

0823.0003

AMENDED AND RESTATED SERVICE PLAN
FOR
FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1
FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2
FOSSIL RIDGE METROPOLITAN DISTRICT NO. 3

City of Lakewood, State of Colorado

Prepared

By

White, Bear & Ankele Professional Corporation

Dated: August 22, 2006

*Superseded in its entirety
by the Second Amended and Restated Service Plan
dated as of August 27, 2007*

TABLE OF CONTENTS

I.	INTRODUCTION	1
A.	History of the Districts	1
B.	Definitions.....	2
C.	General Overview	6
1.	Multiple District Structure	6
2.	Benefits of Multiple District Structure	6
3.	Location and Configuration of the Districts	8
4.	Existing Services and Districts	8
II.	NEED FOR DISTRICTS AND GENERAL POWERS	10
A.	Need for Districts.....	10
B.	General Powers of Each District.....	10
1.	Water.....	10
2.	Streets.....	11
3.	Traffic and Safety Controls.....	11
4.	Parks and Recreation.....	11
5.	Sanitation	11
6.	Mosquito and Pest Control	12
7.	Security	12
8.	Covenant Control.....	12
9.	Legal Powers.....	12
10.	Other	12
III.	DESCRIPTION OF FACILITIES AND IMPROVEMENTS.....	13
IV.	PROPOSED AND EXISTING AGREEMENTS	13
A.	District IGAs	13
B.	Sanitation Service Intergovernmental Agreement.....	13
C.	Water Service Agreement	14
D.	Regional Improvements IGA	14
E.	Other Agreements.....	14
F.	City Review	14
V.	FINANCIAL PLAN.....	15
A.	General	15
1.	General Obligation Debt.....	15
2.	Revenue Debt.....	16
B.	Maximum Mill Levy.....	17
C.	Debt Repayment Sources.....	17
D.	Security for Debt.....	17
E.	Term of Debt.....	17
F.	TABOR Compliance.....	17
G.	District's Operating Costs	18
H.	Notices	18

Superseded in its entirety by the Second Amended and Restated Service Plan dated as of August 27, 2007

VI.	DISCLOSURE TO PURCHASERS	18
VII.	ANNUAL REPORT	19
	A. General	19
	B. Reporting of Significant Events	19
VIII.	MATERIAL MODIFICATIONS	20
IX.	CONCLUSIONS	20

*Superseded in its entirety
by the Second Amended and Restated Service Plan
dated as of August 27, 2007*

LIST OF EXHIBITS

Exhibit A	Improvement Phasing Map
Exhibit B	Onsite and Regional Improvements
Exhibit C-1	Legal Description for Fossil Ridge Metropolitan District No. 1
Exhibit C-2	Legal Description for Fossil Ridge Metropolitan District No. 2
Exhibit C-3	Legal Description for Fossil Ridge Metropolitan District No. 3
Exhibit C-4	Map of the Districts' Boundaries
Exhibit D	Financing Plan
Exhibit E	Statutory Contents of This Service Plan

Superseded in its entirety
by the Second Amended and Restated Service Plan
dated as of August 27, 2007

I. INTRODUCTION

A. History of the Districts.

Fossil Ridge Metropolitan District No. 1, Fossil Ridge Metropolitan District No. 2 and Fossil Ridge Metropolitan District No. 3 are proposed to be organized as metropolitan districts pursuant to Sections 32-1-101 et. seq., Colorado Revised Statutes, to provide certain Public Improvements and District Activities within the Project.

The City of Lakewood conditionally approved a Service Plan for the Districts (the "Original Service Plan") on August 8, 2005, and the eligible electors of the Districts approved the formation of the Districts and elected the Districts' initial boards of directors at an election held on November 1, 2005. Pursuant to the City's conditional approval of the Original Service Plan, the proponents of the Districts seek approval of this Amended and Restated Service Plan in order to effectuate their organization and obtain voter authorization of proposed financial obligations to be undertaken by the Districts in accordance with this Service Plan. Fossil Ridge Metropolitan District No. 4 was also approved by the City under the Original Service Plan but is not submitting a comparable amendment to the Service Plan to the City for final approval at this time. It is anticipated that, once organized, Fossil Ridge Metropolitan District No. 4 will operate independently from the Districts.

