,516,000	0	0	1,000,000	0	1,811,000
DRAINAGE IMPROVEMENTS	0	300,000	0	0	0	0	0	0	0	0	0	0
RECREATION TRAILS	100,000	100,000	100,000	100,000	100,000	0	0	0	0	0	0	0
TRANSPORTATION	0	0	250,000	250,000	250,000	250,000	0	0	0	0	0	0
SWIMMING FACILITY	0	0	0	0	1,100,000	0	0	0	0	0	0	0
TOTAL INFRASTRUCTURE	4,156,000	4,485,000	3,011,000	5,085,000	4,798,000	2,426,000	1,624,000	212,000	0	1,706,000	1,037,000	1,811,000

SOURCE: Developers of SolVista

Note 1: The above capital improvement cost estimates do not include water, sewer, road and drainage costs associated with the various Sol Vista subdivisions. It is assumed that the developers will pay these costs directly.

SEE CONSULTANTS' SUMMARY AND DISCLAIMER

PAGE 2

EXHIBIT 2

SOL VISTA METROPOLITAN DISTRICT #1
 CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
 FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2020

SCHEDULE 1 - FORECASTED CAPITAL IMPROVEMENTS COSTS

	2016	2017	2018	2019	2020	TOTALS
CAPITAL IMPROVEMENTS						
SANITARY SEWER INFRASTRUCTURE	0	0	0	0	0	4,400,000
DOMESTIC WATER INFRASTRUCTURE	0	0	0	0	0	6,244,000
DOMESTIC WATER TREATMENT	0	0	0	0	0	3,456,000
ROAD IMPROVEMENTS	0	1,849,000	0	0	0	14,900,000
DRAINAGE IMPROVEMENTS	0	0	0	0	0	300,000
RECREATION TRAILS	0	0	0	0	0	500,000
TRANSPORTATION	0	0	0	0	0	1,000,000
SWIMMING FACILITY	0	0	0	0	0	1,100,000
TOTAL INFRASTRUCTURE	0	1,849,000	0	0	0	31,900,000

SOURCE: Developers of SolVista

Note 1: The above capital improvement cost estimates do not include water, sewer various Sol Vista subdivisions. It is assumed that the developers will

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

PAGE 2A

EXHIBIT 2

SOL VISTA METROPOLITAN DISTRICT #1
 CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
 FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2031
 UNINFLATED DOLLARS

SCHEDULE 2 - FORECASTED REVENUE BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

DATE OF PROPOSED BOND ISSUE	PROCEEDS SOL VISTA	SIZE OF BOND ISSUE		GROSS BOND ISSUE										
		TOWN (1)	ISSUANCE		2014	2015	2016	2017	2018	2019	2020	2021	2022	
12/1/2008	3,879,500	0	120,500	4,000,000	353,950	357,125	359,650	356,525	358,075	358,975	359,225	358,825	357,775	
12/1/2011	9,380,000	320,000	300,000	10,000,000	850,000	847,000	848,350	848,725	853,125	851,225	848,350	849,500	849,350	
12/1/2017	8,985,000	1,200,000	315,000	10,500,000	0	0	0	0	682,500	682,500	882,500	879,500	880,850	
12/1/2023	8,904,200	1,280,000	315,300	10,500,000	0	0	0	0	0	0	0	0	0	
TOTALS	31,149,200	2,800,000	1,050,800	35,000,000	1,203,950	1,204,125	1,208,000	1,205,250	1,893,700	1,882,700	2,090,075	2,087,825	2,087,875	

ANNUAL DEBT SERVICE REQUIREMENTS

12/1/2008	PRINCIPAL REDUCTION INTEREST @ 6.50% TOTAL DEBT SERVICE REQUIREMENTS BONDS OUTSTANDING END OF YEAR	105,000	248,950	353,950	3,725,000	115,000	242,125	359,650	130,000	226,525	140,000	150,000	160,000	170,000	180,000
12/1/2011	PRINCIPAL REDUCTION INTEREST @ 6.50% TOTAL DEBT SERVICE REQUIREMENTS BONDS OUTSTANDING END OF YEAR	200,000	650,000	850,000	9,800,000	210,000	637,000	848,350	240,000	608,725	280,000	275,000	290,000	310,000	330,000
12/1/2017	PRINCIPAL REDUCTION INTEREST @ 6.50% TOTAL DEBT SERVICE REQUIREMENTS BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12/1/2023	PRINCIPAL REDUCTION INTEREST @ 6.50% TOTAL DEBT SERVICE REQUIREMENTS BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BONDS OUTSTANDING END OF YEAR - ALL ISSUES		13,525,000	13,200,000	12,850,000	22,980,000	22,580,000	22,580,000	22,155,000	21,505,000	20,815,000	20,080,000	19,275,000	18,465,000	17,650,000	
CERTIFIED ASSESSED VALUE - DISTRICT #		40,032,100	45,212,700	48,943,300	54,123,900	58,422,200	62,315,000	66,207,800	73,580,600	77,473,400	81,366,200	85,259,000	89,151,800	93,044,600	
DEBT TO ASSESSED %		33.79%	29.20%	26.25%	42.46%	38.65%	35.55%	32.48%	28.28%	25.92%	23.06%	20.20%	17.34%	14.48%	

Note 1: Pursuant to an IGA with the Town of Granby the Town will receive 8% or issued by the District, and 8% of all additional bonds issued by the District.

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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EXHIBIT 2

SOL VISTA METROPOLITAN DISTRICT #1
 CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
 FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2031
 UNINFLATED DOLLARS

SCHEDULE 2 - FORECASTED REVENUE BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

DATE OF PROPOSED BOND ISSUE	PROCEEDS SOL VISTA	SIZE OF BOND ISSUE			2023	2024	2025	2026	2027	2028	2029	2030	2031
		TOWN (1)	COSTS OF ISSUANCE	GROSS BOND ISSUE									
12/1/2008	3,879,500	0	120,500	4,000,000	356,075	358,725	360,400	361,100	355,825	359,900	357,075	354,475	355,300
12/1/2011	9,380,000	320,000	300,000	10,000,000	847,900	850,150	850,775	848,775	847,150	847,900	851,700	853,225	852,475
12/1/2017	8,685,000	1,200,000	315,000	10,500,000	881,225	885,625	883,725	880,850	882,000	881,850	880,400	882,650	883,275
12/1/2023	8,504,700	1,280,000	345,500	10,500,000	0	882,500	879,500	880,850	881,225	885,625	883,725	880,850	882,000
TOTALS	31,449,200	2,800,000	1,050,800	35,000,000	2,085,200	2,977,000	2,974,400	2,972,575	2,966,200	2,973,275	2,973,500	2,971,200	2,973,050

ANNUAL DEBT SERVICE REQUIREMENTS

12/1/2008	PRINCIPAL REDUCTION INTEREST @ 6.50% TOTAL DEBT SERVICE REQUIREMENTS BONDS OUTSTANDING END OF YEAR	180,000 166,075 356,075	205,000 153,725 358,725	220,000 140,400 360,400	235,000 128,100 363,100	245,000 110,825 355,825	255,000 94,800 349,800	265,000 77,675 342,675	280,000 59,475 339,475	295,000 40,300 335,300	295,000 26,475 321,525	315,000 9,300 324,300	315,000 0 315,000
12/1/2011	PRINCIPAL REDUCTION INTEREST @ 6.50% TOTAL DEBT SERVICE REQUIREMENTS BONDS OUTSTANDING END OF YEAR	350,000 497,800 847,800	375,000 476,150 851,150	400,000 450,775 850,775	425,000 424,775 849,775	450,000 397,150 847,150	480,000 367,900 847,900	490,000 367,900 857,900	515,000 336,700 851,700	530,000 303,225 833,225	551,850 287,475 839,325	551,850 267,475 819,325	551,850 267,475 819,325
12/1/2017	PRINCIPAL REDUCTION INTEREST @ 6.50% TOTAL DEBT SERVICE REQUIREMENTS BONDS OUTSTANDING END OF YEAR	240,000 641,225 881,225	260,000 625,625 885,625	275,000 608,725 883,725	290,000 590,850 880,850	310,000 572,000 882,000	310,000 572,000 882,000	310,000 572,000 882,000	310,000 572,000 882,000	310,000 572,000 882,000	310,000 572,000 882,000	310,000 572,000 882,000	310,000 572,000 882,000
12/1/2023	PRINCIPAL REDUCTION INTEREST @ 6.50% TOTAL DEBT SERVICE REQUIREMENTS BONDS OUTSTANDING END OF YEAR	240,000 0 240,000	200,000 0 200,000	210,000 0 210,000	225,000 0 225,000	240,000 0 240,000	260,000 0 260,000	280,000 0 280,000	275,000 0 275,000	290,000 0 290,000	290,000 0 290,000	290,000 0 290,000	290,000 0 290,000
	TOTAL BONDS OUTSTANDING END OF YEAR - ALL ISSUES	29,800,000	28,750,000	27,655,000	26,480,000	25,235,000	23,900,000	22,480,000	20,970,000	19,360,000	18,050,000	16,030,000	14,010,000
	CERTIFIED ASSESSED VALUE - DISTRICT #1	82,501,600	88,429,300	93,052,000	97,674,700	102,297,400	106,920,100	111,542,800	116,165,500	120,788,200	125,410,900	130,033,600	134,656,300
	DEBT TO ASSESSED %	36.12%	32.52%	29.12%	27.11%	24.67%	22.35%	20.15%	18.05%	16.03%	14.01%	12.00%	10.39%

Note 1: Pursuant to an IGA with the Town of Granby the Town will receive 8% or issued by the District, and 8% of all additional bonds issued by the Dist

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

SOL VISTA METROPOLITAN DISTRICT #1
 CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
 FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2031
 UNINFLATED DOLLARS

SCHEDULE 2 - FORECASTED REVENUE BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

DATE OF PROPOSED BOND ISSUE	PROCEEDS SOLVISTA	-- SIZE OF BOND ISSUE --		GROSS BOND ISSUE													
		PROCEEDS TOWN (1)	COSTS OF ISSUANCE		2032	2033	2034	2035	2036	2037	2038	2039	TOTALS				
12/1/2008	3,879,500	0	120,500	4,000,000	324,825	0	0	0	0	0	0	0	0	0	0	0	8,227,600
12/1/2011	3,380,000	320,000	300,000	10,000,000	849,450	849,150	851,280	850,425	846,675	0	0	0	0	0	0	0	20,843,625
12/1/2017	8,985,000	1,200,000	315,000	10,500,000	882,275	879,650	880,400	884,200	885,725	884,975	884,975	881,950	881,950	881,950	3,631,680	21,760,275	
12/1/2023	8,904,700	1,280,000	315,300	10,500,000	881,850	880,400	882,650	883,275	882,275	879,650	880,400	880,400	880,400	880,400	6,049,200	19,275,975	
TOTALS	31,149,200	2,800,000	1,050,800	35,000,000	2,938,400	2,609,200	2,614,300	2,617,900	2,614,675	1,764,625	1,762,350	9,680,850	70,107,475				

ANNUAL DEBT SERVICE REQUIREMENTS

12/1/2008	PRINCIPAL REDUCTION	305,000	0	0	0	0	0	0	0	0	0	0	0	0	0	4,000,000
	INTEREST @ 6.50%	19,825	0	0	0	0	0	0	0	0	0	0	0	0	0	4,227,600
	TOTAL DEBT SERVICE REQUIREMENTS	324,825	0	0	0	0	0	0	0	0	0	0	0	0	0	8,227,600
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12/1/2011	PRINCIPAL REDUCTION	620,000	650,000	705,000	750,000	795,000	0	0	0	0	0	0	0	0	0	10,000,000
	INTEREST @ 6.50%	229,450	189,450	146,250	100,425	51,675	0	0	0	0	0	0	0	0	0	10,843,625
	TOTAL DEBT SERVICE REQUIREMENTS	849,450	849,450	851,250	850,425	846,675	0	0	0	0	0	0	0	0	0	20,843,625
	BONDS OUTSTANDING END OF YEAR	2,910,000	2,250,000	1,545,000	795,000	0	0	0	0	0	0	0	0	0	0	0
12/1/2017	PRINCIPAL REDUCTION	425,000	450,000	480,000	515,000	550,000	585,000	620,000	3,410,000	10,500,000						
	INTEREST @ 6.50%	457,275	429,650	400,400	369,200	335,725	299,975	261,950	221,650	11,280,275						
	TOTAL DEBT SERVICE REQUIREMENTS	882,275	879,650	880,400	884,200	885,725	884,975	881,950	3,631,650	21,760,275						
	BONDS OUTSTANDING END OF YEAR	6,610,000	6,160,000	5,680,000	5,165,000	4,615,000	4,030,000	3,410,000	0	0						
12/1/2023	PRINCIPAL REDUCTION	330,000	350,000	375,000	400,000	425,000	450,000	480,000	5,680,000	10,500,000						
	INTEREST @ 6.50%	551,850	530,400	507,650	483,275	457,275	429,650	400,400	369,200	8,775,975						
	TOTAL DEBT SERVICE REQUIREMENTS	881,850	880,400	882,650	883,275	882,275	879,650	880,400	5,049,200	19,275,975						
	BONDS OUTSTANDING END OF YEAR	8,160,000	7,810,000	7,435,000	7,035,000	6,610,000	6,160,000	5,680,000	0	0						
	TOTAL BONDS OUTSTANDING END OF YEAR - ALL ISSUES	17,680,000	16,220,000	14,660,000	12,995,000	11,225,000	10,190,000	9,090,000	0	0						
	CERTIFIED ASSESSED VALUE - DISTRICT #:	124,275,500	125,066,225	125,066,225	125,066,225	125,066,225	125,066,225	125,066,225	125,066,225	125,066,225						
	DEBT TO ASSESSED %	14.23%	12.97%	11.72%	10.39%	9.98%	8.15%	7.27%								

Note 1: Pursuant to an IGA with the Town of Granby the Town will receive 8% of issued by the District, and 8% of all additional bonds issued by the District

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

SOL VISTA METROPOLITAN DISTRICT #1
CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2035
UNINFLATED DOLLARS

PRELIMINARY DRAFT 2-18-03
SUBJECT TO CHANGE AND REVISION

SCHEDULE 3 - PROJECTED \$1,500 PER SFE CAPITAL FACILITIES FEE REVENUE

	2004	2005	2006	2007	2008	2009	2010	2011
INCREMENTAL RESIDENTIAL UNITS COMPLETED	20	20	90	90	140	140	140	140
INCREMENTAL SFES - NON RESID. (1 SFE/3500 SQ. FT.)	0	0	3	0	11	0	83	0
TOTAL SFES	20	20	93	90	151	140	223	140
CAPITAL FACILITY RATE/SFE	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
PROJECTED CAPITAL FACILITY FEE REVENUE	30,000	30,000	139,286	135,000	227,143	210,000	334,286	210,000

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**SOL VISTIA METROPOLITAN DISTRICT #1
 CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
 FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2035
 UNINFLATED DOLLARS**

SCHEDULE 3 - PROJECTED \$1,500 PER SFE CAPITAL FACILITIES FEE REVENUE

	2012	2013	2014	2015	2016	2017	2018	2019
INCREMENTAL RESIDENTIAL UNITS COMPLETED	160	160	160	160	160	180	160	160
INCREMENTAL SFES - NON RESID. (1 SFE/3500 SQ. FT.)	14	0	14	0	14	0	0	0
TOTAL SFES	174	160	174	160	174	180	160	160
CAPITAL FACILITY RATE/SFE	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
PROJECTED CAPITAL FACILITY FEE REVENUE	261,429	240,000	261,429	240,000	261,429	270,000	240,000	240,000

SEE CONSULTANTS SUMMARY AND DISCLAIMER

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EXHIBIT 2

**SO1 VISTA METROPOLITAN DISTRICT #1
CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2035
UNINFLATED DOLLARS**

SCHEDULE 3 - PROJECTED \$1,500 PER SFE CAPITAL FACILITIES FEE REVENUE

	2020	2021	2022	2023	2024	2025	2026	2027
INCREMENTAL RESIDENTIAL UNITS COMPLETED	160	160	200	180	180	180	180	180
INCREMENTAL SFEs - NON RESID. (1 SFE/3500 SQ. FT.)	34	0	0	13	0	0	0	0
TOTAL SFEs	194	160	200	193	180	180	180	180
CAPITAL FACILITY RATE/SFE	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
PROJECTED CAPITAL FACILITY FEE REVENUE	291,429	240,000	300,000	289,286	270,000	270,000	270,000	270,000

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SOL VISTA METROPOLITAN DISTRICT #1
 CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
 FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2035
 UNINFLATED DOLLARS

SCHEDULE 3 - PROJECTED \$1,500 PER SFE CAPITAL FACILITIES FEE REVENUE

	2028	2029	2030	2031	2032	2033	2034	2035
INCREMENTAL RESIDENTIAL UNITS COMPLETED	180	180	180	140	39	0	0	0
INCREMENTAL SFE'S - NON RESID. (1 SFE/3500 SQ. FT.)	0	0	0	0	0	0	0	0
TOTAL SFE'S	180	180	180	140	39	0	0	0
CAPITAL FACILITY RATE/SFE	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
PROJECTED CAPITAL FACILITY FEE REVENUE	270,000	270,000	270,000	210,000	58,500	0	0	0

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**SOL VISTA METROPOLITAN DISTRICT #1
CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2035
UNINFLATED DOLLARS**

SCHEDULE 3 - PROJECTED \$1,500 PER SFE CAPITAL FACILITIES FEE REVENUE

	TOTALS
INCREMENTAL RESIDENTIAL UNITS COMPLETED	4,219
INCREMENTAL SFE'S - NON RESID. (1 SFE/3500 SQ. FT.)	187
TOTAL SFE'S	4,406
CAPITAL FACILITY RATE/SFE	1,500
PROJECTED CAPITAL FACILITY FEE REVENUE	6,609,214

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

EXHIBIT 2

EXHIBIT 2

SOL VISTA METROPOLITAN DISTRICT #2
 CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
 FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2019
 UNINFLATED DOLLARS

PRELIMINARY DRAFT 2-18-03
 SUBJECT TO CHANGE AND REVISION

EXHIBIT 1 - FORECASTED REVENUES, EXPENDITURES,
 AND FUND BALANCES - UNINFLATED

DESCRIPTION	SCHEDULE REFERENCE											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
BEGINNING FUND BALANCE - JANUARY 1	0	0	0	0	0	0	0	0	0	0	0	0
REVENUES:												
PROPERTY TAX REVENUES @ 50.00 MILLS (45 MILLS AFTER 2027)	150,000	175,000	209,395	231,770	345,618	444,965	691,110	919,255	1,397,900			
SPEC. OWNER TAXES @ 5% OF PROP TAXES	7,500	8,750	10,169	11,589	17,281	22,248	33,056	40,963	69,895			
INTEREST EARNED ON CONTINGENCY FUNDS @ 2%	0	0	0	0	0	0	0	0	0			
TOTAL REVENUES	157,500	183,750	213,554	243,359	362,898	467,213	694,166	860,218	1,467,795			
TOTAL REVENUES AND FUND BALANCE	157,500	183,750	213,554	243,359	362,898	467,213	694,166	860,218	1,467,795			
OPERATING EXPENDITURES:												
TRANSFER OF PROP. & S.O. TAXES TO SVND#1	153,000	178,500	207,453	236,405	352,530	453,884	674,332	835,640	1,426,858			
COUNTY TREASURER FEES @ 3% OF PROP. TAXES	4,500	5,250	6,102	6,954	10,389	13,348	19,833	24,678	41,837			
TOTAL OPERATING EXPENDITURES	157,500	183,750	213,554	243,359	362,898	467,213	694,166	860,218	1,467,795			
TOTAL EXPENDITURES	157,500	183,750	213,554	243,359	362,898	467,213	694,166	860,218	1,467,795			
EXCESS ANNUAL REVENUES OVER EXPENDITURES	0	0	0	0	0	0	0	0	0			
ENDING FUND BALANCE - DECEMBER 31	0	0	0	0	0	0	0	0	0			
PROPERTY TAX TRANSFER TO SVND#1:												
PROJECTED ASSESSED VALUE SVND#1:	3,000,000	3,500,000	4,067,700	4,635,400	6,912,350	8,899,300	13,222,200	16,385,100	27,958,000			
MILL LEVY TRANSFER TO SVND#1	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00			
PROPERTY TAX TRANSFER TO SVND#1	150,000	175,000	203,385	231,770	345,618	444,965	691,110	919,255	1,397,900			

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SOL VISTA METROPOLITAN DISTRICT #2
 CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
 FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2039
 UNINFLATED DOLLARS

EXHIBIT 1 - FORECASTED REVENUES, EXPENDITURES,
 AND FUND BALANCES - UNINFLATED

DESCRIPTION	SCHEDULE REFERENCE										
	2013	2014	2015	2016	2017	2018	2019	2020	2021		
BEGINNING FUND BALANCE - JANUARY 1	0	0	0	0	0	0	0	0	0	0	0
REVENUES:											
PROPERTY TAX REVENUES @ 60.00 MILLS (48 MILLS AFTER 2027)	1,556,045	1,815,075	2,001,605	2,250,635	2,447,165	2,706,195	2,921,110	3,115,750	3,310,390		
SPEC. OWNER TAXES @ 5% OF PROP TAXES	77,802	90,794	100,080	113,032	122,358	135,310	146,056	155,788	165,520		
INTEREST EARNED ON CONTINGENCY FUNDS @ 2%	0	0	0	0	0	0	0	0	0		
TOTAL REVENUES	1,633,847	1,905,829	2,101,685	2,373,667	2,569,523	2,841,505	3,067,166	3,271,538	3,475,910		
TOTAL REVENUES AND FUND BALANCE	1,633,847	1,905,829	2,101,685	2,373,667	2,569,523	2,841,505	3,067,166	3,271,538	3,475,910		
OPERATING EXPENDITURES:											
TRANSFER OF PROP. & S.O. TAXES TO SVMD#1	1,587,186	1,851,377	2,041,637	2,305,848	2,496,108	2,780,319	2,979,532	3,178,065	3,376,598		
COUNTY TREASURER FEES @ 3% OF PROP. TAXES	48,681	54,452	60,048	67,819	73,415	81,188	87,633	93,473	98,312		
TOTAL OPERATING EXPENDITURES	1,633,847	1,905,829	2,101,685	2,373,667	2,569,523	2,841,505	3,067,166	3,271,538	3,475,910		
TOTAL EXPENDITURES	1,633,847	1,905,829	2,101,685	2,373,667	2,569,523	2,841,505	3,067,166	3,271,538	3,475,910		
EXCESS ANNUAL REVENUES OVER EXPENDITURES	0	0	0	0	0	0	0	0	0		
ENDING FUND BALANCE - DECEMBER 31	0	0	0	0	0	0	0	0	0		
PROPERTY TAX TRANSFER TO SVMD#1:											
PROJECTED ASSESSED VALUE SVMD#2	31,120,900	36,301,500	40,092,100	45,212,700	48,983,300	54,123,900	58,422,200	62,316,000	66,207,800		
MILL LEVY TRANSFER TO SVMD#1	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00		
PROPERTY TAX TRANSFER TO SVMD#1	1,556,045	1,815,075	2,001,605	2,250,635	2,447,165	2,706,195	2,921,110	3,115,750	3,310,390		

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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SOL VISTA METROPOLITAN DISTRICT # 2
 CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
 FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2039
 UNINFLATED DOLLARS

EXHIBIT 1 - FORECASTED REVENUES, EXPENDITURES,
 AND FUND BALANCES - UNINFLATED

DESCRIPTION	SCHEDULE REFERENCE									
	2022	2023	2024	2025	2026	2027	2028	2029	2030	
BEGINNING FUND BALANCE - JANUARY 1	0	0	0	0	0	0	0	0	0	0
REVENUES:										
PROPERTY TAX REVENUES @ 50.00 MILLS (45 MILLS AFTER 2027)	3,679,030	3,873,670	4,125,090	4,421,465	4,652,600	4,893,735	4,803,383	4,811,405	5,019,426	
SPEC. OWNER TAXES @ 5% OF PROP TAXES	183,952	183,684	205,254	221,073	232,630	244,187	230,169	240,570	250,971	
INTEREST EARNED ON CONTINGENCY FUNDS @ 2%	0	0	0	0	0	0	0	0	0	
TOTAL REVENUES	3,862,982	4,067,354	4,331,334	4,642,538	4,885,230	5,127,922	4,833,552	5,051,975	5,270,397	
TOTAL REVENUES AND FUND BALANCE	3,862,982	4,067,354	4,331,334	4,642,538	4,885,230	5,127,922	4,833,552	5,051,975	5,270,397	
OPERATING EXPENDITURES:										
TRANSFER OF PROP. & S.O. TAXES TO SYMD#1	3,752,611	3,961,143	4,207,582	4,509,894	4,745,652	4,981,410	4,695,451	4,907,633	5,119,815	
COUNTY TREASURER FEES @ 3% OF PROP. TAXES	110,371	116,210	123,782	132,644	139,678	146,512	136,101	144,342	150,883	
TOTAL OPERATING EXPENDITURES	3,862,982	4,067,354	4,331,334	4,642,538	4,885,230	5,127,922	4,833,552	5,051,975	5,270,397	
TOTAL EXPENDITURES	3,862,982	4,067,354	4,331,334	4,642,538	4,885,230	5,127,922	4,833,552	5,051,975	5,270,397	
EXCESS ANNUAL REVENUES OVER EXPENDITURES	0	0	0	0	0	0	0	0	0	
ENDING FUND BALANCE - DECEMBER 31	0	0	0	0	0	0	0	0	0	
PROPERTY TAX TRANSFER TO SYMD#1:										
PROJECTED ASSESSED VALUE SYMD#1	73,580,600	77,473,400	82,501,600	88,429,200	93,052,000	97,674,700	102,297,400	106,920,100	111,542,800	
MILL LEVY TRANSFER TO SYMD#1	50.00	50.00	50.00	50.00	50.00	50.00	45.00	45.00	45.00	
PROPERTY TAX TRANSFER TO SYMD#1	3,679,030	3,873,670	4,125,090	4,421,465	4,652,600	4,893,735	4,803,383	4,811,405	5,019,426	

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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EXHIBIT 2

SOL VISTA METROPOLITAN DISTRICT #2
 CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
 FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2039
 UNINFLATED DOLLARS

