

## INTERGOVERNMENTAL FUNDING AGREEMENT

This INTERGOVERNMENTAL FUNDING AGREEMENT (the "**Agreement**" or "**SolVista Funding Agreement**"), is made and entered into and dated as of June 1, 2006 by and between GRANBY RANCH METROPOLITAN DISTRICT ("**GRMD**"), formerly Sol Vista Metropolitan District No. 2, and SOL VISTA METROPOLITAN DISTRICT ("**SVMD**"), formerly Silver Creek Metropolitan District, and American National Bank, as Trustee (the "**Trustee**"). GRMD and SVMD are quasi-municipal corporations and political subdivisions of the State of Colorado and are sometimes referred to herein collectively as the "**Districts**."

### RECITALS

WHEREAS, pursuant to its Service Plan dated July 1999, approved by Granby County, Colorado in conjunction with its approval of the formation of such district, SVMD was formed, initially under the name of "Silver Creek Metropolitan District," for the purpose of financing the construction, operation and maintenance of public improvements necessary to serve development within such district, including roads, drainage, safety protection, parks and recreation, water, sewer, transportation and mosquito control improvements (the costs of any such improvements to the extent permitted by such Service Plan being referred to herein as "**SVMD Costs**"); and

WHEREAS, pursuant to its Service Plan dated March 2003, approved by the Town of Granby, Colorado in conjunction with its approval of the formation of such district, GRMD was formed, initially under the name of "Sol Vista Metropolitan District No. 2," for the purpose of financing the construction, operation and maintenance of public improvements necessary to serve development within such district, including streets, roadways, drainage, traffic safety protection, parks and recreation, water, sanitation, transportation and mosquito control improvements (the costs of any such improvements to the extent permitted by such Service Plan being referred to herein as "**GRMD Costs**"); and

WHEREAS, SolVista Corp. ("**SolVista Corp.**") previously has constructed certain public improvements and incurred costs constituting both SVMD Costs and GRMD Costs, and Granby Realty Holdings, LLC ("**Granby Realty**") previously incurred costs constituting both SVMD Costs and GRMD Costs and, pursuant to a Reimbursement Agreement dated as of June 1, 2006 (the "**Reimbursement Agreement**"), among SVMD, SolVista Corp. and Granby Realty, SVMD has agreed to fund such costs to the extent constituting "**Repayment Obligations**" thereunder (as defined therein), in accordance with the provisions thereof; and

WHEREAS, GRMD intends to issue its Limited Tax General Obligation Bonds, Series 2006 (the "**2006 Bonds**") pursuant to an Indenture of Trust dated as of May 1, 2006 (the "**Indenture**"), between the GRMD and the Trustee, for the purpose of financing certain GRMD Costs including, in accordance with this Agreement, the Repayment Obligations in satisfaction of SVMD's obligations under the Reimbursement Agreement, provided that SVMD agree to levy the ad valorem taxes described herein and pay the same to the Trustee, on behalf of GRMD; and

WHEREAS, in order to facilitate the repayment to Granby Realty and SolVista Corp. of the Repayment Obligations in a timely, efficient and cost-effective manner, SVMD has

determined to enter into this Agreement for the purpose of providing certain funding for, and to induce the issuance by GRMD of, the 2006 Bonds; and

WHEREAS, pursuant to the Colorado Constitution Article XIV, Section 18(2)(a), and Section 29-1-203, C.R.S., SVMD and GRMD may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each, and any such contract may provide for the sharing of costs, the imposition and collection of taxes, and the incurring of debt; and

WHEREAS, the respective Service Plans have been prepared for the Districts pursuant to Sections 32-1-201, C.R.S. et seq., and all required governmental approvals have been obtained therefor; and

WHEREAS, the Districts have determined that the costs comprising the Repayment Obligations were generally contemplated by their respective Service Plans, constitute both SVMD Costs and GRMD Costs, are necessary and, due to the nature of the improvements relating to such Repayment Obligations and proximity and interrelatedness of the development anticipated to occur within the boundaries of the Districts, such Repayment Obligations benefit both SVMD and GRMD, residents, property owners and taxpayers in both SVMD and GRMD as a whole; and

