

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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ADOPTED AND APPROVED this 11 day of June, 2006.

**HEADWATERS METROPOLITAN
DISTRICT**



President

ATTEST:



Secretary

(SEAL)

**GRANBY RANCH METROPOLITAN
DISTRICT**



President

ATTEST:



Secretary

(SEAL)

EXHIBIT A

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HEADWATERS METROPOLITAN DISTRICT

SINGLE-FAMILY EQUIVALENT (SFE) SCHEDULE FOR COMMERCIAL USES

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

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

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