EXHIBIT 1 - FORECASTED REVENUES, EXPENDITURES,
 AND FUND BALANCES - UNINFLATED

DESCRIPTION	SCHEDULE									
	REFERENCE	2031	2032	2033	2034	2035	2036	2037	2038	2039
BEGINNING FUND BALANCE - JANUARY 1	0	0	0	0	0	0	0	0	0	0
REVENUES:										
PROPERTY TAX REVENUES @ 50.00 MILLS (45 MILLS AFTER 2027)	5,227,448	5,435,469	5,592,396	5,627,980	5,627,980	5,627,980	5,627,980	5,627,980	5,627,980	5,627,980
SPEC. OWNER TAXES @ 6% OF PROP TAXES	261,372	271,773	279,620	281,399	281,399	281,399	281,399	281,399	281,399	281,399
INTEREST EARNED ON CONTINGENCY FUNDS @ 2%	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	5,488,820	5,707,242	5,872,017	5,909,379	5,909,379	5,909,379	5,909,379	5,909,379	5,909,379	5,909,379
TOTAL REVENUES AND FUND BALANCE	5,488,820	5,707,242	5,872,017	5,909,379	5,909,379	5,909,379	5,909,379	5,909,379	5,909,379	5,909,379
OPERATING EXPENDITURES:										
TRANSFER OF PROP. & S.O. TAXES TO SVMDF#1	5,331,996	5,544,178	5,704,245	5,740,540	5,740,540	5,740,540	5,740,540	5,740,540	5,740,540	5,740,540
COUNTY-TREASURER FEES @ 3% OF PROP. TAXES	156,823	163,064	167,722	168,839	168,839	168,839	168,839	168,839	168,839	168,839
TOTAL OPERATING EXPENDITURES	5,488,820	5,707,242	5,872,017	5,909,379	5,909,379	5,909,379	5,909,379	5,909,379	5,909,379	5,909,379
TOTAL EXPENDITURES	5,488,820	5,707,242	5,872,017	5,909,379	5,909,379	5,909,379	5,909,379	5,909,379	5,909,379	5,909,379
EXCESS ANNUAL REVENUES OVER EXPENDITURES	0	0	0	0	0	0	0	0	0	0
ENDING FUND BALANCE - DECEMBER 31	0	0	0	0	0	0	0	0	0	0
PROPERTY TAX TRANSFER TO SVMDF#1:										
PROJECTED ASSESSED VALUE SVMDF#2	116,165,600	120,288,200	124,275,600	125,066,225	125,066,225	125,066,225	125,066,225	125,066,225	125,066,225	125,066,225
MILL LEVY TRANSFER TO SVMDF#1	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
PROPERTY TAX TRANSFER TO SVMDF#1	5,227,448	5,435,469	5,592,398	5,627,980	5,627,980	5,627,980	5,627,980	5,627,980	5,627,980	5,627,980

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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EXHIBIT 2

SOL VISTA METROPOLITAN DISTRICT #2
 CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
 FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2039
 UNINFLATED DOLLARS

EXHIBIT 1 - FORECASTED REVENUES, EXPENDITURES,
 AND FUND BALANCES - UNINFLATED

DESCRIPTION	SCHEDULE	
	REFERENCE	2039 TOTALS
BEGINNING FUND BALANCE - JANUARY 1	0	0
REVENUES:		
PROPERTY TAX REVENUES @ 50.00 MILLS (45 MILLS AFTER 2027)	5,627,980	116,655,961
PROPERTY TAXES @ 5% OF PROP TAXES	281,399	5,832,798
SPEC. OWNER TAXES @ 2% OF PROP TAXES	0	0
INTEREST EARNED ON CONTINGENCY FUNDS @ 2%	5,909,379	122,488,759
TOTAL REVENUES	5,909,379	122,488,759
TOTAL REVENUES AND FUND BALANCE		
OPERATING EXPENDITURES:		
TRANSFER OF PROP. & S.O. TAXES TO SVMD#1	5,740,940	118,999,080
COUNTY TREASURER FEES @ 3% OF PROP. TAXES	188,839	3,499,679
TOTAL OPERATING EXPENDITURES	5,909,379	122,488,759
TOTAL EXPENDITURES	5,909,379	122,488,759
EXCESS ANNUAL REVENUES OVER EXPENDITURES	0	0
ENDING FUND BALANCE - DECEMBER 31	0	0
PROPERTY TAX TRANSFER TO SVMD#1:		
PROJECTED ASSESSED VALUE SVMD#2	1	125,066,225
MILL LEVY TRANSFER TO SVMD#1		45,000
PROPERTY TAX TRANSFER TO SVMD#1		5,627,980
		118,655,881

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EXHIBIT 2

SOL VISTA METROPOLITAN DISTRICT #1
 CASH FLOW FORECAST
 FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2035
 UNINFLATED DOLLARS

PRELIMINARY DRAFT 2-18-03
 SUBJECT TO CHANGE AND REVISION

SCHEDULE 1 - PROJECTION OF ASSESSED VALUATION GENERATED FROM BUILDOUT

Description of Development	BUILDOUT (YEAR OF COMPLETION)		Total Gross Unit Volume
	Planned Number of Units	Average Per Unit Price	
Residential - Single Family	2,100	350,000	735,000,000
Residential - Multi Family	2,118	250,000	529,750,000
Total Residential	4,218	299,775	1,264,750,000
Non-Residential Space	655,000	100	65,500,000
TOTAL VALUE - PROJECT			1,330,250,000

Actual Value Generated:

From Residential Buildout	7,000,000	7,000,000	24,500,000	24,500,000	39,000,000	39,000,000	39,000,000	39,000,000	39,000,000	46,000,000	46,000,000	46,000,000
From Non-Residential Buildout	0	0	1,000,000	4,000,000	29,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Actual Value Generated	7,000,000	7,000,000	25,500,000	24,500,000	43,000,000	39,000,000	39,000,000	68,000,000	39,000,000	51,000,000	46,000,000	46,000,000

Assessed Valuation Generated:

From Residential Buildout @ 8.41% of Value	587,700	587,700	1,986,950	1,986,950	3,162,900	3,162,900	3,162,900	3,162,900	3,162,900	3,730,600	3,730,600	3,730,600
From Non-Residential Buildout @ 29% of Value	0	0	290,000	1,160,000	8,410,000	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000
Existing Assessed Value	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000
Total Incremental Assessed Value	4,087,700	4,087,700	6,076,950	6,946,950	11,572,900	4,612,900	4,612,900	4,612,900	4,612,900	5,180,600	5,180,600	5,180,600
Total Cumulative Assessed Value	4,087,700	4,635,400	6,912,350	8,899,300	13,222,200	18,395,100	27,958,000	31,120,900	36,501,500	40,032,100	40,032,100	40,032,100

Year Assessed Value Certified to District	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Year Property Taxes Collected by District	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	

Source for Buildout Developer of Sol Vista
 SEE CONSULTANT'S SUMMARY AND DISCLAIMER

EXHIBIT 2

**SOL VISTA METROPOLITAN DISTRICT #2
CASH FLOW FORECAST
FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2035
UNINFLATED DOLLARS**

SCHEDULE 1 - PROJECTION OF ASSESSED VALUATION GENERATED FRC

Description of Development	Planned Number of Units	Average Per Unit Price	Total Gross Unit Volume	BUILDOUT YEAR OF COMPLETION			
				2033	2034	2035 TOTALS	
Residential - Single Family	2,100	350,000	735,000,000	0	0	0	2,100
Residential - Multi Family	2,119	250,000	529,750,000	0	0	0	2,119
Total Residential	4,219	299,775	1,264,750,000	0	0	0	4,219
Non-Residential Space	655,000	100	65,500,000	0	0	0	655,000
TOTAL VALUE - PROJECT			1,330,250,000				

Actual Value Generated:
 From Residential Buildout 0 0 0 0 1,284,750,000
 From Non-Residential Buildout 0 0 0 0 65,500,000
 Total Actual Value Generated 0 0 0 0 1,330,250,000

Assessed Valuation Generated:
 From Residential Buildout @ 8.11% of Value 0 0 0 0 102,571,225
 From Non-Residential Buildout @ 25% of Value 0 0 0 0 18,985,000
 Existing Assessed Value 0 0 0 0 3,500,000
 Total Incremental Assessed Value 0 0 0 0 125,056,225
 Total Cumulative Assessed Value 125,056,225 125,056,225 125,056,225

Year Assessed Value Certified to District
 Year Property Taxes Collected by District
 2034 2035 2036 2037

Source for Buildout: Developers of Sol Vista

SEE CONSULTANTS SUMMARY AND DISCLAIMER

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EXHIBIT 2

EXHIBIT E

PRELIMINARY DRAFT BALLOT QUESTIONS

EXHIBIT 2

BALLOT ISSUES

FOR

SOLVISTA METROPOLITAN DISTRICT NO. 2

EXHIBIT 2

O & M MILL LEVY

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$ _____ ANNUALLY IN THE FIRST FULL FISCAL YEAR, AND BY SUCH AMOUNT AS MAY BE GENERATED IN SUCCEEDING YEARS, BY THE IMPOSITION OF A MILL LEVY ON ALL TAXABLE PROPERTY WITHIN THE BOUNDARIES OF THE DISTRICT FOR THE OPERATION AND MAINTENANCE OF THE DISTRICT'S SERVICES AND FACILITIES, AND SHALL SUCH MILL LEVY, IMPOSED IN YEAR _____ FOR COLLECTION IN YEAR _____, AND IN EACH YEAR THEREAFTER, BE APPROVED WITHOUT REGARD TO THE TAX INCREASE LIMITATION CONTAINED IN SECTION 29-1-301, COLORADO REVISED STATUTES, OR TO ANY OTHER TAX INCREASE LIMITATION UNDER ANY OTHER LAW; AND SHALL THE REVENUE CHANGES CAUSED BY THE COLLECTION AND SPENDING OF SUCH TAX REVENUES IN EVERY YEAR BE APPROVED, SO THAT SUCH TAX REVENUES AND ANY INVESTMENT EARNINGS THEREON MAY BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT LIMITATION OR CONDITION, AND WITHOUT LIMITING THE COLLECTION OR SPENDING OF ANY OTHER REVENUES OR FUNDS BY THE DISTRICT UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

STREET IMPROVEMENTS

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$ _____ WITH A REPAYMENT COST OF \$ _____ OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$ _____ ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT TO BE GENERAL OBLIGATION BONDS OR OTHER OBLIGATIONS OF THE DISTRICT, INCLUDING CONTRACTS, LEASES AND INTERGOVERNMENTAL AGREEMENTS (THE "BONDS"), ALL FOR THE PURPOSES OF IMPROVING STREETS THROUGH THE DESIGN, ACQUISITION, INSTALLATION, CONSTRUCTION AND RELOCATION OF CURBS, GUTTERS, CULVERTS, AND OTHER DRAINAGE FACILITIES, UNDERGROUND CONDUITS, SIDEWALKS, EQUESTRIAN TRAILS, BIKE PATHS AND PEDESTRIAN WAYS, PEDESTRIAN OVERPASSES, MEDIAN ISLANDS, RETAINING WALLS, BRIDGES, OVERPASSES, PAVING, LIGHTING, GRADING, LANDSCAPING AND IRRIGATION IMPROVEMENTS, TOGETHER WITH ALL NECESSARY, INCIDENTAL AND APPURTENANT FACILITIES, EQUIPMENT, LAND AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES WITHIN AND WITHOUT THE DISTRICT; SUCH BONDS TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED _____%, BE REFINANCED AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF THE MAXIMUM NET EFFECTIVE INTEREST RATE WITHOUT ADDITIONAL VOTER APPROVAL AND MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED, DATED AND SOLD AT, ABOVE OR BELOW PAR, AND AT SUCH TIME OR TIMES AND IN SUCH MANNER AND CONTAINING SUCH TERMS, NOT INCONSISTENT HERewith, AS THE BOARD OF DIRECTORS MAY DETERMINE; AND IN CONNECTION THEREWITH (I) TO INCREASE

EXHIBIT 2

THE DISTRICT'S PROPERTY TAXES IN ANY YEAR, WITHOUT LIMITATION AS TO RATE OR AMOUNT, IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE BONDS WHEN DUE, AND (II) TO AUTHORIZE THE COLLECTION AND SPENDING OF THE PROCEEDS OF THE BONDS, THE REVENUES FROM SUCH TAXES, ANY OTHER REVENUES USED TO PAY THE BONDS AND ANY EARNINGS FROM THE INVESTMENT OF SUCH PROCEEDS AND REVENUES AS VOTER-APPROVED REVENUE CHANGES, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

TRAFFIC AND SAFETY CONTROL IMPROVEMENTS

EXHIBIT 2

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$ _____ WITH A REPAYMENT COST OF \$ _____ OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$ _____ ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT TO BE GENERAL OBLIGATION BONDS OR OTHER OBLIGATIONS OF THE DISTRICT, INCLUDING CONTRACTS, LEASES AND INTERGOVERNMENTAL AGREEMENTS (THE "BONDS"), ALL FOR THE PURPOSES OF IMPROVING TRAFFIC AND SAFETY CONTROL THROUGH THE DESIGN, ACQUISITION, INSTALLATION, CONSTRUCTION AND RELOCATION OF A SYSTEM OF TRAFFIC AND SAFETY PROTECTION IMPROVEMENTS THROUGH TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, INCLUDING BUT NOT LIMITED TO SIGNALIZATION, SIGNAGE AND STRIPING, AREA IDENTIFICATION SIGNS, DIRECTIONAL ASSISTANCE, AND DRIVER INFORMATION SIGNS, ENTRY MONUMENTATION AND ALL NECESSARY, INCIDENTAL AND APPURTENANT FACILITIES, EQUIPMENT, LAND AND EASEMENT EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, WITHIN AND WITHOUT THE DISTRICT; SUCH BONDS TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED _____%, BE REFINANCED AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF THE MAXIMUM NET EFFECTIVE INTEREST RATE WITHOUT ADDITIONAL VOTER APPROVAL AND MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED, DATED AND SOLD AT, ABOVE OR BELOW PAR, AND AT SUCH TIME OR TIMES AND IN SUCH MANNER AND CONTAINING SUCH TERMS, NOT INCONSISTENT HERewith, AS THE BOARD OF DIRECTORS MAY DETERMINE; AND IN CONNECTION THEREWITH (I) TO INCREASE THE DISTRICT'S PROPERTY TAXES IN ANY YEAR, WITHOUT LIMITATION AS TO RATE OR AMOUNT, IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE BONDS WHEN DUE, AND (II) TO AUTHORIZE THE COLLECTION AND SPENDING OF THE PROCEEDS OF THE BONDS, THE REVENUES FROM SUCH TAXES, ANY OTHER REVENUES USED TO PAY THE BONDS AND ANY EARNINGS FROM THE INVESTMENT OF SUCH PROCEEDS AND REVENUES AS VOTER-APPROVED REVENUE CHANGES, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

SANITATION IMPROVEMENTS

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$ _____ WITH A REPAYMENT COST OF \$ _____ OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$ _____ ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT TO BE GENERAL OBLIGATION BONDS OR OTHER OBLIGATIONS OF THE DISTRICT, INCLUDING CONTRACTS, LEASES, AND INTERGOVERNMENTAL AGREEMENTS (THE "BONDS"), ALL FOR THE PURPOSES OF PAYING, LEASING OR FINANCING ALL OR ANY PART OF THE COSTS OF

EXHIBIT 2

DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SANITARY SEWAGE COLLECTION, TRANSMISSION, AND DISPOSAL SYSTEM WHICH MAY INCLUDE BUT SHALL NOT BE LIMITED TO 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 BUT NOT LIMITED TO DETENTION/RETENTION PONDS AND ASSOCIATED IRRIGATION FACILITIES, AND ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES; SUCH BONDS TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED ___%, BE REFINANCED AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF THE MAXIMUM NET EFFECTIVE INTEREST RATE WITHOUT ADDITIONAL VOTER APPROVAL AND MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED, DATED AND SOLD AT, ABOVE OR BELOW PAR, AND AT SUCH TIME OR TIMES AND IN SUCH MANNER AND CONTAINING SUCH TERMS, NOT INCONSISTENT HERewith, AS THE BOARD OF DIRECTORS MAY DETERMINE; AND IN CONNECTION THEREWITH (I) TO INCREASE THE DISTRICT'S PROPERTY TAXES IN ANY YEAR, WITHOUT LIMITATION AS TO RATE OR AMOUNT, IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE BONDS WHEN DUE, AND (II) TO AUTHORIZE THE COLLECTION AND SPENDING OF THE PROCEEDS OF THE BONDS, THE REVENUES FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY THE BONDS AND ANY EARNINGS FROM THE INVESTMENT OF SUCH PROCEEDS AND REVENUES AS VOTER-APPROVED REVENUE CHANGES, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

WATER IMPROVEMENTS

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$ _____ WITH A REPAYMENT COST OF \$ _____ OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$ _____ ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT TO BE GENERAL OBLIGATION BONDS OR OTHER OBLIGATIONS OF THE DISTRICT, INCLUDING CONTRACTS, LEASES, AND INTERGOVERNMENTAL AGREEMENTS (THE "BONDS"), ALL FOR THE PURPOSES OF PAYING OR FINANCING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE POTABLE AND NONPOTABLE WATER SUPPLY, TRANSMISSION AND DISTRIBUTION SYSTEM, WHICH MAY INCLUDE BUT SHALL NOT BE LIMITED TO TRANSMISSION LINES, DISTRIBUTION MAINS AND LATERALS, FIRE HYDRANTS, METERS, IRRIGATION FACILITIES, AND STORAGE

EXHIBIT 2

FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES; SUCH BONDS TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED __%, BE REFINANCED AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF THE MAXIMUM NET EFFECTIVE INTEREST RATE WITHOUT ADDITIONAL VOTER APPROVAL AND MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED, DATED AND SOLD AT, ABOVE OR BELOW PAR, AND AT SUCH TIME OR TIMES AND IN SUCH MANNER AND CONTAINING SUCH TERMS, NOT INCONSISTENT HERewith, AS THE BOARD OF DIRECTORS MAY DETERMINE; AND IN CONNECTION THEREWITH (I) TO INCREASE THE DISTRICT'S PROPERTY TAXES IN ANY YEAR, WITHOUT LIMITATION AS TO RATE OR AMOUNT, IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE BONDS WHEN DUE, AND (II) TO AUTHORIZE THE COLLECTION AND SPENDING OF THE PROCEEDS OF THE BONDS, THE REVENUES FROM SUCH TAXES, ANY OTHER REVENUES USED TO PAY THE BONDS AND ANY EARNINGS FROM THE INVESTMENT OF SUCH PROCEEDS AND REVENUES AS VOTER-APPROVED REVENUE CHANGES, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

PARK AND RECREATION IMPROVEMENTS

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$ _____ WITH A REPAYMENT COST OF \$ _____ OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$ _____ ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT TO BE GENERAL OBLIGATION BONDS OR OTHER OBLIGATIONS OF THE DISTRICT, INCLUDING CONTRACTS, LEASES, AND INTERGOVERNMENTAL AGREEMENTS (THE "BONDS"), ALL FOR THE PURPOSES OF PAYING OR FINANCING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, PUBLIC PARK, OPEN SPACE AND RECREATION IMPROVEMENTS AND FACILITIES, INCLUDING PARKS, BIKE PATHS, HIKING AND EQUESTRIAN TRAILS, PEDESTRIAN WAYS, PEDESTRIAN BRIDGES, PEDESTRIAN MALLS, RECREATION CENTERS, SKI AREAS, SKI LIFTS, GOLF COURSES, PUBLIC PLAZAS AND COURTYARDS, PONDS, LAKES, RESERVOIRS, SWIMMING POOLS OR OTHER WATER BODIES OR WATER FEATURES, SIGNAGE, PUBLIC FOUNDATIONS AND SCULPTURE, MONUMENTATION, ART, TENNIS COURTS, PICNIC AREAS, PLAYGROUND AREAS, PARK SHELTERS, EVENT FACILITIES, COMMON AREA LANDSCAPING AND WEED CONTROL, STREETSCAPING, OUTDOOR LIGHTING OF ALL TYPES, RELATED LANDSCAPING AND IRRIGATION IMPROVEMENTS AND FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL AND APPURTENANT FACILITIES, EQUIPMENT, LAND AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH BONDS TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED __%, BE REFINANCED AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF THE

EXHIBIT 2

MAXIMUM NET EFFECTIVE INTEREST RATE WITHOUT ADDITIONAL VOTER APPROVAL AND MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED, DATED AND SOLD AT, ABOVE OR BELOW PAR, AND AT SUCH TIME OR TIMES AND IN SUCH MANNER AND CONTAINING SUCH TERMS, NOT INCONSISTENT HERewith, AS THE BOARD OF DIRECTORS MAY DETERMINE; AND IN CONNECTION THEREWITH (I) TO INCREASE THE DISTRICT'S AD VALOREM PROPERTY TAXES IN ANY YEAR, WITHOUT LIMITATION AS TO RATE OR AMOUNT, IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE BONDS WHEN DUE, AND (II) TO AUTHORIZE THE COLLECTION AND SPENDING OF THE PROCEEDS OF THE BONDS, THE REVENUES FROM SUCH TAXES, ANY OTHER REVENUES USED TO PAY THE BONDS AND ANY EARNINGS FROM THE INVESTMENT OF SUCH PROCEEDS AND REVENUES AS VOTER-APPROVED REVENUE CHANGES, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

TRANSPORTATION IMPROVEMENTS

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$ _____ WITH A REPAYMENT COST OF \$ _____ OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$ _____ ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT TO BE GENERAL OBLIGATION BONDS OR OTHER OBLIGATIONS OF THE DISTRICT, INCLUDING CONTRACTS, LEASES, AND INTERGOVERNMENTAL AGREEMENTS (THE "BONDS"), ALL FOR THE PURPOSES OF PAYING OR FINANCING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING FOR A TRANSPORTATION SYSTEM FOR THE PUBLIC BY BUS, RAIL, OR ANY OTHER MEANS OF CONVEYANCE, WITHIN AND WITHOUT THE DISTRICT, INCLUDING EQUIPMENT, PARK AND RIDE FACILITIES AND PARKING LOTS, TERMINAL BUILDINGS AND FACILITIES, SHUTTLE FACILITIES, PARKING STRUCTURES, SIGNAGE, ROOFS, COVERS, BICYCLE RACKS, OTHER TRANSPORTATION-RELATED FACILITIES, AND RELATED LANDSCAPING AND IRRIGATION IMPROVEMENTS, TOGETHER WITH ALL NECESSARY, INCIDENTAL AND APPURTENANT FACILITIES, LAND AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENT TO SUCH FACILITIES OR SYSTEMS; SUCH BONDS TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED __%, BE REFINANCED AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF THE MAXIMUM NET EFFECTIVE INTEREST RATE WITHOUT ADDITIONAL VOTER APPROVAL AND MATURE, BE SUBJECT TO REDEMPTION, WITH OR WITHOUT PREMIUM, AND BE ISSUED, DATED AND SOLD AT, ABOVE OR BELOW PAR, AND AT SUCH TIME OR TIMES AND IN SUCH MANNER AND CONTAINING SUCH TERMS, NOT INCONSISTENT HERewith, AS THE BOARD OF DIRECTORS MAY DETERMINE; AND IN CONNECTION THEREWITH (I) TO INCREASE THE DISTRICT'S AD VALOREM PROPERTY TAXES IN ANY YEAR, WITHOUT LIMITATION AS TO RATE OR AMOUNT, IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE BONDS WHEN DUE, AND (II) TO AUTHORIZE THE

EXHIBIT 2

COLLECTION AND SPENDING OF THE PROCEEDS OF THE BONDS, THE REVENUES FROM SUCH TAXES, ANY OTHER REVENUES USED TO PAY THE BONDS AND ANY EARNINGS FROM THE INVESTMENT OF SUCH PROCEEDS AND REVENUES AS VOTER-APPROVED REVENUE CHANGES, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

MOSQUITO CONTROL

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$ _____ WITH A REPAYMENT COST OF \$ _____ OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$ _____ ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT TO BE GENERAL OBLIGATION BONDS OR OTHER OBLIGATIONS OF THE DISTRICT, INCLUDING CONTRACTS, LEASES AND INTERGOVERNMENTAL AGREEMENTS (THE "BONDS"), ALL FOR THE PURPOSES OF ACQUIRING, CONSTRUCTING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING FACILITIES FOR THE ERADICATION AND CONTROL OF MOSQUITOES, TOGETHER WITH ALL NECESSARY, INCIDENTAL AND APPURTENANT FACILITIES, EQUIPMENT, LAND AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES WITHIN AND WITHOUT THE DISTRICT; SUCH BONDS TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED ___%, BE REFINANCED AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF THE MAXIMUM NET EFFECTIVE INTEREST RATE WITHOUT ADDITIONAL VOTER APPROVAL AND MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED, DATED AND SOLD AT, ABOVE OR BELOW PAR, AND AT SUCH TIME OR TIMES AND IN SUCH MANNER AND CONTAINING SUCH TERMS, NOT INCONSISTENT HEREWITH, AS THE BOARD OF DIRECTORS MAY DETERMINE; AND IN CONNECTION THEREWITH (I) TO INCREASE THE DISTRICT'S PROPERTY TAXES IN ANY YEAR, WITHOUT LIMITATION AS TO RATE OR AMOUNT, IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE BONDS WHEN DUE, AND (II) TO AUTHORIZE THE COLLECTION AND SPENDING OF THE PROCEEDS OF THE BONDS, THE REVENUES FROM SUCH TAXES, ANY OTHER REVENUES USED TO PAY THE BONDS AND ANY EARNINGS FROM THE INVESTMENT OF SUCH PROCEEDS AND REVENUES AS VOTER-APPROVED REVENUE CHANGES, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

REFUNDING

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$ _____ WITH A REPAYMENT COST OF \$ _____ OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$ _____ ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT TO BE GENERAL OBLIGATION BONDS OR OTHER

EXHIBIT 2

OBLIGATIONS OF THE DISTRICT, INCLUDING CONTRACTS, LEASES, AND INTERGOVERNMENTAL AGREEMENTS (THE "BONDS"), ALL FOR THE PURPOSE OF REFUNDING, REFINANCING OR DEFEASING ANY OR ALL OF THE DISTRICT'S DEBT OR OTHER OBLIGATIONS AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED BONDS, BUT IS NOT IN EXCESS OF THE MAXIMUM NET EFFECTIVE INTEREST RATE OF ___%, SUCH BONDS TO MATURE, BE SUBJECT TO REDEMPTION, WITH OR WITHOUT PREMIUM, AND BE ISSUED, DATED AND SOLD AT, ABOVE OR BELOW PAR, AT SUCH TIME OR TIMES AND IN SUCH MANNER AND CONTAINING SUCH TERMS, NOT INCONSISTENT HERewith, AS THE BOARD OF DIRECTORS MAY DETERMINE, AND IN CONNECTION THEREWITH (I) TO INCREASE THE DISTRICT'S PROPERTY TAXES IN ANY YEAR, WITHOUT LIMITATION AS TO RATE OR AMOUNT, IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE BONDS WHEN DUE, AND (II) TO AUTHORIZE THE COLLECTION AND SPENDING OF THE PROCEEDS OF THE BONDS, THE REVENUES FROM SUCH TAXES, ANY OTHER REVENUES USED TO PAY THE BONDS AND ANY EARNINGS FROM THE INVESTMENT OF SUCH PROCEEDS AND REVENUES AS VOTER-APPROVED REVENUE CHANGES, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