WHEREAS, the purchasers of the 2006 Bonds (the "**Bondholders**") are to be financial institutions or institutional investors, and such 2006 Bonds are to be issued in minimum denominations of \$500,000 and integral multiples of \$1,000 in excess thereof, unless otherwise permitted by applicable laws; and

WHEREAS, in order to facilitate the issuance of the 2006 Bonds and in exchange for the purchase by the Bondholders of the 2006 Bonds (certain proceeds of which are to be applied, in accordance with this Agreement, to the Repayment Obligations), SVMD has, by the terms of this Agreement, pledged certain revenues to the Trustee on behalf of the Bondholders and covenanted to take certain actions with respect to generating such revenues, for the benefit of the Bondholders; and

WHEREAS, at an election of the qualified electors of Silver Creek Metropolitan District (now SVMD) duly called for and held on November 2, 1999 (the "**SVMD Election**"), in accordance with law and pursuant to due notice, a majority of eligible electors who voted at such election voted in favor of the issuance of general obligation indebtedness and the imposition of taxes for the payment thereof, for the purpose of funding certain improvements and facilities as follows:

<b>SVMD Authorization</b>	
<b>Purpose</b>	<b>Amount</b>
Street Facilities	\$ 5,913,000
Water Facilities	11,173,000
Sanitation Facilities	10,306,000
Park and Recreation	1,590,000
Transportation	489,600
<b>TOTAL</b>	<b>\$29,471,600</b>

WHEREAS, based upon the Repayment Obligations and an allocated portion of the costs of issuance related to the 2006 Bonds issued, in part, to fund such improvements, SVMD has allocated the debt obligation represented by this Agreement to the debt authorization approved at the SVMD Election as follows:

<b>Allocation of SolVista Funding Agreement to SVMD Authorization</b>	
<b>Purpose</b>	<b>Amount</b>
Street Facilities	0
Water Facilities	\$1,212,693
Sanitation Facilities	0
Park and Recreation	0
Transportation	0
<b>TOTAL</b>	<b>\$1,212,693</b>

provided that the foregoing allocation is based upon SVMD's best estimate at the time this SolVista Funding Agreement is being entered into, and SVMD may at any time reallocate the foregoing in accordance with the actual Repayment Obligations funded as a result of this SolVista Funding Agreement; and

WHEREAS, at an election of the qualified electors of Sol Vista Metropolitan District No. 2 (now GRMD) duly called for and held on November 2, 2004 (the "**GRMD Election**"), in accordance with law and pursuant to due notice, a majority of eligible electors who voted at such election voted in favor of the issuance of general obligation indebtedness and the imposition of taxes for the payment thereof, for the purpose of funding certain improvements and facilities, certain of which debt authorization is anticipated to be applied by GRMD to the issuance of the 2006 Bonds; and

WHEREAS, the Districts have determined and hereby determine that the execution of this SolVista Funding Agreement, the issuance of the 2006 Bonds, and the provision for the payment of the Repayment Obligations are in the best interests of the Districts and the residents, property owners, and taxpayers thereof;

WHEREAS, all amendments to this Agreement made pursuant hereto and not in specific conflict with specific limits of the ballot questions, which authorized the debt represented by this Agreement, shall be deemed part of this Agreement and fully authorized by such ballot questions.

## COVENANTS

NOW, THEREFORE, for and in consideration of the promises and the mutual covenants and stipulations herein, the parties hereby agree as follows:

### ARTICLE I

#### DEFINITIONS

1.1 Interpretation. In this Agreement, unless the context expressly indicates otherwise, the words defined below shall have the meanings set forth below:

a. The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms, refer to this Agreement as a whole and not to any particular article, section, or subdivision hereof; the term "heretofore" means before the date of execution of the Agreement; and the term "hereafter" means after the date of execution of this Agreement.

b. All definitions, terms, and words shall include both the singular and the plural, and all capitalized words or terms shall have the definitions set forth in Section 2.1 hereof.

c. Words of the masculine gender include correlative words of the feminine and neuter genders, and words importing the singular number include the plural number and vice versa.

d. The captions or headings of this Agreement are for convenience only, and in no way define, limit, or describe the scope or intent of any provision, article, or section of this Agreement.

e. All schedules, exhibits, and addenda referred to herein are incorporated herein by this reference.

