SOLVISTA METROPOLITAN DISTRICT NO. 2

[TAXING DISTRICT]

SERVICE PLAN

Town of Granby, Colorado

March 2003

SOLVISTA METROPOLITAN DISTRICT NO. 2

[TAXING DISTRICT]

TOWN OF GRANBY, COLORADO

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SERVICE PLAN FOR SOLVISTA METROPOLITAN DISTRICT NO. 2

I. INTRODUCTION

A. General Information about the Districts.

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

1. Location and General Description.

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

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

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

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

Currently the boundaries of the Tax District and Service District contain approximately 3,200 acres of property, with the future expectation of inclusion of an additional 1,800 acres of property that currently overlaps or is contained within the boundaries of two existing Districts: the SolVista Metropolitan District ("Old District") and the Silver Creek Water & Sanitation District ("SCWSD"). The expectations of the Districts are as follows:

(a) Old District shall consent to the organization of SolVista Metropolitan District Nos. 1 & 2;
(b) Upon full integration of the additional 1,800 acres of property into the Districts, Old District may dissolve;
(c) The portion of the Development within the boundaries of SCWSD shall be municipally excluded by the Town of Granby as necessary; and

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

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

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

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

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

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

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

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

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

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

4. Estimated Build-Out Schedule.

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

5. Dual District Structure.

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

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

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

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

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

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

6. Board of Directors – Town Representative.

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

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

A. Existing Services and Districts.

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

B. Needed Facilities and Services.

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

C. Overlapping Districts.

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

D. **Existing Districts**.

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

III. GENERAL POWERS OF TAX DISTRICT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IV. DESCRIPTION OF FACILITIES AND IMPROVEMENTS

A. General.

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

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

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

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

B. <u>General Design Standards</u>.

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

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

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

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

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

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

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

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

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

2. Sanitary Sewer System.

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

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

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

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

3. Water System.

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

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

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

4. Park and Recreation.

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

5. Transportation.

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

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

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

V. FINANCIAL PLAN

A. Administration and Operation Costs

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

B. Financing Plan

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

VI. PROPOSED AND EXISTING AGREEMENTS

A. District IGA

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

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

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

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

B. Town IGA.

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

C. Developer Fee Agreement.

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

D. Other Agreements/Authority

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

VII. OTHER REQUIREMENTS

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

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

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

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

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

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

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

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

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

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

VIII. CONCLUSION

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

A. There is sufficient existing and projected need for organized service in the area to be served by the Districts;

B. The existing service in the area to be served by the Districts is inadequate for present and projected needs;

C. The Districts acting in cooperation are capable of providing economical and sufficient service to the area within their boundaries (and within the Service Area); and

D. The area included in the Districts (and within their Service Area) has, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

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

ADDENDUM

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

1. "Act" means Article 1 of Title 32, C.R.S.

2. "Approval" means the review and approval by the Town of any specific bond financing, construction or development plan for the public improvements installed within the Districts in accordance with the provisions hereof.

3. "Board" means the Board of Directors of either District.

4. "Boards" means the Boards of Directors of both Districts.

5. "Company" or "Developer" means SolVista Corp., a Colorado corporation, and its successors, transferees and assigns.

6. "De-Brucing" means a voter approved retention of revenues from all sources which exceeds the permitted level of expenditures in any year under TABOR.

7. "Development" means the development known as SolVista or the SolVista Golf & Ski Ranch located in the County of Grand, Colorado, as more specifically described in Exhibit A-1.

8. "Development Plan" means Planned Development Overlay District Preliminary Plan for SolVista Golf & Ski Ranch and all amendments thereof subsequently approved by the Town.

9. "District Engineer" means Meurer Associates, of Lakewood, Colorado 80228, and any other professional engineer designated by the Service District.

10. "District IGA" means a master intergovernmental agreement that will be executed by the Districts clarifying the dual responsibilities and the nature of the functions and services to be provided by each District.

11. "District" or "Districts" means the Service District or the Tax District separately, or the Service District and the Tax District collectively, as applicable.

12. "Enterprise" means an enterprise as defined under TABOR.

13. "Financing Plan" means the consolidated financial plan for the Districts set forth in Section V and Exhibit D of the Service Plan.

14. "Regulations" means all codes, ordinances, rules, regulations, and other governing laws of the Town and other governmental agencies, as applicable; provided,

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

15. "Service Area" means the jurisdictional area that the Service District will be serving, which encompasses the entire area of the Development, including all property within the Tax District's boundaries as described in its Service Plan.

16. "Service District" or "Control District" means SolVista Metropolitan District No. 1.

17. "Service Plan" means the Service Plan for the Service District.

18. "SolVista Preliminary Plan" means the Planned Development Overlay District Preliminary Plan for SolVista Golf & Ski Ranch, and all amendments thereof subsequently approved by the Town.

19. "TABOR" means Article X, Section 20 of the State Constitution.

20. "Tax District" or "Financing District" means SolVista Metropolitan District No. 2.

21. "Town IGA" means an intergovernmental agreement among the Town of Granby, Service District and Tax District attached in Exhibit F.

EXHIBIT A-1

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

EXHIBIT A-2

MAP SHOWING THE BOUNDARIES OF THE DISTRICTS

EXHIBIT B

LEGAL DESCRIPTION OF THE CURRENT BOUNDARIES OF THE DISTRICTS

EXHIBIT B-2

LEGAL DESCRIPTION OF THE ULTIMATE BOUNDARIES OF THE DISTRICTS

EXHIBIT C

ENGINEERING SURVEY OF ESTIMATED COSTS OF PUBLIC IMPROVEMENTS

Metro District Capital Projects, 2003

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

EXHIBIT D

FINANCING PLAN

Stan Bernstein and Associates, Inc.

Financial Planners and Consultants
For Local Governments, Municipal Bond Underwriters, and Real Estate Developers
8400 East Prentice Avenue, Penthouse
Greenwood Village, Colorado 80111
Telephone: 303-409-7611 Fax: 303-409-7612 Email: stanplan@earthlink.net

MEMORANDUM

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

FROM: Stan Bernstein

DATE: February 18, 2003

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

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

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

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

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

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

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

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

Stan Bernstein and Associates, Inc.

Financial Planners and Consultants
For Local Governments, Municipal Bond Underwriters, and Real Estate Developers
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MEMORANDUM

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

FROM: Stan Bernstein

DATE: February 18, 2003

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

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

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

- 12/1/2008 $ 4,000,000
- 12/1/2011 $ 10,000,000
- 12/1/2017 $ 10,500,000
- 12/1/2023 $ 10,500,000
- **Totals** **$ 35,000,000**

