

STATE OF COLORADO)
 GRAND COUNTY)
) ss
 GRANBY RANCH)
 METROPOLITAN DISTRICT)

I, the Secretary of the Granby Ranch Metropolitan District, Grand County, Colorado (the "District"), do hereby certify that:

1. Attached hereto is a true and correct copy of a resolution (the "Resolution") adopted by the Board of Directors (the "Board") of Granby Ranch Metropolitan District, Grand County, Colorado (the "District") at a regular meeting held on April 21, 2010.

2. Notice of such meeting was posted in three public places within the District, and at the office of the Clerk and Recorder of Grand County, Colorado, respectively, at least seventy-two (72) hours prior to the meeting, in accordance with law.

3. Upon roll call, the members of the Board not marked absent below, were present, constituting a quorum, and the Resolution was duly introduced, moved, seconded and adopted at such meeting by the affirmative vote of a majority of the members of the Board as follows:

Board Member	Yes	No	Absent	Abstaining
Kyle Harris	X	_____	_____	_____
Joe Malone	X	_____	_____	_____
Mary Lane Packer	X	_____	_____	_____
Julie Krueger	X	_____	_____	_____
Lance Badger	X	_____	_____	_____

4. The Resolution was duly approved by the Board, signed by the President of the District, sealed with the District's seal, attested by the Secretary of the District and recorded in the minutes of the Board.

5. The meeting at which the Resolution was adopted was noticed, and all proceedings relating to the adoption of the Resolution were conducted in accordance with all applicable bylaws, rules, regulations and resolutions of the District, in accordance with the normal procedures of the District relating to such matters, and in accordance with applicable constitutional provisions and statutes of the State of Colorado.

WITNESS my hand and the seal of the District this 21st day of April, 2010.

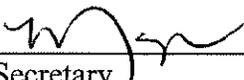
By 
 Secretary



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**NOTICE OF REGULAR MEETING
RELATING TO THE AUTHORIZATION AND ISSUANCE
OF INDEBTEDNESS**

**GRANBY RANCH METROPOLITAN DISTRICT
TOWN OF GRANBY, GRAND COUNTY, COLORADO**

NOTICE IS HEREBY GIVEN that the Board of Directors of Granby Ranch Metropolitan District (the "Board"), Town of Granby, Grand County, Colorado, will meet in a regular meeting on Wednesday, April 21, 2010 at 10:00 a.m., at Grange Hall at Granby Ranch, 998 Village Road, Granby, Colorado.

At this meeting, it is anticipated that the Board will consider and make a final determination to issue or refund general obligation indebtedness. Specifically, the District will consider adoption of a resolution authorizing the issuance of its Subordinate Limited Tax General Obligation Bonds, Series 2010, in the approximate principal amount of \$11,500,000.

The Board will also take up such other business as may come before the Board. The meeting is open to the public.

Pursuant to the provisions of the Supplemental Public Securities Act, one or more members of the Board may participate in this meeting and may vote on the foregoing matters through the use of a conference telephone or other telecommunications device.

This notice is given by order of the Board of Directors of the District.

/s/ **BOARD OF DIRECTORS
GRANBY RANCH METROPOLITAN
DISTRICT, TOWN OF GRANBY,
GRAND COUNTY, COLORADO**

Posted at three public places within the District, and at the office of the Grand County Clerk and Recorder, not less than 72 hours prior to the meeting.

**GRANBY RANCH METROPOLITAN DISTRICT
HEADWATERS METROPOLITAN DISTRICT
SOLVISTA METROPOLITAN DISTRICT
GRANBY RANCH METROPOLITAN DISTRICT NOS. 2-8
NOTICE OF REGULAR MEETING**

NOTICE IS HEREBY GIVEN that the Boards of Directors of the **GRANBY RANCH, HEADWATERS, SOLVISTA, AND GRANBY RANCH METROPOLITAN DISTRICT NOS. 2-8** of Grand County, State of Colorado, will hold a regular meeting on Wednesday, April 21, 2010 at 10:00 A.M. at 998 Village Road, Granby, Colorado, for the purpose of conducting such business as may come before the Boards. This meeting is open to the public. Pursuant to § 24-6-402(2)(c), C.R.S., the agenda for any regular meeting may be obtained by visiting www.headwatersdocs.com* or, alternatively, by calling (970) 926-6060 x9.

BY ORDER OF THE BOARDS OF DIRECTORS:
GRANBY RANCH METROPOLITAN DISTRICT
HEADWATERS METROPOLITAN DISTRICT
SOLVISTA METROPOLITAN DISTRICT
GRANBY RANCH METROPOLITAN DISTRICT NOS. 2-8

/s/ WHITE, BEAR & ANKELE
Professional Corporation

*Agendas may change from time to time after posting on this website and such agenda will be posted when available. Any matter listed on an agenda in any manner may lead to formal action at any time. Agenda items may be added or deleted at or before a meeting and formal action may be taken at a meeting on any added matter. No assurance can be made that changes to agendas made within 72 hours of a meeting will be known by White, Bear and Ankele Professional Corporation, as the website posting entity, or that the website posting entity will be able to respond all callers and/or email contacts prior to any meeting. White, Bear & Ankele Professional Corporation will do what it reasonably can do to have accurate information and be responsive to the public at all times.

RESOLUTION 2010-_____

A RESOLUTION AUTHORIZING THE ISSUANCE BY GRANBY RANCH METROPOLITAN DISTRICT, GRAND COUNTY, COLORADO, OF ITS TAXABLE SUBORDINATE LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2010, FOR THE PURPOSE OF REFUNDING AN OBLIGATION TO REIMBURSE THE COSTS OF DESIGNING, CONSTRUCTING, ACQUIRING AND INSTALLING CERTAIN STREET, WATER, SANITARY SEWER, DRAINAGE AND TRAFFIC AND SAFETY CONTROL IMPROVEMENTS; PROVIDING THE FORM OF THE BONDS AND OTHER DETAILS IN CONNECTION THEREWITH; AND APPROVING OTHER DOCUMENTS RELATING TO THE BONDS.

WHEREAS, Granby Ranch Metropolitan District, Grand County, Colorado the "District"), is a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado, including particularly Title 32 of the Colorado Revised Statutes ("C.R.S."); and

WHEREAS, the District is authorized by Title 32, Article 1, Part 1, C.R.S., to furnish certain public facilities and services, including but not limited to, water, streets, drainage and sanitary sewer, parks and recreation, and traffic and safety control improvements in accordance with the Service Plan (the "Service Plan") for the District approved by the Town of Granby, Colorado; and

WHEREAS, at a special election of the qualified electors of the District, duly called and held on Tuesday, November 4, 2003 (the "2003 Election"), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the 2003 Election voted in favor of, inter alia, the issuance of general obligation indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities, the questions relating thereto being as set forth on Exhibit C hereto (the "2003 Ballot Questions"); and

WHEREAS, the returns of the 2003 Election were duly canvassed and the result thereof duly declared; and

WHEREAS, the result of the 2003 Election was certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to § 2-1-204.5, C.R.S. within forty five days after the election, and with the division of securities created by § 11-51-701, C.R.S.; and

WHEREAS, at a special election of the qualified electors of the District, duly called and held on Tuesday, November 2, 2004 (the "2004 Election"), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the 2004 Election voted in favor of, inter alia, the issuance of general obligation indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities, the questions relating thereto being as set forth on Exhibit D hereto (the "2004 Ballot Questions"); and

WHEREAS, the returns of the 2004 Election were duly canvassed and the result thereof duly declared; and

WHEREAS, the result of the 2004 Election was certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to § 2-1-204.5, C.R.S. within forty five days after the election, and with the division of securities created by § 11-51-701, C.R.S.; and

WHEREAS, the District has heretofore entered into that certain District Facilities Construction and Service Agreement dated June 1, 2006 (the “2006 District IGA”), between the District and Headwaters Metropolitan District (formerly known as SolVista Metropolitan District No. 1)(“Headwaters”) setting forth the dual responsibilities and nature of the functions and services to be provided by each of such districts;

WHEREAS, in order to comply with the District’s obligations under the 2006 District IGA and to pay certain costs of designing, acquiring, constructing, completing, installing, relocating, and providing public improvements benefiting the District, the District has previously issued its Limited Tax General Obligation Bonds, Series 2006 in the total principal amount of \$14,725,000 (the “Senior Bonds”); and

WHEREAS, based upon the anticipated uses of the Senior Bond proceeds, the Board has previously allocated the principal amount thereof in accordance with the following, and as a result, after issuance of the Senior Bonds, the District had the following authorized but unissued indebtedness remaining from the 2003 Election:

Purpose	2003 Election Principal Amount of Authorization Voted	Principal Amount Used for Senior Bonds	2003 Election Principal Amount of Authorization Remaining
Streets	\$18,500,000	\$7,121,000	\$11,379,000
Traffic and Safety	600,000	-0-	600,000
Water	11,000,000	4,817,000	6,183,000
Sanitation	6,000,000	2,637,000	3,363,000
Park and Recreation	2,500,000	150,000	2,350,000
Transportation	1,000,000	-0-	1,000,000
Mosquito Control	400,000	-0-	400,000
ADD O&M DEBT	<u>40,000,000</u>	<u>-0-</u>	<u>40,000,000</u>
Total	<u>\$80,000,000</u>	<u>\$14,725,000</u>	<u>\$65,275,000</u>

WHEREAS, the District’s authorized but unissued indebtedness from the 2003 Election when combined with the indebtedness authorized in the 2004 Election, results in the following total amounts of authorized but unissued indebtedness remaining for each purpose:

Authorization Remaining After Issuance of the Senior Bonds

Purpose	2003 Election Principal Amount of Authorization Remaining	2004 Election Principal Amount of Authorization Voted	Principal Amount of Authorization Remaining
Streets	\$11,379,000	-0-	\$11,379,000
Traffic and Safety	600,000	-0-	600,000
Water	6,183,000	-0-	6,183,000
Sanitation	3,363,000	\$4,000,000	7,363,000
Park and Recreation	2,350,000	20,000,000	22,350,000
Transportation	1,000,000	-0-	1,000,000
Mosquito Control	400,000	-0-	400,000
Operations and Maintenance	<u>40,000,000</u>	<u>-0-</u>	<u>40,000,000</u>
Total	<u>\$65,275,000</u>	<u>\$24,000,000</u>	<u>\$89,275,000</u>

WHEREAS, in order to effectively refund the District's remaining obligations under the 2006 District IGA with respect to the funding of certain costs of designing, acquiring, constructing, completing, installing, relocating, providing, operating and maintaining public improvements benefiting the District (as more particularly defined herein, the "Refunding Project"), which costs were funded by Granby Realty Holdings LLC pursuant to various reimbursement agreements with Headwaters and are otherwise payable by the District in accordance with the 2006 District IGA as Capital Costs and Service Costs thereunder, the Board hereby determines that it is in the best interests of the inhabitants and taxpayers of the District, that the District issue "Taxable Subordinate Limited Tax General Obligation Bonds, Series 2010" (the "Bonds") in the aggregate principal amount of \$11,119,000, which Bonds shall be payable solely from Pledged Revenues (defined herein); and

WHEREAS, the Bonds shall be issued pursuant to the provisions of Title 32, Article 1, Part 11, C.R.S., and all other laws thereunto enabling; and

WHEREAS, the Board specifically elects to apply all of the provisions of Title 11, Article 57, Part 2, C.R.S., to the Bonds; and

WHEREAS, the Bonds initially shall be limited tax general obligations of the District, and shall be payable solely from the Pledged Revenue (as defined herein); and

WHEREAS, the Bonds initially shall be issued in denominations of \$500,000 each, and in integral multiples above \$500,000 of not less than \$1,000 each, and will be exempt from registration under the Colorado Municipal Bond Supervision Act; and

WHEREAS, the Bonds shall have an irrevocable and first lien on the Pledge Revenue, but not an exclusive first lien; and

WHEREAS, based upon the par amount and anticipated uses of the proceeds of the Bonds, the Board hereby determines to allocate the principal amount of the Bonds in accordance with the following, and as a result, after issuance of the Bonds, the District will have the following authorized but unissued indebtedness remaining from the 2003 Election and 2004 Election:

Authorization Remaining After Issuance of the Bonds

Purpose	Principal Amount of Authorization Remaining Before Bonds Issued	Principal Amount Used for Bonds	Principal Amount of Authorization Remaining After Bonds Issued
Streets	\$11,379,000	5,505,822	5,873,178
Traffic and Safety	600,000	270,428	329,572
Water	6,183,000	2,761,482	3,421,518
Sanitation	7,363,000	1,667,920	5,695,080
Park and Recreation	22,350,000	--	22,350,000
Transportation	1,000,000	--	1,000,000
Mosquito Control	400,000	--	400,000
Operations and Maintenance	<u>40,000,000</u>	<u>913,348</u>	<u>39,086,653</u>
Total	<u>\$89,275,000</u>	<u>\$11,119,000</u>	<u>\$78,156,000</u>

WHEREAS, pursuant to §32-1-902(3), C.R.S., and §18-8-308, C.R.S., all known potential conflicting interests of the Directors were disclosed to the Colorado Secretary of State and to the Board in writing at least 72 hours in advance of this meeting; additionally, in accordance with §24-18-110, C.R.S., the appropriate Board members have made disclosure of their personal and private interests relating to the issuance of the Bonds in writing to the Secretary of State and the Board; finally, said officials have stated for the record immediately prior to the adoption of this Resolution the fact that they have said interests and the summary nature of such interests and the participation of said officials is necessary to obtain a quorum or otherwise enable the Board to act; and

WHEREAS, the Bonds are exempt from registration under the "Colorado Municipal Bond Supervision Act" by virtue of the Authorized Denominations (as provided herein) and the exemption provided in Rule 59-10.3 promulgated by the Colorado Division of Securities, and the appropriate filing has been made under §11-59-110(2), C.R.S., in order to make such exemption applicable; and

WHEREAS, there has been presented to this meeting of the Board the form of the Paying Agent Agreement (as defined herein); and

WHEREAS, the Board desires to authorize the issuance and sale of the Bonds and the approval and execution of the foregoing documents and any other documents necessary and appropriate to effectuate the transaction described in this Resolution;

THEREFORE, be it resolved by the Board of Directors of the Granby Ranch Metropolitan District, in Grand County, Colorado:

Section 1. Definitions.

“Authorized Denominations” means, initially, the amount of \$500,000 or any integral multiple of \$1,000 in excess thereof, provided that:

(a) no individual Bond may be in an amount which exceeds the principal amount coming due on the final maturity date;

(b) in the event a Bond is partially redeemed and the unredeemed portion is less than \$500,000, such unredeemed portion of such Bond may be issued in the largest possible denomination of less than \$500,000, in integral multiples of not less than \$1,000 each or any integral multiple thereof; and

(c) the Authorized Denominations shall be reduced to \$1,000 or any integral multiple thereof in the event that the Bond Registrar receives an opinion of Counsel that the District has filed a notice of a claim of exemption, along with all other required documents necessary to exempt the Bonds under any of the exemptions from registration contemplated by Section 11-59-110, C.R.S., or any successor statute, or has taken other actions which permit the Bonds to be issued in denominations of \$1,000 or integral multiples thereof under the Colorado Municipal Bond Supervision Act, Title 11, Article 59, C.R.S., or any successor statute.

“Board” means the Board of Directors of the District.

“Bond Fund” means the fund of the District designated as the “Bond Fund” established by the provisions hereof.

“Bond Registrar” means UMB Bank, n.a., in Denver, Colorado, which shall perform the function of registrar with respect to the Bonds.

“Bonds” means the Taxable Subordinate Limited Tax General Obligation Bonds, Series 2010, dated as of the Dated Date and issued in the aggregate principal amount of \$11,119,000, as authorized by this Resolution.

“Capital Costs” shall have the meaning assigned it in the 2006 District IGA.

“Certified Public Accountant” means an independent certified public accountant within the meaning of §12-2-115, C.R.S., and any amendment thereto, licensed to practice in the State of Colorado.

“County” means Grand County, Colorado.

“C.R.S.” means the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

“Dated Date” means the date of issuance of the Bonds.

“Debt” means any of the following obligations of the District, regardless of intended or pledged source of repayment: (a) borrowed money of any kind; (b) obligations evidenced by bonds, debentures, notes or similar instruments; (c) obligations upon which interest charges are

customarily paid; (d) obligations under conditional sale or other title retention agreements relating to property or assets purchased by the District; (e) obligations issued or assumed as the deferred purchase price of property or services; (f) obligations subject to annual appropriation of amounts sufficient to pay such obligations; (g) obligations arising from guarantees made by the District; and (h) obligations evidenced by capital leases; provided however, that notwithstanding the foregoing, Debt hereunder shall not include obligations now existing or hereafter arising under the 2006 District IGA, as the same may be amended from time to time, or any obligation of the District with respect to the Amended and Restated Lease Purchase Agreement, dated June 1, 2006 (as amended from time to time), between the Developer and Headwaters.