1.2 Definitions. As used herein, unless the context expressly indicates otherwise, the words defined below and capitalized throughout the text of this Agreement shall have the respective meanings set forth below:

a. "Agreement" or "SolVista Funding Agreement" shall mean this Agreement and any amendment hereto made in accordance herewith.

b. "Annual Operating Costs" shall mean, for each fiscal year, the amount of \$12,500; provided, however, that such amount shall be increased to \$35,000 for the fiscal year

ended December 31, 2007, for the purpose of permitting SVMD to pursue dissolution in such year; and further provided that, for any full fiscal year following the dissolution of SVMD, such amount shall equal \$6,000, or such lesser amount as may be necessary to fund administrative costs of SVMD.

c. "Board" or "Boards" shall mean the lawfully organized Boards of Directors of the Districts.

d. "Board of County Commissioners" shall mean the Board of County Commissioners for Grand County, Colorado.

e. "Bond Documents" shall mean the Indenture and any other resolution, reimbursement agreement or other agreement entered into or adopted by GRMD in connection with the issuance of Bonds.

f. "Bonds" shall mean the 2006 Bonds and any other bonds issued by GRMD pursuant to the terms of the Indenture for the purpose of financing or refinancing, among other costs, the Repayment Obligations, including refundings thereof.

g. "Districts" shall mean GRMD and SVMD collectively, including any duly authorized representative, officer, director, employee, agent, engineer or attorney of any District, if applicable.

h. "Effective Date" shall mean the date on which GRMD first issues Bonds.

i. "Financing Costs" shall mean the principal and redemption price of, and interest and premium on, any Bonds, and replenishment of any reserves relating to the Bonds, customary fees related to the issuance of the Bonds (including, but not limited to, fees of a trustee, rebate agent, and provider of liquidity or credit facility), and any reimbursement due to a provider of liquidity or credit facility securing any Bonds.

j. "GRMD" shall mean Granby Ranch Metropolitan District.

k. "Indenture" shall have the meaning assigned it in the Recitals hereof.

l. "Payment Obligation" shall mean SVMD's obligation to pay the SolVista Tax Revenues in accordance with the provisions hereof.

m. "Repayment Obligations" shall have the meaning assigned to it in the Reimbursement Agreement.

n. "SVMD" shall mean Sol Vista Metropolitan District.

o. "SolVista Mill Levy" shall mean an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of SVMD each year in the amount of 25 mills. Notwithstanding anything herein to the contrary, in no event may the SolVista Mill Levy be established at a mill levy which would cause SVMD to derive tax revenue in any year in

excess of the maximum tax increases permitted by the SVMD's electoral authorization, and if the SolVista Mill Levy as calculated pursuant to this definition would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by such SVMD's electoral authorization, the SolVista Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

p. "SolVista Tax Revenues" shall mean the revenues resulting from the imposition of the SolVista Mill Levy which is paid to SVMD, but excluding the portion of the specific ownership taxes on motor vehicles imposed by the State of Colorado which is paid to SVMD.

q. "Termination Date" shall mean the earlier of: (i) the date on which all Bonds issued by GRMD have been defeased; or (ii) twenty years after the date on which the 2006 Bonds are issued by GRMD.

## ARTICLE II

### PAYMENT OBLIGATION

2.1 No Additional Electoral Approval Required. The authorization for issuance of debt, fiscal year spending, revenue collections and other constitutional matters requiring voter approval for purposes of this Agreement, was approved at the SVMD Election and GRMD Election, in accordance with law and pursuant to due notice. The performance of the terms of this Agreement requires no further electoral approval.