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INTERGOVERNMENTAL AGREEMENTS

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$ _____ WITH A REPAYMENT COST OF \$ _____ OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$ _____ ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT TO BE A GENERAL OBLIGATION OR OTHER OBLIGATION OF THE DISTRICT EVIDENCED BY INTERGOVERNMENTAL AGREEMENTS, INCLUDING CONTRACTS OR LEASES, INCURRED FOR THE PURPOSES OF ENTERING INTO OR PERFORMING INTERGOVERNMENTAL AGREEMENTS WITH THE TOWN OF GRANBY, SOLVISTA METROPOLITAN DISTRICT NO. 1, OTHER DISTRICTS, CITIES, COUNTIES, SCHOOL DISTRICTS, PUBLIC IMPROVEMENT COMPANIES, STATE AGENCIES, AUTHORITIES OR INSTRUMENTALITIES, OR OTHER POLITICAL SUBDIVISIONS OR BODIES POLITIC OF THE STATE OF COLORADO; SUCH DEBT TO CONSTITUTE MULTIPLE FISCAL YEAR OBLIGATIONS OF THE DISTRICT FOR ANY LAWFUL PURPOSE OF THE DISTRICT; SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED _____% AND TO CONTAIN SUCH TERMS, NOT INCONSISTENT HERewith, AS THE BOARD OF DIRECTORS MAY DETERMINE; AND IN CONNECTION THEREWITH (I) TO INCREASE THE DISTRICT'S PROPERTY TAXES IN ANY YEAR, WITHOUT LIMITATION AS TO RATE OR AMOUNT, IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF, AND INTEREST ON THE DEBT WHEN DUE, AND (II) TO AUTHORIZE THE COLLECTION AND SPENDING OF ANY PROCEEDS OF THE DEBT, THE REVENUES FROM SUCH TAXES, ANY OTHER REVENUES USED TO PAY THE DEBT AND ANY EARNINGS FROM THE INVESTMENT OF SUCH PROCEEDS AND REVENUES AS VOTER-APPROVED REVENUE CHANGES, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

REIMBURSEMENT FOR DEVELOPER CONTRIBUTIONS FOR OPERATIONS

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED UP TO \$ _____ WITH A REPAYMENT COST OF UP TO \$ _____ (SUCH AMOUNT BEING THE MAXIMUM PRINCIPAL AND INTEREST THAT COULD BE PAYABLE OVER THE MAXIMUM LIFE OF SAID DEBT) AND SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$ _____ ANNUALLY, OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DEBT; SUCH DEBT TO BE EVIDENCED BY LOAN AGREEMENTS AND PROMISSORY NOTES OR OTHER OBLIGATIONS EXECUTED AND DELIVERED FOR THE PURPOSE OF REIMBURSING THIRD PARTIES FOR PAYMENT OF THE COSTS OF OPERATING, MAINTAINING, OR OTHERWISE PROVIDING SYSTEMS, OPERATIONS, AND ADMINISTRATION FOR CARRYING OUT THE OBJECTS AND PURPOSES FOR WHICH THE DISTRICT WAS ORGANIZED, TOGETHER WITH ALL NECESSARY, INCIDENTAL AND APPURTENANT PROPERTIES, FACILITIES, EQUIPMENT, PERSONNEL, CONTRACTORS, CONSULTANTS, AND COSTS AND ALL LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN

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CONNECTION THEREWITH, OR FOR THE PURPOSE OF REFUNDING OBLIGATIONS ISSUED FOR SUCH PURPOSES WHETHER OR NOT SUCH REFUNDING OBLIGATIONS ARE ISSUED AT A LOWER INTEREST RATE; SUCH OBLIGATIONS BEING PAYABLE FROM AD VALOREM PROPERTY TAXES LEVIED AGAINST ALL TAXABLE PROPERTY WITHIN THE DISTRICT BY A MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT, TOGETHER WITH ANY OTHER LEGALLY AVAILABLE REVENUES OF THE DISTRICT, TO PAY THE PRINCIPAL OF AND INTEREST ON THE OBLIGATIONS IN EVERY YEAR; SUCH OBLIGATIONS BEARING A FIXED OR VARIABLE RATE OR RATES OF INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED ___% PER ANNUM; SUCH OBLIGATIONS TO BE DELIVERED AT ONE TIME OR FROM TIME TO TIME IN AN AGGREGATE AMOUNT NOT TO EXCEED THE MAXIMUM AUTHORIZED PRINCIPAL AMOUNT AND REPAYMENT COST, TO MATURE OR COME DUE AND HAVE SUCH TERMS AND CONDITIONS AS THE BOARD OF DIRECTORS OF THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF SUCH OBLIGATIONS; AND IN CONNECTION THEREWITH, AS A VOTER-APPROVED REVENUE CHANGE, SHALL PROCEEDS OF THE OBLIGATIONS AND OF THE AD VALOREM PROPERTY TAX MILL LEVY, AND ANY INVESTMENT EARNINGS THEREON, BE COLLECTED AND SPENT WITHOUT LIMITATION OF RATE OR CONDITION, AND WITHOUT LIMITING THE COLLECTION OR SPENDING OF OTHER REVENUES OR FUNDS BY THE DISTRICT UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR BY OTHER LAW?

DE-BRUCING

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 BE AUTHORIZED TO RETAIN ALL REVENUES IT RECEIVES FROM ITS RATES, FEES, TOLLS, AND CHARGES (BOTH OPERATING AND CAPITAL IN NATURE) FOR FACILITIES AND SERVICES, REIMBURSEMENTS, AND ANY AND ALL GRANTS AND OTHER REVENUES IT RECEIVES IN ___ AND IN ALL SUBSEQUENT YEARS; AND SHALL THE DISTRICT BE AUTHORIZED TO SPEND SUCH REVENUES AS A VOTER-APPROVED REVENUE CHANGE AND AN EXCEPTION TO ANY SPENDING LIMITATIONS WHICH MIGHT OTHERWISE APPLY, WITHOUT LIMITING THE COLLECTION AND SPENDING OF OTHER REVENUES OF THE DISTRICT IN ANY YEAR?

TERM LIMITS

SHALL MEMBERS OF THE BOARD OF DIRECTORS OF SOLVISTA METROPOLITAN DISTRICT NO. 2 BE AUTHORIZED TO SERVE WITHOUT LIMITATION ON THEIR TERMS OF OFFICE PURSUANT TO THE RIGHT GRANTED TO VOTERS OF THE DISTRICT IN ARTICLE XVIII, SECTION 11 OF THE COLORADO CONSTITUTION TO LENGTHEN, SHORTEN, OR ELIMINATE THE LIMITATIONS ON TERMS OF OFFICE GENERALLY IMPOSED BY SUCH SECTION?

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EXHIBIT F

PROPOSED INTERGOVERNMENTAL AGREEMENTS

EXHIBIT 2

INTERGOVERNMENTAL AGREEMENT
Between
THE TOWN OF GRANBY, COLORADO
And
SOLVISTA METROPOLITAN DISTRICTS NOS. 1 and 2

THIS AGREEMENT is made and entered into as of this _____ day of _____, 2003, by and between the TOWN OF GRANBY, a municipal corporation and political subdivision of the State of Colorado ("Town"), and SOLVISTA METROPOLITAN DISTRICT NO. 1 and SOLVISTA METROPOLITAN DISTRICT NO. 2, quasi-municipal corporations and political subdivisions of the State of Colorado (the "Districts"). The Town and the Districts are collectively referred to as the Parties.

RECITALS

WHEREAS, the Districts were organized as a means of furnishing certain capital facilities and services in connection with the development of property recently annexed to the Town under the name "SolVista Annexation to the Town of Granby" (the "SolVista Annexation"); and

WHEREAS, the Districts are authorized to provide financing and to exercise powers as more fully set forth in the Districts' Service Plans dated _____, 2003 and approved by the Town on _____, 2003 (the "Service Plans"); and

WHEREAS, the Service Plans make reference to the execution of an intergovernmental agreement between the Town and the Districts; and

WHEREAS, the Town and the Districts have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement ("Agreement") to promote the coordinated development of the SolVista Annexation property;

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

COVENANTS AND AGREEMENTS

1. **Town Land Use Powers Exclusive.** The Town shall have and will exercise sole and exclusive jurisdiction over land use and building, e.g., zoning, subdivision, building permit, decisions affecting property within the boundaries of both Districts (subject to the provisions of the Annexation and Development Agreement between the Town and SolVista Corp. (the "Annexation Agreement") and the Planned Development Overlay District Preliminary Plan for the SolVista Golf & Ski Ranch (the "SolVista Preliminary Plan")). Neither District shall take any action contrary to such decisions or orders of the Town, nor will any District take or attempt

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to take any action, either directly or by omission, in violation of, or that would frustrate or render ineffective any such decision or order except based solely upon economic or physical feasibility considerations or for other utility-based reasonable cause. District projects shall be subject to Town regulatory authority as provided by state law.

2. **Change in Boundaries, Service Area.** Except as provided in the Service Plans for the eventual inclusion of all of the SolVista Annexation property into the SolVista Metropolitan District No. 2 ("District No. 2"), the inclusion of property located within the Town into, and the exclusion of property from each District, and the furnishing of services outside the legal boundaries of the Districts, shall be subject to the prior approval of the Town, which approval shall not unreasonably be withheld, delayed or conditioned. In no event shall either District include into its legal boundaries any property not located within the corporate limits of the Town at the time of inclusion. No inclusion or exclusion of property conforming with this Section.2 shall constitute a material modification of the Service Plans.

3. **Ownership and Operation of Facilities.** The Districts shall undertake ownership, operation and maintenance of those public facilities, and shall furnish related services, as set forth in the attached Schedule of Facilities Disposition, and shall dedicate and convey to the Town or its Designee those facilities shown for such dedication and conveyance on said Schedule. The Parties intend that the Town own and operate all facilities that it desires to own or to require the conveyance to the Town's Designee. It is generally the intent that the Town own and operate the water system, that the Town provide or arrange for sanitation services through the Granby Sanitation District, and that the Districts provide road maintenance, drainage, landscaping, and recreational maintenance, as provided in this Agreement and in the Service Plans.

4. **Construction of Infrastructure.** The obligations of the SolVista Developer under the Annexation Agreement for the SolVista Annexation to construct water, wastewater, street and roadway, traffic safety, drainage, landscaping, and recreational infrastructure within the said annexation property may be performed by the Districts. All infrastructure constructed by the Districts shall be designed and constructed to Town standards or other standards agreed to by the Town in writing in advance of construction. Notwithstanding the foregoing, road, street and appurtenant improvements shall be designed and constructed in conformity with Article 5 of the SolVista Preliminary Plan or to other standards agreed to by the Town in writing in advance of construction. The Districts shall convey those facilities identified in the attached Schedule of Facilities Disposition for conveyance to the Town or its Designee free and clear of all liens and encumbrances, and shall certify that the facilities were constructed to the standards acceptable to the Town or its Designee. As provided by the Service Plans, primary responsibility for infrastructure constructed by the Districts shall rest with the SolVista Metropolitan District No. 1 ("District No. 1").

5. **Street Maintenance and Services.** Until such time as the Town elects to assume operation and maintenance responsibility for same, the streets and associated drainage, landscaping, traffic safety protection and transportation improvements required for the SolVista Annexation property shall be maintained by the Districts to the same standards generally applicable in other areas of the Town through fee assessments or property tax levies dedicated to that purpose. By separate agreement entered into at or before issuance of the first District bonds to pay for street improvements, the Districts shall provide security to the Town for the

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performance of this obligation through a general obligation pledge approved by the voters of the District, or by some other mechanism satisfactory to the Town, that will enable the Town to access the dedicated revenues to cure any default in the performance of the Districts' obligations hereunder which continues more than 30 days after notice of such default from the Town to the District.

6. **Municipal Exclusion.** The effective and coordinated provision of water and wastewater services demand that such services be coordinated through the Town and not through the Silver Creek Water and Sanitation District ("SCW&SD"), which currently contains a portion of the SolVista Annexation property within its boundaries and is currently providing water and sanitary sewer service to portions of that property. To that end, Districts will support and cooperate with the Town to effect a municipal exclusion pursuant to §32-1-502, C.R.S., of property which lies within both the Town and the SCW&SD, and will support the taking of possession by the Town of those assets, facilities, easements, water rights, and contractual obligations and commitments held by SCW&SD and needed for the provision of service within the said area. Further, upon completion of the exclusion proceedings, the Districts shall exercise their best efforts, within the provisions of state law, to include those portions of the SolVista Annexation property excluded from the SCW&SD into the boundaries of District No. 2.

7. **Service Plan Approval Conditions.** The District will comply with the following provisions, which are also conditions of the Town's approval of their respective Service Plans:

a. Unless otherwise approved in writing by the Town Board of Trustees, which approval will not be unreasonably withheld, delayed or conditioned, the Districts' bonded debt shall be subject to an aggregate limit of \$40,000,000, a maximum net effective interest rate of fourteen percent (14%) per annum, a maximum maturity term of forty (40) years from date of issue except for refundings at a lower rate of interest, and a twenty-five (25)-year limit on debt authorization measured from date of election. These limitations were established and agreed based upon current financial market conditions, and current construction costs generally. District requests based upon changes in these and other relevant and appropriate factors shall be given favorable consideration. No such change shall be deemed a material modification of the Service Plan.

b. The total mill levy in either District, combined to include both general operations and debt service, shall not exceed 50 mills unless approved by the Town; provided, however, in the event that the method of calculating assessed valuation is changed after the date of this Agreement by any change in law or method of calculation or by any change in the percentage of actual value used to determine assessed valuation pursuant to Section 39-1-104.2, C.R.S., and Article X, Section 3 of the State Constitution, the mill levy limitation shall be increased or decreased to reflect such change, as reasonably determined by the Board of Directors of District No. 2 so that, to the greatest extent possible, the actual property tax revenues generated by the mill levy as adjusted are neither increased nor diminished as a consequence of such adjustment.

c. Neither District shall apply for or claim any entitlement to Conservation Trust Fund money for which the Town is eligible to apply.

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d. The Town's remedies for failure of any District to comply with this Agreement or any material provision of its approved Service Plan shall include authority for the Town, upon a finding of such failure by the Board of Trustees, following notice to the District and an opportunity to be heard, to withhold the issuance of any related permit, authorization, acceptance or other administrative approval needed or required by the District.

e. The consolidation of either or both Districts with any other special district shall be subject to the prior approval of the Town. Each District will take all action necessary to dissolve pursuant to Title 32, Article 1, part 7, C.R.S., as amended from time to time, at such time as it does not need to remain in existence to own, operate or maintain facilities, or to discharge its financial obligations.

f. On or before January 31st of each year, the Service District will file an annual report with the Town which explains all major actions taken by the Districts during the preceding year to implement the functions of the Districts in accordance with the Service District Service Plan, together with projections for the ensuing fiscal year and such other available information as the Town may request. The Service District shall also file copies of the Districts' statutory audits with the Town.

8. **Board of Directors – Town Representative.** The Districts shall provide notice of meetings, meeting materials, and all other documents and notices provided to a member of the Boards of Directors of the Districts to a Town appointed representative ("Town Representative"). The Town Representative will be authorized to participate as a non-voting attendee at all Boards of Directors meetings of both of the Districts, including access to Executive Sessions and Executive Session materials to the full extent allowed by law.

9. **Revenue Sharing Arrangements.**

a. The Town shall share revenue with the Service District in accordance with the provisions of the Annexation Agreement. The Service District shall use the proceeds available from such revenue sharing solely to defray the costs of public improvements constructed by the Districts pursuant to the Service Plans.

b. An amount equal to 8% of the Districts' total bond proceeds will be provided to the Town by the Service District towards jointly funded improvements that would qualify as metropolitan district public infrastructure improvements (e.g. streets, water, sanitation, sewer, transportation, park and recreation, and landscaping) as provided by the Districts' Service Plans and approved by Bond Counsel as a lawful use of the Districts' bond proceeds ("qualified improvements"). These District contributions shall be allocated approximately 67% for downtown improvements, and approximately 33% for recreation facilities on a site to be dedicated by the SolVista Developer in Planning Area 1 of the SolVista Preliminary Plan (hereinafter collectively referred to as the "Joint Improvements Funds").

c. The Districts' contributions to Joint Improvements Funds shall be disbursed to the Town generally according to the following schedule: the Town shall receive 0.00% of the total proceeds from the first \$10 million of District General Obligation Bonds, 8.00%

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of the total proceeds from the second \$10 million of District General Obligation Bonds, 16.00% of the total proceeds from the third \$10 million of District General Obligation Bonds, and 8.00% of the total proceeds from all subsequent issues of the District General Obligation Bonds contemplated in the Service Plans. If the Districts ultimately issue less than \$30 million of General Obligation Bonds, the parties will adjust District disbursements to the Joint Improvement Funds to effectuate their agreement that such payments shall equal 8% of the Districts' total bond proceeds.

10. **Transportation.** The Service Plans authorize the Districts to exercise transportation powers, but do not contain detailed facilities descriptions or cost estimates associated with them, nor does the Financial Plan show how they are to be financed. Nevertheless, the Town's approval of a mill levy cap of 50 mills is based in part upon the Districts' commitment, herein expressed, to use approximately 5 mills thereof for facilities and services to furnish an internal public transportation system with a link between the SolVista Annexation Property and the downtown and other commercial areas of the Town. It is not presently possible to determine when the need for this service will become sufficient to warrant implementing it. Accordingly, the Parties shall review this matter no less frequently than every two years, beginning in 2006, to determine when such service shall be implemented and the terms and conditions thereof. Upon implementation of such services, approximately 5 mills of the Districts' property tax levy will be reserved in a "Transportation Fund" of District No. 1 and restricted for transportation facilities and services.

11. **Mosquito Control, Television Powers.** The Service Plans authorize the Districts to exercise mosquito control and television relay and translation powers, but do not contain detailed facilities descriptions or cost estimates associated with either of these powers, nor does the Financial Plan show how they are to be financed. Moreover, cable television services will be provided to the SolVista Annexation Property by and through the Town's existing cable television franchisee, and the Districts will not be involved in these functions. Therefore, before either District undertakes to provide mosquito control or television relay and translation services or functions it shall submit facilities and services descriptions, cost estimates and a financial plan to the Town with respect thereto and shall not exercise either of these powers without the prior approval of the Town, which approval may be granted, and the powers thereafter exercised, without the need for amendment of either Service Plan.

12. **Precedence.** Recognizing that full development of the SolVista Annexation property may take up to 30 years, the Town approved the Service Plans with sufficient flexibility to accommodate and enable the Districts to respond to changed conditions over time, while still relying upon the provisions of this Agreement to enable it to exercise appropriate control and supervision of the Districts as provided by state law. Accordingly, any conflict or inconsistency between the Service Plans and this Agreement shall be resolved in favor of the provisions of this Agreement.

13. **Entire Agreement of the Parties.** This written Agreement constitutes the entire agreement between the Parties and supersedes all prior written or oral agreements, negotiations, or representations and understandings of the Parties with respect to the subject matter contained herein.

14. **Amendment.** This Agreement may be amended, modified, changed, or terminated in

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whole or in part only by written agreement duly authorized and executed by the Parties hereto, without necessarily requiring amendment to any Service Plan. The need for formal amendment to any Service Plan shall be determined according to state law then in effect.

15. **Enforcement.** This Agreement may be enforced in law or in equity for specific performance, injunctive, or other appropriate relief, including damages, as may be available according to the laws and statutes of the State of Colorado. By executing this Agreement each Party commits itself to perform pursuant to these terms contained herein, and a breach hereof which results in recoverable damages shall not cause the termination of any obligations created by this Agreement unless such termination is declared by the Party not in breach hereof.

16. **Venue.** Venue for the trial of any action arising out of any dispute hereunder shall be in the district court of the State of Colorado serving Grand County pursuant to the appropriate rules of civil procedures.

17. **Scope of Benefits.** Except as otherwise stated herein, this Agreement is intended to describe the rights and responsibilities of and between the named Parties and is not intended to, and shall not be deemed to confer any rights upon any persons or entities not named as parties, nor to limit in any ways the powers and responsibilities of the Town, the Districts, or any other entity not a party hereto.

18. **Effect of Invalidity.** If any portion of this Agreement is held invalid or unenforceable for any reason by a court of competent jurisdiction, such portion shall be deemed severable and its invalidity or unenforceability shall not affect the validity or enforceability of any other portion or provision hereof.

19. **Assignability; Successors.** Other than as specifically provided for in this Agreement relating to the conveyance of facilities to a Designee of the Town, neither the Town nor the District shall assign their rights or delegate their duties hereunder without the prior written consent of the other Party. The rights and obligations created hereby shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

EXHIBIT 2

IN WITNESS WHEREOF, the Districts and the Town have caused this Agreement to be duly executed as of the day first above written.

SOLVISTA METROPOLITAN
DISTRICT NO. 1

By: _____

ATTEST:

By: _____

SOLVISTA METROPOLITAN
DISTRICT NO. 2

By: _____

ATTEST:

By: _____

TOWN OF GRANBY

By: _____
Its: _____

ATTEST:

By: _____

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**SCHEDULE OF FACILITIES
DISPOSITION**

Streets and Roadways; Traffic & Safety Protection

Owned, operated and maintained by District.

Transportation

Owned, operated and maintained by District.

Parks & Recreation

Owned, operated and maintained by District.

Sanitation

Sanitary sewer facilities: Upon acceptance, conveyed to Town or Granby Sanitation District (at Town election) for operation and maintenance.

Stormwater/drainage facilities: Owned, operated and maintained by District.

Water

Potable water facilities: Upon acceptance, conveyed to Town for operation and maintenance.

Non-potable water facilities: Owned, operated and maintained by District.

Mosquito Control; Miscellaneous

Owned, operated and maintained by District.

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MASTER INTERGOVERNMENTAL AGREEMENT

THIS MASTER INTERGOVERNMENTAL AGREEMENT ("Agreement") is made and entered into as of this ____ day of _____, 2003, by and between SOLVISTA METROPOLITAN DISTRICT NO. 1 ("Service District") and SOLVISTA METROPOLITAN DISTRICT NO. 2 ("Tax District"; collectively, "Districts"), each of which is a quasi-municipal corporation and political subdivision of the State of Colorado operating within the Town of Granby ("Town"), Colorado, and organized under the provisions of the Special District Act, Article 1 of Title 32, C.R.S.

RECITALS

WHEREAS, The Districts were organized to facilitate the development of the SolVista Golf & Ski Ranch Development (the "Development") by cooperatively providing for the financing and construction of the Infrastructure, and furnishing services for the use and benefit of the property owners, residents and users of the Infrastructure (as defined below) within the Service Area of the Districts.

WHEREAS, The Service Plans of the Districts, which have been previously approved by the Town, require that the Districts enter into a Master Intergovernmental Agreement to, among other matters, coordinate the financing, processing of construction, and the operation and maintenance of the Infrastructure and the provision of services needed within the Districts' Service Area.

WHEREAS, The Financing Plan of the Service Plans for the Districts provide that the Tax District will produce revenue sufficient to pay the costs of operations and debt service expenses incurred for the financing and processing of construction costs of the infrastructure needed within the Service Area of the Districts, will impose a property tax levy on all taxable property within the boundaries of the Tax District and remit the taxes and other revenue collected by the Tax District to the Service District.

WHEREAS, Section 18(2)(a) and (b), Article XIV of the Colorado Constitution, Section 29-1-203, C.R.S., and Section 32-1-1001, C.R.S., empower the Districts to enter into contracts and agreements with one another to provide intergovernmental services and facilities, including the sharing of costs, the imposition of taxes, and the incurring of debt, when so authorized by their respective governing bodies.

WHEREAS, the authorization of the Districts to incur indebtedness and other obligations and to enter into agreements relating thereto, including this Agreement, and to levy property taxes, and enter into agreements relating thereto, including this Agreement, in order to provide for the financing and processing of the public infrastructure and to furnish the services needed within the Service Area of the Districts shall be subject to or effective upon voter approval thereof by the electors of the Districts. Such electoral action constitutes the legal authorization for this Agreement, and the performance of the terms of this Agreement requires no further electoral approval from either District.

WHEREAS, The governing bodies of the Districts hereby determine that the terms, conditions, and provisions of this Agreement are in the best interests of the Districts and are

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necessary to implement the provisions of the Service Plan with respect to the intergovernmental cooperation between the Districts and to establish the respective duties and responsibilities of the Districts concerning the economic and efficient development of the Infrastructure and the provision of services within the Service Area of the Districts.

NOW, THEREFORE, in consideration of the mutual performance of the covenants, agreements, and stipulations hereinafter set forth, the contracting Parties agree as follows:

AGREEMENT

In consideration of the agreements, terms and conditions set forth in this Agreement, the adequacy and sufficiency of which are mutually acknowledged, the Districts agree as follows:

SECTION 1. DEFINITIONS AND CONSTRUCTION OF AGREEMENT

Section 1.1 Definitions. For all purposes of this Agreement, unless the context expressly indicates differently, the terms defined in this Section shall have the following meanings. If any term is capitalized in this Agreement but not defined hereunder, it shall have the meaning set forth in the Service Plan.