“Developer” means Granby Realty Holdings LLC.

“District” means the Granby Ranch Metropolitan District, in Grand County, Colorado.

“Event of Default” means any one or more of the events set forth in the Section hereof entitled “Events of Default.”

“Federal Securities” means bills, certificates of indebtedness, notes, bonds or similar securities which are direct non-callable obligations of the United States of America or which are fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America.

“Fiscal Year” means the 12 months commencing January 1 of any year and ending December 31 of that year.

“Headwaters” means Headwaters Metropolitan District (formerly known as SolVista Metropolitan District No. 1).

“Interest Payment Date” means December 15 of each year, commencing December 15, 2011.

“Mandatory Redemption Account” means the account of the District designated as the “Mandatory Redemption Account” established within the Bond Fund by the provisions hereof.

“Owner” means the registered owner of any Bond, as shown by the registration books maintained by the Bond Registrar.

“Parity Lien Bonds” means one or more series of additional bonds, notes, interim securities, or other obligations issued by the District pursuant to the Section hereof entitled “Additional Bonds,” having a lien on the Pledged Revenue which is on parity with the lien thereon of the Bonds.

“Paying Agent” means UMB Bank, n.a., in Denver, Colorado, or its successor, which shall perform the function of paying agent with respect to the Bonds.

“Paying Agent Agreement” means the agreement dated as of the Dated Date of the Bonds between the District and the Paying Agent and Bond Registrar, concerning the registration, transfer, exchange, and payment of the Bonds.

“Permitted Investments” means any investment which is a lawful investment permitted for the investment of funds of the District by the laws of the State.

“Permitted O&M Mill Levy” means an ad valorem property tax imposed by the District for payment of operation, maintenance and administrative costs (including such costs payable under the 2006 District IGA); provided, however that, prior to the date such mill levy is imposed by the District, the same has been consented to in writing by the Owners of 100% aggregate principal amount of the Bonds. The District shall not be permitted to take into account in determining the Required Mill Levy any ad valorem property tax imposed for operations, maintenance and administrative costs (including such costs payable under the 2006 District IGA) that has not been previously consented to by the Owners of 100% aggregate principal amount of the Bonds.

“Pledged Revenue” means the moneys derived by the District from the following sources, after payment of any costs of collection:

- (a) the Required Mill Levy;
- (b) any moneys released to the District from the Surplus Fund held under the Senior Bond Indenture; and
- (c) any other legally available moneys which the District determines to credit to the Bond Fund.

“Purchaser” means Granby Realty Holdings LLC .

“Refunding Project” means the payment of the following obligations of the District under the 2006 District IGA:

- (a) Capital Costs in the amount of \$10,205,652 incurred by the Developer and reimbursable by Headwaters under that certain Construction Funding and Reimbursement Agreement dated as of June 7, 2006, and that certain Construction Funding and Reimbursement Agreement dated as of January 1, 2008, both between Headwaters and the Developer;
- (b) Service Costs in the amount of \$913,348 incurred by the Developer and reimbursable by Headwaters under that certain 2006 Funding and Reimbursement Agreement, dated April 11, 2006, between Headwaters and the Developer (leaving \$616.30 of such costs remaining unpaid).

“Record Date” means the last day of the calendar month next preceding the calendar month in which each interest payment date occurs.

“Required Mill Levy” means an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in the amount of 50 mills, less the Senior Mill Levy required to be imposed in the applicable year, less the Permitted O&M Mill Levy (if any) for such year; provided, however, in no event may the Required Mill Levy be

established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

"Resolution" means this Resolution which authorizes the issuance of the Bonds, including any amendments properly made hereto.

"Senior Bonds" means the Limited Tax General Obligation Bonds, Series 2006, issued in the aggregate principal amount of \$14,275,000 pursuant to the Senior Bond Indenture.

"Senior Bond Indenture" means the Indenture of Trust dated as of June 1, 2006, between the District and American National Bank (now UMB Bank, n.a.), as trustee, pursuant to which the Senior Bonds were issued.

"Senior Mill Levy" means the ad valorem property tax levy required to be imposed by the District in accordance with the Senior Bond Indenture, which ad valorem property tax levy is referred to in such Senior Bond Indenture as the "Required Mill Levy".

"Special Record Date" means the record date for determining Bond ownership for purposes of paying defaulted interest, as such date may be determined pursuant to this Resolution.

"Service Costs" shall have the meaning assigned it in the 2006 District IGA.

"Town" means the Town of Granby, Colorado.

"2006 District IGA" means the District Facilities Construction and Service Agreement dated as of June 1, 2006, between the District and Headwaters.

"2008 District IGA" means the First Amended and Restated District Facilities Construction and Service Agreement dated as of September 17, 2008, among the District, Headwaters, 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, which agreement is repudiated by the terms hereof and of no further force or effect.

Section 2. Authorization. In accordance with the Constitution of the State of Colorado, Title 32, Article 1, C.R.S.; Title 11, Article 57, Part 2, C.R.S., and all other laws of the State of Colorado thereunto enabling, there shall be issued by District, the "Taxable Subordinate Limited Tax General Obligation Bonds, Series 2010," in the aggregate principal amount of \$11,119,000, for the purpose of providing for the payment of the Refunding Project. The Board hereby authorizes the sale of the Bonds to the Purchaser for a purchase price equal to 100% of the aggregate principal amount thereof, which purchase price it is acknowledged will be funded through the cancellation of certain reimbursables payable by Headwaters (and, through the 2006

District IGA, the District) under a Construction Funding and Reimbursement Agreement dated as of June 7, 2006, a Construction Funding and Reimbursement Agreement dated as of January 1, 2008, and a 2006 Funding and Reimbursement Agreement, dated April 11, 2006, all between Headwaters and the Purchaser, as more particularly described in the definition of Refunding Project herein.

Section 3. Limited Tax General Obligations. All of the Bonds, together with the interest thereon, shall be secured by the District's covenant to impose the Required Mill Levy and shall be payable solely out of Pledged Revenue. The Bonds shall constitute an irrevocable and first lien on the Pledged Revenue, but not an exclusive such lien, and the Pledged Revenue is hereby pledged to the payment of the Bonds. Any additional Parity Lien Bonds issued in accordance with the Section hereof entitled "Additional Bonds" will have a lien on the Pledged Revenue which is on parity with the lien of the Bonds. The Owners may not look to any general or other fund of the District for the payment of the principal of and interest on the Bonds, except the funds and accounts pledged thereto by this Resolution. Pursuant to Section 11-57-208, C.R.S., the Pledged Revenue shall immediately be subject to the lien granted pursuant to this Section without any physical delivery, filing, or further act.

Section 4. Bond Details. The Bonds shall be issued only as fully registered Bonds without coupons in Authorized Denominations. Unless the District shall otherwise direct, the registered Bonds shall be numbered separately from one upward, with the number of each Bond preceded by "R-."

The Bonds shall be dated as of the Dated Date. The Bonds shall bear interest at the rate of 6.75% per annum, calculated on the basis of a 360-day year of twelve 30-day months, payable annually on each December 15, commencing on December 15, 2011, and shall mature on December 15, 2049.

To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid. To the extent interest on any Bond is not paid when due, such interest shall compound annually, on each December 15, at the rate then borne by the Bond. Notwithstanding anything herein to the contrary, the District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Bonds, including all payments of principal, premium if any, and interest, and all Bonds will be deemed defeased and no longer outstanding upon the payment by the District of such amount.

NOTWITHSTANDING ANY OTHER PROVISION CONTAINED IN THIS RESOLUTION OR THE FORM OF BOND, ANY AMOUNT REMAINING UNPAID WITH RESPECT TO THE BONDS ON DECEMBER 15, 2049 (THE FINAL MATURITY DATE OF THE BONDS) SHALL BE DEEMED FULLY DISCHARGED WITHOUT FURTHER ACTION BY THE DISTRICT OR THE OWNER OF SUCH BONDS AND THE DISTRICT SHALL, AFTER SUCH DATE, HAVE NO FURTHER OBLIGATION WITH RESPECT TO THE PAYMENT OF THE BONDS.

Section 5. Payment of Bonds; Paying Agent and Bond Registrar. The payment of principal on the Bonds is payable in lawful money of the United States of America to the Owner of each Bond upon maturity or prior redemption and presentation at the operations center of the

Paying Agent. The interest on any Bond is payable to the person in whose name such Bond is registered, at his address as it appears on the registration books maintained by or on behalf of the District by the Bond Registrar, at the close of business on the Record Date, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such interest payment date; provided that any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Bond Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Owners of the Bonds not less than 10 days prior to the Special Record Date by first-class mail to each such Owner as shown on the registration books kept by the Bond Registrar on a date selected by the Bond Registrar. Such notice shall state the date of the Special Record Date and the date fixed for the payment of such defaulted interest.

