

DISTRICT COURT, GRAND COUNTY, COLORADO Court Address: Grand County Combined Courts 307 Moffat Ave Hot Sulphur Springs, CO 80451 Telephone No.: (970) 725-3357		DATE FILED: July 6, 2021 6:20 PM FILING ID: 70EDDE7155B27 CASE NUMBER: 2021CV30008
Plaintiff: GRANBY RANCH METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, v. Defendants: HEADWATERS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado; GRAY JAY VENTURES, LLC.; REDWOOD CAPITAL FINANCE CO., LLC; GRANBY PRENTICE, LLC.; GR TERRA, LLC.		▲COURT USE ONLY▲ Case No.: 2021CV030008 Div.: Rm.:
<i>Counsel for Plaintiff:</i> Charles E. Norton, #10633 Alicia M. Garcia, #53860 NORTON & SMITH, P.C. 600 17 th Street, Suite 2150S Denver, Colorado 80202 Phone Number: (303) 292-6400 FAX Number: (303) 292-6401 E-mail: CNorton@NortonSmithLaw.com AGarcia@NortonSmithLaw.com		
SECOND AMENDED COMPLAINT		

Plaintiff Granby Ranch Metropolitan District (“GRMD”) through its undersigned counsel, submits the following Second Amended Complaint against Defendants Headwaters Metropolitan District (“Headwaters”), Gray Jay Ventures, LLC (“Gray Jay Ventures”), Redwood Capital Finance Co., LLC (“Redwood Capital”), “Granby Prentice, LLC (“Granby Prentice”), and GR Terra, LLC (“GR Terra”) (collectively referred to as “Defendants”).

PARTIES, JURISDICTION, AND VENUE

1. Plaintiff GRMD is a Metropolitan District validly organized and existing pursuant to the Colorado Special District Act, Section 32-1-101 et seq., C.R.S. Under Section 32-1-305 (7), C.R.S., the Plaintiff is a quasi-municipal corporation and political subdivision of the state of Colorado with all the powers thereof.

2. Defendant Headwaters is a Metropolitan District validly organized and existing pursuant to the Colorado Special District Act, Section 32-1-101 et seq., C.R.S. Under Section 32-1-305 (7), C.R.S., the Defendant is a quasi-municipal corporation and political subdivision of the state of Colorado with all the powers thereof.

3. Defendant Gray Jay Ventures¹ is a Delaware Limited Liability Company in good standing with its principal place of business located at 10100 Santa Monica Blvd., Suite 1000, Los Angeles, CA 90067. Defendant's registered agent address is 7700 E. Arapahoe Rd. Ste 220, Centennial, CO 80221.

4. Defendant Redwood Capital is a Delaware Limited Liability Company with its principal place of business located at 10100 Santa Monica Blvd., Suite 1000, Los Angeles, CA 90067. Defendant's registered agent is National Registered Agents, Inc. whose mailing address is 1209 Orange Street, Wilmington, DE 19801. According to the records of the California Secretary of State, Redwood Capital was authorized to do business in the State of California but was "cancelled." There is no evidence that Redwood Capital was ever authorized to do business in Colorado.

5. Defendant Granby Prentice is a Delaware Limited Liability Company. Its registered agent is National Registered Agents, Inc. whose mailing address is 1209 Orange Street, Wilmington, DE 19801. There is no evidence that as of the date of this Amended Complaint, Granby Prentice is authorized to do business in Colorado.

6. Defendant GR Terra is a Missouri Limited Liability Company. Its registered agent is Georgia Noriyuki located at 365 E. Agate Ave, Unit A, Granby, CO 80446 and whose mailing address is PO Box 949, Granby, CO 80446.

7. This Court is the proper venue for this action pursuant to C.R.C.P. 98(c) because Headwaters and GPGH (the "Districts") are located entirely within the County of Grand, State of Colorado, and the Leased Premises are located entirely within the County of Grand, State of Colorado.

GENERAL ALLEGATIONS

8. Granby Realty Holdings ("GRH"), Headwaters, and GRMD are all separate but related entities. GRH was the petitioner that sought the organization of both Headwaters and GRMD. Sol Vista Corporation was the prior name of GRH.

9. Headwaters came into existence pursuant to a Service Plan approved by the Town of Granby and dated March of 2003. Headwaters was originally called Sol Vista Metropolitan

¹ Gray Jay Ventures was originally GP Granby Holdings, LLC and as such many of the documents referenced in this Second Amended Complaint may contain references to GP Granby Holdings, LLC since that was the name of the entity at the time the transactions at issue took place. On June 2, 2021 GP Granby Holdings, LLC changed its name to Gray Jay Ventures, LLC.

District No. 1; its name was changed to Headwaters on October 23, 2004. Headwaters is the “developer district”, covers a geographical area of approximately 7 acres, and the sole developed properties within its boundaries are a single residential condominium unit originally owned by Marise Cipriani, a principal manager of Sol Vista Corporation (“Sol Vista”) and an undeveloped parcel of land which serves as a “directors parcel” for Headwaters.

10. GRMD (originally called Sol Vista Metropolitan District No. 2) was organized at the same time as Headwaters through a separate Service Plan. Its name was changed to Granby Ranch Metropolitan District, also on October 23, 2004. The two service plans are attached as **Exhibits 1 and 2**. Both Service Plans contemplated that multiple districts may be organized whose boundaries would include the residential areas of Granby Ranch and major amenities including a golf course, fishing access rights, and a ski area. GRMD is the “homeowner district” or the “taxing district” and covers a geographical area of approximately 3,563 acres.

11. When the two Districts were first organized, the property was owned entirely by a private development company, SolVista. (This entity later became the developer, “GRH.”). Owners of taxable real and personal property, the holders of certain option contracts, and residents within both Headwaters and GRMD are “eligible electors” who may vote in district elections. Corporate entities and partnerships may not vote. The Districts were organized by Sol Vista so that Headwaters, which would have only developer-affiliated directors, would be the control or service district, and GRMD would pay taxes and fees to finance district services. SolVista conveyed property interests in small tracts of land, either through outright conveyance or options to purchase. This would qualify the transferees to vote in Headwaters and GRMD elections pursuant to C.R.S. 32-1-103(5)(a), C.R.S., and to petition for the organization of the district and submit a proposed service plan. Using this method, Headwaters would always be controlled by the Developer, which would lose control of GRMD as residents acquired lots, built homes, and took an interest in the affairs of the District.

12. Currently, the Headwaters Board is comprised of five members, none of whom reside within the boundaries of that district. The GRMD Board is comprised of five members all of whom are homeowners within that district.

13. The Granby Ranch Metropolitan Districts Nos. 2-8 were formed under a Service Plan approved by the Town of Granby on September 25, 2007. A copy of this Consolidated Service Plan is attached as **Exhibit 3**.

14. As the Service District, the Developer-controlled Headwaters ran the affairs of GRMD. Under the “Master Intergovernmental Agreement (“Master IGA”), attached to the Headwaters Service Plan, Headwaters was to establish “manage and control the financing” of infrastructure, budget monies for public purposes, adopt uniform rules and regulations for administrative and operational purposes, and establish all necessary service charges including “development fees” for the Taxing District (eventually GRMD and Granby Ranch Metropolitan Districts Nos. 2-8). Headwaters was to own and operate the infrastructure until it was transferred to the Town of Granby or another public agency. Headwaters was also responsible for the construction of the

infrastructure and to arrange for the financing of it. See Master IGA, Sections 4.2 and 4.3. As section 4.4 of the Master IGA succinctly put the point, “the Service District shall manage and administer all business affairs of the Districts.”

15. The responsibilities of the Taxing District were to impose the required mill levy to pay debt obligations incurred by the Districts, including Headwaters pursuant to Section 5.1 of the Master IGA; to adopt, impose, collect, and remit to Headwaters as the Service District such rates, fees, tolls and charges as are established by the Service District” to fund its administrative and operating expenses pursuant to Section 5.2 of the Master IGA; and pursuant to Section 5.4 of the Master IGA, upon the dissolution of the Headwaters, GRMD was to accept responsibility for the operation and maintenance of any infrastructure located within the Taxing District.

16. On May 26, 2005 Headwaters and GRMD passed a Joint Resolution to Establish an Amenity Fee (“Fee Resolution”)². This Fee Resolution established that Headwaters would impose and collect an Amenity Fee in coordination with Granby Ranch with respect to each lot or parcel of land within GRMD’s boundaries. This Amenity Fee was to provide “a source of funding to pay for the costs incurred by the Districts for the financing, acquisition, construction, installation, and/or replacement of the Amenities, which are generally attributable to the persons subject to such charges, and such fees and charges are necessary to provide for the prosperity and general welfare of the Districts and their inhabitants and for the orderly and uniform administration of the Districts’ affairs.” See Recitals of Fee Resolution. A copy of the Fee Resolution is attached as **Exhibit 4**.

17. The Amenities were defined in the Fee Resolution as “certain recreational amenities benefiting the property within the Districts, which include a golf course, ski area, river park and related improvements, trails, and other recreation improvements, facilities, appurtenances, rights-of-way and other amenities as shall from time to time be acquired, constructed and/or operated by the Districts.” See Recitals of Fee Resolution.

18. On February 26, 2008, the Town of Granby, Headwaters, GRMD, and the Granby Ranch Metropolitan Districts Nos. 2-8 entered into an Intergovernmental Agreement (the “Granby IGA”) which is attached as **Exhibit 5**.

19. Section 5 of the Granby IGA provided that “In addition to the types of park and recreation services and facilities referenced to or reflected in the Service Plans, including the exhibits thereto, the Districts will be authorized to acquire, construct, own, operate and maintain the ski area and lifts, ski lodge, golf courses and appurtenant clubhouse and maintenance facilities, fishing or river park facilities and programs, and parks, trails and open space for various recreational purposes as more fully described in Exhibit A, attached to the Granby IGA and incorporated herein by reference, collectively called the “**Amenities**”, which included a “Fishing

² The Fee Resolution was amended on September 6, 2006 and was amended and restated on July 17, 2013. The Amendments to the Fee do not change the amount of the fee and the agreement, the rights and obligations remain a covenant running with the land and is to be binding to the parties and to their successors.

Camp” on the Fraser River, the 18-hole Headwaters Golf Course, the SolVista Ski Basin, and parks, trails, and recreation areas within the Granby Ranch property.”

20. Importantly, the term “Districts” was defined on page 1 of the Granby Ranch IGA and included Headwaters, GRMD, and the Granby Ranch Districts Nos. 2-8. All of these entities were collectively given the power to acquire the Amenities. In order to defray the costs of this acquisition, the Districts were authorized to impose and collect a one-time, front end Amenities Fee, in an amount not to exceed \$10,000.00 per lot or equivalent dwelling unit. See Granby IGA, Section 5(c). See Fee Resolution. Under this agreement, the Districts would provide preferred access to the Amenities for Town residents which was to be at a higher level for the Town residents than the general public, but not higher than for residents of the Districts. The Granby IGA noted that the Amenities were not items required by the Town ordinances or other authorities to be dedicated or conveyed to the Town. The Granby IGA does provide that property interests and assets needed for the Amenities that would be acquired from the Developer shall be acquired at prices that do not exceed fair market value as established by a qualified appraiser. See Granby IGA Section 5(b).

21. On December 31, 2012, GRH and Headwaters entered into the Second Amended and Restated Lease Purchase Agreement (“LPA”) for purposes of Headwaters purchasing the Amenities. A true and correct copy of the LPA is attached to this complaint as **Exhibit 6** and incorporated herein by this reference. The LPA was the consummation of the vision in the Granby IGA that the Amenities would be under public ownership.

22. In Recital B., the LPA notes that “in order to pay rental payments with respect to the Leased Premises and to pay the purchase price of the Leased Premises,” Headwaters had “previously adopted, with the Granby Ranch Metropolitan District, a Joint Resolution to Establish an Amenity Fee....The Fee Resolution was entered into on May 26, 2005 by the Board of Directors of Headwaters and GRMD.

23. In Section 23 of the LPA, Headwaters and the developer, GRH, agreed that the “Purchase Price” for the Amenities would be the lesser of the Adjusted Appraisal Value of the Leased Premises subject to increases for the value of capital improvements adjusted for inflation and all Amenity Fees collectable by Headwaters under the Amenity Fee Agreements³ and the Fee Resolution. The Amenities would also pass to the Tenant on December 31, 2062 if the Lease had not been terminated in accordance with Section 2(a), and (b) or (c) of the LPA.

24. “Rental Payments” under the LPA were restricted to “any Amenity Fee imposed pursuant to the Fee Resolution and the Fee Agreement.” The Parties acknowledged that “due to the nature of the due dates of the Amenity Fees, as set forth in the Fee Resolution and the Fee Agreement, the amount of Amenity Fees received by the Tenant (Headwaters) may fluctuate greatly from

³ Although not mentioned in the LPA, Headwaters entered into an “Amenity Fee Agreement” with GRH on June 1, 2005, and Headwaters subsequently entered into and “Amenity Fee Agreement” with Aspen Meadows Condominiums, LLC on July 5, 2005. These agreements are collectively referred to as the “Amenity Fee Agreements” in various documents and also within this Amended Complaint.

month to month and year to year.” See LPA, section 3. The plain language of the LPA leads to the conclusion that if no Amenity Fees were collected in a given year, the Rent would be zero.

25. GRMD is a third-party beneficiary under the LPA because it was expressly intended to be benefited under the LPA. GRMD imposed an Amenities Fee that was used to finance the purchase, and it was authorized under the Granby IGA to make the purchase along with Headwaters and the Granby Ranch Metropolitan Districts Nos. 2-8. GRMD also contains the overwhelming majority of the “taxpayers, residents, occupants, visitors and invitees” described in the LPA as using the Leased Premises.

26. The Fee Resolution required GRMD to collect an Amenity Fee from property owners within the Granby Ranch development which was to be remitted to Headwaters to then apply to payments due under to the LPA. Such a fee would not be able to be collected were it not for the LPA between GRH and Headwaters since Headwaters is collecting the Amenity Fee through GRMD and pursuant to GRMD’s legislative authority pursuant to C.R.S. 32-1-1001(j)(I).

27. In Section 13 of the LPA, “Title and Possession,” GRH represented to Headwaters that it had the full right to enter into the LPA and to perform its obligations under the LPA, including without limitation the sale of the Leased Premises in accordance with Section 23, without the consent or approval of any other party. These other parties expressly included “the lenders indicated as beneficiaries to the Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing from Granby Realty Holdings, LLC, a Colorado limited liability company to the Public Trustee of Grand County for the use of Redwood Capital Finance Company, LLC, a Delaware limited liability company, recorded June 2, 2005 at Reception No. 2005-005679, as amended.”

28. Section 13(b) of the LPA provides, in part, “The Parties acknowledge that the Leased Premises are currently subject to the Deed of Trust, which is prior and superior to this Lease, and that, in connection with the Prior Lease, Landlord shall cause to be delivered to Tenant a Subordination, Non-Disturbance and Attornment Agreement, to be executed by Redwood Capital Finance.” Section 13 (b) further provides,

Landlord and Tenant hereby acknowledge that, in connection with the execution of this Lease, Landlord has delivered to Tenant, an agreement executed by the Lender either subordinating this Lease to the deed of trust held by the Lender but obligating the Lender and any successor thereto to be bound by this Lease and by all of Tenant’s rights hereunder (to the extent such Lender should succeed to the interest of Landlord and/or acquire title or right of possession of the Leased Premises), including but not limited to the rights of Tenant conferred by Sections 2 and 23 hereof. Such agreement provides that, notwithstanding any other agreement with the Landlord, the Lender’s consent shall not be required to permit the acquisition of the Leased Premises by the Tenant in accordance with the terms hereof.

29. According to Section 26, the Non-Disturbance Agreement shall provide, among other things, that upon such lenders' succession of interest it shall be bound as Landlord to the provisions of the LPA, including Headwater's right to acquire the Leased Premise pursuant to Section 23.

30. On November 8, 2016, the Town of Granby, Headwaters, GRMD, and the Granby Ranch Metropolitan Districts Nos. 2-8 entered into an Amended and Restated Intergovernmental Agreement replacing the Granby IGA (the "Second Granby IGA"), which is attached to this Amended Complaint as **Exhibit 7**. In this Second Granby IGA, Section 5 a., the parties reaffirmed the authority of "the Districts" to acquire the ski area and lifts, ski lodge, golf courses and appurtenant clubhouses and maintenance facilities. Exhibit A to the Second Granby IGA lists the same Amenities that could be acquired by the Districts as the original Granby IGA.

31. In November of 2016, Headwaters and GRMD Districts Nos. 2-8 remained under the control of the developer GRH, but GRMD was under homeowner and lot owner control. GRMD and its homeowner-controlled Board were dissatisfied with the state of the infrastructure developed by Headwaters as the Service District, particularly the roads within Granby Ranch. Because of this dispute, the parties agreed to terminate the prior master IGAs under which the Granby Ranch districts would finance the roads and other related infrastructure within Granby Ranch and Headwaters would construct and operate that infrastructure. See "Termination of Intergovernmental Agreement" between GRMD, Granby Ranch Metropolitan Districts Nos. 2 through 8, and Headwaters, dated November 17, 2017 (the "Termination IGA"). In Recital G. of the Termination IGA, the parties indicated their intent that GRMD should operate independently of Headwaters. A copy of the Termination IGA is attached to this Amended Complaint as **Exhibit 8**.

32. However, the Second Granby IGA was not terminated nor was the authority that the Town of Granby had given to "the Districts" to purchase the Amenities ever taken away. The LPA was entered into in 2012 pursuant to the authority granted by the original Granby IGA, which was dated in 2008, and that authority was reaffirmed in the Second Granby IGA in 2016.

33. According to a letter dated September 1, 2020, from Christopher L. Richardson, counsel to defendant Gray Jay Ventures, to Mr. Clint Waldron, counsel to Headwaters, the interest in the 2005 Redwood Capital Deed of Trust was somehow transferred to an entity called Granby Prentice, LLC. Mr. Richardson described Redwood Capital as the "predecessor in interest" to Granby Prentice. According to the website maintained by the California Secretary of State, the business address of Granby Prentice is identical to that of the Redwood Capital Finance Company, LLC, 10100 Santa Monica Boulevard, Los Angeles, California, 90067.

34. Upon information and belief, GRH purportedly defaulted on the loan obligation secured by the 2005 Redwood Capital Deed of Trust. Subsequently, Granby Prentice initiated a foreclosure by filing a Notice of Election and Demand on March 24, 2020 as to the 2005 Redwood Capital Deed of Trust. The LPA had previously been recorded in the real property records of Grand County on January 3, 2020 at Reception No. 2020000067. At the time the foreclosure was

initiated, Granby Prentice had both actual and constructive knowledge that its predecessor in interest, Redwood Capital, had agreed to be bound by the LPA including the right of Headwaters to purchase the Amenities.

35. On August 14, 2020, the Public Trustee held a public sale of the Leased Premises under the LPA. Granby Prentice's bid of \$25,000,000 was the highest and only bid. The Public Trustee issued a Certificate of Purchase for the subject property, including the Leased Premises, to Granby Prentice. Granby Prentice assigned this Certificate of Purchase to the defendant GPGH. Gray Jay Ventures has both actual and constructive knowledge that its predecessor in interest, Redwood Capital had agreed to be bound by the LPA including the right of Headwaters to purchase the Amenities.

36. Following the foreclosure, Gray Jay Ventures became the successor in interest to the LPA and was bound to assume the role of the Landlord under the LPA and to honor the right of the Granby Ranch Metropolitan Districts Nos. 2-8 to purchase the Amenities/Leased Premises under section 23 of the LPA. Gray Jay Ventures asserts that it was not a successor in interest to the LPA because the LPA was terminated by way of the foreclosure. Perhaps unsurprisingly, Gray Jay Ventures has the same Los Angeles business address as Redwood Capital and Granby Prentice.

37. From the time of Mr. Richardson's correspondence of September 1, 2020 through the filings of the motions to dismiss by Headwaters and Gray Jay Ventures, Gray Jay Ventures has taken the position that the LPA was wiped out by the public trustee foreclosure. At no time has it been noted that Redwood Capital delivered an agreement to Headwaters at the time the LPA was entered into stating that Redwood Capital would be bound by the terms of the LPA, including the right of Headwaters to purchase the Amenities and related property.

38. Plaintiff maintains both that Gray Jay Ventures is expressly bound to the terms of the LPA as a successor in interest and that the LPA was not terminated by way of public trustee foreclosure because the LPA is an installment land contract which must be foreclosed on as a mortgage through the Courts. As such, the LPA is still binding.

39. Even assuming that the LPA was terminated by way of foreclosure, in the LPA, the parties also acknowledged that the Leased Premises were subject to the Redwood Capital Deed of Trust, and that GRH would cause a Subordination, Non-Disturbance and Attornment Agreement to be delivered to Headwaters. However, the parties also exchanged "an agreement executed by the Lender either subordinating this Lease to the deed of trust held by the Lender but obligating the Lender and any successor thereto to be bound by this Lease and by all of Tenant's rights hereunder (to the extent that such Lender should succeed to the interest of Landlord and/or acquire title or right of possession of the Leased Premises) including but not limited to the rights of Tenant conferred by Sections 2 and 23 hereof. Such agreement provides that, notwithstanding any other agreement with the Landlord, the Lender's consent shall not be required to permit the acquisition of the Leased Premises by the Tenant in accordance with the terms hereof."

40. On November 11, 2020, Gray Jay Ventures notified Headwaters that even assuming the LPA was not terminated by way of foreclosure that Headwaters ceased to operate the Amenities for in excess of 30 days, and thus, pursuant to Section 10 of the LPA, Gray Jay Ventures was electing to terminate the LPA.

41. Section 10 of the LPA provides, in part, “if Tenant ever ceases to operate the Amenities on the Leased Premises for 30 days or longer . . . Landlord may, in its sole discretion and after at least 10 days advance notice to Tenant (which notice may be given within 10 days after the Tenant ceases operation of the Amenities), elect to terminate this lease”

42. The termination of the LPA will prevent GRMD from collecting fees pursuant to the LPA and will lose approximately \$6.05 million dollars in equity already paid (out of a purchase price of \$18 million) subject to the LPA from fees collected from its residents and members and terminate the right of the Districts to acquire the Amenities.

43. Notice was not properly given by Gray Jay Ventures as required under Section 10.

44. On or about April 8, 2020, the former operating entity, Granby Ranch Amenities (“GRA”) provided notice to the Headwaters board that it intended to terminate its agreement with Headwaters to manage the Leased Premises on or before October 5, 2020. GRA then provided notice on May 28, 2020 that it would no longer operate the Amenities after May 30, 2020. At that same board meeting, the Headwaters board resolved to award Granby Prentice Amenities/Ridgeline (“GPA/Ridgeline”) the management contract for the Leased Premise subject to receipt and execution of a mutually acceptable management agreement. GRMD is not aware of a final written agreement ever being entered into between GPA/Ridgeline and Headwaters. During all relevant periods of time, Headwaters continued to operate the Amenities, under contract with those private entities.

45. On or about May 30, 2020 the Headwaters board voted and approved Touchstone Golf (“Touchstone”) as the new operating entity for the golf amenities. On or about September 2, 2020 Gray Jay Ventures informed Granby Ranch homeowners that it had contracted with Touchstone to operate the golf amenities and with Ridgeline to operate the ski amenities. The governor ordered all ski resorts to close effective March 15 and the ski amenities remained closed through December 10, 2020. Upon information and belief, during these periods of mandatory regulatory closing, Headwaters continued to perform routine maintenance and to operate the Amenities to the extent permitted by law.

46. As such, there was never a 30-day period in which Headwaters failed to operate the amenities. Although new management companies were operating the Amenities, they were appointed by Headwaters and thus, Headwaters, despite having a new board, was still managing the Amenities through its appointed contractors.

47. GR Terra purchased the property subject to the LPA from Gray Jay Ventures on or about May 5, 2021.

FIRST CLAIM FOR RELIEF
(Breach of Contract against Gray Jay Ventures)

48. The allegations set forth in paragraphs 1 through 47 of this Complaint are incorporated by this reference as though fully set forth herein.

49. Gray Jay Ventures, as a successor in interest to Redwood Capital, is bound by the LPA, including the terms set forth under Section 13 and 26 of the LPA. Assuming that the Subordination, Non-Disturbance, and Attornment Agreement referenced in Section 13 of the LPA was executed and delivered, as described in the LPA, Gray Jay Ventures was obligated to act as Landlord and accept the purchase provisions of Section 23.

50. By asserting that the LPA was terminated, Gray Jay Ventures has refused to be bound as Landlord to Headwaters and has refused accept the purchase provisions of Section 23 of the LPA. Gray Jay Ventures has thus breach its duties to GRMD as a third-party beneficiary to the LPA.

51. As established by the Amenity Fee Resolution, and other circumstances, GRMD is a third-party beneficiary to the LPA.

52. WHEREFORE, Plaintiff requests that this Court enter judgment in its favor and against Gray Jay Ventures as follows:

- i. For general damages, in the monetary amount to be determined at trial, which will allow GRMD to recover any equity paid into the LPA by GRMD since 2006, and including an award of attorney's fees incurred in bringing and maintaining this action;
- ii. For a decree of specific performance ordering that Gray Jay Ventures reinstate all existing agreements with GRMD;
- iii. For a decree of specific performance ordering that Gray Jay Ventures uphold the provisions of the LPA;
- iv. For GRMD's cost of suit;
- v. For such other and further relief as this Court may deem just.

SECOND CLAIM FOR RELIEF
(Breach of Contract against Headwaters)

53. The allegations set forth in paragraphs 1 through 52 of this Complaint are incorporated by this reference as though fully set forth herein.

54. Under the Master IGA, Granby Ranch IGA and the Second Granby IGA, Headwaters had a duty to manage the affairs of GRMD and Granby Ranch Metropolitan Districts Nos. 2-8, which included acquiring the Amenities on behalf of the GRMD.

55. In failing to do so, Headwaters breached its contractual duties to GRMD.

56. WHEREFORE, Plaintiff requests that this Court enter judgment in its favor and against Headwaters as follows:

- i. For general damages, in the monetary amount to be determined at trial, which will allow GRMD to recover any equity paid into the LPA by GRMD since 2006, and including an award of attorney's fees incurred in bringing and maintaining this action;
- ii. For GRMD's cost of suit;
- iii. For such other and further relief as this Court may deem just.

THIRD CLAIM FOR RELIEF
(Breach of Contract against Redwood Capital)

57. The allegations set forth in paragraphs 1 through 56 of this Complaint are incorporated by this reference as though fully set forth herein.

58. Pursuant to Section 13 of the LPA, Redwood Capital agreed to execute a Subordination, Non-disturbance and Attornment Agreement.

59. Assuming that this agreement was in fact executed and delivered, Redwood Capital agreed to be bound by the LPA and all of Headwater's rights under the LPA, including the purchase provisions of Section 23, and to act as Landlord if it acquired title to the Leased Premises.

60. Redwood Capital refused to acknowledge the existence of the LPA and thus failed to act as a Landlord to and recognize the rights of Headwaters under the LPA. Thus, Redwood Capital breached its duties to GRMD as a third-party beneficiary of the LPA.

61. WHEREFORE, Plaintiff requests that this Court enter judgment in its favor and against Redwood Capital as follows:

- i. For general damages, in the monetary amount to be determined at trial, which will allow GRMD to recover any equity paid into the LPA by GRMD since 2006, and including an award of attorney's fees incurred in bringing and maintaining this action;

- ii. For GRMD's cost of suit;
- iii. For such other and further relief as this Court may deem just.

FOURTH CLAIM FOR RELIEF
(Breach of Contract against Granby Prentice)

62. The allegations set forth in paragraphs 1 through 61 of this Complaint are incorporated by this reference as though fully set forth herein.
63. On March 24, 2020 Granby Prentice initiated foreclosure proceedings under the 2005 Redwood Capital Deed of Trust.
64. At that time, Granby Prentice had both actual and constructive knowledge that its predecessor in interest, Redwood, had agreed to be bound by the LPA, including the purchase provisions of Section 23, and to act as Landlord if it acquired title to the Leased Premises.
65. When Granby Prentice failed to recognize the LPA, specifically its refusal to act as landlord and to accept the purchase provisions of Section 23, it breached its duties to GRMD as a third-party beneficiary of the LPA.
66. WHEREFORE, Plaintiff requests that this Court enter judgment in its favor and against Granby Prentice as follows:

- i. For general damages, in the monetary amount to be determined at trial, which will allow GRMD to recover any equity paid into the LPA by GRMD since 2006, and including an award of attorney's fees incurred in bringing and maintaining this action;
- ii. For GRMD's cost of suit;
- iii. For such other and further relief as this Court may deem just.

FIFTH CLAIM FOR RELIEF
(Breach of Contract Against GR Terra)

67. The allegations set forth in paragraphs 1 through 66 of this Complaint are incorporated by this reference as though fully set forth herein.

68. On May 5, 2021 GR Terra purchased the property subject to the LPA from Gray Jay Ventures, who conveyed the property to GR Terra via special warranty deed.

69. As a successor in interest to Gray Jay Ventures and Redwood Capital GR Terra is subject to the provisions of the LPA, including the terms set forth under Section 13 and 26 of the LPA.

70. Since acquiring the Leased Premises, GR Terra failed to recognize the LPA and has refused to act as landlord and to accept the purchase provisions of Section 23.

71. In doing so, GR Terra has breached its duties to GRMD as a third-party beneficiary of the LPA.

72. WHEREFORE, Plaintiff requests that this Court enter judgment in its favor and against GR Terra as follows:

- i. For general damages, in the monetary amount to be determined at trial, which will allow GRMD to recover any equity paid into the LPA by GRMD since 2006, and including an award of attorney's fees incurred in bringing and maintaining this action;
- ii. For GRMD's cost of suit;
- iii. For such other and further relief as this Court may deem just.

SIXTH CLAIM FOR RELIEF

(Tortious Interference with Contract against Gray Jay Ventures, Granby Prentice, and Redwood Capital)

73. The allegations set forth in paragraphs 1 through 72 of this Complaint are incorporated by this reference as though fully set forth herein.

74. To prove tortious interference with contract under Colorado law, a plaintiff must show the existence of a valid contract; the defendant knew or reasonably should have known of the contract; the defendant intended to induce a breach of the contract; action by the defendant that induced a breach of the contract; the defendant's interference was improper; and the defendant's interference caused damages.

75. Gray Jay Ventures, Granby Prentice, and Redwood Capital were aware of both the LPA and the Fee Agreement. Gray Jay Ventures, Granby Prentice, and Redwood Capital were aware of the Section 10 termination requirement under the LPA and that the failure of Headwaters to operate the Amenities would trigger termination under Section 10.

76. Gray Jay Ventures intentionally tried to prevent Headwaters from operating the Amenities and hired another company to operate the Amenities.

77. Gray Jay Ventures' actions triggered termination under Section 10 which caused GRMD to suffer damages as a third-party beneficiary of the LPA.

78. WHEREFORE, Plaintiff requests that this Court enter judgment in its favor and against Gray Jay Ventures as follows:

- i. For general damages, in the monetary amount to be determined at trial, which will allow GRMD to recover any equity paid into the LPA by GRMD since 2006, and including an award of attorney's fees incurred in bringing and maintaining this action;
- ii. For a decree of specific perform ordering that Gray Jay Ventures reinstate all existing agreements with GRMD;
- iii. For a decree of specific performance ordering that Gray Jay Ventures uphold the provisions of the LPA;
- iv. For GRMD's cost of suit;
- v. For such other and further relief as this Court may deem just.

SEVENTH CLAIM FOR RELIEF

(Breach of the Covenant of Good Faith and Fair Dealing against Headwaters and Gray Jay Ventures, as Landlord under the LPA)

79. The allegations set forth in paragraphs 1 through 78 of this Complaint are incorporated by this reference as though fully set forth herein.

80. Under Colorado law, every contract contains an implied duty of good faith and fair dealing. This covenant is contained in contracts entered into by political subdivisions of the state of Colorado such as GRMD and Headwaters and private entities such as Gray Jay Ventures.

81. The good faith performance doctrine attaches to contracts to effectuate the intentions of the parties and to honor their reasonable expectations.

82. A violation of the duty of good faith and fair dealing gives rise to a claim for breach of contract.

83. Headwaters failed to uphold its duty of good faith and fair dealing under the LPA and the Fee Agreement when it failed to assert its rights against GPHH including its right to acquire the Leased Premises on behalf of GRMD.

84. Gray Jay Ventures failed to uphold its duty of good faith and fair dealing when it refused to act as Landlord under the LPA and honor the right of Headwaters to acquire the Leased Premises on behalf of GRMD.

85. Headwaters failed to uphold its duty of good faith and fair dealing under Section 10 of the LPA when it participated in the conspiracy to make it appear as if it were not operating the amenities when in fact it was.

86. WHEREFORE, Plaintiff requests that this Court enter judgment in its favor and against Headwaters as follows:

- iv. For general damages, in the monetary amount to be determined at trial, which will allow GRMD to recover any equity paid into the LPA by GRMD since 2006, and including an award of attorney's fees incurred in bringing and maintaining this action;
- v. For GRMD's cost of suit;
- vi. For such other and further relief as this Court may deem just.

EIGHTH CLAIM FOR RELIEF

(Declaratory Judgment against Gray Jay Ventures and GR Terra)

87. The allegations set forth in paragraphs 1 through 86 of this Complaint are incorporated by this reference as though fully set forth herein.

88. Granby Prentice was a successor in interest to Gray Jay Ventures and subsequently GR Terra and thus Gray Jay Ventures and GR Terra are bound to the LPA. Foreclosure has no effect on the contractual obligations under the LPA because as successors in interest, Gray Jay Ventures and GR Terra are bound to the terms of the LPA.

89. Alternatively, the LPA was not terminated through the public trustee foreclosure because it was an installment land contract. As such, the LPA created a security interest benefitting GR Terra and Gray Jay Ventures' predecessor in interest, Redwood Capital, and Gray Jay Ventures and GR Terra, to the extent Gray Jay Ventures, and now GR Terra, are the legal successor in interest to the LPA.

90. An installment land contract is characterized by the following elements: (1) the owner's agreement to sell and the buyer's agreement to buy; (2) the promise of the buyer that he will make

payments, usually over a long period of time and in installments, and that buyer will keep the premises insured and maintain them; (3) the seller's promise that he will deliver a deed when the payments have been completed; and (4) an agreement that, in the event of default by the buyer in making the payments or performing the other covenants contained in the instrument, the seller may declare the contract at an end and retain the payments made as liquidated damages.

91. The LPA meets the criteria for an installment land contract in a number of ways including but not limited to (1) GRH agreeing to sell and Headwaters agreeing to purchase the Leased Premises; (2) the LPA was to automatically renewed for 49 additional one-year terms; (3) GRH promised to deliver a deed when the payments were completed; and (4) upon default, GRH had the right “to terminate this Lease and reenter the Leased Premises;” in addition, under Section 3.a of the LPA, “the Rental Payments will be absolute and unconditional in all events and will not be subject to any set-off, defense, counterclaim or recoupment for any reason whatsoever.”

92. Courts should treat an installment land contract as a mortgage based upon a number of factors, including the amount of the vendee's equity in the property, the length of the default period, the willfulness of the default, whether the vendee has made improvements, and whether the property has been adequately maintained. The parties had been performing under the LPA for over 14 years at the time of the foreclosure, including 14 years of rental payments which went towards the amount of equity in the property. Additionally, GRMD has paid out approximately \$6.05 million (of the \$18.9 million total due) to GRH under the LPA since 2006.

93. Plaintiff is a party that is interested under a written contract, or other writings constituting a contract, and may have determined any question of construction or validity arising under the contract, and obtain a declaration of rights, status, or other legal relations thereunder, pursuant to the terms of C.R.C.P. 57 and the Uniform Declaratory Judgments Law, § 13–51–101 et seq., C.R.S.

94. WHEREFORE, Plaintiff requests a declaratory judgment of this Court including, without limitation, that:

- a. The LPA is an installment land contract.
- b. That the LPA should have been treated as a mortgage and thus could only have been terminated through a judicial foreclosure.
- c. For these reasons, and because Redwood Capital, Granby Prentice, Gray Jay Ventures, and GR Terra had agreed to be bound by the LPA, the LPA was not terminated through the public trustee foreclosure.

Dated this 6th day of July, 2021

NORTON & SMITH,
A Professional Corporation

s/ Charles E. Norton

Charles E. Norton, #10633

Alicia M. Garcia, #53860

Counsel for Plaintiff

ADDRESS FOR PLAINTIFF

Granby Ranch Metropolitan District
c/o Alan Pogue
Icenogle Seaver Pogue
4752 S. Monaco St. Ste 360
Denver, Colorado 80237

FILE COPY

SOL VISTA METROPOLITAN DISTRICT No. 1

[SERVICE DISTRICT]

SERVICE PLAN

Town of Granby, Colorado

March 2003

SOL VISTA METROPOLITAN DISTRICT No. 1

[SERVICE DISTRICT]

TOWN OF GRANBY, COLORADO

PREPARED FOR

SOL VISTA 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

EXHIBIT 1

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**SERVICE PLAN FOR
SOLVISTA METROPOLITAN
DISTRICT NO. 1**

I. INTRODUCTION

A. General Information about the Districts.

This Service Plan ("Service Plan") for SolVista Metropolitan District No. 1 ("Service 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 "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 3,200 acres of property, with the future expectation of inclusion of an additional 1,800 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 1,800 acres of property into the Districts, 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

- (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 Taxing 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 _____ 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 property within the ultimate boundaries of the Service District and 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 its 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 Service District will have the power to impose property taxes only within its legal boundaries but will be permitted to provide public services and facilities throughout the Districts pursuant to the Service Plan 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 Districts 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

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

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.

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 District 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.

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 new Districts. 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 SERVICE DISTRICT

The Service District 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 shall have authority to provide the following services and facilities, all of which will be in conformance with applicable Regulations of the Town.

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 Service District shall have authority to provide the following services and/or facilities:

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, 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.

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 Service District may provide 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 Service 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 Service District shall have the right to amend the Service Plan independent of any participation by the Tax District; provided, however, that the Service 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 Tax District without the Tax District's consent;

2. 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

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 Service District will exercise its statutory powers and the authority set forth in the Service Plan to finance, 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 to serve the Development:

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, or 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 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 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 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 residents' rates.

5. Transportation.

The District proposes to provide transportation functions and facilities.

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 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 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 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 District's 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 Bonds as contemplated in this Service Plan. If the Districts ultimately issue less than \$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 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 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 Service 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.

VII. OTHER REQUIREMENTS

A. Additional Requirements. The Service 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.

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.

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 the 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,

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 A-1

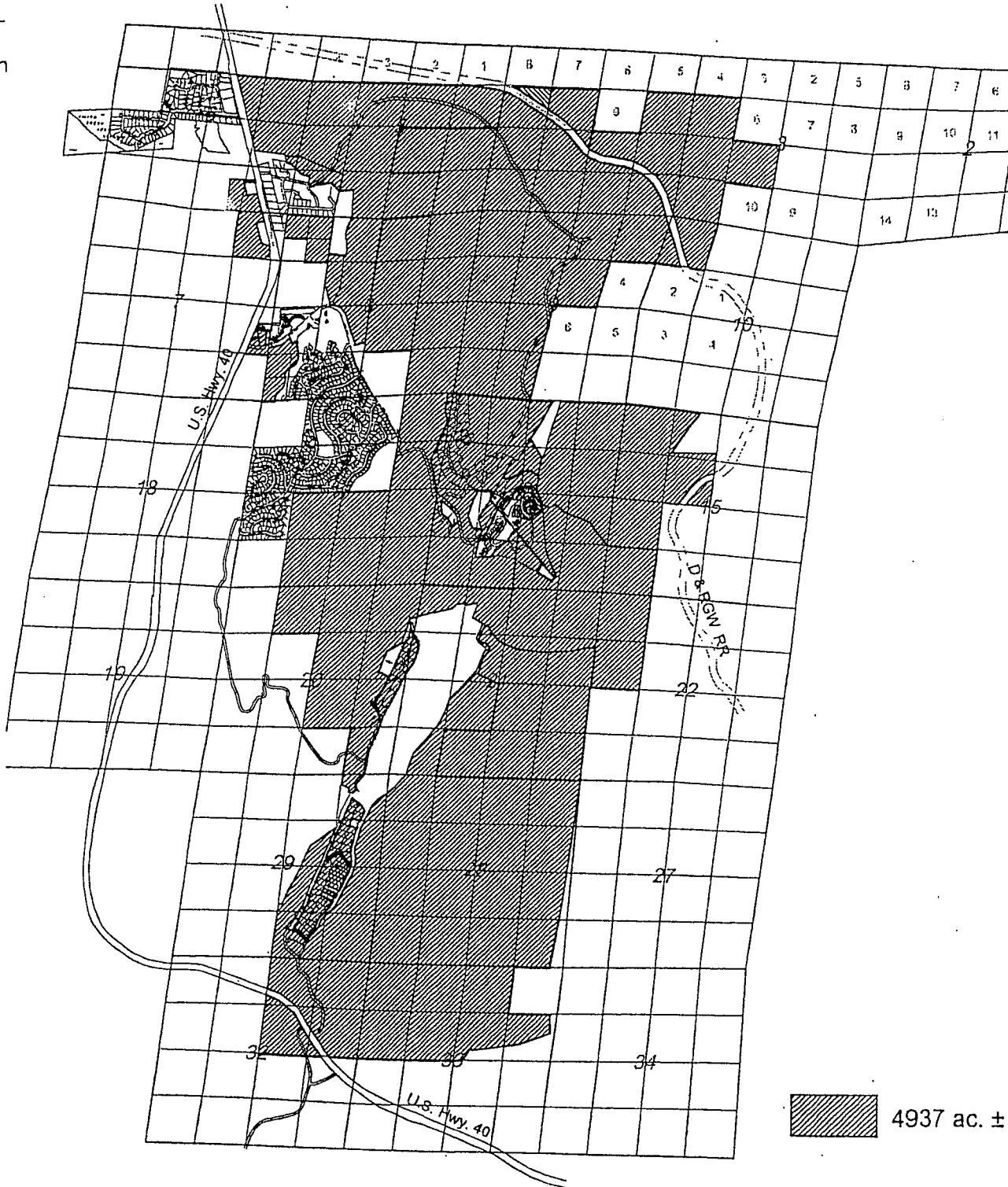
MAP SHOWING THE BOUNDARIES OF THE SOL VISTA GOLF & SKI RANCH DEVELOPMENT

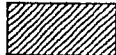
EXHIBIT A-1

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



North



 4937 ac. ±

0 4000 8000
Graphic Scale in Feet
1 Inch = 4000 feet

EXHIBIT 1
Service Plan.dwg

EXHIBIT A-2

MAP SHOWING THE BOUNDARIES OF THE DISTRICTS



North

EXHIBIT A-2

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

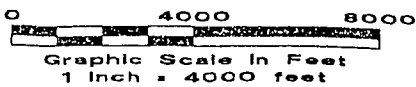
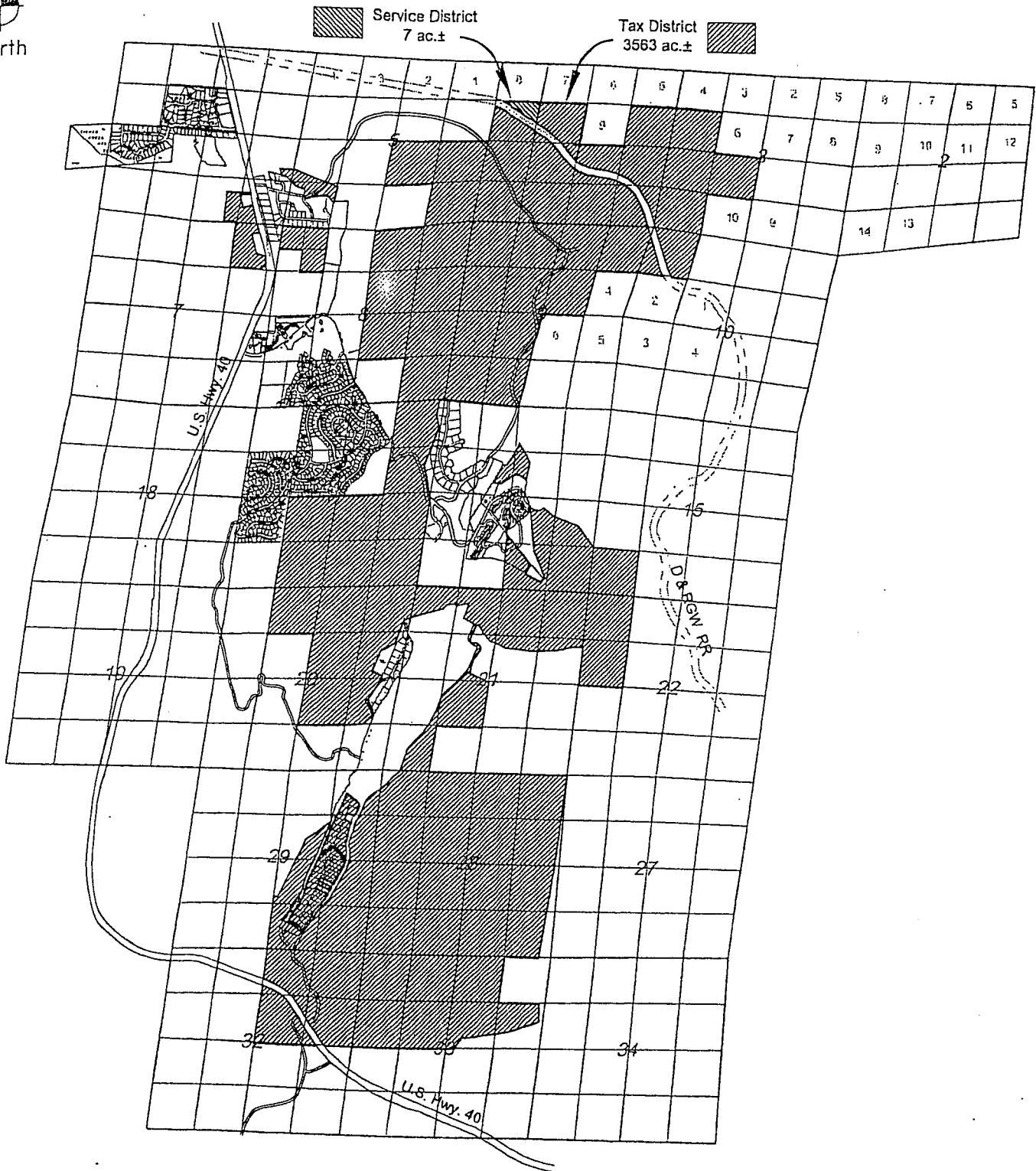


EXHIBIT B-1

LEGAL DESCRIPTION OF THE CURRENT BOUNDARIES OF THE DISTRICTS

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:

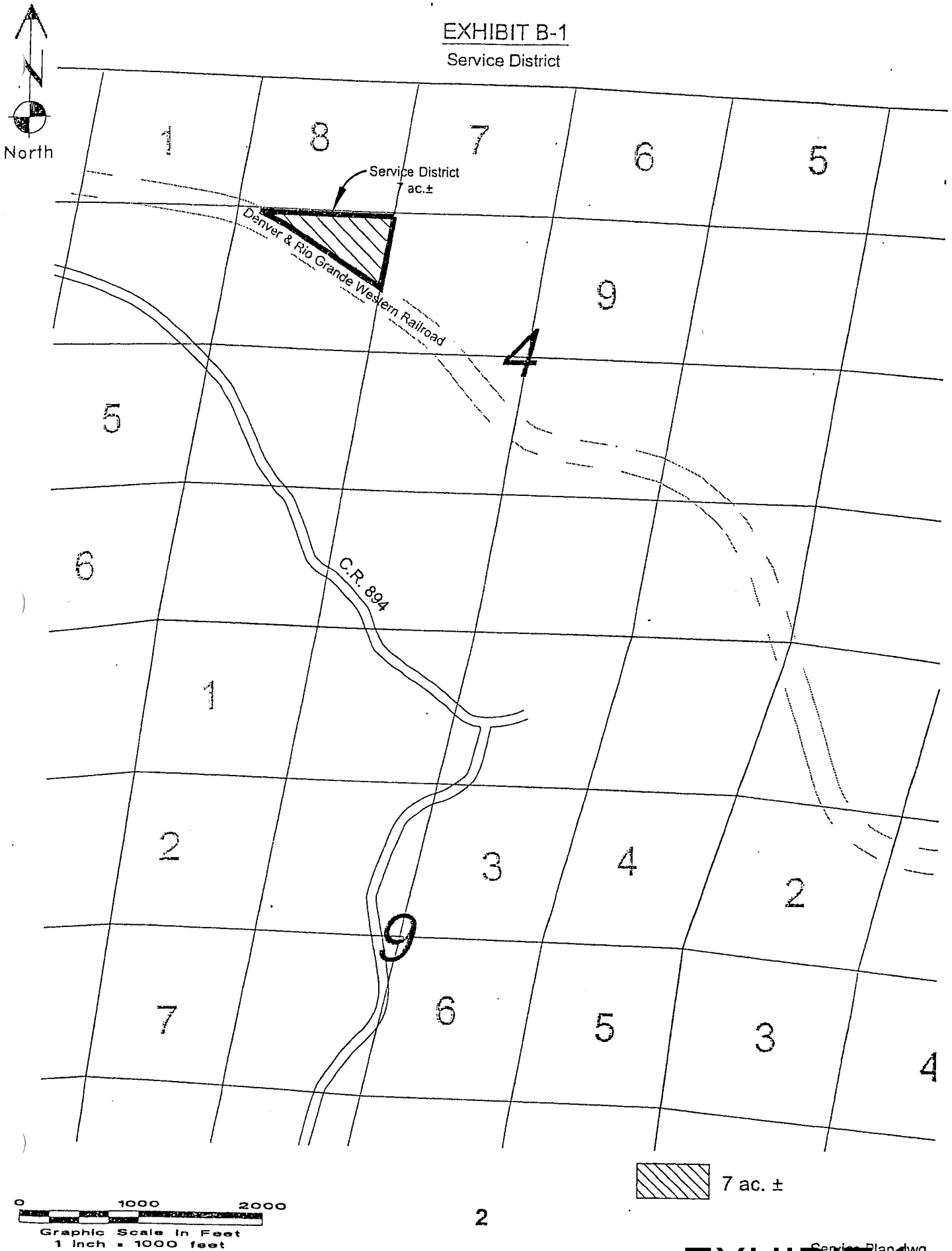
That portion of the SW1/4NW1/4, located north of the Denver and Rio Grande Western Railroad right-of-way.

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

job # 98214.40
Service District
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Printed: 5/7/2003 12:31 PM by d

EXHIBIT B-1

Service District



Service Plan dwg
EXHIBIT 1

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;

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 1 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;

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 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;



EXHIBIT B-1

Tax District

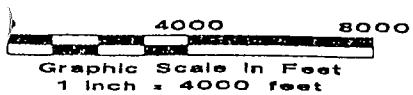
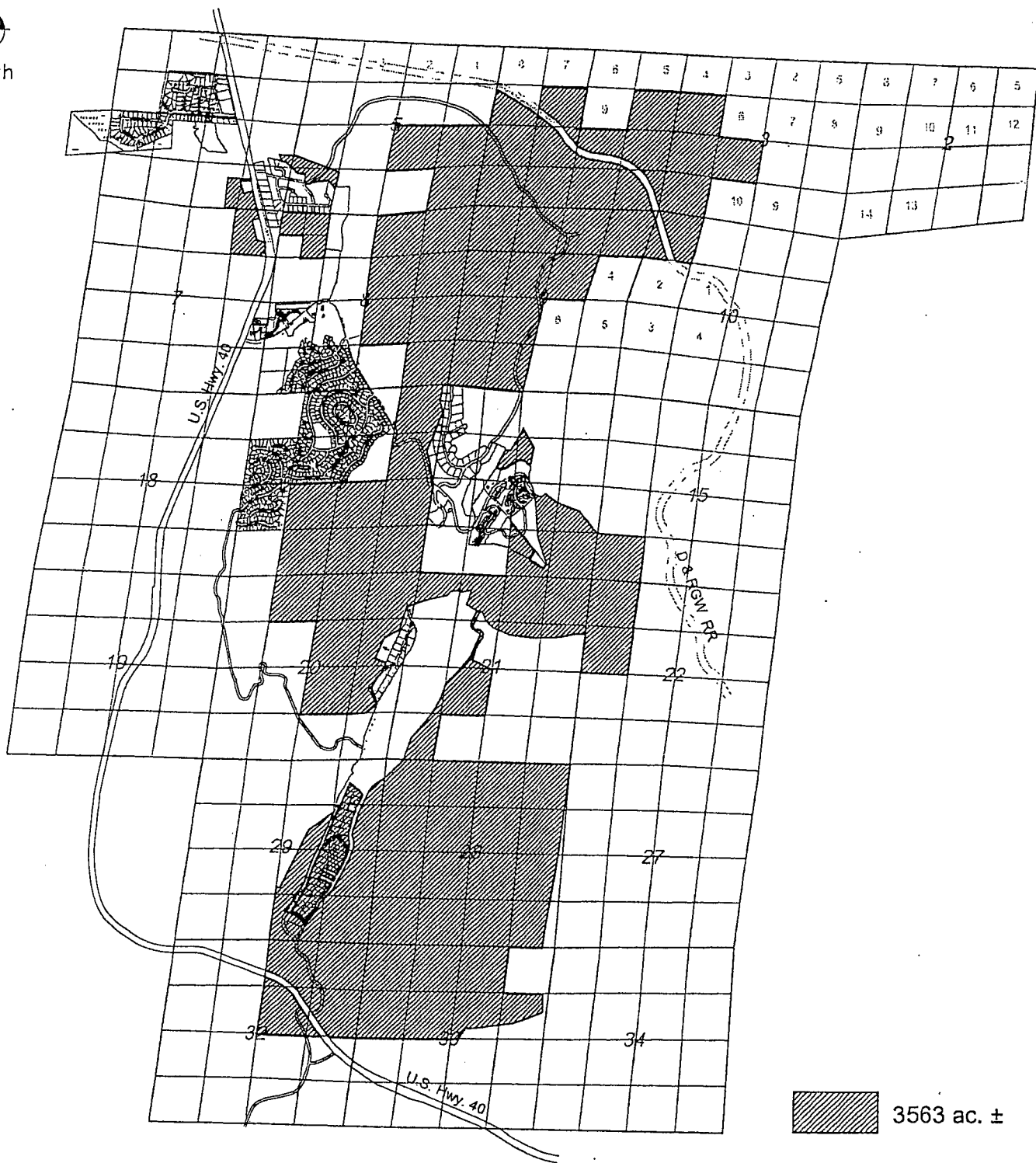


EXHIBIT B-1

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 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 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 B-2

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

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 15.00 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

prepared by: David Costner
date prepared: 05/07/2003
for and on behalf of GEOSURV, Inc.
Lafayette, CO 80026 303 666 0379

job # 98214.40
Exhibit B-2

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Printed: 5/7/2003 12:49 PM by d

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.



North

EXHIBIT B-2

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



 1367ac. ±

0 4000 8000
Graphic Scale in Feet
1 inch = 4000 feet

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 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 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 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 C

ENGINEERING SURVEY OF ESTIMATED COSTS OF PUBLIC IMPROVEMENTS

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				
Landscape 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 D
FINANCING PLAN

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 you 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):

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.

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.

Stan Bernstein and Associates, Inc.