- a. "Agreement" means this Intergovernmental Agreement between the Districts, as may be amended or supplemented in writing from time to time.
- b. "Financing Plan" means the financial plan of the Districts as set forth in the Service Plans and the Exhibits thereto, including any amendment or modification thereof approved by the Town.
- c. "Board" or "Boards" means the Board of Directors of SolVista Metropolitan Districts Nos. 1 & 2, or either individual District, as applicable.
- d. "Town" means the Town of Granby, Colorado.
- e. "Default" or "Event of Default" means one or more of the events described in Section 6.1.
- f. "Developer Advances" means all funds advanced to the Service District by developers or other persons pursuant to any reimbursement, acquisition or redevelopment agreements, including without limitation any infrastructure acquisition or reimbursement agreements, and any bonds, notes or other obligations evidencing or securing such borrowing, that are applied for payment of costs incurred for the organization and operations of the Districts, Process of Construction of the Infrastructure, management fees, interest, and other public purposes authorized for the Districts, and are repayable from legally available revenues of the Districts.
- g. "District" or "Districts" means the special districts and political subdivisions of the State of Colorado know as either SolVista Metropolitan

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District No. 1 or SolVista Metropolitan District No. 2, as applicable, or both Districts.

h. "Election" means the special election conducted by each District on November 4, 2003, at which the electors of each District authorized the Districts to incur Obligations and enter into agreements related thereto, including without limitation this Agreement.

i. "Fiscal Year Budget" means the annual District budget and appropriation resolution duly adopted or amended by the Board in accordance with State law.

j. "Infrastructure" means the facilities to be furnished by the Districts described in the Service Plans.

k. "Obligations" means all general obligation limited tax bonds, revenue bonds, notes, contracts, or reimbursement, acquisition or development agreements of the Districts, including this Agreement, Developer Advances and refunding Obligations, subject to the "Maximum Debt Authorization" as set forth in the Service Plans or the Town IGA (as defined below).

l. "Process of Construction" or "Processing of Construction" or "Process" means activities, in part or all together, of the Service District with respect to providing and/or acquiring the Infrastructure, including without limitation the planning, designing, engineering, testing, permitting, inspecting, construction, construction management, installation or completion of the Infrastructure.

m. "Required Mill Levy" means the mill levy required to be imposed in accordance with State law upon all real and personal property in the Tax District, at the rate determined annually by the Service District, and the property tax revenue generated therefrom, subject to the following: (i) all terms and limitations set forth in the ballot questions authorizing the Obligations and mill levies approved at the Election; (ii) the rate must be sufficient to pay, when due, the Obligations of the Districts, subject to any mill levy limitations; and (iii) the rate must be sufficient to pay, when due, all administrative and operating expenses of the Districts, subject to any mill levy limitations, but combined with the mill levy rate imposed in subpart (ii) above, not to exceed an aggregate of 50 mills subject to Gallagher adjustments. In the event that the method of calculating the assessed valuation of property within the Districts or the percentage of actual valuation used to determine assessed valuation of the Districts is changed by State law the Required Mill Levy shall be adjusted such that the actual property tax revenues generated by the mill levy as adjusted are neither increased nor diminished as a consequence of such adjustments.

n. "Service Area" means the Service Area of the Districts as described in the Service Plans.

o. "Service Plan" or "Service Plans" means the Service Plan of either District, or the Service Plan of both Districts, if applicable, as may be amended or

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modified in writing from time to time with the approval of the Town. If there is a conflict between the provisions of the Service Plans, the Service Plan of SolVista Metropolitan District No. 1 ("Service District") shall be controlling.

p. "Town IGA" means the means the Intergovernmental Agreement between the Districts and the Town of Granby, as may be amended or supplemented in writing from time to time.

Section 1.2 Construction of Agreement. For all purposes hereunder, unless the context expressly indicates differently, all definitions, terms, and words shall include both the singular and plural. Whenever "shall" or "will" is used herein, it shall be mandatory; "may" denotes that it is preferable or permissible, but not mandatory. Whenever "Party" or "Parties" is used herein, it shall refer to either District or both Districts. A reference herein to an act of "approval" may, if applicable, include a determination of either approval or disapproval. References to sections herein are to sections of this Agreement, unless otherwise specified.

SECTION 2. PURPOSE

The purpose of this Agreement is to establish the intergovernmental relationship between the Districts and to implement the terms of the Service Plans with respect to the financing, Processing of Construction, operation and maintenance of the Infrastructure, and the provision of services within the Service Area. The Districts contemplate that other intergovernmental agreements may be entered into, from time to time. This Agreement shall, in all circumstances, be interpreted consistently with the Service Plan, the Town IGA, and the intended responsibilities of each District in implementing the Service Plan.

SECTION 3. REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties by Districts. The Board of each District represents, acknowledges, warrants, and agrees for the benefit of the other District that to the best of its actual knowledge:

a. The District knows of no litigation, proceeding, initiative, referendum, investigation, or threat of any of the same contesting the organization or powers of the District or its officials or its authority to enter into and perform its obligations under this Agreement;

b. The execution and delivery of this Agreement and the documents required hereunder and the consummation of the transactions contemplated by this Agreement will not (i) conflict with or contravene any law, order, rule or regulation applicable to the District or to the District's governing documents; (ii) result in the breach of any of the terms or provisions or constitute a default under any agreement or other instrument to which the District is a party or by which it may be bound or affected; or (iii) permit any party to terminate any such agreement or instrument or to accelerate the maturity of any indebtedness or other obligation of the District;

c. The Board of each District has duly approved this Agreement;

d. This Agreement is a valid and binding obligation of both of the Districts enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and

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other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity, and subject to all limitations set forth herein;

e. All property tax revenue from the Required Mill Levy received by either District shall be used only for the payment of administrative, operating and maintenance expenses of the Districts, repayment of the Obligations, payment of Process of Construction costs of the Infrastructure , or as may otherwise be provided in this Agreement;

f. Each District may rely upon and enforce all representations, warranties, and agreements set forth in this Agreement; and

g. The Districts, and not the Town, shall be responsible for paying all debts and liabilities of the Districts, including without limitation the Obligations, as provided in this Agreement.

Section 3.2 Performance of Agreement. The Districts acknowledge that the performance of this Agreement is essential to the complete implementation of the Service Plans and that any material departure from the terms of this Agreement by either District, including failure or omission to perform any act required hereunder, or any unilateral attempt by either District to materially alter the terms of or to terminate this Agreement, except as authorized hereunder, is and shall constitute a material departure from the Service Plan which, in addition to any other remedy set forth herein, the other District shall be entitled to enjoin in accordance with Section 32-1-207, C.R.S.

SECTION 4. SERVICE DISTRICT RESPONSIBILITIES

Section 4.1 General Responsibilities. The Service District shall exercise such duties and authority and shall have all the powers as are generally provided by State law and in the Service Plans. The Service District, in its discretion, shall perform the following services and exercise the following powers:

a. Manage and control the financing of the Infrastructure, the Processing of Construction of the Infrastructure, the administration and operations and maintenance responsibilities of the Districts, and the completion of all actions, activities and work required to implement the Service Plans;

b. Budget and appropriate monies for public purposes and provide for the payment of all expenses of the District;

c. Establish uniform rules and regulations for the inclusion of property into the Tax District in accordance with the provisions of the Service Plans;

d. Adopt and enforce uniform rules and regulations for administrative and operational purposes applicable throughout the Service Area;

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e. Establish all necessary service charges, connections fees, tap fees, development fees, and other rates, fees, tolls and charges for the provision of Infrastructure and services within and without the boundaries of the Districts;

f. Negotiate, prepare and enter into all applications, permits, licenses, agreements or other documents necessary to secure all applicable federal, State, regional, and local approvals or other governmental authorizations for the financing and Process of Construction and operation and maintenance of the Infrastructure;

g. Own, operate and maintain the Infrastructure until transferred to the Town or another public agency; and

h. Take all other actions required to implement and comply with the Service Plan and all agreements affecting the business affairs and interests of the Districts to which either District is or may become a party.

Section 4.2 Financing of Infrastructure. The Service District shall finance and provide for the Process of Construction of the Infrastructure, as required for each phase of Infrastructure development, by incurring Obligations in accordance with the Service Plans or by use of accumulated fund balances. The Obligations incurred by the Service District shall be issued, paid and discharged, and proceeds of the Obligations shall be applied and expended in accordance with the Service Plan. The Service District will incur no Obligation in excess of the "Maximum Debt Authorization" for Infrastructure set forth in the Service Plans, as may be subsequently amended with the approval of the Town. The Service District shall apply and expend the revenues generated by the Required Mill Levy, only for (i) the administration, operations and maintenance responsibilities of the Districts, (ii) the repayment of Obligations incurred for Infrastructure, including without limitation all Obligations issued pursuant to Developer Advances, (iii) payment of Process of Construction costs of the Infrastructure, until such Obligations have been discharged, and the Infrastructure has been completed, and (iv) payment of Process of Construction costs.

The Service District may issue revenue debt to pay for the Obligations incurred by the Service District. Debt service on all Obligations will be paid by the Service District from ad valorem property tax revenue received from the Tax District. The Service District shall also enter into revenue sharing arrangements with the Town to provide for the cost of providing Town services and joint improvement costs of the Town and the Districts pursuant to the terms and conditions of the Town IGA. These "Joint Improvement Funds" shall be disbursed to the Town in accordance with the Town IGA.

Section 4.3 Completion of Infrastructure. The Service District shall be responsible for the completion of the Infrastructure in accordance with the provisions of this Agreement and the Service Plan. The Service District shall, in its discretion, make all determinations relating to the expenditure of proceeds of the Obligations for Processing of Construction of the Infrastructure and the payment of all Process of Construction costs, or for any other purpose with respect to the implementation, performance, or enforcement of the terms of this Agreement. The Service District shall transfer the Infrastructure, except for certain designated improvements, to the Town or another public agency for future ownership, operation and maintenance in accordance with the provisions Service Plans and/or the applicable Town Code provisions. The Service District shall

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own, operate and maintain for the benefit of the Districts any Infrastructure which is not transferred to the Town or another public agency.

Section 4.4 Management of Districts. The Service District shall manage and administer all business affairs of the Districts, including without limitation the hiring and engagement of all employees, independent contractors, consultants, advisors, accountants, auditors, attorneys and other personnel, record-keeping, accounting and financial services, and all actions relating to statutory compliance.

Section 4.5 Costs of Administration and Operations. The Service District shall (i) manage, operate, maintain, repair and replace when necessary, all Infrastructure not transferred to the Town or another public agency, and (ii) generally administer the operations and business of the Districts, including without limitation the payment of all costs associated therewith. On or before September 15 of each year, the Service District shall advise the Parties of the costs of administration and operations and the funding requirements, subject to any limitation under the Required Mill Levy, for the next budget period and present a preliminary Fiscal Year Budget for adoption by the Boards of Directors of each of the Districts in accordance with statutory requirements.

SECTION 5. TAX DISTRICT RESPONSIBILITIES

Section 5.1 Imposition of Required Mill Levy. Until such time as all Obligations, including all Obligations issued pursuant to Developer Advances have been paid in full or payment thereof has been provided for, and all of the Infrastructure has been completed and paid for, the Tax District shall:

a. Certify the Required Mill Levy at least 15 days before all applicable deadlines in accordance with State law and provide notice of such certification to the Service District. On or before September 15 of each year, the Service District shall determine and advise the Tax District of the Required Mill Levy to be included in the Fiscal Year Budget for the next fiscal year, and the Tax District shall then adopt a resolution establishing the Required Mill Levy. When collected, the revenues generated by the Required Mill Levy, together with any specific ownership taxes received by the Tax District and any other revenues, shall be remitted to the Service District in accordance with the provisions of this Agreement.

b. The provisions of this Section are hereby declared to be the certificate of the governing body of the Tax District to Grand County authorizing the Required Mill Levy to be levied by Grand County, from year to year, as required by law for the purposes set forth herein.

c. It shall be the duty of the governing bodies of each District annually, at the time and in the manner provided by law for the adoption of the Fiscal Year Budget and the levy of property taxes, to ratify and carry out the provisions of this Section with reference to the establishment, levy and collection of the Required Mill Levy, subject to the provisions of this Agreement. The governing bodies of both Districts shall levy, certify, and collect the Required Mill Levy for the purposes and in the manner provided by law and for the purposes and in the manner set forth in this Agreement. The Tax District in cooperation with the Service District shall pursue any reasonable remedy available to collect, or cause the collection of, delinquent

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property taxes and remit amounts realized from the sale of any property for delinquent taxes to the Service District in accordance with the provisions of this Agreement. The Tax District, in cooperation with the Service District, shall budget and appropriate monies for public purposes and provide for the payment of all expenses of the District, as necessary.

d. The Tax District shall be prohibited from retaining, appropriating, expending, pledging or otherwise encumbering any portion of the revenues generated by the Required Mill Levy, any specific ownership taxes, or any other revenues that are received by the Tax District for any purpose, and all of such revenues and monies shall be immediately transferred and paid to the Service District in accordance with the provisions of this Agreement.

e. The Tax District shall pay to the Service District all revenue raised from mill levies assessed by the Tax District to offset the operating expenses and debt service incurred by the Service District for provisions of services to property within the Tax District. This obligation shall constitute debt of the Tax District.

f. The Tax District shall assign all revenue raised from all sources, including, but not limited to charges, fees, specific ownership taxes, and interest, to the Service District in order to offset the expenses of the construction of the public improvements and the Service District's costs of operation and maintenance of such public improvements.

g. At any and all times, the Tax District shall, to the extent authorized by law, pass, make, do, perform, execute, acknowledge and deliver any and all further acts, conveyances, assignments, transfers, certifications, and assurances as may be necessary or desirable for better assuring, effecting, confirming, undertaking and completing any and all obligations, duties, responsibilities, and acts, or as may be reasonably required to carry out the terms and purposes of this Agreement and to comply with the Service Plans, as applicable.

h. The Tax District shall issue Bonds at the request of the Service District, to the extent permitted by law.

Section 5.2 Rates, Fees and Charges. The Tax District shall adopt, impose, collect and remit to the Service District such rates, fees, tolls and charges as are established by the Service District pursuant to Section 4 in order to fund the administrative and operating expenses of the Districts. The procedures for adopting, budgeting and transferring such fees for both Districts will be established by the Service District.

Section 5.3 Tax District Obligations. The Tax District shall incur no Obligations, Developer Advances, or direct costs for Processing of Construction of the Infrastructure or any other purpose, unless otherwise approved in writing by the Service District.

Section 5.4 Dissolution of the Service District. Upon receipt of notice and the dissolution of the Service District in accordance with its Service Plan, the Service District shall transfer, and the Tax District shall accept responsibility for the operation and maintenance of any Infrastructure located within the Tax District, which has not been transferred to the Town or another public agency.

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SECTION 6. EVENTS OF DEFAULT AND REMEDIES

Section 6.1 Events of Default by Districts. Subject to the terms of Section 6.5, Default or an Event of Default by either Party under this Agreement shall mean one or more of the following events:

- a. Any representation or warranty made in this Agreement by a Party which was materially inaccurate when made or shall prove to be materially inaccurate; or
- b. A Party fails to substantially observe, comply with or perform any material responsibility, obligation, or agreement required of it under this Agreement; provided, however, that failure on the part of the Service District to observe or perform any responsibility or obligation hereunder shall not relieve or release the Tax District from imposing the Required Mill Levy, and that failure by either District to observe or perform any other responsibility or obligation hereunder shall not relieve or release the other District from making any payment or otherwise performing its responsibilities hereunder.

Section 6.2 Cure Period. Upon the occurrence of an Event of Default by either Party, such Party shall, upon written notice from the other Party, proceed promptly to cure or remedy such Default. Such Default shall be cured within 30 days (immediately with respect to a Required Mill Levy or monetary payment Default) after receipt of such notice, or, if such default is of a nature which is not capable of being cured within such time period, curative action shall be commenced within the cure period and diligently pursued to completion.

Section 6.3 Remedies on Default. Whenever an Event of Default occurs and is not cured or cure undertaken in accordance with the provisions of Section 6.2, the non-defaulting Party may take any one or more of the following actions:

- a. Recovery of actual costs and damages, including reasonable attorney fees and related expenses, through any action available at law or in equity, including without limitation the right to certify to Grand County for collection against all taxable property within the Tax District, the amount of such costs and damages as a delinquent fee for services provided by the Service District in accordance with the procedures set forth in Section 32-1-1101(l)(e), C.R.S., or other special proceedings;
- b. In the event that the Tax District has not certified the Required Mill Levy, the Service District may enforce the Tax District's obligation to certify the Required Mill Levy by mandamus or other action or special proceeding; and
- c. Any other remedy available at law, in equity, or specified under the terms of this Agreement or the Service Plan, including without limitation specific performance.

Section 6.4 Waivers. Except as otherwise expressly provided in this Agreement, any delay by either Party in asserting any right or remedy under this Agreement shall not operate as a waiver of any such right or limit such right in any way. Any waiver in fact made by such Party with respect to any Default by the other Party shall not be considered as a waiver of rights with

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respect to any other Default by the non-defaulting Party or with respect to the particular Default, except to the extent specifically waived in writing. It is the intent of the Parties that this provision will enable each Party to avoid the risk of being limited in the exercise of any right or remedy provided in this Agreement by waiver, laches or otherwise at a time when it may still hope to resolve any problem created by such Default.

Section 6.5 Unavoidable Delay in Performance. All periods of time in this Agreement are subject to this Section. Neither Party shall be considered in Default of its obligations under this Agreement in the event of delay due to (i) causes beyond its control and without its fault or negligence, including without limitation acts of God, public enemies, the Town, Federal, State or other local governments, the other Party or third parties, litigation concerning the validity and enforceability of the Service Plans, contracts implementing the Service Plans, or this Agreement or relating to transactions contemplated herein (including the effect of petitions for initiative or referendum), fires, floods, epidemics, restrictions, strikes, embargoes, and unusually severe weather or the delays of contractors or materialmen due to such causes; (ii) bankruptcy, insolvency or similar action, or any foreclosure or other exercise of remedies of any creditor or lender; and (iii) without limiting the foregoing, any action or inaction of the Town, its officers, agents, agencies, departments, committees, Board of Trustees which delays, directly or indirectly, the District's ability to comply with any construction schedule or requirement for any Infrastructure project. In the event of the occurrence of any such delay, the time or times for performance of the obligations of the Party claiming delay shall be extended for the period of the delay; provided that the Party seeking the benefit of the provisions of this Section shall, within 30 days after such Party knows of such delay, first notify the other Party of the specific delay in writing and claim the right to an extension for the period of the enforced delay; provided, further, that either Party's failure to notify the other of an event constituting an enforced delay shall not alter, detract from or negate its character as an enforced delay, if such event of enforced delay was not known or reasonably discoverable by such Party.

Section 6.6 Rights and Remedies Cumulative. The rights and remedies of the Parties under this Agreement are cumulative, and the exercise by either Party of any one or more of such rights shall not preclude the exercise by it, at the same or different times, of any other right or remedy specified herein for any other Default by the other Party.

SECTION 7. MISCELLANEOUS PROVISIONS

Section 7.1 Title of Sections. Any title of the several parts and sections of this Agreement are inserted for convenience or reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 7.2 Effective Date. This Agreement shall be in full force and effect and be legally binding upon SolVista Metropolitan Districts Nos. 1 & 2 upon the date of its execution by the Parties.

Section 7.3 No Third-Party Beneficiary. No third-party beneficiary rights shall be created in favor of any person not a Party to this Agreement, unless the Parties mutually agree otherwise in writing.

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Section 7.4 Applicable Law. The laws of the State of Colorado shall govern the interpretation and enforcement of this Agreement. Venue shall be exclusive to the State District Court in and for Grand County.

Section 7.5 Assignment. This Agreement shall not be assigned, in whole or in part, by either Party without the approval in writing of the other Party. This Agreement shall be binding on the Parties, their successors and assigns.

Section 7.6 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable, in whole or in part, under present or future laws, such provision shall be fully severable, and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement. The remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by the severance of such provision from this Agreement. Further, in lieu of such illegal, invalid or unenforceable provision, there shall be added, as part of this Agreement, a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and still be legal, valid and enforceable, and this Agreement shall be deemed reformed accordingly. Without limiting the generality of the foregoing, if all or any portion of the payments required by the terms of this Agreement are determined by a court of competent jurisdiction in a final non-appealable judgment to be contrary to public policy or otherwise precluded, the Parties shall proceed in good faith to promptly restructure and/or amend this Agreement, or to enter into a new agreement to effectuate such purpose.

Section 7.7 Service Plan Modifications. Neither District shall publish, without providing prior written notice to the other District and the Town, any notice pursuant to Section 32-1-207(3), C.R.S., of its intent to undertake the construction of any Infrastructure, the issuance of Obligations, the imposition of the Required Mill Levy or any other tax, rate, toll, fee or charge, or any other proposed activity of such District which is not consistent with the terms of its Service Plan or this Agreement and which would require that any action to enjoin such activity as a potential or actual material departure from the Service Plan of such District be brought within 45 days of such notice.

Section 7.8 Cooperation Regarding Other Service Districts. Subject to the terms of their Service Plans, the Districts will cooperate with one another and with any other special district (except the Silver Creek Water & Sanitation District) organized within the Service Area to finance the Process of Construction of Infrastructure needed within the Service Area.

Section 7.9 Amendments. This Agreement may be amended, in whole or in part, by written instrument executed by the Parties. Each amendment, which is in writing and signed and delivered by the Parties, shall be effective to amend the provisions hereof.

Section 7.10 Entirety. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and replaces in their entirety any prior agreements, understandings, warranties or representations between the Parties with respect to the subject matter hereof.

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Section 7.11 Counterparts. This Agreement may be executed in counterparts, each of which shall constitute one and the same instrument.

Section 7.12 Notices. A notice or demand under this Agreement by either Party to the other Party shall be in writing and shall be deemed sufficiently given if delivered in person, by prepaid overnight express mail or national overnight courier service, or if forwarded by registered or certified mail, postage prepaid, return receipt requested, and addressed as follows:

a. Until subsequently changed, to:

SoVista Metropolitan District No. 1 or
SoVista Metropolitan District No. 2
Attention: Chairman
Post Office, Box 1110
Granby, Colorado 80446

With a copy to:

James P. Collins, Esq.
Collins Cockrel & Cole, P.C.
390 Union Boulevard, Suite 400
Denver, Colorado 80228-1556

And a copy to:

The Town of Granby
c/o Town Manager
Zero Street and Jasper Avenue
Box 440
Granby, Colorado 80446

b. Or to such other address with respect to either Party as that Party may, from time to time, designate in writing and forward to the other Party as provided in this Section. Notices shall be deemed given upon such personal, courier or express mail delivery, or on the third business day following deposit in the U.S. Mail as provided herein.

Section 7.13 Good Faith of Parties. Except where any matter is expressly stated to be in the sole discretion of a Party, the Parties agree that in the performance of this Agreement or in considering any requested extension of time, each Party will act in good faith and shall not act unreasonably, arbitrarily, capriciously, or unreasonably withhold or delay any approval required by this Agreement.

Section 7.14 Time. Unless the context indicates differently, all references herein to days shall be to calendar days, and all references herein to periods of time shall be to consecutive days or continuous periods of time. If the day for any performance or event provided for herein is a Saturday, Sunday or other day on which either national banks or the office of the Clerk of the Town are not open for the regular transaction of business, such day shall be extended until the

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next day on which such banks and office are open for the transaction of business. All times shall be of the essence.

Section 7.15 Further Assurances. The Parties agree to adopt or approve such resolutions, regulations and agreements, to execute such documents or instruments, and to take such action as shall be reasonably requested by the other Party to confirm or clarify the intent of the provisions hereof and to effectuate the agreements herein contained and the intent hereof. If all or any portion of the Infrastructure improvements, Obligations or agreements approved in connection with this Agreement are asserted or determined to be invalid, illegal or are otherwise precluded, the Parties shall cooperate in the joint defense thereof, and if such defense is unsuccessful, the Parties will use reasonable, diligent, good faith efforts to amend, reform or replace such precluded matters.

Section 7.16 Certifications. The Parties agree to execute such documents or instruments as the other Party may reasonably request to verify or confirm the status of this Agreement, or other intergovernmental agreements between the Districts, and of the performance of the obligations hereunder and such other matters as the requesting Party may reasonably request.

Section 7.17 Survival of Representations and Warranties. No representations or warranties whatever are made by any Party to this Agreement, except as specifically set forth in Section 3. The representations and warranties made by the Parties to this Agreement, and all covenants and agreements to be performed or complied with by the Parties under this Agreement shall be continuing while this Agreement is in effect.

IN WITNESS WHEREOF, the Districts have caused this Agreement to be duly executed as of the day first above written.

SOLVISTA METROPOLITAN DISTRICT NO. 1

By: _____
Chairman

ATTEST:

Secretary

SOLVISTA METROPOLITAN DISTRICT NO. 2

By: _____
Chairman

ATTEST:

Secretary

EXHIBIT

2006-006715 07/06/2006 09:11A AMD SARA L ROSENE
1 of 3 R 15.00 D 0.00 GRAND COUNTY CLERK

**FIRST AMENDMENT TO
SERVICE PLAN
OF
GRANBY RANCH METROPOLITAN DISTRICT
(FORMERLY SOLVISTA METROPOLITAN DISTRICT NO. 2)
ORIGINALLY APPROVED BY THE TOWN OF GRANBY, COLORADO
ON JULY 22, 2003**

Prepared by:

White, Bear & Ankele
Professional Corporation
1805 Shea Center Drive, Suite 100
Highlands Ranch, CO 80129

First Amendment to Service Plan approved by the Town of Granby
on

June 27, 2006

HWMD 001722

I. INTRODUCTION

This First Amendment to the Service Plan (this "Amendment") of Granby Ranch Metropolitan District (formerly named "SolVista Metropolitan District No. 2" and hereinafter referred to as the "District"), constitutes an amendment to certain provisions of the original service plan for the District (the "Original Service Plan") dated as of March, 2003, and approved by the Board of Trustees of the Town of Granby (the "Town") on July 22, 2003. The District was organized pursuant to the terms of the Original Service Plan to serve the needs of the Granby Ranch development and existing community.

This purpose of this First Amendment is to clarify and, to the extent necessary, amend certain provisions of the Original Service Plan relating to the District's ability to impose ad valorem property taxes in order to reflect the intent of the Town and the District at the time of approval of the Original Service Plan, as more particularly set forth below.

II. AMENDMENT

A. The fifth paragraph of Section (V)(B) – "Financing Plan" of the Original Service Plan is amended and restated in its entirety as follows:

"The Districts intend to issue limited tax general obligation and/or revenue bonds secured primarily by (i) property taxes from levies of the Tax District and (ii) revenues from other available sources. The property tax levy of the Tax District will not exceed 50 mills for operating and debt repayment purposes, unless otherwise Approved by the Town; provided, however, in the event that the method of calculating assessed valuation is changed after May 1, 2003, by any change in law or method of calculation or by any change in the percentage of actual value used to determine assessed valuation pursuant to Section 39-1-104.2 C.R.S., and Article X, Section 3 of the State Constitution, the mill levy limitation shall be increased or decreased to reflect such change, as reasonably determined by the Board of the Tax District so that, to the greatest extent possible, the actual property tax revenues generated by the mill levy as adjusted are neither enhanced nor diminished as a consequence of such adjustment."

B. In addition, the Service Plan is hereby further amended to whatever extent may be necessary to provide that any mill levy limitation therein shall be increased or decreased in the event that the method of calculating assessed valuation has been or is changed after May 1, 2003, by any change in law or method of calculation or by a change in the percentage of actual value used to determine assessed valuation pursuant to Section 39-1-104.2 C.R.S., and Article X, Section 3 of the State Constitution, so that to the greatest extent possible, the actual property tax revenues generated by the mill levy as adjusted are neither increased nor diminished as a consequence of such change.

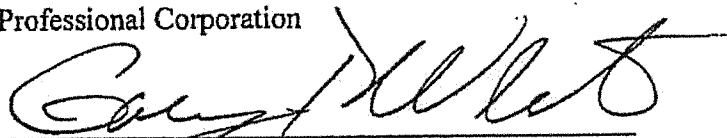
III. RESOLUTION

Except as specifically amended as set forth above, all other provisions of the Service Plan shall remain in full force and effect.

It is requested that after a public hearing conducted pursuant to Section 32-1-201, *et seq.*, C.R.S., the Town of Granby Board of Trustees adopt a resolution of approval of this Amendment based upon the information tendered herewith.