Interest payments shall be paid by check or draft of the Paying Agent mailed on or before the interest payment date to the Owners. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the Owner of such Bond and the Paying Agent; provided that the District shall not be required to make funds available to the Paying Agent prior to the dates on which such interest would otherwise be payable hereunder, nor to incur any expenses in connection with such alternative means of payment.

The principal of and interest on or in connection with the Bonds shall be paid in accordance with the terms of the Paying Agent Agreement.

Section 6. Redemption of Bonds Prior to Maturity.

(a) ***Optional Redemption.*** The Bonds shall be subject to redemption prior to maturity, at the option of the District, as a whole or in part, and if in part by lot, on December 15, 2015 or any date thereafter, upon payment of par and accrued interest, without redemption premium.

(b) ***Mandatory Redemption.*** The Bonds are subject to mandatory redemption in part by lot on December 15 of each year (each a "Mandatory Redemption Date") to the extent of moneys on deposit, if any, in the Mandatory Redemption Account of the Bond Fund 45 days prior to the applicable Mandatory Redemption Date, at a redemption price (the "Mandatory Redemption Price") equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date.

(c) ***Partial Redemption of Bonds.*** The portion of any Bond to be redeemed shall be in the principal amount of \$1,000, or any integral multiple thereof. In selecting Bonds for redemption, the Paying Agent shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of that Bond by \$1,000.

(d) ***Notice and Effect of Redemption.***

Notice of any redemption of the Bonds shall be given by the Paying Agent in the name of the District by mailing a copy of the redemption notice by first class mail to the Owners of the Bonds to be redeemed at the addresses of such Owners shown on the registration books maintained by the Paying Agent pursuant to the Registration and Paying Agency Agreement, not more than sixty (60) nor less than thirty (30) days prior to the redemption date. Failure to mail notice to the Owner of any Bond designated for redemption, or any defect in any notice given, shall not affect the validity of any proceedings for the redemption of the Bonds as to which no such failure shall have occurred. Any notice mailed as provided herein shall be conclusively presumed to have been duly given, whether or not the Owner actually receives the notice. Each notice of redemption shall specify the date fixed for redemption, the redemption price, the place or places of payment, that payment will be made upon presentation and surrender of the Bonds to be redeemed, that interest accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. Such notice may also provide that such redemption shall be conditioned on the availability of sufficient amounts to effect such redemption on the date fixed for such redemption. If less than all the outstanding Bonds are to be redeemed, the notice of redemption shall specify the numbers of the Bonds (or portions of Bonds issued in a principal amount in excess of \$1,000) to be redeemed.

On or prior to the date fixed for redemption, funds sufficient to pay the Bonds or portions of the Bonds called for redemption, together with accrued interest to the redemption date, are to be deposited with the Paying Agent. The giving of notice and the deposit of funds for redemption shall cause interest on any Bond or portion thereof called for redemption to cease to accrue from and after the date fixed for redemption.

Section 7. Form of Bonds.

The Bonds shall be in substantially the form set forth in Appendix A hereto with such changes thereto, not inconsistent herewith, as may be necessary or desirable and approved by the officials of the District executing the same (whose manual or facsimile signatures thereon shall constitute conclusive evidence of such approval). All covenants, statements, representations and agreements contained in the Bonds are hereby approved and adopted as the covenants, statements, representations and agreements of the District. Although attached as an appendix for the convenience of the reader, Appendix A is an integral part of this Resolution and is incorporated herein as if set forth in full in the body of this Resolution.

The Bonds shall recite that they are issued under the authority of Title 11, Article 57, Part 2, C.R.S. Such recital shall conclusively impart full compliance with all provisions and limitations of said statutes, and all Bonds issued containing such recital shall be incontestable for any cause whatsoever after their delivery for value.

The Bonds may contain a reproduction of the opinion of nationally recognized municipal bond counsel as to the Bonds and a certification of such opinion by the District Secretary.

Section 8. Execution, Authentication and Delivery of the Bonds.

(a) **Execution.** The Bonds shall be executed in the name and on behalf of the District with the manual or facsimile signature of the President of the District, shall bear a manual or facsimile of the seal of the District and shall be attested by the manual or facsimile signature of the Secretary of the District, both of whom are hereby authorized and directed to prepare and execute the Bonds in accordance with the requirements hereof. Should any officer whose manual or facsimile signature appears on the Bonds cease to be such officer before delivery of any Bond, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes.

(b) **Authentication.** When the Bonds have been duly executed, the officers of the District are authorized to, and shall, deliver the Bonds to the Paying Agent for authentication. No Bond shall be secured by or entitled to the benefit of this Resolution, or shall be valid or obligatory for any purpose, unless the certificate of authentication of the Paying Agent has been manually executed by an authorized signatory of the Paying Agent. The executed certificate of authentication of the Paying Agent upon any Bond shall be conclusive evidence, and the only competent evidence, that such Bond has been properly authenticated hereunder.

(c) **Delivery.** Upon the authentication of the Bonds, the Paying Agent shall deliver the same to the Purchaser, upon receipt of the agreed upon purchase price, as directed by the District.

Section 9. Registration, Transfer and Exchange of the Bonds.

(a) **Registration.** The Paying Agent shall maintain registration books in which the ownership, transfer and exchange of Bonds shall be recorded. The person in whose name any Bond shall be registered on such registration books shall be deemed to be the absolute owner thereof for all purposes, whether or not payment on any Bond shall be overdue, and neither the District nor the Paying Agent shall be affected by any notice or other information to the contrary.

(b) **Transfer and Exchange.** The Bonds may be transferred or exchanged at the principal operations office of the Paying Agent or at such other location designated by the Paying Agent for such purpose, for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity and interest rate, upon payment by the transferee of a transfer fee, any tax or governmental charge required to be paid with respect to such transfer or exchange and any cost of printing bonds in connection therewith. Notwithstanding the foregoing, any costs associated with any exchanges necessitated by a redemption of Bonds in accordance with Section 6 hereof shall be paid by the District. Upon surrender for transfer of any Bond, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his or her attorney duly authorized in writing, the District shall execute and the Paying Agent shall authenticate and deliver in the name of the transferee a new Bond.

(c) **Restrictions on Investors.** The Bonds shall be sold, transferred or conveyed only to "financial institutions" or "institutional investors" within the meaning of Section 32-1-103(6.5), Colorado Revised Statutes, or "accredited investors" within the

meaning of Rule 501(A) of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended, who have executed an investor letter in the form attached as Appendix B hereto.

(d) ***Limitations on Transfer.*** The District and Paying Agent shall not be required to issue or transfer any Bonds: (i) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first business day following the ensuing interest payment date, or (ii) during the period beginning at the opening of business on a date 45 days prior to the date of any redemption of Bonds and ending at the opening of business on the first business day following the day on which the applicable notice of redemption is mailed. The Paying Agent shall not be required to transfer any Bonds selected or called for redemption.

Section 10. Replacement of Lost, Destroyed or Stolen Bonds.

If any Bond shall become lost, apparently destroyed, stolen or wrongfully taken, it may be replaced in the form and tenor of the lost, destroyed, stolen or taken bond and the District shall execute and the Paying Agent shall authenticate and deliver a replacement Bond upon the Owner furnishing, to the satisfaction of the Paying Agent: (a) proof of ownership (which shall be shown by the registration books of the Paying Agent), (b) proof of loss, destruction or theft, (c) an indemnity to the District and the Paying Agent with respect to the Bond lost, destroyed or taken, and (d) payment of the cost of preparing and executing the new Bond or Bonds.

Any replacement Bond or Bonds shall recite that they are issued under the authority of Title 11, Article 57, Part 2, C.R.S. Such recital shall conclusively impart full compliance with all provisions and limitations of said statutes, and all Bonds issued containing such recital shall be incontestable for any cause whatsoever after their delivery for value.

Section 11. Cancellation of Bonds. Whenever any Bond shall be delivered to the Bond Registrar for cancellation pursuant to this Resolution and upon payment of the principal amount and interest represented thereby, or whenever any Bond shall be delivered to the Bond Registrar for transfer or exchange pursuant to the provisions hereof, such Bond shall be cancelled by the Bond Registrar and counterparts of a certificate of cancellation evidencing such cancellation shall be furnished by the Bond Registrar to the District.