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

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

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

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

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

DESCRIPTION	SCHEDULE REFERENCE	2004	2005	2006	2007	2008	2009	2010	2011
BEGINNING FUND BALANCE - JANUARY 1		0	33,255	75,175	173,334	270,284	536,055	541,399	754,989
REVENUES:									
PROPERTY TAXES @ 50 MILLS X $5,000 A.V. (45 MILLS AFTER 2027)		250	250	250	250	250	250	250	250
SPEC. OWNER TAXES @ 5% OF PROP TAXES		13	13	13	13	13	13	13	13
CAPITAL FACILITY FEES @ $1,500 AVERAGE PER UNIT	3	30,000	30,000	139,286	135,000	227,143	210,000	334,286	210,000
PROPERTY TAX & S.O. TAX TRANSFERS FROM SVMD#2		153,000	178,500	207,453	236,405	352,530	453,864	674,332	835,640
REVENUE BOND ISSUES (NET OF COSTS OF ISSUANCE)	2	0	0	0	0	3,879,500	0	0	9,700,000
DEVELOPER COST RECOVERY ADVANCES - CAPITAL IMPROVEMENTS		4,156,000	4,485,000	3,011,000	5,085,000	4,798,000	2,126,000	1,624,000	212,000
INTEREST EARNINGS OPERATING FUNDS @ 2%		0	665	1,504	3,467	5,406	10,721	10,828	15,100
TOTAL REVENUES		4,339,263	4,694,428	3,359,504	5,460,135	9,262,841	2,800,848	2,643,708	10,973,002
TOTAL REVENUES AND FUND BALANCE		4,339,263	4,727,683	3,434,680	5,633,468	9,533,124	3,336,903	3,185,108	11,727,991
OPERATING EXPENDITURES:									
ALLOWANCE FOR ADMINISTRATION		135,000	135,000	150,000	150,000	150,000	150,000	200,000	210,000
ALLOWANCE FOR ROAD MAINTENANCE, REPAIR, REPLACEMENT		0	15,000	50,000	75,000	100,000	125,000	150,000	175,000
ALLOWANCE FOR RECREATION		0	0	5,000	5,000	10,000	15,000	20,000	25,000
ALLOWANCE FOR TRANSPORTATION @ 5 MILLS		15,000	17,500	20,339	23,177	34,562	44,497	66,111	81,926
COUNTY TREASURER FEES @ 3% OF PROP. TAXES		8	8	8	8	8	8	8	8
CONTINGENCY ALLOWANCE FOR REPAIR, MAINTENANCE, CAPITAL, ADMIN.		0	0	25,000	25,000	25,000	75,000	100,000	125,000
TOTAL OPERATING EXPENDITURES		150,008	167,508	250,346	278,185	319,569	409,504	536,119	616,933
PAYMENTS TO DEVELOPER FOR COST RECOVERY (FROM NET BONDS)	2	0	0	0	0	3,879,500	0	0	9,380,000
PAYMENTS TO TOWN OF GRANBY FROM BOND PROCEEDS	2	0	0	0	0	0	0	0	320,000
CAPITAL IMPROVEMENTS	1	4,156,000	4,485,000	3,011,000	5,085,000	4,798,000	2,126,000	1,624,000	212,000
REVENUE BONDS DEBT SERVICE:	2								
SERIES 12/1/2008 REVENUE BONDS	2	0	0	0	0	0	260,000	270,000	274,350
SERIES 12/1/2011 REVENUE BONDS	2	0	0	0	0	0	0	0	0
SERIES 12/1/2017 REVENUE BONDS	2	0	0	0	0	0	0	0	0
SERIES 12/1/2023 REVENUE BONDS	2	0	0	0	0	0	0	0	0
TOTAL REVENUE BONDS DEBT SERVICE		0	0	0	0	0	260,000	270,000	274,350
TOTAL EXPENDITURES		4,306,008	4,652,508	3,261,346	5,363,185	8,997,069	2,795,504	2,430,119	10,803,283
EXCESS ANNUAL REVENUES OVER EXPENDITURES		33,255	41,920	98,158	96,950	265,772	5,344	213,590	169,719
ENDING FUND BALANCE - DECEMBER 31		33,255	75,175	173,334	270,284	536,055	541,399	754,989	924,708
TOTAL BONDS OUTSTANDING @ DECEMBER 31		0	0	0	0	4,000,000	4,000,000	3,990,000	13,975,000
PROPERTY TAX TRANSFER FROM SVMD#2:									
PROJECTED ASSESSED VALUE SVMD#2		3,000,000	3,500,000	4,067,700	4,635,400	6,912,350	8,899,300	13,222,200	16,385,100
MILL LEVY TRANSFER FROM SVMD#2		50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
PROPERTY TAX TRANSFER FROM SVMD#2		150,000	175,000	203,385	231,770	345,618	444,965	661,110	819,255

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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

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

DESCRIPTION	SCHEDULE REFERENCE	2012	2013	2014	2015	2016	2017	2018	2019
BEGINNING FUND BALANCE - JANUARY 1		924,708	937,579	957,697	924,454	975,549	1,218,528	1,584,295	1,412,236
REVENUES:									
PROPERTY TAXES @ 50 MILLS X $5,000 A.V. (45 MILLS AFTER 2027)		250	250	250	250	250	250	250	250
SPEC. OWNER TAXES @ 5% OF PROP TAXES		13	13	13	13	13	13	13	13
CAPITAL FACILITY FEES @ $1,500 AVERAGE PER UNIT	3	261,429	240,000	261,429	240,000	261,429	270,000	240,000	240,000
PROPERTY TAX & S.O. TAX TRANSFERS FROM SVMD#2		1,425,858	1,587,166	1,851,377	2,041,637	2,305,848	2,496,108	2,760,319	2,979,532
REVENUE BOND ISSUES (NET OF COSTS OF ISSUANCE)	2	0	0	0	0	0	10,185,000	0	0
DEVELOPER COST RECOVERY ADVANCES - CAPITAL IMPROVEMENTS		0	1,706,000	1,037,000	1,811,000	0	1,849,000	0	0
INTEREST EARNINGS OPERATING FUNDS @ 2%		18,494	18,752	19,154	18,489	19,511	24,371	31,686	28,245
TOTAL REVENUES		1,706,043	3,552,180	3,169,222	4,111,389	2,587,050	14,824,741	3,032,267	3,248,039
TOTAL REVENUES AND FUND BALANCE		2,630,752	4,489,759	4,126,919	5,035,842	3,562,599	16,043,269	4,616,563	4,660,275
OPERATING EXPENDITURES:									
ALLOWANCE FOR ADMINISTRATION		220,000	230,000	240,000	250,000	260,000	270,000	280,000	290,000
ALLOWANCE FOR ROAD MAINTENANCE, REPAIR, REPLACEMENT		200,000	225,000	250,000	275,000	300,000	325,000	350,000	375,000
ALLOWANCE FOR RECREATION		30,000	35,000	40,000	45,000	50,000	55,000	60,000	65,000
ALLOWANCE FOR TRANSPORTATION @ 5 MILLS		139,790	155,605	181,508	200,161	226,064	244,717	270,620	292,111
COUNTY TREASURER FEES @ 3% OF PROP. TAXES		8	8	8	8	8	8	8	8
CONTINGENCY ALLOWANCE FOR REPAIR, MAINTENANCE, CAPITAL, ADMIN.		150,000	175,000	250,000	275,000	300,000	325,000	350,000	375,000
TOTAL OPERATING EXPENDITURES		739,798	820,612	961,515	1,045,168	1,136,071	1,219,724	1,310,627	1,397,119
PAYMENTS TO DEVELOPER FOR COST RECOVERY (FROM NET BONDS)	2	0	0	0	0	0	8,985,000	0	0
PAYMENTS TO TOWN OF GRANBY FROM BOND PROCEEDS	2	0	0	0	0	0	1,200,000	0	0
CAPITAL IMPROVEMENTS	1	0	1,706,000	1,037,000	1,811,000	0	1,849,000	0	0
REVENUE BONDS DEBT SERVICE:	2								
SERIES 12/1/2008 REVENUE BONDS	2	303,375	355,450	353,950	357,125	359,650	356,525	358,075	358,975
SERIES 12/1/2011 REVENUE BONDS	2	650,000	650,000	850,000	847,000	848,350	848,725	853,125	851,225
SERIES 12/1/2017 REVENUE BONDS	2	0	0	0	0	0	0	682,500	682,500
SERIES 12/1/2023 REVENUE BONDS	2	0	0	0	0	0	0	0	0
TOTAL REVENUE BONDS DEBT SERVICE		953,375	1,005,450	1,203,950	1,204,125	1,208,000	1,205,250	1,893,700	1,892,700
TOTAL EXPENDITURES		1,693,173	3,532,062	3,202,465	4,060,293	2,344,071	14,458,974	3,204,327	3,289,819
EXCESS ANNUAL REVENUES OVER EXPENDITURES		12,871	20,118	(33,243)	51,096	242,979	365,767	(172,060)	(41,779)
ENDING FUND BALANCE - DECEMBER 31		937,579	957,697	924,454	975,549	1,218,528	1,584,295	1,412,236	1,370,457
TOTAL BONDS OUTSTANDING @ DECEMBER 31		13,930,000	13,830,000	13,525,000	13,200,000	12,850,000	22,980,000	22,580,000	22,155,000
PROPERTY TAX TRANSFER FROM SVMD#2:									
PROJECTED ASSESSED VALUE SVMD#2		27,958,000	31,120,900	36,301,500	40,032,100	45,212,700	48,943,300	54,123,900	58,422,200
MILL LEVY TRANSFER FROM SVMD#2		50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
PROPERTY TAX TRANSFER FROM SVMD#2		1,397,900	1,556,045	1,815,075	2,001,605	2,260,635	2,447,165	2,706,195	2,921,110