Respectfully submitted,

WHITE, BEAR & ANKELE
Professional Corporation



Gary R. White, Esq.
Counsel to the Districts

EXHIBIT 4

**SECOND AMENDMENT TO
SERVICE PLAN
OF
GRANBY RANCH METROPOLITAN DISTRICT
(FORMERLY SOLVISTA METROPOLITAN DISTRICT NO. 2)
ORIGINALLY APPROVED BY THE TOWN OF GRANBY, COLORADO
ON JULY 22, 2003 AND AS AMENDED ON JUNE 27, 2006**

Prepared by:

Seter & Vander Wall, P.C.

7400 East Orchard Road, Suite 3300

Greenwood Village, CO 80111

Second Amendment to Service Plan approved by the Town of Granby

on

October 11, 2016

EXHIBIT 4

I. INTRODUCTION

This Second Amendment to the Service Plan (the “Second Amendment”) of Granby Ranch Metropolitan District (formerly named “SolVista Metropolitan District No. 2” and hereinafter referred to as “GRMD”), constitutes an amendment to certain provisions of the original service plan for GRMD (the “Original Service Plan”) approved by the Board of Trustees of the Town of Granby (the “Town”) on July 22, 2003, and the First Amendment to the Service Plan of the Granby Ranch Metropolitan District approved by the Town on June 27, 2006 (the “First Amendment”) (together, the “Service Plan”).

GRMD was organized by the Original Service Plan to serve the needs of the Granby Ranch development and existing community.

This purpose of this Second Amendment is to clarify and, to the extent necessary, amend provisions of the Service Plan relating to GRMD’s ability to impose *ad valorem* property taxes, to note that the District IGA between GRMD and Headwaters Metropolitan District (formerly named “SolVista Metropolitan District No. 1” and hereinafter referred to as “HMD”) will be terminated and replaced with a road maintenance and snow removal agreement, and to clarify that the relationship between GRMD and HMD as otherwise set forth in the Service Plan is terminated and rendered null and void.

II. AMENDMENT

A. Section V.B., page 13 (as amended by the First Amendment).

1. The phrase “The property tax levy of the Tax District will not exceed 50 mills for operating and debt repayment purposes, unless otherwise Approved by the Town; provided, however, in the event that the method of calculating assessed valuation is changed after May 1, 2003” is amended as follows:

- a. “The property tax levy of GRMD will not exceed a total combined mill levy of 60 mills for operations, maintenance and debt repayment, with a limit of 50 mills for debt and 50 mills for operations and maintenance, unless otherwise Approved by the Town; provided, however, in the event that the method of calculating assessed valuation is changed after November 1, 2016”

B. Modification of Relationship Between the District and HMD

The Original Service Plan makes references to the relationship between HMD (as the Service District) and GRMD (as the Tax District) concerning the roles of each district, and to the existence of a “District IGA” to further detail this relationship.

EXHIBIT 4

The Original Service Plan is amended as a whole to clarify that the District IGA between GRMD and HMD will be terminated, GRMD will provide all of its own operation and maintenance functions, including debt issuance and repayment, and that GRMD will enter into an agreement with HMD regarding the funding of road maintenance and snow removal for the roads located within GRMD. The Service plan is further amended to clarify that any obligation of GRMD, other than as set forth in the road maintenance and snow removal agreement, to provide funds to HMD, or any delegation of power or delegation of approval or disapproval authority to HMD of any acts of the District, are repealed and rendered null and void with the intent that any role or relationship of GRMD as a “Tax District” and HMD as a “Service District” is terminated.

III. NO ADDITIONAL CHANGES

Except as amended herein, all other provisions of the Service Plan shall remain in full force and effect.

EXHIBIT 5

**JOINT RESOLUTION OF HEADWATERS METROPOLITAN DISTRICT
AND GRANBY RANCH METROPOLITAN DISTRICT
TO ESTABLISH A CAPITAL FACILITIES FEE**

COPY

WHEREAS, the Headwaters Metropolitan District ("Headwaters") and Granby Ranch Metropolitan District ("Granby Ranch"; Headwaters and Granby Ranch collectively, the "Districts") were organized to provide services, programs and facilities, including the construction, completion, maintenance and operation of public infrastructure within and without the boundaries of the Districts, in accordance with the Service Plans of the Districts; and

WHEREAS, the Districts have determined that it is in the best interest of the Districts to acquire, finance, construct, maintain, provide and administer certain improvements and services benefiting the property within the Districts, including, without limitation, services, streets and roadways, traffic safety and control, transportation, drainage, water and sanitary sewer transmission improvements and offsite capacity improvements, non-potable water facilities, storm drainage, park and recreation improvements, and right-of-way landscaping (collectively the "Improvements"); and

WHEREAS, the Districts will incur significant expenses for the financing, acquisition, construction, installation, maintenance, operation and/or administration of the Improvements; and

WHEREAS, pursuant to the authority set forth in Section 32-1-1001(1)(j), C.R.S., the Districts may establish fees and charges for the use and the funding of expenses incurred for such services, programs and facilities of the Districts; and

WHEREAS, the establishment of a fair and equitable capital facilities fee (the "Facilities Fee") will provide a source of funding to pay for costs incurred by the Districts for the financing, acquisition, construction, installation, maintenance, operation and/or administration of the Improvements, which are generally attributable to the persons subject to such charges, and such fees and charges are necessary to provide for the health, safety, prosperity, security and general welfare of the Districts and their inhabitants and for the orderly and uniform administration of the Districts' affairs; and

WHEREAS, Headwaters will impose and collect the Facilities Fee as set forth herein relative to real property within the District (the "Property").

WHEREAS, Headwaters will also impose and collect the Facilities Fee in one or more Capital Facilities Fee Agreements (collectively, the "Capital Facilities Agreement") between Headwaters and Granby Realty Holdings, LLC or Aspen Meadows Condominiums, LLC, which are incorporated herein by reference relative to real property within the District (the "Property").

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Headwaters Metropolitan District and the Board of Directors of the Granby Ranch Metropolitan District hereby adopt and establish a Capital Facilities Fee as follows:

EXHIBIT 5

Section 1. Facilities Fee. A Facilities Fee is hereby established to be collected by Headwaters in coordination with Granby Ranch. The Boards of Directors of the Districts find that the Facilities Fee calculation contained herein is fair and equitable, and approximates a pro rata calculation of a portion of the appraised value of the Improvements, which are not otherwise funded by the Districts. The Facilities Fee shall be paid to Headwaters by the owner of each lot or parcel of land within the Property ("Lot") on or before the date (the "Due Date") of issuance of a building permit by the Town of Granby, Colorado ("Town"), for any buildings on such Lot. The Facilities Fee shall be payable in the amount, initially, of:

- (a) Six Thousand Two Hundred Fifty Five Dollars (\$6,255) for each residential dwelling unit (including, without limitation, condominiums, townhouses, apartments and any other attached dwelling units, and detached single family dwelling units) being constructed on such Lot; and
- (b) Six Thousand Two Hundred Fifty Five Dollars (\$6,255) per single family equivalent as set forth in Exhibit A attached hereto, and for property utilized for commercial, office or industrial use being constructed on a Lot;

and shall hereafter be in such amounts as are determined from time to time by the Boards of Directors of the Districts to fund the actual costs of the Improvements, not to exceed a cumulative increase of ten percent (10%) per year. The owner or owners of a Lot is/are referred to in this Resolution as the "Responsible Party," and if the Responsible Party consists of more than one party, then the obligation to pay the Facilities Fee shall be the joint and several obligation of all of the parties constituting the Responsible Party. No Lot or Responsible Party shall be exempt from the Facilities Fee.

Section 2. Method of Payment and Use of Facilities Fee. The Facilities Fee shall be payable by the Responsible Party to Headwaters in cash or other acceptable funds pursuant to the terms of this Resolution and the Capital Facilities Agreement. Headwaters shall collect, or cause the collection of, the Facilities Fee from each Responsible Party on or before the date of issuance of a building permit by the Town for the construction of any buildings on such Lot. The imposition of the Facilities Fees by Headwaters is solely for the purpose of financing the acquisition, reimbursement, construction, replacement, maintenance and repair of Improvements, which may include, without limitation: (1) the issuance of bonds or (2) reimbursement of amounts advanced by other parties.

Section 3. Late Fees. Until paid, all Facilities Fees shall be subject to accrual of interest at a rate of 12% per annum from the Due Date, and Headwaters shall have the following rights and remedies: (i) if the default is a failure to pay, to declare by written notice such defaulted Facilities Fee immediately due and payable in full; (ii) to collect or foreclose its lien against the Lot for which such Facilities Fee is in default pursuant to Section 32-1-1001(1)(j), C.R.S. or as otherwise provided by Colorado law; or (iii) to initiate an action at law or in equity for actual (but not punitive or consequential) damages arising from any breach of the Capital Facilities Fee Agreement or for specific performance. The prevailing Party shall be entitled to recover its costs and expenses, including reasonable attorneys' fees, in connection with any

EXHIBIT 5

enforcement action, and such costs and expenses incurred by Headwaters shall be secured by its lien against the Lot to which such costs and expenses are allocable.

Section 4. Fees Constitute Lien. The Facilities Fee imposed hereunder is imposed by Headwaters pursuant to Section 32-1-1001(1)(j), C.R.S., for the purpose of furnishing public facilities serving properties within the Districts and is deemed by the Districts to be necessary in order to fulfill their governmental purposes. As a result, the Facilities Fee, together with any late fees or penalty interest due thereon, constitutes a valid, perpetual lien on and against the Property, such lien securing the payment of such Facilities Fee until paid in full. All such liens shall be in a senior position as against all other liens, whether or not of record, affecting the Property, other than the lien created by the imposition of the Amenity Fee established by a joint resolution of the Boards of Directors of the Districts on the date hereof, which lien is *pari passu* to that of the Facilities Fee. Upon request by the owner of any Lot, Headwaters shall issue a certificate stating the amount(s) of the Facilities Fee(s) that have been paid with respect to such Lot. Such certificate shall be furnished within 30 days after receipt of such request. All interested parties shall be entitled to rely upon such certificate. Headwaters acknowledges and agrees that each Responsible Party shall be obligated to pay only the Facilities Fee payable with respect to the Lot or residential unit owned by such Responsible Party, and the lien referenced herein with respect to such Lot or residential unit secures payment of only such Facilities Fee (together with any late fees or penalty interest thereon).

Section 5. Collection Provisions. All Facilities Fees, late fees and penalty interest shall be paid to Headwaters, in cash or an equivalent form made payable to "Headwaters Metropolitan District." In the event that any such amount is not paid when due, Headwaters shall direct its General Counsel to undertake collection efforts for any and all outstanding amounts, in accordance with the following procedures. Headwaters (or, if so directed, its General Counsel) shall send, by certified mail, a delinquency notice to the Responsible Party for which Headwaters has not received Facilities Fees five days after the due date thereof. In the event that such delinquent Facilities Fees have not been received by Headwaters 35 days after the mailing of such notice, Headwaters (or, if so directed, its General Counsel) shall send to such Responsible Party, by certified mail, a notice of intent to lien. In the event that the delinquent Facilities Fees have not been paid ten days after the mailing of such notice of intent to lien, Headwaters (or, if so directed, its General Counsel) shall record a lien statement with respect to such unpaid Facilities Fees and shall immediately commence foreclosure proceedings with respect to the subject property. Headwaters shall be entitled to charge reasonable legal fees and costs to the Responsible Party for said collections efforts.

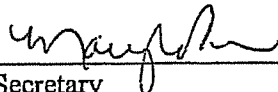
This Joint Resolution was duly adopted by the Board of Directors of the Headwaters Metropolitan District and the Board of Directors of the Granby Ranch Metropolitan District at their coordinated special meeting held on May 26, 2005, to become effective immediately.

HEADWATERS METROPOLITAN DISTRICT

By 
President

EXHIBIT 5

ATTEST:

By 
Secretary

GRANBY RANCH METROPOLITAN DISTRICT

By 
President

ATTEST:

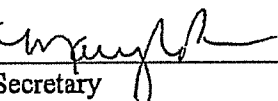
By 
Secretary

EXHIBIT 5

EXHIBIT A

HEADWATERS METROPOLITAN DISTRICT

SINGLE-FAMILY EQUIVALENT (SFE) SCHEDULE
FOR COMMERCIAL USES

1. Residential Dwelling Unit (including, without limitation, condominiums, townhouses, apartments and any other attached dwelling units, and detached single family dwelling units) - 1.0 SFE
2. Hotels and Motels (per double person room, but not including restaurant, bar, swimming pool areas, etc. – at their respective fees:
 - (c) without kitchens - .5 SFE
 - (d) with kitchens - 1.0 SFE
3. Mobile Home - 1.0 SFE
4. Cafes, Restaurants, Bars, Private Clubs - 4.0 SFE
5. Drive-in Restaurants, per car space - .25 SFE
6. Filling Stations and Garages
 - (a) without washing racks - 2.0 SFE
 - (b) Additional – each washing rack - 1.0 SFE
7. Laundry (self-service; per washer) - .25 SFE
8. Schools – per student or faculty member (w/o pool)
 - (a) without cafeteria - .02 SFE
 - (b) with cafeteria - .04 SFE
9. Hospitals – per bed - 1.0 SFE
10. Auto Dealers (per 1,000 sq. ft. of building; minimum one times single family rate) - .3 SFE
11. Barber Shops (per chair, minimum = one times single family rate) - .25 SFE
12. Beauty Shops (per chair, minimum = one times single family rate) - .4 SFE
13. Boarding House (per bed) - .25 SFE
14. Boarding School (per bed) - .25 SFE
15. Bowling Alleys (per lane, excluding bars, restaurants, etc.) - .15 SFE
16. Car Wash, Do-It-Yourself (per stall, coin operated, at 10 gallons or less per car) - 1.0 SFE
17. Car Wash, Mechanical (per stall w/o conveyor, over 10 gallons per car) - 1.5 SFE

EXHIBIT 5

18. Car Wash, Conventional - 10.0 SFE
19. Churches (per 1,000 sq. ft.; not including kitchens and dining rooms) - .4 SFE
20. Cleaners
 - (a) per 1,000 sq. ft. plus (b) - 1.0 SFE
 - (b) per press - 1.5 SFE
21. Convalescent Homes (per bed) - .25 SFE
22. Convents (per bed) - .25 SFE
23. Country Clubs (per 1,000 sq. ft. of general building area plus restaurant, bars, pools, etc., at their respective rates) - 1.5 SFE
24. Drug Stores, w/o fountain service (per 1,000 sq. ft.) - 1.0 SFE
25. Drug Stores, with fountain service (Add (a) and (b))
 - (a) per 1,000 sq. ft. - .8 SFE
 - (b) per chair - .1 SFE
26. Factories (per 1,000 sq. ft.; not including industrial wastes which shall be assigned a rate appropriate to each case) - .75 SFE
27. Fraternal Organizations (per 1,000 sq. ft. of general building; plus extras) - .5 SFE
28. Grocery Stores and Super Markets (per 1,000 sq. ft.) - .8 SFE
29. Office Buildings and Clinics (per 1,000 sq. ft.) - .75 SFE
30. Public Institutions - Other than Hospitals (per 1,000 sq. ft.) - .75 SFE
31. Auxiliary Dining Room - open not more than 20 hours per week (per 1,000 sq. ft.) - 2.0 SFE
32. Stores (other than specifically listed and without restrooms or water - per 1,000 sq. ft.) - .5 SFE
33. Stores (other than specifically listed, with restrooms - per 1,000 sq. ft., minimum - one times single family rate) - .5 SFE
34. Drive-thru Drive-ins (per drive-thru lane) - 2.0 SFE
35. Public Swimming Pool (when connected to the system - 1.0 SFE per 1,000 sq. ft. of net area of pool; see Country Club for building unit)
36. Theater (includes snack bar; per seat) - .02 SFE
37. Theater/Drive-in (per car space; includes snack bar) - .04 SFE
38. Warehouse (per 1,000 sq. ft.) - .15 SFE
39. Private Swimming Pools (home pools, per 1,000 sq. ft. net area) - 1.0 SFE

EXHIBIT 5

40. **Public Restrooms (per restroom) – 1.0 SFE**
*****Note: The minimum Fee for all users is one times the single family rate**
41. **Hot Tubs or Spas – No Fee assessment will be made for Hot Tubs installed on Single Family Lots. Hot Tubs in Multi-Family and Commercial properties shall be assessed a Fee at the rate of .2 SFE per 300 gallons**
42. **Saunas (per 500 sq. ft.) – 1.0 SFE**
43. **Health Clubs (per shower stall) - .30 SFE**
*****Note: The minimum Fee for all users is one times the single family rate**
44. **Other Uses: as determined by the Board of Directors**

EXHIBIT 6

**INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN OF GRANBY,
COLORADO, HEADWATERS METROPOLITAN DISTRICT AND GRANBY RANCH
METROPOLITAN DISTRICT, CONCERNING THE FACILITATION OF PAYMENT
OF CAPITAL FACILITIES FEES.**

THIS INTERGOVERNMENTAL AGREEMENT (the "Agreement") is made and entered into as of this 11th day of April, 2006, by and between the TOWN OF GRANBY, a municipal corporation and political subdivision of the State of Colorado ("Town"), HEADWATERS METROPOLITAN DISTRICT ("Headwaters") and GRANBY RANCH METROPOLITAN DISTRICT ("Granby Ranch"), quasi-municipal corporations and political subdivisions of the State of Colorado, formerly known as SOLVISTA METROPOLITAN DISTRICT NO. 1 and SOLVISTA METROPOLITAN DISTRICT NO. 2, respectively. Headwaters and Granby Ranch are collectively referred to herein as the "Districts." The Town and the Districts are collectively referred to herein as the "Parties."

RECITALS

WHEREAS, Article XI, Section 7, of the Colorado Constitution allows the State and its political subdivisions to give direct or indirect assistance to any other political subdivision as may be authorized by general statutes; and

WHEREAS, Article XIV, Section 18(2)(a) of the Colorado Constitution supports the cooperation or contracting by or among any of its political subdivisions to provide any function or facility lawfully authorized to each of the ~~cooperating units, including, without limitation, the sharing of costs, the imposition of taxes, or the incurring of debts; and~~

WHEREAS, Sections 29-1-201 and 203, C.R.S., permit and encourage governmental entities to make the most efficient and effective use of their powers and responsibilities by cooperating and contracting with other governmental entities to provide any function, service or facility lawfully authorized to each, including the sharing of costs; and

WHEREAS, the Districts were organized as a means of furnishing certain capital facilities and services in connection with the development of property within their boundaries, which are entirely within the boundaries of the Town (as more particularly described in their Service Plans, defined below, the "Facilities"); and

WHEREAS, the Districts are authorized to provide financing and to exercise powers as more fully set forth in their Service Plans approved by the Town on July 22, 2003 (the "Service Plans"); and

EXHIBIT 6

WHEREAS, in order to provide one source of funding of such Facilities, including to provide for the payment of any debt issued for such purpose, the Districts have previously adopted on May 26, 2005, a "Joint Resolution of Headwaters Metropolitan District and Granby Ranch Metropolitan District to Establish a Capital Facilities Fee" (the "**Original Fee Resolution**") pursuant to which the Districts imposed a "Capital Facilities Fee" payable on the date a building permit is issued by the Town for any individual lot within the Districts; and

WHEREAS, Granby Ranch intends to issue certain general obligation bonds (the "**Bonds**"), including but not limited to its Limited Tax General Obligation Bonds, Series 2006 to be issued pursuant to an Indenture of Trust executed by Granby Ranch, which Bonds are to be payable from and secured by certain ad valorem property taxes as well as the Capital Facilities Fees; and

WHEREAS, in connection with the issuance of the Bonds, the Districts anticipate adopting a resolution amending and restating the Original Fee Resolution pertaining to Capital Facilities Fees and, as a result, "**Capital Facilities Fees**" as used hereafter in this Agreement shall mean and refer to Capital Facilities Fees imposed by the Original Fee Resolution or any amendment or restatement thereof; and

WHEREAS, the Districts have requested that the Town assist them in ensuring that the Capital Facilities Fees are paid to the Districts when due, in accordance with the Original Fee Resolution or any amendment or restatement thereof; and

WHEREAS, the Town acknowledges that without the assistance of the Town as set forth herein, the Districts could not ensure payment of the Capital Facilities Fees when due, and, as a result, the amount of Bond proceeds available to fund the Facilities could be adversely impacted; and

WHEREAS, the Town Board of Trustees, upon consideration of the impacts of development within the Town on the ability of the Districts to fund the Facilities, has determined that it is in the best interests of the citizens of the Town to enter into an Intergovernmental Agreement with the Districts for the purpose of ensuring payment of the Capital Facilities Fees as provided herein; and

WHEREAS, the Town and the Districts desire to define the rights and obligations with respect to ensuring payment of Capital Facilities Fees prior to issuance of building permits for development with the Districts.

NOW, THEREFORE, in consideration of the Recitals stated above, and the mutual covenants and promises of the parties hereto, the receipt and sufficiency of which is acknowledged, the Town and the Districts agree as follows:

EXHIBIT 6

SECTION 1

REQUIREMENT FOR ISSUANCE OF BUILDING PERMITS

1.1 During the term of this Agreement, for requests for building permits that are processed by the Town for zoning or building review, the Town shall not approve the zoning portion of such building permit for any property within the boundaries of the Districts until the applicant provides a signed acknowledgment from Granby Ranch and building plans stamped by Granby Ranch indicating the applicant's payment of the required Capital Facilities Fee and stamped building plans, which acknowledgement Granby Ranch agrees to provide to any property owner in exchange for the applicable Capital Facilities Fee. Notwithstanding any of the foregoing, the Parties acknowledge that certain building permits may have been issued for property within the boundaries of the Districts prior to the date of execution of this Agreement and the Town shall not be responsible for obtaining any acknowledgement of payment of the applicable Capital Facilities Fee for such properties.

SECTION 2

USE OF CAPITAL FACILITIES FEES REVENUES

2.1 Capital Facilities Fee funds may only be used by the Districts for costs of the Facilities, including payment of the Bonds, as more particularly provided in the Original Fee Resolution or any amendment or restatement thereof.

SECTION 3

LIABILITY AND INDEMNIFICATION

3.1 The Districts shall indemnify, defend and hold the Town and its officers, agents and employees harmless from and against any and all claims or liability arising from the Town's implementation of this Agreement or the Town's enactment of ordinances or resolutions pursuant to this Agreement, or the Town's involvement in any manner with the Capital Facilities Fee. Specifically, this indemnification shall include, but not be limited to, any legal action by any party contesting this Agreement, the implementation thereof by the Town, any enabling ordinances or resolutions of the Town or the validity of the Capital Facilities Fees on the grounds of unconstitutionality, lack of authority, preemption by State law, or an alleged violation of Section 20 of Article X of the Colorado Constitution, or any other basis. The Districts shall also indemnify, defend and hold the Town, and its officers, agents and employees, harmless from and against any and all claims arising from any breach or default in the performance of the obligations on the Districts' part to be performed under the provisions of this Agreement, or arising from any intentional acts, negligence or omissions of the Districts or any of their directors, officers, agents, and employees. Such indemnification by the Districts as provided in this Section shall include all

EXHIBIT 6

costs, attorneys' fees, expenses and liabilities incurred in the defense of any claim or any action or proceeding brought on any such claim. Provided, however, nothing contained herein waives or is intended to waive any protections that may be applicable to the Districts or the Town under the Governmental Immunity Act, Section 24-10-101, *et seq.*, C.R.S., or any other rights, protections, immunities, defenses or limitations on liability provided by law, and subject to any applicable provisions of the Colorado Constitution and applicable laws. In the event the Town is named as a party in any legal action covered by the foregoing indemnification provisions, in consultation with the Town, the Districts shall select legal counsel to represent the Town in such action.

SECTION 4

TERM OF AGREEMENT

4.1 The term of this Agreement shall commence upon execution hereof and shall end on the date on which the Districts have provided notice to the Town that all Capital Facilities Fees required with respect to property in the boundaries of Granby Ranch have been paid.

SECTION 5

REMEDIES

5.1 If a party violates or breaches or fails to keep or perform any covenant, agreement, term or condition of this Agreement at the time designated; or in the event a party is in default or in violation of a term of this Agreement for which no specific time is designated, and the default or violation continues or is not remedied within thirty (30) days after notice in writing is given by the non-breaching party to the other party specifying the matter claimed to be in default, the non-breaching party shall be entitled to pursue all remedies available at law or in equity to enforce the terms of this Agreement, including the right of specific performance. Provided, however, with respect to any default that cannot be cured within thirty (30) days, such legal remedies shall not be pursued if the breaching party takes all steps necessary to cure the default within such period and thereafter continuously exercises due diligence to cure the default.

EXHIBIT 6

SECTION 6

NOTICES

6.1 All notices that may be required or given pursuant to this Agreement by a party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States first class mail, postage prepaid, and addressed as follows:

If to the Town:

Town of Granby
62543 US Highway 40, Unit 100
P.O. Box 440
Granby, Colorado 80446

With copies to:

Mr. Scotty P. Krob
Attorney at Law
8400 E. Prentice Avenue, Penthouse
Greenwood Village, Colorado 80446

If to the Districts:

Headwaters Metropolitan District
Robertson & Marchetti
28 Second Street, Suite 213
Edwards, CO 81632
Attention: Ken Marchetti

With copies to:

Mr. Gary White
White Bear & Ankele Professional Corporation
1805 Shea Center Drive, Suite 100
Highlands Ranch, Colorado 80130

EXHIBIT 6

SECTION 7

MISCELLANEOUS PROVISIONS

7.1 No modification or waiver of this Agreement or any covenant, condition or provision contained herein shall be valid unless in writing and duly executed by all parties.

7.2 This written Agreement embodies the whole Agreement between the parties and there are no inducements, promises, terms, conditions or other obligations made or entered into by the parties other than those contained herein.

7.3 This Agreement shall be binding upon the parties hereto, their respective successors or assigns, and may not be assigned by any party without the express written consent of the other parties.

7.4 All terms contained in this Agreement are severable and in the event that any of them shall be held invalid by a court of competent jurisdiction, this Agreement shall be interpreted as if such invalid term or condition is not contained herein.

7.5 The signatories to this Agreement affirm and warrant that they are fully authorized to enter into and execute this Agreement, and all necessary actions, notices, meetings and/or hearings pursuant to any law required to authorize their execution of this Agreement have been made.

7.6 This Agreement may be amended from time to time by written Agreement duly authorized by all the parties to this Agreement.

7.7 This Agreement does not and shall not be deemed to confer upon or grant to any third party any right enforceable at law or equity arising out of any term, covenant, or condition herein or the breach thereof.

7.8 This Agreement, or a memorandum of this Agreement, may be recorded in the records of the Grand County Clerk and Recorder.