Financial Planners and Consultants

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

8400 East Prentice Avenue, Penthouse

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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 you 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

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 2-18-03
SUBJECT TO CHANGE AND REVISION

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

SCHEDULE											
DESCRIPTION	REFERENCE	2004	2005	2006	2007	2008	2009	2010	2011		
BEGINNING FUND BALANCE - JANUARY 1	0	33,255	75,175	173,334	270,284	536,055	541,399	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
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	3	30,000	30,000	139,286	135,000	227,143	210,000	334,286	210,000	210,000	210,000
PROPERTY TAX & S.O. TAX TRANSFERS FROM SVMID#2		153,000	178,500	207,453	236,405	352,530	453,864	674,332	835,640	835,640	835,640
REVENUE BOND ISSUES (NET OF COSTS OF ISSUANCE)	2	0	0	0	0	3,879,500	0	0	9,700,000	0	9,700,000
DEVELOPER COST RECOVERY ADVANCES - CAPITAL IMPROVEMENTS		4,156,000	4,485,000	3,011,000	5,085,000	4,798,000	2,126,000	1,624,000	212,000	212,000	212,000
INTEREST EARNINGS OPERATING FUNDS @ 2%		0	665	1,504	3,467	5,406	10,721	10,828	15,100	15,100	15,100
TOTAL REVENUES		4,339,263	4,694,428	3,359,504	5,460,135	9,262,841	2,800,848	2,643,708	10,973,002	10,973,002	10,973,002
TOTAL REVENUES AND FUND BALANCE		4,339,263	4,727,683	3,434,680	5,633,468	9,533,124	3,336,903	3,185,108	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	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	175,000	175,000	175,000
ALLOWANCE FOR RECREATION		0	0	5,000	5,000	10,000	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	44,497	66,111	81,926	81,926	81,926
COUNTY TREASURER FEES @ 3% OF PROP. TAXES		8	8	8	8	8	8	8	8	8	8
CONTINGENCY ALLOWANCE FOR REPAIR, MAINTENANCE, CAPITAL, ADMIN.		0	0	25,000	25,000	25,000	75,000	100,000	125,000	125,000	125,000
TOTAL OPERATING EXPENDITURES		150,008	167,508	250,346	278,185	319,569	409,504	536,119	616,933	616,933	616,933
PAYMENTS TO DEVELOPER FOR COST RECOVERY (FROM NET BONDS)	2	0	0	0	0	3,879,500	0	0	9,380,000	9,380,000	9,380,000
PAYMENTS TO TOWN OF GRANBY FROM BOND PROCEEDS	2	0	0	0	0	0	0	0	320,000	320,000	320,000
CAPITAL IMPROVEMENTS	1	4,156,000	4,485,000	3,011,000	5,085,000	4,798,000	2,126,000	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	260,000	270,000	274,350	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	260,000	270,000	274,350	274,350	274,350
TOTAL REVENUE BONDS DEBT SERVICE		0	0	0	0	0	260,000	270,000	274,350	274,350	274,350
TOTAL EXPENDITURES		4,306,008	4,652,508	3,261,346	5,363,185	8,997,069	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	265,772	5,344	213,590	169,719	169,719	169,719
ENDING FUND BALANCE - DECEMBER 31		33,255	75,175	173,334	270,284	536,055	541,399	754,989	924,708	924,708	924,708
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 SVMID#2:											
PROJECTED ASSESSED VALUE SVMID#2		3,000,000	3,500,000	4,067,700	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 SVMID#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 SVMID#2		150,000	175,000	203,385	231,770	345,618	444,965	661,110	819,255	819,255	819,255

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 2039

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	1,584,295	1,412,236
REVENUES:									
PROPERTY TAXES @ 50 MILLS X \$5,000 A.V. (45 MILLS AFTER 2027)		250	250	250	250	250	250	250	250
SPEC. OWNER TAXES @ 5% OF PROP TAXES	3	13	13	13	13	13	13	13	13
CAPITAL FACILITY FEES @ \$1,500 AVERAGE PER UNIT	3	261,429	240,000	261,429	240,000	261,429	270,000	240,000	240,000
PROPERTY TAX & S.O. TAX TRANSFERS FROM SYMD#2	2	1,425,858	1,587,166	1,851,377	2,041,637	2,305,848	2,486,108	2,760,319	2,978,532
REVENUE BOND ISSUES (NET OF COSTS OF ISSUANCE)	2	0	0	0	0	0	10,165,000	0	0
DEVELOPER COST RECOVERY ADVANCES - CAPITAL IMPROVEMENTS		0	1,706,000	1,037,000	1,811,000	0	1,849,000	0	0
INTEREST EARNINGS OPERATING FUNDS @ 2%		18,494	18,752	19,154	18,489	19,511	24,371	31,686	28,245
TOTAL REVENUES		1,706,043	3,552,180	3,169,222	4,111,389	2,587,050	14,824,741	3,032,267	3,248,039
TOTAL REVENUES AND FUND BALANCE		2,630,752	4,489,759	4,126,919	5,035,842	3,562,599	16,043,269	4,616,563	4,660,275
OPERATING EXPENDITURES:									
ALLOWANCE FOR ADMINISTRATION		220,000	230,000	240,000	250,000	260,000	270,000	280,000	290,000
ALLOWANCE FOR ROAD MAINTENANCE, REPAIR, REPLACEMENT		200,000	225,000	250,000	275,000	300,000	325,000	350,000	375,000
ALLOWANCE FOR RECREATION		30,000	35,000	40,000	45,000	50,000	55,000	60,000	65,000
ALLOWANCE FOR TRANSPORTATION @ 5 MILLS		139,790	155,605	181,508	200,161	226,064	244,717	270,620	292,111
COUNTY TREASURER FEES @ 3% OF PROP. TAXES	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
TOTAL OPERATING EXPENDITURES		739,798	820,612	961,515	1,045,168	1,136,071	1,219,724	1,310,627	1,397,119
PAYMENTS TO DEVELOPER FOR COST RECOVERY (FROM NET BONDS)	2	0	0	0	0	0	8,985,000	0	0
PAYMENTS TO TOWN OF GRANBY FROM BOND PROCEEDS	2	0	0	0	0	0	1,200,000	0	0
CAPITAL IMPROVEMENTS	1	0	1,706,000	1,037,000	1,811,000	0	1,849,000	0	0
REVENUE BONDS DEBT SERVICE:									
SERIES 12/1/2008 REVENUE BONDS	2	303,375	355,450	363,950	357,125	359,650	356,525	358,075	358,975
SERIES 12/1/2011 REVENUE BONDS	2	650,000	650,000	850,000	847,000	848,350	848,725	853,125	851,225
SERIES 12/1/2017 REVENUE BONDS	2	0	0	0	0	0	0	662,500	662,500
SERIES 12/1/2023 REVENUE BONDS	2	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	1,893,700	1,892,700
TOTAL EXPENDITURES		1,693,173	3,532,062	3,202,465	4,060,293	2,344,071	14,458,974	3,204,327	3,289,819
EXCESS ANNUAL REVENUES OVER EXPENDITURES		12,871	20,118	(33,243)	51,096	242,979	365,767	(172,060)	(41,779)
ENDING FUND BALANCE - DECEMBER 31		937,579	957,697	924,454	975,549	1,218,528	1,584,295	1,412,236	1,370,457
TOTAL BONDS OUTSTANDING @ DECEMBER 31		13,930,000	13,830,000	13,525,000	13,200,000	12,850,000	22,980,000	22,580,000	22,155,000
PROPERTY TAX TRANSFER FROM SYMD#2:									
PROJECTED ASSESSED VALUE SYMD#2		27,958,000	31,120,900	36,301,500	40,032,100	45,212,700	48,943,300	54,123,900	58,422,200
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		1,397,900	1,556,045	1,815,075	2,001,605	2,260,635	2,447,165	2,706,195	2,921,110

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 2039

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

DESCRIPTION	SCHEDULE REFERENCE	2020	2021	2022	2023	2024	2025	2026	2027
BEGINNING FUND BALANCE - JANUARY 1		1,370,457	1,295,964	1,284,872	1,607,557	2,042,826	1,742,011	1,645,454	1,696,435
REVENUES:									
PROPERTY TAXES @ 50 MILLS X \$5,000 A.V. (45 MILLS AFTER 2027)		250	250	250	250	250	250	250	250
SPEC. OWNER TAXES @ 5% OF PROP TAXES	3	13	13	13	13	13	13	13	13
CAPITAL FACILITY FEES @ \$1,500 AVERAGE PER UNIT	3	291,429	240,000	300,000	289,286	270,000	270,000	270,000	270,000
PROPERTY TAX & S.O. TAX TRANSFERS FROM SVMD#2	3	3,178,065	3,376,598	3,752,611	3,951,143	4,207,582	4,509,894	4,745,652	4,981,410
REVENUE BOND ISSUES (NET OF COSTS OF ISSUANCE)	2	0	0	0	10,184,700	0	0	0	0
DEVELOPER COST RECOVERY ADVANCES - CAPITAL IMPROVEMENTS		0	0	0	0	0	0	0	0
INTEREST EARNINGS OPERATING FUNDS @ 2%		27,409	25,919	25,697	32,151	40,857	34,840	32,909	33,929
TOTAL REVENUES		3,497,165	3,642,780	4,078,571	14,457,543	4,518,701	4,814,997	5,048,824	5,285,601
TOTAL REVENUES AND FUND BALANCE		4,867,622	4,938,744	5,363,443	16,065,100	6,561,526	6,557,008	6,694,277	6,982,036
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	367,903	387,367	412,508	442,147	465,260	488,374
COUNTY TREASURER FEES @ 3% OF PROP. TAXES		8	8	8	8	8	8	8	8
CONTINGENCY 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	1,566,047	1,667,911	1,732,375	1,842,516	1,937,154	2,025,268	2,113,361
PAYMENTS TO DEVELOPER FOR COST RECOVERY (FROM NET BONDS)	2	0	0	0	8,904,700	0	0	0	0
PAYMENTS TO TOWN OF GRANBY FROM BOND PROCEEDS	2	0	0	0	1,280,000	0	0	0	0
CAPITAL IMPROVEMENTS	1	0	0	0	0	0	0	0	0
REVENUE BONDS DEBT SERVICE:									
SERIES 12/1/2008 REVENUE BONDS	2	359,225	358,825	357,775	356,075	358,725	360,400	361,100	355,825
SERIES 12/1/2011 REVENUE BONDS	2	848,350	849,500	849,350	847,900	850,150	850,775	849,775	847,150
SERIES 12/1/2017 REVENUE BONDS	2	882,500	879,500	880,850	881,225	885,625	883,725	880,850	882,000
SERIES 12/1/2023 REVENUE BONDS	2	0	0	0	0	882,500	879,500	880,850	881,225
TOTAL REVENUE BONDS DEBT SERVICE	2	2,090,075	2,087,825	2,087,975	2,085,200	2,977,000	2,974,400	2,972,575	2,966,200
TOTAL EXPENDITURES		3,571,658	3,653,872	3,755,886	14,022,275	4,819,516	4,911,554	4,997,843	5,079,581
EXCESS ANNUAL REVENUES OVER EXPENDITURES		(74,492)	(11,092)	322,685	435,268	(300,815)	(96,557)	50,981	206,020
ENDING FUND BALANCE - DECEMBER 31		1,295,964	1,284,872	1,607,557	2,042,826	1,742,011	1,645,454	1,696,435	1,902,455
TOTAL BONDS OUTSTANDING @ DECEMBER 31		21,505,000	20,815,000	20,080,000	29,800,000	28,760,000	27,655,000	26,480,000	25,235,000
PROPERTY TAX TRANSFER FROM SVMD#2:									
PROJECTED ASSESSED VALUE SVMD#2		62,315,000	66,207,800	73,580,600	77,473,400	82,501,600	88,429,300	93,052,000	97,674,700
MILL LEVY TRANSFER FROM SVMD#2		50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
PROPERTY TAX TRANSFER FROM SVMD#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 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 2039**

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

DESCRIPTION	SCHEDULE REFERENCE	2028	2029	2030	2031	2032	2033	2034	2035
BEGINNING FUND BALANCE - JANUARY 1		1,902,455	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 \$5,000 A.V. (45 MILLS AFTER 2027)	225		225	225	225	225	225	225	225
SPEC. OWNER TAXES @ 5% OF PROP TAXES	11		11	11	11	11	11	11	11
CAPITAL FACILITY FEES @ \$1,500 AVERAGE PER UNIT	3	270,000	270,000	270,000	210,000	58,500	0	0	0
PROPERTY TAX & S.O. TAX TRANSFERS FROM SYMD#2	4,695,451	4,907,633	5,119,815	5,331,996	5,544,178	5,704,245	5,740,540	5,740,540	5,740,540
REVENUE BOND ISSUES (NET OF COSTS OF ISSUANCE)	2	0	0	0	0	0	0	0	0
DEVELOPER COST RECOVERY ADVANCES - CAPITAL IMPROVEMENTS	0	0	0	0	0	0	0	0	0
INTEREST EARNINGS OPERATING FUNDS @ 2%	38,049	35,088	35,085	38,110	42,939	48,509	61,657	74,813	74,813
TOTAL REVENUES	5,003,736	5,212,957	5,425,136	5,580,342	5,645,854	5,752,991	5,802,433	5,815,589	5,815,589
TOTAL REVENUES AND FUND BALANCE		6,906,191	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		380,000	390,000	400,000	410,000	420,000	430,000	440,000	450,000
ALLOWANCE FOR ROAD MAINTENANCE, REPAIR, REPLACEMENT		600,000	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		511,467	534,601	557,714	580,828	603,941	621,378	625,331	625,331
COUNTY TREASURER FEES @ 3% OF PROP. TAXES	7	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000
CONTINGENCY ALLOWANCE FOR REPAIR, MAINTENANCE, CAPITAL, ADMIN.		2,176,494	2,239,607	2,302,721	2,365,834	2,428,948	2,496,384	2,530,338	2,570,338
TOTAL OPERATING EXPENDITURES		2,222,961	2,369,207	2,472,721	2,580,634	2,688,648	2,796,634	2,866,634	2,916,634
PAYMENTS TO DEVELOPER FOR COST RECOVERY (FROM NET BONDS)	2	0	0	0	0	0	0	0	0
PAYMENTS TO TOWN OF GRANBY FROM BOND PROCEEDS	2	0	0	0	0	0	0	0	0
CAPITAL IMPROVEMENTS	1	0	0	0	0	0	0	0	0
REVENUE BONDS DEBT SERVICE:									
SERIES 12/1/2008 REVENUE BONDS	2	359,900	357,675	354,475	355,300	324,825	0	0	0
SERIES 12/1/2011 REVENUE BONDS	2	847,900	851,700	853,225	852,475	849,450	849,150	851,250	850,425
SERIES 12/1/2017 REVENUE BONDS	2	881,850	880,400	882,650	883,275	882,275	879,650	880,400	884,200
SERIES 12/1/2023 REVENUE BONDS	2	885,625	883,725	880,850	882,000	881,850	880,400	882,650	883,275
TOTAL REVENUE BONDS DEBT SERVICE	2	2,975,275	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	5,367,348	5,095,584	5,144,638	5,188,238
EXCESS ANNUAL REVENUES OVER EXPENDITURES		(148,033)	(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	20,970,000	19,360,000	17,680,000	16,220,000	14,660,000	12,995,000
PROPERTY TAX TRANSFER FROM SYMD#2:									
PROJECTED ASSESSED VALUE SYMD#2		102,297,400	106,920,100	111,542,800	116,165,500	120,788,200	124,275,500	125,066,225	125,066,225
MILL LEVY TRANSFER FROM SYMD#2		45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
PROPERTY TAX TRANSFER FROM SYMD#2		4,603,383	4,811,405	5,019,426	5,227,448	5,436,469	5,592,388	5,627,980	5,627,980

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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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 2039**

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

DESCRIPTION	SCHEDULE REFERENCE	2036	2037	2038	2039	TOTALS
BEGINNING FUND BALANCE - JANUARY 1		4,368,005	4,971,128	6,396,363	7,812,379	0
REVENUES:						
PROPERTY TAXES @ 50 MILLS X \$5,000 A.V. (45 MILLS AFTER 2027)						
SPEC. OWNER TAXES @ 5% OF PROP TAXES	225	11	11	11	11	8,700
CAPITAL FACILITY FEES @ \$1,500 AVERAGE PER UNIT	0	0	0	0	0	435
PROPERTY TAX & S.O. TAX TRANSFERS FROM SYMD#2	3	5,740,540	5,740,540	5,740,540	5,740,540	6,609,214
REVENUE BOND ISSUES (NET OF COSTS OF ISSUANCE)	2	0	0	0	0	118,989,080
DEVELOPER COST RECOVERY ADVANCES - CAPITAL IMPROVEMENTS	0	0	0	0	0	33,949,200
INTEREST EARNINGS OPERATING FUNDS @ 2%	87,360	99,423	127,927	156,248	1,325,311	
TOTAL REVENUES	5,828,136	5,840,199	5,868,703	5,897,024	192,781,940	
TOTAL REVENUES AND FUND BALANCE	10,196,141	10,811,326	12,265,067	13,709,402	192,781,940	
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	7	261
CONTINGENCY ALLOWANCE FOR REPAIR, MAINTENANCE, CAPITAL, ADMIN.		575,000	575,000	575,000	575,000	13,375,000
TOTAL OPERATING EXPENDITURES	2,610,338	2,650,338	2,690,338	2,730,338	55,527,051	
PAYMENTS TO DEVELOPER FOR COST RECOVERY (FROM NET BONDS)	2	0	0	0	0	31,149,200
PAYMENTS TO TOWN OF GRANBY FROM BOND PROCEEDS	2	0	0	0	0	2,800,000
CAPITAL IMPROVEMENTS	1	0	0	0	0	31,900,000
REVENUE BONDS DEBT SERVICE:						
SERIES 12/1/2008 REVENUE BONDS	2	0	0	0	0	8,227,600
SERIES 12/1/2011 REVENUE BONDS	2	846,675	0	0	0	20,843,625
SERIES 12/1/2017 REVENUE BONDS	2	885,725	884,975	881,950	3,631,650	21,760,275
SERIES 12/1/2023 REVENUE BONDS	2	882,275	879,650	880,400	6,049,200	19,275,975
TOTAL REVENUE BONDS DEBT SERVICE	2	2,614,675	1,764,625	1,762,350	9,680,850	70,107,475
TOTAL EXPENDITURES		5,225,013	4,414,963	4,452,688	12,411,188	191,483,726
EXCESS ANNUAL REVENUES OVER EXPENDITURES		603,123	1,425,236	1,416,015	(6,514,164)	1,298,214
ENDING FUND BALANCE - DECEMBER 31		4,971,128	6,396,363	7,812,379	1,298,214	1,298,214
TOTAL BONDS OUTSTANDING @ DECEMBER 31		11,225,000	10,190,000	9,090,000	0	0
PROPERTY TAX TRANSFER FROM SYMD#2:						
PROJECTED ASSESSED VALUE SYMD#2		125,066,225	125,066,225	125,066,225	125,066,225	
MILL LEVY TRANSFER FROM SYMD#2		45.00	45.00	45.00	45.00	
PROPERTY TAX TRANSFER FROM SYMD#2		5,627,980	5,627,980	5,627,980	5,627,980	116,655,961

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 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	1,246,000	1,484,000	1,734,000	1,236,000	1,138,000	1,876,000	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	100,000	0	0	0	0	0	0
TRANSPORTATION	0	0	250,000	250,000	250,000	250,000	250,000	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	2,126,000	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

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EXHIBIT 1

**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, se various Sol Vista subdivisions. It is assumed that the developers will

SEE CONSULTANTS SUMMARY AND DISCLAIMER

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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 2031
UNINFLATED DOLLARS

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

SCHEDULE 2 - FORECASTED REVENUE BOND ISSUES
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

DATE OF PROPOSED BOND ISSUE	— SIZE OF BOND ISSUE —			2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	PROCEEDS SOLVISTA	PROCEEDS TOWN (1)	COSTS OF ISSUANCE										
12/1/2008	3,879,500	0	120,500	0	0	0	0	0	260,000	270,000	274,350	303,375	355,450
12/1/2011	9,380,000	320,000	300,000	0	0	0	0	0	0	0	0	650,000	650,000
12/1/2017	8,985,000	1,200,000	315,000	0	0	0	0	0	0	0	0	0	0
12/1/2023	8,904,700	1,280,000	315,300	0	0	0	0	0	0	0	0	0	0
TOTALS	31,149,200	2,800,000	1,050,800	0	0	0	0	0	260,000	270,000	274,350	953,375	1,005,450

ANNUAL DEBT SERVICE REQUIREMENTS

12/1/2008	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	10,000	15,000	45,000	100,000
	INTEREST @ 6.50%	0	0	0	0	0	0	0	260,000	260,000	259,350	258,375	255,450
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	260,000	270,000	274,350	303,375	355,450
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	4,000,000	4,000,000	4,000,000	3,990,000	3,975,000	3,930,000	3,830,000	3,830,000
12/1/2011	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0
	INTEREST @ 6.50%	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
12/1/2017	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0
	INTEREST @ 6.50%	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	0	0	0	0
12/1/2023	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0
	INTEREST @ 6.50%	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL BONDS OUTSTANDING END OF YEAR - ALL ISSUES:	0	0	0	0	4,000,000	4,000,000	4,000,000	3,990,000	3,975,000	3,930,000	3,830,000	3,830,000
	CERTIFIED ASSESSED VALUE - DISTRICT #1	3,500,000	4,067,700	4,635,400	6,912,350	8,899,300	13,222,200	16,385,100	27,958,000	31,120,900	36,301,500	38,100,000	38,100,000
	DEBT TO ASSESSED %	0.00%	0.00%	0.00%	0.00%	44.95%	30.25%	24.35%	49.99%	44.76%	38.10%	38.10%	38.10%

Note 1: Pursuant to an IGA with the Town of Granby the Town will receive 8% of the second \$10 million of bonds issued by the District, 16% of the third \$10 million of bonds 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 2031
UNINFLATED DOLLARS

SCHEDULE 2 - FORECASTED REVENUE BOND ISSUES
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

DATE OF PROPOSED BOND ISSUE	PROCEEDS SOLVITA	— SIZE OF BOND ISSUE —			2023	2024	2025	2026	2027	2028	2029	2030	2031
		PROCEEDS TOWN (1)	COSTS OF ISSUANCE	GROSS BOND ISSUE									
12/1/2008	3,879,500	0	120,500	4,000,000	356,075	356,725	360,400	361,100	355,825	359,900	357,675	354,475	355,300
12/1/2011	9,380,000	320,000	300,000	10,000,000	847,900	850,150	850,775	849,775	847,150	847,900	851,700	853,225	852,475
12/1/2017	8,985,000	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	8,904,700	1,280,000	315,300	10,500,000	0	882,500	879,500	880,850	881,225	885,625	883,725	880,850	882,000
TOTALS	31,149,200	2,800,000	1,050,800	35,000,000	2,085,200	2,977,000	2,974,400	2,972,575	2,966,200	2,975,275	2,973,500	2,971,200	2,973,050

ANNUAL DEBT SERVICE REQUIREMENTS

12/1/2008	PRINCIPAL REDUCTION	190,000	205,000	220,000	225,000	245,000	265,000	280,000	295,000	315,000			
	INTEREST @ 6.50%	166,075	153,725	140,400	126,100	110,825	94,900	77,675	59,475	40,300			
	TOTAL DEBT SERVICE REQUIREMENTS	356,075	358,725	360,400	361,100	355,825	359,900	357,675	354,475	355,300			
	BONDS OUTSTANDING END OF YEAR	2,365,000	2,160,000	1,940,000	1,705,000	1,460,000	1,195,000	915,000	620,000	305,000			
12/1/2011	PRINCIPAL REDUCTION	350,000	375,000	400,000	425,000	450,000	480,000	515,000	550,000	585,000			
	INTEREST @ 6.50%	497,900	475,150	450,775	424,775	397,150	367,900	336,700	303,225	267,475			
	TOTAL DEBT SERVICE REQUIREMENTS	847,900	850,150	850,775	849,775	847,150	847,900	851,700	853,225	852,475			
	BONDS OUTSTANDING END OF YEAR	7,310,000	6,938,000	6,535,000	6,110,000	5,660,000	5,180,000	4,665,000	4,115,000	3,530,000			
12/1/2017	PRINCIPAL REDUCTION	240,000	260,000	275,000	290,000	310,000	330,000	350,000	375,000	400,000			
	INTEREST @ 6.50%	641,225	625,625	608,725	590,850	572,000	551,850	530,400	507,650	483,275			
	TOTAL DEBT SERVICE REQUIREMENTS	881,225	885,625	883,725	880,850	882,000	881,850	880,400	882,650	883,275			
	BONDS OUTSTANDING END OF YEAR	9,625,000	9,365,000	9,090,000	8,800,000	8,490,000	8,160,000	7,810,000	7,435,000	7,035,000			
12/1/2023	PRINCIPAL REDUCTION	0	200,000	210,000	225,000	240,000	260,000	275,000	290,000	310,000			
	INTEREST @ 6.50%	0	682,500	669,500	655,850	641,225	625,625	608,725	590,850	572,000			
	TOTAL DEBT SERVICE REQUIREMENTS	0	882,500	879,500	880,850	881,225	885,625	883,725	880,850	882,000			
	BONDS OUTSTANDING END OF YEAR	10,500,000	10,300,000	10,090,000	9,885,000	9,625,000	9,365,000	9,090,000	8,800,000	8,490,000			
	TOTAL BONDS OUTSTANDING END OF YEAR - ALL ISSUES:	29,800,000	28,760,000	27,655,000	26,480,000	25,235,000	23,900,000	22,480,000	20,970,000	19,360,000			
	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			
	DEBT TO ASSESSED %	36.12%	32.52%	29.72%	27.11%	24.67%	22.35%	20.15%	18.05%	16.03%			

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 Dist

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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EXHIBIT 1

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 SFE'S - NON RESID. (1 SFE/3500 SQ. FT.)	0	0	3	0	11	0	83	0
TOTAL SFE'S	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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EXHIBIT 1

**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

	2012	2013	2014	2015	2016	2017	2018	2019
INCREMENTAL RESIDENTIAL UNITS COMPLETED	160	160	160	160	160	180	160	160
INCREMENTAL SFE'S - NON RESID. (1 SFE/3500 SQ. FT.)	14	0	14	0	14	0	0	0
TOTAL SFE'S	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

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EXHIBIT 1

**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

	2020	2021	2022	2023	2024	2025	2026	2027
INCREMENTAL RESIDENTIAL UNITS COMPLETED	160	160	200	180	180	180	180	180
INCREMENTAL SFE'S - NON RESID. (1 SFE/3500 SQ. FT.)	34	0	0	13	0	0	0	0
TOTAL SFE'S	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

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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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

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**

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

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

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

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

DESCRIPTION	SCHEDULE REFERENCE	2004	2005	2006	2007	2008	2009	2010	2011	2012
BEGINNING FUND BALANCE - JANUARY 1		0	0	0	0	0	0	0	0	0
REVENUES:										
PROPERTY TAX REVENUES @ 50.00 MILLS (45 MILLS AFTER 2027)		150,000	175,000	203,385	231,770	345,618	444,965	661,110	819,255	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 SYMMD#1		153,000	178,500	207,453	236,405	352,530	453,864	674,332	835,640	1,425,858
COUNTY TREASURER FEES @ 3% OF PROP. TAXES		4,500	5,250	6,102	6,953	10,369	13,349	19,833	24,578	41,937
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 SYMMD#1:										
PROJECTED ASSESSED VALUE SYMMD#2	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 SYMMD#1		50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
PROPERTY TAX TRANSFER TO SYMMD#1		150,000	175,000	203,385	231,770	345,618	444,965	661,110	819,255	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 I - 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
REVENUES:										
PROPERTY TAX REVENUES @ 50.00 MILLS (45 MILLS AFTER 2027)		1,556,045	1,815,075	2,001,605	2,260,635	2,447,165	2,706,195	2,921,110	3,115,750	3,310,390
SPEC. OWNER TAXES @ 5% OF PROP TAXES		77,802	90,754	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		1,587,166	1,851,377	2,041,637	2,305,848	2,496,108	2,760,319	2,979,532	3,178,065	3,376,598
COUNTY TREASURER FEES @ 3% OF PROP. TAXES		46,681	54,452	60,048	67,819	73,415	81,186	87,633	93,473	99,312
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	1	31,120,900	36,301,500	40,032,100	45,212,700	48,943,300	54,123,900	58,422,200	62,315,000	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	2,260,635	2,447,165	2,706,195	2,921,110	3,115,750	3,310,390

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EXHIBIT 1

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 I - 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
REVENUES:										
PROPERTY TAX REVENUES @ 50.00 MILLS (45 MILLS AFTER 2027)		3,679,030	3,873,670	4,125,080	4,421,465	4,652,600	4,883,735	4,603,383	4,811,405	5,019,426
SPEC. OWNER TAXES @ 5% OF PROP TAXES		183,952	193,684	206,254	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	3,951,143	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	123,752	132,644	139,578	146,512	138,101	144,342	150,583
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#2	1	73,580,600	77,473,400	82,501,600	88,429,300	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	4,125,080	4,421,465	4,652,600	4,883,735	4,603,383	4,811,405	5,019,426

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EXHIBIT 1

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	
BEGINNING FUND BALANCE - JANUARY 1		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	5,592,398	5,627,980	5,627,980	5,627,980	5,627,980	5,627,980	
SPEC. OWNER TAXES @ 5% OF PROP TAXES		261,372	271,773	279,620	281,399	281,399	281,399	281,399	281,399	
INTEREST EARNED ON CONTINGENCY FUNDS @ 2%		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	
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	
OPERATING EXPENDITURES:										
TRANSFER OF PROP. & S.O. TAXES TO SYMD#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	
COUNTY TREASURER FEES @ 3% OF PROP. TAXES		156,823	163,064	167,772	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	
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	
EXCESS ANNUAL REVENUES OVER EXPENDITURES		0	0	0	0	0	0	0	0	
ENDING FUND BALANCE - DECEMBER 31		0	0	0	0	0	0	0	0	
PROPERTY TAX TRANSFER TO SYMD#1:										
PROJECTED ASSESSED VALUE SYMD#2	1	116,165,500	120,788,200	124,275,500	125,066,225	125,066,225	125,066,225	125,066,225	125,066,225	
MILL LEVY TRANSFER TO SYMD#1		45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	
PROPERTY TAX TRANSFER TO SYMD#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	

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EXHIBIT 1

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 I - 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
SPEC. OWNER TAXES @ 5% OF PROP TAXES		281,399 5,832,798
INTEREST EARNED ON CONTINGENCY FUNDS @ 2%		0 0
TOTAL REVENUES		5,909,379 122,488,759
TOTAL REVENUES AND FUND BALANCE		5,909,379 122,488,759
OPERATING EXPENDITURES:		
TRANSFER OF PROP. & S.O. TAXES TO SYMD#1		5,740,540 118,989,080
COUNTY TREASURER FEES @ 3% OF PROP. TAXES		168,839 3,489,679
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 SYMD#1:		
PROJECTED ASSESSED VALUE SYMD#2	1	125,066,225
MILL LEVY TRANSFER TO SYMD#1		45.00
PROPERTY TAX TRANSFER TO SYMD#1		5,627,980 116,655,961

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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

BUILDOUT (YEAR OF COMPLETION)															
Description of Development	Planned Number of Units	Average Per Unit Price	Total Gross Unit Volume												
				2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		
Residential - Single Family	2,100	350,000	735,000,000	20	20	20	20	40	40	40	40	40	60	60	
Residential - Multi Family	2,119	250,000	529,750,000	0	0	70	70	100	100	100	100	100	100	100	
Total Residential	4,219	299,775	1,264,750,000	20	20	90	90	140	140	140	140	140	160	160	
Non-Residential Space	655,000	100	65,500,000	0	0	10,000	0	40,000	0	290,000	0	50,000	0	0	
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	39,000,000	39,000,000	39,000,000	39,000,000	46,000,000	46,000,000
From Non-Residential Buildout	0	0	1,000,000	0	4,000,000	0	29,000,000	0	29,000,000	0	5,000,000	0	5,000,000	0	0
Total Actual Value Generated	7,000,000	7,000,000	25,500,000	24,500,000	43,000,000	39,000,000	68,000,000	39,000,000	68,000,000	39,000,000	51,000,000	46,000,000	46,000,000	46,000,000	46,000,000

Assessed Valuation Generated:															
From Residential Buildout @ 8.11% of Value	567,700	567,700	1,986,950	1,986,950	3,162,900	3,162,900	3,162,900	3,162,900	3,162,900	3,162,900	3,162,900	3,162,900	3,162,900	3,730,600	3,730,600
From Non-Residential Buildout @ 29% of Value	0	0	290,000	0	1,160,000	0	8,410,000	0	8,410,000	0	1,450,000	0	1,450,000	0	0
Existing Assessed Value	3,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Incremental Assessed Value	4,067,700	567,700	2,276,950	1,986,950	4,322,900	3,162,900	11,572,900	3,162,900	11,572,900	3,162,900	5,180,600	3,730,600	3,730,600	3,730,600	3,730,600
Total Cumulative Assessed Value	4,067,700	4,635,400	6,912,350	8,899,300	13,222,200	16,385,100	27,958,000	31,120,900	31,120,900	31,120,900	36,301,500	40,032,100	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: Developers of Sol Vista

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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

SCHEDULE 1 - PROJECTION OF ASSESSED VALUATION GENERATED FRC

BUILDOUT (YEAR OF COMPLETION)												
Description of Development	Planned Number of Units	Average Per Unit Price	Total		2014	2015	2016	2017	2018	2019	2020	2021
			Gross Unit Volume									
Residential - Single Family	2,100	350,000	735,000,000		60	60	60	80	80	80	80	80
Residential - Multi Family	2,119	250,000	529,750,000		100	100	100	100	80	80	80	120
Total Residential	4,219	299,775	1,264,750,000		160	160	160	180	160	160	160	200
Non-Residential Space	655,000	100	65,500,000		50,000	0	50,000	0	0	0	120,000	0
TOTAL VALUE - PROJECT			1,330,250,000									45,000

Actual Value Generated:												
From Residential Buildout	46,000,000	46,000,000	46,000,000	53,000,000	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000	62,000,000	57,000,000
From Non-Residential Buildout	5,000,000	0	5,000,000	0	0	0	0	0	0	12,000,000	0	4,500,000
Total Actual Value Generated	51,000,000	46,000,000	51,000,000	53,000,000	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000	60,000,000	61,500,000	61,500,000

Assessed Valuation Generated:												
From Residential Buildout @ 8.11% of Value	3,730,600	3,730,600	3,730,600	4,298,300	3,892,800	3,892,800	3,892,800	3,892,800	3,892,800	5,028,200	4,622,700	
From Non-Residential Buildout @ 29% of Value	1,450,000	0	1,450,000	0	0	0	0	0	0	0	1,305,000	
Existing Assessed Value	0	0	0	0	0	0	0	0	0	0	0	
Total Incremental Assessed Value	5,180,600	3,730,600	5,180,600	4,298,300	3,892,800	3,892,800	3,892,800	3,892,800	3,892,800	5,028,200	5,927,700	
Total Cumulative Assessed Value	45,212,700	48,943,300	54,123,900	58,422,200	62,315,000	66,207,800	73,580,600	77,473,400	82,501,600	88,429,300		
Year Assessed Value Certified to District	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		
Year Property Taxes Collected by District	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		

Source for Buildout: Developers of Sol Vista

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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

SCHEDULE 1 - PROJECTION OF ASSESSED VALUATION GENERATED FRC

BUILDOUT (YEAR OF COMPLETION)				Planned Number of Units		Average Per Unit Price		Total Gross Unit Volume	
Description of Development									
Residential - Single Family				2,100	350,000	735,000,000			
Residential - Multi Family				2,119	250,000	529,750,000			
Total Residential				4,219	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												
57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000
0	0	0	0	0	0	0	0	0	0	0	0	0
57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000
Total Actual Value Generated												

Assessed Valuation Generated:												
From Residential Buildout @ 8.11% of Value												
4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700
Total Incremental Assessed Value												
93,052,000	97,674,700	102,297,400	106,920,100	111,542,800	116,165,500	120,788,200	124,275,500	125,066,225				

Year Assessed Value Certified to District								
2025	2026	2027	2028	2029	2030	2031	2032	2033
Year Property Taxes Collected by District								
2026	2027	2028	2029	2030	2031	2032	2033	2034

Source for Buildout: Developers of Sol Vista

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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

BUILDOUT (YEAR OF COMPLETION)				
Description of Development	Planned Number of Units	Average Per Unit Price	Total Gross Unit Volume	
Residential - Single Family	2,100	350,000	735,000,000	
Residential - Multi Family	2,119	250,000	529,750,000	
Total Residential	4,219	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	0	0	0	1,264,750,000
From Non-Residential Buildout	0	0	0	65,500,000
Total Actual Value Generated	0	0	0	1,330,250,000

Assessed Valuation Generated:				
From Residential Buildout @ 8.11% of Value	0	0	0	102,571,225
From Non-Residential Buildout @ 29% of Value	0	0	0	18,995,000
Existing Assessed Value	0	0	0	3,500,000
Total Incremental Assessed Value	0	0	0	125,066,225
Total Cumulative Assessed Value	125,066,225	125,066,225	125,066,225	

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

Source for Buildout: Developers of Sol Vista

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

PAGE 2C

EXHIBIT E

PRELIMINARY DRAFT BALLOT QUESTIONS

BALLOT ISSUES

FOR

SOLVISTA METROPOLITAN DISTRICT NO. 1

EXHIBIT 1

O & M MILL LEVY

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 1 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. 1 DEBT BE INCREASED \$ _____ WITH A REPAYMENT COST OF \$ _____ OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT TO BE REVENUE BONDS OR OTHER SPECIAL, LIMITED 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 TO AUTHORIZE THE COLLECTION AND SPENDING OF THE PROCEEDS OF THE BONDS, THE

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

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$ _____ WITH A REPAYMENT COST OF \$ _____ OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT TO BE REVENUE BONDS OR OTHER SPECIAL, LIMITED 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 TO AUTHORIZE THE COLLECTION AND SPENDING OF THE PROCEEDS OF THE BONDS, THE 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. 1 DEBT BE INCREASED \$ _____ WITH A REPAYMENT COST OF \$ _____ OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT TO BE REVENUE BONDS OR OTHER SPECIAL, LIMITED 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 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 TO AUTHORIZE THE COLLECTION AND SPENDING OF THE PROCEEDS OF THE BONDS, THE 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?

WATER IMPROVEMENTS

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$ _____ WITH A REPAYMENT COST OF \$ _____ OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT TO BE REVENUE BONDS OR OTHER SPECIAL, LIMITED 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 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 TO AUTHORIZE THE COLLECTION AND SPENDING OF THE PROCEEDS OF THE BONDS, THE 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. 1 DEBT BE INCREASED \$_____ WITH A REPAYMENT COST OF \$_____ OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT TO BE REVENUE BONDS OR OTHER SPECIAL, LIMITED 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 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 TO AUTHORIZE THE COLLECTION AND SPENDING OF THE PROCEEDS OF THE BONDS, THE 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. 1 DEBT BE INCREASED \$_____ WITH A REPAYMENT COST OF \$_____ OR SUCH LESSER AMOUNT

AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT TO BE REVENUE BONDS OR OTHER SPECIAL, LIMITED 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 TO AUTHORIZE THE COLLECTION AND SPENDING OF THE PROCEEDS OF THE BONDS, THE 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. 1 DEBT BE INCREASED \$_____ WITH A REPAYMENT COST OF \$_____ OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT TO BE REVENUE BONDS OR OTHER SPECIAL, LIMITED 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 TO AUTHORIZE THE COLLECTION AND SPENDING OF THE PROCEEDS OF THE BONDS, THE 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. 1 DEBT BE INCREASED \$ _____ WITH A REPAYMENT COST OF \$ _____ OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT TO BE REVENUE BONDS OR OTHER SPECIAL, LIMITED 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 TO AUTHORIZE THE COLLECTION AND SPENDING OF THE PROCEEDS OF THE BONDS, THE 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?

INTERGOVERNMENTAL AGREEMENTS

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$ _____ WITH A REPAYMENT COST OF \$ _____ OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT TO BE A REVENUE OR OTHER SPECIAL, LIMITED 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 TO AUTHORIZE THE COLLECTION AND SPENDING OF ANY PROCEEDS OF THE DEBT, THE 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. 1 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) 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 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 REVENUES GENERATED BY THE DISTRICT'S RATES, FEES, TOLLS, AND CHARGES IN CONNECTION WITH THE PROVISION OF SANITARY SEWER SERVICE AND FROM PAYMENTS RECEIVED FROM SOLVISTA METROPOLITAN DISTRICT NO. 2 OR OTHER GOVERNMENTAL ENTITIES PURSUANT TO INTERGOVERNMENTAL AGREEMENTS BETWEEN SOLVISTA METROPOLITAN DISTRICT NO. 1 AND SUCH ENTITIES; 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, THE REVENUES USED TO PAY THE OBLIGATIONS, 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. 1 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. 1 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?

EXHIBIT F

PROPOSED INTERGOVERNMENTAL AGREEMENTS

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

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

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.

- 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 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 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%

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 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.

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: _____

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.

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

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

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

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

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;

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

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

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.

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

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.

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.

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:

SolVista Metropolitan District No. 1 or
SolVista 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

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

SOL VISTA METROPOLITAN DISTRICT No. 2

[TAXING DISTRICT]

SERVICE PLAN

Town of Granby, Colorado

May 2003

SOL VISTA METROPOLITAN DISTRICT No. 2

[TAXING DISTRICT]

SERVICE PLAN

Town of Granby, Colorado

May 2003

SOL VISTA METROPOLITAN DISTRICT No. 2

[TAXING DISTRICT]

TOWN OF GRANBY, COLORADO

PREPARED FOR

SOL VISTA 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

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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

- (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

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

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.

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.

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,

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.

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

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:

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

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.

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

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

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

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

\$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

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

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.

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.

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.

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,

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 A-1

MAP SHOWING THE BOUNDARIES OF THE SOLVISTA GOLF & SKI RANCH DEVELOPMENT

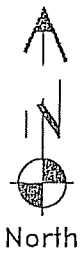
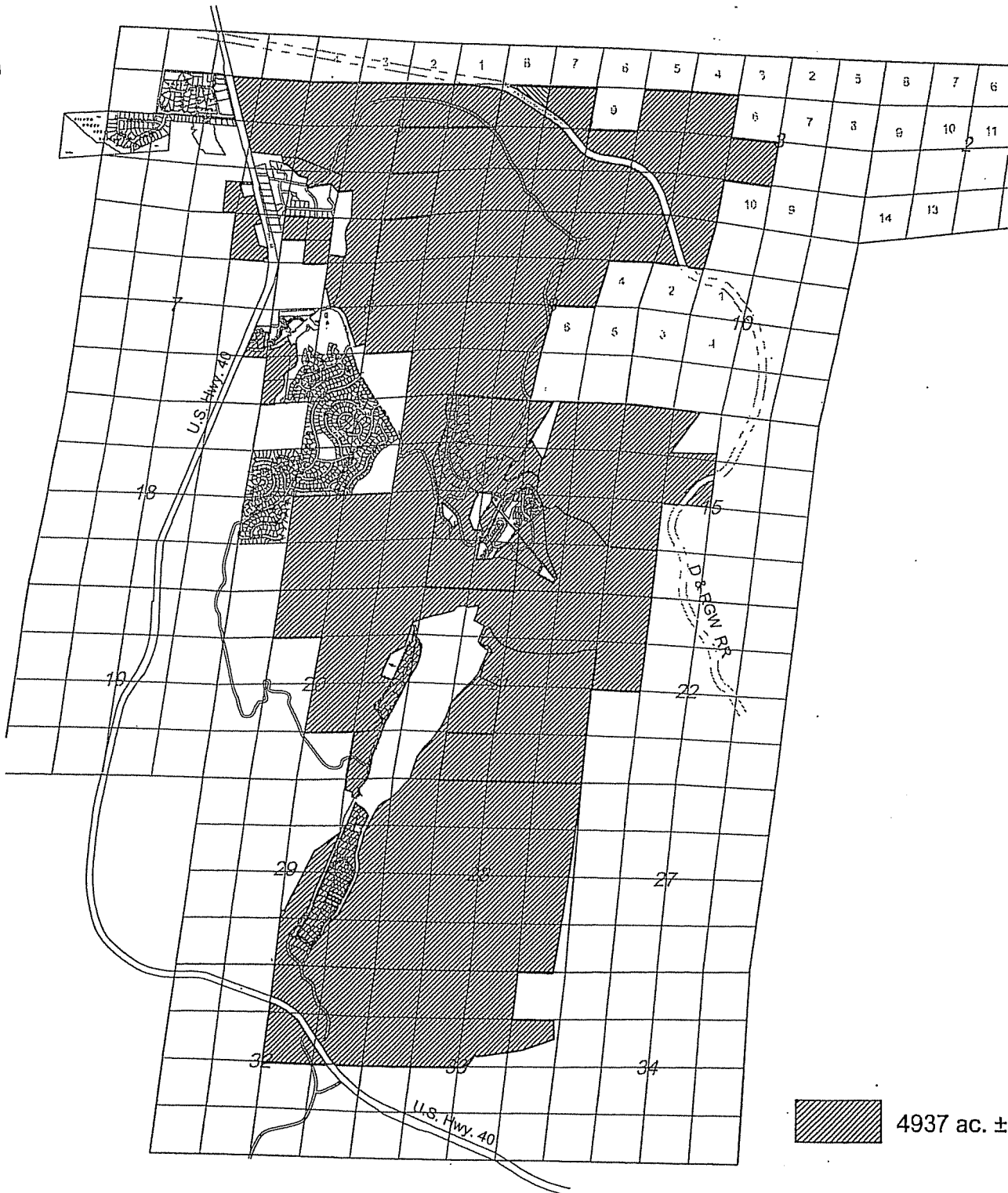


EXHIBIT A-1

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



4937 ac. ±

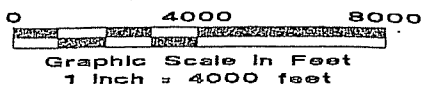


EXHIBIT 2

EXHIBIT A-2.

MAP SHOWING THE BOUNDARIES OF THE DISTRICTS

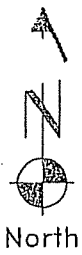


EXHIBIT A-2

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

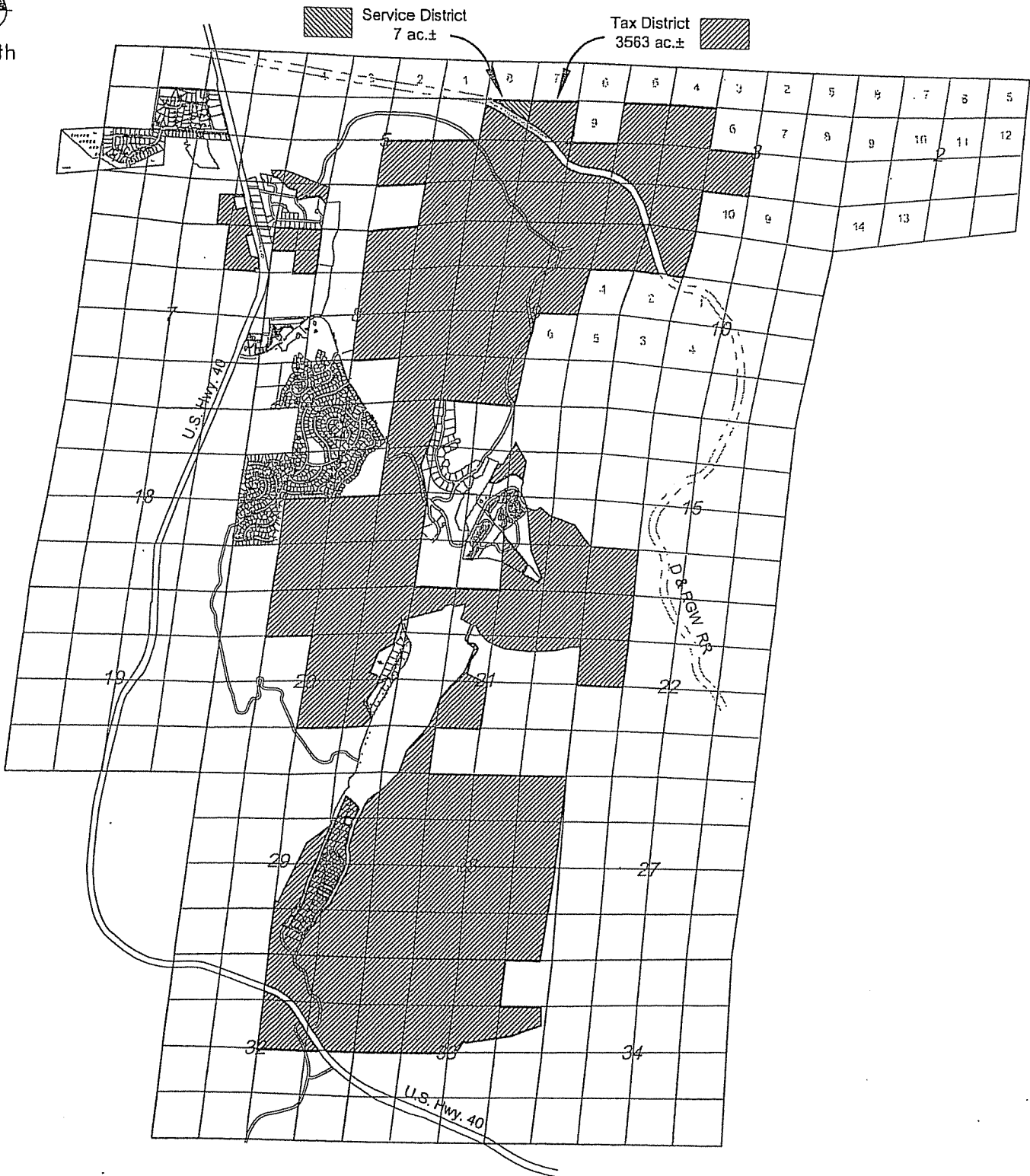


EXHIBIT 2

EXHIBIT B

LEGAL DESCRIPTION OF THE CURRENT BOUNDARIES OF THE DISTRICTS

EXHIBIT 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.

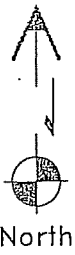


EXHIBIT B-1
Service District

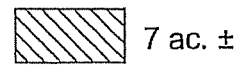
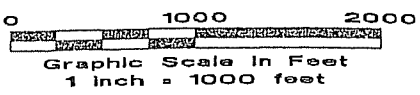
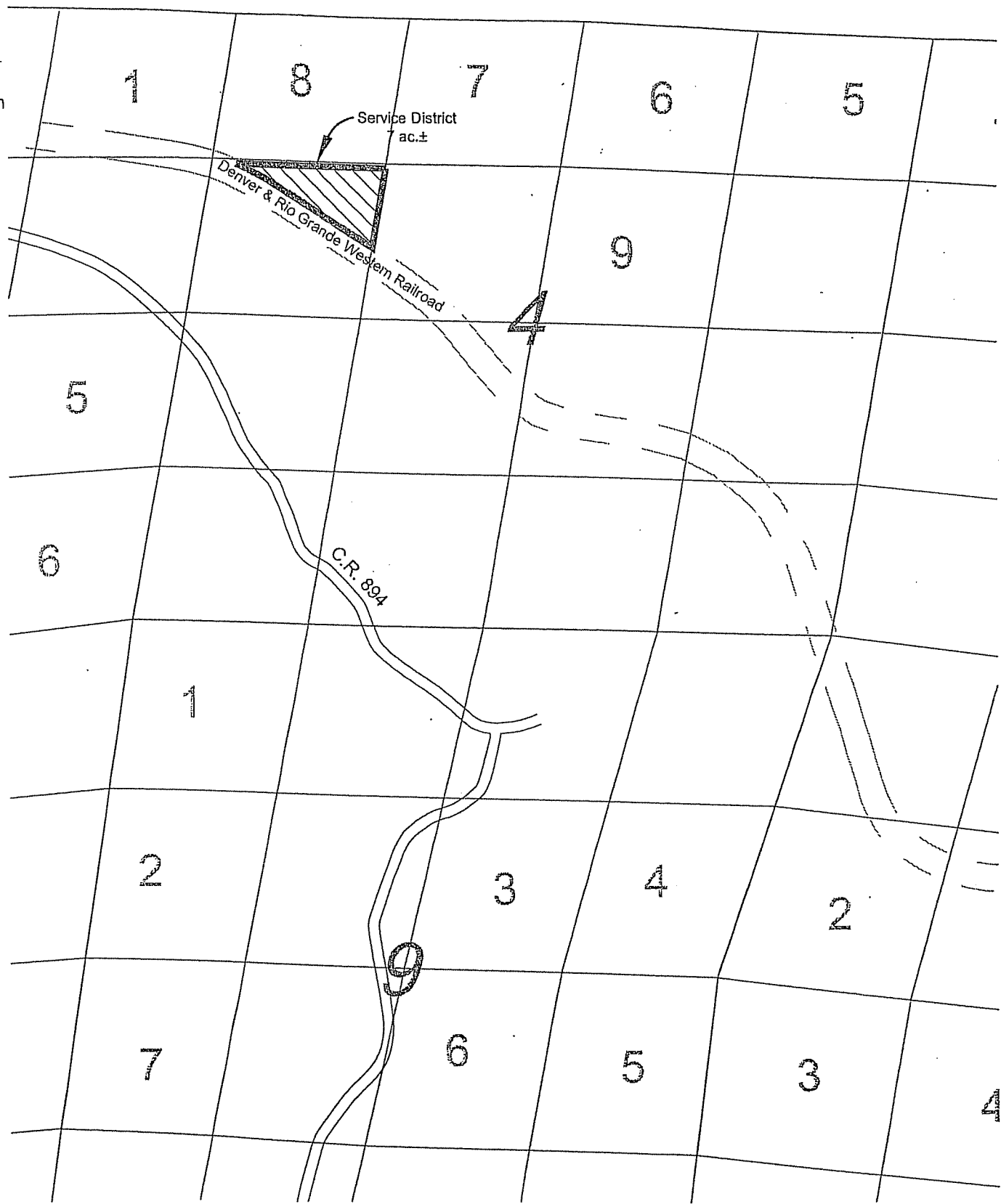


EXHIBIT B-1

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;

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;

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 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;

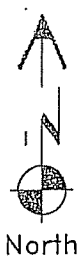
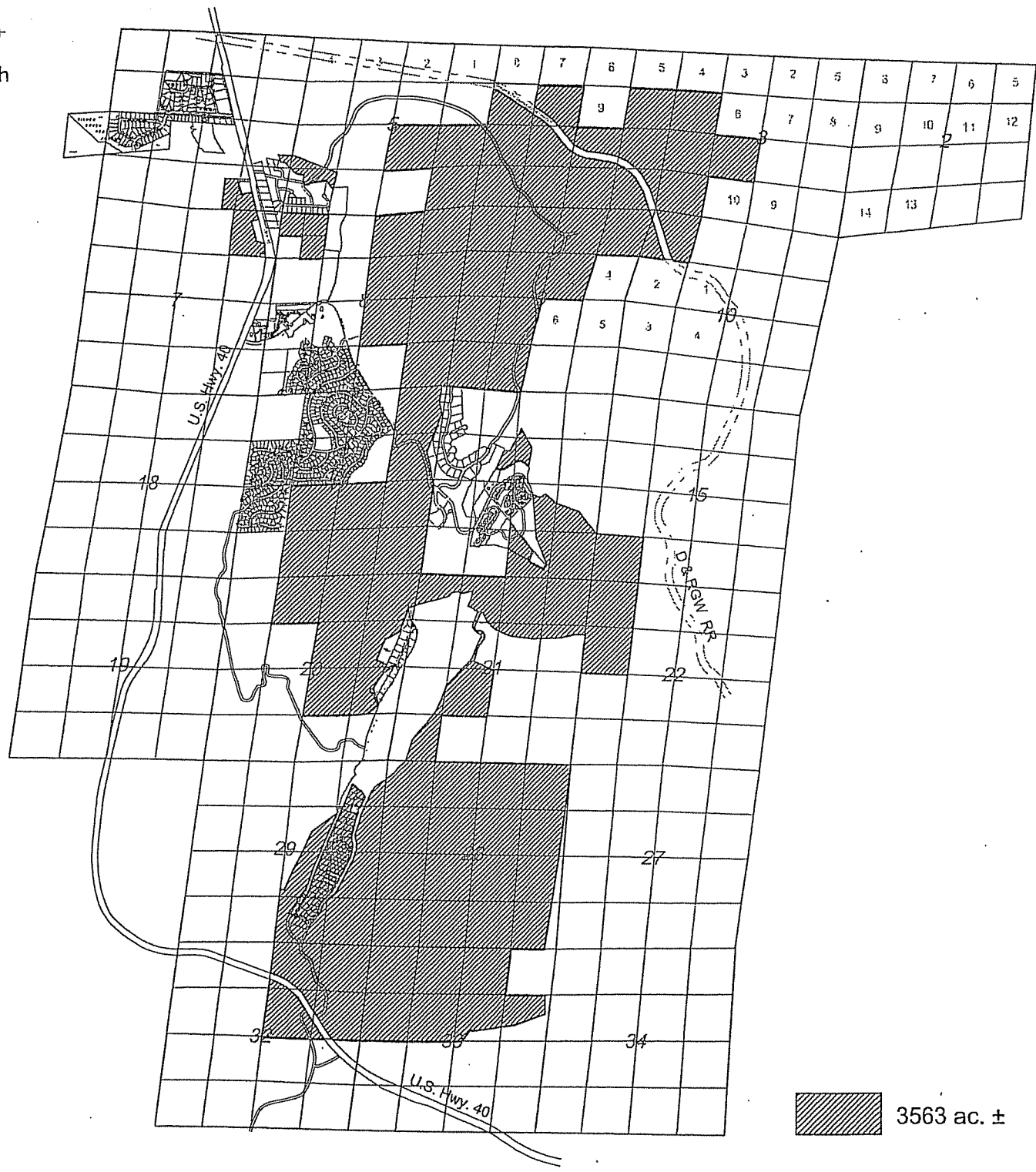
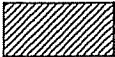


EXHIBIT B-1
Tax District



 3563 ac. ±

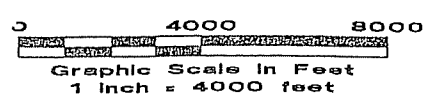


EXHIBIT B-1

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 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 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 B-2

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

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 15.00 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 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.