2.2 Payment Obligation Generally.

a. In exchange for the purchase by the Bondholders of the 2006 Bonds, a portion of the proceeds of which are to be applied to the costs of the Repayment Obligations in accordance with Section 2.5 hereof, in satisfaction of SVMD's obligations under the Reimbursement Agreement, SVMD hereby agrees to pay to the Trustee, on behalf of the Bondholders, all revenues generated as a result of SVMD's imposition of the SolVista Mill Levy, but excluding the portion of the specific ownership taxes on motor vehicles imposed by the State of Colorado which is paid to SVMD (the "SolVista Tax Revenues"), net of Annual Operating Costs, in accordance with the provisions hereof.

b. The payment obligation of SVMD hereunder shall constitute a limited tax obligation of SVMD payable solely from and to the extent of the SolVista Tax Revenues. Such SolVista Tax Revenues are hereby pledged by SVMD to the Trustee, on behalf of the Bondholders, for the payment of Financing Costs in accordance with the provisions hereof. The obligation of SVMD to pay the SolVista Tax Revenues as provided herein (the "**Payment Obligation**") shall constitute an irrevocable lien upon the SolVista Tax Revenues of SVMD. The Districts hereby elect to apply all of the provisions of the Supplemental Act to this SolVista Funding Agreement and the Payment Obligation.

c. In no event shall the total or annual obligations of SVMD hereunder exceed the maximum amounts permitted under their electoral authority and any other applicable

law. The entire Payment Obligation will be deemed defeased and no longer outstanding upon the payment by SVMD of such amount.

2.3 Imposition of SolVista Mill Levy.

a. In order to fund the Payment Obligation, SVMD agrees to levy on all of the taxable property of SVMD, in addition to all other taxes, direct annual taxes in each of the years 2006 to 2025, inclusive (for collection in 2007 to 2026), in the amount of the SolVista Mill Levy. Nothing herein shall be construed to require SVMD to impose an ad valorem property tax levy for the payment of the Payment Obligation in excess of the SolVista Mill Levy or in year subsequent to the tax levy year 2025.

b. This Section 2.3 is hereby declared to be the certificate of SVMD to the Board of County Commissioners indicating the aggregate amount of taxes to be levied for the purposes of paying the Payment Obligation due hereunder.

c. It shall be the duty of SVMD annually at the time and in the manner provided by law for the levying of the SVMD's taxes, if such action shall be necessary to effectuate the provisions of this Agreement, to ratify and carry out the provisions hereof with reference to the levy and collection of the ad valorem property taxes herein specified, and to require the officers of SVMD to cause the appropriate officials of Grand County, to levy, extend and collect said ad valorem taxes in the manner provided by law for the purpose of providing funds for the payment of the amounts to be paid hereunder promptly as the same, respectively, become due. Said taxes, when collected, shall be applied only to the payment of the amounts to be paid hereunder (provided that an amount of such taxes equal to the Annual Operating Costs shall be retained by SVMD to fund its operating expenses).

d. Said taxes shall be levied, assessed, collected, and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State of Colorado.

e. SVMD shall pursue all reasonable remedies to collect, or cause the collection of, delinquent ad valorem taxes within its boundaries.

2.4 Payment and Application of SolVista Tax Revenues. SVMD hereby agrees to remit to the Trustee, as soon as practicable upon receipt, all revenues comprising SolVista Tax Revenues, net of Annual Operating Costs, which SolVista Tax Revenues shall be applied by the Trustee to Financing Costs, in accordance with the Indenture and any other applicable Bond Documents. Such SolVista Tax Revenues shall be paid by SVMD in lawful money of the United States of America by check mailed or delivered, or by wire transfer, to the Trustee, or such other method as may be mutually agreed to by SVMD and the Trustee.

2.5 Payment and Application of Certain GRMD Bond Proceeds. In exchange for the covenants of SVMD set forth in Sections 2.3 and 2.4 hereof, GRMD hereby agrees to cause the transfer of proceeds of the 2006 Bonds in the full amount of the Repayment Obligations (as determined in accordance with the terms of the Reimbursement Agreement) to or at the direction of Granby Realty and SolVista Corp., as applicable, for the payment in full of SVMD's obligations under the Reimbursement Agreement, in accordance with the terms of the Indenture; subject to the prior receipt by GRMD of written notice from SVMD that all conditions subsequent, if any, to SVMD's payment obligation in such amount to Granby Realty or SolVista Corp., as applicable, under the Reimbursement Agreement have been satisfied. SVMD hereby acknowledges that the amount of 2006 Bonds the principal of and interest on which are anticipated to be paid from the SolVista Tax Revenues (less the costs of issuance and reserve amounts related to such amount of 2006 Bonds) represents a fair and reasonable allocation to SVMD of the Repayment Obligations. GRMD hereby acknowledges that the remainder of the Repayment Obligations paid with the proceeds of the 2006 Bonds, which will be funded by ad valorem taxes and other revenues in accordance with the Indenture, represents a fair and reasonable allocation to GRMD of such Repayment Obligations.