Section 12. Investments. Proceeds of the Bonds delivered to the District pursuant to the Section hereof entitled "Creation of Fund and Accounts; Initial Credits to Accounts," moneys on deposit in the Bond Fund, and any moneys held by the Paying Agent with respect to the Bonds shall be invested in Permitted Investments, provided that the investment of such moneys shall be subject to any applicable restrictions set forth in the Tax Letter of Instructions and in the "Tax Compliance Certificate" or similar certificate delivered by the District in connection with the issuance of the Bonds that describes the District's expectations regarding the use and investment of proceeds of the Bonds and other moneys and the use of the Project. Interest earnings on moneys held in the Bond Fund or any other account shall remain in that same account and be disposed of in the same manner as the moneys already held in such account.

Section 13. Application of Pledged Revenue. The District shall deposit and apply all Pledged Revenue immediately upon receipt to the credit of the Bond Fund and to the credit of any other fund or account established for the payment of the principal of (including sinking fund installments), premium if any, and interest on Parity Lien Bonds, pro rata in accordance with the relative par amounts of the Bonds and any Parity Lien Bonds.

Section 14. Security for the Bonds.

(a) **Limited Tax General Obligations.** The Bonds shall be limited tax general obligations of the District payable from and to the extent of the Pledged Revenue, which is hereby pledged for the punctual payment of the principal of and interest on the Bonds. The Bonds shall not constitute a debt or indebtedness of the Town, the County, the State or any political subdivision of the State other than the District.

(b) For the purpose of paying the principal of and interest on the Bonds, the District covenants to cause to be levied by the Board of County Commissioners of Grand County, Colorado, on all of the taxable property of the District, in addition to all other taxes, direct annual taxes in each of the years 2011 through 2048 (for collection in 2049) inclusive (and, to the extent necessary to make up any defaults, in each year subsequent to 2048 to the extent permitted under the Service Plan and other applicable law) in the amount of the Required Mill Levy. Nothing herein shall be construed to require the District to levy an ad valorem property tax for payment of the Bonds in excess of the Required Mill Levy.

(c) The foregoing provisions of this Indenture are hereby declared to be the certificate of the Board to the Board of County Commissioners of Grand County, Colorado, showing the aggregate amount of taxes to be levied from time to time, as required by law, for the purpose of paying the principal of, premium if any, and the interest on the Bonds.

(d) The amounts necessary to pay all costs and expenses incidental to the issuance of the Bonds and to pay the principal of and interest on the Bonds when due are hereby appropriated for said purposes, and such amounts as appropriate for each year shall also be included in the annual budget and the appropriation bills to be adopted and passed by the Board in each year, respectively, until the Bonds have been fully paid, satisfied, and discharged.

(e) It shall be the duty of the Board, annually, at the time and in the manner provided by law for levying other District taxes, to ratify and carry out the provisions hereof with reference to the levying and collection of taxes; and the Board shall levy, certify, and collect said taxes in the manner provided by law for the purposes aforesaid.

(f) Said taxes shall be levied, assessed, collected, and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State, and when collected said taxes shall be paid to the District as provided by law. The Board shall take all necessary and proper steps to enforce promptly the payment of taxes levied pursuant to this Bond Resolution.

(g) It is acknowledged that, in accordance with the Senior Bond Indenture, there may be released to the District from time to time certain moneys accumulated in the Surplus Fund held thereunder. The District hereby covenants that, until such time as the Bonds are paid in full, all moneys released to the District from such Surplus Fund shall be promptly deposited into the Bond Fund and to the credit of any other fund or account established for the payment of the principal of (including sinking fund installments), premium if any, and interest on Parity Lien Bonds in accordance with the Section hereof entitled "Application of Pledged Revenue."

Section 15. Bond Fund.

(a) There is hereby established the Bond Fund and, therein, the Mandatory Redemption Account, which shall be maintained by the District in accordance with the provisions of this Resolution.

(b) Moneys deposited in the Bond Fund shall be used solely for the purpose of paying the principal (including mandatory redemption payments) and interest on the Bonds.

(c) All deposits to the Bond Fund shall first be allocated to the payment of interest to come due on the Bonds. On the 45th day prior to each Mandatory Redemption Date, the District shall determine the amounts on deposits in the Bond Fund, if any, in excess of the amounts required to pay all interest to come due on the Bonds on the next Interest Payment Date, and shall immediately transfer or credit any such excess amount to the Mandatory Redemption Account. On the date of such transfer, the District shall also provide notice of the same to the Paying Agent for the purpose of providing the requisite redemption notice as provided herein. On or before the last Business Day prior to each Interest Payment Date, the District is to transfer to the Paying Agent: (i) from the Bond Fund, amounts then available for payment of interest on the Bonds (including the accrued interest portion of any Mandatory Redemption Price); and (ii) from the Mandatory Redemption Account, amounts necessary to pay the principal portion of any Mandatory Redemption Price.

(d) Moneys deposited in the Bond Fund may be invested or deposited in securities or obligations which are Permitted Investments.

Section 16. Additional Bonds.

(a) The District shall not incur any additional debt or other financial obligation having a lien upon the Pledged Revenue superior to the lien thereon of the Bonds.

(b) The District may not issue Parity Lien Bonds or any other Debt unless previously consented to in writing by the Owners of not less than 100% of the Bonds.

Section 17. Reserved.

Section 18. Additional Covenants. For so long as any Bond is outstanding, the District hereby covenants as follows:

(a) The District will operate and manage the District and its facilities in an efficient and economical manner in accordance with all applicable laws, rules, and regulations, and keep and maintain separate accounts of the receipts and expenses thereof in such manner that the Pledged Revenue may at all times be readily and accurately determined.

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

(c) The District will carry fire and extended coverage, worker's compensation, public liability, and such other forms of insurance on insurable District property as would ordinarily be carried by entities having similar properties of equal value.

(d) The District will cooperate fully with the owners of property within the District in any governmental process or procedure required to achieve development within the District substantially in accordance with the Service Plan.

Section 19. Defeasance. When all principal and interest in connection with a Bond has been duly paid, the pledge and lien and all obligations of the District hereunder shall thereby be discharged with respect to said Bond and the Bond shall no longer be deemed to be outstanding within the meaning of this Resolution. There shall be deemed to be such due payment when the District has placed in escrow and in trust with a commercial bank located within or without the State of Colorado, and exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be initially invested) to meet all requirements of principal and interest as the same become due to their final maturities or upon designated prior redemption dates. The Federal Securities shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the District and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule. The sufficiency of the escrow shall be determined by a Certified Public Accountant.

Section 20. Events of Default. The occurrence or existence of any one or more of the following events shall be an Event of Default hereunder:

(a) the District fails to impose the Required Mill Levy as required by this Resolution;

(b) the District defaults in the performance of any other of its covenants in this Resolution, and such default continues for 60 days after written notice specifying

such default and requiring the same to be remedied is given to the District by the Owners of 50% in aggregate principal amount of the Bonds then outstanding; or

(c) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligations represented by the Bonds.

Section 21. Remedies For Events of Default. Upon the occurrence and continuance of an Event of Default, the Owner of any Bond, or a trustee therefor, may protect and enforce the rights of any Owner by proper legal or equitable remedy deemed most effectual including, without limitation, mandamus, specific performance of any covenants, injunctive relief, or requiring the Board to act as if it were the trustee of an express trust, or any combination of such remedies; provided however, that acceleration of any payments due with respect to any Bond shall not be a remedy available to the Owner of any such Bond. All proceedings shall be maintained for the equal benefit and protection of all Owners. The failure of any Owner to proceed does not relieve the District or any person of any liability for failure to perform any duty hereunder. The foregoing rights are in addition to any other right, and the exercise of any right by any Owner shall not be deemed a waiver of any other right.

It is acknowledged that due to the limited nature of the Pledged Revenue, the failure to pay the principal of or interest on the Bonds when due shall not, of itself, constitute an Event of Default hereunder. In no event shall acceleration of the Bonds be a remedy available in an Event of Default hereunder.

Section 22. Permitted Amendments. The District may, without the consent of or notice to the Owners, adopt amendments or supplements to this Resolution, which amendments or supplements (to the extent relating to this Resolution) shall thereafter form a part hereof, for any one or more of the following purposes:

(a) to cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in this Resolution, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under this Resolution, or to make any provisions for any other purpose, if such provisions are necessary or desirable and do not materially adversely affect the interests of the Owners of the Bonds;

(b) to subject to this Resolution or pledge to the payment of the Bonds additional revenues, properties, or collateral; and

(c) to grant or confer upon the Owners any additional rights, remedies, powers, or authority that may be lawfully granted to or conferred upon the Owners.