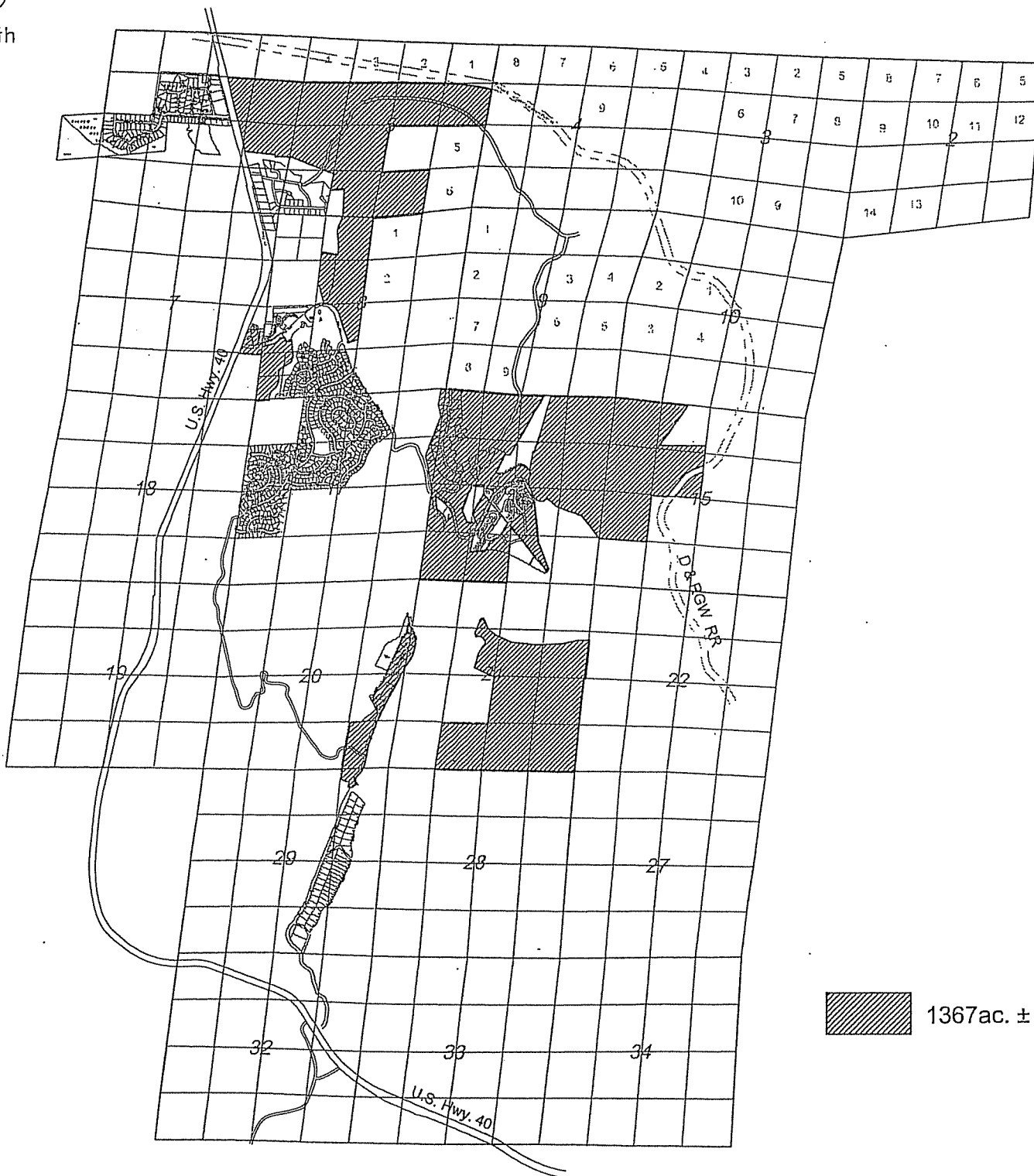


EXHIBIT B-2

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



North



1367ac. ±

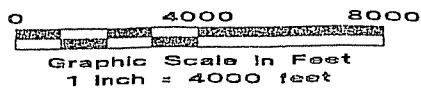


EXHIBIT B-2

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 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 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 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 C

ENGINEERING SURVEY OF ESTIMATED COSTS OF PUBLIC IMPROVEMENTS

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 D
FINANCING PLAN

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):

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.

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.

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 you 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

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 2-18-03
SUBJECT TO CHANGE AND REVISION**

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

DESCRIPTION	SCHEDULE REFERENCE	2004	2005	2006	2007	2008	2009	2010	2011
BEGINNING FUND BALANCE - JANUARY 1		0	33,255	75,175	173,334	270,284	536,055	541,399	754,989
REVENUES:									
PROPERTY TAXES @ 50 MILLS X \$5,000 A.V. (45 MILLS AFTER 2027)		250	250	250	250	250	250	250	250
SPEC. OWNER TAXES @ 5% OF PROP TAXES		13	13	13	13	13	13	13	13
CAPITAL FACILITY FEES @ \$1,500 AVERAGE PER UNIT	3	30,000	30,000	139,286	135,000	227,143	210,000	334,286	210,000
PROPERTY TAX & S.O. TAX TRANSFERS FROM SVM#2		153,000	178,500	207,453	236,405	352,530	453,864	674,332	835,640
REVENUE BOND ISSUES (NET OF COSTS OF ISSUANCE)	2	0	0	0	0	3,879,500	0	0	9,700,000
DEVELOPER COST RECOVERY ADVANCES - CAPITAL IMPROVEMENTS		4,156,000	4,485,000	3,011,000	5,085,000	4,798,000	2,126,000	1,624,000	212,000
INTEREST EARNINGS OPERATING FUNDS @ 2%		0	665	1,504	3,467	5,406	10,721	10,828	15,100
TOTAL REVENUES		4,339,263	4,694,428	3,359,504	5,460,135	9,262,841	2,800,848	2,643,708	10,973,002
TOTAL REVENUES AND FUND BALANCE		4,339,263	4,727,683	3,434,680	5,633,468	9,533,124	3,336,903	3,185,108	11,727,991
OPERATING EXPENDITURES:									
ALLOWANCE FOR ADMINISTRATION		135,000	135,000	150,000	150,000	150,000	150,000	200,000	210,000
ALLOWANCE FOR ROAD MAINTENANCE, REPAIR, REPLACEMENT		0	15,000	50,000	75,000	100,000	125,000	150,000	175,000
ALLOWANCE FOR RECREATION		0	0	5,000	5,000	10,000	15,000	20,000	25,000
ALLOWANCE FOR TRANSPORTATION @ 5 MILLS		15,000	17,500	20,339	23,177	34,562	44,497	66,111	81,926
COUNTY TREASURER FEES @ 3% OF PROP. TAXES		8	8	8	8	8	8	8	8
CONTINGENCY ALLOWANCE FOR REPAIR, MAINTENANCE, CAPITAL, ADMIN.		0	0	25,000	25,000	25,000	75,000	100,000	125,000
TOTAL OPERATING EXPENDITURES		150,008	167,508	250,346	278,183	319,569	409,504	536,119	616,933
PAYMENTS TO DEVELOPER FOR COST RECOVERY (FROM NET BONDS)	2	0	0	0	0	3,879,500	0	0	9,380,000
PAYMENTS TO TOWN OF GRANDBY FROM BOND PROCEEDS	2	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	2,126,000	1,624,000	212,000
REVENUE BONDS DEBT SERVICE:									
SERIES 12/1/2008 REVENUE BONDS	2	0	0	0	0	0	260,000	270,000	274,350
SERIES 12/1/2011 REVENUE BONDS	2	0	0	0	0	0	0	0	0
SERIES 12/1/2017 REVENUE BONDS	2	0	0	0	0	0	0	0	0
SERIES 12/1/2023 REVENUE BONDS	2	0	0	0	0	0	0	0	0
TOTAL REVENUE BONDS DEBT SERVICE		0	0	0	0	0	260,000	270,000	274,350
TOTAL EXPENDITURES		4,306,008	4,652,508	3,261,346	5,363,185	8,997,069	2,795,504	2,430,119	10,803,283
EXCESS ANNUAL REVENUES OVER EXPENDITURES		33,255	41,920	98,158	96,950	265,772	5,344	213,590	169,719
ENDING FUND BALANCE - DECEMBER 31		33,255	75,175	173,334	270,284	536,055	541,399	754,989	924,708
TOTAL BONDS OUTSTANDING @ DECEMBER 31		0	0	0	0	4,000,000	4,000,000	3,990,000	13,975,000
PROPERTY TAX TRANSFER FROM SVM#2:									
PROJECTED ASSESSED VALUE SVM#2		3,000,000	3,500,000	4,067,700	4,635,400	6,912,350	8,899,300	13,222,200	16,385,100
MILL LEVY TRANSFER FROM SVM#2		50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
PROPERTY TAX TRANSFER FROM SVM#2		150,000	175,000	203,385	231,770	345,618	444,965	661,110	819,255

EXHIBIT 2

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

**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	976,549	1,218,528	1,584,295	1,412,236
REVENUES:									
PROPERTY TAXES @ 50 MILLS X \$5,000 A.V. (45 MILLS AFTER 2027)		250	250	250	250	250	250	250	250
SPEC. OWNER TAXES @ 5% OF PROP TAXES	3	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
PROPERTY TAX & S.O. TAX TRANSFERS FROM SVM#2		1,425,858	1,587,166	1,851,377	2,041,637	2,305,848	2,496,108	2,760,319	2,979,532
REVENUE BOND ISSUES (NET OF COSTS OF ISSUANCE)	2	0	0	0	0	0	10,185,000	0	0
DEVELOPER COST RECOVERY ADVANCES - CAPITAL IMPROVEMENTS		18,494	18,752	19,154	18,489	19,511	24,371	31,686	28,245
INTEREST EARNINGS OPERATING FUNDS @ 2%		1,706,043	3,552,180	3,169,222	4,111,389	2,587,050	14,824,741	3,032,267	3,248,039
TOTAL REVENUES AND FUND BALANCE		2,630,752	4,489,759	4,126,919	5,035,842	3,562,599	16,043,269	4,616,563	4,680,275
OPERATING EXPENDITURES:									
ALLOWANCE FOR ADMINISTRATION		220,000	230,000	240,000	250,000	260,000	270,000	280,000	290,000
ALLOWANCE FOR ROAD MAINTENANCE, REPAIR, REPLACEMENT		200,000	225,000	250,000	275,000	300,000	325,000	350,000	375,000
ALLOWANCE FOR RECREATION		30,000	35,000	40,000	45,000	50,000	55,000	60,000	65,000
ALLOWANCE FOR TRANSPORTATION @ 5 MILLS		139,790	155,605	181,508	200,161	226,064	244,717	270,620	292,111
COUNTY TREASURER FEES @ 3% OF PROP. TAXES		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
TOTAL OPERATING EXPENDITURES		739,798	820,612	961,515	1,045,168	1,136,071	1,219,724	1,310,627	1,397,119
PAYMENTS TO DEVELOPER FOR COST RECOVERY (FROM NET BONDS)	2	0	0	0	0	0	8,985,000	0	0
PAYMENTS TO TOWN OF GRANBY FROM BOND PROCEEDS	2	0	0	0	0	0	1,200,000	0	0
CAPITAL IMPROVEMENTS	1	0	1,706,000	1,037,000	1,811,000	0	1,849,000	0	0
REVENUE BONDS DEBT SERVICE:									
SERIES 12/1/2008 REVENUE BONDS	2	303,375	355,450	353,950	357,125	359,650	356,525	358,075	356,975
SERIES 12/1/2011 REVENUE BONDS	2	650,000	650,000	850,000	847,000	848,350	848,725	853,125	851,225
SERIES 12/1/2017 REVENUE BONDS	2	0	0	0	0	0	0	682,500	682,500
SERIES 12/1/2023 REVENUE BONDS	2	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	1,893,700	1,892,700
TOTAL EXPENDITURES		1,693,173	3,532,062	3,202,465	4,060,293	2,344,071	14,458,974	3,204,327	3,289,819
EXCESS ANNUAL REVENUES OVER EXPENDITURES		12,871	20,118	(33,243)	51,096	242,979	365,767	(172,060)	(41,779)
ENDING FUND BALANCE - DECEMBER 31		937,579	957,697	924,454	976,549	1,218,528	1,584,295	1,412,236	1,370,457
TOTAL BONDS OUTSTANDING @ DECEMBER 31		13,930,000	13,830,000	13,525,000	13,200,000	12,850,000	22,980,000	22,580,000	22,155,000
PROPERTY TAX TRANSFER FROM SVM#2:									
PROJECTED ASSESSED VALUE SVM#2		27,958,000	31,120,900	36,301,500	40,032,100	45,212,700	48,943,300	54,123,900	58,422,200
MILL LEVY TRANSFER FROM SVM#2		50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
PROPERTY TAX TRANSFER FROM SVM#2		1,397,900	1,556,045	1,815,075	2,001,605	2,260,635	2,447,165	2,706,195	2,921,110

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 2039

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

DESCRIPTION	SCHEDULE										
	REFERENCE										
BEGINNING FUND BALANCE - JANUARY 1	2020	2021	2022	2023	2024	2025	2026	2027			
REVENUES:											
PROPERTY TAXES @ 50 MILLS X \$5,000 A.V. (45 MILLS AFTER 2027)											
SPEC. OWNER TAXES @ 5% OF PROP TAXES	1370.457	1,295.964	1,284.872	1,607.557	2,042.826	1,742.011	1,645.454	1,696.435			
CAPITAL FACILITY FEES @ \$1,500 AVERAGE PER UNIT	291.429	240.000	300.000	289.286	270.000	270.000	270.000	270.000			
PROPERTY TAX & S.O. TAX TRANSFERS FROM SVMID#2	3,178.065	3,376.598	3,752.611	3,951.143	4,207.582	4,508.894	4,745.652	4,981.410			
REVENUE BOND ISSUES (NET OF COSTS OF ISSUANCE)	0	0	0	10,184.700	0	0	0	0			
DEVELOPER COST RECOVERY ADVANCES - CAPITAL IMPROVEMENTS	0	0	0	0	0	0	0	0			
INTEREST EARNINGS OPERATING FUNDS @ 2%	27.409	25.919	25.697	32.151	40.857	34.840	32.909	33.929			
TOTAL REVENUES	3,497.165	3,642.780	4,078.571	14,457.543	4,518.701	4,814.997	5,048.824	5,285.601			
TOTAL REVENUES AND FUND BALANCE	4,867.622	4,938.744	5,363.443	16,065.100	6,561.526	6,557.008	6,694.277	6,982.036			
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	367.903	387.367	412.508	442.147	465.260	488.374			
COUNTY TREASURER FEES @ 3% OF PROP. TAXES	8	8	8	8	8	8	8	8			
CONTINGENCY 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	1,566.047	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			
PAYMENTS TO TOWN OF GRANBY FROM BOND PROCEEDS	0	0	0	1,280.000	0	0	0	0			
CAPITAL IMPROVEMENTS	0	0	0	0	0	0	0	0			
REVENUE BONDS DEBT SERVICE:											
SERIES 12/1/2008 REVENUE BONDS	359.225	356.825	357.775	356.075	356.725	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	880.850	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	2,089.075	2,087.825	2,087.975	2,085.200	2,977.000	2,974.400	2,972.575	2,966.200			
TOTAL EXPENDITURES	3,571.658	3,653.872	3,755.886	14,022.275	4,819.516	4,911.554	4,997.843	5,079.581			
EXCESS ANNUAL REVENUES OVER EXPENDITURES	(74.492)	(11.092)	322.685	435.268	(300.815)	(96.557)	50.981	206.020			
ENDING FUND BALANCE - DECEMBER 31	1,295.964	1,284.872	1,607.557	2,042.826	1,742.011	1,645.454	1,696.435	1,902.455			
TOTAL BONDS OUTSTANDING @ DECEMBER 31	21,505.000	20,815.000	20,080.000	29,800.000	28,760.000	27,655.000	26,480.000	25,235.000			
PROPERTY TAX TRANSFER FROM SVMID#2:											
PROJECTED ASSESSED VALUE SVMID#2	62,315.000	66,207.800	73,580.600	77,473.400	82,501.600	88,429.300	93,052.000	97,674.700			
MILL LEVY TRANSFER FROM SVMID#2	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00			
PROPERTY TAX TRANSFER FROM SVMID#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 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

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

DESCRIPTION	SCHEDULE REFERENCE	2028	2029	2030	2031	2032	2033	2034	2035
BEGINNING FUND BALANCE - JANUARY 1		1,902,455	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 \$5,000 A.V. (45 MILLS AFTER 2027)		225	225	225	225	225	225	225	225
SPEC. OWNER TAXES @ 5% OF PROP TAXES	11	11	11	11	11	11	11	11	11
CAPITAL FACILITY FEES @ \$1,500 AVERAGE PER UNIT	3	270,000	270,000	270,000	210,000	58,500	0	0	0
PROPERTY TAX & S.O. TAX TRANSFERS FROM SVM#2	4,695,451	4,907,633	5,119,815	5,331,996	5,544,178	5,704,245	5,740,540	5,740,540	5,740,540
REVENUE BOND ISSUES (NET OF COSTS OF ISSUANCE)	2	0	0	0	0	0	0	0	0
DEVELOPER COST RECOVERY ADVANCES - CAPITAL IMPROVEMENTS	38,049	35,088	35,085	38,110	42,939	48,509	61,657	74,813	0
INTEREST EARNINGS OPERATING FUNDS @ 2%	5,003,736	5,212,957	5,425,136	5,580,342	5,645,854	5,752,991	5,802,433	5,815,589	5,815,589
TOTAL REVENUES		6,906,191	6,967,379	7,179,408	7,485,830	7,792,799	8,178,442	8,885,291	9,556,242
TOTAL REVENUES AND FUND BALANCE									
OPERATING EXPENDITURES:									
ALLOWANCE FOR ADMINISTRATION		380,000	390,000	400,000	410,000	420,000	430,000	440,000	450,000
ALLOWANCE FOR ROAD MAINTENANCE, REPAIR, REPLACEMENT		600,000	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	557,714	580,828	603,941	621,378	625,331	625,331
COUNTY TREASURER FEES @ 3% OF PROP. TAXES	7	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	575,000
TOTAL OPERATING EXPENDITURES	2,176,494	2,239,607	2,302,721	2,365,834	2,428,948	2,486,384	2,530,338	2,570,338	2,570,338
PAYMENTS TO DEVELOPER FOR COST RECOVERY (FROM NET BONDS)	2	0	0	0	0	0	0	0	0
PAYMENTS TO TOWN OF GRANBY FROM BOND PROCEEDS	2	0	0	0	0	0	0	0	0
CAPITAL IMPROVEMENTS	1	0	0	0	0	0	0	0	0
REVENUE BONDS DEBT SERVICE:									
SERIES 12/1/2008 REVENUE BONDS	2	359,900	357,675	354,475	355,300	324,825	0	0	0
SERIES 12/1/2011 REVENUE BONDS	2	847,900	851,700	853,225	852,475	849,450	849,150	851,250	850,425
SERIES 12/1/2017 REVENUE BONDS	2	881,850	880,400	882,650	883,275	882,275	879,650	880,400	884,200
SERIES 12/1/2023 REVENUE BONDS	2	885,625	883,725	880,850	882,000	881,850	880,400	882,650	883,275
TOTAL REVENUE BONDS DEBT SERVICE	2	2,975,275	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	5,367,348	5,095,584	5,144,638	5,188,238
EXCESS ANNUAL REVENUES OVER EXPENDITURES		(148,083)	(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	20,970,000	19,360,000	17,680,000	16,220,000	14,680,000	12,995,000
PROPERTY TAX TRANSFER FROM SVM#2:									
PROJECTED ASSESSED VALUE SVM#2		102,297,400	106,920,100	111,542,800	116,165,500	120,788,200	124,275,500	125,066,225	125,066,225
MILL LEVY TRANSFER FROM SVM#2		45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
PROPERTY TAX TRANSFER FROM SVM#2		4,603,383	4,811,405	5,019,426	5,227,448	5,435,469	5,592,398	5,627,980	5,627,980

EXHIBIT 2

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

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

DESCRIPTION	SCHEDULE REFERENCE	2036	2037	2038	2039	TOTALS
BEGINNING FUND BALANCE - JANUARY 1		4,368,005	4,971,128	6,396,363	7,812,379	0
REVENUES:						
PROPERTY TAXES @ 50 MILLS X \$5,000 A.V. (45 MILLS AFTER 2027)						
SPEC. OWNER TAXES @ 5% OF PROP TAXES	3	225	225	225	225	8,700
CAPITAL FACILITY FEES @ \$1,500 AVERAGE PER UNIT	11	11	11	11	11	435
PROPERTY TAX & S.O. TAX TRANSFERS FROM SVM#2	0	0	0	0	0	6,609,214
REVENUE BOND ISSUES (NET OF COSTS OF ISSUANCE)	2	5,740,540	5,740,540	5,740,540	5,740,540	118,989,080
DEVELOPER COST RECOVERY ADVANCES - CAPITAL IMPROVEMENTS	0	0	0	0	0	33,949,200
INTEREST EARNINGS OPERATING FUNDS @ 2%	0	0	0	0	0	31,900,000
TOTAL REVENUES		87,360	99,423	127,927	156,248	1,325,311
		5,828,136	5,840,199	5,858,703	5,897,024	192,781,940
TOTAL REVENUES AND FUND BALANCE		10,196,141	10,811,326	12,255,067	13,709,402	192,781,940
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	261
CONTINGENCY ALLOWANCE FOR REPAIR, MAINTENANCE, CAPITAL, ADMIN.		575,000	575,000	575,000	575,000	13,375,000
TOTAL OPERATING EXPENDITURES		2,610,338	2,650,338	2,690,338	2,730,338	55,527,051
PAYMENTS TO DEVELOPER FOR COST RECOVERY (FROM NET BONDS)	2	0	0	0	0	31,149,200
PAYMENTS TO TOWN OF GRANBY FROM BOND PROCEEDS	2	0	0	0	0	2,800,000
CAPITAL IMPROVEMENTS	1	0	0	0	0	31,900,000
REVENUE BONDS DEBT SERVICE:						
SERIES 12/1/2008 REVENUE BONDS	2	0	0	0	0	8,227,600
SERIES 12/1/2011 REVENUE BONDS	2	846,675	0	0	0	20,843,625
SERIES 12/1/2017 REVENUE BONDS	2	885,725	884,975	881,950	3,631,650	21,760,275
SERIES 12/1/2023 REVENUE BONDS	2	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	70,107,475
TOTAL EXPENDITURES		5,225,013	4,414,963	4,452,688	12,411,188	191,483,726
EXCESS ANNUAL REVENUES OVER EXPENDITURES		603,123	1,425,236	1,416,015	(6,514,164)	1,298,214
ENDING FUND BALANCE - DECEMBER 31		4,971,128	6,396,363	7,812,379	1,298,214	1,298,214
TOTAL BONDS OUTSTANDING @ DECEMBER 31		11,225,000	10,190,000	9,090,000	0	0
PROPERTY TAX TRANSFER FROM SVM#2:						
PROJECTED ASSESSED VALUE SVM#2		125,066,225	125,066,225	125,066,225	125,066,225	
MILL LEVY TRANSFER FROM SVM#2		45.00	45.00	45.00	45.00	
PROPERTY TAX TRANSFER FROM SVM#2		5,627,980	5,627,980	5,627,980	5,627,980	116,655,961

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 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	380,000	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	1,246,000	1,494,000	1,734,000	1,236,000	1,138,000	1,876,000	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	1,100,000	0	0	0	0	0	0	0	0
TOTAL INFRASTRUCTURE	4,156,000	4,485,000	3,011,000	5,085,000	4,798,000	2,126,000	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 CONSULTANT'S SUMMARY AND DISCLAIMER

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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

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, se various Sol Vista subdivisions. It is assumed that the developers will

SEE CONSULTANTS SUMMARY AND DISCLAIMER

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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 2031
UNINFLATED DOLLARS

PRELIMINARY DRAFT 2-18-02
SUBJECT TO CHANGE AND REVISION

SCHEDULE 2 - FORECASTED REVENUE BOND ISSUES
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

DATE OF PROPOSED BOND ISSUE	PROCEEDS SOLVISTA	PROCEEDS TOWN (1)	SIZE OF BOND ISSUE - COSTS OF ISSUANCE	GROSS BOND ISSUE	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
12/1/2008	3,879,500	0	120,500	4,000,000	0	0	0	0	0	260,000	270,000	274,350	303,375	355,450
12/1/2011	9,380,000	320,000	300,000	10,000,000	0	0	0	0	0	0	0	0	650,000	650,000
12/1/2017	8,985,000	1,200,000	315,000	10,500,000	0	0	0	0	0	0	0	0	0	0
12/1/2023	8,904,700	1,280,000	315,300	10,500,000	0	0	0	0	0	0	0	0	0	0
TOTALS	31,149,200	2,800,000	1,050,800	35,000,000	0	0	0	0	0	260,000	270,000	274,350	953,375	1,005,450

ANNUAL DEBT SERVICE REQUIREMENTS

12/1/2008	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	10,000	15,000	45,000	100,000
	INTEREST @ 6.50%	0	0	0	0	0	0	0	0	260,000	260,000	259,350	258,375	255,450
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	260,000	270,000	274,350	303,375	355,450
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	4,000,000	4,000,000	4,000,000	4,000,000	3,990,000	3,975,000	3,930,000	3,830,000	3,650,000
12/1/2011	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0
	INTEREST @ 6.50%	0	0	0	0	0	0	0	0	0	0	0	650,000	650,000
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0	650,000	650,000
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
12/1/2017	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0
	INTEREST @ 6.50%	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	0	0	0	0	0
12/1/2023	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0
	INTEREST @ 6.50%	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BONDS OUTSTANDING END OF YEAR - ALL ISSUES:					0	0	0	0	0	4,000,000	4,000,000	3,990,000	3,930,000	3,650,000
CERTIFIED ASSESSED VALUE - DISTRICT #:					3,500,000	4,067,700	4,636,400	6,912,350	8,899,300	13,222,200	16,385,100	27,958,000	31,120,900	36,301,500
DEBT TO ASSESSED %					0.00%	0.00%	0.00%	0.00%	0.00%	44.95%	30.25%	24.35%	44.76%	38.10%

Note 1: Pursuant to an IGA with the Town of Granby the Town will receive 8% of the second \$10 million of bonds issued by the District, 16% of the third \$10 million of bond 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 2031
UNINFLATED DOLLARS**

**SCHEDULE 2 - FORECASTED REVENUE BOND ISSUES
AND DEBT SERVICE REQUIREMENTS**

BOND ISSUES

DATE OF PROPOSED BOND ISSUE	PROCEEDS SOLVISTA	PROCEEDS TOWN (1)	SIZE OF BOND ISSUE COSTS OF ISSUANCE	GROSS BOND ISSUE	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	356,625	358,075	356,975	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	846,725	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	8,904,700	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	1,892,700	2,090,075	2,087,825	2,087,975

ANNUAL DEBT SERVICE REQUIREMENTS

12/1/2008	PRINCIPAL REDUCTION	105,000	115,000	125,000	130,000	140,000	150,000	160,000	170,000	180,000
	INTEREST @ 6.50%	248,950	242,125	234,650	226,625	218,075	208,975	199,225	188,825	177,775
	TOTAL DEBT SERVICE REQUIREMENTS	353,950	357,125	359,650	356,625	358,075	356,975	359,225	358,825	357,775
	BONDS OUTSTANDING END OF YEAR	3,725,000	3,610,000	3,485,000	3,355,000	3,215,000	3,065,000	2,905,000	2,735,000	2,555,000
12/1/2011	PRINCIPAL REDUCTION	200,000	210,000	225,000	240,000	260,000	275,000	290,000	310,000	330,000
	INTEREST @ 6.50%	650,000	637,000	623,350	608,725	593,125	576,225	558,350	539,500	519,350
	TOTAL DEBT SERVICE REQUIREMENTS	850,000	847,000	848,350	848,725	853,125	851,225	848,350	849,500	849,350
	BONDS OUTSTANDING END OF YEAR	9,800,000	9,590,000	9,365,000	9,125,000	8,865,000	8,590,000	8,300,000	7,990,000	7,660,000
12/1/2017	PRINCIPAL REDUCTION	0	0	0	0	0	0	200,000	210,000	225,000
	INTEREST @ 6.50%	0	0	0	0	682,500	682,500	682,500	669,500	655,850
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	682,500	682,500	882,500	879,500	880,850
	BONDS OUTSTANDING END OF YEAR	0	0	0	10,500,000	10,500,000	10,500,000	10,300,000	10,090,000	9,865,000
12/1/2023	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0
	INTEREST @ 6.50%	0	0	0	0	0	0	0	0	0
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0
	BONDS OUTSTANDING END OF YEAR	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	12,980,000	22,580,000	22,155,000	21,505,000	20,815,000	20,080,000
	CERTIFIED ASSESSED VALUE - DISTRICT #1	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
	DEBT TO ASSESSED %	33.79%	29.20%	26.25%	42.46%	38.65%	35.55%	32.48%	28.29%	25.92%

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 2031
UNINFLATED DOLLARS**

**SCHEDULE 2 - FORECASTED REVENUE BOND ISSUES
AND DEBT SERVICE REQUIREMENTS**

BOND ISSUES

DATE OF PROPOSED BOND ISSUE	— SIZE OF BOND ISSUE —			2023	2024	2025	2026	2027	2028	2029	2030	2031
	PROCEEDS SOLVISTA	PROCEEDS TOWN (1)	COSTS OF ISSUANCE									
12/1/2008	3,879,500	0	120,500	356,075	358,725	360,400	361,100	355,825	359,900	357,675	354,475	355,300
12/1/2011	9,380,000	320,000	300,000	847,900	850,150	850,775	849,775	847,150	847,900	851,700	853,225	852,475
12/1/2017	8,985,000	1,200,000	315,000	881,225	885,625	883,725	880,850	882,000	881,850	880,400	882,650	883,275
12/1/2023	8,904,700	1,280,000	315,300	0	882,500	879,500	880,850	881,225	885,625	883,725	880,850	882,000
TOTALS	31,149,200	2,800,000	1,050,800	2,085,200	2,977,000	2,974,400	2,972,575	2,966,200	2,975,275	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	190,000 166,075 356,075 2,365,000	205,000 153,725 358,725 2,160,000	220,000 140,400 360,400 1,940,000	235,000 126,100 361,100 1,705,000	245,000 110,825 355,825 1,460,000	265,000 94,900 359,900 1,195,000	280,000 77,675 357,675 915,000	295,000 59,475 354,475 620,000	315,000 40,300 355,300 305,000
12/1/2011	PRINCIPAL REDUCTION INTEREST @ 6.50% TOTAL DEBT SERVICE REQUIREMENTS BONDS OUTSTANDING END OF YEAR	350,000 497,900 847,900 7,310,000	375,000 475,150 850,150 6,935,000	400,000 450,775 850,775 6,535,000	425,000 424,775 849,775 6,110,000	450,000 397,150 847,150 5,660,000	480,000 367,900 847,900 5,180,000	515,000 336,700 851,700 4,665,000	550,000 303,225 853,225 4,115,000	585,000 267,475 852,475 3,530,000
12/1/2017	PRINCIPAL REDUCTION INTEREST @ 6.50% TOTAL DEBT SERVICE REQUIREMENTS BONDS OUTSTANDING END OF YEAR	240,000 641,225 881,225 9,625,000	260,000 625,625 885,625 9,365,000	275,000 608,725 883,725 9,090,000	290,000 590,850 880,850 8,800,000	310,000 572,000 882,000 8,490,000	330,000 551,850 881,850 8,160,000	350,000 530,400 880,400 7,810,000	375,000 507,650 882,650 7,435,000	400,000 483,275 883,275 7,035,000
12/1/2023	PRINCIPAL REDUCTION INTEREST @ 6.50% TOTAL DEBT SERVICE REQUIREMENTS BONDS OUTSTANDING END OF YEAR	0 0 0 10,500,000	200,000 682,500 882,500 10,300,000	210,000 669,500 879,500 10,090,000	225,000 655,850 880,850 9,865,000	240,000 641,225 881,225 9,625,000	260,000 625,625 885,625 9,365,000	275,000 608,725 883,725 9,090,000	290,000 590,850 880,850 8,800,000	310,000 572,000 882,000 8,490,000
TOTAL BONDS OUTSTANDING END OF YEAR - ALL ISSUES:		29,800,000	28,760,000	27,655,000	26,480,000	25,235,000	23,900,000	22,480,000	20,970,000	19,360,000
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
DEBT TO ASSESSED %		36.12%	32.62%	29.72%	27.11%	24.67%	22.35%	20.15%	18.05%	16.03%

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 #4
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 SFE'S - NON RESID. (1 SFE/3500 SQ. FT.)	0	0	3	0	11	0	83	0
TOTAL SFE'S	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

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

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 SFE'S - NON RESID. (1 SFE/3500 SQ. FT.)	14	0	14	0	14	0	0	0
TOTAL SFE'S	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 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 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 SFE'S - NON RESID. (1 SFE/3500 SQ. FT.)	34	0	0	13	0	0	0	0
TOTAL SFE'S	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

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 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

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 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

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

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

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

DESCRIPTION	SCHEDULE REFERENCE	2004	2005	2006	2007	2008	2009	2010	2011	2012
BEGINNING FUND BALANCE - JANUARY 1		0	0	0	0	0	0	0	0	0
REVENUES:										
PROPERTY TAX REVENUES @ 50.00 MILLS (45 MILLS AFTER 2027)		150,000	175,000	203,385	231,770	345,618	444,965	661,110	819,255	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 SVM#1		153,000	178,500	207,453	236,405	352,530	453,864	674,332	835,640	1,425,858
COUNTY TREASURER FEES @ 3% OF PROP. TAXES		4,500	5,250	6,102	6,953	10,369	13,349	19,833	24,578	41,937
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 SVM#1:										
PROJECTED ASSESSED VALUE SVM#2	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 SVM#1		50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
PROPERTY TAX TRANSFER TO SVM#1		150,000	175,000	203,385	231,770	345,618	444,965	661,110	819,255	1,397,900

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 I - 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	
REVENUES:											
PROPERTY TAX REVENUES @ 50.00 MILLS (45 MILLS AFTER 2027)		1,556,045	1,815,075	2,001,605	2,260,635	2,447,165	2,706,195	2,921,110	3,115,750	3,310,390	
SPEC. OWNER TAXES @ 5% OF PROP TAXES		77,802	90,754	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 SVM#1		1,587,166	1,851,377	2,041,637	2,305,848	2,496,108	2,760,319	2,979,532	3,178,065	3,376,598	
COUNTY TREASURER FEES @ 3% OF PROP. TAXES		46,681	54,452	60,048	67,819	73,415	81,186	87,633	93,473	99,312	
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 SVM#1:											
PROJECTED ASSESSED VALUE SVM#2	1	31,120,900	36,301,500	40,032,100	45,212,700	48,943,300	54,123,900	58,422,200	62,315,000	66,207,800	
MILL LEVY TRANSFER TO SVM#1		50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	
PROPERTY TAX TRANSFER TO SVM#1		1,556,045	1,815,075	2,001,605	2,260,635	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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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	2022	2023	2024	2025	2026	2027	2028	2029	2030	
BEGINNING FUND BALANCE - JANUARY 1		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	4,125,080	4,421,465	4,652,600	4,883,735	4,603,383	4,811,405	5,019,426	
SPEC. OWNER TAXES @ 5% OF PROP TAXES		183,952	193,684	206,254	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 SVMID#1		3,752,611	3,951,143	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	123,752	132,644	139,578	146,512	138,101	144,342	150,583	
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 SVMID#1:											
PROJECTED ASSESSED VALUE SVMID#2	1	73,580,600	77,473,400	82,501,600	88,429,300	93,052,000	97,674,700	102,297,400	106,920,100	111,542,800	
MILL LEVY TRANSFER TO SVMID#1		50.00	50.00	50.00	50.00	50.00	50.00	45.00	45.00	45.00	
PROPERTY TAX TRANSFER TO SVMID#1		3,679,030	3,873,670	4,125,080	4,421,465	4,652,600	4,883,735	4,603,383	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
BEGINNING FUND BALANCE - JANUARY 1			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	5,592,398	5,627,980	5,627,980	5,627,980	5,627,980	5,627,980
SPEC. OWNER TAXES @ 5% OF PROP TAXES			261,372	271,773	279,620	281,399	281,399	281,399	281,399	281,399
INTEREST EARNED ON CONTINGENCY FUNDS @ 2%			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
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
OPERATING EXPENDITURES:										
TRANSFER OF PROP. & S.O. TAXES TO SVM#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
COUNTY TREASURER FEES @ 3% OF PROP. TAXES			156,823	163,064	167,772	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
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
EXCESS ANNUAL REVENUES OVER EXPENDITURES			0	0	0	0	0	0	0	0
ENDING FUND BALANCE - DECEMBER 31			0	0	0	0	0	0	0	0
PROPERTY TAX TRANSFER TO SVM#1:										
PROJECTED ASSESSED VALUE SVM#2	1	116,165,500	120,788,200	124,275,500	125,066,225	125,066,225	125,066,225	125,066,225	125,066,225	125,066,225
MILL LEVY TRANSFER TO SVM#1		45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
PROPERTY TAX TRANSFER TO SVM#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

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

SPEC. OWNER TAXES @ 5% OF PROP TAXES

281,399 5,832,798

INTEREST EARNED ON CONTINGENCY FUNDS @ 2%

0 0

TOTAL REVENUES

5,909,379 122,488,759

TOTAL REVENUES AND FUND BALANCE

OPERATING EXPENDITURES:

TRANSFER OF PROP. & S.O. TAXES TO SVM#1

5,740,540 118,989,080

COUNTY TREASURER FEES @ 3% OF PROP. TAXES

168,839 3,499,679

TOTAL OPERATING EXPENDITURES

5,909,379 122,488,759

TOTAL EXPENDITURES

0 0

EXCESS ANNUAL REVENUES OVER EXPENDITURES

0 0

ENDING FUND BALANCE - DECEMBER 31

PROPERTY TAX TRANSFER TO SVM#1:

125,066,225

PROJECTED ASSESSED VALUE SVM#2

45,00

MILL LEVY TRANSFER TO SVM#1

5,627,980 116,655,961

PROPERTY TAX TRANSFER TO SVM#1

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SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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

BUILDOUT (YEAR OF COMPLETION)													
Description of Development	Planned Number of Units	Average											
		Per Unit											
		Price	Volume	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Residential - Single Family	2,100	350,000	735,000,000	20	20	20	20	40	40	40	40	60	60
Residential - Multi Family	2,119	250,000	529,750,000	0	0	70	70	100	100	100	100	100	100
Total Residential	4,219	299,775	1,264,750,000	20	20	90	90	140	140	140	140	160	160
Non-Residential Space	655,000	100	65,500,000	0	0	10,000	0	40,000	0	290,000	0	50,000	0
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	0
From Non-Residential Buildout	0	0	1,000,000	0	4,000,000	0	29,000,000	0	29,000,000	0	5,000,000	0	0
Total Actual Value Generated	7,000,000	7,000,000	25,500,000	24,500,000	43,000,000	39,000,000	68,000,000	39,000,000	68,000,000	51,000,000	46,000,000	46,000,000	0

Assessed Valuation Generated:													
From Residential Buildout @ 8.11% of Value	567,700	567,700	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	0
From Non-Residential Buildout @ 29% of Value	0	0	290,000	0	1,160,000	0	8,410,000	0	1,450,000	0	0	0	0
Existing Assessed Value	3,500,000	0	0	0	0	0	0	0	0	0	0	0	0
Total Incremental Assessed Value	4,067,700	567,700	2,276,950	1,986,950	4,322,900	3,162,900	11,572,900	3,162,900	5,180,600	3,730,600	3,730,600	3,730,600	0
Total Cumulative Assessed Value	4,067,700	4,635,400	6,912,350	8,899,300	13,222,200	16,385,100	27,958,000	31,120,900	36,301,500	40,032,100	40,032,100	40,032,100	0

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				

Source for Buildout: Developers of Sol Vista

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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

SCHEDULE 1 - PROJECTION OF ASSESSED VALUATION GENERATED FRC

BUILDOUT (YEAR OF COMPLETION)													
Description of Development	Planned Number of Units	Average		Total Gross Unit Volume									
		Per Unit Price			2024	2025	2026	2027	2028	2029	2030	2031	2032
Residential - Single Family	2,100	350,000	735,000,000	120	120	120	120	120	120	120	120	80	0
Residential - Multi Family	2,119	250,000	529,750,000	60	60	60	60	60	60	60	60	60	39
Total Residential	4,219	299,775	1,264,750,000	180	180	180	180	180	180	180	180	140	39
Non-Residential Space	655,000	100	65,500,000	0	0	0	0	0	0	0	0	0	0
TOTAL VALUE - PROJECT				1,330,250,000									

Actual Value Generated:											
From Residential Buildout	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000
From Non-Residential Buildout	0	0	0	0	0	0	0	0	0	0	0
Total Actual Value Generated	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000

Assessed Valuation Generated:											
From Residential Buildout @ 8.11% of Value	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700
From Non-Residential Buildout @ 29% of Value	0	0	0	0	0	0	0	0	0	0	0
Existing Assessed Value	0	0	0	0	0	0	0	0	0	0	0
Total Incremental Assessed Value	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700
Total Cumulative Assessed Value	93,052,000	97,674,700	102,297,400	106,920,100	111,542,800	116,165,500	120,788,200	124,275,500	125,066,225	125,066,225	125,066,225

Year Assessed Value Certified to District	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Year Property Taxes Collected by District	2026	2027	2028	2029	2030	2031	2032	2033	2034	
Source for Buildout: Developers of Sol Vista										
SEE CONSULTANT'S SUMMARY AND DISCLAIMER										

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

SCHEDULE 1 - PROJECTION OF ASSESSED VALUATION GENERATED FRC

BUILDOUT (YEAR OF COMPLETION)				
Description of Development	Planned Number of Units	Average Per Unit Price	Total Gross Unit Volume	
Residential - Single Family	2,100	350,000	735,000,000	
Residential - Multi Family	2,119	250,000	529,750,000	
Total Residential	4,219	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	0	0	0	1,264,750,000
From Non-Residential Buildout	0	0	0	65,500,000
Total Actual Value Generated	0	0	0	1,330,250,000

Assessed Valuation Generated:

From Residential Buildout @ 8.41% of Value	0	0	0	102,571,225
From Non-Residential Buildout @ 29% of Value	0	0	0	18,995,000
Existing Assessed Value	0	0	0	3,500,000
Total Incremental Assessed Value	0	0	0	125,066,225
Total Cumulative Assessed Value	125,066,225	125,066,225	125,066,225	

Year Assessed Value Certified to District

Year Property Taxes Collected by District

Source for Buildout: Developers of Sol Vista

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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EXHIBIT E

PRELIMINARY DRAFT BALLOT QUESTIONS

BALLOT ISSUES

FOR

SOLVISTA METROPOLITAN DISTRICT NO. 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

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

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

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

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

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

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

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?

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

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?

EXHIBIT F

PROPOSED INTERGOVERNMENTAL AGREEMENTS

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

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

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.

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%

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

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.

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: _____

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.

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

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

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

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

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;

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

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

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.

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

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.

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.

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:

SolVista Metropolitan District No. 1 or
SolVista 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

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

**CONSOLIDATED SERVICE PLAN
FOR
GRANBY RANCH METROPOLITAN DISTRICT NOS. 2-8
TOWN OF GRANBY, COLORADO**

Prepared

by

**WHITE, BEAR & ANKELE
Professional Corporation
1805 Shea Center Drive Suite 100
Highlands Ranch, Colorado 80129**

September 25, 2007

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I. INTRODUCTION

A. Purpose and Intent.

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

B. Need for the Districts.

The purpose of the Districts is to accommodate the phasing of the Granby Ranch development and to provide flexibility for the various potential uses of the property, including commercial and residential. Three districts were originally organized to serve the entire development: 1) Silver Creek Metropolitan District was formed on November 28, 1999 (and changed its name to SolVista Metropolitan District on September 6, 2001); 2) SolVista Metropolitan District No. 1 was formed on November 25, 2003 (and changed its name to Headwaters Metropolitan District on October 23, 2004); and 3) SolVista Metropolitan District No. 2 was formed on November 25, 2003 (and changed its name to Granby Ranch Metropolitan District on October 23, 2004) (collectively the "Existing Districts"). However, in 2006, prior to issuance of general obligation bonds by Granby Ranch Metropolitan District, approximately 4,100 acres of the Granby Ranch development not then under development were excluded from Granby Ranch Metropolitan District to avoid burdening the excluded property with the general obligation debt that would be used to finance improvements benefiting primarily the property within the remaining portion of the Granby Ranch Metropolitan District. At the time of exclusion, it was intended that additional districts would be created to provide the financing and construction of public improvements for those phases not currently under development. As they currently exist and operate, and pursuant to a Master IGA between and among the Existing Districts, the Headwaters Metropolitan District acts as the Operating District and the Granby Ranch Metropolitan District and SolVista Metropolitan District act as the Taxing Districts, in the same manner as those terms are defined herein. It is the intent that Headwaters Metropolitan District act as the Operating District for the Districts in conjunction with its role as the Operating District for Granby Ranch Metropolitan District and SolVista Metropolitan District. Further, to accommodate future growth and to attain the goals of the project, one or more of the Districts may serve as an Operating District in accordance with the provisions of this Service Plan.

C. Objective of the Town Regarding Districts Service Plans.

The Town's objective in approving the Service Plan for the Districts is to authorize the Districts to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the Districts. All Debt is expected to be repaid by taxes imposed and collected for no longer than the Maximum Mill Levy Imposition Term for residential properties and at a tax mill levy no higher than the Maximum Mill Levy for commercial and residential properties, and/or repaid by

Fees. Debt which is issued within these parameters and, as further described in the Financial Plan, will insulate property owners from excessive tax and Fee burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

This Service Plan is intended to establish a limited purpose for the Districts and explicit financial constraints that are not to be violated under any circumstances. The primary purpose of the Districts is to provide for the Public Improvements associated with development and regional needs.

It is the intent of the Districts to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt, and if any District has authorized operating functions under an intergovernmental agreement with the Town, to retain only the power necessary to impose and collect taxes or Fees to pay for these costs.

The Districts shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from Fees or from tax revenues collected from a mill levy which shall not exceed the Maximum Mill Levy on commercial and residential properties and which shall not exceed the Maximum Mill Levy Imposition Term on residential properties. It is the intent of this Service Plan to assure to the extent possible that no commercial or residential property bear an economic burden that is greater than that associated with the Maximum Mill Levy in amount and that no property developed for a residential use bear an economic burden that is greater than that associated with the Maximum Mill Levy Imposition Term in duration even under bankruptcy or other unusual situations. Generally, the cost of Public Improvements that cannot be funded within these parameters are not costs to be paid by the Districts.

Provision will be made by the Districts to provide notice of meetings, meeting materials, and all other documents and notices not otherwise privileged or confidential provided to a member of the Board to a Town appointed representative. This representative will be authorized to participate as a non-voting attendee at all Board meetings of the Districts. The Town representative will be authorized to participate as a non-voting attendee at all Boards of Directors meetings of the Districts, including access to executive sessions and executive session materials to the full extent of the law.

II. DEFINITIONS

In this Service Plan, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Approved Development Plan: means a Preliminary Development Plan or other process established by the Town for identifying, among other things, Public Improvements necessary for facilitating development for property within the Service Area as approved by the Town pursuant to the Town Code and as amended pursuant to the Town Code from time to time.

Board: means the board of directors of one District or the boards of directors of all Districts, in the aggregate.

Bond, Bonds or Debt: means bonds or other obligations for the payment of which any District has promised to impose an *ad valorem* property tax mill levy, and/or collect Fee revenue.

Bond Sharing Fee: means a percentage of the total net bond proceeds received from the issuance of any General Obligation Bonds up to the total Debt Issuance Limitation set forth in Section V(A)(7) which shall be provided to the Town for jointly funded improvements as more particularly set forth in Section VI(F) hereof.

District: means any one of the Granby Ranch Metropolitan District Nos. 2 through 8.

District No. 2: means the Granby Ranch Metropolitan District No. 2.

District No. 3: means the Granby Ranch Metropolitan District No. 3.

District No. 4: means the Granby Ranch Metropolitan District No. 4.

District No. 5: means the Granby Ranch Metropolitan District No. 5.

District No. 6: means the Granby Ranch Metropolitan District No. 6.

District No. 7: means the Granby Ranch Metropolitan District No. 7.

District No. 8: means the Granby Ranch Metropolitan District No. 8.

Districts: means District Nos. 2, 3, 4, 5, 6, 7 and 8.

Existing Districts: means, collectively, the SolVista Metropolitan District, the Granby Ranch Metropolitan District and the Headwaters Metropolitan District.

External Financial Advisor: means a consultant that: (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (iii) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Fees: means any fee imposed by the Districts for services, programs or facilities provided by the Districts, as described in Section VI. below.

Financial Plan: means the Financial Plan described in Section VI and attached hereto as **Exhibit D**, which describes (i) how the Public Improvements are to be financed; (ii) how the Debt is expected to be incurred; and (iii) the estimated operating revenue derived from property taxes for the first budget year.

General Obligation Bonds: means any General Obligation Bonds issued by the Districts as Debt.

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

Inclusion Area Boundary Map: means the map attached hereto as **Exhibit C-2**, describing the property proposed for inclusion within one, but not any more than one, of the boundaries of the Districts.

Initial District Boundaries: means the boundaries of the area described in the Initial District Boundary Map.

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

Maximum Mill Levy: means the maximum mill levy any of the Districts is permitted to impose for payment of Debt or operations and maintenance costs, if any, as set forth in Section VI.C. below.

Maximum Mill Levy Imposition Term: means the maximum term for imposition of a mill levy on a particular property developed for residential uses as set forth in Section VI.D. below.

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

Operating District: means the Headwaters Metropolitan District and/or one or more of District Nos. 2-8, inclusive, as shall be determined by the Districts.

Parks and Recreation: means 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 area 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.

Project: means the development or property commonly referred to as Granby Ranch.

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

Sanitation: means 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 Districts, but not outside the boundaries of the Town without the approval of the Town.

Service Area: means the property within the Initial District Boundary Map and the Inclusion Area Boundary Map.

Service Plan: means this service plan for the Districts approved by Board of Trustees.

Service Plan Amendment: means an amendment to the Service Plan approved by Board of Trustees in accordance with the Town's ordinance and the applicable state law.

Special District Act: means Section 32-1-101, et seq., of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

Streets, Roadways and Drainage: means 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 Districts, but not outside the boundaries of the Town without the approval of the Town.

Taxable Property: means real or personal property within the Service Area subject to ad valorem taxes imposed by the Districts.

Taxing District: means one or more of District Nos. 2, 3, 4, 5, 6, 7 and 8.

Town: means the Town of Granby, Colorado.

Town Code: means the Town Code of the Town of Granby, Colorado.

Board of Trustees: means the Board of Trustees of the Town of Granby, Colorado.

Traffic and Safety Protection: means 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, 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 Districts, but not outside the boundaries of the Town without the approval of the Town.

Transportation: means the design, financing, acquisition, installation, construction, operation and maintenance of public transportation system improvements, including, without limitation, 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 Districts, but not outside the boundaries of the Town without the approval of the Town.

Water: means 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 Districts, but not outside the boundaries of the Town without the approval of the Town.

III. BOUNDARIES

The area of the Initial District Boundaries includes approximately thirty two (32) acres and the total area proposed to be included in the Inclusion Area Boundaries is approximately four thousand one hundred (4,100) acres. A legal description of the Initial District Boundaries is attached hereto as **Exhibit A**. A vicinity map is attached hereto as **Exhibit B**. A map of the Initial District Boundaries is attached hereto as **Exhibit C-1**, and a map of the Inclusion Area Boundaries is attached hereto as **Exhibit C-2**. It is anticipated that the Districts' boundaries may change from time to time as they undergo inclusions and exclusions pursuant to Section 32-1-401, *et seq.*, C.R.S., and Section 32-1-501, *et seq.*, C.R.S., subject to the limitations set forth in Article V. below.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION

The Service Area consists of approximately four thousand one hundred (4,100) acres of residential and commercial land. The 2005 assessed valuation of the Service Area is \$3,344,625 for purposes of this Service Plan and, at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. The population of the Districts at build-out is estimated to be approximately eleven thousand three hundred eighty-eight (11,388) people.

Approval of this Service Plan by the Town does not imply approval of the development of a specific area within the Districts, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto, unless the same is contained within an Approved Development Plan.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the Districts and Service Plan Amendment.

The Districts shall have the power and authority to provide the Public Improvements and related operation and maintenance services within and without the boundaries of the Districts, but not outside the boundaries of the Town without the approval of the Town, as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein. More specifically, 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 and Transportation. The Districts are empowered to provide Mosquito Control facilities, improvements and services so long as the Districts obtain prior written approval from and consent of the Town.