2.6 Effectuation of Pledge of Security, Current Appropriation. The sums herein required to pay the amounts due hereunder are hereby appropriated for that purpose, and said amounts for each year shall be included in the annual budget and the appropriation resolution or measures to be adopted or passed by the Board of SVMD in each year while any of the obligations herein authorized are outstanding and unpaid. No provisions of any constitution, statute, resolution or other order or measure enacted after the execution of this Agreement shall in any manner be construed as limiting or impairing the obligation of SVMD to levy ad valorem property taxes, or as limiting or impairing the obligation of SVMD to levy, administer, enforce and collect the ad valorem property taxes as provided herein for the payment of the obligations hereunder.

Furthermore, SVMD acknowledges that third parties may provide financial commitments and additional security for the Bonds and, as a result, shall be entitled to rely on the payment obligations of SVMD to the Trustee contained hereunder. Accordingly, it is acknowledged by the Districts that the purpose of this Section 2.6 is to ensure that the Trustee, on behalf of the Bondholders, receives all payments due herein in a timely manner in order to pay a portion of debt service on the Bonds for the benefit of the Bondholders and such third parties.

In addition, and without limiting the generality of the foregoing, the obligations of SVMD to transfer funds to the Trustee for each payment described herein shall survive any

Court determination of the invalidity of this Agreement as a result of a failure, or alleged failure, of any of the directors of the Districts to properly disclose, pursuant to Colorado law, any potential conflicts of interest related hereto in any way, provided that such disclosure is made on the record of Districts' meetings as set forth in their official minutes.

2.7 Additional Covenants. At least once a year in the time and manner provided by law, SVMD will cause an audit to be performed of the records relating to revenues and expenditures of SVMD. In addition, at least once a year in the time and manner provided by law, SVMD will cause a budget to be prepared and adopted. Copies of the budget and the audit will be filed and recorded in the places, time, and manner provided by law.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Districts. Each of the Districts hereby makes the following representations and warranties with respect to itself:

a. The District is a quasi municipal corporation and political subdivision duly organized and validly existing under the laws of the State of Colorado.

b. The District has all requisite corporate power and authority to execute, deliver, and to perform its obligations under this SolVista Funding Agreement. The District's execution, delivery, and performance of this SolVista Funding Agreement has been duly authorized by all necessary action.

c. The District is not in violation of any of applicable provisions of law or any order of any court having jurisdiction in the matter, which violation could reasonably be expected to materially adversely affect the ability of the District to perform its obligations hereunder. The execution, delivery and performance by the District of this SolVista Funding Agreement (i) will not violate any provision of any applicable law or regulation or of any order, writ, judgment, or decree of any court, arbitrator, or governmental authority, (ii) will not violate any provision of any document or agreement constituting, regulating, or otherwise affecting the operations or activities of the District in a manner that could reasonably be expected to result in a material adverse effect, and (iii) will not violate any provision of, constitute a default under, or result in the creation or imposition of any lien, mortgage, pledge, charge, security interest, or encumbrance of any kind on any of the revenues or other assets of the District pursuant to the provisions of any mortgage, indenture, contract, agreement, or other undertaking to which the District is a party or which purports to be binding upon the District or upon any of its revenues or other assets which could reasonably be expected to result in a material adverse effect.

d. The District has obtained all consents and approvals of, and has made all registrations and declarations with any governmental authority or regulatory body required for the execution, delivery, and performance by the District of this SolVista Funding Agreement.

e. There is no action, suit, inquiry, investigation, or proceeding to which the District is a party, at law or in equity, before or by any court, arbitrator, governmental or other

board, body, or official which is pending or, to the best knowledge of the District threatened, in connection with any of the transactions contemplated by this SolVista Funding Agreement nor, to the best knowledge of the District is there any basis therefor, wherein an unfavorable decision, ruling, or finding could reasonably be expected to have a material adverse effect on the validity or enforceability of, or the authority or ability of the District to perform its obligations under, this SolVista Funding Agreement.

f. This SolVista Funding Agreement constitutes the legal, valid, and binding obligation of the District, enforceable against the District in accordance with its terms (except as such enforceability may be limited by bankruptcy, moratorium, or other similar laws affecting creditors' rights generally and provided that the application of equitable remedies is subject to the application of equitable principles).