Section 23. Amendments Requiring Consent of Owners. Except for amendatory or supplemental resolutions adopted pursuant to the Section hereof entitled "Permitted Amendments," the Owners of not less than 100% in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, to consent to and approve the adoption by the District of such resolutions amendatory or supplemental hereto as shall be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Resolution;

provided however, that without the consent of the Owners of all the Bonds affected thereby, nothing herein contained shall permit, or be construed as permitting:

- (a) a change in the terms of the maturity of any Bond, in the principal amount of any Bond or the rate of interest thereon, or in the terms of prior redemption of any Bond;
- (b) an impairment of the right of the Owners to institute suit for the enforcement of any payment of the principal of or interest on the Bonds when due;
- (c) the creation of a lien upon the Pledged Revenue ranking prior to the lien of the Bonds;
- (d) a privilege or priority of any Bond or interest payment over any other Bond or interest payment; or
- (e) a reduction in the percentage in principal amount of the Bonds the consent of whose Owners is required for any such amendatory or supplemental resolution.

If at any time the District shall desire to adopt an amendatory or supplemental resolution for any of the purposes of this Section, the District shall cause notice of the proposed adoption of such amendatory or supplemental resolution to be given by mailing such notice by certified or registered first-class mail to each Owner of a Bond to the address shown on the registration books of the Bond Registrar, at least 30 days prior to the proposed date of adoption of any such amendatory or supplemental resolution. Such notice shall briefly set forth the nature of the proposed amendatory or supplemental resolution and shall state that copies thereof are on file at the offices of the District or some other suitable location for inspection by all Owners. If, within 60 days or such longer period as shall be prescribed by the District following the giving of such notice, the Owners of not less than the required percentage in aggregate principal amount of the Bonds then outstanding at the time of the execution of any such amendatory or supplemental resolution shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the adoption and effectiveness thereof, or to enjoin or restrain the District from adopting the same or from taking any action pursuant to the provisions thereof.

Section 24. Effect of Amendment. Upon the execution of any amendatory or supplemental resolution pursuant to this Resolution, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Resolution of the District, the Bond Registrar and Paying Agent, and all Owners of Bonds then outstanding shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such modifications and amendments.

Section 25. Removal or Resignation of Bond Registrar or Paying Agent; Successors. The Paying Agent and Bond Registrar may resign, or be removed by the District at any time with or without cause. In no event shall the removal or resignation of the Bond Registrar or Paying Agent take effect until a successor acceptable to the District shall be appointed and in such event,

written notice thereof shall be given to each Owner by mailing to the addresses shown on the registration books for the Bonds. Any successor Paying Agent shall:

- (a) be a trust company or bank in good standing located in or incorporated under the laws of the State of Colorado;
- (b) be duly authorized to exercise trust powers;
- (c) be subject to examination by a federal or state authority; and
- (d) maintain a reported capital and surplus of not less than \$75,000,000.

Section 26. Provisions Regarding District IGAs.

(a) The District acknowledges that, subsequent to the issuance of the Senior Bonds, the District entered into the 2008 District IGA which purported to amend and restate the 2006 IGA. The District has determined that it did not obtain all necessary approvals prior to the execution of the 2008 District IGA, and therefore repudiates the 2008 District IGA which shall, hereafter, be of no further force or effect. As a result, the 2006 District IGA remains in effect as of the date hereof (subject to the refunding of a portion thereof as provided in subparagraph (b) hereof). The District's repudiation of the 2008 District IGA shall be deemed to have occurred prior to the issuance of the Bonds pursuant to this Resolution.

(b) The District hereby finds that the 2006 District IGA constitutes an Additional Bond under the Senior Bond Indenture and, as such, is permitted to be refunded through the issuance of the Bonds without the consent of the holders of the Senior Bonds.

Section 27. Authorization to Execute Documents. The President and Secretary of the District, or any other duly authorized officer of the District, shall, and they are hereby authorized and directed to, take all actions necessary or appropriate to effectuate the provisions of this Resolution, including, but not limited to, the execution of the Paying Agent Agreement, in substantially the form presented to this meeting of the Board, with such changes therein, if any, not inconsistent herewith, as are approved by the District (which, once executed by the appropriate District official, shall constitute conclusive evidence of approval of the District), and such certificates and affidavits as are necessary and appropriate to effectuate the transaction described in this Resolution, including to reallocate (if necessary) the principal amount of the Bonds to the appropriate infrastructure categories approved in the Election. The execution by the President of the District or any other duly authorized officer of the District of any document authorized herein shall be conclusive proof of the approval by the District of the terms thereof.

Section 28. Costs and Expenses. All costs and expenses incurred in connection with the issuance and payment of the Bonds shall be paid from legally available moneys of the District, and such moneys are hereby appropriated for that purpose.

Section 29. Application of Title 11, Article 57, Part 2, C.R.S. Pursuant to Section 11-57-204, C.R.S., the District hereby elects to apply all of the provisions of Title 11,

Article 57, Part 2, C.R.S., to the issuance of the Bonds. In accordance with Section 11-57-212, C.R.S., no legal or equitable action can be brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Bonds more than 30 days after the authorization of such securities.

Section 30. Holidays. If the date for making any payment or performing any action hereunder shall be a legal holiday or a day on which the principal office of the Paying Agent or Bond Registrar is authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which the principal office of the Paying Agent or Bond Registrar is authorized or required by law to remain closed.

Section 31. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the District and the members of the Board, not inconsistent with the provisions of this Resolution, relating to the authorization, sale, issuance, and delivery of the Bonds, are hereby ratified, approved, and confirmed.

Section 32. Resolution Irrepealable. After any of the Bonds have been issued, this Resolution shall constitute a contract between the Owners and the District, and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided.

Section 33. Repealer. All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

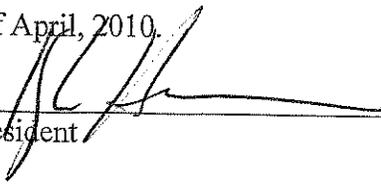
Section 34. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

Section 35. Effective Date. This Resolution shall take effect immediately upon its adoption.

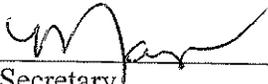
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ADOPTED AND APPROVED this 21st day of April, 2010.

By: 
President

Attested:

By: 
Secretary

APPENDIX A
FORM OF BOND
UNITED STATES OF AMERICA
STATE OF COLORADO

No. R- _____

\$ _____

County of Grand
Granby Ranch Metropolitan District
Taxable Subordinate Limited Tax General Obligation Bond, Series 2010

Interest Rate	Maturity Date	Dated Date
6.75%	December 15, 2049	April 21, 2010

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

Granby Ranch Metropolitan District, in the County of Grand and State of Colorado, a special district duly organized and operating under the constitution and laws of the State of Colorado (the "District"), for value received, hereby promises to pay, solely out of the special accounts hereinafter designated but not otherwise, to the registered owner named above, or registered assigns, on the maturity date specified above or on the date of prior redemption, the principal amount specified above. In like manner the District promises to pay interest on such principal amount (computed on the basis of a 360-day year of twelve 30-day months) from the interest payment date next preceding the date of registration and authentication of this Bond, except that interest paid on the first interest payment date shall be computed from the Dated Date set forth above, at the interest rate per annum specified above, payable annually on December 15 each year, commencing on December 15, 2011, until the principal amount is paid at maturity or upon prior redemption. The principal of this Bond is payable in lawful money of the United States of America to the registered owner hereof upon maturity or prior redemption and presentation at the operations center of UMB Bank, n.a., in Denver, Colorado, or its successor, as Paying Agent.

NOTWITHSTANDING ANY OTHER PROVISION CONTAINED HEREIN, ANY AMOUNT REMAINING UNPAID WITH RESPECT TO THIS BOND ON DECEMBER 15, 2049 (THE FINAL MATURITY DATE OF THE BONDS) SHALL BE DEEMED FULLY DISCHARGED WITHOUT FURTHER ACTION BY THE DISTRICT OR THE OWNER OF SUCH BOND AND THE DISTRICT SHALL, AFTER SUCH DATE, HAVE NO FURTHER OBLIGATION WITH RESPECT TO THE PAYMENT OF THIS BOND.