The Districts shall also have the power and authority to provide the design, financing, acquisition, installation, construction, operation and maintenance of television relay and translator systems and related electronic and cable facilities, subject to intergovernmental agreements with the Town and any limitations in the Special District 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. Notwithstanding the foregoing, cable television services are currently contemplated to be provided to the Service Area by the Town's existing cable television franchisee, and, as such, the Districts shall not be allowed to provide any television relay and translator systems services without the prior approval and consent of the Town.

The Districts may also provide, finance and pay for other services and facilities authorized under the Special District Act or by law, subject to the approval of the Town, if needed to serve the development and not otherwise provided or planned to be provided by the Town or other governmental agencies within the Granby Ranch community.

In accordance with an intergovernmental agreement with the Town (as further described herein), the Town authorizes and the Districts agree to help finance jointly funded improvements for downtown improvements and for park facilities on a site to be dedicated by the developer of Granby Ranch 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 and among the parties.

1. Operations and Maintenance of Public Improvements. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate and maintain the Public Improvements. The Districts shall dedicate the Public Improvements to the Headwaters Metropolitan District, the Town upon request, or other appropriate jurisdiction or owners association in a manner consistent with the Approved Development Plan and other rules and regulations of the Town and applicable provisions of the Town Code. The Districts shall be authorized to operate and maintain any part or all of the Public Improvements unless the provision of such operation and maintenance is allocated to another public entity pursuant to an intergovernmental agreement. All operation and maintenance responsibilities for the Public Improvements to be constructed by the Districts are to be assumed by Headwaters Metropolitan District pursuant to the Headwaters Metropolitan District Service Plan.

2. Construction Standards Limitation. The Districts will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the Town and of other governmental entities having proper jurisdiction and of those special districts that qualify as "interested parties" under Section 32-1-204(1), C.R.S., as applicable. The Districts will obtain the Town's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

3. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

4. Inclusion Limitation. The Districts shall not include within any of their boundaries any property outside the Service Area without the prior written consent of the Board of Trustees.

5. Overlap Limitation. The boundaries of the Districts shall not overlap unless the aggregate mill levy of those overlapping Districts imposed for payment of Debt of the overlapping Districts will not at any time exceed the Maximum Mill Levy of the overlapping Districts combined. Additionally, the Districts shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the Districts unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Mill Levy of the Districts.

6. Initial Debt Limitation. On or before the effective date of approval by the Town of an Approved Development Plan, the Districts shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any fees used for the purpose of repayment of Debt.

7. Total Debt Issuance Limitation. The Districts, in aggregate, shall not issue Debt in excess of Ninety Four Million Two Hundred Fifty Thousand Dollars (\$94,250,000), except as specifically permitted under Section VI (A) hereof.

8. Fee Limitation. Each of the Districts may impose and collect Fees as a source of revenue for repayment of Debt, capital costs, and/or for operations and maintenance. The restrictions in this definition shall not apply to any Fee imposed upon or collected from Taxable Property for the purpose of funding operation and maintenance costs of the Districts.

9. Monies from Other Governmental Sources. The Districts shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the Town is eligible to apply for, except pursuant to an intergovernmental agreement with the Town. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the Districts without any limitation.

10. Consolidation Limitation. The Districts shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the Town, unless such consolidation is between or among one or more of the Districts.

11. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Mill Levy, Maximum Mill Levy Imposition Term and the Fees have been established under the authority of the Town to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) Are, together with all other requirements of Colorado law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Mill Levy and the Maximum Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the Town as part of a Service Plan Amendment.

12. Service Plan Amendment Requirement. This Service Plan has been designed with sufficient flexibility to enable the Districts to provide required services and facilities under evolving circumstances without the need for numerous amendments. Actions of the Districts which violate the limitations set forth in Section V. or in Section VI. shall be deemed to be material modifications to this Service Plan and the Town shall be entitled to all remedies available under State and local law to enjoin such actions of the Districts.

B. Preliminary Engineering Survey.

The Districts shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, operation, maintenance and financing of the Public Improvements within and without the boundaries of the Districts, as may be more specifically defined in an Approved Development Plan. An estimate of the costs of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, operated, maintained or financed, including the backbone and neighborhood infrastructure, was prepared based upon a preliminary engineering survey and estimates derived from the zoning on the property in the Service Area and is approximately One Hundred Twenty Million Dollars (\$120,000,000).

All of the Public Improvements will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the Town and shall be in accordance with the requirements of the Approved Development Plan. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

C. Multiple District Structure.

It is anticipated that the Districts, collectively, will undertake the financing and construction of the Public Improvements. The nature of the functions and services to be provided by each District shall be clarified in an intergovernmental agreement between and among the Districts, as further described herein. All such agreements will be designed to help assure the orderly development of the Public Improvements and essential services in accordance with the requirements of this Service Plan. Implementation of such intergovernmental agreement is essential to the orderly implementation of this Service Plan. Accordingly, any determination of any Board to set aside said intergovernmental agreement without the consent of

all of the Districts shall be a material modification of the Service Plan. Said intergovernmental agreement may be amended by mutual agreement of the Districts without the need to amend this Service Plan.

VI. FINANCIAL PLAN

A. General.

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from their revenues and by and through the proceeds of Debt to be issued by the Districts. The Financial Plan for the Districts illustrates the anticipated Debt to be issued by the Districts, which Debt, at the time of issuance, can reasonably be paid by the Districts by imposing the Maximum Mill Levy within the Maximum Mill Levy Imposition Term and by use of other revenues derived by the imposition of Fees, rates, tolls or charges and other legally available revenues. The Financial Plan is an estimated schedule for issuance of Debt and repayment sources and is subject to change. The total Debt that the Districts shall be permitted to issue shall not exceed Ninety Four Million Two Hundred Fifty Thousand Dollars (\$94,250,000) and shall be permitted to be issued on a schedule and in such year or years as the Districts determine shall meet the needs of the Financial Plan referenced above and shall be phased to serve development as it occurs. In addition thereto, the Districts shall be permitted to issue additional Debt up to Nineteen Million Five Hundred Thousand Dollars (\$19,500,000) plus 4% annual inflation from and after June 1, 2005, until issued for the acquisition, construction and installation of the Amenities. All bonds and other Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, including general ad valorem taxes and Fees to be imposed upon all Taxable Property within the Districts. The Districts will also rely upon various other revenue sources authorized by law. These will include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time. The Districts shall be permitted to request an increase in the debt limitations contemplated herein by way of an administrative approval process with the Town. Under no circumstances shall an administratively approved change in the debt limitation be considered a material modification of this Service Plan.

An intergovernmental agreement by, between and among the Districts shall provide that the obligation of the Districts to pay Headwaters Metropolitan District for the costs of financing the Public Improvements and for annual service costs shall constitute voter-approved multiple-fiscal year financial obligations of the Districts. Accordingly, the property tax levies certified by the Districts to make necessary payments to Headwaters Metropolitan 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"). Headwaters Metropolitan District may enter into funding, acquisition and reimbursement agreements with the developer or other entities and may issue revenue bonds, bond anticipation notes or other 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 Districts or other sources and the Financing Plan can be reasonably implemented. Any funds advanced by the developer or other entities for the purposes of designing, constructing and

installing the Public Improvements may be reimbursed from property taxes collected by the Districts and from other available revenue sources.

In accordance with an intergovernmental agreement among the Districts, the Existing Districts and the Town, a portion of each District's total authorized property tax mill levy, not to exceed 5 mills, will be reserved by that District and placed in a "Transportation Fund." The Transportation Fund will be comprised of funds restricted for transportation functions and transportation facilities benefiting Granby Ranch and the Town.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. In the event of a default, the proposed maximum interest rate on any Debt is not expected to exceed fourteen percent (14 %). The proposed maximum underwriting discount will be five percent (5 %). Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

C. Maximum Mill Levy.

The "Maximum Mill Levy" shall be the maximum mill levy a District is permitted to impose upon the taxable property within such District for payment of Debt and any operations and maintenance costs, regardless of statutory changes to Section 32-1-1101, et seq., C.R.S., shall be fifty (50.000) mills; provided, however, that if the ratio of actual valuation to assessed valuation for residential real property (as of 2003) is changed pursuant to Article X, section 3(1)(b) of the Colorado Constitution and legislation implementing such constitutional provision, the Maximum Mill Levy will be increased or decreased (as to all taxable property in the Districts) to reflect such changes so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes (Gallagher adjustment). Notwithstanding the foregoing, in the event the Maximum Mill Levy is pledged by a District toward the repayment of Debt and such Maximum Mill Levy is imposed by a District for the repayment of that Debt in any given fiscal year, a District is permitted to impose upon the taxable property within such District a mill levy not-to-exceed five (5.000) mills in the same fiscal year, which five (5.000) mills shall be in addition to the Maximum Mill Levy. Any revenues generated by the additional five (5.000) mills imposed by a District shall be used solely for the purpose of meeting a District's obligations under an intergovernmental agreement with the Town for transportation purposes.

To the extent that the Districts are composed of or subsequently organized into one or more subdistricts, as permitted under Section 32-1-1101, C.R.S., the term "District" as used herein shall be deemed to refer to the District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

D. Maximum Mill Levy Imposition Term.

The Districts shall have the authority to impose the Maximum Mill Levy as set forth in Section VI.C. Other than the Maximum Mill Levy, the Districts shall not impose a levy

for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board of Directors of the District imposing the mill levy are residents of such District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101, et seq., C.R.S.

E. Debt Repayment Sources.

Each of the Districts may impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance. The Districts may also rely upon various other revenue sources authorized by law. At the Districts' discretion, these may include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(l), C.R.S., as amended from time to time. In no event shall the debt service mill levy in any District exceed the Maximum Mill Levy or, for residential property within a District, the Maximum Mill Levy Imposition Term, except pursuant to an intergovernmental agreement between the Operating District and the Town for Regional Improvements.

F. Bond Proceeds.

An amount equal to a blended rate of 8% of the total net bond proceeds received from the issuance of any General Obligation Bonds up to the total Debt Issuance Limitation set forth in Section V(A)(7) hereof shall be provided to the Town for jointly funded improvements (the "Bond Sharing Fee"). The Bond Sharing Fee made by the Districts shall be allocated approximately 67% for downtown improvements and approximately 33% for park facilities on a site to be dedicated by the developer in Planning Area 1 of the SolVista Preliminary Plan. The Districts shall remit the Bond Sharing Fee pursuant to the schedule attached hereto as **Exhibit E**. Headwaters Metropolitan District shall be responsible for the collection of the Bond Sharing Fee contemplated in this section from each of the Districts. Payment of the Bond Sharing Fee to Headwaters Metropolitan District shall be a condition of issuing any Bonds authorized herein.

G. Debt Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting Debt, the District shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond and in the Service Plan for creation of the District. This Bond is solely the obligation of the District and is not any obligation or debt of the Town of Granby. The owner of this Bond also agrees that the Town shall not be responsible or obligated for the repayment of this Bond.

Similar language describing the limitations in respect of the payment of the principal of and interest on Debt set forth in this Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, a developer of property within the boundaries of the Districts.

H. Security for Debt.

The Districts shall not pledge any revenue or property of the Town as security for the indebtedness set forth in this Service Plan. Approval of this Service Plan shall not be construed as a guarantee by the Town of payment of any of the Districts' obligations; nor shall anything in the Service Plan be construed so as to create any responsibility or liability on the part of the Town in the event of default by the Districts in the payment of any such obligation.

I. TABOR Compliance.

The Districts will comply with the provisions of TABOR. In the discretion of the Board, the Districts may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the Districts will remain under the control of the Districts' Boards.

J. Districts' Operating Costs.

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the Districts' organization and initial operations, are anticipated to be One Million Dollars (\$1,000,000.00), which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the Districts will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained. The first year's operating budget is estimated to be One Million Dollars (\$1,000,000.00) which is anticipated to be derived from property taxes and other revenues.

VII. ANNUAL REPORT

A. General.

Each of the Districts shall be responsible for submitting an annual report to the Manager of the Office of Development Assistance of the Town Manager's Office no later than January 31st of each year following the year in which the Order and Decree creating the District has been issued.

B. Reporting of Significant Events.

The annual report shall include information as to any of the following:

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.

2. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the prior year.

3. Copies of the Districts' rules and regulations, if any as of December 31 of the prior year.

4. A summary of any litigation which involves the Districts Public Improvements as of December 31 of the prior year.

5. Status of the Districts' construction of the Public Improvements as of December 31 of the prior year.

6. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the Town as of December 31 of the prior year.

7. The assessed valuation of the Districts for the current year.

8. Current year budget including a description of the Public Improvements to be constructed in such year.

9. Audit of the Districts financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

10. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.

11. Any inability of the Districts to pay their obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

VIII. DISSOLUTION

Upon an independent determination of the Board of Trustees that the purposes for which the Districts were created have been accomplished, the Districts agree to file petitions in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall dissolution occur until the Districts have provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

IX. DISCLOSURE TO PURCHASERS

The Districts will use reasonable efforts to assure that all developers of the property located within the Districts provide written notice to all purchasers of property in the Districts in accordance with the provisions of Section 38-35.7-101, C.R.S. The issuance of this notice by the developers does not obligate the Town in any way to investigate the contents of the notice to determine its completeness or accuracy. The Town in no way warrants the accuracy of the information contained in the notice and the District agrees to indemnify the Town with regard to any and all costs or damages associated with any claims based upon the notice.

X. INTERGOVERNMENTAL AGREEMENTS

An intergovernmental agreement among the Town, the Districts, Granby Ranch Metropolitan District No. 1 and Headwaters Metropolitan District shall be entered into, which agreement will memorialize the financial obligations, understandings and agreements among the parties referenced herein. Additionally, the Districts and Headwaters Metropolitan District will enter into an intergovernmental agreement setting forth the relationship between and among such districts and the terms for financing, acquiring, constructing, and operating public services and improvements to be furnished by the Districts.

XI. OTHER AGREEMENTS

Headwaters Metropolitan District may enter into a Developer Fee Agreement with the developers of Granby Ranch to install the Public Improvements to be furnished by the Districts. Under the Developer Fee Agreement, the developers will be obligated to pay a developer fee in the estimated amount of \$1,500 per lot or equivalent unit. This fee may be increased as necessary by Headwaters Metropolitan District to fund the capital costs of the Public Improvements.

XII. CONCLUSION

It is submitted that this Service Plan for the Districts, as required by Section 32-1-203(2), C.R.S., and Section 122-35 of the Town Code, establishes that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the Districts;
2. The existing service in the area to be served by the Districts is inadequate for present and projected needs;
3. The Districts are capable of providing economical and sufficient service to the area within its proposed boundaries; and
4. The area to be included in the Districts does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.
5. Adequate service is not, and will not be, available to the area through the Town or county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.
6. The facility and service standards of the Districts are compatible with the facility and service standards of the Town within which the special districts are to be located and each municipality which is an interested party under Section 32-1-204(1), C.R.S.
7. The proposal is in substantial compliance with a comprehensive plan adopted pursuant to the Town Code.
8. The proposal is in compliance with any duly adopted Town, regional or state long-range water quality management plan for the area.

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

Respectfully submitted this 25th day of September, 2007.

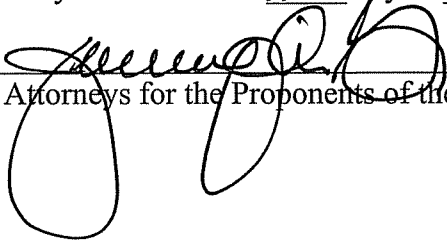
By: _____
Attorneys for the Proponents of the Districts

EXHIBIT A
LEGAL DESCRIPTIONS

LEGAL DESCRIPTION NO. 1

SHEET 1 OF 2

LEGAL DESCRIPTION

A PARCEL OF LAND LOCATED IN THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER AND NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 1 NORTH, RANGE 76 WEST OF THE 6TH PRINCIPAL MERIDIAN, TOWN OF GRANBY, COUNTY OF GRAND, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SECTION 5 AND CONSIDERING THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SOUTHWEST QUARTER OF SECTION 5 TO BEAR NORTH 10°34'46" EAST, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE NORTH 10°34'46" EAST, ALONG SAID WEST LINE, A DISTANCE OF 2002.01 FEET; THENCE NORTH 90°00'00" EAST, A DISTANCE OF 1148.73 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 45°51'27" EAST, A DISTANCE OF 323.05 FEET;

THENCE SOUTH 13°05'00" EAST, A DISTANCE OF 573.76 FEET;

THENCE NORTH 47°17'28" WEST, A DISTANCE OF 492.25 FEET TO THE POINT OF BEGINNING;

SAID PARCEL CONTAINS AN AREA OF 79,391 SQUARE FEET OR 1.82 ACRES, MORE OR LESS.

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

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

12-14-05
DATE



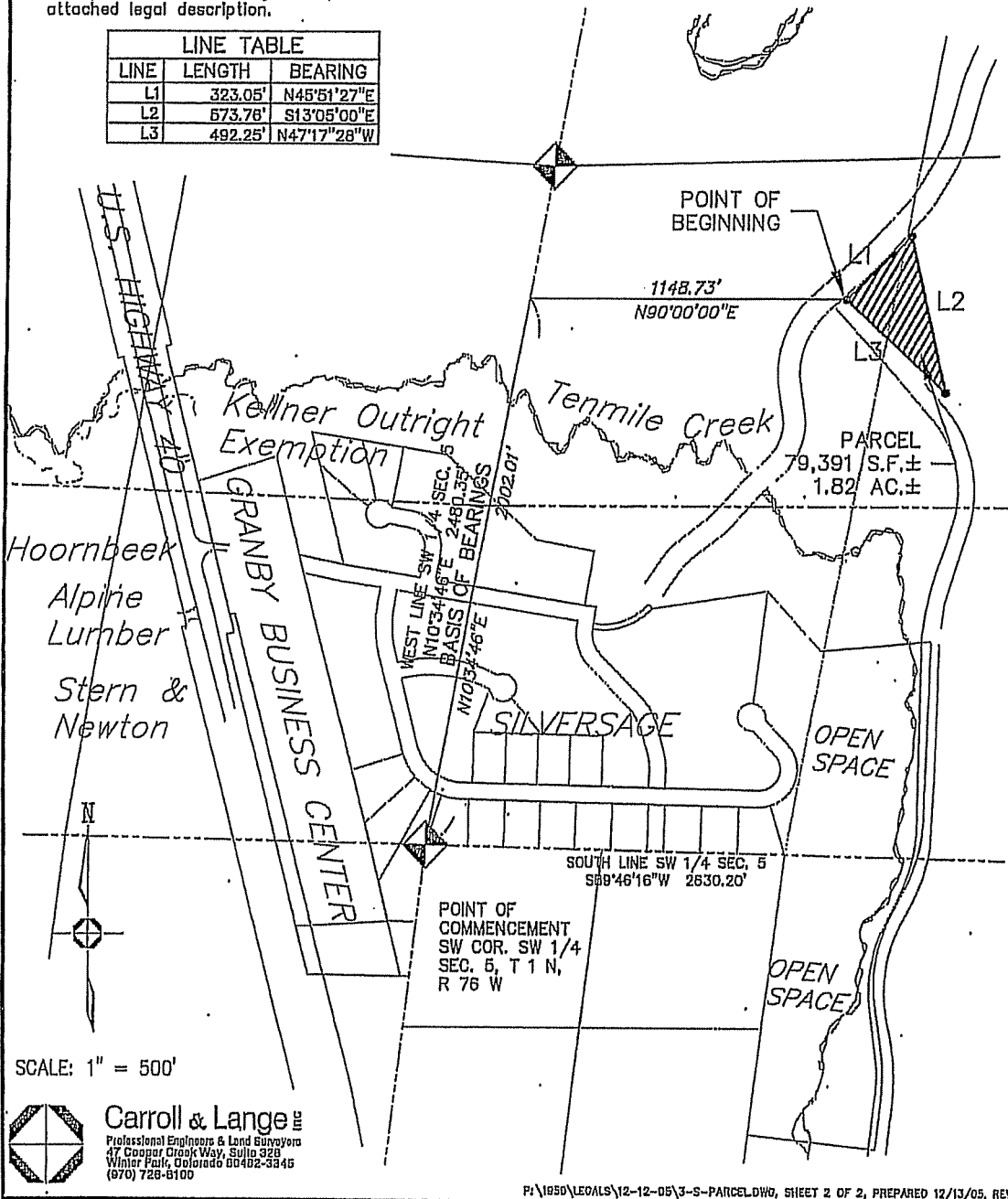
Carroll & Lange
Professional Engineers & Land Surveyors
47 Cooper Creek Way, Suite 320
Winter Park, Colorado 80402-3346
(970) 728-6100

P:\1050\LEGALS\12-12-05\3-S-PARCEL.DWG, SHEET 1 OF 2, PREPARED 12/13/05, REV.

SHEET 2 OF 2

Denotes Change of Direction Only. This exhibit does not represent a monumented survey. It is intended only to depict the attached legal description.

LINE TABLE		
LINE	LENGTH	BEARING
L1	323.05'	N45°51'27"E
L2	573.78'	S13°05'00"E
L3	492.25'	N47°17'28"W



P:\1950\LEOALS\12-12-05\3-S-PARCELDWG, SHEET 2 OF 2, PREPARED 12/13/05, REV.

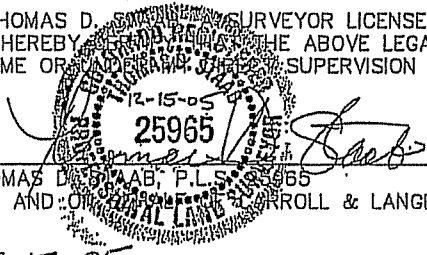
LEGAL DESCRIPTION NO. 14
SHEET 1 OF 2

LEGAL DESCRIPTION

THAT PART OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER AND THAT PART OF THE
NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 1 NORTH, RANGE
76 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF GRAND, STATE OF COLORADO, LYING
NORTHERLY OF THE UNION PACIFIC RAILROAD RIGHT-OF-WAY;

CONTAINING A CALCULATED AREA OF 1,350,449 SQUARE FEET OR 31.002 ACRES, MORE OR LESS.

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


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

12-15-05
DATE



Carroll & Lange
Professional Engineers & Land Surveyors
169 South Union Blvd., Suite 156
Lakewood, Colorado 80226
(303) 800-0200

LEGAL DESCRIPTION NO. 14

SHEET 2 OF 2

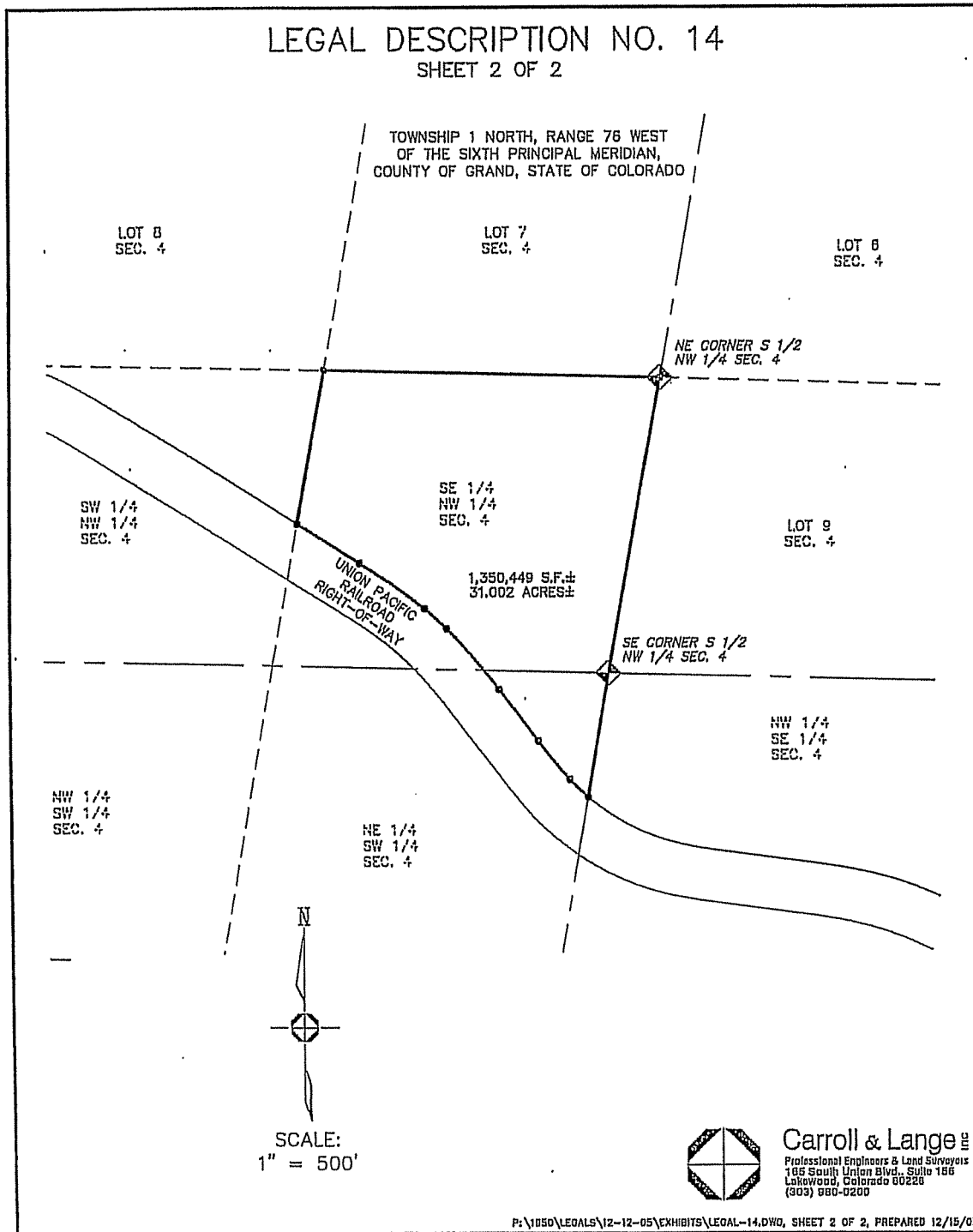


EXHIBIT B
VICINITY MAP

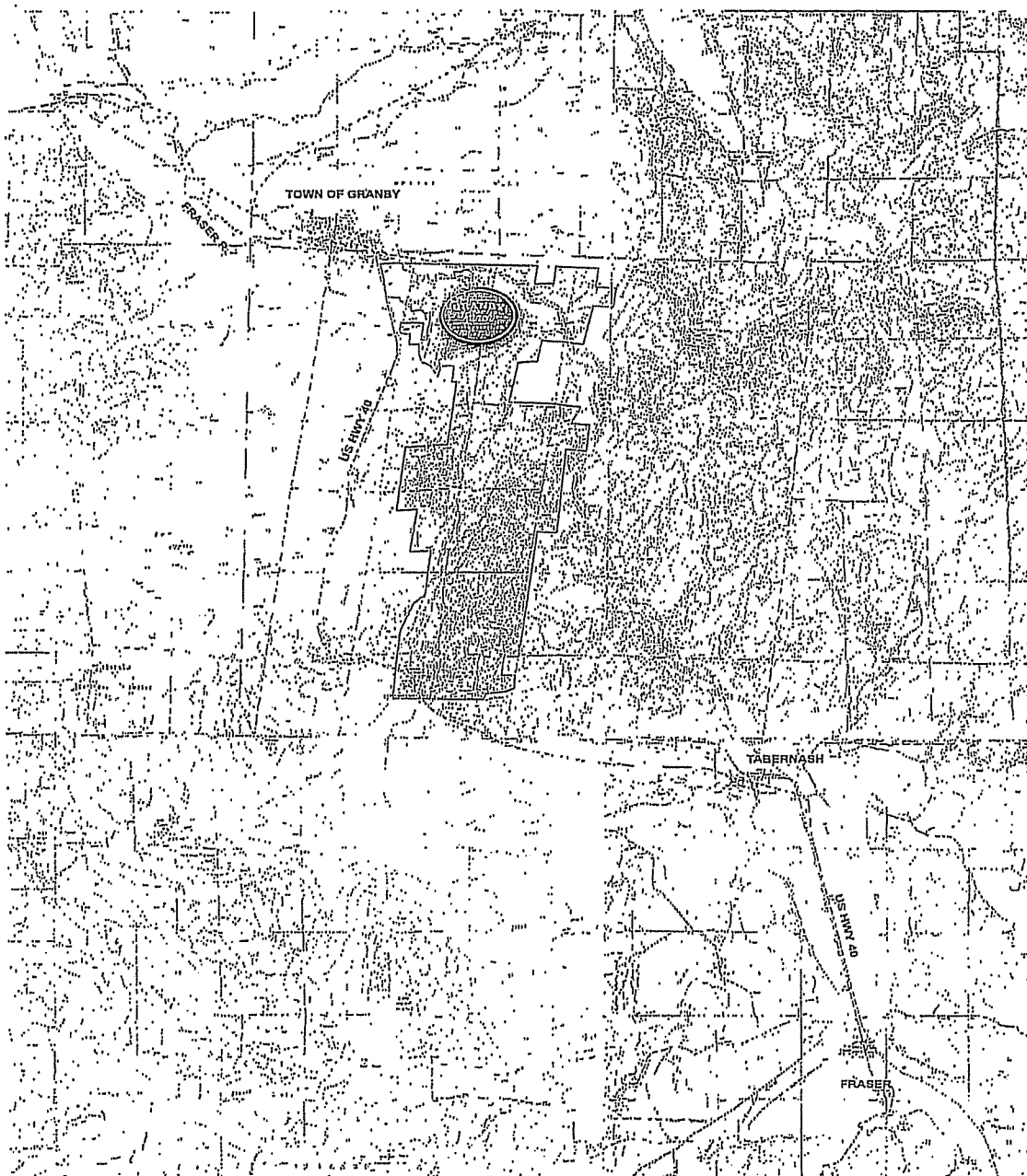


EXHIBIT C-1
INITIAL DISTRICTS' BOUNDARY MAPS

EXHIBIT C-2
INCLUSION AREA BOUNDARY MAP

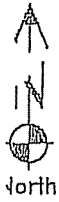


EXHIBIT A-1

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

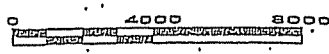
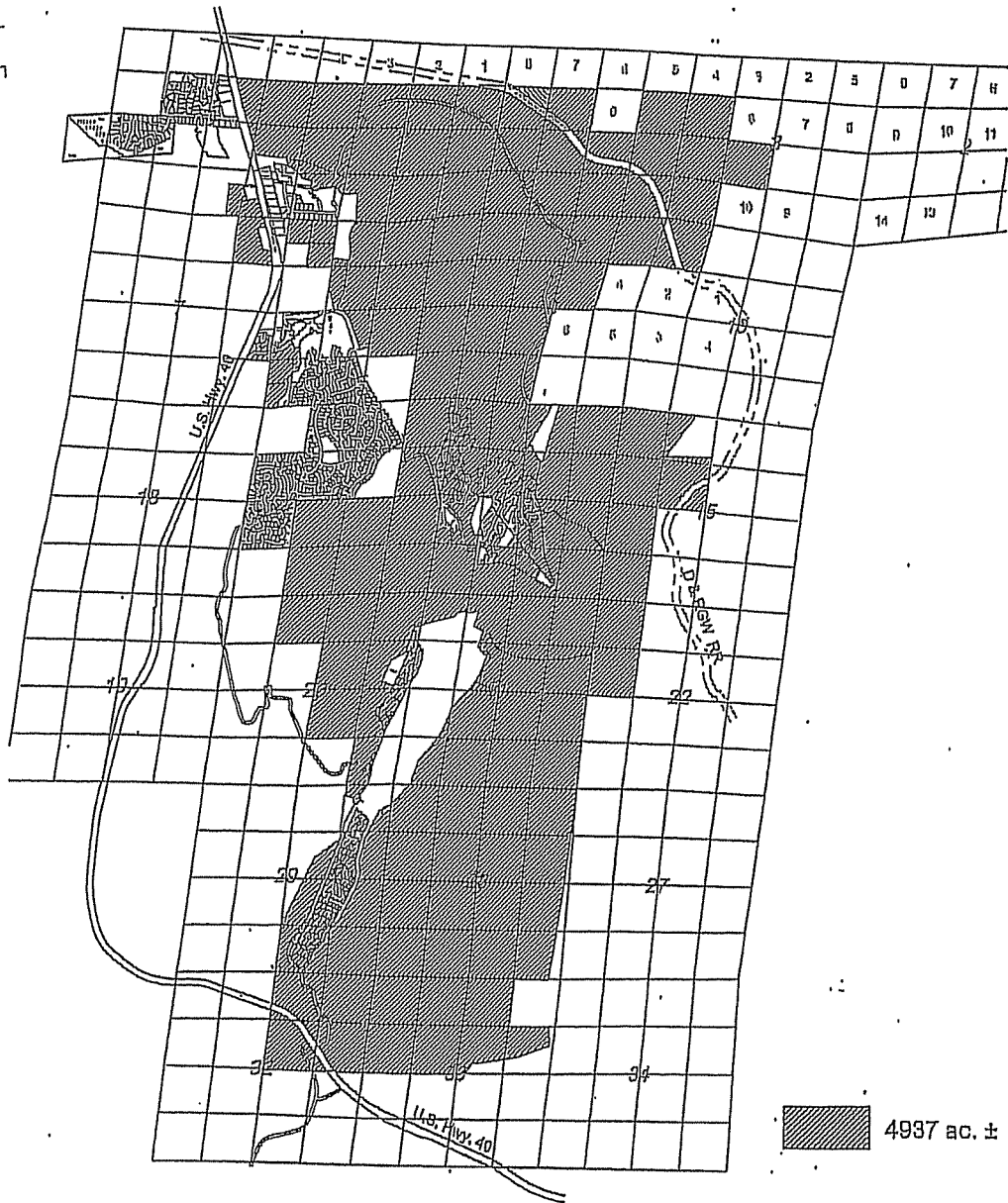


EXHIBIT D
FINANCIAL PLAN

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. Lance Badger, Gary White, Esq., Ken Marchetti, CPA
Mr. Tom Hale
FROM: Stan Bernstein, Amy Bernstein

DATE: April 20, 2007

SUBJECT: Financing Plan Re: Granby Ranch Metropolitan Districts #2 - #8

Attached for your review is the second draft of a combined Financing Plan for Granby Ranch Metropolitan Districts #2 - #8 ("Financing Districts"). This Financing Plan does not include Financing Plans for Granby Ranch Metropolitan Financing District #1 and the Service District (which is currently referred to as Headwaters Metropolitan District) because the service plans for those districts are not being amended at this time. The attached Financing Plan is based upon the construction of 1,760 single-family homes with an assumed average uninflated value of \$500,000; 1,718 multi-family and enclave homes with an assumed average value of \$350,000, and the phased construction of 645,000 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.

Financing District #1 (which is not a part of this Financing Plan) contains an additional 340 single family units, 401 multi-family units and 10,000 square feet of non-residential space. When Financing District #1 is combined with Financing Districts #2 - #8, a total of 4,219 living units (2,100 single family and 2,119 multi-family and enclave development units) and 655,000 square feet of non-residential space are assumed to be completed within the all of the Financing Districts' boundaries – this is consistent with the original Service Plan which was approved during 2003.

Exhibit I (Combined General, and Debt Service Funds Cash Flow Forecast – 2007 – 2042), page 1, indicates based upon (i) a total mill levy of 50.0 (of which 8.50 mills are assumed to be transferred to the Service District for operations and administration; and beginning in 2019 an additional 5.0 mills is assumed to be transferred to the Service District for Transit), and (ii) the Developer's expectations of buildout and values (as presented on Schedule 1, page 2), that non-rated 6.5% limited tax general obligation bonds maturing serially over no longer than a thirty-year period could be issued by Granby Ranch Metropolitan Districts # 2 - #8 ("Financing Districts") as presented on the following page and on Schedule 2, page 3):

Memorandum
April 20, 2007
Page ii

• 12/1/2009	\$ 2,000,000
• 12/1/2011	\$ 6,500,000
• 12/1/2014	\$ 8,000,000
• 12/1/2016	\$ 6,000,000
• 12/1/2018	\$ 6,000,000
• 12/1/2020	\$ 8,000,000
• 12/1/2022	\$ 12,750,000
• 12/1/2024	\$ 10,000,000
• 12/1/2027	\$ 15,000,000
• 12/1/2034	\$ 20,000,000
• Totals	\$ 94,250,000

Financing District # 1 issued \$14,750,000 of General Obligation Bonds last summer which are not included in the above bond issues. It is our understanding that when the District was formed during 2003, that a total bond authorization in the amount of \$40 million was authorized and that in 2004 this amount was increased by \$20 million for park and recreation facilities and by \$4 million for storm and sanitary sewer purposes.

This Financing Plan also assumes the collection of approximately \$23 million (see Schedule 3, page 4) of Capital Facility Fee revenues. These revenues would be generated from the imposition of a \$6,255 impact fee on each Single Family Equivalent Unit. These fees could result in bonds being issued sooner than shown above. We have scheduled the timing and the amounts of the above bond issues so that the outstanding bonds divided by the assessed valuation of the Districts approximates the statutory 50% debt to assessed valuation ratio. The Financing Plan assumes that Capital Facility Fee revenues will be paid to the Developer as a reimbursement for Infrastructure Costs.

This Financing Plan assumes that any decrease in the current 7.96% residential assessment rate will be offset by a proportionate increase in the Districts' 50 mill levy. We have also assumed that Specific Ownership Tax revenues will be approximately 7.0% of property tax revenues. We have also assumed a Grand County Treasurer's collection fee of 5.0% of property tax revenues. The Financing Plan also assumes that fees generated from each bond issue will be collected (fees of 8% of the gross bond issue have been assumed except for a 16% fee for the third \$10 million of bonds issued).

Memorandum
April 20, 2007
Page iii

Disclaimer

We have compiled the accompanying Financial Plan. A compilation is limited to presenting information that is the representation of Management of the Districts and the Developer, based upon their best knowledge and belief as of the date of this report, and does not include evaluation of the support for the assumptions underlying the Financing Plan.

The assumptions disclosed in this report and the forecast are those of the Management of the Districts and of the Developer and have not been independently examined, reviewed, or verified by Stan Bernstein and Associates, Inc. Those assumptions identified are believed to be the significant factors in determining the Districts' ability to make debt service and operating payments; however, they are likely not to be all-inclusive. There will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. Key assumptions – like those relating to market values of real property improvements and the buildout schedule of such property – are particularly sensitive in terms of the timing necessary to create the tax base for the Districts. A small variation in these variables, and to their timing and to their appraisal (for determining actual values) by the Grand County Assessor's Office, can have a large effect on the forecasted results. There is a high probability that the forecasted results will differ from realized future tax base factors and such variations can be material.

Additionally, other key assumptions relating to inflation, residential assessment ratios, interest rates, and administrative and operating and maintenance costs may, and likely will, vary from those assumed.

Because Stan Bernstein and Associates, Inc. has not independently evaluated, examined or reviewed the assumptions that the forecasts are based upon, we do not vouch for the achievability (and disclaim any opinion) of the information presented on the accompanying Exhibits and Schedules, and in this report. Furthermore, because of the inherent nature of future events, which are subject to change and variation as events and circumstances change, the actual results may vary materially from the results presented on the accompanying Exhibits and Schedules. Stan Bernstein and Associates, Inc. has no responsibility or obligation to update this information or this Financing Plan for events occurring after the date of this report.

Very truly yours,

Stan Bernstein (for the firm)
Stan Bernstein and Associates, Inc

GRANBY RANCH METROPOLITAN DISTRICTS #2 - #8 (COMBINED)
CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2042

PRELIMINARY DRAFT 4-20-07
SUBJECT TO CHANGE AND REVISION

EXHIBIT I - FORECASTED REVENUES, EXPENDITURES,
AND FUND BALANCES

DESCRIPTION	SCHEDULE REFERENCE	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
REVENUES:												
PROPERTY TAX REVENUES @ 50.00 MILLS		0	0	0	209,240	308,939	847,142	1,022,719	1,327,092	1,560,218	1,929,801	2,203,069
SPECIFIC OWNERSHIP TAXES @ 7% OF PROP TAXES		0	0	0	14,647	21,626	59,300	71,590	92,896	109,215	135,086	154,215
CAPITAL FACILITY FEE REVENUES	3	0	696,986	394,065	918,591	719,325	908,762	925,740	1,115,177	1,075,860	996,332	1,000,800
INTEREST EARNED ON CONTINGENCY FUNDS @ 3%		0	0	2,910	14,819	7,507	32,588	11,804	16,436	64,717	25,686	67,652
TOTAL REVENUES		0	696,986	396,975	1,157,297	1,057,396	1,847,792	2,031,853	2,551,602	2,810,011	3,086,906	3,425,735
TRANSFERS AND COLLECTION FEES:												
TRANSFER OF PROP TAXES TO SERVICE DISTRICT @ 8.5 MILLS (FOR OPS/ADMIN)		0	0	0	35,571	52,520	144,014	173,862	225,606	265,237	328,066	374,522
TRANSFER OF PROP TAXES TO SERVICE DISTRICT @ 5.0 MILLS (FOR TRANSIT)		0	0	0	0	0	0	0	0	0	0	0
COUNTY TREASURER FEES @ 5% OF PROP. TAXES		0	0	0	10,462	15,447	42,357	51,136	66,355	78,011	96,490	110,153
TOTAL TRANSFERS AND COLLECTION FEES		0	0	0	46,033	67,967	186,371	224,998	291,960	343,248	424,556	484,675
FUNDS AVAILABLE FOR DEBT SERVICE		0	696,986	396,975	1,111,264	989,430	1,661,421	1,806,855	2,259,641	2,466,763	2,662,350	2,941,060
DEBT SERVICE:												
SERIES 12/1/2009 BONDS	2	0	0	0	155,000	153,375	156,750	154,800	152,850	155,900	153,625	156,350
SERIES 12/1/2011 BONDS	2	0	0	0	0	0	497,500	497,625	497,425	496,900	496,050	499,875
SERIES 12/1/2014 BONDS	2	0	0	0	0	0	0	0	0	615,000	613,825	612,325
SERIES 12/1/2016 BONDS	2	0	0	0	0	0	0	0	0	0	0	460,000
SERIES 12/1/2018 BONDS	2	0	0	0	0	0	0	0	0	0	0	0
SERIES 12/1/2020 BONDS	2	0	0	0	0	0	0	0	0	0	0	0
SERIES 12/1/2022 BONDS	2	0	0	0	0	0	0	0	0	0	0	0
SERIES 12/1/2024 BONDS	2	0	0	0	0	0	0	0	0	0	0	0
SERIES 12/1/2027 BONDS	2	0	0	0	0	0	0	0	0	0	0	0
SERIES 12/1/2034 BONDS	2	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE		0	0	0	155,000	153,375	654,250	652,425	650,275	1,267,800	1,263,500	1,728,550
FUNDS AVAILABLE AFTER DEBT SERVICE		0	696,986	396,975	956,264	836,055	1,007,171	1,154,430	1,609,366	1,198,963	1,398,850	1,212,510
TOTAL GROSS BONDS ISSUED	2	0	0	2,000,000	0	6,500,000	0	0	8,000,000	0	5,000,000	0
COSTS OF ISSUANCE	2	0	0	(60,000)	0	(195,000)	0	0	(240,000)	0	(180,000)	0
DEVELOPER CAPITAL REIMB/INFRASTRUCTURE FUNDING	2	0	(600,000)	(1,780,000)	(1,200,000)	(5,525,000)	(1,700,000)	(1,000,000)	(6,580,000)	(2,500,000)	(5,340,000)	(2,000,000)
BOND PROCEEDS TO TOWN OF GRANBY (8% - 16% OF GROSS)	2	0	0	(160,000)	0	(780,000)	0	0	(1,180,000)	0	(480,000)	0
TOTAL EXCESS REVENUES OVER EXPENDITURES		0	96,986	396,975	(243,736)	836,055	(692,829)	154,430	1,609,366	(1,301,037)	1,398,850	(787,490)
BEGINNING FUND BALANCE - JANUARY 1		0	0	96,986	493,960	250,225	1,086,279	393,450	547,880	2,157,247	856,209	2,255,059
ENDING FUND BALANCE - DECEMBER 31		0	96,986	493,960	250,225	1,086,279	393,450	547,880	2,157,247	856,209	2,255,059	1,467,569
OUTSTANDING BONDS @ 12/31/ASSESSED VALUATION	2	0.00%	0.00%	47.79%	31.96%	49.87%	40.80%	31.03%	51.66%	41.20%	49.18%	41.64%
PROPERTY TAX TRANSFERS TO SERVICE DISTRICT:												
PROJECTED ASSESSED VALUE GRMD #2 - #8	1	0	0	0	4,184,800	5,178,780	16,942,832	20,454,386	26,541,832	31,204,363	38,596,029	44,061,377
MILL LEVY TRANSFERS TO SERVICE DISTRICT FOR OPS/ADMIN.		8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50
PROPERTY TAX TRANSFERS TO SERVICE DISTRICT FOR OPS/AD.		0	0	0	35,571	52,520	144,014	173,862	225,606	265,237	328,066	374,522
MILL LEVY TRANSFERS TO SERVICE DISTRICT FOR TRANSIT		0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PROPERTY TAX TRANSFERS TO SERVICE DISTRICT FOR TRANSIT		0	0	0	0	0	0	0	0	0	0	0

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EXHIBIT 3

GRANBY RANCH METROPOLITAN DISTRICTS #2 - #8 (COMBINED)
CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2042

EXHIBIT I - FORECASTED REVENUES, EXPENDITURES,
AND FUND BALANCES

DESCRIPTION	SCHEDULE REFERENCE	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
REVENUES:												
PROPERTY TAX REVENUES @ 50.00 MILLS		2,563,626	2,837,191	3,232,731	3,594,597	4,215,857	4,628,212	5,133,379	5,596,931	6,044,853	6,278,013	6,641,397
SPECIFIC OWNERSHIP TAXES @ 7% OF PROP TAXES		179,454	198,603	226,291	251,622	295,110	323,975	359,337	391,785	423,140	439,461	464,898
CAPITAL FACILITY FEE REVENUES	3	1,163,430	1,257,255	1,409,162	1,376,100	1,344,825	1,331,421	1,019,565	625,500	625,500	625,500	625,500
INTEREST EARNED ON CONTINGENCY FUNDS @ 3%		44,027	93,941	57,884	108,982	60,609	113,746	58,141	92,937	74,444	65,212	91,135
TOTAL REVENUES		3,950,539	4,386,990	4,926,068	5,331,300	5,916,400	6,397,355	6,570,421	6,707,153	7,167,936	7,408,186	7,822,930
TRANSFERS AND COLLECTION FEES:												
TRANSFER OF PROP TAXES TO SERVICE DISTRICT @ 8.5 MILLS (FOR OPS/ADMIN)	435,817	482,322	549,564	611,081	716,696	786,796	872,674	951,478	1,027,625	1,067,262	1,129,038	
TRANSFER OF PROP TAXES TO SERVICE DISTRICT @ 5.0 MILLS (FOR TRANSIT)	0	283,719	323,273	359,460	421,586	462,821	513,338	559,693	604,485	627,801	664,140	
COUNTY TREASURER FEES @ 5% OF PROP. TAXES	128,181	141,860	161,637	179,730	210,793	231,411	256,669	279,847	302,243	313,901	332,070	
TOTAL TRANSFERS AND COLLECTION FEES	563,998	907,901	1,034,474	1,150,271	1,349,074	1,481,028	1,642,681	1,791,016	1,934,353	2,008,964	2,125,247	
FUNDS AVAILABLE FOR DEBT SERVICE		3,386,541	3,479,089	3,891,595	4,181,029	4,567,326	4,916,327	4,927,740	4,916,136	5,233,583	5,399,222	5,697,683
DEBT SERVICE:												
SERIES 12/1/2009 BONDS	2	153,750	151,150	153,550	150,625	152,700	149,450	151,200	152,625	153,725	149,500	150,275
SERIES 12/1/2011 BONDS	2	498,050	495,900	498,425	495,300	496,850	497,750	498,000	497,600	496,550	499,850	497,175
SERIES 12/1/2014 BONDS	2	610,500	613,350	615,550	612,100	613,325	613,900	613,825	613,100	611,725	614,700	611,700
SERIES 12/1/2016 BONDS	2	460,450	460,575	460,375	459,850	459,000	457,825	461,325	459,175	456,700	458,900	460,450
SERIES 12/1/2018 BONDS	2	0	460,000	460,450	460,575	460,375	459,850	459,000	457,825	461,325	459,175	456,700
SERIES 12/1/2020 BONDS	2	0	0	0	615,000	613,825	612,325	610,500	613,350	615,550	612,100	613,325
SERIES 12/1/2022 BONDS	2	0	0	0	0	0	978,750	974,000	973,925	978,200	976,500	974,150
SERIES 12/1/2024 BONDS	2	0	0	0	0	0	0	0	765,000	767,525	764,400	765,950
SERIES 12/1/2027 BONDS	2	0	0	0	0	0	0	0	0	0	0	1,150,000
SERIES 12/1/2034 BONDS	2	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE		1,722,750	2,180,975	2,188,350	2,793,450	2,796,075	3,769,850	3,767,850	4,532,600	4,541,300	4,535,125	5,679,725
FUNDS AVAILABLE AFTER DEBT SERVICE		1,663,791	1,298,114	1,703,245	1,387,579	1,771,251	1,146,477	1,159,890	383,536	692,283	864,097	17,958
TOTAL GROSS BONDS ISSUED	2	6,000,000	0	8,000,000	0	12,750,000	0	10,000,000	0	0	15,000,000	0
COSTS OF ISSUANCE	2	(180,000)	0	(240,000)	0	(382,500)	0	(300,000)	0	0	(450,000)	0
DEVELOPER CAPITAL REIMB/INFRASTRUCTURE FUNDING	2	(5,340,000)	(2,500,000)	(7,120,000)	(3,000,000)	(11,347,500)	(3,000,000)	(8,900,000)	(1,000,000)	(1,000,000)	(13,350,000)	(1,000,000)
BOND PROCEEDS TO TOWN OF GRANBY (8% - 16% OF GROSS)	2	(480,000)	0	(640,000)	0	(1,020,000)	0	(800,000)	0	0	(1,200,000)	0
TOTAL EXCESS REVENUES OVER EXPENDITURES		1,663,791	(1,201,886)	1,703,245	(1,612,421)	1,771,251	(1,853,623)	1,159,890	(616,464)	(307,717)	864,097	(982,042)
BEGINNING FUND BALANCE - JANUARY 1		1,487,569	3,131,360	1,929,474	3,632,719	2,020,298	3,791,550	1,938,027	3,097,916	2,481,452	2,173,735	3,037,832
ENDING FUND BALANCE - DECEMBER 31		3,131,360	1,929,474	3,632,719	2,020,298	3,791,550	1,938,027	3,097,916	2,481,452	2,173,735	3,037,832	2,055,790
OUTSTANDING BONDS @ 12/31/ASSESSED VALUATION	2	47.61%	41.13%	47.47%	39.80%	49.36%	43.72%	48.28%	43.86%	41.35%	49.61%	46.78%
PROPERTY TAX TRANSFERS TO SERVICE DISTRICT:												
PROJECTED ASSESSED VALUE GRMD #2 - #8	1	51,272,560	56,743,822	64,654,619	71,891,934	84,317,132	92,554,244	102,667,572	111,938,614	120,897,064	125,560,268	132,627,942
MILL LEVY TRANSFERS TO SERVICE DISTRICT FOR OPS/ADMIN.		8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50
PROPERTY TAX TRANSFERS TO SERVICE DISTRICT FOR OPS/AD.		435,817	482,322	549,564	611,081	716,696	786,796	872,674	951,478	1,027,625	1,067,262	1,129,038
MILL LEVY TRANSFERS TO SERVICE DISTRICT FOR TRANSIT		0.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
PROPERTY TAX TRANSFERS TO SERVICE DISTRICT FOR TRANSIT		0	283,719	323,273	359,460	421,586	462,821	513,338	559,693	604,485	627,801	664,140

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EXHIBIT 3

GRANBY RANCH METROPOLITAN DISTRICTS #2 - #8 (COMBINED)
CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2042

EXHIBIT I - FORECASTED REVENUES, EXPENDITURES,
AND FUND BALANCES

DESCRIPTION	SCHEDULE REFERENCE	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
REVENUES:											
PROPERTY TAX REVENUES @ 50.00 MILLS		6,879,221	7,259,385	7,501,965	7,899,435	8,146,867	8,562,184	8,663,136	8,836,399	8,836,399	9,013,127
SPECIFIC OWNERSHIP TAXES @ 7% OF PROP TAXES		481,545	508,157	525,138	552,960	570,281	599,353	606,420	618,548	618,548	630,919
CAPITAL FACILITY FEE REVENUES	3	625,500	625,500	625,500	625,500	250,200	0	0	0	0	0
INTEREST EARNED ON CONTINGENCY FUNDS @ 3%		61,674	66,419	79,646	98,867	127,792	151,832	178,305	162,071	149,027	136,142
TOTAL REVENUES		8,047,940	8,459,461	8,732,248	9,176,763	9,095,139	9,313,369	9,447,861	9,617,018	9,603,974	9,780,188
TRANSFERS AND COLLECTION FEES:											
TRANSFER OF PROP TAXES TO SERVICE DISTRICT @ 8.5 MILLS (FOR OPS/ADMIN)		1,169,467	1,234,095	1,275,334	1,342,904	1,384,967	1,455,571	1,472,733	1,502,188	1,502,188	1,532,232
TRANSFER OF PROP TAXES TO SERVICE DISTRICT @ 5.0 MILLS (FOR TRANSIT)		687,922	725,938	750,196	789,944	814,687	856,218	866,314	883,640	883,640	901,313
COUNTY TREASURER FEES @ 5% OF PROP. TAXES		343,961	362,969	375,098	394,972	407,343	428,109	433,157	441,820	441,820	450,656
TOTAL TRANSFERS AND COLLECTION FEES		2,201,351	2,323,003	2,400,629	2,527,819	2,606,997	2,739,899	2,772,204	2,827,648	2,827,648	2,884,201
FUNDS AVAILABLE FOR DEBT SERVICE		5,846,589	6,136,458	6,331,619	6,648,943	6,488,142	6,573,470	6,675,658	6,789,371	6,775,326	6,895,987
DEBT SERVICE:											
SERIES 12/1/2009 BONDS	2	150,725	150,850	150,850	150,125	149,275	153,100	151,275	154,125	151,325	153,200
SERIES 12/1/2011 BONDS	2	498,850	499,550	499,275	498,025	495,800	497,600	498,100	497,300	495,200	501,800
SERIES 12/1/2014 BONDS	2	613,050	613,425	612,825	611,250	613,700	614,850	614,700	613,250	610,500	611,450
SERIES 12/1/2016 BONDS	2	461,350	461,600	461,200	460,150	458,450	461,100	457,775	458,800	458,850	457,925
SERIES 12/1/2018 BONDS	2	458,900	460,450	461,350	461,600	461,200	460,150	458,450	461,100	457,775	458,800
SERIES 12/1/2020 BONDS	2	613,900	613,825	613,100	611,725	614,700	611,700	613,050	612,825	611,250	611,250
SERIES 12/1/2022 BONDS	2	976,150	977,175	977,225	976,300	979,400	976,200	977,025	976,550	974,775	976,700
SERIES 12/1/2024 BONDS	2	766,850	767,100	766,700	765,650	763,950	765,600	763,275	764,300	764,350	768,425
SERIES 12/1/2027 BONDS	2	1,148,625	1,151,600	1,148,600	1,149,950	1,150,325	1,149,725	1,148,150	1,150,600	1,151,750	1,151,600
SERIES 12/1/2034 BONDS	2	0	0	0	0	0	0	1,535,000	1,534,725	1,528,475	1,531,575
TOTAL DEBT SERVICE		5,688,400	5,695,575	5,690,925	5,684,775	5,686,800	5,691,025	7,216,800	7,224,175	7,205,825	7,222,725
FUNDS AVAILABLE AFTER DEBT SERVICE		158,189	440,883	640,694	964,168	801,342	882,445	(541,142)	(434,804)	(429,499)	(326,738)
TOTAL GROSS BONDS ISSUED	2	0	0	0	0	0	20,000,000	0	0	0	0
COSTS OF ISSUANCE	2	0	0	0	0	0	(600,000)	0	0	0	0
DEVELOPER CAPITAL REIMB/INFRASTRUCTURE FUNDING	2	0	0	0	0	0	(17,800,000)	0	0	0	0
BOND PROCEEDS TO TOWN OF GRANBY (8% - 16% OF GROSS)	2	0	0	0	0	0	(1,600,000)	0	0	0	0
TOTAL EXCESS REVENUES OVER EXPENDITURES		158,189	440,883	640,694	964,168	801,342	882,445	(541,142)	(434,804)	(429,499)	(326,738)
BEGINNING FUND BALANCE - JANUARY 1		2,055,790	2,213,979	2,654,862	3,295,557	4,259,725	5,061,067	5,943,512	5,402,370	4,967,566	4,538,067
ENDING FUND BALANCE - DECEMBER 31		2,213,979	2,654,862	3,295,557	4,259,725	5,061,067	5,943,512	5,402,370	4,967,566	4,538,067	4,211,328
OUTSTANDING BONDS @ 12/31/ASSESSED VALUATION	2	43.29%	40.82%	37.68%	35.42%	32.58%	42.55%	40.34%	38.88%	36.59%	34.97%
PROPERTY TAX TRANSFERS TO SERVICE DISTRICT:											
PROJECTED ASSESSED VALUE GRMD #2 - #8	1	137,584,411	145,187,697	150,039,294	157,988,710	162,937,340	171,243,689	173,262,730	176,727,984	176,727,984	180,262,544
MILL LEVY TRANSFERS TO SERVICE DISTRICT FOR OPS/ADMIN.		8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50
PROPERTY TAX TRANSFERS TO SERVICE DISTRICT FOR OPS/AD.		1,169,467	1,234,095	1,275,334	1,342,904	1,384,967	1,455,571	1,472,733	1,502,188	1,502,188	1,532,232
MILL LEVY TRANSFERS TO SERVICE DISTRICT FOR TRANSIT		5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
PROPERTY TAX TRANSFERS TO SERVICE DISTRICT FOR TRANSIT		687,922	725,938	750,196	789,944	814,687	856,218	866,314	883,640	883,640	901,313