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

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

DESCRIPTION	SCHEDULE REFERENCE	2020	2021	2022	2023	2024	2025	2026	2027
BEGINNING FUND BALANCE - JANUARY 1		1,370,457	1,295,964	1,284,872	1,607,557	2,042,826	1,742,011	1,645,454	1,696,435
REVENUES:									
PROPERTY TAXES @ 50 MILLS X $5,000 A.V. (45 MILLS AFTER 2027)		250	250	250	250	250	250	250	250
SPEC. OWNER TAXES @ 5% OF PROP TAXES		13	13	13	13	13	13	13	13
CAPITAL FACILITY FEES @ $1,500 AVERAGE PER UNIT	3	291,429	240,000	300,000	289,286	270,000	270,000	270,000	270,000
PROPERTY TAX & S.O. TAX TRANSFERS FROM SVMD#2		3,178,065	3,376,598	3,752,611	3,951,143	4,207,582	4,509,894	4,745,652	4,981,410
REVENUE BOND ISSUES (NET OF COSTS OF ISSUANCE)	2	0	0	0	10,184,700	0	0	0	0
DEVELOPER COST RECOVERY ADVANCES - CAPITAL IMPROVEMENTS		0	0	0	0	0	0	0	0
INTEREST EARNINGS OPERATING FUNDS @ 2%		27,409	25,919	25,697	32,151	40,857	34,840	32,909	33,929
TOTAL REVENUES		3,497,165	3,642,780	4,078,571	14,457,543	4,518,701	4,814,997	5,048,824	5,285,601
TOTAL REVENUES AND FUND BALANCE		4,867,622	4,938,744	5,363,443	16,065,100	6,561,526	6,557,008	6,694,277	6,982,036
OPERATING EXPENDITURES:									
ALLOWANCE FOR ADMINISTRATION		300,000	310,000	320,000	330,000	340,000	350,000	360,000	370,000
ALLOWANCE FOR ROAD MAINTENANCE, REPAIR, REPLACEMENT		400,000	425,000	450,000	475,000	500,000	525,000	550,000	575,000
ALLOWANCE FOR RECREATION		70,000	75,000	80,000	85,000	90,000	95,000	100,000	105,000
ALLOWANCE FOR TRANSPORTATION @ 5 MILLS		311,575	331,039	367,903	387,367	412,508	442,147	465,260	488,374
COUNTY TREASURER FEES @ 3% OF PROP. TAXES		8	8	8	8	8	8	8	8
CONTINGENCY ALLOWANCE FOR REPAIR, MAINTENANCE, CAPITAL, ADMIN.		400,000	425,000	450,000	475,000	500,000	525,000	550,000	575,000
TOTAL OPERATING EXPENDITURES		1,481,583	1,566,047	1,667,911	1,752,375	1,842,516	1,937,154	2,025,268	2,113,381
PAYMENTS TO DEVELOPER FOR COST RECOVERY (FROM NET BONDS)	2	0	0	0	8,904,700	0	0	0	0
PAYMENTS TO TOWN OF GRANBY FROM BOND PROCEEDS	2	0	0	0	1,280,000	0	0	0	0
CAPITAL IMPROVEMENTS	1	0	0	0	0	0	0	0	0
REVENUE BONDS DEBT SERVICE:	2								
SERIES 12/1/2008 REVENUE BONDS	2	359,225	358,825	357,775	356,075	358,725	360,400	361,100	355,825
SERIES 12/1/2011 REVENUE BONDS	2	848,350	849,500	849,350	847,900	850,150	850,775	849,775	847,150
SERIES 12/1/2017 REVENUE BONDS	2	882,500	879,500	880,850	881,225	885,625	883,725	880,850	882,000
SERIES 12/1/2023 REVENUE BONDS	2	0	0	0	0	882,500	879,500	880,850	881,225
TOTAL REVENUE BONDS DEBT SERVICE		2,090,075	2,087,825	2,087,975	2,085,200	2,977,000	2,974,400	2,972,575	2,966,200
TOTAL EXPENDITURES		3,571,658	3,653,872	3,755,886	14,022,275	4,819,516	4,911,554	4,997,843	5,079,581
EXCESS ANNUAL REVENUES OVER EXPENDITURES		(74,492)	(11,092)	322,685	435,268	(300,815)	(96,557)	50,981	206,020
ENDING FUND BALANCE - DECEMBER 31		1,295,964	1,284,872	1,607,557	2,042,826	1,742,011	1,645,454	1,696,435	1,902,455
TOTAL BONDS OUTSTANDING @ DECEMBER 31		21,505,000	20,815,000	20,080,000	29,800,000	28,760,000	27,655,000	26,480,000	25,235,000
PROPERTY TAX TRANSFER FROM SVMD#2:									
PROJECTED ASSESSED VALUE SVMD#2		62,315,000	66,207,800	73,580,600	77,473,400	82,501,600	88,429,300	93,052,000	97,674,700
MILL LEVY TRANSFER FROM SVMD#2		50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
PROPERTY TAX TRANSFER FROM SVMD#2		3,115,750	3,310,390	3,679,030	3,873,670	4,125,080	4,421,465	4,652,600	4,883,735

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

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

DESCRIPTION	SCHEDULE REFERENCE	2028	2029	2030	2031	2032	2033	2034	2035
BEGINNING FUND BALANCE - JANUARY 1		1,902,455	1,754,422	1,754,272	1,905,488	2,146,946	2,425,452	3,082,858	3,740,653
REVENUES:									
PROPERTY TAXES @ 50 MILLS X $5,000 A.V. (45 MILLS AFTER 2027)		225	225	225	225	225	225	225	225
SPEC. OWNER TAXES @ 5% OF PROP TAXES		11	11	11	11	11	11	11	11
CAPITAL FACILITY FEES @ $1,500 AVERAGE PER UNIT	3	270,000	270,000	270,000	210,000	58,500	0	0	0
PROPERTY TAX & S.O. TAX TRANSFERS FROM SVMD#2		4,695,451	4,907,633	5,119,815	5,331,996	5,544,178	5,704,245	5,740,540	5,740,540
REVENUE BOND ISSUES (NET OF COSTS OF ISSUANCE)	2	0	0	0	0	0	0	0	0
DEVELOPER COST RECOVERY ADVANCES - CAPITAL IMPROVEMENTS		0	0	0	0	0	0	0	0
INTEREST EARNINGS OPERATING FUNDS @ 2%		38,049	35,088	35,085	38,110	42,939	48,509	61,657	74,813
TOTAL REVENUES		5,003,736	5,212,957	5,425,136	5,580,342	5,645,854	5,752,991	5,802,433	5,815,589
TOTAL REVENUES AND FUND BALANCE		6,906,191	6,967,379	7,179,408	7,485,830	7,792,799	8,178,442	8,885,291	9,556,242
OPERATING EXPENDITURES:									
ALLOWANCE FOR ADMINISTRATION		380,000	390,000	400,000	410,000	420,000	430,000	440,000	450,000
ALLOWANCE FOR ROAD MAINTENANCE, REPAIR, REPLACEMENT		600,000	625,000	650,000	675,000	700,000	725,000	750,000	775,000
ALLOWANCE FOR RECREATION		110,000	115,000	120,000	125,000	130,000	135,000	140,000	145,000
ALLOWANCE FOR TRANSPORTATION @ 5 MILLS		511,487	534,601	557,714	580,828	603,941	621,378	625,331	625,331
COUNTY TREASURER FEES @ 3% OF PROP. TAXES		7	7	7	7	7	7	7	7
CONTINGENCY ALLOWANCE FOR REPAIR, MAINTENANCE, CAPITAL, ADMIN.		575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000
TOTAL OPERATING EXPENDITURES		2,176,494	2,239,607	2,302,721	2,365,834	2,428,948	2,486,384	2,530,338	2,570,338
PAYMENTS TO DEVELOPER FOR COST RECOVERY (FROM NET BONDS)	2	0	0	0	0	0	0	0	0
PAYMENTS TO TOWN OF GRANBY FROM BOND PROCEEDS	2	0	0	0	0	0	0	0	0
CAPITAL IMPROVEMENTS	1	0	0	0	0	0	0	0	0
REVENUE BONDS DEBT SERVICE:	2								
SERIES 12/1/2008 REVENUE BONDS	2	359,900	357,675	354,475	355,300	324,825	0	0	0
SERIES 12/1/2011 REVENUE BONDS	2	847,900	851,700	853,225	852,475	849,450	849,150	851,250	850,425
SERIES 12/1/2017 REVENUE BONDS	2	881,850	880,400	882,650	883,275	882,275	879,650	880,400	884,200
SERIES 12/1/2023 REVENUE BONDS	2	885,625	883,725	880,850	882,000	881,850	880,400	882,650	883,275
TOTAL REVENUE BONDS DEBT SERVICE		2,975,275	2,973,500	2,971,200	2,973,050	2,938,400	2,609,200	2,614,300	2,617,900
TOTAL EXPENDITURES		5,151,769	5,213,107	5,273,921	5,338,884	5,367,348	5,095,584	5,144,638	5,188,238
EXCESS ANNUAL REVENUES OVER EXPENDITURES		(148,033)	(150)	151,215	241,458	278,506	657,406	657,795	627,351
ENDING FUND BALANCE - DECEMBER 31		1,754,422	1,754,272	1,905,488	2,146,946	2,425,452	3,082,858	3,740,653	4,368,005
TOTAL BONDS OUTSTANDING @ DECEMBER 31		23,900,000	22,480,000	20,970,000	19,360,000	17,680,000	16,220,000	14,660,000	12,995,000
PROPERTY TAX TRANSFER FROM SVMD#2:									
PROJECTED ASSESSED VALUE SVMD#2		102,297,400	106,920,100	111,542,800	116,165,500	120,788,200	124,275,500	125,066,225	125,066,225
MILL LEVY TRANSFER FROM SVMD#2		45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
PROPERTY TAX TRANSFER FROM SVMD#2		4,603,383	4,811,405	5,019,426	5,227,448	5,435,469	5,592,398	5,627,980	5,627,980