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EXHIBIT 6

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

TOWN OF GRANBY, COLORADO

By: [Signature]
Edward Wang, Mayor

ATTEST: [Signature]
Deb Hess, Town Clerk



HEADWATERS METROPOLITAN DISTRICT

By: [Signature]
President

ATTEST: [Signature]
Secretary

GRANBY RANCH METROPOLITAN DISTRICT

By: [Signature]
President

ATTEST: [Signature]
Secretary

EXHIBIT 7

**AMENDED AND RESTATED JOINT RESOLUTION OF THE BOARD OF
DIRECTORS OF
HEADWATERS METROPOLITAN DISTRICT AND GRANBY RANCH
METROPOLITAN DISTRICT
TO ESTABLISH A CAPITAL FACILITIES FEE**

WHEREAS, pursuant to orders of the District Court in and for Grand County, Colorado, Headwaters Metropolitan District ("**Headwaters**") and Granby Ranch Metropolitan District ("**Granby Ranch**") and, together with Headwaters, the "**Districts**") have been duly and validly organized as metropolitan districts in accordance with Colorado law; and

WHEREAS, pursuant to Section 32-1-1001(1)(j), Colorado Revised Statutes ("**C.R.S.**"), the Districts are authorized to fix and impose fees, rates, tolls, charges and penalties for services or facilities provided by the Districts which, until paid, shall constitute a perpetual lien on and against the property served, the revenues from which fees, rates, tolls and charges may be pledged to the payment of any indebtedness of the Districts; and

WHEREAS, the Service Plans for the Districts similarly empower the Districts to impose fees, rates, tolls, charges and penalties for services and facilities; and

WHEREAS, development is presently underway within Granby Ranch and, as a result, the Districts determined that there is an immediate need to commence the provision of infrastructure to serve such development, as contemplated by the Service Plan (such infrastructure, as more particularly described in the Districts' Service Plans, referred to herein as the "**Improvements**"); and

WHEREAS, the Districts have determined that it does not have sufficient existing funding to provide such infrastructure; and

WHEREAS, in order to provide one source of funding of such infrastructure, including to provide for the payment of any debt issued for such purpose, the Districts have previously adopted on May 26, 2005, a "Joint Resolution of Headwaters Metropolitan District and Granby Ranch Metropolitan District to Establish a Capital Facilities Fee" (the "**Original Fee Resolution**") pursuant to which the Districts imposed a "Capital Facilities Fee" and, in connection therewith, Headwaters entered into certain Capital Facilities Fee Agreements (the "**Fee Agreements**") with Granby Realty Holdings LLC, and Aspen Meadows Condominiums, LLC, which Fee Agreements provide for the payment by such landowners of the Capital Facilities Fees in accordance with the Original Fee Resolution; and

WHEREAS, Granby Ranch has determined to issue its Limited Property Tax General Obligation Bonds, Series 2006 (the "**Series 2006 Bonds**") to provide for the funding of the Improvements, which Series 2006 Bonds are to be secured, in part, by the Capital Facilities Fees; and

EXHIBIT 7

WHEREAS, the Series 2006 Bonds will be issued by Granby Ranch pursuant to a Trust Indenture dated as of June 1, 2006 (the “**Indenture**”) between Granby Ranch and American National Bank, as trustee (the “**Trustee**”); and

WHEREAS, in connection with the issuance of the Series 2006 Bonds, the Districts desire to amend and restate the Original Fee Resolution to clarify certain provisions thereof, to record certain findings made with respect to the Capital Facilities Fees and to make such other changes as they have determined necessary to facilitate issuance of the Series 2006 Bonds; and

WHEREAS, the Districts have developed a plan of finance for the provision of the Improvements within their boundaries in a time frame sufficient to meet the needs of anticipated development, which plan anticipates the funding of such Improvements through developer contributions and the issuance by Granby Ranch of the Series 2006 Bonds; and

WHEREAS, the Districts have developed a structure for the imposition of Capital Facilities Fees and have determined that such structure is sufficient to defray a portion of the costs of the Improvements in the development in Granby Ranch and that the resulting Capital Facilities Fees are reasonably related to such costs; and

WHEREAS, the Districts find that the Capital Facilities Fees set forth herein are reasonably related to the services and facilities anticipated to be provided by the Districts, and that the issuance of the Series 2006 Bonds as described above constitutes a component of, and necessary step in, the provision of services and facilities serving the property subject to the Capital Facilities Fees; and

NOW THEREFORE, the Headwaters and Granby Ranch Boards of Directors hereby RESOLVE that the Original Fee Resolution is amended and restated in its entirety as follows:

1. A one-time "Capital Facilities Fee" is hereby established for all property within Granby Ranch's boundaries, commencing June 1, 2005, at the rate of (a) \$6,255.00 per residential dwelling unit (including, without limitation, condominiums, townhouses, apartments and any other attached dwelling units and detached single-family dwelling units; and (b) with respect to property utilized for commercial, office or industrial uses, \$6,255.00 per single-family equivalent, as set forth on Exhibit A hereto; provided, however, that said Capital Facilities Fees are subject to increase as the Districts may determine necessary to fund the actual costs of the Improvements, but not in excess of a cumulative increase of 10% per year.

2. The Capital Facilities Fee shall become due and owing on the date (the “Due Date”) which is the earlier of: (i) the date a building permit is issued for any individual lot; or (ii) the date specified in any prepayment contract. The specific amount of the Capital Facilities Fee due will be as specified in any prepayment contract relating to Capital Facilities Fees, or shall be the rate in effect as of the date of issuance of said building permit. All Capital Facilities Fees due hereunder shall be paid to Granby Ranch.

EXHIBIT 7

3. Interest will accrue on any outstanding Capital Facilities Fee, from the Due Date, at the rate of 12% per annum, pursuant to Section 29-1-1102(7), C.R.S.

4. The Capital Facilities Fee imposed hereunder is imposed by the Districts pursuant to C.R.S. Section 32-1-1001(1)(j) for the purpose of furnishing public facilities serving properties within Granby Ranch and is deemed by Granby Ranch to be necessary in order to fulfill its governmental purposes. As a result, the Capital Facilities Fee constitutes a valid, perpetual lien on and against the affected property, such lien securing the payment of such Capital Facilities Fee together with any late fees or penalty interest due thereon, until paid in full. Such lien shall be in a senior position as against all other liens, whether or not of record, affecting said property, other than the lien securing payment of the Amenity Fees (imposed pursuant to a resolution of the Districts adopted on May 26, 2005) which Amenity Fees shall be secured on a parity basis with the lien thereon securing payment of the Capital Facilities Fees. After any Capital Facilities Fee is paid in full, together with any applicable late fees, interest and/or legal fees, the Districts shall record a release of lien for the applicable lot or property in the public records of the Grand County Clerk and Recorder's Office.

5. All Capital Facilities Fees, late fees and penalty interest shall be paid to Granby Ranch in immediately available funds. In the event that any such amount is not paid when due, Granby Ranch shall direct its General Counsel, to undertake collection efforts for any and all outstanding amounts, in accordance with the following procedures, subject to the last sentence of this paragraph 5. Granby Ranch (or, if so directed, its General Counsel) shall send, by certified mail, a delinquency notice to the owner of any property for which Granby Ranch has not received Capital Facilities Fees five days after the due date thereof. In the event that such delinquent Capital Facilities Fees have not been received by Granby Ranch 35 days after the mailing of such notice, Granby Ranch (or, if so directed, its General Counsel) shall send to such property owner, by certified mail, a notice of intent to lien. In the event that the delinquent Capital Facilities Fees have not been paid ten days after the mailing of such notice of intent to lien, Granby Ranch (or, if so directed, its General Counsel) shall record a lien statement with respect to such unpaid Capital Facilities Fees and shall immediately commence foreclosure proceedings with respect to the subject property. Granby Ranch shall be entitled to charge the legal fees and expenses incurred in the collection effort to the owners of any such property for said collections efforts. Notwithstanding any of the foregoing, the Trustee shall also have the right, and in the event of a default by Granby Ranch under the Indenture, the Trustee shall have the sole right and obligation, to carry out such collection efforts and charge the legal fees and expenses incurred to the owners of any such property for said collections efforts. Furthermore, the Districts hereby covenant that, in the event that the lien imposed hereby is purported to be extinguished as the result of any foreclosure proceeding, the Districts will reassert such lien as a perpetual lien until paid authorized pursuant to C.R.S. §32-1-1001(1)(j).

6. The Districts hereby covenant, for the benefit of the owners of property within Granby Ranch, that all proceeds of the Capital Facilities Fees imposed hereunder will be used solely for the purpose of financing the acquisition, reimbursement, construction, replacement, maintenance and repair of the Improvements, including but not limited to paying debt service on, and other costs related to, the Series 2006 Bonds and any obligations refunding such Series 2006 Bonds and reimbursement of amounts advanced by other parties.

EXHIBIT 7

7. Headwaters hereby covenants, for the benefit of Granby Ranch and holders of the Series 2006 Bonds, that it shall direct the obligors of the Fee Agreements to pay the Capital Facilities Fees directly to Granby Ranch as provided in this Resolution. Notwithstanding the foregoing, in the event that Headwaters receives any Capital Facilities Fees while the Series 2006 Bonds or any refundings thereof remain outstanding, Headwaters shall promptly remit the same to Granby Ranch.

8. If any clause or provision of this Resolution is adjudged invalid and/or unenforceable by a court of competent jurisdiction or by operation of any law, such clause or provision shall not affect the validity of this Resolution as a whole, but shall be severed herefrom, leaving the remaining terms intact and enforceable.

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EXHIBIT 7

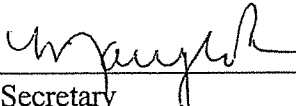
ADOPTED AND APPROVED this 7 day of June, 2006.

**HEADWATERS METROPOLITAN
DISTRICT**



President

ATTEST:



Secretary

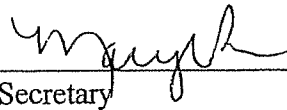
(SEAL)

**GRANBY RANCH METROPOLITAN
DISTRICT**



President

ATTEST:



Secretary

(SEAL)

EXHIBIT 7

EXHIBIT A

EXHIBIT 7

EXHIBIT A

HEADWATERS METROPOLITAN DISTRICT

**SINGLE-FAMILY EQUIVALENT (SFE) SCHEDULE
FOR COMMERCIAL USES**

1. Residential Dwelling Unit (including, without limitation, condominiums, townhouses, apartments and any other attached dwelling units, and detached single family dwelling units) - 1.0 SFE
2. Hotels and Motels (per double person room, but not including restaurant, bar, swimming pool areas, etc. – at their respective fees:
 - (c) without kitchens - .5 SFE
 - (d) with kitchens - 1.0 SFE
3. Mobile Home - 1.0 SFE
4. Cafes, Restaurants, Bars, Private Clubs - 4.0 SFE
5. Drive-in Restaurants, per car space - .25 SFE
6. Filling Stations and Garages
 - (a) without washing racks - 2.0 SFE
 - (b) Additional – each washing rack - 1.0 SFE
7. Laundry (self-service; per washer) - .25 SFE
8. Schools – per student or faculty member (w/o pool)
 - (a) without cafeteria - .02 SFE
 - (b) with cafeteria - .04 SFE
9. Hospitals – per bed - 1.0 SFE
10. Auto Dealers (per 1,000 sq. ft. of building; minimum one times single family rate) - .3 SFE
11. Barber Shops (per chair, minimum = one times single family rate) - .25 SFE
12. Beauty Shops (per chair, minimum = one times single family rate) - .4 SFE
13. Boarding House (per bed) - .25 SFE
14. Boarding School (per bed) - .25 SFE
15. Bowling Alleys (per lane, excluding bars, restaurants, etc.) - .15 SFE
16. Car Wash, Do-It-Yourself (per stall, coin operated, at 10 gallons or less per car) - 1.0 SFE
17. Car Wash, Mechanical (per stall w/o conveyor, over 10 gallons per car) - 1.5 SFE

EXHIBIT 7

18. Car Wash, Conventional - 10.0 SFE
19. Churches (per 1,000 sq. ft.; not including kitchens and dining rooms) - .4 SFE
20. Cleaners
 - (a) per 1,000 sq. ft. plus (b) – 1.0 SFE
 - (b) per press – 1.5 SFE
21. Convalescent Homes (per bed) - .25 SFE
22. Convents (per bed) - .25 SFE
23. Country Clubs (per 1,000 sq. ft. of general building area plus restaurant, bars, pools, etc., at their respective rates) – 1.5 SFE
24. Drug Stores, w/o fountain service (per 1,000 sq. ft.) – 1.0 SFE
25. Drug Stores, with fountain service (Add (a) and (b))
 - (a) per 1,000 sq. ft. - .8 SFE
 - (b) per chair - .1 SFE
26. Factories (per 1,000 sq. ft.; not including industrial wastes which shall be assigned a rate appropriate to each case) - .75 SFE
27. Fraternal Organizations (per 1,000 sq. ft. of general building; plus extras) - .5 SFE
28. Grocery Stores and Super Markets (per 1,000 sq. ft.) - .8 SFE
29. Office Buildings and Clinics (per 1,000 sq. ft.) - .75 SFE
30. Public Institutions – Other than Hospitals (per 1,000 sq. ft.) - .75 SFE
31. Auxiliary Dining Room – open not more than 20 hours per week (per 1,000 sq. ft.) – 2.0 SFE
32. Stores (other than specifically listed and without restrooms or water – per 1,000 sq. ft.) - .5 SFE
33. Stores (other than specifically listed, with restrooms – per 1,000 sq. ft., minimum – one times single family rate) - .5 SFE
34. Drive-thru Drive-ins (per drive-thru lane) – 2.0 SFE
35. Public Swimming Pool (when connected to the system – 1.0 SFE per 1,000 sq. ft. of net area of pool; see Country Club for building unit)
36. Theater (includes snack bar; per seat) - .02 SFE
37. Theater/Drive-in (per car space; includes snack bar) - .04 SFE
38. Warehouse (per 1,000 sq. ft.) - .15 SFE
39. Private Swimming Pools (home pools, per 1,000 sq. ft. net area) – 1.0 SFE

EXHIBIT 7

40. Public Restrooms (per restroom) – 1.0 SFE
***Note: The minimum Fee for all users is one times the single family rate
41. Hot Tubs or Spas – No Fee assessment will be made for Hot Tubs installed on Single Family Lots. Hot Tubs in Multi-Family and Commercial properties shall be assessed a Fee at the rate of .2 SFE per 300 gallons
42. Saunas (per 500 sq. ft.) – 1.0 SFE
43. Health Clubs (per shower stall) - .30 SFE
***Note: The minimum Fee for all users is one times the single family rate
44. Other Uses: as determined by the Board of Directors

EXHIBIT



RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Redwood Capital Finance Company, LLC
150 California Street, 22nd Floor
San Francisco, California 94111
Attention: Brian Heafey

DEED OF TRUST,
ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING

THIS DOCUMENT SECURES FUTURE ADVANCES TO FINANCE CONSTRUCTION OF IMPROVEMENTS ON THE ENCUMBERED REAL PROPERTY, AND IS MADE PURSUANT TO A REVOLVING CREDIT ARRANGEMENT AS IDENTIFIED IN C.R.S. SECTION 38-39-106(3).

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("Deed of Trust") is made as of June 1, 2005, by GRANBY REALTY HOLDINGS LLC ("Trustor"), to the Public Trustee of the County of Grand, State of Colorado, as Trustee ("Trustee"), for the benefit of REDWOOD CAPITAL FINANCE COMPANY, LLC, a Delaware limited company, as Beneficiary ("Beneficiary").

ARTICLE 1. GRANT IN TRUST

1.1 **GRANT.** For the purposes of and upon the terms and conditions in this Deed of Trust, Trustor irrevocably grants, bargains, sells, conveys and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all of that real property located in the Town of Granby, County of Grand, State of Colorado, described on Exhibit A attached hereto, together with all right, title, interest and privileges of Trustor in and to all streets, ways, roads and alleys used in connection with or pertaining to such real property, and together with all development rights or credits, air rights, water, water rights and water stock related to such real property, and all minerals, oil and gas, and other hydrocarbon substances in, on or under the real property, and all appurtenances, easements, rights and rights of way appurtenant or related thereto; all buildings, other improvements and fixtures now or hereafter located on the real property, including, but not limited to, all apparatus, equipment, and appliances used in the operation or occupancy of the real property, it being intended by the parties that all such items shall be conclusively considered to be a part of the real property, whether or not attached or affixed to the real property (the "Improvements"); all interest or estate which Trustor may hereafter acquire in the property described above, and all additions and accretions thereto, and the proceeds of any of the foregoing; (all of the foregoing being collectively referred to as the "Subject Property"). The listing of specific rights or property shall not be interpreted as a limit of general terms.

ARTICLE 2. OBLIGATIONS SECURED

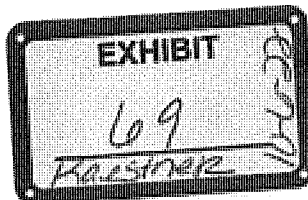
2.1 **OBLIGATIONS SECURED.** Trustor makes this Deed of Trust for the purpose of securing the following obligations ("Secured Obligations"):

- (a) Payment to Beneficiary of all sums at any time owing under that certain promissory note ("Note") of even date herewith, in the principal amount of TWENTY-NINE MILLION FIVE HUNDRED THOUSAND AND 00/100THS DOLLARS (\$29,500,000.00) executed by Trustor, and payable to the order of Beneficiary, as lender; and



THE COUNTY OF GRAND, COLORADO

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- (b) Payment and performance of all covenants and obligations of Trustor under this Deed of Trust; and
 - (c) Payment and performance of all covenants and obligations on the part of Trustor under (i) that certain Loan Agreement ("Loan Agreement") of even date herewith, by and between Trustor and Beneficiary; and (ii) each other Loan Document (as defined in the Loan Agreement) to which Trustor is a party;
 - (d) Payment and performance of all future advances and other obligations that the then record owner of all or part of the Subject Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when such future advance or obligation is evidenced by a writing which recites that it is secured by this Deed of Trust; and
 - (e) All modifications, extensions and renewals of any of the obligations secured hereby, however evidenced, including, without limitation: (i) modifications of the required principal payment dates or interest payment dates or both, as the case may be, deferring or accelerating payment dates wholly or partly; or (ii) modifications, extensions or renewals at a different rate of interest whether or not in the case of a note, the modification, extension or renewal is evidenced by a new or additional promissory note or notes.
- 2.2 **OBLIGATIONS.** The term "obligations" is used herein in its broadest and most comprehensive sense and shall be deemed to include, without limitation, all interest and charges, prepayment charges, late charges and loan fees at any time accruing or assessed on any of the Secured Obligations. Solely for purposes of applying C.R.S. § 38-39-108, this Deed of Trust secures future advances up to the total maximum principal amount of \$32,450,000. This Deed of Trust shall be effective to secure payment of all advances under the Note, both obligatory and optional, up to such amount outstanding from time to time, to the same extent and with the same effect and priority as if such total amount had been fully disbursed on or before the date of recording of this Deed of Trust.
- 2.3 **INCORPORATION.** All terms of the Secured Obligations and the documents evidencing such obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Subject Property shall be deemed to have notice of the terms of the Secured Obligations and to have notice, if provided therein, that: (a) the Note or the Loan Agreement may permit borrowing, repayment and reborrowing so that repayments shall not reduce the amounts of the Secured Obligations to the extent reborrowed; and (b) the rate of interest on one or more Secured Obligations may vary from time to time.

ARTICLE 3. ASSIGNMENT OF LEASES AND RENTS

- 3.1 **ASSIGNMENT.** Trustor hereby irrevocably assigns to Beneficiary all of Trustor's right, title and interest in, to and under: (a) all leases of the Subject Property or any portion thereof, all licenses and agreements relating to the management, leasing or operation of the Subject Property or any portion thereof, and all other agreements of any kind relating to the use or occupancy of the Subject Property or any portion thereof, whether now existing or entered into after the date hereof, if any ("Leases"); and (b) the rents, issues, deposits and profits of the Subject Property, including, without limitation, all amounts payable and all rights and benefits accruing to Trustor under the Leases ("Payments"). The term "Leases" shall also include all guarantees of and security for the lessees' performance thereunder, and all amendments, extensions, renewals or modifications thereto which are permitted hereunder. This is a present and absolute assignment, not an assignment for security purposes only, and Beneficiary's right to the Leases and Payments is not contingent upon, and may be exercised without possession of, the Subject Property.
- 3.2 **GRANT OF LICENSE.** Beneficiary confers upon Trustor a license ("License") to collect and retain the Payments as they become due and payable, until the occurrence of a Default (as hereinafter defined). Upon a Default, the License shall be automatically revoked and Beneficiary may collect

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and apply the Payments pursuant to Section 6.4 without notice and without taking possession of the Subject Property. Trustor hereby irrevocably authorizes and directs the lessees under the Leases to rely upon and comply with any notice or demand by Beneficiary for the payment to Beneficiary of any rental or other sums which may at any time become due under the Leases, or for the performance of any of the lessees' undertakings under the Leases, and the lessees shall have no right or duty to inquire as to whether any Default has actually occurred or is then existing hereunder. Trustor hereby relieves the lessees from any liability to Trustor by reason of relying upon and complying with any such notice or demand by Beneficiary.

- 3.3 **EFFECT OF ASSIGNMENT.** The foregoing irrevocable Assignment shall not cause Beneficiary to be: (a) a mortgagee in possession; (b) responsible or liable for the control, care, management or repair of the Subject Property or for performing any of the terms, agreements, undertakings, obligations, representations, warranties, covenants and conditions of the Leases; or (c) responsible or liable for any waste committed on the Subject Property by the lessees under any of the Leases or any other parties; for any dangerous or defective condition of the Subject Property; or for any negligence in the management, upkeep, repair or control of the Subject Property resulting in loss or injury or death to any Lessee, licensee, employee, invitee or other person. Beneficiary and Trustee shall not directly or indirectly be liable to Trustor or any other person as a consequence of: (i) the exercise or failure to exercise any of the rights, remedies or powers granted to Beneficiary or Trustee hereunder; or (ii) the failure or refusal of Beneficiary to perform or discharge any obligation, duty or liability of Trustor arising under the Leases.
- 3.4 **REPRESENTATIONS AND WARRANTIES.** Trustor represents and warrants that: (a) prior to the date of this Deed of Trust, Trustor delivered to Beneficiary a true, accurate and complete list of all Leases, if any; (b) all existing Leases, if any, are in full force and effect and are enforceable in accordance with their respective terms, and no breach or default, or event which would constitute a breach or default after notice or the passage of time, or both, exists under any existing Leases on the part of any party; (c) no rent or other payment under any existing Lease has been paid by any lessee for more than one (1) month in advance; and (d) none of the lessor's interests under any of the Leases has been transferred or assigned.
- 3.5 **COVENANTS.** Trustor covenants and agrees at Trustor's sole cost and expense to: (a) perform the obligations of lessor contained in the Leases and enforce, by all available remedies, performance by the lessees of the material obligations of the lessees contained in the Leases; (b) give Beneficiary prompt written notice of any default which occurs with respect to any of the Leases, whether the default be that of the lessee or of the lessor; (c) intentionally omitted; (d) deliver to Beneficiary fully executed, counterpart original(s) of each and every Lease if requested to do so; and (e) execute and record such additional assignments of any Lease or specific subordinations of any Lease to the Deed of Trust, in form and substance reasonably acceptable to Beneficiary, as Beneficiary may reasonably request. Trustor shall not, without Beneficiary's prior written consent or as otherwise permitted by any provision of the Loan Agreement: (i) enter into any Leases after the date of this Deed of Trust; (ii) execute any other assignment relating to any of the Leases; (iii) discount any rent or other sums due under the Leases or collect the same in advance, other than to collect rent one (1) month in advance of the time when it becomes due; (iv) terminate, modify or amend any of the terms of the Leases or in any manner release or discharge the lessees from any obligations thereunder; (v) consent to any assignment or subletting by any lessee; or (vi) subordinate or agree to subordinate any of the Leases to any other deed of trust or encumbrance. Any such attempted action in violation of the provisions of this Section 3.5 shall be null and void. Without in any way limiting the requirement of Beneficiary's consent hereunder, any sums received by Trustor in consideration of any termination (or the release or discharge of any lessee), modification or amendment of any Lease shall be applied to reduce the outstanding Secured Obligations and any such sums received by Trustor shall be held in trust by Trustor for such purpose.
- 3.6 **ESTOPPEL CERTIFICATES.** Within thirty (30) days after written request by Beneficiary, Trustor shall deliver to Beneficiary and to any party designated by Beneficiary estoppel certificates

EXHIBIT



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executed by Trustor and by each of the lessees, in recordable form, certifying (if such be the case): (a) that the foregoing assignment and the Leases are in full force and effect; (b) the date of each lessee's most recent payment of rent; (c) that there are no defenses or offsets outstanding, or stating those claimed by Trustor or lessees under the foregoing assignment or the Leases, as the case may be; and (d) any other information reasonably requested by Beneficiary.