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EXHIBIT 3

GRANBY RANCH METROPOLITAN DISTRICTS #2 - #8 (COMBINED)
CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2042

EXHIBIT I - FORECASTED REVENUES, EXPENDITURES,
AND FUND BALANCES

DESCRIPTION	SCHEDULE REFERENCE	2039	2040	2041	2042	TOTALS
REVENUES:						
PROPERTY TAX REVENUES @ 50.00 MILLS		9,013,127	9,193,390	9,377,258	9,377,258	178,734,160
SPECIFIC OWNERSHIP TAXES @ 7% OF PROP TAXES		630,919	643,537	656,408	656,408	12,511,391
CAPITAL FACILITY FEE REVENUES	3	0	0	0	0	22,907,597
INTEREST EARNED ON CONTINGENCY FUNDS @ 3%		126,340	115,967	114,252	116,214	2,789,724
TOTAL REVENUES		9,770,386	9,952,894	10,147,918	10,149,879	216,942,872
TRANSFERS AND COLLECTION FEES:						
TRANSFER OF PROP TAXES TO SERVICE DISTRICT @ 8.5 MILLS (FOR OPS/ADMIN)		1,532,232	1,562,876	1,594,134	1,594,134	30,384,807
TRANSFER OF PROP TAXES TO SERVICE DISTRICT @ 5.0 MILLS (FOR TRANSIT)		901,313	919,339	937,726	937,726	16,676,231
COUNTY TREASURER FEES @ 5% OF PROP. TAXES		450,656	459,669	468,863	469,863	9,336,708
TOTAL TRANSFERS AND COLLECTION FEES		2,884,201	2,941,885	3,000,722	3,000,722	55,997,746
FUNDS AVAILABLE FOR DEBT SERVICE		6,886,185	7,011,009	7,147,195	7,149,157	160,945,126
DEBT SERVICE:						
SERIES 12/1/2009 BONDS	2	154,425	0	0	0	4,576,275
SERIES 12/1/2011 BONDS	2	501,450	499,475	505,875	0	14,945,125
SERIES 12/1/2014 BONDS	2	615,775	613,150	613,900	612,700	17,169,450
SERIES 12/1/2016 BONDS	2	461,025	457,825	458,650	458,175	11,947,500
SERIES 12/1/2018 BONDS	2	458,850	457,925	461,025	457,825	11,030,575
SERIES 12/1/2020 BONDS	2	613,700	614,850	614,700	613,250	13,491,975
SERIES 12/1/2022 BONDS	2	977,000	975,675	977,725	977,825	19,531,250
SERIES 12/1/2024 BONDS	2	766,200	768,000	768,500	767,700	13,790,475
SERIES 12/1/2027 BONDS	2	1,150,150	1,147,400	1,148,350	1,147,675	17,244,500
SERIES 12/1/2034 BONDS	2	1,533,375	1,533,875	1,533,075	1,530,975	12,261,075
TOTAL DEBT SERVICE		7,231,950	7,068,175	7,081,800	6,566,125	135,988,300
FUNDS AVAILABLE AFTER DEBT SERVICE		(345,765)	(57,166)	65,395	583,032	24,956,826
TOTAL GROSS BONDS ISSUED	2	0	0	0	0	94,250,000
COSTS OF ISSUANCE	2	0	0	0	0	(2,827,500)
DEVELOPER CAPITAL REIMB/INFRASTRUCTURE FUNDING	2	0	0	0	0	(103,582,500)
BOND PROCEEDS TO TOWN OF GRANBY (8% - 16% OF GROSS)	2	0	0	0	0	(8,340,000)
TOTAL EXCESS REVENUES OVER EXPENDITURES		(345,765)	(57,166)	65,395	583,032	4,456,826
BEGINNING FUND BALANCE - JANUARY 1		4,211,329	3,865,565	3,808,399	3,873,794	0
ENDING FUND BALANCE - DECEMBER 31		3,865,565	3,808,399	3,873,794	4,456,826	4,456,826
OUTSTANDING BONDS @ 12/31/ASSESSED VALUATION	2	32.58%	30.85%	28.43%	28.43%	
PROPERTY TAX TRANSFERS TO SERVICE DISTRICT:						
PROJECTED ASSESSED VALUE GRMD #2 - #8	1	180,262,544	183,867,795	187,545,151	187,545,151	
MILL LEVY TRANSFERS TO SERVICE DISTRICT FOR OPS/ADMIN.		8.50	8.50	8.50	8.50	
PROPERTY TAX TRANSFERS TO SERVICE DISTRICT FOR OPS/AD.		1,532,232	1,562,876	1,594,134	1,594,134	30,384,807
MILL LEVY TRANSFERS TO SERVICE DISTRICT FOR TRANSIT		5.00	5.00	5.00	5.00	
PROPERTY TAX TRANSFERS TO SERVICE DISTRICT FOR TRANSIT		901,313	919,339	937,726	937,726	16,676,231

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GRANBY RANCH METROPOLITAN DISTRICTS #2 - #8 (COMBINED)
CASH FLOW FORECAST
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2038

PRELIMINARY DRAFT 4-20-07
SUBJECT TO CHANGE AND REVISION

SCHEDULE 1 - PROJECTION OF ASSESSED VALUATION GENERATED FROM BUILDOUT

BUILDOUT (YEAR OF COMPLETION)	District #1 - #8 Planned Number of Units	District #1 Planned Number of Units	Districts #2 - #8 Planned Number of Units	Average Per Unit Price	Total Gross Unit Volume
Description of Development					
Residential - Single Family	2,100	340	1,760	500,000	860,000,000
Residential - Multi Family/Enclave	2,119	401	1,718	350,000	601,300,000
Total Residential	4,219	741	3,478	425,906	1,461,300,000
Non-Residential Space	655,000	10,000	645,000	100	64,500,000
TOTAL VALUE - PROJECT					1,545,800,000

Actual Value Generated:

From Residential Buildout
From Non-Residential Buildout
Total Actual Value Generated

0	36,000,000	25,050,000	25,400,000	43,250,000	50,350,000	56,300,000	61,900,000	64,700,000	55,250,000	63,500,000
0	4,000,000	0	29,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0
0	42,000,000	25,050,000	54,400,000	43,250,000	55,350,000	56,300,000	66,900,000	64,700,000	60,250,000	63,500,000

Assessed Valuation Generated:

From Residential Buildout @ 7.96% of Value
From Non-Residential Buildout @ 25% of Value
Existing Assessed Value
Total Incremental Assessed Value
Total Cumulative Assessed Value - Uninflated
Total Cumulative Assessed Value - 2% Biennial Inflation - Beginning in 2012

0	3,024,800	1,993,980	2,021,840	3,442,700	4,007,860	4,481,480	4,927,240	5,150,120	4,397,900	5,054,600
0	1,160,000	0	8,410,000	0	1,450,000	0	1,450,000	0	1,450,000	0
0	0	0	0	0	0	0	0	0	0	0
0	4,184,800	1,993,980	10,431,840	3,442,700	5,457,860	4,481,480	6,377,240	5,150,120	5,847,900	5,054,600
0	4,184,800	6,178,780	16,610,620	20,053,320	25,511,180	29,992,660	36,369,900	41,520,020	47,367,920	52,422,520
0	4,184,800	6,178,780	16,942,632	20,454,386	26,541,832	31,204,363	38,596,029	44,061,377	51,272,560	56,743,822

Year Assessed Value Certified to Districts #2 - #8

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018

Year Property Taxes Collected by Districts #2 - #8

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019

Source for Buildout Developers of Granby Ranch

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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GRANBY RANCH METROPOLITAN DISTRICTS #2 - #8 (COMBINED)
CASH FLOW FORECAST
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2038

SCHEDULE 1 - PROJECTION OF ASSESSED VALUATION GENERATED FROM BUILDOUT

BUILDOUT (YEAR OF COMPLETION)	District #1 - #8 Planned Number of Units	District #1 Planned Number of Units	Districts #2 - #8 Planned Number of Units	Average Per Unit Price	Total Gross Unit Volume	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Description of Development															
Residential - Single Family	2,100	340	1,760	500,000	880,000,000	80	80	80	100	100	100	100	100	100	100
Residential - Multi Family/Enclave	2,119	401	1,718	350,000	601,300,000	106	121	111	120	115	100	63	0	0	0
Total Residential	4,219	741	3,478	425,906	1,481,300,000	186	201	191	220	215	200	163	100	100	100
Non-Residential Space	555,000	10,000	545,000	100	54,500,000	0	0	120,000	0	0	45,000	0	0	0	0
TOTAL VALUE - PROJECT					1,545,800,000										

Actual Value Generated:

From Residential Buildout	77,100,000	82,350,000	78,850,000	92,000,000	90,250,000	85,000,000	72,050,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
From Non-Residential Buildout	0	0	12,000,000	0	0	4,500,000	0	0	0	0	0	0	0	0	0
Total Actual Value Generated	77,100,000	82,350,000	90,850,000	92,000,000	90,250,000	89,500,000	72,050,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000

Assessed Valuation Generated:

From Residential Buildout @ 7.96% of Value	6,137,160	6,555,060	6,276,460	7,323,200	7,183,900	6,766,000	5,735,180	3,980,000	3,980,000	3,980,000	3,980,000	3,980,000	3,980,000	3,980,000	3,980,000
From Non-Residential Buildout @ 29% of Value	0	0	3,480,000	0	0	1,305,000	0	0	0	0	0	0	0	0	0
Existing Assessed Value	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Incremental Assessed Value	6,137,160	6,555,060	9,756,460	7,323,200	7,183,900	8,071,000	5,735,180	3,980,000	3,980,000	3,980,000	3,980,000	3,980,000	3,980,000	3,980,000	3,980,000
Total Cumulative Assessed Value - Uninflated	58,559,680	65,114,740	74,871,200	82,194,400	89,378,300	97,449,300	103,184,480	107,164,480	111,144,480	115,124,480	119,104,480	123,084,480	127,064,480	131,044,480	135,024,480
Total Cumulative Assessed Value - 2% Biennial Inflation - Beginning in 2012	64,654,619	71,891,934	84,317,132	92,564,244	102,667,572	111,938,614	120,897,054	125,560,268	132,827,942	137,584,411	142,340,880	147,097,349	151,853,818	156,610,287	161,366,756

Year Assessed Value Certified to Districts #2 - #8 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028

Year Property Taxes Collected by Districts #2 - #8 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029

Source for Buildout: Developers of Granby Ranch

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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GRANBY RANCH METROPOLITAN DISTRICTS #2 - #8 (COMBINED)
CASH FLOW FORECAST
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2039

SCHEDULE 1 - PROJECTION OF ASSESSED VALUATION GENERATED FROM BUILDOUT

BUILDOUT (YEAR OF COMPLETION)	District #1 - #8 Planned Number of Units	District #1 Planned Number of Units	Districts #2 - #8 Planned Number of Units	Average Per Unit Price	Total Gross Unit Volume	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Description of Development															
Residential - Single Family	2,100	340	1,760	500,000	880,000,000	100	100	100	100	100	40	0	0	0	0
Residential - Multi Family/Enclave	2,119	401	1,718	350,000	601,300,000	0	0	0	0	0	0	0	0	0	0
Total Residential	4,219	741	3,478	425,906	1,481,300,000	100	100	100	100	100	40	0	0	0	0
Non-Residential Space	655,000	10,000	645,000	100	64,500,000	0	0	0	0	0	0	0	0	0	0
TOTAL VALUE - PROJECT					1,545,800,000										

Actual Value Generated:

From Residential Buildout	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	20,000,000	0	0	0	0
From Non-Residential Buildout	0	0	0	0	0	0	0	0	0	0
Total Actual Value Generated	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	20,000,000	0	0	0	0

Assessed Valuation Generated:

From Residential Buildout @ 7.96% of Value	3,980,000	3,980,000	3,980,000	3,980,000	3,980,000	1,592,000	0	0	0	0
From Non-Residential Buildout @ 29% of Value	0	0	0	0	0	0	0	0	0	0
Existing Assessed Value	0	0	0	0	0	0	0	0	0	0
Total Incremental Assessed Value	3,980,000	3,980,000	3,980,000	3,980,000	3,980,000	1,592,000	0	0	0	0
Total Cumulative Assessed Value - Uninflated	119,104,480	123,084,480	127,064,480	131,044,480	135,024,480	136,616,480	136,616,480	136,616,480	136,616,480	136,616,480
Total Cumulative Assessed Value - 2% Biennial Inflation - Beginning in 2012	145,187,697	150,039,294	157,988,710	162,937,340	171,243,689	173,262,730	176,727,984	176,727,984	180,262,544	180,262,544

Year Assessed Value Certified to Districts #2 - #8	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038

Year Property Taxes Collected by Districts #2 - #8	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039

Source for Buildout: Developers of Granby Ranch

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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GRANBY RANCH METROPOLITAN DISTRICTS #2-#8 (COMBINED)
CASH FLOW FORECAST
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2038

SCHEDULE 1 - PROJECTION OF ASSESSED VALUATION GENERATED FROM BUILDOUT

BUILDOUT (YEAR OF COMPLETION)	District #1 -#8 Planned Number of Units	District #4 Planned Number of Units	Districts #2 -#8 Planned Number of Units	Average Per Unit Price	Total Gross Unit Volume	2038	TOTALS
<u>Description of Development</u>							
Residential - Single Family	2,100	340	1,760	500,000	880,000,000	0	1,760
Residential - Multi Family/Enclave	2,119	401	1,718	350,000	601,300,000	0	1,718
Total Residential	4,219	741	3,478	425,806	1,481,300,000	0	3,478
Non-Residential Space	655,000	10,000	645,000	100	64,500,000	0	645,000
TOTAL VALUE - PROJECT					1,545,800,000		

<u>Actual Value Generated:</u>		
From Residential Buildout	0	1,481,300,000
From Non-Residential Buildout	0	64,500,000
Total Actual Value Generated	0	1,545,800,000

<u>Assessed Valuation Generated:</u>		
From Residential Buildout @ 7.96% of Value	0	117,911,480
From Non-Residential Buildout @ 29% of Value	0	18,705,000
Existing Assessed Value	0	0
Total Incremental Assessed Value	0	136,616,480
Total Cumulative Assessed Value - Uninflated	136,616,480	136,616,480
Total Cumulative Assessed Value - 2% Biennial Inflation - Beginning in 2012	183,867,795	183,867,795

Year Assessed Value Certified to Districts #2-#8	2039
Year Property Taxes Collected by Districts #2-#8	2040
Source for Buildout: Developers of Granby Ranch	
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GRANBY RANCH METROPOLITAN DISTRICTS #2 - #8 (COMBINED)
CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2042

PRELIMINARY DRAFT 4-26-07
SUBJECT TO CHANGE AND REVISION

SCHEDULE 2 - FORECASTED GENERAL OBLIGATION BOND ISSUES
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

DATE OF BOND ISSUE	PROCEEDS METRO DIST.	— SIZE OF BOND ISSUE —			2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		PROCEEDS TOWN (1)	COSTS OF ISSUANCE	GROSS																		
12/1/2009	1,780,000	160,000	60,000	2,000,000	0	0	0	155,000	151,375	156,750	154,800	152,850	155,900	153,625	156,350	153,750	151,150	153,550	150,625	152,700	149,450	151,200
12/1/2011	5,525,000	700,000	195,000	6,500,000	0	0	0	0	0	497,500	497,625	497,425	496,900	496,850	499,875	498,050	495,800	498,425	495,300	496,850	497,750	498,000
12/1/2014	6,580,000	1,100,000	240,000	8,000,000	0	0	0	0	0	0	0	0	615,000	613,625	612,325	610,500	613,350	615,550	612,100	613,325	613,900	613,625
12/1/2016	5,340,000	480,000	180,000	6,000,000	0	0	0	0	0	0	0	0	0	0	460,000	460,450	460,575	460,375	459,850	459,000	457,825	461,325
12/1/2018	5,340,000	480,000	180,000	6,000,000	0	0	0	0	0	0	0	0	0	0	0	0	460,000	460,450	460,575	460,375	459,850	459,000
12/1/2020	7,120,000	640,000	240,000	8,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	615,000	612,025	612,725	610,500
12/1/2022	11,347,500	1,020,000	382,500	12,750,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	578,750	974,000
12/1/2024	9,900,000	800,000	300,000	10,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12/1/2027	13,350,000	1,200,000	450,000	15,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12/1/2034	17,800,000	1,600,000	600,000	20,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTALS	83,082,500	9,340,000	2,827,500	94,250,000	0	0	0	155,000	151,375	654,250	632,425	630,275	1,267,800	1,263,500	1,728,550	1,722,750	2,180,875	2,180,350	2,793,450	2,796,075	2,769,850	3,767,850

ANNUAL DEBT SERVICE REQUIREMENTS

12/1/2009	PRINCIPAL REDUCTION	0	0	0	25,000	25,000	30,000	30,000	30,000	30,000	35,000	35,000	40,000	40,000	40,000	45,000	45,000	50,000	50,000	55,000	55,000
	INTEREST @ 6.50%	0	0	0	130,000	128,375	126,750	124,800	122,850	120,900	118,625	116,350	114,750	111,150	108,550	105,625	102,700	99,450	96,200	93,000	90,200
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	155,000	153,375	156,750	154,800	152,850	150,900	148,625	146,350	143,750	141,150	138,550	135,625	132,700	129,450	126,200	123,000	120,200
	BONDS OUTSTANDING END OF YEAR	0	0	2,000,000	1,975,000	1,950,000	1,920,000	1,890,000	1,860,000	1,825,000	1,790,000	1,755,000	1,710,000	1,670,000	1,625,000	1,580,000	1,530,000	1,480,000	1,425,000	1,370,000	1,315,000
12/1/2011	PRINCIPAL REDUCTION	0	0	0	0	0	75,000	80,000	85,000	90,000	95,000	100,000	105,000	110,000	115,000	120,000	125,000	130,000	140,000	150,000	160,000
	INTEREST @ 6.50%	0	0	0	0	0	422,500	417,625	412,425	406,900	401,050	394,875	388,050	380,600	372,425	363,500	353,800	343,300	332,000	319,800	306,800
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	497,500	497,625	497,425	496,900	496,050	494,875	493,050	490,600	487,425	483,300	478,300	472,500	466,000	458,800	451,000
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	6,500,000	6,425,000	6,345,000	6,260,000	6,170,000	6,075,000	5,975,000	5,870,000	5,760,000	5,645,000	5,525,000	5,400,000	5,270,000	5,135,000	5,000,000	4,860,000
12/1/2014	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	85,000	100,000	105,000	110,000	115,000	120,000	125,000	130,000	140,000	150,000	160,000	165,000
	INTEREST @ 6.50%	0	0	0	0	0	0	0	0	85,000	100,000	105,000	110,000	115,000	120,000	125,000	130,000	140,000	150,000	160,000	165,000
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	85,000	100,000	105,000	110,000	115,000	120,000	125,000	130,000	140,000	150,000	160,000	165,000
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	8,000,000	7,905,000	7,805,000	7,700,000	7,590,000	7,470,000	7,345,000	7,215,000	7,080,000	6,935,000	6,780,000	6,615,000
12/1/2016	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	70,000	75,000	80,000	85,000	90,000	95,000	100,000	110,000	120,000	130,000	140,000
	INTEREST @ 6.50%	0	0	0	0	0	0	0	0	0	380,000	385,450	390,575	395,375	399,850	404,000	407,825	411,325	414,500	417,750	421,000
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	460,000	460,450	468,575	474,375	479,850	484,000	487,825	491,325	494,500	497,750	501,000
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	0	6,000,000	5,930,000	5,855,000	5,775,000	5,690,000	5,600,000	5,505,000	5,405,000	5,295,000	5,180,000	5,055,000
12/1/2018	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	70,000	75,000	80,000	90,000	100,000
	INTEREST @ 6.50%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	380,000	385,450	390,575	395,375	399,850
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	450,000	460,450	468,575	474,375	479,850
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	0	0	0	0	0	6,000,000	5,930,000	5,855,000	5,775,000	5,690,000	5,600,000	5,505,000
12/1/2020	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	95,000	100,000	105,000
	INTEREST @ 6.50%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	520,000	512,825	507,375
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	520,000	512,825	507,375
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	815,000	812,025	812,725
12/1/2022	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,000,000	7,905,000	7,805,000
	INTEREST @ 6.50%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	150,000
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,000,000	7,905,000	7,805,000
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	150,000
12/1/2024	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	878,750
	INTEREST @ 6.50%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	878,750
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,757,500
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	878,750
12/1/2027	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,750,000
	INTEREST @ 6.50%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,750,000
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25,500,000
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,750,000
12/1/2034	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,445,000
	INTEREST @ 6.50%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,445,000
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	24,890,000
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,445,000
TOTAL BONDS OUTSTANDING END OF YEAR - ALL ISSUES		0	0	2,000,000	1,975,000	8,450,000	8,345,000	8,235,000	8,120,000	7,995,000	7,870,000	7,745,000	7,620,000	7,495,000	7,370,000	7,245,000	7,120,000	6,995,000	6,870,000	6,745,000	6,620,000
CERTIFIED ASSESSED VALUE - DISTRICTS #2 - #8		0	0	4,184,000	8,178,780	16,942,832	20,454,832	26,541,832	31,204,283	38,556,828	44,051,377	51,272,560	58,743,872	64,654,619	71,891,834	84,317,132	92,584,244	103,667,572	113,667,572	123,667,572	133,667,572
DEBT TO ASSESSED %		0.00%	0.00%	47.79%	31.99%	49.87%	40.80%	31.03%	25.68%	20.80%	17.20%	14.64%	12.61%	11.13%	9.74%	8.47%	7.47%	6.60%	5.96%	5.32%	4.77%

Note 1: Pursuant to an IGA with the Town of Granby the Town will receive 85% of the second \$10 million of bonds issued by the District, 16% of the third \$10 million of bonds issued by the District, and 0% of all additional bonds issued by the District.

Note 2: For post-2011 bond issues, annual debt service requirements will continue at the amounts shown in year 2042.

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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granby ranch metro districts #2-8 combined - draft 3 2007

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GRANBY RANCH METROPOLITAN DISTRICTS #2 - #8 (COMBINED)
CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2042

SCHEDULE 2 - FORECASTED GENERAL OBLIGATION BOND ISSUES
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

DATE OF BOND ISSUE	PROCEEDS METRO DIST.	PROCEEDS TOWN (4)	-- SIZE OF BOND ISSUE --		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
			COSTS OF ISSUANCE	GROSS BOND ISSUE																	
12/1/2009	1,780,000	160,000	60,000	2,000,000	152,625	153,725	149,500	150,275	150,725	150,850	150,650	150,425	149,275	151,100	151,275	154,125	151,325	153,200	154,425	0	0
12/1/2011	5,525,000	780,000	195,000	5,500,000	497,600	496,550	499,850	497,175	498,850	499,550	499,275	498,025	495,800	497,300	497,800	497,200	495,200	501,800	501,450	499,475	505,875
12/1/2014	5,500,000	1,160,000	240,000	8,000,000	613,100	611,725	614,700	611,700	613,050	613,425	612,825	611,250	612,700	614,850	614,700	613,250	610,500	611,450	615,775	613,150	613,500
12/1/2016	5,340,000	480,000	180,000	5,000,000	459,175	456,700	458,900	460,450	461,250	461,600	461,200	460,150	458,450	461,100	457,775	458,800	459,850	457,325	461,825	457,925	459,650
12/1/2020	5,340,000	480,000	180,000	5,000,000	457,825	461,325	459,175	459,700	459,500	460,450	461,350	461,600	461,200	460,150	458,450	461,100	457,775	458,800	457,325	461,825	459,650
12/1/2022	11,347,500	1,020,000	302,500	12,750,000	973,825	978,200	976,500	974,150	976,150	977,175	977,225	976,200	978,400	976,200	977,025	976,550	974,775	976,700	977,000	975,575	977,725
12/1/2024	8,500,000	800,000	300,000	10,000,000	765,000	767,525	764,400	765,950	768,650	767,100	766,700	765,650	763,950	766,000	763,275	764,350	764,350	766,425	766,200	769,000	769,500
12/1/2027	13,350,000	1,200,000	450,000	15,000,000	0	0	0	1,159,000	1,148,625	1,151,600	1,148,600	1,149,950	1,150,325	1,149,725	1,148,150	1,150,600	1,151,750	1,151,600	1,150,150	1,147,400	1,148,350
12/1/2034	17,880,000	1,600,000	600,000	20,000,000	0	0	0	0	0	0	0	0	0	0	1,535,000	1,534,725	1,530,475	1,531,575	1,533,375	1,533,875	1,533,075
TOTALS	53,087,500	8,340,000	2,627,500	94,250,000	4,532,600	4,541,300	4,535,125	4,537,725	4,538,400	4,539,575	4,539,925	4,540,775	4,540,825	4,541,025	4,541,825	4,542,175	4,542,825	4,543,575	4,544,175	4,544,625	4,545,075

ANNUAL DEBT SERVICE REQUIREMENTS

12/1/2009	PRINCIPAL REDUCTION	60,000	65,000	65,000	70,000	75,000	80,000	85,000	90,000	95,000	105,000	110,000	120,000	125,000	135,000	145,000	0	0
	INTEREST @ 6.50%	52,625	53,725	54,500	55,275	56,025	56,750	57,450	58,125	58,750	59,325	59,850	60,325	60,750	61,125	61,450	0	0
	TOTAL DEBT SERVICE REQUIREMENTS	112,625	118,725	119,500	125,275	131,025	136,750	142,450	148,125	153,750	154,325	154,725	155,075	156,075	156,275	156,900	0	0
	BONDS OUTSTANDING END OF YEAR	1,365,000	1,200,000	1,235,000	1,165,000	1,090,000	1,010,000	930,000	850,000	770,000	690,000	610,000	530,000	450,000	370,000	290,000	0	0
12/1/2011	PRINCIPAL REDUCTION	170,000	160,000	195,000	205,000	220,000	235,000	250,000	265,000	280,000	300,000	320,000	340,000	360,000	380,000	415,000	440,000	475,000
	INTEREST @ 6.50%	227,600	216,550	204,850	192,175	178,850	164,550	149,275	134,025	118,750	103,500	88,250	73,000	57,750	42,500	27,250	11,000	0
	TOTAL DEBT SERVICE REQUIREMENTS	497,600	496,550	499,850	497,175	498,850	499,550	499,275	498,025	495,750	497,600	498,100	497,200	496,250	495,250	494,250	85,250	30,750
	BONDS OUTSTANDING END OF YEAR	4,970,000	4,690,000	4,495,000	4,290,000	4,070,000	3,835,000	3,580,000	3,305,000	3,020,000	2,725,000	2,420,000	2,080,000	1,720,000	1,310,000	850,000	495,450	305,875
12/1/2014	PRINCIPAL REDUCTION	175,000	165,000	200,000	210,000	225,000	240,000	255,000	270,000	285,000	310,000	330,000	350,000	370,000	395,000	425,000	450,000	460,000
	INTEREST @ 6.50%	438,100	426,725	414,700	402,700	390,700	378,700	366,700	354,700	342,700	330,700	318,700	306,700	294,700	282,700	270,700	258,700	246,700
	TOTAL DEBT SERVICE REQUIREMENTS	613,100	592,725	614,700	612,700	615,700	618,700	621,700	624,700	627,700	640,700	648,700	660,700	674,700	689,700	705,700	708,700	706,700
	BONDS OUTSTANDING END OF YEAR	6,555,000	6,380,000	6,180,000	5,970,000	5,745,000	5,505,000	5,250,000	4,980,000	4,695,000	4,400,000	4,105,000	3,810,000	3,515,000	3,220,000	2,925,000	2,630,000	2,335,000
12/1/2016	PRINCIPAL REDUCTION	115,000	120,000	130,000	140,000	150,000	160,000	170,000	180,000	190,000	200,000	210,000	220,000	230,000	240,000	250,000	260,000	270,000
	INTEREST @ 6.50%	244,175	236,700	228,500	220,450	211,500	201,650	191,000	180,550	170,200	159,850	149,500	139,150	128,800	118,450	108,100	97,750	87,400
	TOTAL DEBT SERVICE REQUIREMENTS	459,175	456,700	458,500	460,450	461,250	461,600	461,200	460,150	458,450	456,700	454,950	453,200	451,450	449,700	447,950	446,200	444,450
	BONDS OUTSTANDING END OF YEAR	5,180,000	5,060,000	4,930,000	4,780,000	4,610,000	4,420,000	4,210,000	3,980,000	3,735,000	3,480,000	3,225,000	2,970,000	2,715,000	2,460,000	2,205,000	1,950,000	1,695,000
12/1/2018	PRINCIPAL REDUCTION	100,000	110,000	119,000	130,000	140,000	150,000	160,000	170,000	180,000	190,000	200,000	210,000	220,000	230,000	240,000	250,000	260,000
	INTEREST @ 6.50%	257,825	251,225	244,175	236,700	228,500	220,450	211,500	201,650	191,000	180,550	170,200	159,850	149,500	139,150	128,800	118,450	108,100
	TOTAL DEBT SERVICE REQUIREMENTS	457,825	461,225	459,175	458,700	458,900	458,900	458,900	458,900	458,900	458,900	458,900	458,900	458,900	458,900	458,900	458,900	458,900
	BONDS OUTSTANDING END OF YEAR	5,405,000	5,295,000	5,180,000	5,060,000	4,930,000	4,780,000	4,610,000	4,420,000	4,210,000	3,980,000	3,735,000	3,480,000	3,225,000	2,970,000	2,715,000	2,460,000	2,205,000
12/1/2020	PRINCIPAL REDUCTION	120,000	130,000	139,000	149,000	159,000	169,000	179,000	189,000	199,000	209,000	219,000	229,000	239,000	249,000	259,000	269,000	279,000
	INTEREST @ 6.50%	293,250	285,550	277,100	268,700	259,450	249,300	238,250	226,300	213,450	200,700	188,050	175,400	162,750	150,100	137,450	124,800	112,150
	TOTAL DEBT SERVICE REQUIREMENTS	513,250	515,550	516,100	517,900	518,650	519,300	520,050	520,700	521,450	522,200	522,950	523,700	524,450	525,200	525,950	526,700	527,450
	BONDS OUTSTANDING END OF YEAR	7,470,000	7,240,000	7,005,000	6,760,000	6,505,000	6,240,000	5,965,000	5,680,000	5,385,000	5,080,000	4,765,000	4,440,000	4,115,000	3,790,000	3,465,000	3,140,000	2,815,000
12/1/2022	PRINCIPAL REDUCTION	165,000	180,000	190,000	200,000	210,000	220,000	230,000	240,000	250,000	260,000	270,000	280,000	290,000	300,000	310,000	320,000	330,000
	INTEREST @ 6.50%	608,925	598,200	586,500	574,150	561,100	547,450	533,100	518,150	502,600	486,550	470,000	452,950	435,400	417,350	398,800	379,750	360,200
	TOTAL DEBT SERVICE REQUIREMENTS	773,925	778,200	776,500	774,150	771,100	767,450	763,100	758,150	752,600	746,550	740,000	732,950	725,400	717,350	708,800	700,250	691,700
	BONDS OUTSTANDING END OF YEAR	12,260,000	12,100,000	11,910,000	11,710,000	11,495,000	11,265,000	11,020,000	10,765,000	10,495,000	10,220,000	9,940,000	9,655,000	9,365,000	9,070,000	8,775,000	8,480,000	8,185,000
12/1/2024	PRINCIPAL REDUCTION	115,000	125,000	130,000	140,000	150,000	160,000	170,000	180,000	190,000	200,000	210,000	220,000	230,000	240,000	250,000	260,000	270,000
	INTEREST @ 6.50%	650,000	642,525	634,400	625,550	616,000	605,650	594,600	582,950	570,700	557,850	544,400	530,350	515,700	500,450	484,600	468,150	451,200
	TOTAL DEBT SERVICE REQUIREMENTS	765,000	767,525	764,400	765,950	766,550	766,250	765,100	762,900	760,650	758,400	756,150	753,900	751,650	749,400	747,150	744,900	742,650
	BONDS OUTSTANDING END OF YEAR	9,885,000	9,760,000	9,630,000	9,490,000	9,340,000	9,180,000	9,010,000	8,835,000	8,650,000	8,460,000	8,265,000	8,070,000	7,875,000	7,680,000	7,485,000	7,290,000	7,095,000
12/1/2027	PRINCIPAL REDUCTION	0	0	0	175,000	165,000	200,000	210,000	220,000	230,000	240,000	250,000	260,000	270,000	280,000	290,000	300,000	310,000
	INTEREST @ 6.50%	0	0	0	975,000	963,625	951,600	939,600	927,600	915,600	903,600	891,600	879,600	867,600	855,600	843,600	831,600	819,600
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	1,150,000	1,148,625	1,151,600	1,149,600	1,148,200	1,146,200	1,144,200	1,142,200	1,140,200	1,138,200	1,136,200	1,134,200	1,132,200	1,130,200
	BONDS OUTSTANDING END OF YEAR	0	0	0	15,000,000	14,825,000	14,640,000	14,440,000	14,230,000	14,005,000	13,770,000	13,535,000	13,295,000	13,050,000	12,800,000	12,545,000	12,285,000	12,020,000
12/1/2034	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	INTEREST @ 6.50%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BONDS OUTSTANDING END OF YEAR - ALL ISSUES		53,020,000	51,925,000	65,765,000	64,260,000	62,655,000	61,245,000	59,535,000	57,720,000	55,785,000	53,720,000	51,295,000	48,705,000	45,605,000	41,900,000	37,500,000	32,500,000	27,250,000
CERTIFIED ASSESSED VALUE - DISTRICTS #2 - #8		111,938,614	120,897,064	125,560,268	127,667,942	127,584,411	145,187,697	150,033,294	157,689,720	162,937,440	171,243,689	173,262,730	176,727,084	178,727,384	180,267,544	180,267,544	183,867,755	183,867,755
DEBT TO ASSESSED %		47.66%	41.35%	49.51%	46.76%	47.39%	40.87%	37.66%	35.42%	32.96%	32.55%	32.55%	32.55%	32.55%	32.55%	32.55%	32.55%	28.43%

GRANBY RANCH METROPOLITAN DISTRICTS #2 - #8 (COMBINED)
CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2042

SCHEDULE 2 - FORECASTED GENERAL OBLIGATION BOND ISSUES
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

DATE OF PROPOSED BOND ISSUE	PROCEEDS METRO DIST.	-- SIZE OF BOND ISSUE --			2042	TOTALS
		PROCEEDS TOWN (1)	COSTS OF ISSUANCE	GROSS BOND ISSUE		
12/1/2009	1,780,000	160,000	60,000	2,000,000	0	4,576,275
12/1/2011	5,525,000	780,000	195,000	6,500,000	0	14,945,125
12/1/2014	6,580,000	1,100,000	240,000	8,000,000	612,700	17,169,450
12/1/2016	5,340,000	480,000	100,000	6,000,000	458,175	11,947,500
12/1/2018	5,340,000	480,000	100,000	6,000,000	457,625	11,830,675
12/1/2020	7,120,000	640,000	240,000	8,000,000	613,250	13,491,975
12/1/2022	11,347,500	1,020,000	382,500	12,750,000	977,625	19,531,250
12/1/2024	8,900,000	800,000	300,000	10,000,000	767,700	13,790,475
12/1/2027	13,350,000	1,200,000	450,000	15,000,000	1,147,675	17,244,500
12/1/2034	17,080,000	1,600,000	600,000	20,000,000	1,530,975	12,261,075
TOTALS	83,082,500	8,340,000	2,627,500	94,250,000	6,566,125	135,988,300

ANNUAL DEBT SERVICE REQUIREMENTS

12/1/2009	PRINCIPAL REDUCTION	0	2,000,000
	INTEREST @ 6.50%	0	2,576,275
	TOTAL DEBT SERVICE REQUIREMENTS	0	4,576,275
	BONDS OUTSTANDING END OF YEAR	0	0
12/1/2011	PRINCIPAL REDUCTION	0	6,500,000
	INTEREST @ 6.50%	0	8,445,125
	TOTAL DEBT SERVICE REQUIREMENTS	0	14,945,125
	BONDS OUTSTANDING END OF YEAR	0	0
12/1/2014	PRINCIPAL REDUCTION	510,000	0,930,000
	INTEREST @ 6.50%	102,700	10,239,450
	TOTAL DEBT SERVICE REQUIREMENTS	612,700	17,169,450
	BONDS OUTSTANDING END OF YEAR	1,070,000	1,070,000
12/1/2016	PRINCIPAL REDUCTION	335,000	4,440,000
	INTEREST @ 6.50%	123,175	7,507,500
	TOTAL DEBT SERVICE REQUIREMENTS	458,175	11,947,500
	BONDS OUTSTANDING END OF YEAR	1,560,000	1,560,000
12/1/2018	PRINCIPAL REDUCTION	285,000	3,780,000
	INTEREST @ 6.50%	162,625	7,240,675
	TOTAL DEBT SERVICE REQUIREMENTS	457,625	11,030,675
	BONDS OUTSTANDING END OF YEAR	2,210,000	2,210,000
12/1/2020	PRINCIPAL REDUCTION	350,000	4,300,000
	INTEREST @ 6.50%	263,250	9,191,975
	TOTAL DEBT SERVICE REQUIREMENTS	613,250	13,491,975
	BONDS OUTSTANDING END OF YEAR	3,700,000	3,700,000
12/1/2022	PRINCIPAL REDUCTION	450,000	6,735,000
	INTEREST @ 6.50%	487,625	13,786,250
	TOTAL DEBT SERVICE REQUIREMENTS	977,625	19,531,250
	BONDS OUTSTANDING END OF YEAR	7,015,000	7,015,000
12/1/2024	PRINCIPAL REDUCTION	340,000	3,760,000
	INTEREST @ 6.50%	427,700	10,030,475
	TOTAL DEBT SERVICE REQUIREMENTS	767,700	13,790,475
	BONDS OUTSTANDING END OF YEAR	5,240,000	5,240,000
12/1/2027	PRINCIPAL REDUCTION	420,000	4,225,000
	INTEREST @ 6.50%	727,675	13,019,500
	TOTAL DEBT SERVICE REQUIREMENTS	1,147,675	17,244,500
	BONDS OUTSTANDING END OF YEAR	10,775,000	10,775,000
12/1/2034	PRINCIPAL REDUCTION	360,000	2,345,000
	INTEREST @ 6.50%	1,170,975	9,916,075
	TOTAL DEBT SERVICE REQUIREMENTS	1,530,975	12,261,075
	BONDS OUTSTANDING END OF YEAR	17,655,000	17,655,000
TOTAL BONDS OUTSTANDING END OF YEAR - ALL ISSUES		50,225,000	50,225,000
CERTIFIED ASSESSED VALUE - DISTRICTS #2 - #8		107,545,151	
DEBT TO ASSESSED %		28.43%	

Note 1: Pursuant to an IGA with the Town of Granby the Town will receive 8% of c
issued by the District, and 0% of all additional bonds issued by the District
Note 2: For post-2011 bond issues, annual debt service requirements will contin

SEE CONSULTANTS SUMMARY AND DISCLAIMER

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GRANBY RANCH METROPOLITAN DISTRICTS #2 - #8 (COMBINED)
CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2038

PRELIMINARY DRAFT 4-20-07
SUBJECT TO CHANGE AND REVISION

SCHEDULE 3 - PROJECTED \$6,255 PER SFE CAPITAL FACILITIES FEE REVENUE

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
INCREMENTAL RESIDENTIAL UNITS COMPLETED	0	100	63	64	115	131	148	164	172	145	160	186	201	191
INCREMENTAL SFE'S - NON RESID. (1 SFE/3500 SQ. FT.)	0	11	0	83	0	14	0	14	0	14	0	0	0	34
TOTAL SFE'S	0	111	63	147	115	145	148	178	172	159	160	186	201	225
CAPITAL FACILITY RATE/SFE	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>
PROJECTED CAPITAL FACILITY FEE REVENUE	<u>0</u>	<u>696,966</u>	<u>394,065</u>	<u>918,591</u>	<u>719,325</u>	<u>908,762</u>	<u>925,740</u>	<u>1,115,177</u>	<u>1,075,860</u>	<u>996,332</u>	<u>1,000,800</u>	<u>1,163,430</u>	<u>1,257,255</u>	<u>1,409,162</u>

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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GRANBY RANCH METROPOLITAN DISTRICTS #2 - #8 (COMBINED)
CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2038

SCHEDULE 3 - PROJECTED \$6,255 PER SFE CAPITAL FACILITIES FEE REVENUE

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>
INCREMENTAL RESIDENTIAL UNITS COMPLETED	220	215	200	163	100	100	100	100	100	100	100	100	40	0
INCREMENTAL SFE'S - NON RESID. (1 SFE/3500 SQ. FT.)	<u>0</u>	<u>0</u>	<u>13</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL SFE'S	<u>220</u>	<u>215</u>	<u>213</u>	<u>163</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>40</u>	<u>0</u>
CAPITAL FACILITY RATE/SFE	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>
PROJECTED CAPITAL FACILITY FEE REVENUE	<u>1,376,100</u>	<u>1,344,825</u>	<u>1,331,421</u>	<u>1,019,565</u>	<u>625,500</u>	<u>625,500</u>	<u>625,500</u>	<u>625,500</u>	<u>625,500</u>	<u>625,500</u>	<u>625,500</u>	<u>625,500</u>	<u>250,200</u>	<u>0</u>

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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GRANBY RANCH METROPOLITAN DISTRICTS #2 - #8 (COMBINED)
 CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
 FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2038

SCHEDULE 3 - PROJECTED \$6,255 PER SFE CAPITAL FACILITIES FEE REVENUE

	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>TOTALS</u>
INCREMENTAL RESIDENTIAL UNITS COMPLETED	0	0	0	0	3,478
INCREMENTAL SFE'S - NON RESID. (1 SFE/3500 SQ. FT.)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>184</u>
TOTAL SFE'S	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,662</u>
CAPITAL FACILITY RATE/SFE	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>	<u>6,255</u>
PROJECTED CAPITAL FACILITY FEE REVENUE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,907,597</u>

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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EXHIBIT E
BOND SHARING FEE SCHEDULE

CURRENT FORMULA WITH INCREASED LIMIT												
	2	5	7	10	12	14	16	18	20	23	30	TOTAL
	2006	2009	2011	2014	2016	2018	2020	2022	2024	2027	2034	
* GROSS BOND PROCEEDS BASED ON PRO FORMA (SUBJECT TO CHANGE)	14,750,000	2,000,000	6,500,000	8,000,000	6,000,000	6,000,000	6,000,000	12,750,000	10,000,000	15,000,000	20,000,000	109,000,000
0.00%	10,000,000	-	-	-	-	-	-	-	-	-	-	10,000,000
8.00%	4,750,000	2,000,000	3,250,000	-	-	-	-	-	-	-	-	10,000,000
16.00%	-	-	3,250,000	6,750,000	-	-	-	-	-	-	-	10,000,000
8.00%	-	-	-	1,250,000	6,000,000	6,000,000	6,000,000	12,750,000	10,000,000	15,000,000	20,000,000	79,000,000
TOWN'S SHARE UNDER CURRENT IGA	6.00%	380,000	160,000	760,000	1,180,000	480,000	480,000	640,000	1,020,000	600,000	1,500,000	8,720,000
TOTAL	6.00%	8,720,000										
NPV @ 6.00%	\$	2,537,221										
NPV @ 6.00%	\$	2,657,277										
THROUGH 2022 (\$64M)												

MODIFICATION 3 (16.0% NEXT \$10M, STEP DOWN BY 2% EACH \$10M TO 0.0% FOR LAST \$44.25M)												
	2	5	7	10	12	14	16	18	20	23	30	TOTAL
	2006	2009	2011	2014	2016	2018	2020	2022	2024	2027	2034	
* GROSS BOND PROCEEDS BASED ON PRO FORMA (SUBJECT TO CHANGE)	14,750,000	2,000,000	6,500,000	8,000,000	6,000,000	6,000,000	6,000,000	12,750,000	10,000,000	15,000,000	20,000,000	109,000,000
0.00%	10,000,000	-	-	-	-	-	-	-	-	-	-	10,000,000
8.00%	4,750,000	-	-	-	-	-	-	-	-	-	-	4,750,000
16.00%	-	2,000,000	6,500,000	1,500,000	3,600,000	-	-	-	-	-	-	10,000,000
14.00%	-	-	-	6,500,000	-	-	-	-	-	-	-	10,000,000
12.00%	-	-	-	-	2,500,000	8,000,000	1,500,000	-	-	-	-	10,000,000
10.00%	-	-	-	-	-	-	6,500,000	3,500,000	-	-	-	10,000,000
8.00%	-	-	-	-	-	-	-	8,250,000	750,000	-	-	10,000,000
6.00%	-	-	-	-	-	-	-	-	-	15,000,000	20,000,000	44,250,000
5.28%	-	-	-	-	-	-	-	-	-	-	-	-
PROCEEDS TO TOWN	6.00%	380,000	320,000	1,040,000	1,150,000	780,000	720,000	830,000	1,080,000	548,153	703,220	1,057,027
TOTAL	6.00%	8,720,000										8,720,000
NPV @ 6.00%	\$	2,537,221										
NPV @ 6.00%	\$	2,530,648										
THROUGH 2022 (\$64M)												

**JOINT RESOLUTION OF HEADWATERS METROPOLITAN DISTRICT
AND GRANBY RANCH METROPOLITAN DISTRICT
TO ESTABLISH AN AMENITY 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, lease, finance, construct, maintain, provide, operate and/or administer certain recreational amenities benefiting the property within the Districts, which include a golf course, ski area, river park and related improvements, trails, and other recreational improvements, facilities, appurtenances, rights-of-way and other amenities as shall from time to time be acquired, constructed and/or operated by the Districts (collectively, the "Amenities"); and

WHEREAS, the Districts will incur significant expenses for the financing, acquisition, construction, installation, maintenance, operation and/or administration of the Amenities; 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 amenity fee (the "Amenity Fee") will provide a source of funding to pay for costs incurred by the Districts for the financing, acquisition, construction, installation, and/or replacement of the Amenities, which are generally attributable to the persons subject to such charges, and such fees and charges are necessary to provide for the prosperity 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 Amenity Fee as set forth herein relative to real property within the District (the "Property").

WHEREAS, Headwaters will also impose and collect the Amenity Fee as set forth in the Amenity Fee Agreements (collectively, the "Amenity Fee 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 an Amenity Fee as follows:

Section 1. Amenity Fee. Subject to the limitations set forth in Section 11(a) hereof, an Amenity Fee initially imposed at the rate of \$10,000 per residential dwelling unit (including,

without limitation, condominiums, townhouses, apartments and any other attached dwelling units, and detached single family dwelling units) is hereby established to be collected as provided in Section 3 below by Headwaters in coordination with Granby Ranch on a one-time basis with respect to each lot or parcel of land within the Property ("Lot"). The amount of the Amenity Fee for each Lot shall be determined based upon the maximum number of residential dwelling units that may be constructed on the Lot (based upon zoning and the density allocated to such Lot). The Boards of Directors of the Districts find that the Amenity Fee calculation contained herein is fair and equitable, and approximates a pro rata calculation of not more than the appraised value of the Amenities, which are not otherwise funded by the Districts.

Section 2. Priority Access. Each residential dwelling unit for which the Amenity Fee has been paid shall be referred to as an "Eligible Property" and shall be entitled to the below listed "Priority Access" to the Amenities, subject to availability of the Amenities from time to time and subject to the Operating Plan (defined below). Subject to Section 11(b) hereof, the owner(s) of each Eligible Property shall designate a person who shall be eligible to receive the Priority Access to one or more of the Amenities, hereafter referred to as the "Eligible Purchaser." The Priority Access entitlements for an Eligible Purchaser are as follows:

(a) **Fishing:** Discounted rod fees (to access the Fraser River for fishing at designated times) for the Eligible Purchaser and the Eligible Purchaser's spouse and immediate family members under the age of 24, and Priority Access to the river camp for the Eligible Purchaser and the Eligible Purchaser's spouse and immediate family members under the age of 24, including the right to make reservations in advance of the general public and a discounted overnight fee as determined from time to time by Headwaters in coordination with the Operator (defined below) (and in accordance with any Operating Agreement (defined below)).

(b) **Golf:** The right of the Eligible Purchaser to reserve tee times in advance of the general public for the Eligible Purchaser and the Eligible Purchaser's spouse and immediate family members under the age of 24 and/or their accompanied guests; the right of the Eligible Purchaser to receive up to 16 rounds of golf (four tee times per year with up to four players per tee time) without payment of greens fees for use by the Eligible Purchaser, the Eligible Purchaser's spouse and immediate family members under the age of 24 and/or their accompanied guests; the right of the Eligible Purchaser and the Eligible Purchaser's spouse and immediate family members under the age of 24 to receive a 30% discount on greens fees off the rate charged from time to time by the District for members of the general public residing outside of the Town of Granby; and any other entitlement as may be established from time to time by Headwaters in coordination with the Operator (and in accordance with any Operating Agreement).

(c) **Ski:** Four free individual passes per year for four persons designated by the Eligible Purchaser for four days each (for a maximum of 16 ski days per year); a discount on all ski lift fees for the right of the Eligible Purchaser and the Eligible Purchaser's spouse and immediate family members under the age of 24 as may be established from time to time by Headwaters in coordination with the Operator (and in accordance with any Operating Agreement) to receive a 30% discount on lift tickets off the rate charged

from time to time by the District for members of the general public residing outside of the Town of Granby; and any other entitlement as may be established from time to time by Headwaters in coordination with the Operator (and in accordance with any Operating Agreement).

(d) Special Access: The right of the Eligible Purchaser to acquire, for additional annual or periodic use fees, additional preferred golf, ski and fishing access for the Eligible Purchaser and the Eligible Purchaser's spouse and immediate family members under the age of 24, pursuant to plans and programs established from time to time by Headwaters in coordination with the Operator (and in accordance with any Operating Agreement) ("Special Access").

Section 3. Payment of Amenity Fee. Subject to Section 11(a) hereof, the Amenity Fee shall be payable as follows:

(a) Transfers of Subdivided Lot(s) With Density Allocation of Ten or More Units. Except as otherwise provided in subsection 3(b) below, in the case of a transfer in a single transaction of one or more Lots having a density allocation (as designated by SolVista Corp., its successor or assign, pursuant to Article I of the Planned Development Overlay District Preliminary Plan for the Property) (the "Density Allocation"), collectively (if more than one Lot), of ten (10) or more residential units, the Amenity Fee shall be due and payable in full with respect to each such Lot upon the earlier of (i) the first Non-Exempt Transfer of such Lot after the Initial Unrelated Party Transfer, or (ii) the third anniversary of the Initial Unrelated Party Transfer; provided, however, that in the case of any such Lot having a Density Allocation of more than one residential unit, the Amenity Fee with respect to such Lot shall be payable on a per-unit basis on the earlier of (x) the first Non-Exempt Transfer of each residential unit within such Lot after the Initial Unrelated Party Transfer, or (y) the third anniversary of the Initial Unrelated Party Transfer.

(b) Bulk Transfers of Unsubdivided Lots With Density Allocation of 25 or More Units. In the case of a transfer of any unplatted Lot at least 35 acres in size having a Density Allocation of at least 25 residential units to an Unrelated Third Party, the Amenity Fee shall be due and payable with respect to each portion of such Lot based upon the date of subdivision of each such portion (each, a "Platted Portion"), as follows: the Amenity Fee shall be payable with respect to each Platted Portion on a per unit basis (based on the density allocated to each Lot within the Platted Portion) on the earlier of (i) the first Non-Exempt Transfer of each residential unit within such Lot, or (ii) the third anniversary of the date of approval of a subdivision plat whereby such Platted Portion is subdivided into two or more legally transferable Lots.

(c) Transfers of Subdivided Lots With Density Allocation of Fewer than Ten Units. In the case of any other Lots (i.e., Lots not covered by subsections (a) and (b) above), the Amenity Fee shall be due and payable in full with respect to each

such Lot upon the earlier of (i) the first Non-Exempt Transfer or the initial occupancy of such Lot after the Initial Unrelated Party Transfer, or (ii) either the first anniversary of the Initial Unrelated Party Transfer, if no building permit for such Lot is issued within the first year after the Initial Unrelated Party Transfer, or the second anniversary of the Initial Unrelated Party Transfer, if a building permit is issued with respect to such Lot within the first year after the Initial Unrelated Party Transfer; provided, however, that in the case of any such Lot having a Density Allocation of more than one residential unit, the Amenity Fee with respect to such Lot shall be payable on a per-unit basis on the earlier of (x) the first Non-Exempt Transfer of each residential unit within such Lot after the Initial Unrelated Party Transfer, or (y) either the first anniversary of the Initial Unrelated Party Transfer, if no building permit for such Lot is issued within the first year after the Initial Unrelated Party Transfer, or the second anniversary of the Initial Unrelated Party Transfer, if a building permit is issued with respect to such Lot within the first year after the Initial Unrelated Party Transfer.

(d) Responsible Party. If, in accordance with subsections (a), (b) or (c) above, the Amenity Fee is payable upon a transfer of a Lot or residential unit, the Amenity Fee is payable by the transferee(s) of such Lot or residential unit. Otherwise, the Amenity Fee is payable by the party(ies) that is/are the owner(s) of the Lot at the time the Amenity Fee becomes due and payable. The party(ies) responsible for paying the Amenity Fee is/are referred to in this Agreement as the "Responsible Party," and if the Responsible Party consists of more than one party, then the obligation to pay the Amenity Fee shall be the joint and several obligation of all of the parties constituting the Responsible Party.