## ARTICLE IV

### DEFAULT AND REMEDIES

4.1 Events of Default. The occurrence or existence of any one or more of the following events shall be an "Event of Default" hereunder, and there shall be no default or Event of Default hereunder except as provided in this Section:

a. SVMMD fails or refuses to impose the SolVista Mill Levy or to remit the SolVista Tax Revenues as required by the terms of this SolVista Funding Agreement;

b. any representation or warranty made by any party in this SolVista Funding Agreement proves to have been untrue or incomplete in any material respect when made and which untruth or incompleteness would have a material adverse effect upon any other party;

c. any party fails in the performance of any other of its covenants in this SolVista Funding Agreement, and such failure continues for sixty (60) days after written notice specifying such default and requiring the same to be remedied is given to any of the parties hereto; or

d. (i) any party shall commence any case, proceeding, or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, or other similar official for itself or for any substantial part of its property, or any party shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any party any case, proceeding, or other action of a nature referred to in clause (i) and the same shall remain not dismissed within ninety (90) days following the date of filing; or (iii) there shall be commenced against any party any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal within ninety (90) days from the entry

thereof, or (iv) any party shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) any party shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due.

4.2 Remedies For Events of Default. Upon the occurrence and continuance of an Event of Default, any party may proceed to protect and enforce its rights against the party or parties causing the Event of Default by mandamus or such other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction, including an action for specific performance. In the event of any litigation or other proceeding to enforce any of the terms, covenants or conditions hereof, the prevailing party in such litigation or other proceeding shall obtain, as part of its judgment or award, its reasonable attorneys' fees and costs.

## ARTICLE V

### MISCELLANEOUS

5.1 Pledge of Revenue. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Payment Obligation shall be governed by §11-57-208 of the Supplemental Act and this SolVista Funding Agreement. The SolVista Tax Revenues shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against any of the Districts irrespective of whether such persons have notice of such liens.

5.2 No Recourse against Officers and Agents. Pursuant to §11-57-209 of the Supplemental Act, if a member of the Board of Directors of SVMD, or any officer or agent of SVMD acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the Payment Obligation. Such recourse shall not be available either directly or indirectly through the Board or SVMD, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of this SolVista Funding Agreement and as a part of the consideration hereof, each of the Districts and the Trustee specifically waives any such recourse.

5.3 Conclusive Recital. Pursuant to §11-57-210 of the Supplemental Act, this SolVista Funding Agreement contains a recital that it is issued pursuant to certain provisions of the Supplemental Act, and such recital is conclusive evidence of the validity and the regularity of this SolVista Funding Agreement after its delivery for value.

5.4 Limitation of Actions. Pursuant to §11-57-212, C.R.S., no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization, execution, or delivery of this SolVista Funding Agreement shall be commenced more than thirty days after the authorization of this SolVista Funding Agreement.

5.5 Notices. Except as otherwise provided herein, all notices or payments required to be given under this Agreement shall be in writing and shall be hand delivered or sent by certified mail, return receipt requested, or air freight, to the following addresses:

SolVista Metropolitan District  
Attn: President  
c/o District Counsel  
White, Bear and Ankele Professional Corporation  
1805 Shea Center Drive, Suite 100  
Highlands Ranch, CO 80129

Granby Ranch Metropolitan District  
Attn: President  
c/o District Counsel  
White, Bear and Ankele Professional Corporation  
1805 Shea Center Drive, Suite 100  
Highlands Ranch, CO 80129

American National Bank  
3033 East First Avenue  
Denver, CO 80206

All notices or documents delivered or required to be delivered under the provisions of this Agreement shall be deemed received one (1) day after hand delivery or three (3) days after mailing. Any District by written notice so provided may change the address to which future notices shall be sent.