Payment of each installment of interest shall be made to the registered owner hereof whose name shall appear on the registration books of the District maintained by or on behalf of the District by UMB Bank, n.a., in Denver, Colorado, or its successor, as Bond Registrar, at the close of business on the last day of the calendar month next preceding the calendar month in which each interest payment date occurs (the "Record Date"), and shall be paid by check or draft of the Paying Agent mailed on or before the interest payment date to such registered owner at his address as it appears on such registration books. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the registered owner of such Bond and the Paying Agent, as provided in the resolution authorizing the issuance of this Bond (the "Bond Resolution"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof at the close of business on the Record Date and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date (the "Special Record Date") established for the payment of any defaulted interest. Notice of the Special Record Date and the date fixed for the payment of defaulted interest shall be given by first-class mail to the registered owner hereof as shown on the registration books on a date selected by the Bond Registrar.

THE BOND RESOLUTION CONSTITUTES THE CONTRACT BETWEEN THE REGISTERED OWNER OF THIS BOND AND THE DISTRICT. THIS BOND IS ONLY EVIDENCE OF SUCH CONTRACT AND, AS SUCH, IS SUBJECT IN ALL RESPECTS TO THE TERMS OF THE BOND RESOLUTION, WHICH SUPERSEDES ANY INCONSISTENT STATEMENT IN THIS BOND.

If the date for making any payment or performing any action shall be a legal holiday or a day on which the principal office of the Paying Agent or Bond Registrar is authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which the principal office of the Paying Agent or Bond Registrar is authorized or required by law to remain closed.

This Bond is one of a series aggregating \$11,119,000 par value, all of like date, tenor, and effect except as to number, principal amount, interest rate, and date of maturity, issued by the Board of Directors of Granby Ranch Metropolitan District, in the County of Grand and State of Colorado, by virtue of and in full conformity with the Constitution of the State of Colorado, Title 32, Article 1, C.R.S., Title 11, Article 57, Part 2, C.R.S., and all other laws of the State of Colorado thereunto enabling, and pursuant to the duly adopted Bond Resolution. Pursuant to Section 11-57-210, C.R.S., such recital shall conclusively impart full compliance with all of the provisions of said statutes, and this Bond issued containing such recital is incontestable for any cause whatsoever after its delivery for value. It is hereby recited, certified, and warranted that all of the requirements of law have been fully complied with by the proper officers in issuing this Bond.

The principal of and interest on this Bond are payable only out of "Pledged Revenue," as defined in the Bond Resolution. The Bonds of this issue constitute an irrevocable and first lien on Pledged Revenue, but not an exclusive such lien. Subject to expressed conditions, obligations in addition to the Bonds of this issue may be issued and made payable from the Pledged Revenue having a lien thereon on a parity with the lien of the Bonds of this issue, in accordance with the provisions of the Bond Resolution.

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

Reference is hereby made to the Bond Resolution for an additional description of the nature and extent of the security for the Bonds, the funds and revenues pledged to the payment thereof, the rights and remedies of the registered owners of the Bonds, the manner in which the Bond Resolution may be amended, and the other terms and conditions upon which the Bonds are issued, copies of which are on file for public inspection at the office of the District Secretary.

[redemption provisions set forth in the Bond Resolution
to be set forth herein]

Notice of prior redemption of this Bond shall be given by the Paying Agent in the name of the District by mailing a copy of the redemption notice by first class mail, not more than 60 nor less than 30 days prior to the date fixed for redemption, to the registered owner of this Bond at the address shown on the registration books maintained by the Bond Registrar, in the manner set forth in the Bond Resolution. All Bonds called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

The District and Bond Registrar shall not be required to issue or transfer any Bonds: (a) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first business day following the ensuing interest payment date, or (b) during the period beginning at the opening of business on a date 45 days prior to the date of any redemption of Bonds and ending at the opening of business on the first business day following the day on which the applicable notice of redemption is mailed. The Bond Registrar shall not be required to transfer any Bonds selected or called for redemption, in whole or in part.

The District, the Paying Agent, and the Bond Registrar may deem and treat the registered owner of this Bond as the absolute owner hereof for all purposes (whether or not this Bond shall be overdue), and any notice to the contrary shall not be binding upon the District, the Paying Agent, or the Bond Registrar.

This Bond may be exchanged at the principal office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity and interest rate of other Authorized Denominations (as defined in the Bond Resolution). This Bond is transferable by the registered owner hereof at the principal operations office of the Paying Agent, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Bond Resolution and upon surrender and cancellation of this Bond.

THE BONDS SHALL BE SOLD, TRANSFERRED OR CONVEYED ONLY TO "FINANCIAL INSTITUTIONS" OR "INSTITUTIONAL INVESTORS" WITHIN THE MEANING OF SECTION 32-1-103(6.5), COLORADO REVISED STATUTES, OR "ACCREDITED INVESTORS" WITHIN THE MEANING OF RULE 501(A) OF REGULATION D PROMULGATED BY THE SECURITIES AND EXCHANGE

COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, WHO HAVE EXECUTED AN INVESTOR LETTER IN THE FORM ATTACHED AS APPENDIX B TO THE BOND RESOLUTION.

The Bond Resolution may be amended or supplemented from time to time with or without the consent of the registered owners of the Bonds as provided in the Bond Resolution.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the authorizing Bond Resolution until the certificate of authentication hereon shall have been signed by the Bond Registrar.

IN TESTIMONY WHEREOF, the Board of Directors of Granby Ranch Metropolitan District, has caused this Bond to be signed by the facsimile signature of the President of the District, sealed with a facsimile of the seal of the District, and attested by the facsimile signature of the Secretary thereof, all as of the ____ day of _____, 2010.

[FACSIMILE SEAL]

GRANBY RANCH METROPOLITAN
DISTRICT, GRAND COUNTY, COLORADO

By (Facsimile Signature)
President

Attested:

By (Facsimile Signature)
Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Bond Resolution.

Date of Registration and Authentication: UMB Bank, n.a., Denver, Colorado, as Bond Registrar

By: _____
Authorized Signatory

APPROVING LEGAL OPINION

Set forth below is a true copy of the approving legal opinion of Kutak Rock LLP, delivered on the date on which the Bonds were originally issued:

[to be inserted herein]

I, the undersigned Secretary of the Granby Ranch Metropolitan District, do hereby certify that the foregoing approving opinion of Kutak Rock LLP, Denver, Colorado, is a true and complete copy of a manually executed and dated copy thereof on file in the official records of the District.

By _____
Secretary

[Form of Transfer for Bonds]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned _____ sells, assigns,
and transfers unto _____ (SOCIAL SECURITY OR
FEDERAL EMPLOYER, IDENTIFICATION NUMBER OF ASSIGNEE
_____)

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____
_____, attorney, to transfer said Bond on the books
kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature of Registered Owner:

By: _____

NOTICE: The signature to this assignment
must correspond with the name of the
registered owner as it appears upon the face of
the within Bond in every particular, without
alteration or enlargement or any change
whatever.

Signature guaranteed:

By: _____
(Bank, Trust Company or Firm)

**APPENDIX B
FORM OF INVESTOR LETTER**

Granby Ranch Metropolitan District

Ladies and Gentlemen:

In connection with the issuance by Granby Ranch Metropolitan District (the "District"), of its Taxable Limited Tax General Obligation Bonds, Series 2010, in the aggregate principal amount of \$11,119,000 (the "Bonds"), and the acquisition by [NAME OF PURCHASER] (the "Investor") of the Bonds [IDENTIFY PORTION BEING ACQUIRED IF APPLICABLE], the Investor hereby agrees and represents as follows:

1. The Investor understands that the Bonds and terms and conditions of the Bonds are as set forth in the resolution authorizing the issuance of the Bonds (the "Bond Resolution") adopted by the Board of Directors of the District on April 21, 2010. Unless otherwise indicated, capitalized terms used herein shall have the same meanings as set forth in the Bond Resolution.

2. The Investor understands that the Bonds are payable solely from and only to the extent of revenues resulting from the imposition of the Required Mill Levy by the District and that the "Required Mill Levy" is equal to 50 mills less the ad valorem property tax mill levy required to be imposed in the applicable year for payment of the District's Limited Tax General Obligation Bonds, Series 2006, issued in the aggregate principal amount of \$14,725,000, less the Permitted O&M Mill Levy (as defined in the Bond Resolution), if any, for the applicable year.

3. The Investor understands that any amounts owing with respect to the Bonds on the final maturity date thereof (December 15, 2049) will be discharged and neither the District nor Headwaters will have any further obligation with respect to the payment thereof after such date.

4. The Investor understands that no opinion has been delivered with respect to the exemption of interest from state or federal income taxation and no representations have been made by the District with respect to the same. The District believes that interest on the Bonds is subject to state and federal income taxation.