(e) Definitions. As used herein, (i) the term "Unrelated Third Party" means a party who is not an affiliate or successor by merger or acquisition of Granby Realty Holdings, LLC (the "Developer"); (ii) the term "affiliate" means any entity which Developer has any direct or indirect ownership interest in, controls, is controlled by, or is under common control with; (iii) the term "successor" means any person or entity acquiring all or substantially all of the Property then owned by Developer (or a successor by merger, consolidation or reorganization of Developer) (iv) the term "transfer" includes any transfer of a direct or indirect ownership interest in the owner of a Lot that results in a change in control of such owner, (v) the term "Initial Unrelated Party Transfer" with respect to any Lot(s) means the first transfer of such Lot(s) to an Unrelated Third Party, (vi) the term "Non-Exempt Transfer" means any transfer that is not an Exempt Transfer, and (vii) the term "Exempt Transfer" means any one of the following transfers:

(1) any transfer in which the transferee is an affiliate or successor of Developer;

(2) a transfer without consideration made for the purpose of confirming or correcting a previous transfer;

(3) any decree or order of a court determining or vesting title, such as a dissolution of marriage proceeding or quiet title proceeding;

(4) a transfer of a mineral interest only;

(5) transfers to secure a debt or other obligation (or a release or re-conveyance of any such security);

(6) any other transfer that Headwaters, in its sole discretion, determines should not trigger the payment of the Amenity Fee.

(f) Headwaters May Allow Annual Payments. Notwithstanding anything to the contrary contained in subsections (a), (b) and (c) above, Headwaters may allow the Amenity Fee to be paid in up to four annual payments upon a determination that such payment over time is in the best interest of Headwaters. Deferred payments shall bear interest at such rate as may be determined from time to time in the sole discretion of Headwaters. Any party paying the Amenity Fee over time in accordance with the foregoing provisions shall not be entitled to Priority Access unless and until all such payments (together with all interest thereon) have been made. The later of (1) the time set forth in subsection (a), (b) or (c) above, as applicable, or (2) the date set for final payment by Headwaters as provided in this subsection (f) shall be the "Due Date" for the Amenity Fee.

Section 4. Out-of-District Users. Headwaters in coordination with the Operator (and in accordance with any Operating Agreement) may determine from time to time the fees necessary for those who reside outside of Granby Ranch to receive Priority Access. In order to receive Priority Access, such individuals must pay (i) a fee, which Headwaters may establish by resolution, but which shall not be less than the Amenity Fee, and (ii) an annual amount, which Headwaters may establish by resolution, payable on January 1 of each year, but which amount shall not be less than 100% of the average amount of ad valorem taxes and other amounts payable by residents within Granby Ranch, as determined by Headwaters. This resolution does not cap the fee or annual amount that Headwaters may impose on individuals who reside outside of Granby Ranch to receive Priority Access. Residents outside of Granby Ranch who have not paid such amounts shall not be entitled to Priority Access to the Amenities as described above.

Section 5. Fee Increases. The Parties agree the Amenity Fee may be increased as adjusted on an annual basis by the change in the Denver/Boulder/Greeley Cost of Living Index, as produced by the U.S. Department of Labor Statistics; and may otherwise be increased in such amounts as are determined from time to time by the Boards of Directors of the Districts by resolution, to fund the actual costs of the Amenities, not to exceed a cumulative increase of 10% per year.

Section 6. Method of Payment and Use of Amenity Fee. Until such time as the purchase price for the Amenities to be purchased by Headwaters pursuant to the Lease Purchase Agreement between Developer and Headwaters has been paid in full (and all debt used to

finance or refinance such purchase price has been paid in full) (the "Initial Amenities Payment Date"), the revenues generated by the Amenity Fee shall be used solely for the purpose of financing the acquisition, leasing, construction, and replacement of Amenities, which may include, without limitation: (1) the issuance of bonds or (2) reimbursement of amounts advanced by other parties. This restriction on the use of Amenity Fee revenues shall be absolute and without qualification. After the Initial Amenities Payment Date, the revenues generated by the Amenity Fee may be used for the foregoing purposes and/or for the operation, maintenance and repair of Amenities.

Section 7. Late Fees. Until paid, all Amenity Fees shall be subject to accrual of interest at a rate of 12% per annum from the Due Date and may be collected in accordance with the provisions of Section 32-1-1001(1)(j), C.R.S. Headwaters shall have the following rights and remedies: (i) if the default is a failure to pay, to declare by written notice such defaulted Amenity Fee immediately due and payable in full; (ii) to collect or foreclose its lien against the Lot and/or residential unit for which such Amenity 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 reach of the Amenity 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 enforcement action, and such costs and expenses incurred by Headwaters shall be secured by its lien against the Lot and/or residential unit to which such costs and expenses are allocable.

Section 8. Amenity Fee Constitutes Lien. The Amenity Fee imposed hereunder is imposed by the Districts 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 Amenity 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 Amenity 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 Facilities 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 Amenity Fee. Upon request by the owner of any Lot, Headwaters shall issue a certificate stating the amount(s) of the Amenity 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 Amenity 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 Amenity Fee (together with any late fees or penalty interest thereon).

Section 9. Operating Plan. The Boards of Directors of the Districts may establish and prepare a plan (the "Operating Plan") detailing use and access to the Amenities, which may be amended by Headwaters from time to time and shall be administered by Headwaters or such entity ("the Operator"), if any, with which Headwaters shall contract by lease, management agreement or other form of agreement ("Operating Agreement") to operate the Amenities, provided the Priority Access set forth herein shall not be diminished.

Section 10. Collection Provisions. All Amenity 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 Amenity Fees five days after the due date thereof. In the event that such delinquent Amenity 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 Amenity 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 Amenity 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.

Section 11. Affordable Housing Units; Rental Properties; Ownership Interests. Notwithstanding any provision in this Agreement to the contrary:

(a) Headwaters shall not impose the Amenity Fee upon any Affordable Housing Unit. An "Affordable Housing Unit" is defined as a residential unit to which a deed restriction has been affixed, providing that the housing can only be owned and occupied in perpetuity by persons residing full-time within Grand County, or as otherwise defined by the Board of Trustees of the Town of Granby. Individuals living in Affordable Housing Units shall be eligible to purchase Priority Access on the same terms as set forth in Section 4 hereof for individuals residing outside of the Granby Ranch Metropolitan District.

(b) In order to be an "Eligible Purchaser" pursuant to Section 2 hereof, such individual must either (1) own a fee simple interest (including by joint tenancy or by tenancy by the entirety, but excluding tenancy in common) in a Lot or residential unit in the Property, or (2) own a leasehold interest for a term of at least six months for a Lot or residential unit in the Property.

(c) The Districts hereby grant to the Operator the authority, in its discretion, to impose rules, regulations and operating procedures regarding the definitions, limitations, requirements, conditions and obligations of "Affordable Housing Units" and "Eligible Purchasers" in order to implement the Amenity Fee, provide Priority Access, or operate the Amenities.

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 Julie Krueger
President

ATTEST:

By W. Krueger
Secretary

GRANBY RANCH METROPOLITAN DISTRICT

By Julie Krueger
President

ATTEST:

By W. Krueger
Secretary

INTERGOVERNMENTAL AGREEMENT

By, Between and Among
THE TOWN OF GRANBY, COLORADO,
HEADWATERS METROPOLITAN DISTRICT,
GRANBY RANCH METROPOLITAN DISTRICT
GRANBY RANCH METROPOLITAN DISTRICT NO. 2,
GRANBY RANCH METROPOLITAN DISTRICT NO. 3,
GRANBY RANCH METROPOLITAN DISTRICT NO. 4,
GRANBY RANCH METROPOLITAN DISTRICT NO. 5,
GRANBY RANCH METROPOLITAN DISTRICT NO. 6,
GRANBY RANCH METROPOLITAN DISTRICT NO. 7 AND
GRANBY RANCH METROPOLITAN DISTRICT NO. 8

THIS INTERGOVERNMENTAL AGREEMENT (the "Agreement") is made and entered into as of this 26th day of February, 2008, by, between and among the TOWN OF GRANBY, a municipal corporation and political subdivision of the State of Colorado ("Town"), HEADWATERS METROPOLITAN DISTRICT, GRANBY RANCH METROPOLITAN DISTRICT, GRANBY RANCH METROPOLITAN DISTRICT NO. 2, GRANBY RANCH METROPOLITAN DISTRICT NO. 3, GRANBY RANCH METROPOLITAN DISTRICT NO. 4, GRANBY RANCH METROPOLITAN DISTRICT NO. 5, GRANBY RANCH METROPOLITAN DISTRICT NO. 6, GRANBY RANCH METROPOLITAN DISTRICT NO. 7 and GRANBY RANCH METROPOLITAN DISTRICT NO. 8, quasi-municipal corporations and political subdivisions of the State of Colorado (collectively, the "Districts"). The Town and the Districts are collectively referred to as the "Parties".

RECITALS

WHEREAS, the Districts were organized pursuant to and in accordance with the provisions of §§ 32-1-101, *et seq.*, C.R.S. as a means of furnishing certain capital facilities and services in connection with the development of property 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 SolVista Metropolitan District No. 1 Service Plan dated March 2003 (the former name of Headwaters Metropolitan District), the SolVista Metropolitan District No. 2 Service Plan dated March 2003 (the former name of Granby Ranch Metropolitan District), and the Consolidated Service Plan for Granby Ranch Metropolitan District Nos. 2-8 dated August 28, 2007, and any amendment to such service plans (collectively, 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, an Intergovernmental Agreement Between the Town and SolVista Metropolitan Districts Nos. 1 and 2 dated December 9, 2003, a First Amendment to Intergovernmental Agreement Between the Town and Headwaters Metropolitan District and

Granby Ranch Metropolitan District dated May 20, 2005 and a Second Amendment to Intergovernmental Agreement Between the Town and Headwaters Metropolitan District and Granby Ranch Metropolitan District dated April 11, 2006 (collectively, the "Prior IGAs") previously were entered into; 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 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. Superseding and Replacement of Prior IGAs. This Agreement supersedes and replaces in their entirety the Prior IGAs.
2. 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 the 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"). The Districts shall not take any action contrary to such decisions or orders of the Town, nor will any District take or attempt 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 any utility-based cause. The Districts' projects shall be subject to Town regulatory authority as provided by state law.
3. 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 Districts, the inclusion of property into 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 any District include into its legal boundaries any property not located within the corporate limits of the Town at the time of inclusion unless the Town consents to such inclusion. No inclusion or exclusion of property conforming to this Section 3 shall constitute a material modification of the Service Plans.
4. Ownership and Operation of Facilities. The Districts shall dedicate the Public Improvements (as defined in the Service Plans) to the Headwaters Metropolitan District, the Town upon request, or other appropriate jurisdiction or owners' association in a manner consistent with the Approved Development Plan and other rules and regulations of the Town and applicable provisions of the Town Code. The Districts shall be authorized to operate and maintain any part or all of the Public Improvements unless the provision of such operation and maintenance is allocated to another public entity pursuant to an intergovernmental agreement.

All operation and maintenance responsibilities for the Public Improvements to be constructed by the Districts are to be assumed by Headwaters Metropolitan District pursuant to the Headwaters Metropolitan District Service Plan.

5 Amenities.

(a) In addition to the types of park and recreation services and facilities referenced or reflected in the Service Plans, including the exhibits thereto, the Districts will be authorized to acquire, construct, own, operate and maintain the ski area and lifts, ski lodge, golf courses and appurtenant clubhouse and maintenance facilities, fishing or "river park" facilities and programs, and parks, trails and open space for various recreational purposes as more fully described on Exhibit A, attached hereto and incorporated herein by reference, collectively called the "Amenities."

(b) The Parties acknowledge that the Amenities are not required by Town ordinances or other authorities to be conveyed or dedicated by the Developer (as defined in the Service Plans) for public use within the meaning of §32-1-1001(f), C.R.S. Property interests in areas and assets needed for Amenities which are acquired from the Developer shall be acquired at prices that do not exceed fair market value as established by a qualified appraiser. A copy of the appraiser's qualifications shall be provided to the Town.

(c) In order to defray the costs of acquisition, construction and installation of the Amenities, the Districts are authorized to impose and collect a one-time, front-end Amenities Fee, in an amount not to exceed \$10,000 per lot or equivalent dwelling unit in the Districts (plus interest for unpaid amounts and increases for inflation), in addition to any other fees as allowed by the Service Plans, without the written approval of the Town.

(d) For the purposes of this Section, a "Granby resident" is a natural person who makes his/her primary residence in the Town, but outside the Districts.

(e) The Districts shall provide preferred access (over that provided to the general public not residing in the Town) to ski, golf, park and fishing Amenities for Town residents. "Preferred Access" shall constitute a higher priority than that provided to the general public who is not a Town resident, but a lower priority than the Districts' residents.

(f) Granby residents shall receive a 15 percent (15%) discount on golf greens fees (excluding cart fees and/or caddie fees), seven (7) days a week during shoulder seasons and weekdays during peak season. Granby residents will be entitled to a 15 percent (15%) discount on daily ski passes seven (7) days a week during shoulder season and weekdays during peak season. Should any seasonal pass or other rate categories be established by the Districts, the same principle of discount for Granby residents shall apply.

6. 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 SolVista 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 Headwaters Metropolitan District.

7. Street Maintenance and Services.

(a) 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 (the "**Street Improvements**") shall be maintained by the Districts to the standards set forth in Article 5 of the Sol Vista Preliminary Plan and any rules, regulations or ordinances of general applicability throughout the Town. Notwithstanding the foregoing, the Town is under no obligation to ever assume operations and maintenance obligations with respect to such improvements.

(b) If the Town determines that the Districts are not operating or maintaining any Street Improvement in conformity with this Agreement, or that any Street Improvement is affected by a condition that presents a substantial risk of personal injury or property damage to any person, it may give written notice thereof to the Districts. Such notice shall specify the non-conforming or dangerous condition, direct the Districts at their cost to perform specified remedial work, and state the period of time determined by the Town to be reasonably necessary for completion of the remedial work. If the Districts fail to cure the nonconforming or dangerous condition within the specified time following such notice (a "**Street Maintenance Default**"), the Town may, in addition to and without waiving any other remedy, perform the work and charge the Districts for all of its actual costs, of whatever kind or nature, direct and indirect, incurred in connection therewith (the "**Cure Amount**"). Any amount so charged to the Districts which is not paid within a reasonable time not to exceed sixty (60) days after being invoiced may, together with interest at the rate of twelve percent (12%) *per annum* on the unpaid amount, be collected by the Town from the Shared Sales and Use Taxes due and becoming due from the Town to the Districts until the Cure Amount is paid in full, including principal and interest. Notwithstanding the foregoing, if amounts payable from the said Shared Sales and Use Taxes are not reasonably sufficient to pay the Cure Amount in full within the twelve (12) months next following the month in which the sixty (60) day payment period expires, the Districts will pay the shortfall from the Pledged Revenues specified in subsections (c) and (d) below, in such amounts as are necessary to pay the Cure Amount, in full, including principal and interest, within the said twelve (12) month period.

(c) The Districts hereby agree to pledge and pay to the Town, for the payment of Cure Amounts due in accordance with subsection (b) above, the following (collectively, the "**Pledged Revenues**"): (i) any Shared Sales and Use Taxes then available in accordance with the terms of the Indenture; (ii) any property tax revenues of the Districts budgeted for street maintenance and then available for such purpose; (iii) the proceeds of the Operations Fee

(defined below) then available; and (iv) any amounts received from the Developer pursuant to the Developer Funding Agreement. Notwithstanding the foregoing, the Districts may apply the Pledged Revenue to any legally permissible use and there shall not be a lien upon any of the Pledged Revenues until such time as there is a Street Maintenance Default hereunder. In the event of a Street Maintenance Default, there shall be a lien upon the Pledged Revenues but only up to the amount of the Cure Amount and only until such time as the Cure Amount is paid in full. The Districts shall pay to the Town the Pledged Revenues in satisfaction of any Cure Amount as soon as practicable.

(d) In order to generate the Pledged Revenues necessary to provide for the payment of the Cure Amount as contemplated in subsection (c) hereof, the Districts have adopted an Operations Fee Resolution and have entered into a Developer Funding Agreement providing, among other matters, that the Developer will pay to the Districts, upon demand, the amount of any Cure Amount due hereunder to the extent not able to be funded, in the time provided in subsection (b) above, by the Pledged Revenues described in (c)(i) and (c)(ii). In the event that the Pledged Revenues described in (c)(i) and (c)(ii) above are not sufficient to fund the Cure Amount when due hereunder, the Districts shall (i) impose the fee described in the Operations Fee Resolution (the "**Operations Fee**"), (ii) make a demand for payment under the Developer Funding Agreement, or (iii) do a combination of (i) and (ii), in amount(s) sufficient to fund any deficiency in the Cure Amount, within the time provided in subsection (b) above. If the Developer fails to pay any amounts due under the Developer Funding Agreement promptly upon demand therefor, the Districts shall impose or increase said Operations Fee in an amount necessary to pay the Cure Amount in full within the time provided in subsection (b) above.

(e) Nothing in this Section shall impose upon the Town any duty to exercise its rights hereunder, or be construed as an assumption by the Town of any duty to maintain any Street Improvement generally. The Town shall not be deemed to have assumed a duty to cure any nonconforming or dangerous condition pursuant to this Section unless and until persons acting at the direction of the Town have occupied and taken control of the site of such condition and have begun to perform repair operations at such site. The mere placing of warning or caution signs or other safety devices at such site by persons acting at the direction of the Town shall not be deemed to constitute taking control of or performing repair operations at the site unless repairs are actually commenced by such persons.

8. **Municipal Exclusion.** On December 22, 2004, the District Court for Grand County, Colorado entered a Final Order of Exclusion to effect the requirement contained in the Prior IGAs regarding exclusion from the SilverCreek Water and Sanitation District.

9. **Debt Limitation.** The Districts will comply with the following provisions, which are also conditions of the Town's approval of their respective Service Plans:

(a) Subject to the provisions of the following Section, unless otherwise approved in writing by the Town Board of Trustees, which approval shall not be unreasonably withheld, delayed or conditioned, the total Debt that the Districts shall be permitted to issue shall not exceed Ninety Four Million Two Hundred Fifty Thousand Dollars (\$94,250,000) and shall be permitted to be issued on a schedule and in such year or years as the Districts determine shall

meet the needs of the Financial Plan referenced above and shall be phased to serve development as it occurs. In addition thereto, the Districts shall be permitted to issue additional Debt up to Nineteen Million Five Hundred Thousand Dollars (\$19,500,000) plus 4% annual inflation from and after June 1, 2005, until issued for the acquisition, construction and installation of the Amenities. All bonds and other Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, including general ad valorem taxes and Fees to be imposed upon all Taxable Property within the Districts. The Districts will also rely upon various other revenue sources authorized by law. These will include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time. The Districts shall be permitted to request an increase in the debt limitations contemplated herein by way of an administrative approval process with the Town. Under no circumstances shall an administratively approved change in the debt limitation be considered a material modification of this Service Plan.

(b) The "Maximum Mill Levy" shall be the maximum mill levy a District is permitted to impose upon the taxable property within such District for payment of Debt and any operations and maintenance costs, regardless of statutory changes to Section 32-1-1101, *et seq.*, C.R.S., shall be fifty (50.000) mills; provided, however, that if the ratio of actual valuation to assessed valuation for residential real property (as of 2003) is changed pursuant to Article X, section 3(1)(b) of the Colorado Constitution and legislation implementing such constitutional provision, the Maximum Mill Levy will be increased or decreased (as to all taxable property in the Districts) to reflect such changes so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes (Gallagher adjustment). Notwithstanding the foregoing, in the event the Maximum Mill Levy is pledged by a District toward the repayment of Debt and such Maximum Mill Levy is imposed by a District for the repayment of that Debt in any given fiscal year, a District is permitted to impose upon the taxable property within such District a mill levy not-to-exceed five (5.000) mills in the same fiscal year, which five (5.000) mills shall be in addition to the Maximum Mill Levy. Any revenues generated by the additional five (5.000) mills imposed by a District shall be used solely for the purpose of meeting a District's obligations under an intergovernmental agreement with the Town for transportation purposes.

(c) No District shall apply for or claim any entitlement to Conservation Trust Fund money for which the Town is eligible to apply.

(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 Districts shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the Town, unless such consolidation is between or among one or more of the Districts.

(f) On or before January 31 of each year, the Districts will file an annual report with the Town which explains all major actions take by the Districts during the preceding year to

implement the functions of the Districts in accordance with the Service Plans, together with projections for the ensuing fiscal year and such other available information as the Town may request. The Districts shall also file copies of the Districts' statutory audits with the Town.

10. **Board of Directors – Town Representative.** Provision will be made by the Districts to provide notice of meetings, meeting materials, and all other documents and notices not otherwise privileged or confidential provided to a member of the Board to a Town appointed representative. This representative will be authorized to participate as a non-voting attendee at all Board meetings of the Districts. The Town representative will be authorized to participate as a non-voting attendee at all Boards of Directors meetings of the Districts, including access to executive sessions and executive session materials to the full extent of the law.

11. **Revenue Sharing Arrangements.**

(a) The Town shall share revenue with Headwaters Metropolitan District in accordance with the provisions of the Annexation Agreement. Headwaters Metropolitan 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 a blended rate of 8% of the total net bond proceeds received from the issuance of any General Obligation Bonds up to the total Debt Issuance Limitation (as defined in the Consolidated Service Plan for Granby Ranch Metropolitan District Nos. 2-8) shall be provided to the Town for jointly funded improvements (the "Bond Sharing Fee"). The Bond Sharing Fee made by the Districts shall be allocated approximately 67% for downtown improvements and approximately 33% for park facilities on a site to be dedicated by the developer in Planning Area 1 of the SolVista Preliminary Plan. The Districts shall remit the Bond Sharing Fee pursuant to the schedule attached to the Consolidated Service Plan for Granby Ranch Metropolitan District Nos. 2-8 as Exhibit E. Headwaters Metropolitan District shall be responsible for the collection of the Bond Sharing Fee contemplated in this section from each of the Districts. Payment of the Bond Sharing Fee to Headwaters Metropolitan District shall be a condition of issuing any Bonds authorized herein.

12. **Transportation.**

(a) The Service Plans authorize the Districts to exercise transportation powers, but do not contain detailed facilities descriptions or cost estimates associated with them. Nevertheless, the Town's approval of a mill levy cap of 50.000 mills was based in part upon the Districts' commitment expressed herein to fund an internal public transportation system with a link between the SolVista Annexation Property and the downtown and other commercial areas of the Town, from a portion of the mill levy authorized by the Service Plans, subject to the limitations set forth herein. The Parties agree that it is not possible to determine at what point the need for such public transportation system will be sufficient to warrant its implementation. Accordingly, at such time as certificates of occupancy are issued for at least 600 single-family equivalents within the SolVista Annexation Property, the Districts will obtain, at their cost, a feasibility and needs assessment study (the "Study") with respect to such transportation system. The Town may appoint a representative to serve on any committee convened by the Districts to select the

provider of the Study, which representative shall have the right to participate in the development and distribution of a request for proposals for the Study and any evaluations and/or interviews of respondents to such request for proposals. The final selection of the provider of the Study shall be subject to the consent of the Town. At such time as a public transportation system is necessitated by development with the SolVista Annexation Property, as set forth in any conclusion of such Study, the following shall occur, subject to the provisions of subsection (b) hereof:

(i) The Districts shall impose an *ad valorem* property tax levy in the amount of 5.000 mills (subject to adjustment as provided in the succeeding sentence) or such amount thereof as is necessary to fund the operation of the internal public transportation system (the "**Pledged Mill Levy**") for the purpose of funding or financing public transportation; provided, however, that the amount of such Pledged Mill Levy, together with any other *ad valorem* tax levy imposed by the Districts, shall not exceed the maximum mill levy permitted under the Service Plans and any intergovernmental agreements with the Town. In the event the method of calculating assessed valuation for residential property is changed after the date of this Agreement, the amount of the Pledged Mill Levy (presently 5.000 mills) may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Districts in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the Pledged Mill Levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

(ii) The Districts shall cause the proceeds of the Pledged Mill Levy to be applied solely to the establishment and operation of an internal public transportation system serving the SolVista Annexation Property. In no event shall the Districts' obligation to the Town hereunder with respect to funding such public transportation system exceed, in any calendar year, the amount of revenues received by the Districts as a result of the imposition of the Pledged Mill Levy.

(b) Notwithstanding any of the foregoing, in no event shall the Districts be obligated to impose the Pledged Mill Levy and apply the proceeds thereof as provided herein until certificates of occupancy are issued for at least 700 single-family equivalents within the SolVista Annexation Property ("**Achievement of the Minimum SFE Level**").

(c) The Districts' obligations hereunder to impose the Pledged Mill Levy will be superior and prior to the obligations of bonds issued by the Districts and, as a result, will reduce the maximum amount of mill levy available to provide for payment of such bonds.

(d) For purposes of this Agreement, any determination of the number of single-family equivalents within the SolVista Annexation Property shall be made based upon the schedule attached hereto as **Exhibit B**, attached hereto and incorporated herein by this reference. The schedule is intended to be a guide and may be changed at the discretion of the Districts.

13. **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 estimate associated with either of these powers. 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 any 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 the Service Plans.

14. **Precedence.** Recognizing that full development of the SolVista Annexation Property may take up to thirty (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 Colorado law. Accordingly, any conflict or inconsistency between the Service Plans and this Agreement shall be resolved in favor of the provisions of this Agreement.

15. **Land Conveyance.** The Districts agree to use their best efforts to cause the Developer to make the land dedications described in paragraphs 7, 8, 10 and 11 of the "Term Sheet" attached hereto as Exhibit C. To the extent any of the provisions of the Term Sheet related to the Districts, such provisions are incorporated herein by this reference.

16. **Entire Agreement of the Parties.** This written Agreement constitutes the entire agreement among 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.

17. **Amendment.** This Agreement may be amended, modified, changed, or terminated in 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 Colorado law then in effect.

18. **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 of the State of Colorado. By executing this Agreement each of the Parties 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.

19. **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.

20. **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 names 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.

21. **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.

22. **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 Districts shall assign their rights or delegate their duties hereunder without the prior written consent of the other Parties hereto. 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.

23. **Liability.** The Districts shall be jointly and severally liable for each obligation of the Districts set forth herein.

24. **Taxes.** The use of Shared Sales and Use Taxes, in accordance with the provisions hereof, constitutes a permissible use of such Shared Sales and Use Taxes under the Annexation Agreement and Section 9(a) of the Town IGA.

25. **Notices.** All written notices to be given hereunder to any Party shall be given by first-class mail, postage prepaid to the party or parties entitled thereto at the address set forth below, or at such other address as may be provided to the other parties hereinafter listed in writing from time to time, namely:

If to the Town: Town of Granby
Zero Jasper Avenue
P.O. Box 440
Granby, Colorado 80446-0440

With copies to: Scotty P. Krob, Esq.
Attorney at Law
8400 E. Prentice Avenue, Penthouse Suite
Greenwood Village, Colorado 80446

If to the Districts:

Headwaters Metropolitan District
Granby Ranch Metropolitan District
Granby Ranch Metropolitan District Nos. 2-8
Robertson & Marchetti, P.C.
28 Second Street, Suite 213
Edwards, Colorado 81632
Attention: Ken Marchetti

With copies to:

Gary R. White, Esq.
White Bear & Ankele Professional Corporation
1805 Shea Center Drive, Suite 100
Highlands Ranch, Colorado 80129

26. **Governmental Immunity**. Nothing herein shall be construed as a waiver of the rights and privileges of the Town or the Districts pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S., as amended from time to time.

27. **Counterpart Execution**. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank].

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

HEADWATERS METROPOLITAN
DISTRICT

By: Thomas H. Hale

ATTEST:

By: [Signature]

GRANBY RANCH METROPOLITAN
DISTRICT

By: Thomas H. Hale

ATTEST:

By: [Signature]

GRANBY RANCH METROPOLITAN
DISTRICT NO. 2

By: Thomas H. Hale

ATTEST:

By: [Signature]

GRANBY RANCH METROPOLITAN
DISTRICT NO. 3

By: Thomas H. Hale

ATTEST:

By: [Signature]

GRANBY RANCH METROPOLITAN
DISTRICT NO. 4

By: Thomas Hale

ATTEST:

By: [Signature]

GRANBY RANCH METROPOLITAN
DISTRICT NO. 5

By: Thomas Hale

ATTEST:

By: [Signature]

GRANBY RANCH METROPOLITAN
DISTRICT NO. 6

By: Thomas Hale

ATTEST:

By: [Signature]

GRANBY RANCH METROPOLITAN
DISTRICT NO. 7

By: Thomas Hale

ATTEST:

By: [Signature]

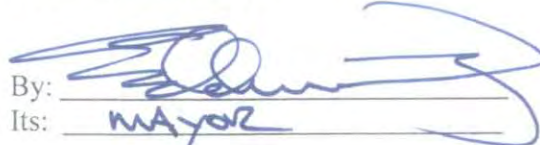
GRANBY RANCH METROPOLITAN
DISTRICT NO. 8

By: Thomas Hale

ATTEST:

By: [Signature]

TOWN OF GRANBY

By: 
Its: Mayor

ATTEST:

By: 



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 operation and maintenance.

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

Mosquito Control; Miscellaneous

Owned, operated and maintained by District.

EXHIBIT A

Amenities

1. Fishing camp located on the Fraser River adjoining Granby Ranch, as currently described on the Granby Ranch Preliminary Plan; and may be more exactly described on future land use plans approved by the Town;
2. The 18-hole Headwaters Golf Course;
3. SolVista Ski Basin;
4. Parks, trails, and recreation areas within the Granby Ranch property, as currently described on the Granby Ranch Preliminary Plan; to be more exactly described on future land use plans approved by the Town.

EXHIBIT B

Single-Family Equivalent Schedule

	sfe	
Single family home, townhome, condo, apt, duplex	1.00	
Mobile home	1.00	
Boarding house, dormitory-style quarters	.25/bed	
Lodges, hotels, motels, b&b and other overnight rentals	.50/room	
w/ kitchenette	.75/room	
Cafes, restaurants, lounges		
<1200 sq ft of customer service area	2.00	
>1200 sq ft, add per additional 600 sq ft	1.00	
Snackbar, delicatessen (disposable plates/glass/utensils)	1.00	
Automobile Service Station		
each dispenser island w/ retail	1.50	
each dispenser island w/o retail	0.50	
each service bay	0.10	
Car wash	2.0/stall	
Laundromat, self-service	.25/washer	
Cleaners, per 1000 sq ft	1.00	
Beauty salon	.40/chair	
Barber shop	.25/chair	
Churches, Conference/Meeting /Banquet Rooms and Similar Facilities w/o in-house food serving capabilities per 1,000 sq feet	0.30	
w/ in-house food serving capabilities, per 1,000 sq ft	0.40	
Conference/meeting rooms, per 1000 sq ft	see above	

Schools, per 15 students	1.00
Day Care	1.00
Offices, per 1000 sq ft	0.75
Medical/Dental Clinic, per 1000 sq ft	2.00
Retail Store, per 1000 sq ft	0.50
Grocery Store, per 1000 sq ft	0.80
Maintenance buildings/warehouses, fire stations, public libraries, per 1000 sq ft	0.15
Factories/manufacturing, per 1000 sq ft, not including industrial wastes which shall be assigned at a rate appropriate to each case	0.75
Health spas/fitness centers/athletic clubs/pools, per 1000 sq ft	1.50
Bowling area, per lane	0.75
Theater, per seat	0.02
Dry camp sites w/ central flush toilet	
per flush stool	0.50
per flush urinal	0.33
each public shower fixture	0.75
each washing machine	0.25
camper dump station	5.00
Travel trailer camper (8'x35' or less) w/ individual water & sewage	
w/ individual water/sewer hookups	0.25
per flush stool	0.50
trailer dump station	5.00
Hospitals	1.00/bed
Auto dealer (use retail store)	
Boarding school	.25/bed
Convalescent homes	.25/bed
Convents	.25/bed

FOOTNOTES:

1. If more than one use category is applicable to a particular building, the building will be divided into areas of similar use categories and the sfe units for the building will be computed by adding the sfe unit determinations for each use category area.
2. No less than 1.0 sfe unit will be assigned to any building or portion thereof that has a separate service line and/or that is to be billed individually for sewer service.
3. Lock-off units on condo-hotels will be assessed as a separate unit on a room basis.
4. Any residential building or unit which purports to be a single-family residential unit will be considered a multiplex if it has more than one kitchen area, and any portion of said residential building or unit that can be used independently of the remainder of the residential building or unit (i.e. lock-off unit) shall be considered a separate residential unit for sfe unit conversion purposes.
5. In computing area, the total usable area shall be used. Total usable area includes but is not limited to: kitchen areas, serving areas, washing areas, occupant areas, waiting rooms, restrooms, lunch rooms, halls, entryways, storage, show rooms and retail areas.

EXHIBIT C

TERM SHEET

The following term sheet has been approved by Granby Ranch and recommended by Town staff for approval by the Granby Board of Trustees concerning the petition for the formation of the Granby Ranch Metropolitan Districts Nos. 2 through 8. Staff will recommend that the Town Board of Trustees approve the petition to organize the Districts, with the requirement that the following terms be implemented:

1. Revise Bond share agreement to accelerate payment to the Town of 16% for the next \$10MM, 14% for the next \$10MM, 12% for the next \$10MM, 10% for the next \$10MM, 8% for the next \$10MM and 5.29% thereafter with an overall blended rate of 8%. No bonds may be issued beyond \$109MM in amount without Town consent.
2. Increase in overall participation from \$5,120,000 (as contained in the Service Plan and IGA for the existing Granby Ranch Metropolitan District) to \$8,720,000 - an increase of \$3,600,000.
3. Acceleration in payments to the Town increasing the net present value from \$2,857,277 (as contained in the Service Plan and IGA for the existing Granby Ranch Metropolitan District) to \$3,530,646 - an increase of \$673,369 on the first \$64MM of issuance.
4. Acceleration in payments to the Town increasing the net present value from \$3,537,721 (as contained in the Service Plan and IGA for the existing Granby Ranch Metropolitan District) to \$3,893,833 - an increase of \$356,112 on the full anticipated amount of issuance of \$109M.
5. Increased likelihood of the Town receiving additional bond proceeds.
6. Equalization occurs at \$27,750,000 instead of \$30,000,000.
7. Dedication to the Town of Granby or its designee of 4 acres within Granby Park, which parcel shall not be located within the Flood Plain, for the Granby recreational Center upon final plat approval, at not cost to the Town.
8. Dedication to the Town of Granby or its designee of an additional 3 acres within Granby Park, which parcel shall not be located within the Flood Plain, for the Granby recreational Center upon final plat approval and at no cost to Town.
9. The Town will be in a better position to use the \$100,000 dedicated by Shorefox for development of the recreation center.
10. Dedication of an additional 5 to 7 acres of lands located within the floodplain at Granby Park for restricted recreational purposes upon final design and plat approval – [design needs to consider location of well field and equipment, utilities, lighting and water storage (reservoir)].

11. Dedication and conveyance to the Town or its designee at no cost to the Town, of the entire parcel known as Silver Sage upon approval of pending PDOD amendment including the shifting of 60 units of the approved 310 units of density from PA 6 (Silver Sage) to PA 1 (Granby Park and River View) and on condition of approval of the Granby Park plat, such dedication and conveyance to occur subject to use restrictions which protect Granby Ranch from competition for the sale of units which are not "low income housing units."

12. No cost to Town to support the application.

13. The land dedications, PDOD amendment, and Granby Park plat approval contemplated herein shall be processed on an expedited basis and completed on terms mutually acceptable to the parties and consistent with this term sheet.

14. The provisions of this term sheet, including the land dedications, may be enforced by any of the parties hereto through all remedies available for a breach of contract, including obtaining a decree of specific performance. The parties agree that failure to comply with the provisions of this term sheet by 12/31/2007 by the applicant is a material modification of the Service Plan for Granby Ranch Metropolitan Districts Nos. 2 through 8 and that the Town may prevent any further actions under the Service Plan by obtaining injunctive relief until the provisions regarding dedication requirements and payments to the Town have been met in full.

SECOND AMENDED AND RESTATED LEASE PURCHASE AGREEMENT

This Second Amended and Restated Lease Purchase Agreement (this “**Lease**”) is entered into as of December 31, 2012, by and between Granby Realty Holdings LLC, a Colorado limited liability company (“**Landlord**”), and Headwaters Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (“**Tenant**”). (Tenant and Landlord are together referred to as the “**Parties**” and each a “**Party**”).

RECITALS

- A. Landlord and Tenant have previously entered into that certain Amended and Restated Lease Purchase Agreement dated as of June 1, 2006, as amended by the First, Second, Third, Fourth and Fifth Addenda (as amended, the “**Prior Lease**”), pertaining to the lease and optional purchase of the Leased Premises (as described herein).
- B. In order to pay rental payments with respect to the Leased Premises and pay the purchase price of the Leased Premises, Tenant has previously adopted, with the Granby Ranch Metropolitan District, a Joint Resolution to Establish an Amenity Fee dated May 26, 2005, as amended September 6, 2006 (as amended from time to time, the “**Fee Resolution**”), and has entered into that certain Amenity Fee Agreement with Granby Realty Holdings LLC dated as of June 1, 2005, and that certain Aspen Meadows Amenity Fee Agreement with Aspen Meadows Condominiums, LLC dated as of July 5, 2005 (collectively, the “**Fee Agreements**”), pursuant to which resolution and agreements the Tenant imposes Amenity Fees (as further described herein) on property within the Granby Ranch development (“**Granby Ranch**”) for use of the Leased Premises, as more particularly described therein.
- C. Landlord has previously delivered to Tenant that certain appraisal report of Rocky Mountain Valuation Consultants, Inc. dated January 23, 2006 (the “**Appraisal**”), relating to the valuation of, among other properties, the ski area and golf area portions of the Leased Premises (the “**Amenities**”).
- D. Pursuant to the Tenant’s Service Plan dated May 2003 (under the Tenant’s former name, SolVista Metropolitan District No. 1) and the Intergovernmental Agreement By, Between and Among the Town of Granby, Colorado (the “**Town**”), the Tenant, Granby Ranch Metropolitan District and Granby Ranch Metropolitan District Nos. 2-8 dated as of February 26, 2008, the Leased Premises are used by the taxpayers, residents, occupants, visitors and invitees of Granby Ranch.

- E. The Landlord and the Tenant now desire to enter into this Lease to amend, restate and supersede the Prior Lease in its entirety. Under Section 39-3-124, C.R.S., the Leased Premises were not subject to property taxation, and the Parties intend and expect that this Lease shall not cause such property to become subject to property taxation.

NOW THEREFORE, the Landlord and the Tenant, for good and valuable consideration, including without limitation the consideration provided by each Party as set forth in these Recitals, the receipt of which is hereby acknowledged, agree as follows:

LEASE OF DEMISED PREMISES

1. a. Landlord hereby leases to Tenant, and Tenant hereby rents from Landlord, the premises, described on **Exhibit A** attached hereto, including the ski area and golf course located in the Town of Granby, Colorado, (the “**Real Estate**”), together with all improvements now located thereon, including all buildings (with the exception of the third floor of the Base Camp Lodge), equipment, machinery, fixtures, parking areas, landscape areas, any retaining walls, any storm water detention, utilities, sidewalks and entrances and exits, the ski shop, golf course clubhouse, ranch house and golf course maintenance shop (subject to substitution and alteration under Section 8 of this Lease, the “**Improvements**”). The Real Estate and Improvements are collectively referred to herein as the “**Leased Premises**” as set forth in **Exhibit A** attached hereto. Property may or, in some cases shall, be added to the Leased Premises as provided in Section 8 hereof and **Exhibit A** may be modified accordingly.

b. Notwithstanding any other language contained herein, Landlord reserves the right at any time, and from time to time, to use, and to grant easements or other rights to others to use, the Leased Premises or portions thereof for purposes including but not limited to water, sewer, electric, gas, telephone, cable, fiber optic or other utilities and related facilities and appurtenances, roads, drainage, detention/retention facilities and improvements, recreational trails and other uses that do not unreasonably interfere with use of the Amenities (it being understood and agreed that temporary disruption during construction, installation, maintenance, repair or replacement of any such facilities or improvements shall be allowed). The Amenities are expected to entirely or largely be the same as the Leased Premises.

TERM, LEASE YEAR, OPTIONS

2. The initial term of this Lease with respect to the Leased Premises shall begin on the date set forth in the introductory paragraph to this Lease, and shall terminate at the end of the current fiscal year (the “**Original Term**”). This Lease shall automatically renew for 49 additional one-year terms coinciding with the fiscal year of the Tenant (each a “**Renewal Term**”), at the end of the Original Term and each Renewal Term unless the

Tenant elects not to appropriate funds to pay amounts due under this Lease as set forth in Section 3.c.

This Lease will terminate upon the earliest of any of the following events:

- a. The expiration of the Original Term or any Renewal Term due to the failure of Tenant to appropriate Amenity Fees to be paid pursuant to the terms of this Lease to continue leasing the Leased Premises for the ensuing Renewal Term;
- b. Default by Tenant and Landlord's election to terminate this Lease as provided herein;
- c. All Amenity Fees collectable under the Amenity Fee Agreements and the Fee Resolution have been collected in full;
- d. Payment of the Purchase Price exclusively from Amenity Fees;
- e. With Landlord's prior written consent, payment of the Purchase Price from sources other than Amenity Fees; or
- f. December 31, 2062.

RENT

3. a. Tenant shall pay as rent for the Original Term and all of the Renewal Terms of this Lease, upon receipt, an amount equal to the proceeds of all Amenity Fees collected by Tenant (the "**Rental Payments**"). Except as specifically provided herein, the Rental Payments will be absolute and unconditional in all events and will not be subject to any set-off, defense, counterclaim or recoupment for any reason whatsoever.

b. As used herein, "**Amenity Fees**" shall mean and refer to any Amenity Fee imposed pursuant to the Fee Resolution and the Fee Agreements, as the same may be amended or restated from time to time, and any other resolution adopted or agreement entered into for the purpose of imposing fees related to the use of the Leased Premises. Notwithstanding the foregoing, "**Amenity Fees**" shall not include any fee imposed solely for the purposes of funding operational costs related to the Leased Premises. The Parties acknowledge that, due to the nature of the due dates of the Amenity Fees, as set forth in the Fee Resolution and the Fee Agreement, the amount of Amenity Fees received by the Tenant may fluctuate greatly from month to month and year to year. Tenant hereby covenants that it will do all things lawfully within its power to obtain, maintain and properly request and pursue the Amenity Fees.

c. The Tenant and the Landlord acknowledge and agree that the obligation of the Tenant to pay Rental Payments hereunder constitutes a current obligation of the Tenant payable exclusively from current and legally available funds and shall not in any

way be construed to be an indebtedness or multiple fiscal-year obligation of the Tenant within the meaning of the provision of any constitutional or statutory limitation or requirement applicable to the Tenant. The Tenant has not hereby pledged the credit of the Tenant to the payment of the Rental Payments, which amounts are payable solely from the Amenity Fees, if and when received. During the Original Term and each Renewal Term, the chairman or president of the Tenant shall request the required appropriation from Tenant's board of directors (the "**Board**") for the ensuing Renewal Term and exhaust all available administrative reviews and appeals in the event such portion of the budget is not approved. If actual Amenity Fees collected during any fiscal year exceed the amount budgeted for Rental Payments for such year, the Board shall amend its budget during such fiscal year to allow for payment of such additional Amenity Fees. If the chairman or president of the Tenant periodically requests from its governing body funds to be appropriated for payment to Landlord under this Lease and, notwithstanding the making in good faith of such request in accordance with appropriate procedures and with the exercise of reasonable care and diligence, such governing body does not approve funds to be paid to Landlord for the Leased Premises, the Lease shall not be renewed and Tenant shall return the Leased Premises to Landlord in the condition, repair, appearance and working order required herein in the following manner:

- i. By delivering the Leased Premises to Landlord in good condition, normal wear and tear accepted; and
- ii. By executing such documents as may be necessary to clear title of the encumbrances (other than the Permitted Exceptions) to the Leased Premises.

Tenant agrees to give Landlord at least 60 days' notice of non-renewal, provided that failure to give such notice shall not affect Tenant's right not to renew this Lease as herein provided.

USE OF LEASED PREMISES

4. a. The Leased Premises are being used by Tenant for the enjoyment of the taxpayers, residents, occupants, visitors and invitees of Granby Ranch. The Parties acknowledge and agree that (i) the Tenant shall be entitled to acquire the Leased Premises at the end of the last Renewal Term (or earlier as provided in Section 23) and (ii) the Landlord does not have possession of the Leased Premises. The Parties shall execute such documents and take such other actions as necessary in order to make the Leased Premises exempt from the levy and collection of property tax under Colorado law.

b. Tenant shall use the Leased Premises for the recreational purposes for which they are used as of the date hereof, and may use the Leased Premises for any other governmental purpose not inconsistent with such recreational use. Tenant shall not

engage in any use of the Leased Premises in conflict with any applicable zoning ordinance or conditional use restriction, or any easements, restrictions, covenants and conditions encumbering the Leased Premises.

c. Tenant shall not do, or permit to be done, anything on or about the Leased Premises, nor bring or keep anything therein, that will in any way unreasonably increase the existing rate of, or otherwise affect any fire or other insurance policy upon the Leased Premises, or cause a cancellation of any insurance policy covering the Leased Premises or any part thereof or any of its contents. Landlord agrees that use of the Leased Premises as they are used as of the date hereof will not, in and of itself, unreasonably increase the rate or affect the insurance policies. Tenant shall take all reasonable action to prevent odors, emissions, fumes, liquids, other substances or excessive noise from escaping or extending beyond the Leased Premises so as to prevent violation of applicable laws.

UTILITIES

5. Tenant shall not be responsible for any costs of utilities (including without limitation: bills for water, sewer rents, sewer charges, heat, gas and electricity) used on the Leased Premises from the commencement of the Original Term until the expiration of the final Renewal Term. The source of supply and vendor of each such commodity shall be the local public utility company or municipality commonly serving the area.

REPAIRS, CONFORMITY WITH THE LAW

6. a. It is the intention of Landlord and Tenant that this shall be a gross lease, with Landlord responsible for any taxes and all costs of insurance and maintenance (including utilities and all ordinary costs of repairing and maintaining the Leased Premises and Improvements) in good condition and repair as set forth above, when reasonably necessary and to maintain the structural integrity of the structural components of the Improvements. Tenant shall be responsible for any costs of repairing and maintaining the Leased Premises caused by Tenant's negligence or willful misconduct.

b. Tenant shall not allow hazardous substances to be stored on the Leased Premises, and Tenant shall not construct or permit to be constructed any underground storage tank. In the event that any hazardous substance or any underground storage tank is discovered at any time in, under or about the Leased Premises or any part(s) thereof (unless introduced by Tenant), Landlord shall, at Landlord's expense, properly remove, dispose and remediate the site as required by law. In the event that any hazardous substance or any underground storage tank is discovered at any time in, under or about the Leased Premises or any part(s) thereof, and such hazardous substance or underground storage tank was introduced to the Leased Premises by Tenant, its agents, employees or contractors (acting within the scope of their respective agency, employment or contract), Tenant shall be in material default of this Lease and Tenant shall, at Tenant's expense,

properly remove and dispose of and/or remediate any such hazardous substance or underground storage tank so introduced to the Leased Premises by Tenant, its employees, agents or contractors. Notwithstanding anything to the contrary in this Section (b), nothing in this Lease shall prohibit the storage of reasonable amounts of hazardous substances used in the ordinary course of operating the Amenities.

c. Landlord and Tenant shall at all times comply with applicable laws, statutes, rules, regulations, or other governmental requirements, now or hereafter enacted, regarding the generation, management, manufacture, storage, disposal, reporting and transport of hazardous substances in, on or about the Leased Premises.

d. Landlord shall make all changes and installations, and pay the cost, if any, of all inspections required to comply with the applicable requirements of public authorities as they apply to the Leased Premises.

SIGNS; TENANT'S FIXTURES

7. a. Subject to applicable municipal code requirements and applicable law, Tenant may install and operate interior and exterior signs, and in so doing shall comply with all applicable governmental requirements. All exterior signage must comply with the with Sign Standards and Exterior Lighting Standards for Granby Ranch as contained in Town of Granby Resolution No. 2005-01-11A recorded March 15, 2005 at Reception No. 2005-002631 and all interior signage must comply with Landlord's overall signage plan for Granby Ranch. Subject to obtaining the approval of the reviewer of the Sign and Exterior Lighting Standards where necessary, Tenant shall have the right to install mechanical equipment, including satellite dishes or other antennae for telecommunications affixed to the roofs or other portions of the Leased Premises (subject to applicable law). Tenant may also install pay telephones, automatic teller machines and other electronic consumer service apparatus on the Leased Premises (subject to applicable law).

b. With respect to fixtures, machinery, equipment, appurtenances and other property purchased by the Tenant, whether installed by the Tenant or the Landlord, Tenant shall at all times have the right to remove such items at its own cost, it being expressly understood and agreed that said property shall not become part of the Leased Premises but shall at all times be and remain the personal property of Tenant and shall not be subject to any Landlord's lien, except to the extent the same constitute additions or alterations to the Leased Premises integral to and not easily separated from the Leased Premises (as further provided in Section 8(a) hereof). Tenant shall repair any and all damage to the Leased Premises caused by the removal of any such items. Tenant shall not remove from the Leased Premises under this Section (b) any materials or equipment that Landlord installed at the Leased Premises as part of the initial construction thereof (other than to repair or replace the same or other than in altering the Leased Premises in accordance with and subject to Tenant's rights and obligations under this Lease).

SUBSTITUTIONS AND ALTERATIONS

8. a. At any time and from time to time, Tenant, at Tenant's cost and expense, may make such substitutions and non-structural and structural alterations and additions (including without limitation minor boundary adjustments) to the Leased Premises as Tenant desires, provided that any such substitution, alteration or addition when completed shall be of such character as not to diminish the structural integrity of the Leased Premises, shall not violate applicable law, shall be subject to design review board approval, where applicable, and Landlord's approval, not to be unreasonably withheld or delayed, and shall not adversely impact Tenant's ability to provide the Amenities. Any substitution or alteration by Tenant hereunder (whether a structural alteration or otherwise), shall not diminish the structural integrity of the improvements, shall not violate applicable law, shall not enlarge the square foot floor area of any building beyond that square foot floor area permitted by applicable law, shall not detract from the overall appearance of the Leased Premises and Tenant shall be responsible for damage caused by Tenant to any part of the improvements so altered. At least 45 days prior to Tenant commencing a substitution or alteration, Tenant shall submit to Landlord copies of a full and complete set of drawings and plans depicting the substitution or alteration that Tenant intends to undertake (said drawings and plans shall be reasonably detailed and, at minimum, shall be sufficient for Landlord to determine whether or not the proposed work complies with the foregoing requirements of this Section (a)). Tenant's substitutions or alterations shall use materials and workmanship of substantially similar or better quality than existed on the Leased Premises immediately prior to Tenant's work hereunder. Title to any substitutions, alterations or additions made by Tenant that are integral to and cannot be easily separated from the Leased Premises shall vest in Landlord, and Tenant shall deliver such documents of conveyance thereof as Landlord may reasonably request at the expiration or sooner termination of this Lease (or at such earlier date as possession of the Leased Premises in favor of Tenant is terminated). Landlord shall cooperate at no out of pocket cost to Landlord in securing necessary permits and approvals for any substitution, alteration proposed by Tenant hereunder; Landlord shall however be responsible for its costs for its in house personnel. Tenant shall not permit any mechanics' or other liens to stand against the Leased Premises for work or material furnished Tenant. Notwithstanding the foregoing, all work, substitutions, alterations and additions by Tenant hereunder, shall be done in a good and workmanlike manner, all work, substitutions, alterations and additions will not lessen the functionality or structure of the Leased Premises and shall not inhibit the Tenant's ability to provide the Amenities, and the same shall all be in compliance with applicable code and law, including but not limited to Section 32-1-1001(1)(d), C.R.S.

b. Landlord covenants and agrees that Landlord shall not make any alterations or additions which unreasonably impair the use of the Leased Premises without Tenant's written consent, which shall not be unreasonably withheld. Landlord shall not permit any mechanics' or other liens to stand against the Leased Premises for work or material

furnished to or by Landlord. Other than equipment and machinery, any alterations or additions made by Landlord to the Leased Premises, including but not limited to the construction of new buildings or facilities used in connection with the operation of the Leased Premises, shall become part of the Leased Premises hereunder, subject to purchase by the Tenant in accordance with Section 23 hereof, and shall not thereafter be removed or modified by the Landlord without the consent of the Tenant. The Landlord also may elect to purchase equipment or machinery to be used in connection with the Leased Premises which may, in the Landlord's discretion become part of the Leased Premises hereunder. Notwithstanding any other provision contained herein, under no circumstances shall the Landlord, by virtue of this Lease, be obligated to fund or provide any improvements, equipment or machinery relating to the Leased Premises. In the event that the Landlord does agree to fund or provide such improvements, equipment or machinery, the value of such property shall be added to the Purchase Price in accordance with Section 23 hereof, in which case such improvements would be owned by the Landlord and added to the Leased Premises (except that the Landlord may elect not to add to the Leased Premises equipment or machinery).

c. Notwithstanding the foregoing provisions of Section 8, at any time and from time to time, Tenant, at Tenant's cost and expense, may replace equipment, machinery and related property which it deems to have become inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary, provided that the replacement equipment, machinery and related property shall have equal or greater value and utility of the equipment, machinery and related property replaced.

ASSIGNMENT AND SUBLETTING

9. Without Landlord's prior written consent, which shall not be unreasonably withheld, Tenant will not sell, assign, sublet, pledge, or otherwise encumber or permit a lien arising through Tenant to exist on or against any interest in this Lease or the Leased Premises. Any improper attempt of assignment shall be deemed void and of no force or effect. The Parties acknowledge and agree that certain management services will be provided to manage the amenities pursuant to a management agreement, and that Tenant may delegate certain responsibilities under this Lease, to the manager under such agreement which agreement shall be in a form reasonably acceptable to Landlord. Landlord may assign its interest in this Lease and sell or grant a security interest in all or any part of the Leased Premises without Tenant's consent. Notwithstanding the foregoing, Landlord agrees that it shall not sell or grant a security interest in all or any part of the Leased Premises without the prior delivery to the Tenant of documentation executed by the beneficiary of such security interest or purchaser of the Leased Premises (the "**Successor Landlord**") obligating such Successor Landlord to be bound by this Lease and by all of Tenant's rights hereunder, including but not limited to the rights of Tenant conferred by Sections 2 and 23 hereof. Tenant agrees not to assert against any

assignee of Landlord any claim or defense Tenant may have, or claim to have, against Landlord.

CASUALTY; EMINENT DOMAIN

10. If the improvements on the Leased Premises are damaged or destroyed by fire or other casualty, or partially taken or damaged by eminent domain proceedings, or any other cause whatsoever, then Landlord shall repair and restore said improvements to their condition immediately prior to such damage or destruction. In the event of damage due to fire or other casualty, there shall be no abatement of Rental Payments or any other sums payable by Tenant under this Lease for the then remaining Renewal Term. In any event Tenant shall immediately secure the Leased Premises to prevent waste or exposure. Landlord shall commence such repair and restoration as soon as commercially practicable after such occurrence and diligently pursue such repair and restoration to completion.