5.6 Miscellaneous.

a. This SolVista Funding Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this SolVista Funding Agreement and supersedes all prior and contemporaneous understandings or agreements of the parties. This SolVista Funding Agreement may not be contradicted by evidence of any prior or contemporaneous statements or agreements. No party has been induced to enter into this SolVista Funding Agreement by, nor is any party relying on, any representation, understanding, agreement, commitment, or warranty outside those expressly set forth in this SolVista Funding Agreement.

b. If any term or provision of this SolVista Funding Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part thereof shall be stricken from this SolVista Funding Agreement, and such provision shall not affect the legality, enforceability, or validity of the remainder of this SolVista Funding Agreement. If any provision or part thereof of this Funding Agreement is stricken in accordance with the provisions hereof, then such stricken provision shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is as similar in tenor to the stricken provision as is legally possible.

c. It is intended that there be no third party beneficiaries of this SolVista Funding Agreement, other than the Bondholders. Nothing contained herein, expressed or implied, is intended to give to any person other than the Trustee and the Districts any claim, remedy, or right under or pursuant hereto, and any agreement, condition, covenant, or term contained herein required to be observed or performed by or on behalf of any party hereto shall be for the sole and exclusive benefit of the other party.

d. This SolVista Funding Agreement may not be assigned or transferred by any party without the prior written consent of each of the other parties.

e. This SolVista Funding Agreement shall be governed by and construed under the applicable laws of the State of Colorado.

f. This SolVista Funding Agreement may be amended or supplemented by the parties, but any such amendment or supplement must be in writing and must be executed by all parties and is subject to the prior consent of the Owners of 66% of the Bonds (both as defined in the Indenture) then outstanding.

g. If the date for making any payment or performing any action hereunder shall be a legal holiday or a day on which banks in Denver, Colorado are authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which banks in Denver, Colorado are authorized or required by law to remain closed.

h. Each party has participated fully in the review and revision of this SolVista Funding Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this SolVista Funding Agreement. The language in this SolVista Funding Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.

i. This SolVista Funding Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

5.7 Effective Date and Termination Date. This Agreement shall become effective on the Effective Date, and shall remain in effect until the Termination Date.

IN WITNESS WHEREOF, the Districts and the Trustee have executed this Agreement as of the day and year first above written.

**SOLVISTA METROPOLITAN DISTRICT**

By: Julio Fuenzalida, President

ATTEST:

Myraugh  
Secretary

**GRANBY RANCH METROPOLITAN DISTRICT**

By: Julio Fuenzalida, President

ATTEST:

Myraugh  
Secretary

**AMERICAN NATIONAL BANK,  
AS TRUSTEE**

By: Kenneth H. Backhaus  
Its: SVP

## RESOLUTION

A RESOLUTION OF SOLVISTA METROPOLITAN DISTRICT AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT AND A REIMBURSEMENT AGREEMENT; REPEALING ALL RESOLUTIONS IN CONFLICT THEREWITH; AND RATIFYING ALL ACTION HERETOFORE TAKEN IN CONNECTION THEREWITH

WHEREAS, at an election (the "**Election**") of the qualified electors of the District, duly called and held on the 2nd day of November, 1999, in accordance with law and pursuant to due notice, a majority of the qualified electors voting at said election authorized the issuance of bonds in an aggregate maximum principal amount not exceeding \$29,471,000 for the purpose of financing certain capital costs of the District;

WHEREAS, Granby Ranch Metropolitan District ("**District**") was duly and validly created as a quasi-municipal corporation and political subdivision of the State of Colorado, in accordance with the provisions of Title 32, Colorado Revised Statutes, and with the power to provide certain public infrastructure improvements and services (as more particularly described in its Service Plan dated July 1999, the "**Public Infrastructure**"); and

WHEREAS, SolVista Corp. has previously constructed certain Public Infrastructure (the "**SolVista Constructed Improvements**") and conveyed the same to the Town of Granby, based on the understanding that the District intended to pay the purchase price thereof as contemplated by its Service Plan; and

WHEREAS, SolVista Corp. and Granby Realty Holdings, LLC ("**Granby Realty**") have both advanced certain funds on behalf of the District, based on the understanding that the District intended to repay such amounts as such time as it had funds available to do so; and