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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

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

DESCRIPTION	SCHEDULE REFERENCE	2036	2037	2038	2039	TOTALS
BEGINNING FUND BALANCE - JANUARY 1		4,368,005	4,971,128	6,396,363	7,812,379	0
REVENUES:						
PROPERTY TAXES @ 50 MILLS X $5,000 A.V. (45 MILLS AFTER 2027)		225	225	225	225	8,700
SPEC. OWNER TAXES @ 5% OF PROP TAXES		11	11	11	11	435
CAPITAL FACILITY FEES @ $1,500 AVERAGE PER UNIT	3	0	0	0	0	6,609,214
PROPERTY TAX & S.O. TAX TRANSFERS FROM SVMD#2		5,740,540	5,740,540	5,740,540	5,740,540	118,989,080
REVENUE BOND ISSUES (NET OF COSTS OF ISSUANCE)	2	0	0	0	0	33,949,200
DEVELOPER COST RECOVERY ADVANCES - CAPITAL IMPROVEMENTS		0	0	0	0	31,900,000
INTEREST EARNINGS OPERATING FUNDS @ 2%		87,360	99,423	127,927	156,248	1,325,311
TOTAL REVENUES		5,828,136	5,840,199	5,868,703	5,897,024	192,781,940
TOTAL REVENUES AND FUND BALANCE		10,196,141	10,811,326	12,265,067	13,709,402	192,781,940
OPERATING EXPENDITURES:						
ALLOWANCE FOR ADMINISTRATION		460,000	470,000	480,000	490,000	11,220,000
ALLOWANCE FOR ROAD MAINTENANCE, REPAIR, REPLACEMENT		800,000	825,000	850,000	875,000	15,740,000
ALLOWANCE FOR RECREATION		150,000	155,000	160,000	165,000	2,810,000
ALLOWANCE FOR TRANSPORTATION @ 5 MILLS		625,331	625,331	625,331	625,331	12,381,790
COUNTY TREASURER FEES @ 3% OF PROP. TAXES		7	7	7	7	261
CONTINGENCY ALLOWANCE FOR REPAIR, MAINTENANCE, CAPITAL, ADMIN.		575,000	575,000	575,000	575,000	13,375,000
TOTAL OPERATING EXPENDITURES		2,610,338	2,650,338	2,690,338	2,730,338	55,527,051
PAYMENTS TO DEVELOPER FOR COST RECOVERY (FROM NET BONDS)	2	0	0	0	0	31,149,200
PAYMENTS TO TOWN OF GRANBY FROM BOND PROCEEDS	2	0	0	0	0	2,800,000
CAPITAL IMPROVEMENTS	1	0	0	0	0	31,900,000
REVENUE BONDS DEBT SERVICE:	2					
SERIES 12/1/2008 REVENUE BONDS	2	0	0	0	0	8,227,600
SERIES 12/1/2011 REVENUE BONDS	2	846,675	0	0	0	20,843,625
SERIES 12/1/2017 REVENUE BONDS	2	885,725	884,975	881,950	3,631,650	21,760,275
SERIES 12/1/2023 REVENUE BONDS	2	882,275	879,650	880,400	6,049,200	19,275,975
TOTAL REVENUE BONDS DEBT SERVICE		2,614,675	1,764,625	1,762,350	9,680,850	70,107,475
TOTAL EXPENDITURES		5,225,013	4,414,963	4,452,688	12,411,188	191,483,726
EXCESS ANNUAL REVENUES OVER EXPENDITURES		603,123	1,425,236	1,416,015	(6,514,164)	1,298,214
ENDING FUND BALANCE - DECEMBER 31		4,971,128	6,396,363	7,812,379	1,298,214	1,298,214
TOTAL BONDS OUTSTANDING @ DECEMBER 31		11,225,000	10,190,000	9,090,000	0	0
PROPERTY TAX TRANSFER FROM SVMD#2:						
PROJECTED ASSESSED VALUE SVMD#2		125,066,225	125,066,225	125,066,225	125,066,225	
MILL LEVY TRANSFER FROM SVMD#2		45.00	45.00	45.00	45.00	
PROPERTY TAX TRANSFER FROM SVMD#2		5,627,980	5,627,980	5,627,980	5,627,980	116,655,961

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

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

SCHEDULE 1 - FORECASTED CAPITAL IMPROVEMENTS COSTS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
CAPITAL IMPROVEMENTS												
SANITARY SEWER INFRASTRUCTURE	1,860,000	648,000	0	360,000	1,212,000	0	108,000	212,000	0	0	0	0
DOMESTIC WATER INFRASTRUCTURE	950,000	1,943,000	927,000	720,000	998,000	0	0	0	0	706,000	0	0
DOMESTIC WATER TREATMENT	0	0	0	2,419,000	0	0	0	0	0	0	1,037,000	0
ROAD IMPROVEMENTS	1,246,000	1,494,000	1,734,000	1,236,000	1,138,000	1,876,000	1,516,000	0	0	1,000,000	0	1,811,000
DRAINAGE IMPROVEMENTS	0	300,000	0	0	0	0	0	0	0	0	0	0
RECREATION TRAILS	100,000	100,000	100,000	100,000	100,000	0	0	0	0	0	0	0
TRANSPORTATION	0	0	250,000	250,000	250,000	250,000	0	0	0	0	0	0
SWIMMING FACILITY	0	0	0	0	1,100,000	0	0	0	0	0	0	0
TOTAL INFRASTRUCTURE	4,156,000	4,485,000	3,011,000	5,085,000	4,798,000	2,126,000	1,624,000	212,000	0	1,706,000	1,037,000	1,811,000

SOURCE: Developers of SolVista

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

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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

SCHEDULE 1 - FORECASTED CAPITAL IMPROVEMENTS COSTS

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

SOURCE: Developers of SolVista

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

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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

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

SCHEDULE 2 - FORECASTED REVENUE BOND ISSUES
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

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

ANNUAL DEBT SERVICE REQUIREMENTS

		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
12/1/2008	PRINCIPAL REDUCTION	0	0	0	0	0	0	10,000	15,000	45,000	100,000
	INTEREST @ 6.50%	0	0	0	0	0	260,000	260,000	259,350	258,375	255,450
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	260,000	270,000	274,350	303,375	355,450
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	4,000,000	4,000,000	3,990,000	3,975,000	3,930,000	3,830,000
12/1/2011	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0
	INTEREST @ 6.50%	0	0	0	0	0	0	0	0	650,000	650,000
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	650,000	650,000
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	10,000,000	10,000,000	10,000,000
12/1/2017	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0
	INTEREST @ 6.50%	0	0	0	0	0	0	0	0	0	0
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	0	0
12/1/2023	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0
	INTEREST @ 6.50%	0	0	0	0	0	0	0	0	0	0
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	0	0
TOTAL BONDS OUTSTANDING END OF YEAR - ALL ISSUES		0	0	0	0	4,000,000	4,000,000	3,990,000	13,975,000	13,930,000	13,830,000
CERTIFIED ASSESSED VALUE - DISTRICT #1		3,500,000	4,067,700	4,635,400	6,912,350	8,899,300	13,222,200	16,385,100	27,958,000	31,120,900	36,301,500
DEBT TO ASSESSED %		0.00%	0.00%	0.00%	0.00%	44.95%	30.25%	24.35%	49.99%	44.76%	38.10%

Note 1: Pursuant to an IGA with the Town of Granby the Town will receive 8% of of the second $10 million of bonds issued by the District, 16% of the third $10 million of bonds issued by the District, and 8% of all additional bonds issued by the District

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

SOL VISTA METROPOLITAN DISTRICT #1
CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BA
FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 203
UNINFLATED DOLLARS

SCHEDULE 2 - FORECASTED REVENUE BOND ISSUES
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

DATE OF PROPOSED BOND ISSUE	PROCEEDS SOLVISTA	— SIZE OF BOND ISSUE — PROCEEDS TOWN (1)	COSTS OF ISSUANCE	GROSS BOND ISSUE	2014	2015	2016	2017	2018	2019	2020	2021	2022
12/1/2008	3,879,500	0	120,500	4,000,000	353,950	357,125	359,650	356,525	358,075	358,975	359,225	358,825	357,775
12/1/2011	9,380,000	320,000	300,000	10,000,000	850,000	847,000	848,350	848,725	853,125	851,225	848,350	849,500	849,350
12/1/2017	8,985,000	1,200,000	315,000	10,500,000	0	0	0	0	682,500	682,500	882,500	879,500	880,850
12/1/2023	8,904,700	1,280,000	315,300	10,500,000	0	0	0	0	0	0	0	0	0
TOTALS	31,149,200	2,800,000	1,050,800	35,000,000	1,203,950	1,204,125	1,208,000	1,205,250	1,893,700	1,892,700	2,090,075	2,087,825	2,087,975