Notwithstanding anything herein to the contrary, if Tenant ever ceases to operate the Amenities on the Leased Premises for 30 days or longer, subject to damage, destruction, condemnation and eminent domain, Landlord may, in its sole discretion and after at least 10 days advance notice to Tenant (which notice may be given within 10 days after the Tenant ceases operation of the Amenities), elect to terminate this Lease as of such future date designated by Landlord in such notice in which event Tenant will be released of any further liability as of the date of termination; provided that after receiving such notice, but prior to the termination date of the Lease, Tenant has the option of providing a notice to pay the Purchase Price within six months of the date of such notice.

LANDLORD'S RIGHT TO INSPECT

11. Landlord may at reasonable times during Tenant's business hours, and after so advising Tenant, enter the Leased Premises for the purpose of examining and, after reasonable notice and opportunity for Tenant to cure, of making repairs at Tenant's expense that Tenant does not timely make, provided such entry shall not unreasonably interfere with Tenant's business. Nothing herein shall obligate Landlord to make any repair not required of Landlord hereunder.

SURRENDER

12. Upon non-renewal or termination of this Lease, except by reason of purchase of the Leased Premises by the Tenant, Landlord has the right to demand that Tenant shall surrender immediate possession of the Leased Premises. Tenant shall surrender immediate possession of the Leased Premises pursuant to the provisions of Section 3(c)(i) and (ii). Any holding over by Tenant shall not operate, except by written agreement, to extend or renew this Lease or to imply or create a new lease. Tenant shall repair any and all damage to the Leased Premises caused by the removal of Tenant's fixtures and

equipment. This Section shall be inapplicable in the event Tenant pays the Purchase Price (defined herein) pursuant to Section 23.

TITLE AND POSSESSION

13. a. Landlord covenants, represents and warrants to Tenant as follows: (i) that Landlord has fee simple title to the Leased Premises; (ii) that Landlord has the full right, power and authority, without the consent or approval of any other party (except as has been obtained prior to the execution hereof), to enter into this Lease and perform the obligations on the part of the Landlord to be kept and performed, including the sale of the Leased Premises in accordance with Section 23 hereof without the consent of any other party, including the lenders indicated as the beneficiaries to the Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing from Granby Realty Holdings LLC, a Colorado limited liability company to the Public Trustee of Grand County for the use of Redwood Capital Finance Company, LLC, a Delaware limited liability company, recorded June 2, 2005, at Reception No. 2005-005679, as amended (the “**Deed of Trust**”); (iii) that said entire property comprising the Leased Premises is free and clear of all liens, encumbrances and restrictions, except for encumbrances existing on the property as of the date hereof, including without limitation the Deed of Trust, and such additional encumbrances which do not materially reduce the operational value of the Amenities (collectively, the “**Permitted Exceptions**”); and (iv) that upon Tenant keeping and performing the agreements and obligations of this Lease on its part to be kept and performed, Tenant shall have peaceful and uninterrupted possession of the entire Leased Premises during the Term of this Lease, and the right to acquire the Leased Premises in accordance with Section 23 hereof.

b. The Parties acknowledge that the Leased Premises are currently subject to the Deed of Trust, which is prior and superior to this Lease, and that, in connection with the Prior Lease, Landlord shall cause to be delivered to Tenant a Subordination, Non-Disturbance and Attornment Agreement, to be executed by Redwood Capital Finance Company (the “**Lender**”). Landlord and Tenant hereby acknowledge that, in connection with the execution of this Lease, Landlord has delivered to Tenant, an agreement executed by the Lender either subordinating this Lease to the deed of trust held by the Lender but obligating the Lender and any successor thereto to be bound by this Lease and by all of Tenant’s rights hereunder (to the extent such Lender should succeed to the interest of Landlord and/or acquire title or right of possession of the Leased Premises), including but not limited to the rights of Tenant conferred by Sections 2 and 23 hereof. Such agreement provides that, notwithstanding any other agreement with the Landlord, the Lender’s consent shall not be required to permit the acquisition of the Leased Premises by the Tenant in accordance with the terms hereof.

c. Tenant, by its execution of this Lease, hereby accepts possession of the Leased Premises in its current condition, as is, where is.

TENANT'S REPRESENTATIONS AND WARRANTIES

14. Tenant represents and warrants and, so long as this Lease is in effect or any part of Tenant's obligations to Landlord remain unfulfilled, shall continue to warrant at all times, that:

a. Tenant is a special district within the State of Colorado and a political subdivision within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended, and Treasury Regulations and Rulings related thereto. Tenant will do or cause to be done all things necessary to preserve and keep its organization and existence in full force and effect.

b. Tenant has been duly authorized by the resolution of its governing body (which resolution, if requested by Landlord, is attached hereto) to execute and deliver this Lease and to carry out its obligations hereunder.

c. The Leased Premises will be used by Tenant only for the purposes legally permitted under Title 32 of the Colorado Revised Statutes, as amended from time to time.

d. The chairman or president of Tenant will request funds to make payments in each Renewal Term.

e. This Lease constitutes a valid, legal and binding obligation of Tenant enforceable against Tenant in accordance with the respective terms hereof.

WARRANTIES.

15. Tenant agrees that it has selected the Leased Premises based upon its own judgment and disclaims any reliance upon any statements or representations made by Landlord. LANDLORD MAKES NO WARRANTY WITH RESPECT TO THE LEASED PREMISES, OTHER THAN TITLE, EXPRESSED OR IMPLIED. Subject to its rights under Section 3 hereof, Tenant agrees to make Rental Payments and other payments required hereunder without regard to the condition of the Leased Premises. So long as no Event of Default has occurred and is continuing, Landlord agrees, to the extent it is assignable, to assign to Tenant, without any recourse to Landlord, any warranty received by Landlord.

LAWS AND TAXES

16. Tenant shall comply with all laws and regulations relating to the Leased Premises. Pursuant to Section 39-3-124, C.R.S., the Leased Premises were not subject to property taxation under the Prior Lease and shall not be subject to property taxation under this Lease. Subject to Section 9, if any of the Leased Premises become subject to property taxation, the Landlord shall pay, or cause to be paid, such property taxes when due.

INSURANCE

17. During the Original Term and all Renewal Terms and subject to Section 9, Landlord shall carry, or cause to be carried, special form coverage insurance (so-called “all risk” insurance coverage including but not limited to fire and extended coverage) covering the improvements on the Leased Premises to the extent of not less than one hundred percent (100%) of the lesser of (a) the Purchase Price (without taking into account the inflation component thereof) or (b) the full replacement value of the Improvements less foundations, with companies which are authorized to do business in the State of Colorado and are governed by the regulatory authority which establishes maximum rates in the vicinity. The proceeds of such insurance shall in all events be applied to rebuild, repair and restore the Leased Premises as set forth in the preceding sentence and in Section 10 hereof. Commencing with the Original Term, Tenant shall procure and continue in effect commercial public liability and property damage insurance insuring against personal injury, death or property damage occurring at the Leased Premises and arising from Tenant’s operations therein. Such public liability insurance shall cover liability and property damage for death or bodily injury in any one occurrence in a combined single limit sum of not less than \$150,000 per person or \$600,000 per occurrence, or such other amount as may be subject to, or limited by, Article 24, Part 10, C.R.S. The Parties agree that public liability insurance provided by the Colorado Special Districts Property and Liability Pool is sufficient and acceptable for the coverage required by this paragraph.

Landlord and any parties designated by Landlord, shall be named as additional insureds under the public liability and property damage insurance Tenant is required to provide under this Lease; provided that neither Tenant nor Tenant’s insurer shall have any obligation to cover or provide protection to Landlord (or its lender) with respect to the alleged acts or omissions of any contractor or subcontractor engaged or permitted by or through Landlord if such contractor or subcontractor does not itself carry insurance coverage for bodily injury, death, and/or property damage in amount of at least \$1,000,000 per incident, with companies which are authorized to do business in the State of Colorado. Evidence of the existence of such public liability and property damage policies shall be delivered to Landlord and to its mortgage or trustee upon request in the form of a certificate of insurance providing, among other things, that the insurance coverage may not be cancelled without 30 days’ prior written notice to Landlord. Evidence of the existence of “all risk” insurance coverage shall be delivered to Tenant in the form of a certificate of insurance providing, among other things, that the insurance coverage may not be cancelled without 30 days’ prior written notice to Tenant. The provisions of this Section shall survive the termination of this Lease; provided that Landlord shall not be required to maintain “all risk” insurance on the Leased Premises after termination of this Lease.

MUTUAL INDEMNITY

18. Except for loss, cost and expense caused by fire or other casualty, and subject to the waiver of subrogation set forth herein, to the extent permitted by law, Landlord and Tenant shall each indemnify, defend and hold harmless the other against and from any and all claims, damages, actions, loss, cost and expense (including but not limited to attorneys' fees) resulting directly or indirectly from their own respective negligent and/or willful acts or omissions or the negligent or willful acts or omissions of their respective contractors, employees or agents (acting within the scope of their engagement, employment or agency).

Tenant agrees that, in the event of loss due to any of the perils for which it has agreed to provide insurance, Tenant shall look first to its insurance for recovery. Tenant hereby grants to Landlord, on behalf of any insurer providing insurance with respect to the Leased Premises, a waiver of any right of subrogation which any insurer may acquire against Landlord by virtue of payment of any loss under such insurance (or self-insurance), provided that such waiver of the right of subrogation shall not be operative where the effect is to invalidate such insurance coverage.

Any indemnification by Tenant under this Section shall be limited to the extent permitted by law, and nothing contained herein shall be construed as a waiver of Tenant's rights under the Colorado Governmental Immunity Act, in whole or in part.

BROKERAGE

19. Landlord and Tenant represent that they have dealt with no broker or agent with respect to this Lease. Landlord hereby indemnifies, defends, saves and holds Tenant harmless against any claims for brokerage commissions or compensation or other claims of any kind (including reasonable attorneys' fees) arising out of any misrepresentation made by Landlord under this Section. To the extent permitted by law, Tenant hereby indemnifies and saves and holds Landlord harmless against any claims for brokerage commission or compensation or other claims of any kind (including reasonable attorneys' fees and costs) arising out of any misrepresentation made by Tenant under this Section.

NOTICES

20. All notices hereunder shall be in writing and sent by United States certified or registered mail, postage prepaid, or by overnight delivery service providing proof of receipt, addressed if to Landlord:

Attention to: Marise Cipriani
Granby Realty Holdings LLC
999 Village Road
Post Office Box 1110
Granby, Colorado 80446

with a copy to:

Paul Timmins, Esq.
Bryan Cave HRO
1700 Lincoln Street, Suite 4100
Denver, Colorado 80203

and if to Tenant:

Headwaters Metropolitan District
Robertson & Marchetti, P.C.
Post Office Box 600
Edwards, Colorado, 81632
Attention: Eric Weaver

with a copy to:

White, Bear & Ankele Professional Corporation
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122
Attention: Gary R. White

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

TRANSFER OF TITLE

21. In the event that Landlord conveys its interest in the Leased Premises to any other person or entity, Tenant shall have no obligation to pay Rental Payments or any other charges under this Lease to any such transferee until Tenant has been so notified and has received satisfactory evidence of such conveyance together with a written direction from such transferee as to the name and address of the new payee of Rental Payments and other charges, and until Tenant has received the written documentation described in Section 9 hereof. It is understood and agreed that Tenant's withholding of Rental Payments and other charges until its receipt of such satisfactory evidence shall not be deemed a default under this Lease. In the event of the transfer and assignment by Landlord of its interest in this Lease and in the property or Leased Premises to a person expressly assuming Landlord's obligations under this Lease, Landlord shall thereby be released from any further obligations hereunder to the extent of the transfer of Landlord's interest under this Lease, and in the event Landlord transfers all of its interest in this Lease, then Tenant agrees to look solely to such successor in interest of the Landlord for performance of such obligations.

RENT TAX

22. In the event that any governmental authority imposes a tax, charge, assessment or other imposition upon tenants in general which is based upon the rents payable under this Lease, and Tenant is not exempt therefrom, Landlord shall pay (or cause to be paid) the same to said governmental authority in a timely manner and shall provide Tenant with evidence of payment.

ACQUISITION BY TENANT

23. a. The Parties agree that:

- i. The Appraisal established an overall combined value of the ski area and golf area of \$19,397,358 and a value of the Base Camp Lodge of \$1,420,385.
- ii. The Grand County Assessor attributes 31.55% (or \$448,132) of the assessed value of the Base Camp Lodge to the third floor, which floor is not included within the Leased Premises.
- iii. The “**Adjusted Appraisal Value**” of the Leased Premises is \$18,949,226, calculated as the value of the entire ski area and golf area (\$19,397,358) less the value of the third floor of the Base Camp Lodge (\$448,132).

b. The Parties have agreed that the “**Purchase Price**” of the Leased Premises shall be the lesser of (i) the Adjusted Appraisal Value subject to (A) increases, if any, for capital improvements with a useful life of at least seven years and a cost of at least \$250,000, (B) annual adjustments (for Real Estate only) by the Consumer Price Index for Denver-Boulder-Greeley for the preceding fiscal year calculated from 2006 and (C) with respect to equipment and machinery not included in section (i)(A), the then-current book value of the item, and (ii) all Amenity Fees collectable by Tenant under the Amenity Fee Agreements and the Fee Resolution. Capital improvements to real property shall be certified by an architect or engineer.

c. In addition to acquisition by payment of the Purchase Price, Tenant shall acquire the Leased Premises on December 31, 2062 if this Lease has not been otherwise terminated in accordance with Section 2(a), and (b) or (c) of this Lease.

d. Acquisition of the Leased Premises pursuant to this Section by Tenant is subject to the provisions hereof and the satisfaction of all other representations, covenants, warranties and obligations of Tenant under this Lease (unless all breaches of the same have been waived by Landlord in writing). Upon satisfaction of such conditions, Landlord agrees that it shall deliver to Tenant the documents specified in this Section.

e. On the closing date, Landlord will deliver to Tenant a warranty deed for the Leased Premises free and clear of any material lien or encumbrance created by or arising through Landlord, subject to the Permitted Exceptions (other than the Deed of Trust and similar encumbrances relating to financings of the Landlord or successors thereto) and such other reservations, covenants, easements and restrictions arising from the obligation of Tenant hereunder, or are entered into by Landlord pursuant to Section 1.b hereof, and building and zoning laws and other ordinances.

f. Except for any filing fees associated with the satisfaction of any mortgages or other liens created by Landlord, Tenant shall pay all state deed tax, fees and taxes due in connection with the recording of the deed and other conveyance documents.

g. Tenant shall be solely responsible for the payment of all costs incurred in providing a title insurance commitment for the Leased Premises, and Tenant shall be solely responsible for any closer's fee, title insurance premiums, survey, engineering, environmental and other due diligence costs.

DEFAULT AND REMEDIES

24. a. If any Rental Payment is due in accordance with the provisions of Section 3 hereof and remains unpaid for ten days after receipt of notice from Landlord, or if Tenant breaches any of the other covenants of this Lease and if such other breach continues for 30 days after receipt of written notice from Landlord, Landlord shall then, but not until then, have the right to sue for Rental Payments and/or other sums due Landlord as a result of Tenant's default and/or for such equitable relief or equitable remedies as may be available to Landlord as a result of Tenant's default, or to terminate this Lease and re-enter the Leased Premises, or without terminating this Lease, re-enter the Leased Premises and re-let the same as hereinafter provided; but if Tenant shall pay said Rental Payments within said ten days, or in good faith within said 30 days commence to correct such other breach, and diligently proceed therewith, then Tenant shall not be considered in default. Nothing contained herein shall permit Landlord to terminate this Lease if the default by the Tenant hereunder is not a material default. Nothing contained herein shall permit Landlord to accelerate any Rental Payments or other sums due by Tenant under this Lease.

b. If Landlord breaches any of the covenants of this Lease and if such breach continues for 30 days after receipt of written notice from Tenant, Tenant shall then, but not until then, have the right to sue for such equitable relief or equitable remedies as may be available to Tenant as a result of Landlord's default, or to terminate this Lease; but if Landlord shall in good faith within said 30 days commence to correct such breach, and diligently proceed therewith, then Landlord shall not be considered in default. Nothing contained herein shall permit Tenant to terminate this Lease if the default by the Landlord hereunder is not a material default.

c. No delay on the part of either Party in enforcing any of the provisions of this Lease shall be considered as a waiver thereof. Any consent or approval granted by either Party under this Lease must be in writing and shall not be deemed to waive or render unnecessary the obtaining of consent or approval with respect to any subsequent act or omission for which consent is required or sought. Nothing contained herein shall allow recovery for consequential or punitive damages.

d. In the event Landlord defaults in its obligations under Section 23, Tenant may demand specific performance.

ESTOPPEL

25. At any time and from time to time either Party, upon request of the other Party or mortgagee, will execute, acknowledge and deliver an instrument, stating, if the same be true, that this Lease is a true and exact copy of this Lease between the Parties, that there are no amendments hereof (or stating what amendments there may be), that the same is then in full force and effect and that, to the best of its knowledge, there are no offsets, defenses or counterclaims with respect to the payment of rent reserved hereunder or in the performance of the other terms, covenants and conditions hereof on the part of Tenant or Landlord, as the case may be, to be performed, and that as of such date no default has been declared hereunder by either Party or if a default has been declared, such instrument shall specify same and such other information as reasonably requested. Such instrument will be completed by the other Party and delivered to the requesting Party within 20 days of receipt of a written request.

SUBORDINATION

26. Upon the request of Landlord, Tenant shall subordinate the lien of this Lease to the lien of any mortgage or deed of trust encumbering the Leased Premises, so long as such lender provides Tenant a Non-Disturbance Agreement in form and substance reasonably acceptable to Tenant and which shall provide, among other things, that upon such lender's succession of interest it shall be bound as Landlord to the provisions of this Lease, including the Tenant's right to acquire the Leased Premises in accordance with Section 23 hereof. Such instrument will be completed by Tenant and delivered to Landlord within 10 days of the date requested.

FORCE MAJEURE

27. In the event that either Party hereto shall be delayed or hindered or prevented from performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, riots, insurrection, war or other reason of similar nature beyond the control of the Party delayed in performing the work or doing the acts required under the terms of this Lease, then the performance of such acts shall be excused for the period of the delay (not greater than 90 days) caused by the foregoing.

The provisions of this Section shall not excuse Landlord from the timely delivery of possession of the Leased Premises as required herein. The provisions of this Section shall not excuse Tenant from the timely payment of the rent and other charges required to be paid pursuant to the terms of this Lease. Financial inability shall not excuse performance by either Party.

MISCELLANEOUS

28. a. Captions of the several Sections contained in this Lease are for convenience only and do not constitute a part of this Lease and do not limit, affect or construe the contents of such Sections. The Recitals of this Lease are incorporated into the covenants of this Lease by reference.

b. If any provision of this Lease shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

c. If Landlord is comprised of more than one person or entity, the obligations imposed on Landlord under this Lease shall be joint and several.

d. All provisions of this Lease have been negotiated by both Parties at arm's length and neither Party shall be deemed the scrivener of this Lease. This Lease shall not be construed for or against either Party by reason of the authorship or alleged authorship of any provision hereof.

e. This instrument shall merge all undertakings, representations, understandings, and agreements whether oral or written, between the Parties with respect to the Leased Premises and the provisions of this Lease and shall constitute the entire Lease unless otherwise hereafter modified by both Parties in writing.

f. This instrument shall also bind and benefit, as the case may require, the heirs, legal representatives, assigns and successors of the respective Parties, and all covenants, conditions and agreements herein contained shall be construed as covenants running with the land. This instrument shall not become binding upon the Parties until it shall have been executed and delivered by both Landlord and Tenant.

g. This instrument shall be governed by and shall be construed in accordance with the laws of the State of Colorado.

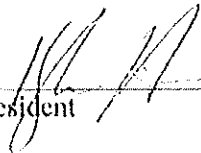
h. Time is of the essence in both Parties' performance of their respective obligations under this Lease.

i. This Lease may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Executed copies of this Lease may be delivered by facsimile or email of a

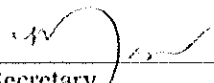
PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease, under seal, as of the day and year first above written.

HEADWATERS METROPOLITAN
DISTRICT

By: _____
President

Attest:

_____
Secretary

GRANBY REALTY HOLDINGS LLC
A Colorado limited liability company

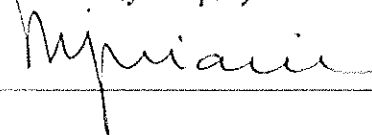
By: _____
Manager

EXHIBIT A

Leased Premises

LEGAL DESCRIPTION NO. 11

LEASE PURCHASE AGREEMENT

SHEET 1 OF 9

PARCEL A

A PARCEL OF LAND LOCATED IN THE SOUTH HALF OF SECTION 16, THE SOUTHEAST 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:

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;

CARROLL & LANGE-MANHARD
A MANHARD CONSULTING COMPANY

Professional Engineers & Land Surveyors
7442 South Tucson Way, Suite 190-A Centennial, Colorado 80112 (303) 708-0500

P:\Grhgrc2\dwg\Surv\Final Drawings\Exhibits Surv\2013 - Lease Purchase\...Purchase 11_010613 SCT

EXHIBIT 6

LEGAL DESCRIPTION NO. 11

LEASE PURCHASE AGREEMENT

PARCEL A CONTINUED ...

SHEET 2 OF 9

THENCE SOUTH 47°40'17" EAST, A DISTANCE OF 55.96 FEET;
THENCE NORTH 72°23'16" EAST, A DISTANCE OF 889.28 FEET;
THENCE SOUTH 55°44'06" EAST, A DISTANCE OF 525.10 FEET;
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,

SAID PARCEL CONTAINS A GROSS AREA OF 12,179,374 SQUARE FEET OR 279.60 ACRES, MORE OR LESS;

EXCEPT FROM SAID PARCEL A THE FOLLOWING DESCRIBED PARCEL:

THE 2.40 ACRE OPEN SPACE PARCEL SHOWN ON THE FINAL PLAT OF THE MOUNTAINSIDE 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 MOUNTAINSIDE 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;

SAID PARCEL CONTAINS AN AREA OF 114,164 SQUARE FEET OR 2.62 ACRES, MORE OR LESS.

SAID PARCEL A CONTAINS A NET AREA OF 12,065,210 SQUARE FEET OR 276.98 ACRES, MORE OR LESS.

TOGETHER WITH THE FOLLOWING DESCRIBED PARCEL:

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:

CARROLL & LANGE-MANHARD
A MANHARD CONSULTING COMPANY

Professional Engineers & Land Surveyors
7442 South Tucson Way, Suite 190-A Centennial, Colorado 80112 (303) 708-0500

LEGAL DESCRIPTION NO. 11

LEASE PURCHASE AGREEMENT

SHEET 3 OF 9

PARCEL B CONTINUED ...

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;

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;

SAID PARCEL CONTAINS AN AREA OF 448,639 SQUARE FEET OR 10.30 ACRES, MORE OR LESS.

TOGETHER WITH THE FOLLOWING DESCRIBED PARCEL:

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;

SAID PARCEL CONTAINS AN AREA OF 199,615 SQUARE FEET OR 4.583 ACRES, MORE OR LESS.

I, JAMES M. ROAKE, A SURVEYOR LICENSED IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND CHECKING.

JAMES M. ROAKE, P.L.S. 37898
FOR AND ON BEHALF OF
CARROLL & LANGE, INC.

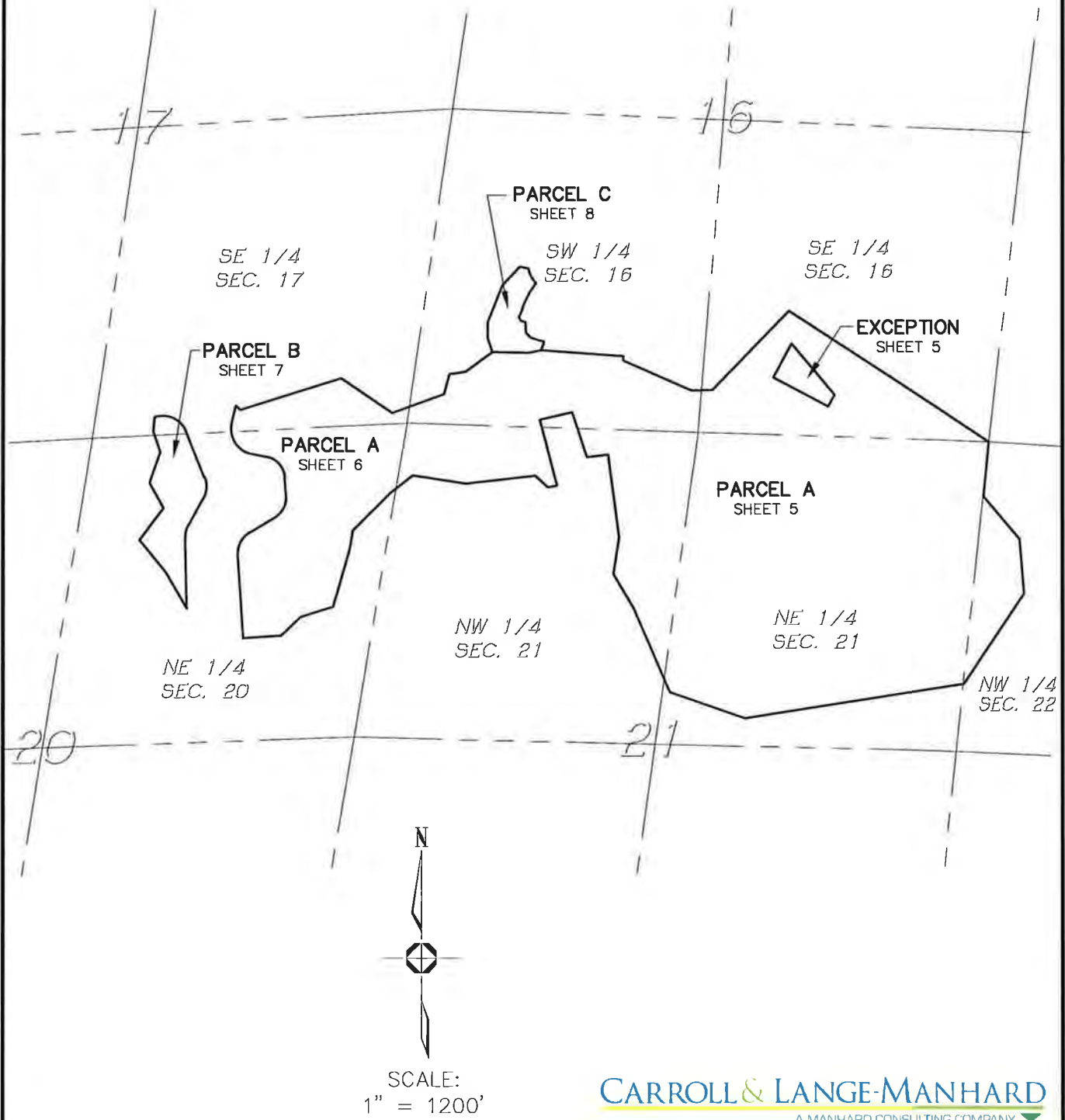


1-7-13
DATE

CARROLL & LANGE-MANHARD
A MANHARD CONSULTING COMPANY

Professional Engineers & Land Surveyors
7442 South Tucson Way, Suite 190-A Centennial, Colorado 80112 (303) 708-0500

LEGAL DESCRIPTION NO. 11
LEASE PURCHASE AGREEMENT
SHEET 4 OF 9



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EXHIBIT 6

LEGAL DESCRIPTION NO. 11

LEASE PURCHASE AGREEMENT
SHEET 5 OF 9

SEE SHEET 6

SEE SHEET 6

SW 1/4
SEC. 16

SE 1/4
SEC. 16

WEST LINE, SE 1/4 SECTION 16

EXCEPTED PARCEL
114,164 S.F.±
2.62 AC.±

POINT OF BEGINNING
EXCEPTED PARCEL

POINT OF BEGINNING
PARCEL A
SE CORNER, SEC. 16,
FND. 3-1/4" BLM
BRASS CAP. 1974

TIE: N73°01'23"W
1364.97'

BASIS OF BEARINGS
SOUTH LINE, SE 1/4 SECTION 16
S88°03'34"E 2454.93'

SOUTH LINE, SW 1/4
SECTION 16

SW COR., SE 1/4,
SEC. 16, FND. 1-1/2"
IRON BAR, LS 4043

NW 1/4
SEC. 22

PARCEL A
12,065,210 S.F.± (NET)
276.98 AC.± (NET)

NW 1/4
SEC. 21

NE 1/4
SEC. 21



SCALE:
1" = 600'

NOTE:

- Denotes Change of Direction Only. This exhibit does not represent a monumented survey. It is intended only to depict the attached legal description.

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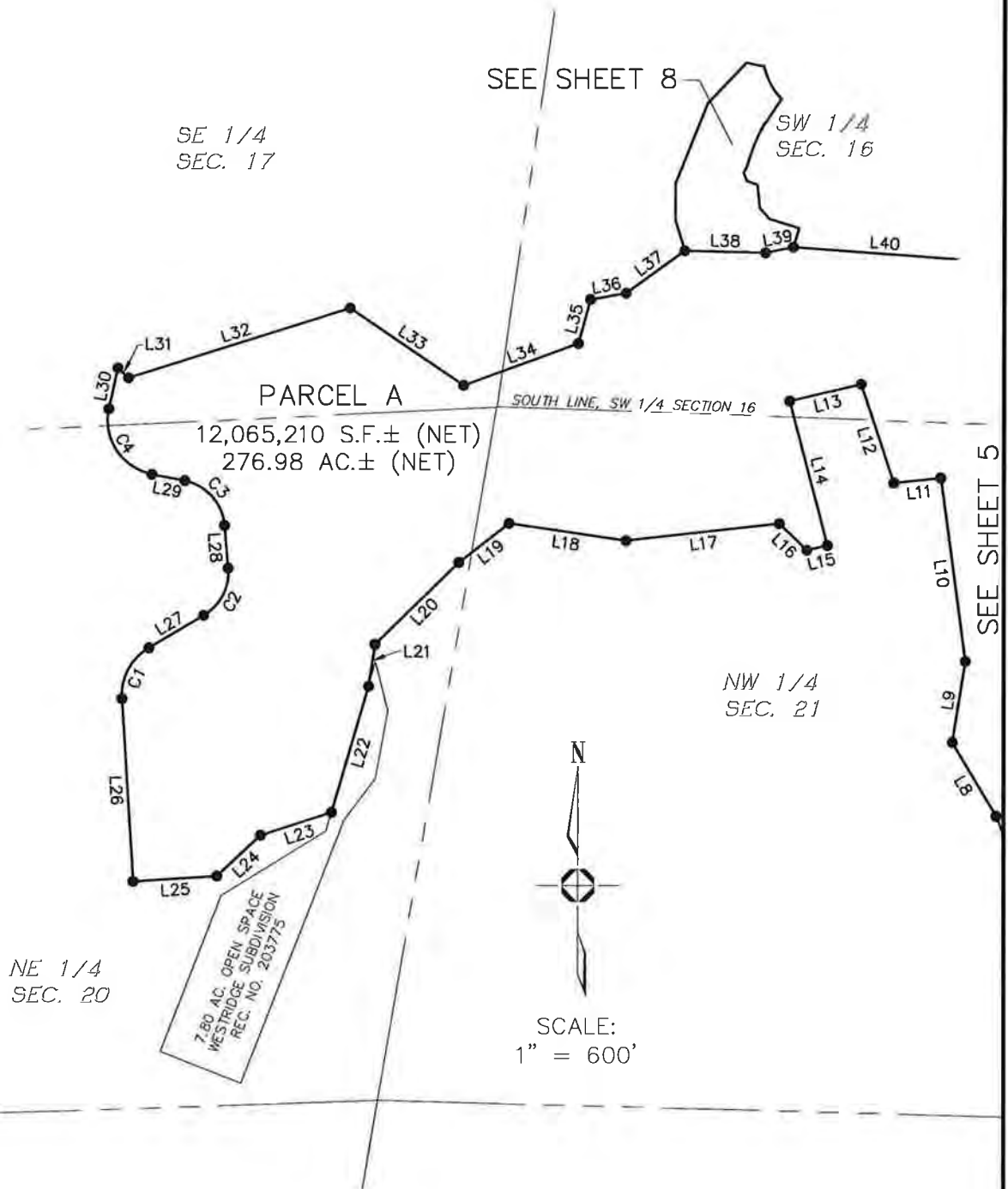
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EXHIBIT 6

LEGAL DESCRIPTION NO. 11

LEASE PURCHASE AGREEMENT

SHEET 6 OF 9



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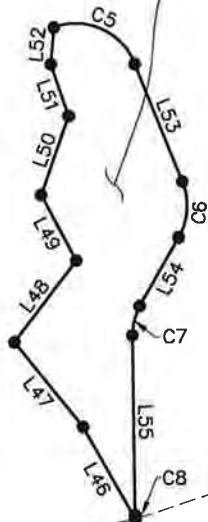
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EXHIBIT 6

LEGAL DESCRIPTION NO. 11
LEASE PURCHASE AGREEMENT
SHEET 7 OF 9

SE 1/4
SEC. 17

PARCEL B
448,639 S.F.±
10.299 AC.±



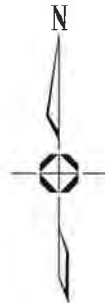
NE 1/4
SEC. 20

SW COR., SE 1/4,
SEC. 16, FND. 1-1/2"
IRON BAR, LS 4043

POINT OF
COMMENCEMENT
SE CORNER, SEC. 16,
FND. 3-1/4" BLM
BRASS CAP, 1974

BASIS OF BEARINGS
SOUTH LINE, SE 1/4 SECTION 16
S88°03'34"E 2454.93'

TIE: S78°20'20"W 6915.33'



SCALE:
1" = 600'

NOTE:

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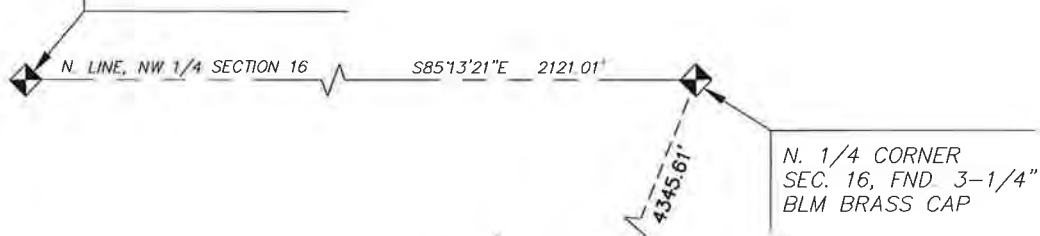
EXHIBIT 6

LEGAL DESCRIPTION NO. 11

LEASE PURCHASE AGREEMENT

SHEET 8 OF 9

NW CORNER OF
SEC. 16, FND. 3-1/4"
BLM BRASS CAP



N. 1/4 CORNER
SEC. 16, FND. 3-1/4"
BLM BRASS CAP



SCALE:
1" = 200'

PARCEL C
199,615 S.F. ±

LOT 1

LOT 2

LOT 1

SW 1/4
SEC. 16

GRANBY RANCH
FILING 12

GRANBY RANCH
FILING 9

SEE SHEET 6

NOTE:

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EXHIBIT 6

LEGAL DESCRIPTION NO. 11
LEASE PURCHASE AGREEMENT
SHEET 9 OF 9

LINE TABLE		
LINE	LENGTH	BEARING
L1	462.06'	S05°26'12"W
L2	469.61'	S40°07'39"E
L3	462.16'	S04°18'25"E
L4	915.51'	S33°32'02"W
L5	1873.21'	S81°08'12"W
L6	668.03'	N70°30'00"W
L7	776.98'	N23°18'26"W
L8	328.94'	N30°49'51"W
L9	313.33'	N09°04'28"E
L10	706.28'	N07°43'55"W
L11	179.60'	S83°39'49"W
L12	396.44'	N18°13'07"W
L13	280.22'	S76°42'33"W
L14	570.85'	S14°43'51"E
L15	81.46'	S77°24'42"W
L16	145.16'	N46°17'56"W
L17	588.82'	S83°40'40"W
L18	451.13'	N81°31'51"W
L19	243.82'	S52°15'23"W
L20	446.51'	S45°27'54"W
L21	161.42'	S08°47'03"W
L22	502.04'	S16°16'51"W
L23	283.80'	S72°02'29"W
L24	229.29'	S46°48'58"W
L25	322.14'	S86°25'33"W
L26	698.83'	N03°33'35"W
L27	245.18'	N59°16'01"E
L28	164.28'	N04°47'39"W
L29	129.25'	N78°53'58"W
L30	159.45'	N12°07'54"E
L31	55.96'	S47°40'17"E
L32	889.28'	N72°23'16"E
L33	525.10'	S55°44'06"E
L34	466.83'	N70°01'41"E
L35	175.69'	N15°21'32"E
L36	138.25'	N80°19'01"E

LINE TABLE		
LINE	LENGTH	BEARING
L37	276.17'	N53°59'13"E
L38	307.57'	S88°37'12"E
L39	108.71'	N78°19'12"E
L40	695.64'	S85°51'25"E
L41	36.68'	S04°47'55"W
L42	627.82'	S65°56'43"E
L43	178.77'	N88°45'26"E
L44	929.57'	N44°10'34"E
L45	2016.36'	S56°43'40"E
L46	348.56'	N29°40'56"W
L47	356.52'	N39°20'38"W
L48	336.92'	N36°59'58"E
L49	243.37'	N28°32'00"W
L50	274.21'	N19°06'15"E
L51	180.51'	N19°20'21"W
L52	120.69'	N04°42'05"E
L53	416.94'	S22°09'28"E
L54	258.29'	S29°17'47"W
L55	588.47'	S01°06'49"E
L56	114.25'	S28°16'56"W
L57	520.40'	N61°43'04"W
L58	324.51'	N28°16'56"E
L59	561.27'	S39°43'04"E
L60	109.64'	S33°51'35"W
L61	1.62'	N52°18'05"W
L62	35.32'	S19°31'53"E
L63	45.09'	S71°02'21"E
L64	88.48'	S04°19'36"E
L65	55.91'	S41°58'51"E
L66	120.53'	S72°14'42"E
L67	75.17'	S17°45'19"W
L68	121.46'	N17°08'17"W
L69	142.09'	N00°00'00"E
L70	330.83'	N21°46'58"E
L71	213.94'	N43°15'18"E
L72	68.26'	S77°58'44"E

CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	BEARING
C1	62°49'37"	210.00'	230.27'	N27°51'13"E
C2	64°03'40"	190.00'	212.43'	N27°14'11"E
C3	74°06'19"	190.00'	245.74'	N41°50'48"W
C4	91°01'52"	210.00'	333.65'	N33°23'02"W
C5	87°23'52"	210.00'	320.33'	S65°51'24"E
C6	51°27'15"	210.00'	188.59'	S03°34'09"W
C7	30°24'36"	190.00'	100.84'	S14°05'29"W
C8	04°15'11"	190.00'	14.10'	S03°14'24"E
C9	13°45'13"	698.00'	167.55'	S22°59'47"W
C10	17°14'51"	132.00'	39.74'	S24°44'36"W
C11	31°44'20"	262.00'	145.14'	S28°04'58"E

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EXHIBIT 6

LEGAL DESCRIPTION NO. 12

LEASE PURCHASE AGREEMENT

SHEET 1 OF 20

PARCEL A

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;

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 86°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;

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LEGAL DESCRIPTION NO. 12

LEASE PURCHASE AGREEMENT
PARCEL A CONTINUED ... SHEET 2 OF 20

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;
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;

CONTAINING A CALCULATED AREA OF 1,156,452 SQUARE FEET OR 26.548 ACRES, MORE OR LESS;

TOGETHER WITH THE FOLLOWING DESCRIBED PARCEL:

PARCEL B

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;

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LEGAL DESCRIPTION NO. 12

LEASE PURCHASE AGREEMENT

PARCEL B CONTINUED ...

SHEET 3 OF 20

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;
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;

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LEGAL DESCRIPTION NO. 12

LEASE PURCHASE AGREEMENT

SHEET 4 OF 20

PARCEL B CONTINUED ...

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°49'58" 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;

CONTAINING A CALCULATED AREA OF 1,899,822 SQUARE FEET OR 43.614 ACRES, MORE OR LESS;

TOGETHER WITH THE FOLLOWING DESCRIBED PARCEL:

PARCEL C

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:

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

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LEGAL DESCRIPTION NO. 12

LEASE PURCHASE AGREEMENT

SHEET 5 OF 20

PARCEL C CONTINUED ...

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;

CONTAINING A CALCULATED AREA OF 116,372 SQUARE FEET OR 2.672 ACRES, MORE OR LESS;

TOGETHER WITH THE FOLLOWING DESCRIBED PARCEL:

PARCEL D

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;

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LEASE PURCHASE AGREEMENT

PARCEL D CONTINUED ...

SHEET 6 OF 20

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;
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 133.02 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°56'34" 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;

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LEGAL DESCRIPTION NO. 12

LEASE PURCHASE AGREEMENT

PARCEL D CONTINUED ...

SHEET 7 OF 20

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;
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;

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LEGAL DESCRIPTION NO. 12

LEASE PURCHASE AGREEMENT
PARCEL D CONTINUED ... SHEET 8 OF 20

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;

CONTAINING A CALCULATED AREA OF 4,848,457 SQUARE FEET OR 111.305 ACRES, MORE OR LESS;

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL:

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;

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LEGAL DESCRIPTION NO. 12

LEASE PURCHASE AGREEMENT

SHEET 9 OF 20

EXCEPTED PARCEL CONTINUED ...

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 63.64 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°33'56" 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;
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;

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EXHIBIT 6

LEGAL DESCRIPTION NO. 12

LEASE PURCHASE AGREEMENT
SHEET 10 OF 20

EXCEPTED PARCEL CONTINUED ...

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;

CONTAINING A CALCULATED AREA OF 1,453,921 SQUARE FEET OR 33.377 ACRES, MORE OR LESS;

THE NET AREA OF PARCEL D AFTER EXCEPTION IS 3,394,536 SQUARE FEET OR 77.928 ACRES,
MORE OR LESS.

I, JAMES M. ROAKE, A SURVEYOR LICENSED IN THE STATE OF COLORADO, DO HEREBY CERTIFY
THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED BY ME OR UNDER
MY DIRECT SUPERVISION AND CHECKING.

JAMES M. ROAKE, P.L.S. No. 37898
FOR AND ON BEHALF OF
CARROLL & LANGE, INC.



CARROLL & LANGE-MANHARD
A MANHARD CONSULTING COMPANY

DATE

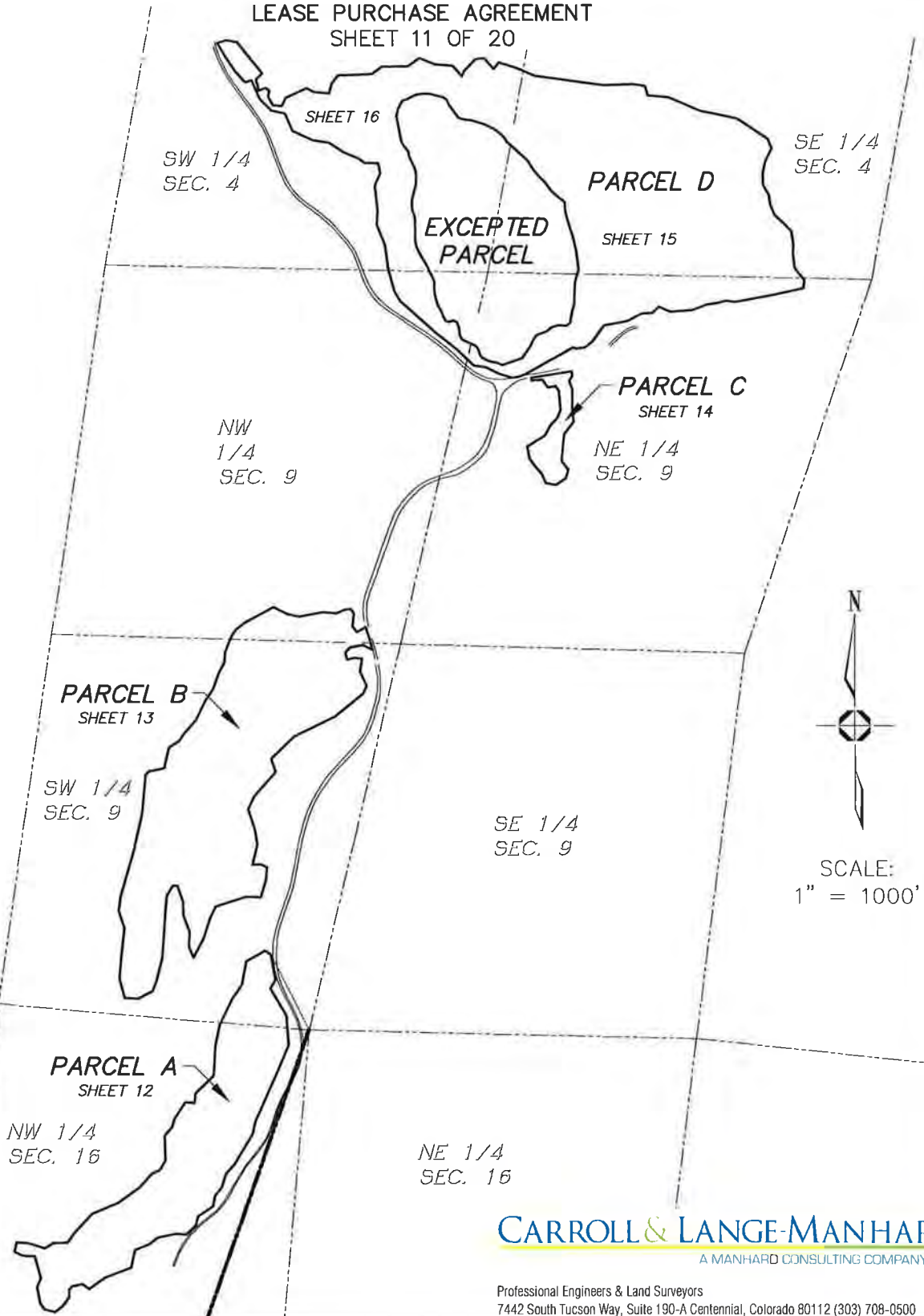
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7442 South Tucson Way, Suite 190-A Centennial, Colorado 80112 (303) 708-0500

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SHEET 11 OF 20



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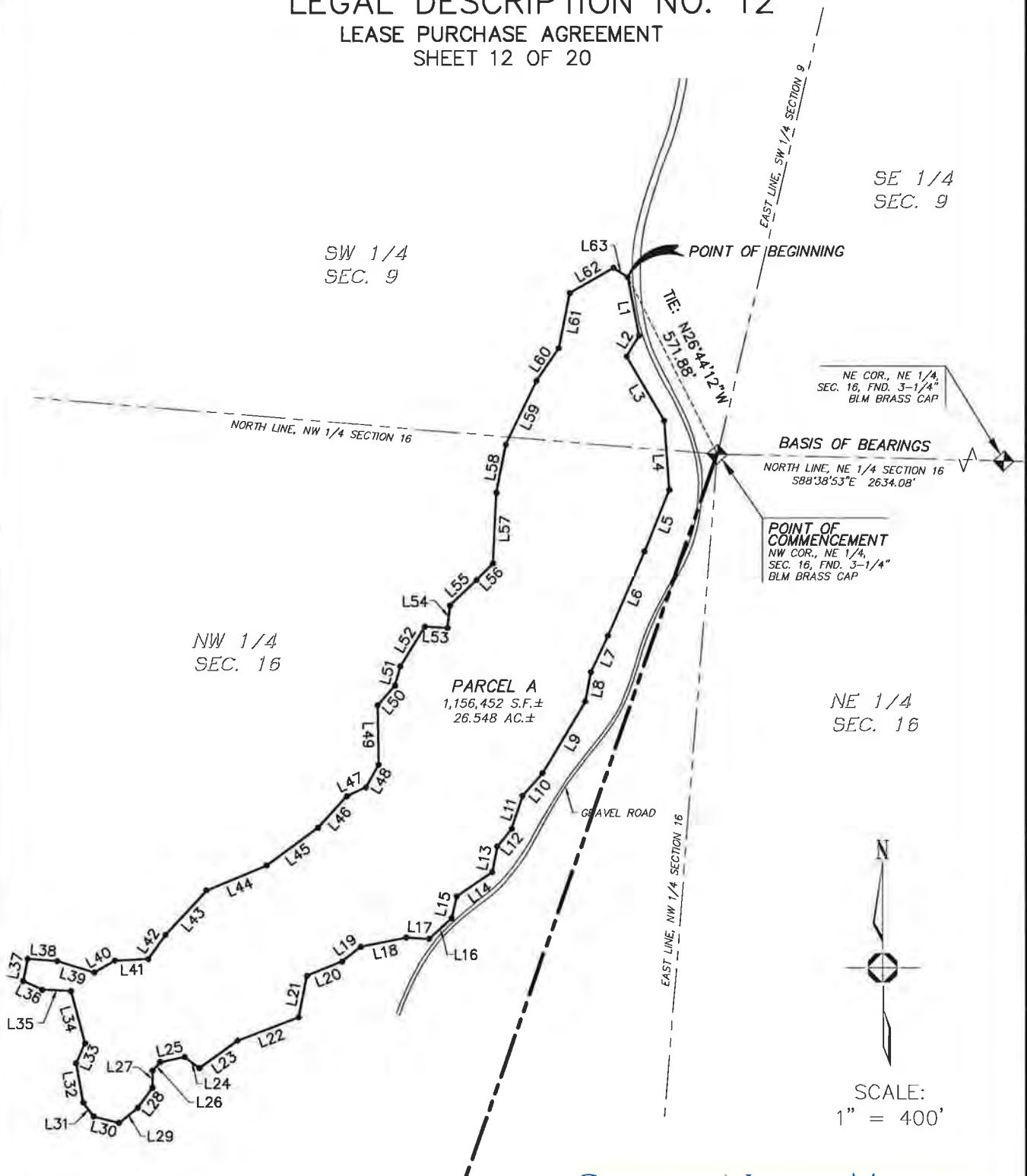
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EXHIBIT 6

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LEASE PURCHASE AGREEMENT

SHEET 12 OF 20



NOTE:

- Denotes Change of Direction Only. This exhibit does not represent a monumented survey. It is intended only to depict the attached legal description.

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EXHIBIT 6

LEGAL DESCRIPTION NO. 12

LEASE PURCHASE AGREEMENT

SHEET 13 OF 20

NW 1/4
SEC. 9

NORTH LINE, SW 1/4 SECTION 9

PARCEL B
1,899,822 S.F.±
43.614 AC.±

SW 1/4
SEC. 9

SE 1/4
SEC. 9

SCALE:
1" = 400'

POINT OF BEGINNING

TIE: N48°58'10"W 949.01'

EAST LINE, SW 1/4 SECTION 9

POINT OF COMMENCEMENT
NW COR., NE 1/4,
SEC. 16, FND. 3-1/4"
BLM BRASS CAP

NE COR., NE 1/4,
SEC. 16, FND. 3-1/4"
BLM BRASS CAP

BASIS OF BEARINGS
NORTH LINE, NE 1/4 SECTION 16
S88°38'53"E 2634.08'

NOTE:

- Denotes Change of Direction Only. This exhibit does not represent a monumented survey. It is intended only to depict the attached legal description.