ARTICLE 4. SECURITY AGREEMENT AND FIXTURE FILING

- 4.1 **SECURITY INTEREST.** Trustor hereby grants and assigns to Beneficiary as of the "Effective Date" (defined in the Loan Agreement) a security interest, to secure payment and performance of all of the Secured Obligations, in all of the following described personal property in which Trustor now or at any time hereafter has any interest (collectively, the "Collateral"):

All goods, building and other materials, supplies, work in process, equipment, machinery, fixtures, furniture, furnishings, signs and other personal property and embedded software therein, wherever situated, which are or are to be incorporated into, used in connection with, or appropriated for use on (i) the real property described on Exhibit A, attached hereto and incorporated by reference herein (to the extent the same are not effectively made a part of the real property pursuant to Section 1.1 above) or (ii) the Improvements (which real property and Improvements are collectively referred to herein as the Subject Property); together with all rents, issues, deposits and profits of the Subject Property (to the extent, if any, they are not subject to Article 3); all inventory, accounts, cash receipts, deposit accounts, the Lockbox Account and all Accounts (including the Tax and Insurance Account, Operating Expense Account and the Security Deposit Account) (each as defined in the Security Agreement and Lockbox Agreement dated as of the date hereof among Borrower, Lender and Servicer (as defined therein)); the Account (as defined in the Loan Agreement) into which Loan proceeds and borrower's funds shall be deposited from time to time; accounts receivable, contract rights, general intangibles, chattel paper (whether electronic or tangible), instruments, documents, notes, drafts, letters of credit, letter of credit rights, supporting obligations, insurance policies, insurance and condemnation awards and proceeds, any other rights to the payment of money, trade names, trademarks and service marks arising from or related to the Subject Property or any business now or hereafter conducted thereon by Trustor (including all of Trustor's right, title and interest to the Village Homes Option Agreement (as defined in the Loan Agreement)); all rights of Trustor under any interest rate hedge, cap, swap or similar agreement; all of Trustor's rights of every kind under or pursuant to the Declarations (as defined below), and all of Trustor's rights under or pursuant to any and all other documents which may hereafter be executed or otherwise made effective with respect to the creation or modification of one or more common interest communities on the Subject Property or the creation of one or more associations to govern or administer such communities, including, without limitation, all development rights, special declarant rights, rights with respect to any architectural review committee, and other rights of Trustor as a declarant, a successor declarant or an assignee of declarant under such declarations; all permits, consents, approvals, licenses, authorizations and other rights granted by, given by or obtained from, any governmental entity with respect to the Subject Property; all deposits or other security now or hereafter made with or given to utility companies by Trustor with respect to the Subject Property; all advance payments of insurance premiums made by Trustor with respect to the Subject Property; all plans, drawings and specifications relating to the Subject Property; all loan funds held by Beneficiary, whether or not disbursed; all funds deposited with Beneficiary or another depository pursuant to the Loan Agreement or any other Loan Documents; all reserves, deferred payments, deposits, accounts, refunds and payments of any kind related to the Subject Property or any portion thereof; together with all replacements and proceeds of, and additions and accessions to, any of the foregoing; together with all books, records and files relating to any of the foregoing. To the extent that any of the Collateral is deemed to be real property or a real property interest under the laws of the State of Colorado, then the same shall be deemed included within the definition of Subject Property as set forth above and included within the grant and conveyance to the Trustee. "Declarations" shall mean the following: (i) Master Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Silver Creek (recorded

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June 1, 1983), (ii) Designation of Territory (recorded January 17, 1984); (iii) First Amendment to Master Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Silver Creek (recorded December 12, 1997); (iv) Declaration of Covenants, Conditions, and Restrictions for Silver Creek Development Area (recorded May 11, 2000); (v) Large Planned Community Affidavit, Silver Creek Development Area (recorded May 11, 2000); (vi) Declaration of Covenant, SolVista Golf & Ski Ranch (recorded August 14, 2003); (vii) Amendment to Large Planned Community Affidavit, Silver Creek Development Area (recorded November 10, 2003); (viii) Supplemental Declaration (recorded March 7, 2005); and (ix) Declaration of Covenants, Conditions, and Restrictions for Silver Creek Residential (recorded May 11, 2000).

As to all of the above described personal property which is or which hereafter becomes a "fixture" under applicable law, this Deed of Trust constitutes a fixture filing under Sections 4-9-313 and 4-9-402 of the Uniform Commercial Code, as in effect in the State of Colorado from time to time ("UCC"), and is acknowledged and agreed to be a "construction mortgage" under such Sections.

- 4.2 **REPRESENTATIONS AND WARRANTIES.** Trustor represents and warrants that: (a) Trustor has, or will have, good title to the Collateral; (b) Trustor has made no presently effective assignment or encumbrance of the Collateral, and no financing statement covering any of the Collateral has been delivered to any other person or entity; and (c) Trustor's principal place of business is located at the address shown in Section 7.11.
- 4.3 **RIGHTS OF BENEFICIARY.** In addition to Beneficiary's rights as a "Secured Party" under the UCC, Beneficiary may, but shall not be obligated to, at any time without notice and at the expense of Trustor: (a) give notice to any person of Beneficiary's rights hereunder and enforce such rights at law or in equity; (b) insure, protect, defend and preserve the Collateral or any rights or interests of Beneficiary therein; (c) inspect the Collateral; and (d) upon the occurrence of a Default, endorse, collect and receive any right to payment of money owing to Trustor under or from the Collateral.
- 4.4 **RIGHTS OF BENEFICIARY ON DEFAULT.** Upon the occurrence of a Default under this Deed of Trust, then in addition to all of Beneficiary's rights as a "Secured Party" under any Loan Document, the UCC or otherwise at law:
- (a) Beneficiary may (i) upon written notice, require Trustor to assemble any or all of the Collateral and make it available to Beneficiary at a place designated by Beneficiary; (ii) without prior notice, enter upon the Subject Property or other place where any of the Collateral may be located and take possession of, collect, sell, and dispose of any or all of the Collateral, and store the same at locations acceptable to Beneficiary at Trustor's expense; (iii) sell, assign and deliver at any place and in any lawful manner all or any part of the Collateral and bid and become purchaser at any such sales; and
 - (b) Beneficiary may, for the account of Trustor and at Trustor's expense: (i) operate, use, consume, sell or dispose of the Collateral as Beneficiary deems appropriate for the purpose of performing any or all of the Secured Obligations; (ii) enter into any agreement, compromise, or settlement, including insurance claims, which Beneficiary may deem desirable or proper with respect to any of the Collateral; and (iii) endorse and deliver evidences of title for, and receive, enforce and collect by legal action or otherwise, all indebtedness and obligations now or hereafter owing to Trustor in connection with or on account of any or all of the Collateral.
 - (c) Notwithstanding any other provision hereof, Beneficiary shall not be deemed to have accepted any property other than cash in satisfaction of any obligation of Trustor to Beneficiary unless Trustor shall make an express written election of said remedy under Section 4-9-505 of the UCC, or other applicable law.
- 4.5 **POWER OF ATTORNEY.** Trustor hereby irrevocably appoints Beneficiary as Trustor's attorney-in-fact (such agency being coupled with an interest), and as such attorney-in-fact

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Beneficiary may, without the obligation to do so, in Beneficiary's name, or in the name of Trustor, prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve any of Beneficiary's security interests and rights in or to any of the Collateral, and, upon a Default hereunder, take any other action required of Trustor herein; provided, however, that Beneficiary as such attorney-in-fact shall be accountable only for such funds as are actually received by Beneficiary.

- 4.6 **POSSESSION AND USE OF COLLATERAL.** Except as otherwise provided in this Section or the other Loan Documents, so long as no Default exists under this Deed of Trust or any of the Loan Documents, Trustor may possess, use, move, transfer or dispose of any of the Collateral in the ordinary course of Trustor's business and in accordance with the Loan Agreement.

ARTICLE 5. RIGHTS AND DUTIES OF THE PARTIES

- 5.1 **TITLE.** Trustor represents and warrants that, except as disclosed to Beneficiary in a writing which refers to this warranty, Trustor lawfully holds and possesses fee simple title to the Subject Property without limitation on the right to encumber, and this Deed of Trust is a first and prior lien on the Subject Property, except that the personal property of Trustor listed on Exhibit B attached hereto (such personal property, the "Excluded Items") is subject to a prior lien (a copy of the documentation giving rise to which has been provided to Beneficiary by Trustor), and accordingly this Deed of Trust is a second lien on the Excluded Items.
- 5.2 **TAXES AND ASSESSMENTS.** Subject to Trustor's rights to contest payment of taxes as may be provided in the Loan Agreement, Trustor shall pay prior to delinquency all taxes, assessments, levies and charges imposed by any public or quasi-public authority or utility company which are or which may become a lien upon or cause a loss in value of the Subject Property or any interest therein. Trustor shall also pay prior to delinquency all taxes, assessments, levies and charges imposed by any public authority upon Beneficiary by reason of its interest in any Secured Obligation or in the Subject Property, or by reason of any payment made to Beneficiary pursuant to any Secured Obligation; provided, however, Trustor shall have no obligation to pay taxes which may be imposed from time to time upon Beneficiary and which are measured by and imposed upon Beneficiary's net income.
- 5.3 **TAX AND INSURANCE IMPOUNDS.** At Beneficiary's option at any time after the first occasion on which an Event of Default shall have occurred, Trustor shall, until all Secured Obligations have been paid in full, pay to Beneficiary monthly, annually or as otherwise directed by Beneficiary an amount estimated by Beneficiary to be equal to: (a) all taxes, assessments and levies imposed by any public or quasi-public authority or utility company which are or may become a lien upon the Subject Property and will become due for the tax year during which such payment is so directed; and (b) premiums for fire, other hazard and mortgage insurance next due. If Beneficiary determines that any amounts paid by Trustor are insufficient for the payment in full of such taxes, assessments, levies and/or insurance premiums, Beneficiary shall notify Trustor of the increased amounts required to pay all amounts due, whereupon Trustor shall pay to Beneficiary within thirty (30) days thereafter the additional amount as stated in Beneficiary's notice. All sums so paid shall not bear interest, except to the extent and in any minimum amount required by law; and Beneficiary shall, unless Trustor is otherwise in Default hereunder or under any Secured Obligation, apply said funds to the payment of, or at the sole option of Beneficiary release said funds to Trustor for the application to and payment of, such sums, taxes, assessments, levies, charges, and insurance premiums. Upon Default by Trustor hereunder or under any Secured Obligation, Beneficiary may apply all or any part of said sums to any Secured Obligation and/or to cure such Default, in which event Trustor shall be required to restore all amounts so applied, as well as to cure any other events or conditions of Default not cured by such application. Upon assignment of this Deed of Trust, Beneficiary shall have the right to assign all amounts collected and in its possession to its assignee whereupon Beneficiary and its Trustee shall be released from all liability with respect thereto.

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5.4 **PERFORMANCE OF SECURED OBLIGATIONS.** Trustor shall promptly pay and perform each Secured Obligation when due.

5.5 **LIENS, ENCUMBRANCES AND CHARGES.** Trustor shall immediately discharge any lien not approved by Beneficiary in writing that has or may attain priority over this Deed of Trust. Trustor shall pay when due all obligations secured by or reducible to liens and encumbrances which shall now or hereafter encumber or appear to encumber all or any part of the Subject Property or any interest therein, whether senior or subordinate hereto.

5.6 **DAMAGES; INSURANCE AND CONDEMNATION PROCEEDS.**

(a) The following (whether now existing or hereafter arising) are all absolutely and irrevocably assigned by Trustor to Beneficiary and, at the request of Beneficiary, shall be paid directly to Beneficiary: (i) all awards of damages and all other compensation payable directly or indirectly by reason of a condemnation or proposed condemnation for public or private use affecting all or any part of, or any interest in, the Subject Property; (ii) all other claims and awards for damages to, or decrease in value of, all or any part of, or any interest in, the Subject Property; (iii) all proceeds of any insurance policies payable by reason of loss sustained to all or any part of the Subject Property; and (iv) all interest which may accrue on any of the foregoing. Subject to applicable law, and without regard to any requirement contained in Section 5.7(d), Beneficiary may at its discretion apply all or any of the proceeds it receives to its expenses in settling, prosecuting or defending any claim and may apply the balance to the Secured Obligations in any order, and/or Beneficiary may release all or any part of the proceeds to Trustor upon any conditions Beneficiary may impose. Beneficiary may commence, appear in, defend or prosecute any assigned claim or action and may adjust, compromise, settle and collect all claims and awards assigned to Beneficiary; provided, however, in no event shall Beneficiary be responsible for any failure to collect any claim or award, regardless of the cause of the failure, including, without limitation, any malfeasance or nonfeasance by Beneficiary or its employees or agents.

(b) So long as there is no Event of Default, Beneficiary shall permit insurance proceeds held by Beneficiary to be used for repair or restoration, conditioned upon the following: (i) the deposit with Beneficiary of such additional funds which Beneficiary reasonably determines are needed to pay all costs of the repair or restoration, (including, without limitation, taxes, financing charges, insurance and rent during the repair period); (ii) the establishment of an arrangement for lien releases and disbursement of funds reasonably acceptable to Beneficiary; (iii) the delivery to Beneficiary of plans and specifications for the work, a contract for the work signed by a contractor acceptable to Beneficiary, a cost breakdown for the work and a payment and performance bond for the work, all of which shall be reasonably acceptable to Beneficiary; and (iv) the delivery to Beneficiary of evidence reasonably acceptable to Beneficiary (aa) that after completion of the work the income from the Subject Property will be sufficient to pay all expenses and debt service for the Subject Property; (bb) of the continuation of Leases reasonably acceptable to and required by Beneficiary; (cc) that upon completion of the work, the value of the Subject Property will be at least as great as it was before the damage occurred; (dd) that there has been no material adverse change in the financial condition or credit of Trustor since the date of this Deed of Trust; and (ee) of the satisfaction of any additional conditions that Beneficiary may reasonably establish to protect its security. Trustor hereby acknowledges that the conditions described above are reasonable.

5.7 **MAINTENANCE AND PRESERVATION OF THE SUBJECT PROPERTY.**

(a) Trustor covenants: (i) to insure the Subject Property against such risks as Beneficiary may reasonably require and, at Beneficiary's request, to provide evidence of such insurance to Beneficiary, and to comply with the requirements of any insurance companies insuring the Subject Property; (ii) to keep the Subject Property in good condition and repair; (iii) except in

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the ordinary course of operation of the golf course and ski facility which are part of the Subject Property and except for the construction contemplated by the Loan Agreement, not to remove or demolish the Subject Property or any part thereof, not to alter, restore or add to the Subject Property except in the ordinary course of development and operation of the Subject Property, and not to initiate or acquiesce in any change in any zoning or other land classification which affects the Subject Property except in the ordinary course of development and operation of the Subject Property without Beneficiary's prior written consent or as provided in the Loan Agreement; (iv) to complete or restore promptly and in good and workmanlike manner the Subject Property, or any part thereof which may be damaged or destroyed, without regard to the adequacy of insurance proceeds; (v) to comply with all laws, ordinances, regulations and standards, and all covenants, conditions, restrictions and equitable servitudes, whether public or private, of every kind and character which affect the Subject Property and pertain to acts committed or conditions existing thereon, including, without limitation, any work, alteration, improvement or demolition mandated by such laws, covenants or requirements; (vi) not to commit or permit waste of the Subject Property or Collateral; and (vii) to do all other acts which from the character or use of the Subject Property may be reasonably necessary to maintain and preserve its value.

- (b) Without limitation on the generality of the provisions of Section 5.7(a)(iii) above, and except as otherwise provided in the Loan Agreement or to the extent already created as of the date of this Deed of Trust, Trustor shall not, without the prior written consent of Beneficiary, which may be withheld in Beneficiary's sole discretion, consent to or allow the creation of any so-called special districts, special improvement districts, benefit assessment districts or similar districts of any nature, or any other body or entity of any type, or allow to occur any other event that would or might result in the imposition of any additional taxes, assessments or other monetary obligations or burdens on the Subject Property, and this provision shall serve as **RECORD NOTICE** to any such district or districts or any governmental entity under whose authority such district or districts exist or are being formed that, should Trustor or any other person or entity include all or any portion of the Subject Property in such district or districts, whether formed or in the process of formation, without first obtaining Beneficiary's express written consent, then the lien of this Deed of Trust and the rights and interests in the Subject Property arising by virtue of this Deed of Trust in favor of Beneficiary or its successors in interest (which term shall include, without limitation, any foreclosure purchaser or purchaser acquiring by deed-in-lieu of foreclosure, and any transferee of the Subject Property following the completion of foreclosure or any deed-in-lieu thereof) shall be senior and superior to any taxes, assessments, levies and charges of any nature, or any liens (whether statutory, contractual or otherwise) levied or imposed upon the Subject Property or any portion thereof as a result of the inclusion of the Subject Property in such district or districts.

5.8 DEFENSE AND NOTICE OF LOSSES, CLAIMS AND ACTIONS. At Trustor's sole expense, Trustor shall protect, preserve and defend the Subject Property and Collateral and title to and right of possession of the Subject Property and Collateral, the security hereof and the rights and powers of Beneficiary hereunder against all adverse claims. Trustor shall give Beneficiary prompt notice in writing of the assertion of any claim, of the filing of any action or proceeding, of the occurrence of any damage to the Subject Property or Collateral and of any condemnation offer or action.

5.9 INTENTIONALLY DELETED.

5.10 COMPENSATION; EXCULPATION; INDEMNIFICATION.

- (a) Trustor shall pay to Trustee compensation and reimbursement for services and expenses in the administration of this trust pursuant to C.R.S. Section 38-37-103, including reasonable attorneys' fees. Trustor shall pay to Beneficiary reasonable compensation for services rendered concerning this Deed of Trust, including, without limitation, any statement of amounts owing under any Secured Obligation. Beneficiary shall not directly or indirectly be

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liable to Trustor or any other person as a consequence of (i) the exercise of the rights, remedies or powers granted to Beneficiary in this Deed of Trust; (ii) the failure or refusal of Beneficiary to perform or discharge any obligation or liability of Trustor under any agreement related to the Subject Property or under this Deed of Trust; or (iii) any loss sustained by Trustor or any third party resulting from Beneficiary's failure to lease the Subject Property after a Default or from any other act or omission of Beneficiary in managing the Subject Property after a Default unless the loss is caused by the gross negligence or willful misconduct of Beneficiary and no such liability shall be asserted against or imposed upon Beneficiary, and all such liability is hereby expressly waived and released by Trustor.

- (b) Trustor indemnifies Beneficiary against, and holds Beneficiary harmless from, all losses, damages, liabilities, claims, causes of action, judgments, court costs, reasonable attorneys' fees and other legal expenses, cost of evidence of title, cost of evidence of value, and other expenses which either may suffer or incur: (i) by reason of this Deed of Trust; (ii) by reason of the execution of this trust or in performance of any act required or permitted hereunder or by law; (iii) as a result of any failure of Trustor to perform Trustor's obligations; or (iv) by reason of any alleged obligation or undertaking on Beneficiary's part to perform or discharge any of the representations, warranties, conditions, covenants or other obligations contained in any other document related to the Subject Property. The above obligation of Trustor to indemnify and hold harmless Beneficiary shall survive the release and cancellation of the Secured Obligations and the release and reconveyance or partial release and reconveyance of this Deed of Trust.
- (c) Trustor shall pay all amounts and indebtedness arising under this Section 5.10 immediately upon demand by Beneficiary together with interest thereon from the date of such demand at the rate of interest then applicable to the principal balance of the Note as specified therein.

- 5.11 **SUBSTITUTION OF TRUSTEES.** From time to time, by a writing, signed and acknowledged by Beneficiary and recorded in the Office of the Recorder of the County in which the Subject Property is situated, Beneficiary may appoint another trustee to act in the place and stead of Trustee or any successor. Such writing shall set forth any information required by law. The recordation of such instrument of substitution shall discharge Trustee herein named and shall appoint the new trustee as the trustee hereunder with the same effect as if originally named Trustee herein. A writing recorded pursuant to the provisions of this Section 5.11 shall be conclusive proof of the proper substitution of such new Trustee.
- 5.12 **DUE ON SALE OR ENCUMBRANCE.** Except as otherwise provided in the Loan Agreement, if the Subject Property or any interest therein, or if any portion of the limited liability company interests in Trustor, shall be sold, transferred, mortgaged, assigned, further encumbered or leased, whether directly or indirectly, whether voluntarily, involuntarily or by operation of law, without the prior written consent of Beneficiary, **THEN** Beneficiary, in its sole discretion, may declare all Secured Obligations immediately due and payable.
- 5.13 **RELEASES, EXTENSIONS, MODIFICATIONS AND ADDITIONAL SECURITY.** Without notice to or the consent, approval or agreement of any persons or entities having any interest at any time in the Subject Property or in any manner obligated under the Secured Obligations ("Interested Parties"), Beneficiary may, from time to time, release any person or entity from liability for the payment or performance of any Secured Obligation, take any action or make any agreement extending the maturity or otherwise altering the terms or increasing the amount of any Secured Obligation, or accept additional security or release all or a portion of the Subject Property and other security for the Secured Obligations. None of the foregoing actions shall release or reduce the personal liability of any of said Interested Parties, or release or impair the priority of the lien of this Deed of Trust upon the Subject Property and Collateral.
- 5.14 **RELEASE; PARTIAL RELEASE.** Beneficiary shall release this Deed of Trust and the lien hereof by proper instrument upon payment and discharge of all Secured Obligations, including payment of

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all reasonable expenses incurred by Beneficiary in connection with the execution of such release. In addition, Trustor shall be entitled to releases of portions of the Subject Property from the lien of this Deed of Trust as set forth in Section 2.14 of the Loan Agreement.

- 5.15 **SUBROGATION.** Beneficiary shall be subrogated to the lien of all encumbrances, whether released of record or not, paid in whole or in part by Beneficiary pursuant to this Deed of Trust or by the proceeds of any loan secured by this Deed of Trust.
- 5.16 **RIGHT OF INSPECTION.** Beneficiary, its agents and employees, may enter the Subject Property at any reasonable time, after reasonable notice to Trustor, for the purpose of inspecting the Subject Property and ascertaining Trustor's compliance with the terms hereof.
- 5.17 **WETLANDS.** Trustor hereby represents and warrants to Beneficiary that any portion of the Subject Property consisting of or classified as wetlands, tidelands, or swamp and overflow lands shall not be developed in any manner which would violate any applicable statute, ordinance, rule or regulation of, or ownership or other right of, any federal, state or local governmental authority. Trustor shall indemnify, defend and hold Beneficiary harmless from and against any and all losses, costs, claims, damages, liabilities, causes of action, judgments, court costs, reasonable attorneys' fees and other legal expenses which directly or indirectly arise out of or are in any way connected with the presence on the Subject Property of wetlands, tidelands or swamp and overflow lands, or any breach of the forgoing representation and warranty. The forgoing obligation of the Trustor to indemnify, defend and hold harmless Beneficiary shall survive the satisfaction, release and/or cancellation of the Secured Obligations and the release or partial release of this Deed of Trust.

ARTICLE 6. DEFAULT PROVISIONS

- 6.1 **DEFAULT.** For all purposes hereof, the term "Default" shall mean (a) at Beneficiary's option, the failure of Trustor to make any payment of principal or interest on the Note or to pay any other amount due hereunder or under the Note when the same is due and payable, whether at maturity, by acceleration or otherwise; (b) the failure of Trustor to perform any non-monetary obligation hereunder, or the failure to be true of any representation or warranty of Trustor contained herein and the continuance of such failure for thirty (30) days after notice, or within any longer grace period, if any, allowed in the Loan Agreement for such failure; or (c) the existence of any Event of Default as defined in the Loan Agreement.
- 6.2 **RIGHTS AND REMEDIES.** At any time after Default, Beneficiary shall have all the following rights and remedies:
- (a) With or without notice, to declare all Secured Obligations immediately due and payable;
 - (b) With or without notice, and without releasing Trustor from any Secured Obligation, and without becoming a mortgagee in possession, to cure any breach or Default of Trustor and, in connection therewith, to enter upon the Subject Property and do such acts and things as Beneficiary deems necessary or desirable to protect the security hereof, including, without limitation: (i) to appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust or the rights or powers of Beneficiary under this Deed of Trust; (ii) to pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien which, in the sole judgment of Beneficiary, is or may be senior in priority to this Deed of Trust, the judgment of Beneficiary being conclusive as between the parties hereto; (iii) to obtain insurance; (iv) to pay any premiums or charges with respect to insurance required to be carried under this Deed of Trust; or (v) to employ counsel, accountants, contractors and other appropriate persons;
 - (c) To commence and maintain an action or actions in any court of competent jurisdiction to foreclose this instrument as a mortgage or to obtain specific enforcement of the covenants of

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Trustor hereunder, and Trustor agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy and that for the purposes of any suit brought under this subparagraph, Trustor waives the defense of laches and any applicable statute of limitations;

- (d) To apply to a court of competent jurisdiction for and obtain appointment of a receiver of the Subject Property as a matter of strict right and without regard to the adequacy of the security for the repayment of the Secured Obligations, the existence of a declaration that the Secured Obligations are immediately due and payable, or the filing of a notice of default, and Trustor hereby consents to such appointment;
- (e) To enter upon, possess, manage and operate the Subject Property or any part thereof, to take and possess all documents, books, records, papers and accounts of Trustor or the then owner of the Subject Property, to make, terminate, enforce or modify Leases of the Subject Property upon such terms and conditions as Beneficiary deems proper, to make repairs, alterations and improvements to the Subject Property as necessary, in Beneficiary's sole judgment, to protect or enhance the security hereof;
- (f) In person, by agent or by receiver, to enter upon, possess, manage and operate the Subject Property or any part thereof, to take and possess all documents, books, records, papers and accounts of Trustor or the then owner of the Subject Property, to make repairs, alterations and improvements to the Subject Property, and to do other acts, as necessary, in Beneficiary's sole judgment, to protect or enhance the security hereof. Without limiting the foregoing, and either with or without taking possession, Beneficiary, in its own name, shall have the right to terminate the license granted to Trustor in Section 3.2 hereof to receive the Payments and sue for or otherwise collect and receive such Payments, including those past due and unpaid, and apply the same as provided below in this Section 6.2(e). Without limiting the generality of the foregoing, Beneficiary may make, modify, enforce, cancel or accept surrender of any Lease; remove or evict any lessee; increase or decrease Payments under any Lease; appear in and defend any action or proceeding purporting to affect the Subject Property; perform and discharge each and every obligation, covenant and agreement of Trustor contained in any Lease; perform the obligations of Trustor under any purchase agreement affecting the Subject Property; continue the development, marketing and sale of the Subject Property or any portion thereof; complete any construction or development of the Subject Property; use all stores of materials and supplies on the Subject Property and replace and replenish such items at the expense of the receivership estate; borrow from Beneficiary such funds as may be reasonably be necessary to the effective exercise of the receiver's powers on such terms as may be agreed upon by the receiver and Beneficiary, but not in excess of the Default Interest Rate (as defined in the Note); and generally do anything which Trustor could legally do if Trustor were still in possession. Beneficiary may also take possession of any and all Payments that may previously have been collected by or on behalf of Trustor and that remain in the possession or control of Trustor, whether or not commingled with other funds of Trustor, and together with any bank or similar accounts in which payments may have been deposited or held. Upon request of Beneficiary, Trustor shall assemble and make available to Beneficiary at the Subject Property any of Collateral which is not located thereat or has been removed therefrom. The entering upon and taking possession of Subject Property, the collection of any payments and the application thereof as aforesaid, shall not cure or waive any Default theretofore or thereafter occurring or affect any notice of Default hereunder or invalidate any act done pursuant to any such notice. Beneficiary or Beneficiary's agent shall have access to the books and records used in the operation and maintenance of the Subject Property and shall be liable to account for those Payments actually received. Beneficiary shall not be liable to Trustor, anyone claiming under or through Trustor or anyone having an interest in the Subject Property by reason of anything done or left undone by Beneficiary. Nothing contained in this Section 6.2 shall require Beneficiary to incur any expense or do any act. If the Payments are not sufficient to meet the costs of taking control of and managing the

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Subject Property and collecting the Payments, any funds expended by Beneficiary for such purposes shall become indebtedness of Trustor to Beneficiary secured by this Deed of Trust. Such amounts, together with interest and reasonable attorneys' fees, if applicable, as provided in Section 6.8 hereof, shall be immediately due and payable in accordance with the provisions hereof. Notwithstanding Beneficiary's continuance in possession or receipt in application of Payments, Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust or by law upon or after the occurrence of a Default, including the right to exercise the power of sale. Any of the actions referred to in this Section 6.2(a) may be taken by Beneficiary at such time as Beneficiary is so entitled, without regard to the adequacy of any of the Secured Obligations. All Payments collected by or on behalf of Beneficiary shall be applied as follows: (i) first, to the payment of all reasonable of fees of the receiver approved by the courts; (ii) second, to the payment of all prior and current real estate taxes and special assessments with respect to the Subject Property; (iii) third, to the payment of premiums then due for the insurance required by the provisions of this Deed of Trust; (iv) fourth, to the payment of payment of expenses incurred for normal maintenance of the Subject Property in such order of priority as Beneficiary shall deem proper, including the payment of reasonable management, brokerage and attorneys' fees and the disbursement and maintenance without interest of a reserve for replacement; (v) fifth, (A) if received prior to any foreclosure sale of the Subject Property, then to Beneficiary for payment of the indebtedness secured by this Deed of Trust then due and payable, but no such payment made after acceleration of the indebtedness secured hereby shall affect such acceleration, and (B) if received during or with respect to the period of redemption after a foreclosure sale of the Subject Property, then:

(aa) If the purchaser at the foreclosure sale is not Beneficiary, first to Beneficiary to the extent of any deficiency of the sale proceeds to repay the indebtedness secured hereby, second to the purchaser as a credit to the redemption price, but only if the Subject Property is not redeemed, then (to the extent allowable under Colorado law or other applicable state law) to the purchaser of the Subject Property; and

(bb) If the purchaser at the foreclosure sale is Beneficiary, to Beneficiary to the extent of any deficiency of the sale proceeds to repay the indebtedness secured hereby and the balance to be retained by Beneficiary as a credit to the redemption price, but if the Subject Property is not redeemed, then (to the extent allowable under Colorado law or other applicable state law) to Beneficiary, whether or not such deficiency exists;

The rights and powers of Beneficiary under this Deed of Trust and the application of payments as provided above shall continue until expiration of the redemption period from any foreclosure sale, whether or not any deficiency remains after a foreclosure sale;

- (g) To resort to and realize upon the security hereunder and any other security now or later held by Beneficiary concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non-judicial proceedings, or both, and to apply the proceeds received upon the Secured Obligations all in such order and manner as Beneficiary determines in its sole discretion; and
- (h) Upon sale of the Subject Property at any judicial or non-judicial foreclosure, Beneficiary may credit bid (as determined by Beneficiary in its sole and absolute discretion) all or any portion of the Secured Obligations. In determining such credit bid, Beneficiary may, but is not obligated to, take into account all or any of the following: (i) appraisals of the Subject Property as such appraisals may be discounted or adjusted by Beneficiary in its sole and absolute underwriting discretion; (ii) expenses and costs incurred by Beneficiary with respect to the Subject Property prior to foreclosure; (iii) expenses and costs which Beneficiary anticipates will be incurred with respect to the Subject Property after foreclosure, but prior to resale, including, without limitation, costs of structural reports and other due diligence, costs to carry the Subject Property prior to resale, costs of resale (e.g. commissions, reasonable

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attorneys' fees, and taxes), costs of any hazardous materials clean-up and monitoring, costs of deferred maintenance, repair, refurbishment and retrofit, costs of defending or settling litigation affecting the Subject Property, and lost opportunity costs (if any), including the time value of money during any anticipated holding period by Beneficiary; (iv) declining trends in real property values generally and with respect to properties similar to the Subject Property; (v) anticipated discounts upon resale of the Subject Property as a distressed or foreclosed property; (vi) the fact of additional collateral (if any), for the Secured Obligations; and (vii) such other factors or matters that Beneficiary (in its sole and absolute discretion) deems appropriate. In regard to the above, Trustor acknowledges and agrees that: (a) Beneficiary is not required to use any or all of the foregoing factors to determine the amount of its credit bid; (b) this Section does not impose upon Beneficiary any additional obligations that are not imposed by law at the time the credit bid is made; (c) the amount of Beneficiary's credit bid need not have any relation to any loan-to-value ratios previously discussed between Trustor and Beneficiary; and (d) Beneficiary's credit bid may be (at Beneficiary's sole and absolute discretion) higher or lower than any appraised value of the Subject Property.