WHEREAS, for the purpose of evidencing its payment obligation to Granby Realty and SolVista Corp., the District intends to enter into a Reimbursement Agreement dated as of June 1, 2006 (the "**Reimbursement Agreement**"); and

WHEREAS, in order to provide for the payment of amounts due to Granby Realty and SolVista Corp. in accordance with the Reimbursement Agreement, the District intends to enter into an Intergovernmental Funding Agreement dated as of June 1, 2006 (the "**SolVista Funding Agreement**") with Granby Ranch Metropolitan District ("**Granby Ranch**"), pursuant to which the District will agree to impose an ad valorem property tax levy and pay the proceeds thereof to Granby Ranch, in exchange for which Granby Ranch will pay certain proceeds of its Limited Tax General Obligation Bonds, Series 2006, to Granby Realty and SolVista Corp. in satisfaction of the District's obligations under the Reimbursement Agreement; and

WHEREAS, the SolVista Funding Agreement will be executed pursuant to the voter authorization the District received at the Election; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOLVISTA METROPOLITAN DISTRICT, IN THE TOWN OF GRANBY, COLORADO:

1. Ratification of Prior Actions. All action (not inconsistent with the provisions of this Resolution) heretofore taken by members of the Board of Directors or officers of the District toward providing for the costs of the SolVista Constructed Improvements and other amounts payable to SolVista Corp. and Granby Realty as contemplated in the Reimbursement Agreement and SolVista Funding Agreement shall be, and the same hereby is, ratified, approved, and confirmed.

2. Approval of Agreements. The Reimbursement Agreement and the SolVista Funding Agreement (the "**Agreements**"), in substantially the forms presented to the Board at this meeting (with respect to those documents not previously executed and, otherwise, in their final executed form) are hereby in all respects ratified, confirmed and approved, and the President of the District is hereby authorized, with respect to such Agreements not previously executed, to execute and deliver, and the Secretary/Treasurer is hereby authorized to affix the seal of the District to and attest, when appropriate, such Agreements in substantially such forms and upon the terms and conditions set forth herein and therein, with such changes therein as such officers shall approve such approval to be evidenced by their execution thereof.

3. Allocation of Debt Authorization. The amount of debt authorized at the District's Election shall be allocated to the SolVista Funding Agreement as provided in the recitals thereof.

4. Incidental Action. The members of the Board of Directors and the officers of the District are each hereby authorized and directed to execute and deliver such other documents and certificates, and to take such other action as may be necessary or appropriate in order to effectuate the delivery of the Agreements and the performance of the District's obligations thereunder. The members of the Board of Directors hereby elect to have all provisions of part 2 of Colorado Revised Statutes § 11-57 apply to the SolVista Funding Agreement; provided, however, that such election shall not operate to modify or limit the rights conferred on the District, the members of the Board of Directors and the officers of the District by any other provisions of Colorado law.

5. Intent to Dissolve. The Board of Directors hereby acknowledges that, considering the Public Infrastructure heretofore provided by or on behalf of the District, upon execution of the Reimbursement Agreement and the SolVista Funding Agreement and assuming the continued certification of the ad valorem property tax levy required under the SolVista Funding Agreement, the purposes of the District have been accomplished. As a result, the Board of Directors hereby expresses its intent to initiate proceedings to cause dissolution of the District, including consideration of the same at an election of the qualified electors of the District, on or before May 31, 2007.

6. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be judicially held to be invalid or unenforceable, such invalidity or unenforceability shall not affect, impair, or invalidate the remaining sections, paragraphs, clauses, and provisions hereof, the intention being that the various sections, paragraphs, clauses, and provisions hereof are severable.

7. Repealer. All bylaws, orders and resolutions of the District, or parts thereof, inconsistent herewith are hereby repealed to the extent of such conflict. This repealer shall not be construed as reviving any bylaw, order, or resolution or part thereof previously repealed.

8. Effective Date. This Resolution shall take effect immediately upon its passage and approval.

9.

INTRODUCED, READ, ADOPTED AND APPROVED at a regular, public meeting of the Board of the District held this 7th day of June, 2006.

SOLVISTA METROPOLITAN DISTRICT

[SEAL]



By: \_\_\_\_\_

\_\_\_\_\_  
President and Chairman

Attest:

\_\_\_\_\_  
Secretary