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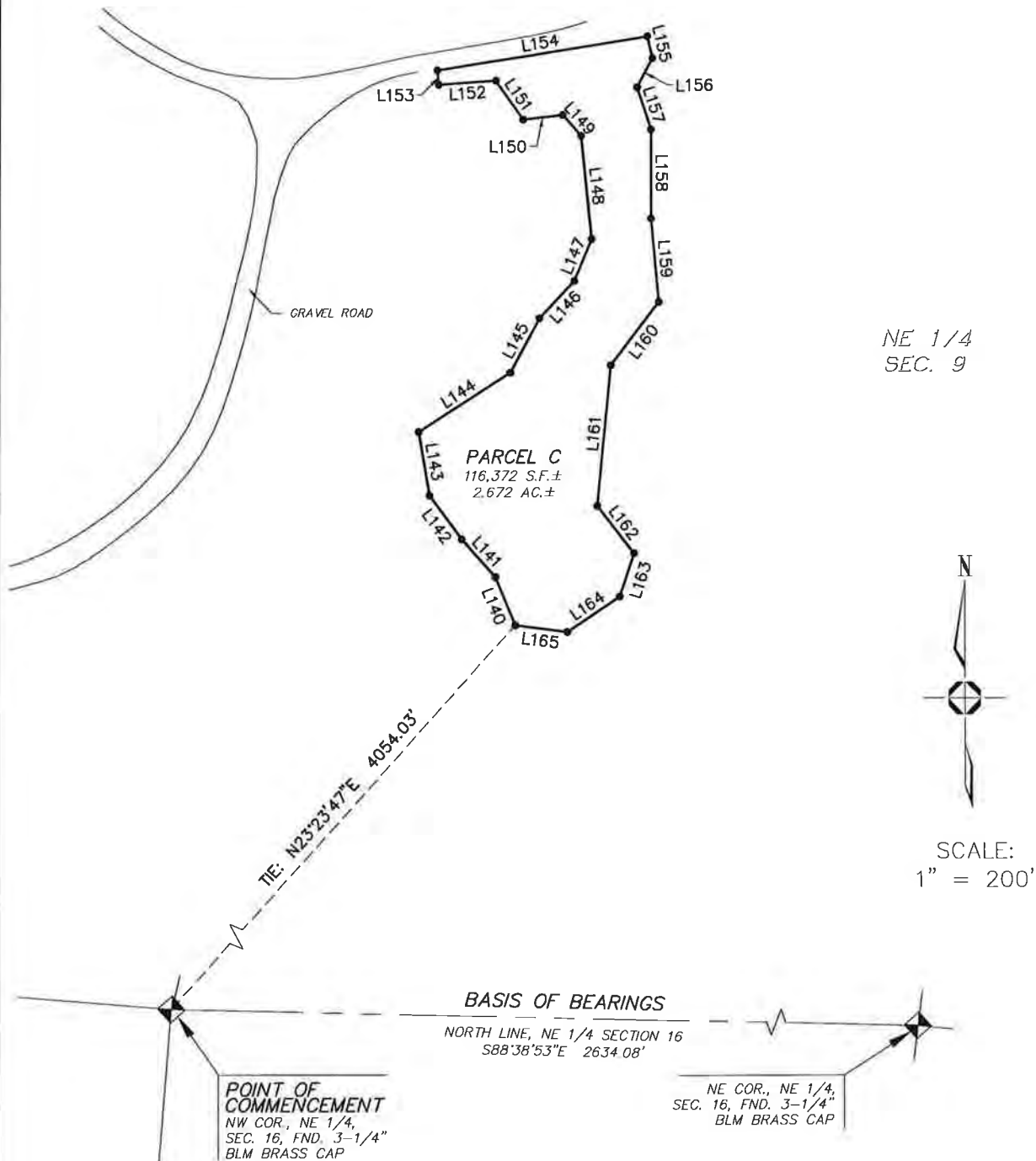
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LEGAL DESCRIPTION NO. 12
LEASE PURCHASE AGREEMENT
SHEET 14 OF 20



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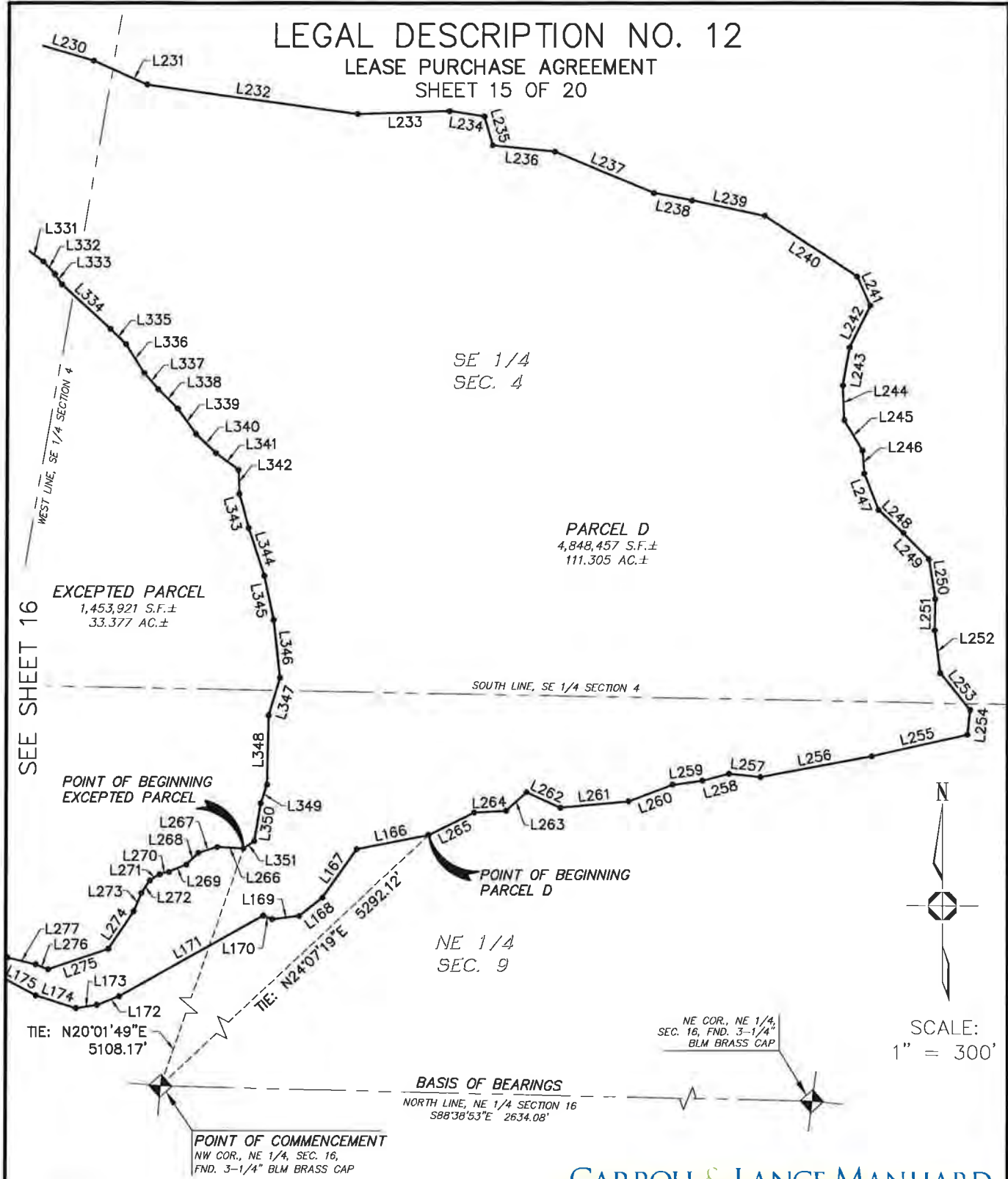
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SHEET 15 OF 20



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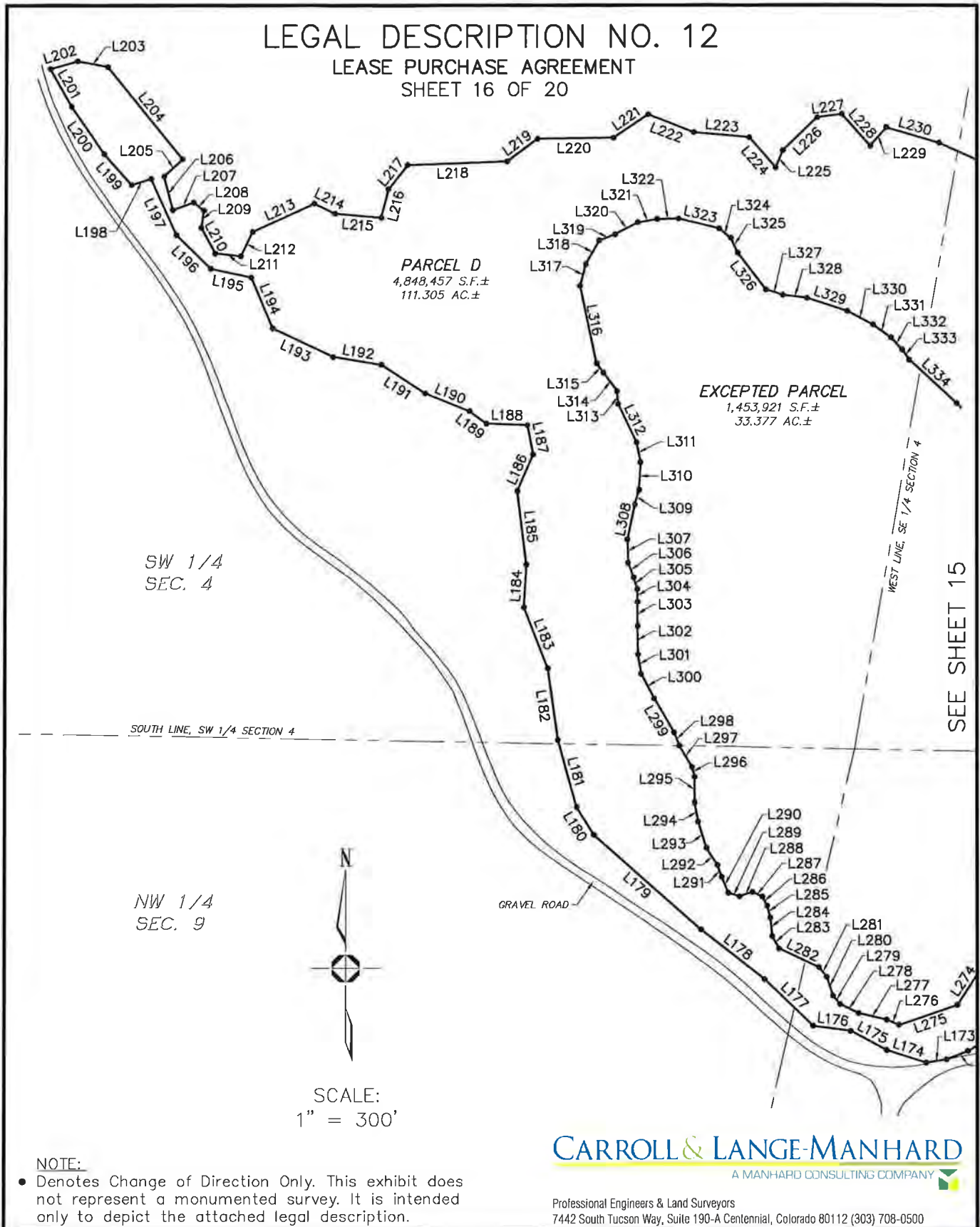
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EXHIBIT 6

LEGAL DESCRIPTION NO. 12
LEASE PURCHASE AGREEMENT
SHEET 17 OF 20

LINE TABLE – PARCEL A		
LINE	LENGTH	BEARING
L1	171.78'	S10°49'06"E
L2	69.43'	S31°11'51"W
L3	215.08'	S30°16'00"E
L4	200.36'	S04°11'05"E
L5	190.31'	S22°03'30"W
L6	264.41'	S23°39'38"W
L7	115.00'	S24°58'22"W
L8	86.25'	S10°51'59"W
L9	238.89'	S30°43'41"W
L10	87.33'	S41°30'36"W
L11	99.73'	S18°22'17"W
L12	65.32'	S39°28'33"W
L13	75.79'	S11°27'17"W
L14	123.34'	S55°40'15"W
L15	64.58'	S13°38'01"W
L16	87.81'	S47°16'02"W
L17	65.54'	N86°35'47"W
L18	131.94'	S78°18'36"W
L19	67.58'	S51°51'24"W
L20	109.15'	S67°51'37"W
L21	122.16'	S11°11'42"W
L22	188.52'	S69°13'13"W
L23	134.87'	S54°18'35"W
L24	52.62'	N52°47'23"W
L25	71.47'	S78°05'00"W
L26	32.64'	S41°40'33"W
L27	49.50'	S00°36'21"W
L28	71.00'	S36°08'18"W
L29	68.71'	S51°14'10"W
L30	75.76'	N76°12'40"W
L31	49.72'	N36°58'35"W
L32	114.91'	N10°19'49"W
L33	63.10'	N24°05'05"E
L34	155.34'	N15°11'40"W
L35	83.10'	N87°04'56"W
L36	60.38'	N65°31'18"W
L37	65.27'	N11°40'03"E
L38	85.07'	S85°25'56"E
L39	111.59'	S72°57'12"E
L40	67.87'	N59°41'08"E
L41	96.77'	N87°25'31"E
L42	85.17'	N35°17'22"E
L43	173.28'	N42°20'14"E
L44	187.78'	N67°27'08"E
L45	183.67'	N53°50'25"E

LINE TABLE – PARCEL A		
LINE	LENGTH	BEARING
L46	122.32'	N42°27'46"E
L47	60.50'	N64°40'04"E
L48	74.31'	N28°59'59"E
L49	170.85'	N01°00'12"W
L50	74.77'	N41°17'24"E
L51	57.99'	N15°21'08"E
L52	133.53'	N31°53'32"E
L53	65.21'	S86°38'08"E
L54	64.88'	N06°10'55"E
L55	106.06'	N46°20'47"E
L56	67.03'	N44°41'02"E
L57	203.27'	N02°52'47"E
L58	141.19'	N10°49'47"E
L59	204.17'	N25°50'54"E
L60	113.87'	N33°56'56"E
L61	161.91'	N11°18'19"E
L62	145.06'	N59°56'47"E
L63	49.98'	S56°47'03"E
LINE TABLE – PARCEL B		
LINE	LENGTH	BEARING
L64	149.56'	S27°39'05"W
L65	85.31'	N21°49'51"W
L66	95.73'	N02°16'58"E
L67	122.30'	N19°40'54"W
L68	91.94'	N02°50'12"W
L69	114.67'	N18°59'59"W
L70	31.02'	N90°00'00"W
L71	78.31'	S31°07'32"W
L72	120.20'	S05°20'45"W
L73	100.38'	S02°26'45"W
L74	204.18'	S04°02'51"W
L75	164.88'	S14°20'29"W
L76	70.29'	S21°12'57"W
L77	110.15'	S60°57'36"W
L78	90.06'	N87°13'39"W
L79	141.96'	N15°02'55"W
L80	152.32'	N04°12'38"E
L81	190.62'	N06°26'21"E
L82	121.68'	N17°54'52"W
L83	102.49'	N06°21'04"E
L84	313.13'	N15°56'21"E
L85	262.38'	N12°24'16"E
L86	264.05'	N04°53'46"E
L87	35.47'	N39°38'10"E

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SHEET 18 OF 20

LINE TABLE – PARCEL B		
LINE	LENGTH	BEARING
L88	108.22'	N78°38'27"E
L89	144.88'	N12°11'54"E
L90	81.13'	N57°01'32"E
L91	58.37'	N35°24'11"E
L92	125.13'	N39°59'50"E
L93	148.00'	N25°56'46"E
L94	89.86'	N34°59'42"E
L95	120.37'	N18°57'13"E
L96	79.61'	N28°31'37"E
L97	66.36'	N04°37'14"E
L98	119.34'	N20°45'26"E
L99	57.73'	N34°01'38"E
L100	75.61'	N51°45'22"E
L101	222.24'	N61°34'35"E
L102	106.62'	S63°32'41"E
L103	81.80'	S77°22'29"E
L104	160.26'	N78°50'24"E
L105	96.95'	S86°01'42"E
L106	60.50'	N67°15'54"E
L107	39.98'	N82°24'59"E
L108	36.16'	S39°09'53"E
L109	88.47'	S05°49'59"W
L110	49.09'	S35°11'24"E
L111	68.56'	N62°06'13"E
L112	86.80'	S18°17'35"E
L113	73.19'	S16°56'59"E
L114	70.79'	N66°29'56"W
L115	89.18'	S81°00'13"W
L116	45.06'	S44°58'52"W
L117	51.01'	S12°28'45"E
L118	52.93'	N76°57'53"E
L119	49.58'	S79°49'58"E
L120	86.53'	S07°39'34"W
L121	104.72'	S24°56'04"E
L122	57.42'	S23°49'54"W
L123	249.87'	S50°21'02"W
L124	307.77'	S64°05'45"W
L125	217.70'	S45°21'15"W
L126	94.51'	S17°45'31"E
L127	218.66'	S41°28'07"W
L128	98.87'	S24°48'52"W
L129	144.24'	S18°35'35"E
L130	102.50'	S09°37'22"E
L131	140.40'	S12°47'12"W
L132	57.18'	N89°19'22"E

LINE TABLE – PARCEL B		
LINE	LENGTH	BEARING
L133	43.57'	S65°15'57"E
L134	90.43'	S04°34'27"W
L135	120.22'	S16°53'14"W
L136	102.69'	N89°17'49"W
L137	214.86'	S71°44'29"W
L138	86.57'	S25°49'26"W
L139	143.89'	S17°12'32"W
LINE TABLE – PARCEL C		
LINE	LENGTH	BEARING
L140	67.33'	N22°32'13"W
L141	65.72'	N41°45'40"W
L142	70.46'	N36°12'35"W
L143	83.86'	N09°47'35"W
L144	142.17'	N57°14'35"E
L145	79.96'	N28°15'10"E
L146	66.46'	N42°41'22"E
L147	58.81'	N22°46'58"E
L148	135.05'	N05°42'12"W
L149	36.09'	N41°20'11"W
L150	51.56'	S83°42'01"W
L151	61.74'	N35°04'28"W
L152	74.59'	S86°15'56"W
L153	18.59'	N05°59'49"W
L154	277.05'	N80°55'02"E
L155	28.80'	S13°11'14"E
L156	43.04'	S27°32'14"W
L157	57.88'	S17°59'41"E
L158	115.67'	S00°00'42"E
L159	109.22'	S05°21'27"E
L160	103.69'	S37°30'03"W
L161	183.33'	S05°33'23"W
L162	77.94'	S37°55'57"E
L163	59.33'	S18°18'43"W
L164	82.46'	S56°19'33"W
L165	68.14'	N82°20'58"W
LINE TABLE – PARCEL D		
LINE	LENGTH	BEARING
L166	163.25'	S78°47'25"W
L167	132.49'	S35°19'21"W
L168	66.16'	S51°31'58"W
L169	60.79'	S83°14'12"W
L170	21.21'	N68°06'15"W
L171	368.49'	S60°38'26"W

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SHEET 19 OF 20

LINE TABLE – PARCEL D		
LINE	LENGTH	BEARING
L172	53.15'	S68°38'33"W
L173	47.32'	S80°51'55"W
L174	94.40'	N72°12'48"W
L175	93.32'	N61°57'12"W
L176	87.35'	N82°07'24"W
L177	154.87'	N46°25'18"W
L178	185.44'	N51°57'32"W
L179	328.84'	N48°24'52"W
L180	75.47'	N31°30'02"W
L181	160.03'	N15°27'13"W
L182	166.48'	N07°52'52"W
L183	150.38'	N21°22'23"W
L184	97.67'	N03°34'44"E
L185	171.36'	N06°59'38"W
L186	91.96'	N23°20'48"E
L187	68.56'	N11°13'40"W
L188	94.29'	N87°51'51"W
L189	48.62'	N53°30'47"W
L190	110.80'	N68°08'50"W
L191	120.36'	N56°44'29"W
L192	111.84'	N80°58'26"W
L193	155.45'	N64°44'06"W
L194	127.41'	N22°53'02"W
L195	94.54'	N77°51'20"W
L196	111.50'	N45°39'52"W
L197	142.31'	N24°18'34"W
L198	47.42'	S72°51'35"W
L199	95.69'	N42°05'34"W
L200	133.02'	N34°41'33"W
L201	99.21'	N29°21'22"W
L202	65.16'	N73°48'33"E
L203	71.29'	S79°13'24"E
L204	274.27'	S39°13'10"E
L205	57.64'	S46°58'23"W
L206	80.36'	S14°19'09"E
L207	51.23'	N70°21'39"E
L208	30.29'	S51°56'34"E
L209	39.78'	S08°37'05"W
L210	67.19'	S28°14'50"E
L211	59.79'	S83°51'03"E
L212	62.15'	N25°27'50"E
L213	157.00'	N65°27'49"E
L214	52.97'	S64°12'58"E
L215	106.79'	S84°40'45"E
L216	68.01'	N13°32'50"E

LINE TABLE – PARCEL D		
LINE	LENGTH	BEARING
L217	71.32'	N38°43'32"E
L218	230.16'	N87°55'13"E
L219	87.28'	N53°24'51"E
L220	174.38'	N89°21'10"E
L221	96.73'	N56°08'18"E
L222	112.66'	S68°32'34"E
L223	127.39'	S84°45'59"E
L224	92.74'	S41°13'30"E
L225	42.81'	N22°52'01"E
L226	109.61'	N46°13'17"E
L227	57.35'	N82°04'23"E
L228	98.06'	S41°46'28"E
L229	55.60'	N40°23'14"E
L230	125.66'	S73°39'23"E
L231	131.12'	S66°06'13"E
L232	477.61'	S82°07'57"E
L233	204.65'	N88°01'42"E
L234	79.32'	S81°22'37"E
L235	67.68'	S16°33'23"E
L236	140.37'	S84°20'44"E
L237	240.45'	S67°12'01"E
L238	85.94'	S79°00'59"E
L239	166.58'	S77°54'11"E
L240	246.30'	S56°31'21"E
L241	71.45'	S24°28'40"E
L242	104.32'	S26°24'33"W
L243	86.84'	S09°53'10"W
L244	77.68'	S02°17'26"E
L245	79.32'	S30°50'13"E
L246	51.55'	S04°21'28"E
L247	87.25'	S21°40'55"E
L248	75.80'	S47°33'38"E
L249	81.48'	S43°58'16"E
L250	89.85'	S08°55'30"E
L251	69.81'	S00°52'53"W
L252	96.04'	S07°26'20"E
L253	105.67'	S39°04'15"E
L254	55.88'	S06°37'32"W
L255	218.29'	S77°12'11"W
L256	252.78'	S79°15'40"W
L257	70.32'	N83°52'38"W
L258	61.38'	S75°32'07"W
L259	67.60'	S82°10'21"W
L260	104.46'	S69°19'31"W
L261	151.45'	S84°49'41"W

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LINE TABLE – PARCEL D

LINE	LENGTH	BEARING
L262	83.24'	N65°49'42"W
L263	62.07'	S48°21'20"W
L264	71.17'	S86°56'46"W
L265	112.87'	S63°33'48"W

LINE TABLE – EXCEPTED PARCEL

LINE	LENGTH	BEARING
L266	58.98'	N86°38'35"W
L267	43.49'	S72°46'32"W
L268	37.60'	S46°10'36"W
L269	42.49'	S67°08'56"W
L270	21.02'	S75°05'11"W
L271	26.49'	S57°54'37"W
L272	33.91'	S33°40'26"W
L273	43.97'	S22°12'44"W
L274	100.58'	S33°49'06"W
L275	141.99'	S71°03'11"W
L276	29.91'	N67°22'21"W
L277	65.61'	N76°23'53"W
L278	47.27'	N64°07'32"W
L279	25.42'	N40°20'20"W
L280	45.29'	N18°23'18"W
L281	29.01'	N38°58'59"W
L282	102.28'	N64°53'42"W
L283	31.73'	N28°36'31"W
L284	43.13'	N06°02'51"W
L285	28.26'	N14°34'12"W
L286	23.62'	N28°32'18"W
L287	25.39'	N64°58'42"W
L288	31.29'	S70°41'17"W
L289	26.87'	N72°46'04"W
L290	40.17'	N22°36'35"W
L291	29.06'	N19°52'45"W
L292	46.08'	N32°33'41"W
L293	63.64'	N17°20'50"W
L294	44.86'	N10°04'53"W
L295	58.85'	N00°07'52"W
L296	23.58'	N14°38'27"W
L297	56.79'	N30°14'12"W
L298	32.76'	N21°45'07"W
L299	90.99'	N30°19'22"W
L300	63.70'	N28°04'59"W
L301	45.60'	N08°56'26"W
L302	65.20'	N00°33'56"W
L303	55.27'	N00°08'07"W
L304	29.16'	N00°44'36"W
L305	28.62'	N17°01'54"W
L306	36.06'	N21°48'52"W

LINE TABLE – EXCEPTED PARCEL

LINE	LENGTH	BEARING
L307	53.53'	N01°20'59"W
L308	83.18'	N12°18'25"E
L309	34.31'	N16°30'13"E
L310	63.32'	N02°51'41"E
L311	46.57'	N11°00'02"W
L312	98.47'	N25°44'16"W
L313	30.39'	N05°36'56"W
L314	52.00'	N36°24'16"W
L315	26.84'	N36°32'26"W
L316	183.27'	N11°53'56"W
L317	52.02'	N14°25'52"E
L318	62.68'	N29°20'26"E
L319	39.30'	N69°27'19"E
L320	59.69'	N62°30'26"E
L321	45.30'	N80°28'14"E
L322	49.02'	N88°49'59"E
L323	95.86'	S76°19'15"E
L324	34.79'	S50°44'24"E
L325	37.55'	S24°59'26"E
L326	106.64'	S37°11'45"E
L327	41.23'	S72°24'45"E
L328	55.66'	S82°42'20"E
L329	98.19'	S72°07'20"E
L330	66.69'	S61°53'35"E
L331	50.01'	S53°49'55"E
L332	37.86'	S42°34'36"E
L333	28.33'	S34°30'47"E
L334	147.93'	S47°23'55"E
L335	48.35'	S45°48'22"E
L336	76.73'	S32°09'35"E
L337	48.00'	S41°26'43"E
L338	61.63'	S45°12'35"E
L339	70.53'	S36°20'51"E
L340	61.48'	S46°15'19"E
L341	62.84'	S53°40'48"E
L342	54.11'	S02°31'08"E
L343	78.97'	S15°16'49"E
L344	112.80'	S18°12'50"E
L345	100.50'	S12°10'47"E
L346	129.73'	S06°29'41"E
L347	87.50'	S16°49'46"W
L348	154.65'	S01°11'55"W
L349	43.36'	S18°35'11"W
L350	85.95'	S09°35'21"W
L351	29.42'	S55°07'08"W

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EXHIBIT 6

**AMENDED AND RESTATED
INTERGOVERNMENTAL AGREEMENT**

**By, Between and Among
THE TOWN OF GRANBY, COLORADO,
HEADWATERS METROPOLITAN DISTRICT,
GRANBY RANCH METROPOLITAN DISTRICT,
GRANBY RANCH METROPOLITAN DISTRICT NO. 2,
GRANBY RANCH METROPOLITAN DISTRICT NO. 3,
GRANBY RANCH METROPOLITAN DISTRICT NO. 4,
GRANBY RANCH METROPOLITAN DISTRICT NO. 5,
GRANBY RANCH METROPOLITAN DISTRICT NO. 6,
GRANBY RANCH METROPOLITAN DISTRICT NO. 7, AND
GRANBY RANCH METROPOLITAN DISTRICT NO. 8**

THIS AMENDED AND RESTATED INTERGOVERNMENTAL AGREEMENT (the “**Amended and Restated Agreement**”) is made and entered into as of this 8th day of November, 2016, by, between and among the **TOWN OF GRANBY**, a municipal corporation and political subdivision of the State of Colorado (the “**Town**”), **HEADWATERS METROPOLITAN DISTRICT**, **GRANBY RANCH METROPOLITAN DISTRICT**, **GRANBY RANCH METROPOLITAN DISTRICT NO. 2**, **GRANBY RANCH METROPOLITAN DISTRICT NO. 3**, **GRANBY RANCH METROPOLITAN DISTRICT NO. 4**, **GRANBY RANCH METROPOLITAN DISTRICT NO. 5**, **GRANBY RANCH METROPOLITAN DISTRICT NO. 6**, **GRANBY RANCH METROPOLITAN DISTRICT NO. 7**, and **GRANBY RANCH METROPOLITAN DISTRICT NO. 8**, quasi-municipal corporations and political subdivisions of the State of Colorado (collectively, the “**Districts**”). The Town and the Districts are collectively referred to as the “**Parties**”.

RECITALS

WHEREAS, the Districts were organized pursuant to and in accordance with the provisions of §§ 32-1-101, et seq., C.R.S. as a means of furnishing certain capital facilities and services in connection with the development of property annexed into 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 SolVista Metropolitan District No. 1 Service Plan dated March 2003 (the former name of Headwaters Metropolitan District), as amended by a First Amendment on November 8, 2016, the SolVista Metropolitan District No. 2 Service Plan dated March 2003 (the former name of Granby Ranch Metropolitan District), as amended by a First Amendment on June 27, 2006 and a Second Amendment on November 8, 2016, and the Consolidated Service

Plan for Granby Ranch Metropolitan District Nos. 2-8 dated August 28, 2007, as amended by a First Amendment on November 8, 2016 (collectively, 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 Agreement to promote the coordinated development of the SolVista Annexation property.

WHEREAS, pursuant to § 29-1-203, C.R.S., the Parties are authorized to cooperate and contract with one another to provide any function, service or facility each is authorized to provide; and

WHEREAS, effective as of February 28, 2008, the Parties entered into that certain Intergovernmental Agreement (the “**Prior IGA**”) to promote the coordinated development of the SolVista Annexation property; 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 Amended and Restated Agreement; and

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 hereto agree as follows:

COVENANTS AND AGREEMENTS

1. **Superseding and Replacement of Prior IGA.** This Amended and Restated Agreement supersedes and replaces in their entirety the Prior IGA.

2. **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 the 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**”). The Districts shall not take any action contrary to such decisions or orders of the Town, nor will any District take or attempt 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 any utility-based cause. The Districts' projects shall be subject to Town regulatory authority as provided by state law.

3. **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 Districts, the inclusion of property into each District and the furnishing of services outside the legal boundaries of the Districts shall not be subject to the prior approval of the Town, which approval shall not be unreasonably withheld, delayed or conditioned. In no event shall any District include into its legal boundaries any property not located within the corporate limits of the Town at the time of inclusion unless the Town consents to such inclusion. No inclusion or exclusion of property conforming to this Section 3 shall constitute a material modification of the Service Plans.

4. **Ownership and Operation of Facilities.** The Districts shall dedicate the Public Improvements (as defined in the Service Plans) to the Headwaters Metropolitan District, the Town upon request, or other appropriate jurisdiction or owners' association in a manner consistent with the Approved Development Plan and other rules and regulations of the Town and applicable provisions of the Town Code. The Districts shall be authorized to operate and maintain any part or all of the Public Improvements unless the provision of such operation and maintenance is allocated to another public entity pursuant to an intergovernmental agreement. All operation and maintenance responsibilities for the Public Improvements to be constructed by the Districts are to be assumed by Headwaters Metropolitan District pursuant to Headwaters Metropolitan District Service Plan.

5. **Amenities.**

a. In addition to the types of park and recreation services and facilities referenced or reflected in the Service Plans, including the exhibits thereto, the Districts will be authorized to acquire, construct, own, operation and maintain the ski area and lifts, ski lodge, golf courses and appurtenant clubhouses and maintenance facilities, fishing or "river park" facilities and programs, and parks, trails and open space for various recreational purposes as more fully described on **Exhibit A**, attached hereto and incorporated herein by reference, collectively called the "**Amenities.**"

b. The Parties acknowledge that the Amenities are not required by Town ordinances or other authorities to be conveyed or dedicated to the Developer (as defined in the Service Plans) for public use within the meaning of § 32-1-1001(f), C.R.S. Property interests in areas and assets needed for Amenities which are acquired from the Developer shall be acquired at prices that do not exceed fair market value as established by a qualified appraiser. A copy of the appraiser's qualifications shall be provided to the Town.

c. In order to defray the costs of acquisition, construction and installation of the Amenities, the Districts are authorized to impose and collect a one-time, front-end Amenities Fee, in an amount not to exceed \$10,000 per lot or equivalent dwelling unit in the Districts (plus

interest for unpaid amounts and increases for inflation), in addition to any other fees as allowed by the Service Plans, without the written approval of the Town.

d. For purposes of this Section, a “**Granby resident**” is a natural person who makes his/her primary residence in the Town, but outside the Districts.

e. The Districts shall provide preferred access (over that provided to the general public not residing in the Town) to ski, golf, park and fishing Amenities for Town residents. “Preferred Access” shall constitute a higher priority than that provided to the general public who is not a Town resident, but a lower priority than the Districts’ residents.

f. Granby residents shall receive a 15 percent (15%) discount on golf green fees (excluding cart fees and/or caddie fees), seven (7) days a week during shoulder seasons and weekdays during peak season. Granby residents will be entitled to a 15 percent (15%) discount on daily ski passes seven (7) days a week during shoulder season and weekdays during peak season. Should any seasonal pass or other rate categories be established by the Districts, the same principal of discount for Granby residents shall apply.

6. **Construction of Infrastructure.** The obligations of 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 SolVista 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 Headwaters Metropolitan District.

7. **Street Maintenance and Services.**

a. Until such time as the Town elects to assume operation and maintenance responsibility for the same, the streets and associated drainage, landscaping, traffic safety protection and transportation improvements required for the SolVista Annexation Property (the “Street Improvements”) shall be maintained by the Districts to the standards set forth in Article 5 of the SolVista Preliminary Plan and any rules, regulations or ordinances of general applicability throughout the Town. Notwithstanding the foregoing, the Town is under no obligation to ever assume operations and maintenance obligations with respect to such improvements.

b. If the Town determines that the Districts are not operating or maintaining any Street Improvement in conformity with this Agreement, or that any Street Improvement is

affected by a condition that presents a substantial risk of personal injury or property damage to any person, it may give written notice thereof to the Districts. Such notice shall specify the nonconforming or dangerous condition, direct the Districts at their cost to perform specified remedial work, and state the period of time determined by the Town to be reasonably necessary for completion of remedial work. If the Districts fail to cure the nonconforming or dangerous condition within the specified time following such notice (a “**Street Maintenance Default**”), the Town may, in addition to and without waiving any other remedy, perform the work and charge the Districts for all of its actual costs, of whatever kind or nature, direct or indirect, incurred in connection therewith (the “**Cure Amount**”). Any amount so charged to the Districts which is not paid within a reasonable time not to exceed sixty (60) days after being invoiced may, together with interest at the rate of twelve percent (12%) per annum on the unpaid amount, be collected by the Town from the Shared Sales and Use Taxes due and becoming due from the Town to the Districts until the Cure Amount is paid in full, including principal and interest. Notwithstanding the foregoing, if amounts payable from the said Shared Sales and Use Taxes are not reasonably sufficient to pay the Cure Amount in full within the twelve (12) months next following the month in which the sixty (60) day payment period expires, the Districts will pay the shortfall from the Pledged Revenues specified in subsections (c) and (d) below, in such amounts as are necessary to pay the Cure Amount, in full, including principal and interest, within the said twelve (12) month period.

c. The Districts hereby agree to pledge and pay to the Town, for the payment of Cure Amounts due in accordance with subsection (b) above, the following (collectively, the “Pledged Revenues”): (i) any Shared Sales and Use Taxes then available in accordance with the terms of the Indenture; (ii) any property tax revenues of the Districts budgeted for street maintenance and then available for such purposes; and (iii) the proceeds of the Operations Fee (defined below) then available. Notwithstanding the foregoing, the Districts may apply the Pledged Revenue to any legally permissible use and there shall not be a lien upon any of the Pledged Revenues until such time as there is a Street Maintenance Default hereunder. In the event of a Street Maintenance Default, there shall be a lien upon the Pledged Revenues but only up to the amount of the Cure Amount and only until such time as the Cure Amount is paid in full. The Districts shall pay to the Town the Pledged Revenues in satisfaction of any Cure Amount as soon as practical. .

d. In order to generate the Pledged Revenues necessary to provide for the payment of the Cure Amount as contemplated in subsection (c) hereof, the Districts have adopted an Operations Fee Resolution and have entered into a Developer Funding Agreement providing, among other matters, that the Developer will pay to the Districts, upon demand, the amount of any Cure Amount due hereunder to the extent not able to be funded, in the time provided in subsection (b) above, by the Pledged Revenues described in (c)(i) and (c)(ii). In the event that the Pledged Revenues described in (c)(i) and (c)(ii) above are not sufficient to fund the Cure Amount when due hereunder, the Districts shall (i) impose the fee described in the Operations Fee Resolution (the “**Operation Fee**”) (ii) make a demand for payment under the Developer Funding Agreement, or (iii) do a combination of (i) and (ii), in amount(s) sufficient to fund any deficiency in the Cure Amount, within the time provided in subsection (b) above. If the

Developer fails to pay the amounts due under the Developer Funding Agreement promptly upon demand therefor, the Districts shall impose or increase said Operations Fee in an amount necessary to pay the Cure Amount in full within the time provided in subsection (b) above.

e. Nothing in this Section shall impose upon the Town any duty to exercise its rights hereunder, or be construed as an assumption by the Town of any duty to maintain any Street Improvement generally. The Town shall not be deemed to have assumed a duty to cure any nonconforming or dangerous condition pursuant to this Section unless and until persons acting at the direction of the Town have occupied and taken control of the site of such condition and have begun to perform repair operations at such site. The mere placing of warning or caution signs or other safety devices at such site by persons action at the direction of the Town shall not be deemed to constitute taking control of or performing repair operations at the site unless repairs are actually commenced by such persons.

8. **Municipal Exclusion.** On December 22, 2004, the District Court for Grand County, Colorado entered a Final Order of Exclusion to effect the requirement contained in the Prior IGAs regarding exclusion from the SilverCreek Water and Sanitation District.

9. **Debt Limitation.** The Districts will comply with the following provisions, which are also conditions of the Town's approval of their respective Service Plans:

a. Subject to the provisions of the following Section, unless otherwise approved in writing by the Town Board of Trustees, which approval shall not be unreasonably withheld, delayed or conditioned, the total Debt that the Districts shall be permitted to issue shall not exceed Ninety Four Million Two Hundred Fifty Thousand Dollars (\$94,250,000) and shall be permitted to be issued on a schedule and in such year or years as the Districts determine shall meet the needs of the Financial Plan referenced above and shall be phased to serve developer as it occurs. In addition thereto, the Districts shall be permitted to issue additional Debt up to Nineteen Million Five Hundred Thousand Dollars (\$19,500,000) plus 4% annual inflation from and after June 1, 2005, until issued for the acquisition, construction and installation of the Amenities. All bonds and other Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, including general ad valorem taxes and Fees to be imposed upon all Taxable Property within the Districts. The Districts will also rely upon the various other revenue sources authorized by law. These will include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(I), C.R.S., as amended from time to time. The Districts shall be permitted to request an increase in the debt limitations contemplated herein by way of an administrative approval process with the Town. Under no circumstances shall an administratively approved change in the debt limitation be considered a material modification of the Service Plan.

b. The "Maximum Mill Levy" shall be the maximum mill levy a District is permitted to impose upon the taxable property within such District for payment of Debt and any operations and maintenance costs, regardless of statutory changes to Section 32-1-1101, et seq., C.R.S., shall be sixty (60.000) mills, with a maximum of fifty (50.000) mills for debt and fifty

(50.000) mills for operations and maintenance, unless otherwise approved by the Town; provided, however, that if the ratio of actual valuation to assessed valuation for residential real property (as of November 1, 2016) is changed pursuant to Article X, section 3(1)(b) of the Colorado Constitution and legislation implementing such constitutional provision, the Maximum Mill Levy will be increased or decreased (as to all taxable property in the Districts) to reflect such changes so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes (Gallagher adjustment). Notwithstanding the foregoing, in the event the Maximum Mill Levy is imposed by a District, a District is permitted to impose upon the taxable property within such District a mill levy not-to-exceed five (5.000) mills in the same fiscal year, which five (5.000) mills shall be in addition to the Maximum Mill Levy. Any revenues generated by the additional five (5.000) mills imposed by a District shall be used solely for the purpose of meeting a District's obligations under an intergovernmental agreement with the Town for transportation purposes.

c. No District shall apply for or claim any entitlement to Conservation Trust Fund money for which the Town is eligible to apply.

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 Districts shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the Town, unless such consolidation is between or among one or more of the Districts.

f. On or before January 31 of each year, the Districts 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 District in accordance with the Service Plans, together with projections for the ensuing fiscal year and such other available information as the Town may request. The Districts shall also file copies of the Districts' statutory audits with the Town.

10. **Board of Directors – Town Representative.** Provision will be made by the Districts to provide notice of meetings, meeting materials, and all other documents and notices not otherwise privileged or confidential provided to a member of the Board to a Town appointed representative. This representative will be authorized to participate as a non-voting attendee at all Board meetings of the Districts. The Town representative will be authorized to participate as a non-voting attendee at all Boards of Directors meetings of the Districts, including access to executive sessions and executive session materials to the full extent of the law.

11. **Revenue Sharing Arrangements.**

a. The Town shall share revenue with Headwaters Metropolitan District in accordance with the provisions of the Annexation Agreement. Headwaters Metropolitan 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 Plan.

b. An amount equal to a blended rate of 8% of the total net bond proceeds received from the issuance of any General Obligation Bonds up to the total Debt Issuance Limitation (as defined in the Consolidated Service Plan for Granby Ranch Metropolitan District Nos. 2-8) shall be provided to the Town for jointly funded improvements (the "Bond Sharing Fee"). The Bond Sharing Fee made by the Districts shall be allocated approximately 67% for downtown improvements and approximately 33% for park facilities on a site to be dedicated by the developer in Planning Area 1 of the SolVista Preliminary Plan. The Districts shall remit the Bond Sharing Fee pursuant to the schedule attached to the Consolidated Service Plan for Granby Ranch Metropolitan District Nos. 2-8 as Exhibit E. Headwaters Metropolitan District shall be responsible for the collection of the Bond Sharing Fee contemplated in this section from each of the Districts. Payment of the Bond Sharing Fee to Headwaters Metropolitan District shall be a condition of issuing any Bonds authorized herein.

12. Transportation.

a. The Service Plans authorize the Districts to exercise transportation powers, but do not contain detailed descriptions or cost estimates associated with them. Nevertheless, the Town's approval of a mill levy cap of 60.000 mills was based in part upon the Districts' commitment expressed herein to fund an internal public transportation system with a link between SolVista Annexation Property and the downtown and other commercial areas of the Town, from a portion of the mill levy authorized by the Service Plans, subject to the limitations set forth herein. The Parties agree that it is not possible to determine at what point the need for such public transportation system will be sufficient to warrant its implementation. Accordingly, at such time as certificates or occupancy are issued for at least 600 single-family equivalents within the SolVista Annexation Property, the Districts will obtain, at their cost, a feasibility and needs assessment study (the "Study") with respect to such transportation system. The Town may appoint a representative to serve on any committee convened by the Districts to select the provider of the Study, which representative shall have the right to participate in the development and distribution of a request for proposals for the Study and any evaluations and/or interview of respondents to such request for proposals. The final selection of the provider of the Study shall be subject to the consent of the Town. At such time as a public transportation system is necessitated by development with the SolVista Annexation Property, as set forth in any conclusion of such Study, the following shall occur, subject to the provisions of subsection (b) hereof:

i. The Districts shall impose an *ad valorem* property tax levy in the amount of 5.000 mills (subject to adjustment as provided in the succeeding sentence) or such amount thereof as is necessary to fund the operation of the internal public transportation system (the "Pledged Mill Levy") for the purpose of funding or financing public

transportation. In the event the Maximum Mill Levy is imposed by a District, the five (5.000) mills shall be in addition to the Maximum Mill Levy. In the event the method of calculating assessed valuation for residential property is changed after the date of this agreement, the amount of the Pledged Mill Levy (presently 5.000 mills) may be increased or decreased to reflect such changes, such increases or decreased to be determined by the Districts in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the Pledged Mill Levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

ii. The Districts shall cause the proceeds of the Pledged Mill Levy to be applied solely to the establishment and operation of an internal public transportation system serving the SolVista Annexation Property. In no event shall the Districts' obligation to the Town hereunder with respect to funding such public transportation system exceed, in any calendar year, the amount of revenues received by the Districts as a result of the imposition of the Pledged Mill Levy.

b. Notwithstanding any of the foregoing, in no event shall the Districts be obligated to impose the Pledged Mill Levy and apply the proceeds thereof as provided herein until certificates of occupancy are issues for at least 700 single-family equivalents within the SolVista Annexation Property ("**Achievement of the Minimum SFE Level**").

c. For purposes of this Agreement, any determination of the number of single-family equivalents within the SolVista Annexation Property shall be made based upon the schedule attached hereto as **Exhibit B**, attached hereto and incorporated herein by this reference. The schedule is intended to be a guide and may be changed at the discretion of the Districts.

13. **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 costs estimate associated with either of these powers. Moreover, cable television services will be provided to the SolVista Annexation Property by and through the Town's existing cable television franchise, and the Districts will not be involved in these functions. Therefore, before any 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 prior approval of the Town, which approval may be granted, and the powers thereafter exercised, without the need for amendment of the Service Plans.

14. **Precedence.** Recognizing that full development of the SolVista Annexation Property may take up to thirty (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 provisions of this agreement to enable it to exercise appropriate control

and supervision of the Districts as provided by Colorado Law. Accordingly, any conflict or inconsistency between the Service Plans and this Agreement shall be resolved in favor of the provisions of this Agreement.

15. **Land Conveyance.** The Districts agree to use their best efforts to cause the Developer to make the land dedications described in paragraphs 7, 8, 10 and 11 of the "Term Sheet" attached hereto as **Exhibit C**. To the extent any of the provisions of the Term Sheet related to the Districts, such provisions are incorporated herein by this reference.

16. **Entire Agreement of the Parties.** This written Agreement constitutes the entire agreement among 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.

17. **Amendment.** This Agreement may be amended, modified, changed, or terminated in 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 Colorado law then in effect.

18. **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 of the State of Colorado. By executing this Agreement each of the Parties 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 part not in breach hereof.

19. **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.

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

21. **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 of provision hereof.

22. **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 Districts shall assign their rights or delegate their duties hereunder without the prior written consent of the other Parties hereto. 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.

23. **Liability.** The Districts shall be jointly and severally liable for each obligation of the Districts set forth herein.

24. **Taxes.** The use of Shared Sales and Use Taxes, in accordance with the provisions hereof, constitutes a permissible use of such Shared Sales and Use Taxes under the Annexation Agreement and Section 9(a) of the Town IGA.

25. **Notices.** All written notices to be given hereunder to any Party shall be given by first-class mail, postage prepaid to the party or parties entitled thereto at the address set forth below, or at such other address as may be provided to the other parties hereinafter listed in writing from time to time, namely:

If to the Town: Town of Granby
Zero Jasper Avenue
P.O. Box 440
Granby, Colorado 80446-0440

With copies to: Scott P. Krob, Esq.
Attorney at Law
8400 E. Prentice Avenue, Penthouse Suite
Greenwood Village, Colorado 80446+

If to the Districts: Headwaters Metropolitan District

Granby Ranch Metropolitan District Nos. 2-8
Marchetti & Weaver, P.C.
28 2nd Street, Suite 213
Edwards, Colorado 81632

Granby Ranch Metropolitan District
CliftonLarsonAllen LLP
Attn: Bob Blodgett
8390 E. Crescent Parkway, Suite 500
Greenwood Village, CO 80111

With copies to: Clint C. Waldron, Esq.

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

Jeffrey E. Erb, Esq.
Seter & Vander Wall, P.C.
7400 E. Orchard Road, Suite 3300
Greenwood Village, CO 80111

26. **Governmental Immunity.** Nothing herein shall be construed as a waiver of the rights and privileges of the Town or the Districts pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, et seq., C.R.S., as amended from time to time.

27. **Counterpart Execution.** This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank].

IN WITNESS WHEREOF, this Amended and Restated Agreement is executed by the Town and the Districts as of the date first above written.

TOWN OF GRANBY, COLORADO

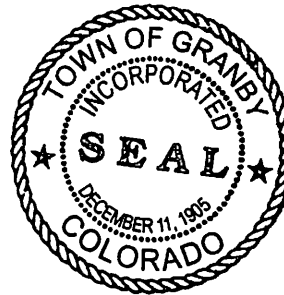
By: 
Its: MAYOR

ATTEST:


DEBORAH K. HESS, Town Clerk

APPROVED AS TO FORM:

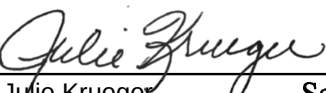
_____, Town Attorney



HEADWATERS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

By: 
Lance C. Badger, President

ATTEST:


Julie Krueger, Secretary

GRANBY RANCH METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

By: _____
_____, President

ATTEST:

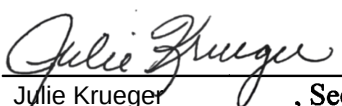
_____, Secretary

GRANBY RANCH METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado

By: 

Lance C. Badger, President

ATTEST:



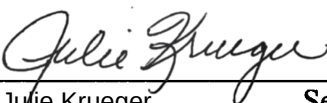
Julie Krueger, Secretary

**GRANBY RANCH METROPOLITAN
DISTRICT NO. 3**, a quasi-municipal
corporation and political subdivision of the
State of Colorado

By: 

Lance C. Badger, President

ATTEST:



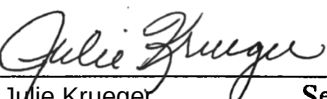
Julie Krueger, Secretary

**GRANBY RANCH METROPOLITAN
DISTRICT NO. 4**, a quasi-municipal
corporation and political subdivision of the
State of Colorado

By: 

Lance C. Badger, President

ATTEST:



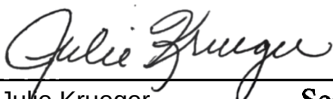
Julie Krueger, Secretary

**GRANBY RANCH METROPOLITAN
DISTRICT NO. 5**, a quasi-municipal
corporation and political subdivision of the
State of Colorado

By: 

Lance C. Badger, President

ATTEST:



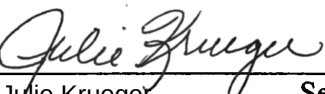
Julie Krueger, Secretary

**GRANBY RANCH METROPOLITAN
DISTRICT NO. 6**, a quasi-municipal
corporation and political subdivision of the
State of Colorado

By: 

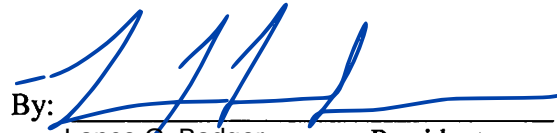
Lance C. Badger, President

ATTEST:



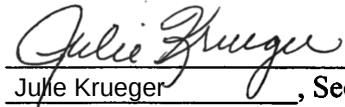
Julie Krueger, Secretary

**GRANBY RANCH METROPOLITAN
DISTRICT NO. 7**, a quasi-municipal
corporation and political subdivision of the
State of Colorado

By: 

Lance C. Badger, President

ATTEST:



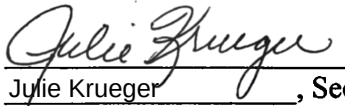
Julie Krueger, Secretary

**GRANBY RANCH METROPOLITAN
DISTRICT NO. 8**, a quasi-municipal
corporation and political subdivision of the
State of Colorado

By: 

Lance C. Badger, President

ATTEST:



Julie Krueger, Secretary

TERMINATION OF INTERGOVERNMENTAL AGREEMENT

BETWEEN

GRANBY RANCH METROPOLITAN DISTRICT
GRANBY RANCH METROPOLITAN DISTRICT NO. 2
GRANBY RANCH METROPOLITAN DISTRICT NO. 3
GRANBY RANCH METROPOLITAN DISTRICT NO. 4
GRANBY RANCH METROPOLITAN DISTRICT NO. 5
GRANBY RANCH METROPOLITAN DISTRICT NO. 6
GRANBY RANCH METROPOLITAN DISTRICT NO. 7
GRANBY RANCH METROPOLITAN DISTRICT NO. 8

AND

HEADWATERS METROPOLITAN DISTRICT

This **TERMINATION OF INTERGOVERNMENTAL AGREEMENT** (“**Termination Agreement**”) is entered into this 17th day of November, 2017 by and among GRANBY RANCH METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD**”); GRANBY RANCH METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD 2**”); GRANBY RANCH METROPOLITAN DISTRICT NO. 3, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD 3**”); GRANBY RANCH METROPOLITAN DISTRICT NO. 4, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD 4**”); GRANBY RANCH METROPOLITAN DISTRICT NO. 5, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD 5**”); GRANBY RANCH METROPOLITAN DISTRICT NO. 6, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD 6**”); GRANBY RANCH METROPOLITAN DISTRICT NO. 7, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD 7**”); GRANBY RANCH METROPOLITAN DISTRICT NO. 8, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD 8**”); (GRMD, GRMD 2, GRMD 3, GRMD 4, GRMD 5, GRMD 6, GRMD 7, and GRMD 8 are collectively referred to herein as “**Granby Ranch Districts**”); and HEADWATERS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (“**HMD**”) (individually a “**District**” and together, the “**Districts**” or the “**Parties**”).

RECITALS

A. GRMD and HMD entered into the “District Facilities Construction and Service Agreement” dated June 1, 2006 (the “**2006 Agreement**”); and

B. GRMD, HMD, and Districts 2-8 entered into the “First Amended and Restated District Facilities Construction and Service Agreement” dated September 17, 2008 which, among other things, terminated the 2006 Agreement (the “**2008 Master IGA**”); and

C. GRMD, HMD and Granby Realty Holdings, LLC entered into an “Exclusion Agreement” dated April 21, 2010 under which HMD and GRMD repudiated the 2008 Master IGA as between them and intended to revert to the 2006 Agreement; and

D. GRMD and HMD entered into the “First Amendment to District Facilities Construction and Service Agreement” dated April 21, 2010 amending and reinstating the 2006 Agreement (the “**2006 Master IGA**”); and

E. The 2006 Master IGA and the 2008 Master IGA (together, the “**Master IGAs**”) were entered into pursuant to the service plans for the Districts; and

F. The Districts amended their service plans on November 8, 2016 to eliminate any relationship between HMD as the “service district” and the Granby Ranch Districts as the “tax districts,” including any obligation of the parties to enter into a the Master IGAs; and

G. The Parties intend for certain of the Granby Ranch Districts, specifically GRMD, to operate independently from HMD; and

H. Due to the amended service plans and the intention of certain of the Parties to operate independently from each other, there is no further need for the Master IGAs.

COVENANTS AND AGREEMENTS

NOW THEREFORE, in consideration of the mutual covenants and promises set forth in this Termination Agreement, the receipt and sufficiency of which are hereby acknowledged, the Districts agree as follows:

1. Effective Date. The “Effective Date” of this Termination Agreement is November 8, 2016.

2. Termination of 2006 Master IGA. The 2006 Master IGA is terminated and of no further force and effect as of the Effective Date, without any further action of the Districts. To the extent required, GRMD 2, GRMD 3, GRMD 4, GRMD 5, GRMD 6, GRMD 7 and GRMD 8 consent to the termination of the 2006 Master IGA.

3. Termination of 2008 Master IGA. The 2008 Master IGA is terminated and of no further force and effect as of the Effective Date, without any further action of the Districts. To the extent required, GRMD consents to the termination of the 2008 Master IGA.

4. Satisfaction of Obligations. The Districts agree that by execution of this Termination Agreement, they have fully satisfied their obligations under the Master IGAs.

5. Waiver and Release. The Districts have satisfied their obligations under the Master IGAs and are released from any further obligations thereunder. To the extent permitted by law, each District hereby waives the right to recover from and generally, unconditionally, fully and irrevocably releases, waives, acquits and forever discharges each of the other Districts, their officers and directors, (collectively, the “**Released Parties**”), from and against any and all costs, losses, claims, liabilities, damages, expenses, demands, debts, controversies, actions or

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causes of action, agreements, and promises, including reasonable attorneys' fees (including appeals) (collectively, "**Claims**"), which has been raised or could have been raised, whether arising before, on or after the date hereof.

6. Miscellaneous.

a. Execution of Additional Documentation. Each District agrees that at the request of another District, it will, at any time hereafter, make such further assurances and execute or cause to be executed such further instruments as may be reasonably requested by another District in order that this Termination Agreement may be fully performed in accordance with its intent and provisions.

b. Severability. In case any one or more of the provisions contained in this Termination Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Termination Agreement, and this Termination Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

c. Provisions Negotiated and Independent. Each and every provision of this Termination Agreement has been independently, separately and freely negotiated by the Districts as if this Termination Agreement were drafted by all Districts hereto. The Districts, therefore, waive any statutory or common law presumption which would serve to have this document construed in favor of, or against, any District.

d. Governing Law/Venue. This Termination Agreement shall be governed by and interpreted under the laws of the state of Colorado. Venue for any legal action relating to this Termination Agreement shall be exclusive to the State District Court in and for Grand County, Colorado.

e. Successors and Assigns. This Termination Agreement and all of the provisions hereof shall be binding upon the Districts and their respective heirs, successors and assigns.

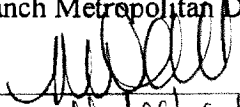
f. Counterpart Execution. This Termination Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

[SIGNATURE PAGES TO FOLLOW]

Agreed to by each party as set forth below:

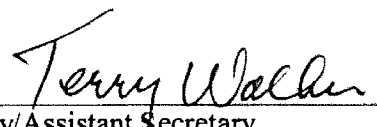
Date: _____, 2017.

Granby Ranch Metropolitan District


Name: _____

Title: _____
President

Attest:


Secretary/Assistant Secretary

Date: _____, 2017.

Granby Ranch Metropolitan District No. 2

Name: Lance Badger

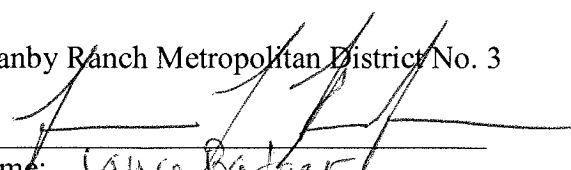
Title: President

Attest:

Secretary/Assistant Secretary

Date: _____, 2017.

Granby Ranch Metropolitan District No. 3


Name: Lance Badger
Title: President

Attest:

Secretary/Assistant Secretary

Date: _____, 2017.

Granby Ranch Metropolitan District No. 4

Name: _____

Title: _____

Carole Badger
President

Attest:

Secretary/Assistant Secretary

Date: _____, 2017.

Granby Ranch Metropolitan District No. 5

Name: _____

Title: _____

Carye Badger
President

Attest:

Secretary/Assistant Secretary

Date: _____, 2017.

Granby Ranch Metropolitan District No. 6

Name: Lance Badger

Title: President

Attest:

Secretary/Assistant Secretary

Date: _____, 2017.

Granby Ranch Metropolitan District No. 7

Name: _____

Title: _____

[Signature]
Lance Badger
President

Attest:

Secretary/Assistant Secretary

Date: _____, 2017.

Granby Ranch Metropolitan District No. 8

Name: Lance Badger

Title: President

Attest:

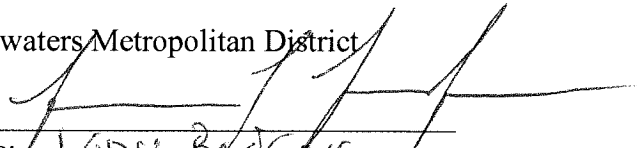
Secretary/Assistant Secretary

Date: _____, 2017.

Headwaters Metropolitan District

Name:

Title:


Larry Badger
President

Attest:

Secretary/Assistant Secretary