5. The Investor has authority to acquire the Bonds and to execute any other instruments and documents required to be executed by the Investor in connection with the issuance of Bonds to the Investor.

6. The Investor understands and acknowledges that pursuant to the requirements of Bond Resolution, the Bonds may be offered and sold only to "financial institutions or institutional investors" or "accredited investors." The Investor hereby certifies that it is [SELECT ONE] [an "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended][a "financial institution or institutional investor" within the meaning of Section 32-1-103(6.5), Colorado Revised Statutes, as amended].

7. The Investor understands that an investment in the Bonds involves a certain degree of investment risk, and the Investor, either alone or with his purchaser representative(s) (as defined in Rule 501(h) of Regulation D under the 1933 Act), has such knowledge and experience in financial and business matters that the Investor is capable of evaluating the merits and risks of the investment, and the Investor is able to bear the economic and financial risks of the investment.

8. The Investor has been given access to all the documents referenced in the Bond Resolution and such other documents and information as the Investor may have requested in writing, has been given the opportunity to make inquiries of the District to the extent it deemed necessary, and has utilized such access to its satisfaction. The Investor has performed its own financial analysis with regard to the District, the development within the District, and the ability of the District to repay the Bonds from the sources pledged thereto, and has not relied upon any of the addressees with respect to the accuracy, completeness, or truth of any statement made or omitted concerning such matters. In making the decision to acquire the Bonds, the Investor has relied solely upon independent investigations made by the Investor or the Investor's representatives.

9. The Investor has been advised that the Bonds (i) are being offered pursuant to exemptions from registration under the 1933 Act and applicable Colorado securities law (the "State Laws"), and are not being registered under the 1933 Act or the State Laws; (ii) will not be listed on any stock or other securities exchange; and (iii) may be sold, transferred, or assigned only in compliance with the 1933 Act, applicable State Laws, and the Bond Resolution. The Investor is aware that no credit rating has been sought or obtained with respect to the Bonds.

10. The Investor understands and acknowledges that pursuant to the requirements of State Laws, the Bonds shall be issued in minimum denominations of \$500,000 each.

11. The Investor represents that the Investor is acquiring the Bonds for the Investor's own account, for investment purposes, and with no present intention of reselling or redistributing the Bonds or interests therein. The Investor acknowledges that the Bonds are subject to certain limitations and requirements concerning their transfer or assignment, which limitations and requirements are described in the Bond Resolution. In the event the Investor subsequently transfers the Bonds or any interest therein, it hereby represents and agrees that it will not do so except in compliance with applicable laws, including the 1933 Act. The Investor understands that there is no established secondary market for the Bonds.

12. The Investor acknowledges that the Investor understands the meaning and legal consequences of the representations set forth herein and that the District has relied and will rely upon such representations.

13. All representations contained in this Investment Letter shall survive (i) the acceptance of the Investor's proposed acquisition of the Bonds, (ii) changes in the transactions, documents, and instruments relating to the Bonds that are not material, and (iii) any death, dissolution, or reorganization of the Investor. The certifications, representations and agreements set forth in this Investment Letter are provided solely for the benefit of and may be relied upon only by the District and its counsel.

IN WITNESS WHEREOF, the Investor has executed this Investment Letter as of the date first above written.

By: _____

Title: _____

EXHIBIT C
2003 BALLOT ISSUES

BALLOT ISSUE D

STREET IMPROVEMENTS

SHALL SOLVISTA METROPOLITAN DISTRICT NO.2 DEBT BE INCREASED \$18,500,000 WITH A REPAYMENT COST OF \$74,000,000 OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$14,800,000 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 10%, 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, AND 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?

BALLOT ISSUE E

TRAFFIC AND SAFETY CONTROL IMPROVEMENTS

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$600,000 WITH A REPAYMENT COST OF \$2,400,000 OR SUCH LESSER AMOUNT AS MAY BE

NECESSARY, AND SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$480,000 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 10%, 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, AND 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?

BALLOT ISSUE F

SANITATION IMPROVEMENTS

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$6,000,000 WITH A REPAYMENT COST OF \$24,000,000 OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$4,800,000 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 10%, 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, AND 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?

BALLOT ISSUE G

WATER IMPROVEMENTS

SHALL SOLVISTA METROPOLITAN DISTRICT NO.2 DEBT BE INCREASED \$11,000,000 WITH A REPAYMENT COST OF \$44,000,000 OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$8,800,000 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 10%, 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, AND 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?

BALLOT ISSUE H

PARK AND RECREATION IMPROVEMENTS

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$2,500,000 WITH A REPAYMENT COST OF \$10,000,000 OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$2,000,000 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 10%, 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, AND 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?

BALLOT ISSUE I

TRANSPORTATION IMPROVEMENTS

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$1,000,000 WITH A REPAYMENT COST OF \$4,000,000 OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$800,000 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 10%, 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, AND 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?

BALLOT ISSUE J

MOSQUITO CONTROL

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$400,000 WITH A REPAYMENT COST OF \$1,600,000 OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$320,000 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 10%, 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, AND 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?

BALLOT ISSUE M

REIMBURSEMENT FOR DEVELOPER CONTRIBUTIONS FOR OPERATIONS

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED UP TO \$40,000,000 WITH A REPAYMENT COST OF UP TO \$160,000,000 (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 \$32,000,000 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 10%; SUCH OBLIGATIONS TO BE DELIVERED AT ONE TIME OR FROM TIME TO TIME IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED THE MAXIMUM AUTHORIZED PRINCIPAL AMOUNT AND REPAYMENT COST, TO MATURE OR COME DUE AND HAVE SUCH TERMS AND CONDITIONS AS TO THE BOARD OF DIRECTORS OF THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR THE 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?

EXHIBIT D

2004 BALLOT ISSUES

BALLOT ISSUE 5A

PARK AND RECREATION IMPROVEMENTS

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$20,000,000 WITH A REPAYMENT COST OF \$64,000,000 OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$2,130,000 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, WITHOUT LIMITATION, 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, PARK AND RECREATION FACILITIES, INCLUDING, WITHOUT LIMITATION, GRADING, SOIL PREPARATION, PLAYING FIELDS, A SWIMMING POOL FACILITY, OPEN SPACE, GOLF COURSES AND GOLF COURSE FACILITIES AND IMPROVEMENTS, SKI AREAS AND/OR SKI LIFTS AND OTHER SKI AREA FACILITIES AND IMPROVEMENTS, BIKE PATHS, PEDESTRIAN AND EQUESTRIAN TRAILS, PEDESTRIAN BRIDGES, HIKING AND NATURE TRAILS, MASONRY OR OTHER TYPES OF FENCING, LAKES AND PONDS OR OTHER WATER FEATURES, FISHING IMPROVEMENTS, MONUMENTATION, SIGNAGE, PUBLIC FOUNTAINS AND SCULPTURE, ART, GARDENS, PICNIC AREAS, PLAYGROUND AREAS, PARK SHELTERS, RIVER HABITAT ENHANCEMENTS, COMMON AREA LANDSCAPING AND WEED CONTROL, OUTDOOR LIGHTING OF ALL TYPES, AND RELATED LANDSCAPING, IRRIGATION, AND DRAINAGE 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 10.0%, 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; PROVIDED HOWEVER, THAT SUCH DEBT AUTHORIZATION IS IN ADDITION TO INDEBTEDNESS PREVIOUSLY AUTHORIZED BY THE DISTRICT'S ELECTORS ON NOVEMBER 4, 2003; 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 A VOTER APPROVED REVENUE CHANGE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE 5C

SANITATION IMPROVEMENTS

SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$4,000,000 WITH A REPAYMENT COST OF \$13,000,000 OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL SOLVISTA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$430,000 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, WITHOUT LIMITATION, 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, OBTAINING CAPACITY WITHIN, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, AN EXPANDED STORM AND SANITARY SEWER SYSTEM WHICH MAY INCLUDE BUT SHALL NOT BE LIMITED TO COLLECTION LINES, LIFT STATIONS, WASTEWATER TREATMENT FACILITIES, FLOOD AND SURFACE DRAINAGE, RELATED DISPOSAL WORKS AND FACILITIES, AND SOLID WASTE DISPOSAL 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 10.0%, 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; PROVIDED HOWEVER, THAT SUCH DEBT AUTHORIZATION IS IN ADDITION TO INDEBTEDNESS PREVIOUSLY AUTHORIZED BY THE DISTRICT'S ELECTORS ON NOVEMBER 4, 2003; 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 A VOTER APPROVED REVENUE CHANGE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?