ANNUAL DEBT SERVICE REQUIREMENTS

		2014	2015	2016	2017	2018	2019	2020	2021	2022
12/1/2008	PRINCIPAL REDUCTION	105,000	115,000	125,000	130,000	140,000	150,000	160,000	170,000	180,000
	INTEREST @ 6.50%	248,950	242,125	234,650	226,525	218,075	208,975	199,225	188,825	177,775
	TOTAL DEBT SERVICE REQUIREMENTS	353,950	357,125	359,650	356,525	358,075	358,975	359,225	358,825	357,775
	BONDS OUTSTANDING END OF YEAR	3,725,000	3,610,000	3,485,000	3,355,000	3,215,000	3,065,000	2,905,000	2,735,000	2,555,000
12/1/2011	PRINCIPAL REDUCTION	200,000	210,000	225,000	240,000	260,000	275,000	290,000	310,000	330,000
	INTEREST @ 6.50%	650,000	637,000	623,350	608,725	593,125	576,225	558,350	539,500	519,350
	TOTAL DEBT SERVICE REQUIREMENTS	850,000	847,000	848,350	848,725	853,125	851,225	848,350	849,500	849,350
	BONDS OUTSTANDING END OF YEAR	9,800,000	9,590,000	9,365,000	9,125,000	8,865,000	8,590,000	8,300,000	7,990,000	7,660,000
12/1/2017	PRINCIPAL REDUCTION	0	0	0	0	0	0	200,000	210,000	225,000
	INTEREST @ 6.50%	0	0	0	0	682,500	682,500	682,500	669,500	655,850
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	682,500	682,500	882,500	879,500	880,850
	BONDS OUTSTANDING END OF YEAR	0	0	0	10,500,000	10,500,000	10,500,000	10,300,000	10,090,000	9,865,000
12/1/2023	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0
	INTEREST @ 6.50%	0	0	0	0	0	0	0	0	0
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	0
TOTAL BONDS OUTSTANDING END OF YEAR - ALL ISSUES		13,525,000	13,200,000	12,850,000	22,980,000	22,580,000	22,155,000	21,505,000	20,815,000	20,080,000
CERTIFIED ASSESSED VALUE - DISTRICT #2		40,032,100	45,212,700	48,943,300	54,123,900	58,422,200	62,315,000	66,207,800	73,580,600	77,473,400
DEBT TO ASSESSED %		33.79%	29.20%	26.25%	42.46%	38.65%	35.55%	32.48%	28.29%	25.92%

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

SEE CONSULTANT'S SUMMARY AND DISCLAIME

SOL VISTA METROPOLITAN DISTRICT #1
CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BA
FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 203
UNINFLATED DOLLARS

SCHEDULE 2 - FORECASTED REVENUE BOND ISSUES
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

DATE OF PROPOSED BOND ISSUE	PROCEEDS SOLVISTA	— SIZE OF BOND ISSUE — PROCEEDS TOWN (1)	COSTS OF ISSUANCE	GROSS BOND ISSUE	2023	2024	2025	2026	2027	2028	2029	2030	2031
12/1/2008	3,879,500	0	120,500	4,000,000	356,075	358,725	360,400	361,100	355,825	359,900	357,675	354,475	355,300
12/1/2011	9,380,000	320,000	300,000	10,000,000	847,900	850,150	850,775	849,775	847,150	847,900	851,700	853,225	852,475
12/1/2017	8,985,000	1,200,000	315,000	10,500,000	881,225	885,625	883,725	880,850	882,000	881,850	880,400	882,650	883,275
12/1/2023	8,904,700	1,280,000	315,300	10,500,000	0	882,500	879,500	880,850	881,225	885,625	883,725	880,850	882,000
TOTALS	31,149,200	2,800,000	1,050,800	35,000,000	2,085,200	2,977,000	2,974,400	2,972,575	2,966,200	2,975,275	2,973,500	2,971,200	2,973,050

ANNUAL DEBT SERVICE REQUIREMENTS

		2023	2024	2025	2026	2027	2028	2029	2030	2031
12/1/2008	PRINCIPAL REDUCTION	190,000	205,000	220,000	235,000	245,000	265,000	280,000	295,000	315,000
	INTEREST @ 6.50%	166,075	153,725	140,400	126,100	110,825	94,900	77,675	59,475	40,300
	TOTAL DEBT SERVICE REQUIREMENTS	356,075	358,725	360,400	361,100	355,825	359,900	357,675	354,475	355,300
	BONDS OUTSTANDING END OF YEAR	2,365,000	2,160,000	1,940,000	1,705,000	1,460,000	1,195,000	915,000	620,000	305,000
12/1/2011	PRINCIPAL REDUCTION	350,000	375,000	400,000	425,000	450,000	480,000	515,000	550,000	585,000
	INTEREST @ 6.50%	497,900	475,150	450,775	424,775	397,150	367,900	336,700	303,225	267,475
	TOTAL DEBT SERVICE REQUIREMENTS	847,900	850,150	850,775	849,775	847,150	847,900	851,700	853,225	852,475
	BONDS OUTSTANDING END OF YEAR	7,310,000	6,935,000	6,535,000	6,110,000	5,660,000	5,180,000	4,665,000	4,115,000	3,530,000
12/1/2017	PRINCIPAL REDUCTION	240,000	260,000	275,000	290,000	310,000	330,000	350,000	375,000	400,000
	INTEREST @ 6.50%	641,225	625,625	608,725	590,850	572,000	551,850	530,400	507,650	483,275
	TOTAL DEBT SERVICE REQUIREMENTS	881,225	885,625	883,725	880,850	882,000	881,850	880,400	882,650	883,275
	BONDS OUTSTANDING END OF YEAR	9,625,000	9,365,000	9,090,000	8,800,000	8,490,000	8,160,000	7,810,000	7,435,000	7,035,000
12/1/2023	PRINCIPAL REDUCTION	0	200,000	210,000	225,000	240,000	260,000	275,000	290,000	310,000
	INTEREST @ 6.50%	0	682,500	669,500	655,850	641,225	625,625	608,725	590,850	572,000
	TOTAL DEBT SERVICE REQUIREMENTS	0	882,500	879,500	880,850	881,225	885,625	883,725	880,850	882,000
	BONDS OUTSTANDING END OF YEAR	10,500,000	10,300,000	10,090,000	9,865,000	9,625,000	9,365,000	9,090,000	8,800,000	8,490,000
TOTAL BONDS OUTSTANDING END OF YEAR - ALL ISSUES		29,800,000	28,760,000	27,655,000	26,480,000	25,235,000	23,900,000	22,480,000	20,970,000	19,360,000
CERTIFIED ASSESSED VALUE - DISTRICT #1		82,501,600	88,429,300	93,052,000	97,674,700	102,297,400	106,920,100	111,542,800	116,165,500	120,788,200
DEBT TO ASSESSED %		36.12%	32.52%	29.72%	27.11%	24.67%	22.35%	20.15%	18.05%	16.03%

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

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SOL VISTA METROPOLITAN DISTRICT #1
CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BA
FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 203
UNINFLATED DOLLARS

SCHEDULE 2 - FORECASTED REVENUE BOND ISSUES
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

DATE OF PROPOSED BOND ISSUE	PROCEEDS SOLVISTA	PROCEEDS TOWN (1)	— SIZE OF BOND ISSUE — COSTS OF ISSUANCE	GROSS BOND ISSUE	2032	2033	2034	2035	2036	2037	2038	2039	TOTALS
12/1/2008	3,879,500	0	120,500	4,000,000	324,825	0	0	0	0	0	0	0	8,227,600
12/1/2011	9,380,000	320,000	300,000	10,000,000	849,450	849,150	851,250	850,425	846,675	0	0	0	20,843,625
12/1/2017	8,985,000	1,200,000	315,000	10,500,000	882,275	879,650	880,400	884,200	885,725	884,975	881,950	3,631,650	21,760,275
12/1/2023	8,904,700	1,280,000	315,300	10,500,000	881,850	880,400	882,650	883,275	882,275	879,650	880,400	6,049,200	19,275,975
TOTALS	31,149,200	2,800,000	1,050,800	35,000,000	2,938,400	2,609,200	2,614,300	2,617,900	2,614,675	1,764,625	1,762,350	9,680,850	70,107,475