- 6.3 APPLICATION OF FORECLOSURE SALE PROCEEDS.** Except as otherwise may be required by applicable law, Trustee shall apply all proceeds of any foreclosure sale as follows: (a) to the costs and expenses of exercising the power of sale and of sale, including the payment of Trustee's fees and reasonable attorneys' fees actually incurred pursuant to C.R.S. Section 38-37-103; (b) to payment of all sums expended by Beneficiary under the terms hereof and not then repaid, with accrued interest at the rate of interest specified in the Note to be applicable on or after maturity or acceleration of the Note; (c) to payment of all other Secured Obligations; and (d) the remainder, if any, to the person or persons legally entitled thereto.
- 6.4 APPLICATION OF OTHER SUMS.** All sums received by Beneficiary under this Deed of Trust, other than sums referred to in Section 6.3 shall, unless expressly provided to the contrary elsewhere, be applied to: (a) all costs and expenses incurred by Beneficiary, Trustee or any receiver under Section 6.2(d), including, without limitation, reasonable attorneys' fees; and (b) the remainder, in payment of the Secured Obligations in such order as Beneficiary shall determine in its sole discretion; provided, however, Beneficiary shall have no liability for funds not actually received by Beneficiary (or, in the case of a credit bid, deemed received).
- 6.5 NO CURE OR WAIVER.** Neither Beneficiary's nor Trustee's nor any receiver's entry upon and taking possession of all or any part of the Subject Property and Collateral, nor any collection of rents, issues, profits, insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any Secured Obligation, nor the exercise or failure to exercise of any other right or remedy by Beneficiary or Trustee or any receiver shall cure or waive any breach, Default or notice of default under this Deed of Trust, or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid and performed and Trustor has cured all other defaults), or impair the status of the security, or prejudice Beneficiary or Trustee in the exercise of any right or remedy, or be construed as an affirmation by Beneficiary of any tenancy, lease or option or a subordination of the lien of this Deed of Trust.
- 6.6 PAYMENT OF COSTS, EXPENSES AND ATTORNEYS' FEES.** Trustor agrees to pay to Beneficiary, within ten (10) days after demand, all costs and expenses incurred by Trustee and Beneficiary pursuant to Section 6.2 (including, without limitation, court costs and reasonable attorneys' and paralegals' fees, whether internal or external and whether incurred in litigation or not) with interest from the date of notice of expenditure until said sums have been paid at the rate of interest then applicable to the principal balance of the Note as specified therein.
- 6.7 POWER TO FILE NOTICES AND CURE DEFAULTS.** Trustor hereby irrevocably appoints Beneficiary and its successors and assigns, as its attorney-in-fact, which agency is coupled with an interest, (a) to execute and/or record any notices of completion, cessation of labor, or any other notices that Beneficiary deems appropriate to protect Beneficiary's interest, (b) upon the issuance

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of a deed pursuant to the foreclosure of this Deed of Trust or the delivery of a deed in lieu of foreclosure, to execute all instruments of assignment or further assurance with respect to the Leases and Payments in favor of the grantee of any such deed, as may be necessary or desirable for such purpose, (c) to prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve Beneficiary's security interests and rights in or to any of the Collateral, and (d) upon the occurrence of an event, act or omission which, with notice or passage of time or both, would constitute a Default, Beneficiary may perform any obligation of Trustor hereunder; provided, however, that: (i) Beneficiary as such attorney-in-fact shall only be accountable for such funds as are actually received by Beneficiary; and (ii) Beneficiary shall not be liable to Trustor or any other person or entity for any failure to act under this Section.

ARTICLE 7. MISCELLANEOUS PROVISIONS

- 7.1 ADDITIONAL PROVISIONS. The Loan Documents contain or incorporate by reference the entire agreement of the parties with respect to matters contemplated herein and supersede all prior negotiations. The Loan Documents grant further rights to Beneficiary and contain further agreements and affirmative and negative covenants by Trustor which apply to this Deed of Trust and to the Subject Property and such further rights and agreements are incorporated herein by this reference.
- 7.2 MERGER. No merger shall occur as a result of Beneficiary's acquiring any other estate in, or any other lien on, the Subject Property unless Beneficiary consents to a merger in writing. Furthermore, the assignment of the Payments and other liens, security interests, rights and remedies granted hereunder to Beneficiary, and the covenants, representations, warranties and obligations of Trustor which are not satisfied or discharged by any foreclosure of the Subject Property, shall survive such foreclosure and remain in force and affect thereafter, it being acknowledged and agreed that all obligations of Trustor and rights and remedies of Beneficiary set forth herein are contractual in nature, and such obligations, rights and remedies, and all liens, assignments, security interests and other security provided to Beneficiary hereunder and under the other Loan Documents (but excluding the lien against the Subject Property or portions thereof that are foreclosed), shall not be extinguished by the subject foreclosure.
- 7.3 OBLIGATIONS OF TRUSTOR, JOINT AND SEVERAL. If more than one person has executed this Deed of Trust as "Trustor", the obligations of all such persons hereunder shall be joint and several.
- 7.4 INTENTIONALLY DELETED.
- 7.5 WAIVER OF MARSHALING RIGHTS. Trustor, for itself and for all parties claiming through or under Trustor, and for all parties who may acquire a lien on or interest in the Subject Property, hereby waives all rights to have the Subject Property and/or any other property, including, without limitation, the Collateral, which is now or later may be security for any Secured Obligation ("Other Property") marshaled upon any foreclosure of this Deed of Trust or on a foreclosure of any other security for any of the Secured Obligations. Beneficiary shall have the right to sell, and any court in which foreclosure proceedings may be brought shall have the right to order a sale of, the Subject Property and any or all of the Collateral or Other Property as a whole or in separate parcels, in any order that Beneficiary may designate.
- 7.6 RULES OF CONSTRUCTION. When the identity of the parties or other circumstances make it appropriate the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. The term "Subject Property" means all and any part of the Subject Property and any interest in the Subject Property.

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- 7.7 **SUCCESSORS IN INTEREST.** The terms, covenants, and conditions herein contained shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto; provided, however, that this Section 7.7 does not waive or modify the provisions of Section 5.12.
- 7.8 **EXECUTION IN COUNTERPARTS.** This Deed of Trust may be executed in any number of counterparts, each of which, when executed and delivered to Beneficiary, will be deemed to be an original and all of which, taken together, will be deemed to be one and the same instrument.
- 7.9 **GOVERNING LAW; FORUM.** This Deed of Trust shall be governed by, and construed and enforced in accordance with, the laws of the State of California, except that (a) the nature and incidents of the real property interest created by this Deed of Trust, the procedure for perfecting that interest and the procedure for enforcing the rights and remedies of Beneficiary under this Deed of Trust against the Subject Property, and (b) the creation, perfection, priority and enforcement of the security interests in the Collateral granted by Trustor under this Deed of Trust, shall be governed by and construed in accordance with the laws of the State of Colorado. Trustor and Beneficiary irrevocably agree that, except as Beneficiary may elect in the exercise of its rights under Section 6.2 above, any legal action or proceeding arising out of or relating to this Deed of Trust or the Secured Obligations may be instituted and conducted only in any state or federal court sitting in San Francisco County, California, and that the exclusive venue for any such action or proceeding shall be in San Francisco County, California. Trustor hereby irrevocably submits generally and unconditionally to the jurisdiction of any such court for any such legal action or proceeding and hereby irrevocably waives to the fullest extent permitted by law any objection which Trustor may now or hereafter have to such jurisdiction of any legal action or proceeding or to the laying of venue in San Francisco County, California.
- 7.10 **INCORPORATION.** Exhibits A and B, as attached, are incorporated into this Deed of Trust by this reference.
- 7.11 **NOTICES.** All notices or other communications required or permitted under this Deed of Trust must be in writing and must be personally delivered; mailed by U.S. registered or certified mail, return receipt requested, postage prepaid; sent by nationally recognized private courier service; or transmitted by telecopy, delivered or addressed to the appropriate party at its respective address set forth below.

Trustor:	Granby Realty Holdings LLC 999 Village Road P.O. Box 1110 Granby, CO 80448 Attn: Gerald E. Engle
Beneficiary:	Redwood Capital Finance Company, LLC 150 California Street, 22 nd Floor San Francisco, California 94111 Attn: Brian Heafey

Any party may change its address by giving written notice to the other party in accordance with this Section 7.11. If any notice or other communication is given by registered or certified mail, it will be effective seventy-two (72) hours after it is deposited in the U.S. mail, postage prepaid; or if given by any other permitted means, when it is received at the above address.

- 7.12 **NON-WAIVER.** No waiver of any Default or breach by Trustor hereunder or under any of the other Loan Documents shall be implied from any omission by Beneficiary to take action on account of such Default or breach, and no express waiver shall affect any Default or breach other than the Default or breach specified in the waiver and the waiver shall be operative only for the time and to the extent therein stated. A waiver of any covenant, term or condition contained herein or in any of

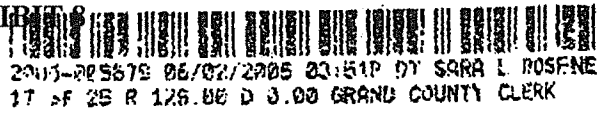
EXHIBIT

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the other Loan Documents shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The acceptance by Beneficiary of any sum in an amount less than the sum then due shall be deemed an acceptance on account only and upon condition that it shall not constitute a waiver of the obligation of Trustor to pay the entire sum then due, and Trustor's failure to pay such entire sum then due shall be and continue to be a Default notwithstanding such acceptance of such amount on account, as aforesaid, and Beneficiary or Trustee shall be at all times thereafter and until the entire sum then due shall have been paid, and notwithstanding the acceptance by Beneficiary thereafter of further sums on account, or otherwise, entitled to exercise all rights in this Deed of Trust conferred upon them, or either of them, upon the occurrence of a Default, and the right to proceed with a sale under any notice of Default and election to sell, shall in no way be impaired, whether any of such amounts are received prior or subsequent to such notice. Consent by Beneficiary to any transaction or action which is subject to consent or approval of Beneficiary hereunder or under any of the other Loan Documents shall not be deemed a waiver of the right to require such consent or approval to future or successive transactions or actions.

- 7.13 **TIME.** Time is of the essence of this Deed of Trust and each provision hereof of which time is an element.
- 7.14 **CORRECTIONS.** Trustor will, upon request of Beneficiary or Trustee, promptly correct any defect, error or omission which may be discovered in the contents of this Deed of Trust or in the execution or acknowledgment hereof, and will execute, acknowledge and deliver such further instruments and do such further acts as may be necessary or as may be reasonably requested by Beneficiary or Trustee to carry out more effectively the purposes of this Deed of Trust, to subject to the lien and security interest hereby created any of Trustor's properties, rights or interest covered or intended to be covered hereby, and to perfect and maintain such lien and security interest.

EXHIBIT 8



IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year set forth above.

"TRUSTOR"

GRANBY REALTY HOLDINGS LLC,
a Colorado limited liability company

By: 
Gerald E. Engle, Manager

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

EXHIBIT 8

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**EXHIBIT A
DESCRIPTION OF SUBJECT PROPERTY**

All the certain real property located in the County of Grand, State of Colorado, described as follows:

The following property located in Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado:

Section 3:

The SW1/4SW1/4, EXCEPT that portion lying within the Denver and Rio Grande Western Railroad right-of-way;
N1/2SW1/4;
SW1/4NW1/4.

Section 4:

The S1/2, EXCEPT that portion located within the Denver and Rio Grande Western Railroad right-of-way;
S1/2NW1/4, EXCEPT that portion located within the Denver and Rio Grande Western Railroad right-of-way;
SE1/4NE1/4, EXCEPT S1/2 NW1/4 and the NE1/4 NE1/4 SW1/4 of Section 4, Township 1 North, Range 76 West of the 6th P.M. lying northerly of the Denver and Rio Grande Western Railroad right-of-way.

Section 5:

The SW1/4, EXCEPT SILVERSAGE SUBDIVISION;
W1/2SE1/4;
Lot 5;
Lot 6;
S1/2N1/2, EXCEPT that portion located within the Denver and Rio Grande Western Railroad right-of-way.

Section 6:

That portion of the S1/2NE1/4 located east of Highway 40;
That portion of the N1/2SE1/4 located east of Highway 40 and north of (1) the SILVERSAGE SUBDIVISION, and (2) the tract of land conveyed by SilverCreek Development Company to Teddy Gene Kellner by the Warranty Deed recorded in the real property records of Grand County, Colorado on January 6, 1987, in Book 410 at Page 642.

Section 7 (Entrance Parcel):

That portion of the NE1/4SE1/4 lying Easterly of Highway 40, EXCEPT (1) THE INN AT SILVERCREEK SUBDIVISION, and (2) that portion lying north of the property

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described in the deed to Val Moritz Village, Inc. recorded in the real property records of Grand County, Colorado on July 14, 1971, in Book 178 at Page 709.

Section 8:

NW1/4NW1/4NW1/4;

E1/2NW1/4NW1/4;

E1/2NW1/4, EXCEPT (1) THE SILVERSAGE SUBDIVISION, (2) THE INNSBRUCK-VAL MORITZ SUBDIVISION, and (3) THE INN AT SILVERCREEK SUBDIVISION;

NE1/4SW1/4, EXCEPT (1) that portion located within THE INNSBRUCK-VAL MORITZ SUBDIVISION, and (2) that portion located within THE LAKEVIEW SUBDIVISION;

Lots 1 and 2;

E1/2E1/2;

NW1/4SE1/4.

Section 9:

Lots 1, 2, 3, 7, 8 and 9;

NE1/4SW1/4;

E1/2NW1/4;

N1/2NE1/4, EXCEPT that portion located within the Denver and Rio Grande Western Railroad right-of-way.

Section 10:

NW1/4NW1/4, EXCEPT that portion located within the Denver and Rio Grande Western Railroad right-of-way.

Section 15:

W1/2W1/2;

E1/2NW1/4, EXCEPT (1) the 23.99 acre open space parcel shown on the Final Plat of EAGLECREST SUBDIVISION, and (2) that portion located within the Denver and Rio Grande Western Railroad right-of-way.

Section 16:

ALL, EXCEPT (1) the 11.91 acre open space parcel shown on the Final Plat of SKI HAVEN ESTATES - PHASE I SUBDIVISION, (2) that portion of Phase I of THE SUMMIT AT SILVERCREEK platted as THE SUMMIT AT SILVERCREEK CONDOMINIUMS by the As Built Plat recorded in the real property records of Grand County, Colorado on February 22, 1985 at Reception No. 226723, (3) THE MOUNTAINSIDE AT SILVERCREEK PHASE I SUBDIVISION (including the 2.4

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acre open space parcel shown on the final plat of such subdivision), (4) THE MOUNTAINSIDE AT SILVERCREEK PHASE II SUBDIVISION (including the 0.22 acre open space parcel shown on the final plat of such subdivision), (5) THE KICKING HORSE LODGES SUBDIVISION, (6) Lots 1 and 2, Block 4, SILVERGATE SUBDIVISION, (7) the two open space parcels shown on the final plat of SILVERGATE SUBDIVISION, and (8) the property described in the Quit Claim Deed from SilverCreek Development Company to The Summit at SilverCreek Homeowner's Association, recorded in the real property records of Grand County, Colorado on April 23, 1990 in Book 462 at Page 890. .

Section 17:
E1/2SW1/4;
SE1/4;
E1/2NE1/4.

Section 20:
NE1/4NW1/4;
NE1/4, EXCEPT (1) VAL MORITZ VILLAGE (SECOND FILING), and (2) the 7.8 acre open space parcel shown on the final plat of WESTRIDGE SUBDIVISION;
N1/2SE1/4, EXCEPT (1) VAL MORITZ VILLAGE (FIRST FILING), and (2) VAL MORITZ (SECOND FILING);
SE1/4SE1/4, EXCEPT VAL MORITZ VILLAGE (FIRST FILING).

Section 21:
ALL, EXCEPT (1) VAL MORITZ VILLAGE (FIRST FILING), and (2) VAL MORITZ VILLAGE (SECOND FILING).

Section 22:
W1/2NW1/4.

Section 28:
ALL, EXCEPT (1) VAL MORITZ VILLAGE (FIRST FILING), and (2) that portion conveyed by Val Moritz Group, Ltd., d/b/a SilverCreek Development Company, a Colorado limited partnership to Highlands Property Owners Group, Inc., a Colorado non-profit corporation by instrument recorded August 1, 1990, in Book 467 at Page 130.

Section 29:
NE1/4NE1/4;
S1/2 NE1/4;
SE1/4;
EXCEPT FROM SAID SECTION 29 (1) VAL MORITZ VILLAGE (FIRST FILING),
and

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(2) the tract of land conveyed by Plaza Resources Company to Grand Investments, LLC by Special Warranty Deed recorded October 13, 1995 at Reception No. 95008910.

Section 32:

NE1/4, EXCEPT that portion lying within the Highway 40 right-of-way.

Section 33:

NW1/4;

NW1/4NE1/4;

S1/2NE1/4, EXCEPT (1) that portion conveyed by Val Moritz Investment Group, et al. to Grand County by instruments recorded May 18, 1983, in Book 328 at Page 625 and 628, June 8, 1983, in Book 329 at Page 809, May 22, 1984, in Book 350 at Pages 946 and 947, July 18, 1984, in Book 354 at Page 124, June 17, 1985, in Book 375 at Pages 46 and 48, August 23, 1985, in Book 379 at Page 963 and September 25, 1985, in Book 381 at Page 755, and (2) that portion conveyed by Val Moritz Investment Group, Ltd., d/b/a SilverCreek Development Company, a Colorado limited partnership to Highlands Property Owners Group, Inc., a Colorado non-profit corporation by instrument recorded August 1, 1990, in Book 467 at Page 130.

Commercial West Parcel:

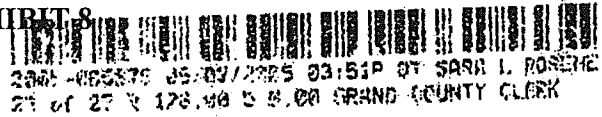
That portion of Section 6 and Section 7, Township 1 North, Range 76 West of the Sixth P.M., Grand County, Colorado, more particularly described as follows:

All information contained herein is based upon the location of the existing B.L.M. brass cap monuments as established by the Bureau of Land Management dependent resurvey of a portion of Township 1 North, Range 76 West of the Sixth P.M., accepted October 10, 1979 and filed in the Colorado State Office November 1, 1979.

Considering the North line of the Northwest one-quarter (NW1/4) of the Northeast one-quarter (NE1/4) of said Section 7 as evidenced by an existing B.L.M. brass cap monument at the Northwest corner of the Northwest one-quarter (NW1/4) of the Northeast one-quarter (NE1/4) of said Section 7 and an existing B.L.M. brass cap monument at the Northeast corner of the Northwest one-quarter (NW1/4) of the Northeast one-quarter (NE1/4) of said Section 7 as bearing South 89° 11' 02" East and with all bearings contained herein relative hereto.

Beginning at the Northwest corner of the Northwest one-quarter (NW1/4) of the Northeast one-quarter (NE1/4) of said Section 7,

EXHIBIT 8



thence along the North line of the Northwest one-quarter (NW1/4) of the Northeast one-quarter (NE1/4) of said Section 7 South 89° 11' 02" East, 980.44 feet to the True Point of Beginning,

thence continuing along the North line of the Northwest one-quarter (NW1/4) of the Northeast one-quarter (NE1/4) of said Section 7 South 89° 11' 02" East, 334.12 feet to the Northeast corner of the Northwest one-quarter (NW1/4) of the Northeast one-quarter (NE1/4) of said Section 7,

thence along the East line of the Northwest one-quarter (NW1/4) of the Northeast one-quarter (NE1/4) of said Section 7 South 07° 12' 35" West, 1,277.49 feet to the Southeast corner of the Northwest one-quarter (NW1/4) of the Northeast one-quarter (NE1/4) of said Section 7 as evidenced by an existing B.L.M. brass cap monument, said point also being the Southwest corner of the Northeast one-quarter (NE1/4) of the Northeast one-quarter (NE1/4) of said Section 7,

thence along the South line of the Northeast one-quarter (NE1/4) of the Northeast one-quarter (NE1/4) of said Section 7 South 87° 57' 16" East, 912.53 feet,

thence North 02° 02' 44" East, 75.00 feet,

thence South 87° 57' 16" East, 114.54 feet to a point on the West right-of-way line of Highway 40, said point being on a curve concave to the Southwest, having a partial central angle of 01° 51' 52" and a radius of 1,282.50 feet, a radial line through said point bears North 82° 24' 55" East,

thence Northwesterly along the arc of said curve and said West right-of-way line 41.73 feet to the end of said curve, a radial line through said end of curve bears North 80° 33' 03" East,

thence along the West right-of-way line of said Highway 40, North 00° 58' 57" West, 243.40 feet to an existing highway right-of-way marker set in concrete,

thence along the West right-of-way line of said Highway 40, North 14° 24' 04" West, 19.16 feet to the Southeast corner of that certain parcel of land described in Deed recorded in Book 151, Page 17, records of said County,

thence along the South and West and North lines of said described parcel the following courses and distances,

North 78° 54' 04" West, 232.66 feet,

thence North 14° 24' 04" West, 572.10 feet,

thence North 75° 35' 56" East, 210.00 feet to the Northeast corner of said described parcel, said point being on the West right-of-way line of said Highway 40,

thence along said West right-of-way line North 14° 24' 04" West, 781.76 feet to the Southeast corner of that certain parcel of land described in Deed recorded in Book 194, Page 624, records of said County,

thence along the South and West and North lines of said described parcel the following courses and distances , South 75° 35' 56" West, 300.00 feet,

thence North 14° 24' 04" West, 382.76 feet,

thence South 89° 54' 04" East, 330.53 feet to the Northeast corner of said described parcel, said point being on the West right-of-way line of said Highway 40,

thence along said West right-of-way line North 14° 24' 04" West, 61.97 feet,

EXHIBIT

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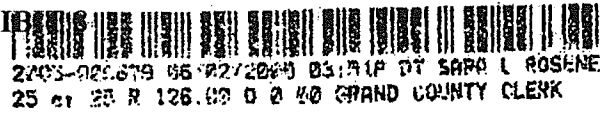
thence North 89° 54' 04" West, 695.50 feet,
thence South 04° 06' 34" West, 836.61 feet, more or less to the True Point of Beginning.

EXCEPT: Any portion of subject property lying within the property described in Book
154 at Page 119.

Val Moritz Village Lots:

Lots 1 through 21, 23, and 25 through 32, Block 1,
Lots 1 through 11, and 13 through 17, Block 2,
VAL MORITZ VILLAGE (FIRST FILING),
County of Grand,
State of Colorado.

EXHIBIT



**EXHIBIT B
EXCLUDED ITEMS**

Property subject to that certain Deed of Trust dated as of July 28, 1989 by SilverCreek Holding Co., Inc. (predecessor in interest to Trustor) in favor of Bombardier Capital, Inc.