ANNUAL DEBT SERVICE REQUIREMENTS

		2032	2033	2034	2035	2036	2037	2038	2039	TOTALS
12/1/2008	PRINCIPAL REDUCTION	305,000	0	0	0	0	0	0	0	4,000,000
	INTEREST @ 6.50%	19,825	0	0	0	0	0	0	0	4,227,600
	TOTAL DEBT SERVICE REQUIREMENTS	324,825	0	0	0	0	0	0	0	8,227,600
	BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	0
12/1/2011	PRINCIPAL REDUCTION	620,000	660,000	705,000	750,000	795,000	0	0	0	10,000,000
	INTEREST @ 6.50%	229,450	189,150	146,250	100,425	51,675	0	0	0	10,843,625
	TOTAL DEBT SERVICE REQUIREMENTS	849,450	849,150	851,250	850,425	846,675	0	0	0	20,843,625
	BONDS OUTSTANDING END OF YEAR	2,910,000	2,250,000	1,545,000	795,000	0	0	0	0	0
12/1/2017	PRINCIPAL REDUCTION	425,000	450,000	480,000	515,000	550,000	585,000	620,000	3,410,000	10,500,000
	INTEREST @ 6.50%	457,275	429,650	400,400	369,200	335,725	299,975	261,950	221,650	11,260,275
	TOTAL DEBT SERVICE REQUIREMENTS	882,275	879,650	880,400	884,200	885,725	884,975	881,950	3,631,650	21,760,275
	BONDS OUTSTANDING END OF YEAR	6,610,000	6,160,000	5,680,000	5,165,000	4,615,000	4,030,000	3,410,000	0	0
12/1/2023	PRINCIPAL REDUCTION	330,000	350,000	375,000	400,000	425,000	450,000	480,000	5,680,000	10,500,000
	INTEREST @ 6.50%	551,850	530,400	507,650	483,275	457,275	429,650	400,400	369,200	8,775,975
	TOTAL DEBT SERVICE REQUIREMENTS	881,850	880,400	882,650	883,275	882,275	879,650	880,400	6,049,200	19,275,975
	BONDS OUTSTANDING END OF YEAR	8,160,000	7,810,000	7,435,000	7,035,000	6,610,000	6,160,000	5,680,000	0	0
TOTAL BONDS OUTSTANDING END OF YEAR - ALL ISSUES		17,680,000	16,220,000	14,660,000	12,995,000	11,225,000	10,190,000	9,090,000	0	
CERTIFIED ASSESSED VALUE - DISTRICT #1		124,275,500	125,066,225	125,066,225	125,066,225	125,066,225	125,066,225	125,066,225		
DEBT TO ASSESSED %		14.23%	12.97%	11.72%	10.39%	8.98%	8.15%	7.27%		

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

SEE CONSULTANT'S SUMMARY AND DISCLAIME

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

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

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

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

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

SOL VISTA METROPOLITAN DISTRICT #1
CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2035
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SCHEDULE 3 - PROJECTED $1,500 PER SFE CAPITAL FACILITIES FEE REVENUE

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

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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

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

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

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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

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

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

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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

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

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

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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

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

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

DESCRIPTION	SCHEDULE REFERENCE	2004	2005	2006	2007	2008	2009	2010	2011	2012
BEGINNING FUND BALANCE - JANUARY 1		0	0	0	0	0	0	0	0	0
REVENUES:										
PROPERTY TAX REVENUES @ 50.00 MILLS (45 MILLS AFTER 2027)		150,000	175,000	203,385	231,770	345,618	444,965	661,110	819,255	1,397,900
SPEC. OWNER TAXES @ 5% OF PROP TAXES		7,500	8,750	10,169	11,589	17,281	22,248	33,056	40,963	69,895
INTEREST EARNED ON CONTINGENCY FUNDS @ 2%		0	0	0	0	0	0	0	0	0
TOTAL REVENUES		157,500	183,750	213,554	243,359	362,898	467,213	694,166	860,218	1,467,795
TOTAL REVENUES AND FUND BALANCE		157,500	183,750	213,554	243,359	362,898	467,213	694,166	860,218	1,467,795
OPERATING EXPENDITURES:										
TRANSFER OF PROP. & S.O. TAXES TO SVMD#1		153,000	178,500	207,453	236,405	352,530	453,864	674,332	835,640	1,425,858
COUNTY TREASURER FEES @ 3% OF PROP. TAXES		4,500	5,250	6,102	6,953	10,369	13,349	19,833	24,578	41,937
TOTAL OPERATING EXPENDITURES		157,500	183,750	213,554	243,359	362,898	467,213	694,166	860,218	1,467,795
TOTAL EXPENDITURES		157,500	183,750	213,554	243,359	362,898	467,213	694,166	860,218	1,467,795
EXCESS ANNUAL REVENUES OVER EXPENDITURES		0	0	0	0	0	0	0	0	0
ENDING FUND BALANCE - DECEMBER 31		0	0	0	0	0	0	0	0	0
PROPERTY TAX TRANSFER TO SVMD#1:										
PROJECTED ASSESSED VALUE SVMD#2	1	3,000,000	3,500,000	4,067,700	4,635,400	6,912,350	8,899,300	13,222,200	16,385,100	27,958,000
MILL LEVY TRANSFER TO SVMD#1		50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
PROPERTY TAX TRANSFER TO SVMD#1		150,000	175,000	203,385	231,770	345,618	444,965	661,110	819,255	1,397,900

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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

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

DESCRIPTION	SCHEDULE REFERENCE	2013	2014	2015	2016	2017	2018	2019	2020	2021
BEGINNING FUND BALANCE - JANUARY 1		0	0	0	0	0	0	0	0	0
REVENUES:										
PROPERTY TAX REVENUES @ 50.00 MILLS (45 MILLS AFTER 2027)		1,556,045	1,815,075	2,001,605	2,260,635	2,447,165	2,706,195	2,921,110	3,115,750	3,310,390
SPEC. OWNER TAXES @ 5% OF PROP TAXES		77,802	90,754	100,080	113,032	122,358	135,310	146,056	155,788	165,520
INTEREST EARNED ON CONTINGENCY FUNDS @ 2%		0	0	0	0	0	0	0	0	0
TOTAL REVENUES		1,633,847	1,905,829	2,101,685	2,373,667	2,569,523	2,841,505	3,067,166	3,271,538	3,475,910
TOTAL REVENUES AND FUND BALANCE		1,633,847	1,905,829	2,101,685	2,373,667	2,569,523	2,841,505	3,067,166	3,271,538	3,475,910
OPERATING EXPENDITURES:										
TRANSFER OF PROP. & S.O. TAXES TO SVMD#1		1,587,166	1,851,377	2,041,637	2,305,848	2,496,108	2,760,319	2,979,532	3,178,065	3,376,598
COUNTY TREASURER FEES @ 3% OF PROP. TAXES		46,681	54,452	60,048	67,819	73,415	81,186	87,633	93,473	99,312
TOTAL OPERATING EXPENDITURES		1,633,847	1,905,829	2,101,685	2,373,667	2,569,523	2,841,505	3,067,166	3,271,538	3,475,910
TOTAL EXPENDITURES		1,633,847	1,905,829	2,101,685	2,373,667	2,569,523	2,841,505	3,067,166	3,271,538	3,475,910
EXCESS ANNUAL REVENUES OVER EXPENDITURES		0	0	0	0	0	0	0	0	0
ENDING FUND BALANCE - DECEMBER 31		0	0	0	0	0	0	0	0	0
PROPERTY TAX TRANSFER TO SVMD#1:										
PROJECTED ASSESSED VALUE SVMD#2	1	31,120,900	36,301,500	40,032,100	45,212,700	48,943,300	54,123,900	58,422,200	62,315,000	66,207,800
MILL LEVY TRANSFER TO SVMD#1		50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
PROPERTY TAX TRANSFER TO SVMD#1		1,556,045	1,815,075	2,001,605	2,260,635	2,447,165	2,706,195	2,921,110	3,115,750	3,310,390

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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

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

DESCRIPTION	SCHEDULE REFERENCE	2022	2023	2024	2025	2026	2027	2028	2029	2030
BEGINNING FUND BALANCE - JANUARY 1		0	0	0	0	0	0	0	0	0
REVENUES:										
PROPERTY TAX REVENUES @ 50.00 MILLS (45 MILLS AFTER 2027)		3,679,030	3,873,670	4,125,080	4,421,465	4,652,600	4,883,735	4,603,383	4,811,405	5,019,426
SPEC. OWNER TAXES @ 5% OF PROP TAXES		183,952	193,684	206,254	221,073	232,630	244,187	230,169	240,570	250,971
INTEREST EARNED ON CONTINGENCY FUNDS @ 2%		0	0	0	0	0	0	0	0	0
TOTAL REVENUES		3,862,982	4,067,354	4,331,334	4,642,538	4,885,230	5,127,922	4,833,552	5,051,975	5,270,397
TOTAL REVENUES AND FUND BALANCE		3,862,982	4,067,354	4,331,334	4,642,538	4,885,230	5,127,922	4,833,552	5,051,975	5,270,397
OPERATING EXPENDITURES:										
TRANSFER OF PROP. & S.O. TAXES TO SVMD#1		3,752,611	3,951,143	4,207,582	4,509,894	4,745,652	4,981,410	4,695,451	4,907,633	5,119,815
COUNTY TREASURER FEES @ 3% OF PROP. TAXES		110,371	116,210	123,752	132,644	139,578	146,512	138,101	144,342	150,583
TOTAL OPERATING EXPENDITURES		3,862,982	4,067,354	4,331,334	4,642,538	4,885,230	5,127,922	4,833,552	5,051,975	5,270,397
TOTAL EXPENDITURES		3,862,982	4,067,354	4,331,334	4,642,538	4,885,230	5,127,922	4,833,552	5,051,975	5,270,397
EXCESS ANNUAL REVENUES OVER EXPENDITURES		0	0	0	0	0	0	0	0	0
ENDING FUND BALANCE - DECEMBER 31		0	0	0	0	0	0	0	0	0
PROPERTY TAX TRANSFER TO SVMD#1:										
PROJECTED ASSESSED VALUE SVMD#2	1	73,580,600	77,473,400	82,501,600	88,429,300	93,052,000	97,674,700	102,297,400	106,920,100	111,542,800
MILL LEVY TRANSFER TO SVMD#1		50.00	50.00	50.00	50.00	50.00	50.00	45.00	45.00	45.00
PROPERTY TAX TRANSFER TO SVMD#1		3,679,030	3,873,670	4,125,080	4,421,465	4,652,600	4,883,735	4,603,383	4,811,405	5,019,426

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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

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

DESCRIPTION	SCHEDULE REFERENCE	2031	2032	2033	2034	2035	2036	2037	2038
BEGINNING FUND BALANCE - JANUARY 1		0	0	0	0	0	0	0	0
REVENUES:									
PROPERTY TAX REVENUES @ 50.00 MILLS (45 MILLS AFTER 2027)		5,227,448	5,435,469	5,592,398	5,627,980	5,627,980	5,627,980	5,627,980	5,627,980
SPEC. OWNER TAXES @ 5% OF PROP TAXES		261,372	271,773	279,620	281,399	281,399	281,399	281,399	281,399
INTEREST EARNED ON CONTINGENCY FUNDS @ 2%		0	0	0	0	0	0	0	0
TOTAL REVENUES		5,488,820	5,707,242	5,872,017	5,909,379	5,909,379	5,909,379	5,909,379	5,909,379
TOTAL REVENUES AND FUND BALANCE		5,488,820	5,707,242	5,872,017	5,909,379	5,909,379	5,909,379	5,909,379	5,909,379
OPERATING EXPENDITURES:									
TRANSFER OF PROP. & S.O. TAXES TO SVMD#1		5,331,996	5,544,178	5,704,245	5,740,540	5,740,540	5,740,540	5,740,540	5,740,540
COUNTY TREASURER FEES @ 3% OF PROP. TAXES		156,823	163,064	167,772	168,839	168,839	168,839	168,839	168,839
TOTAL OPERATING EXPENDITURES		5,488,820	5,707,242	5,872,017	5,909,379	5,909,379	5,909,379	5,909,379	5,909,379
TOTAL EXPENDITURES		5,488,820	5,707,242	5,872,017	5,909,379	5,909,379	5,909,379	5,909,379	5,909,379
EXCESS ANNUAL REVENUES OVER EXPENDITURES		0	0	0	0	0	0	0	0
ENDING FUND BALANCE - DECEMBER 31		0	0	0	0	0	0	0	0
PROPERTY TAX TRANSFER TO SVMD#1:									
PROJECTED ASSESSED VALUE SVMD#2	1	116,165,500	120,788,200	124,275,500	125,066,225	125,066,225	125,066,225	125,066,225	125,066,225
MILL LEVY TRANSFER TO SVMD#1		45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
PROPERTY TAX TRANSFER TO SVMD#1		5,227,448	5,435,469	5,592,398	5,627,980	5,627,980	5,627,980	5,627,980	5,627,980

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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

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

DESCRIPTION	SCHEDULE REFERENCE	2039	TOTALS
BEGINNING FUND BALANCE - JANUARY 1		0	0
REVENUES:			
PROPERTY TAX REVENUES @ 50.00 MILLS (45 MILLS AFTER 2027)		5,627,980	116,655,961
SPEC. OWNER TAXES @ 5% OF PROP TAXES		281,399	5,832,798
INTEREST EARNED ON CONTINGENCY FUNDS @ 2%		0	0
TOTAL REVENUES		5,909,379	122,488,759
TOTAL REVENUES AND FUND BALANCE		5,909,379	122,488,759
OPERATING EXPENDITURES:			
TRANSFER OF PROP. & S.O. TAXES TO SVMD#1		5,740,540	118,989,080
COUNTY TREASURER FEES @ 3% OF PROP. TAXES		168,839	3,499,679
TOTAL OPERATING EXPENDITURES		5,909,379	122,488,759
TOTAL EXPENDITURES		5,909,379	122,488,759
EXCESS ANNUAL REVENUES OVER EXPENDITURES		0	0
ENDING FUND BALANCE - DECEMBER 31		0	0
PROPERTY TAX TRANSFER TO SVMD#1:			
PROJECTED ASSESSED VALUE SVMD#2	1	125,066,225	
MILL LEVY TRANSFER TO SVMD#1		45.00	
PROPERTY TAX TRANSFER TO SVMD#1		5,627,980	116,655,961

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

SOL VISTA METROPOLITAN DISTRICT # 2
CASH FLOW FORECAST
FOR THE YEARS ENDING DECEMBER 31, 2004 THROUGH 2035
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PRELIMINARY DRAFT 2-18-03
SUBJECT TO CHANGE AND REVISION

SCHEDULE 1 - PROJECTION OF ASSESSED VALUATION GENERATED FROM BUILDOUT

BUILDOUT (YEAR OF COMPLETION)														
Description of Development	Planned Number of Units	Average Per Unit Price	Total Gross Unit Volume	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Residential - Single Family	2,100	350,000	735,000,000	20	20	20	20	40	40	40	40	60	60
Residential - Multi Family	2,119	250,000	529,750,000	0	0	70	70	100	100	100	100	100	100
Total Residential	4,219	299,775	1,264,750,000	20	20	90	90	140	140	140	140	160	160
Non-Residential Space	655,000	100	65,500,000	0	0	10,000	0	40,000	0	290,000	0	50,000	0
TOTAL VALUE - PROJECT			1,330,250,000										

Actual Value Generated:										
From Residential Buildout	7,000,000	7,000,000	24,500,000	24,500,000	39,000,000	39,000,000	39,000,000	39,000,000	46,000,000	46,000,000
From Non-Residential Buildout	0	0	1,000,000	0	4,000,000	0	29,000,000	0	5,000,000	0
Total Actual Value Generated	7,000,000	7,000,000	25,500,000	24,500,000	43,000,000	39,000,000	68,000,000	39,000,000	51,000,000	46,000,000
Assessed Valuation Generated:										
From Residential Buildout @ 8.11% of Value	567,700	567,700	1,986,950	1,986,950	3,162,900	3,162,900	3,162,900	3,162,900	3,730,600	3,730,600
From Non-Residential Buildout @ 29% of Value	0	0	290,000	0	1,160,000	0	8,410,000	0	1,450,000	0
Existing Assessed Value	3,500,000	0	0	0	0	0	0	0	0	0
Total Incremental Assessed Value	4,067,700	567,700	2,276,950	1,986,950	4,322,900	3,162,900	11,572,900	3,162,900	5,180,600	3,730,600
Total Cumulative Assessed Value	4,067,700	4,635,400	6,912,350	8,899,300	13,222,200	16,385,100	27,958,000	31,120,900	36,301,500	40,032,100
Year Assessed Value Certified to District	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Year Property Taxes Collected by District	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015

Source for Buildout: Developers of Sol Vista

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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

SCHEDULE 1 - PROJECTION OF ASSESSED VALUATION GENERATED FRC

BUILDOUT (YEAR OF COMPLETION)

Description of Development	Planned Number of Units	Average Per Unit Price	Total Gross Unit Volume	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Residential - Single Family	2,100	350,000	735,000,000	60	60	60	80	80	80	80	80	120	120
Residential - Multi Family	2,119	250,000	529,750,000	100	100	100	100	80	80	80	80	80	60
Total Residential	4,219	299,775	1,264,750,000	160	160	160	180	160	160	160	160	200	180
Non-Residential Space	655,000	100	65,500,000	50,000	0	50,000	0	0	0	120,000	0	0	45,000
TOTAL VALUE - PROJECT			1,330,250,000										

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actual Value Generated:										
From Residential Buildout	46,000,000	46,000,000	46,000,000	53,000,000	48,000,000	48,000,000	48,000,000	48,000,000	62,000,000	57,000,000
From Non-Residential Buildout	5,000,000	0	5,000,000	0	0	0	12,000,000	0	0	4,500,000
Total Actual Value Generated	51,000,000	46,000,000	51,000,000	53,000,000	48,000,000	48,000,000	60,000,000	48,000,000	62,000,000	61,500,000
Assessed Valuation Generated:										
From Residential Buildout @ 8.11% of Value	3,730,600	3,730,600	3,730,600	4,298,300	3,892,800	3,892,800	3,892,800	3,892,800	5,028,200	4,622,700
From Non-Residential Buildout @ 29% of Value	1,450,000	0	1,450,000	0	0	0	3,480,000	0	0	1,305,000
Existing Assessed Value	0	0	0	0	0	0	0	0	0	0
Total Incremental Assessed Value	5,180,600	3,730,600	5,180,600	4,298,300	3,892,800	3,892,800	7,372,800	3,892,800	5,028,200	5,927,700
Total Cumulative Assessed Value	45,212,700	48,943,300	54,123,900	58,422,200	62,315,000	66,207,800	73,580,600	77,473,400	82,501,600	88,429,300
Year Assessed Value Certified to District	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Year Property Taxes Collected by District	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025

Source for Buildout: Developers of Sol Vista

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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

SCHEDULE 1 - PROJECTION OF ASSESSED VALUATION GENERATED FRC

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

Actual Value Generated:									
From Residential Buildout	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	43,000,000	9,750,000
From Non-Residential Buildout	0	0	0	0	0	0	0	0	0
Total Actual Value Generated	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	43,000,000	9,750,000
Assessed Valuation Generated:									
From Residential Buildout @ 8.11% of Value	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	3,487,300	790,725
From Non-Residential Buildout @ 29% of Value	0	0	0	0	0	0	0	0	0
Existing Assessed Value	0	0	0	0	0	0	0	0	0
Total Incremental Assessed Value	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	4,622,700	3,487,300	790,725
Total Cumulative Assessed Value	93,052,000	97,674,700	102,297,400	106,920,100	111,542,800	116,165,500	120,788,200	124,275,500	125,066,225
Year Assessed Value Certified to District	2025	2026	2027	2028	2029	2030	2031	2032	2033
Year Property Taxes Collected by District	2026	2027	2028	2029	2030	2031	2032	2033	2034

Source for Buildout: Developers of Sol Vista

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

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

SCHEDULE 1 - PROJECTION OF ASSESSED VALUATION GENERATED FRC

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

Actual Value Generated:				
From Residential Buildout	0	0	0	1,264,750,000
From Non-Residential Buildout	0	0	0	65,500,000
Total Actual Value Generated	0	0	0	1,330,250,000
Assessed Valuation Generated:				
From Residential Buildout @ 8.11% of Value	0	0	0	102,571,225
From Non-Residential Buildout @ 29% of Value	0	0	0	18,995,000
Existing Assessed Value	0	0	0	3,500,000
Total Incremental Assessed Value	0	0	0	125,066,225
Total Cumulative Assessed Value	125,066,225	125,066,225	125,066,225	
Year Assessed Value Certified to District	2034	2035	2036	
Year Property Taxes Collected by District	2035	2036	2037	

Source for Buildout: Developers of Sol Vista

SEE CONSULTANT'S SUMMARY AND DISCLAIMER

EXHIBIT E

PRELIMINARY DRAFT BALLOT QUESTIONS

BALLOT ISSUES

FOR

SOLVISTA METROPOLITAN DISTRICT NO. 2

O & M MILL LEVY

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

STREET IMPROVEMENTS

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

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

TRAFFIC AND SAFETY CONTROL IMPROVEMENTS

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

SANITATION IMPROVEMENTS

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

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

WATER IMPROVEMENTS

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

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

PARK AND RECREATION IMPROVEMENTS

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

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

TRANSPORTATION IMPROVEMENTS

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

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

MOSQUITO CONTROL

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

REFUNDING

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

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

INTERGOVERNMENTAL AGREEMENTS

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

REIMBURSEMENT FOR DEVELOPER CONTRIBUTIONS FOR OPERATIONS

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

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

DE-BRUCING

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

TERM LIMITS

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

EXHIBIT F

PROPOSED INTERGOVERNMENTAL AGREEMENTS

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

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

RECITALS

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

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

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

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

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

COVENANTS AND AGREEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9. **Revenue Sharing Arrangements.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SOLVISTA METROPOLITAN
DISTRICT NO. 1

By: _____

ATTEST:

By: _____

SOLVISTA METROPOLITAN
DISTRICT NO. 2

By: _____

ATTEST:

By: _____

TOWN OF GRANBY

By: _____
Its: _____

ATTEST:

By: _____

SCHEDULE OF FACILITIES
DISPOSITION

Streets and Roadways; Traffic & Safety Protection

Owned, operated and maintained by District.

Transportation

Owned, operated and maintained by District.

Parks & Recreation

Owned, operated and maintained by District.

Sanitation

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

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

Water

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

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

Mosquito Control; Miscellaneous

Owned, operated and maintained by District.

MASTER INTERGOVERNMENTAL AGREEMENT

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

RECITALS

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

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

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

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

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

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

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

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

AGREEMENT

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

SECTION 1. DEFINITIONS AND CONSTRUCTION OF AGREEMENT

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

a. "Agreement" means this Intergovernmental Agreement between the Districts, as may be amended or supplemented in writing from time to time.

b. "Financing Plan" means the financial plan of the Districts as set forth in the Service Plans and the Exhibits thereto, including any amendment or modification thereof approved by the Town.

c. "Board" or "Boards" means the Board of Directors of SolVista Metropolitan Districts Nos. 1 & 2, or either individual District, as applicable.

d. "Town" means the Town of Granby, Colorado.

e. "Default" or "Event of Default" means one or more of the events described in Section 6.1.

f. "Developer Advances" means all funds advanced to the Service District by developers or other persons pursuant to any reimbursement, acquisition or redevelopment agreements, including without limitation any infrastructure acquisition or reimbursement agreements, and any bonds, notes or other obligations evidencing or securing such borrowing, that are applied for payment of costs incurred for the organization and operations of the Districts, Process of Construction of the Infrastructure, management fees, interest, and other public purposes authorized for the Districts, and are repayable from legally available revenues of the Districts.

g. "District" or "Districts" means the special districts and political subdivisions of the State of Colorado know as either SolVista Metropolitan

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 2. PURPOSE

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

SECTION 3. REPRESENTATIONS AND WARRANTIES

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

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

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

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

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

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

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

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

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

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

SECTION 4. SERVICE DISTRICT RESPONSIBILITIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 5. TAX DISTRICT RESPONSIBILITIES

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 6. EVENTS OF DEFAULT AND REMEDIES

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

a. Any representation or warranty made in this Agreement by a Party which was materially inaccurate when made or shall prove to be materially inaccurate; or

b. A Party fails to substantially observe, comply with or perform any material responsibility, obligation, or agreement required of it under this Agreement; provided, however, that failure on the part of the Service District to observe or perform any responsibility or obligation hereunder shall not relieve or release the Tax District from imposing the Required Mill Levy, and that failure by either District to observe or perform any other responsibility or obligation hereunder shall not relieve or release the other District from making any payment or otherwise performing its responsibilities hereunder.

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

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

a. Recovery of actual costs and damages, including reasonable attorney fees and related expenses, through any action available at law or in equity, including without limitation the right to certify to Grand County for collection against all taxable property within the Tax District, the amount of such costs and damages as a delinquent fee for services provided by the Service District in accordance with the procedures set forth in Section 32-1-1101(l)(e), C.R.S., or other special proceedings;

b. In the event that the Tax District has not certified the Required Mill Levy, the Service District may enforce the Tax District's obligation to certify the Required Mill Levy by mandamus or other action or special proceeding; and

c. Any other remedy available at law, in equity, or specified under the terms of this Agreement or the Service Plan, including without limitation specific performance.

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

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

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

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

SECTION 7. MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

a. Until subsequently changed, to:

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

With a copy to:

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

And a copy to:

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

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

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

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

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

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

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

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

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

SOLVISTA METROPOLITAN DISTRICT NO. 1

By: _____
Chairman

ATTEST:

_____
Secretary

SOLVISTA METROPOLITAN DISTRICT NO. 2

By: _____
Chairman

ATTEST:

_____
Secretary