The Original Service Plan and the terms of the City's conditional approval set forth the following restrictions and requirements pertaining to the Districts:

- **The Districts shall submit a service plan amendment (the "Amendment") for City Council approval, which Amendment shall contain a full financing plan and description of the manner in which all facilities and services shall be provided by the Districts; a description of the scope of improvements anticipated to be constructed, operated and maintained by the Districts and estimated costs associated therewith and legal boundaries and maps that have been modified in accordance with the provisions set forth in [the Original Service Plan Section I.A.3 below.] The Amendment shall further require that prior to the issuance of any debt by a Financing District, a public improvement agreement shall be executed between the appropriate developer party or other property owner(s), the Service District, the respective Financing District(s) and the City for all improvements required to serve the property within the boundaries of such Financing District(s) regardless of whether the improvements are within or external to the boundaries of the Districts. The Amendment may limit, modify or change any of the powers or authorizations included in this [Original Service Plan], as the City Council of the City may determine in its sole discretion.**

- **All property within the legal boundaries of the Districts shall be excluded from the boundaries of the Mount Carbon Metropolitan District.**

- **In the event that the City Council of the City, in its sole discretion, does not approve the requisite Amendment prior to December 31, 2007, or the property**

within the boundaries of the Districts have [sic] not been excluded from the boundaries of the Mount Carbon Metropolitan District prior to December 31 2007, then this [Original Service Plan] and any conditional approval granted by the City Council of the City of Lakewood shall be null and void, and of no further force or effect.

This Service Plan is submitted in accordance with Part 2 of the Special District Act (Sections 32-1-201, et seq., C.R.S.) and pursuant to the conditional approval granted in connection with the Original Service Plan. This Service Plan defines the powers and authorities of, as well as the limitations and restrictions on, all the Districts. The Service District and Financing Districts will work together to implement this Service Plan and failure or refusal by any of the Districts to do so shall constitute a material modification under Section 32-1-207(2), C.R.S. The use of a consolidated service plan will help assure proper coordination of the powers and authorities of, and between, the Districts and will help avoid potential confusion regarding the separate, but coordinated, purposes of the Districts. Unless otherwise specifically noted herein, general provisions of this Service Plan apply to all of the Districts. Where necessary, however, specific reference is made to an individual District to help distinguish the powers and authorities of such District.

B. Definitions.

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

Approved Development Plan: means the Development Agreement for Springfield Green Official Development Plan Modification No. 1 between CDN Springfield, L.P., a Colorado Limited Partnership, Teefam Colorado Land Company, L.P., a California limited partnership, the Developer, Enerwest, Inc., a Colorado corporation and the City, as amended, which specifies the Public Improvements necessary for development of property within the Service Area as approved by the City pursuant to the City Code, as well as any site or construction plans approved by the City from time to time and water and sewer plans, as approved by appropriate utility providers.

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

City: means the City of Lakewood, Colorado.

City Code: means the City of Lakewood Municipal Code, as it may be amended from time to time.

City Council: means the City Council of the City of Lakewood, Colorado.

Debt: means both General Obligation Debt and Revenue Debt.

Developer: means Carma Lakewood, LLC, a Colorado limited liability company, and its affiliates, subsidiaries, successors or assigns.

Developer Loan Agreement: means an agreement between the Service District and the Developer recognizing advances made to the Service District for costs of the Public Improvements and District Activities and the Service District's obligation to reimburse the Developer for the same. In no event shall the Developer Loan Agreement, which shall include any Debt held by the Developer, authorize or permit an interest rate on such development advances or Debt held by the Developer in excess of 6%. The foregoing sentence shall not apply to any Debt purchased as part of a public offering issued at market rates.

District: means any one of District No. 1, District No. 2 or District No. 3.

District Activities: means any and all functions undertaken by the Districts in accordance with this Service Plan to effectuate the purposes for which the Districts are organized.

District Boundaries: means the boundaries of the Districts as described in **Exhibit C-1, C-2 and C-3**, as amended from time to time as permitted in Section I.C.3.

District Boundary Map: means the map attached hereto as **Exhibit C-4** depicting the boundaries of the Districts.

District IGAs: means one or more agreements among one or more of the Districts pertaining to one or more District Activities.

District No. 1: means the Fossil Ridge Metropolitan District No. 1.

District No. 2: means the Fossil Ridge Metropolitan District No. 2.

District No. 3: means the Fossil Ridge Metropolitan District No. 3.

Districts: means District No. 1, District No. 2 and District No. 3, collectively.

Fees: means any rate, fee, toll, penalty or other charge imposed by the Districts and permitted by applicable law for services, programs or facilities provided by the Districts.

Financial Plan: means the Financial Plan described in Section V. and as further set forth on **Exhibit D**.

Financing District: means any one or both of District No. 2 and District No. 3.

General Obligation Debt: means general obligation bonds or other financial obligations issued by any District, which are not subject to annual appropriation, the payment of which any District has promised to impose, collect and pledge an *ad valorem* property tax mill levy. General Obligation Debt shall be permitted to be issued to fund those portions of the Public Improvements, as further defined in **Exhibit B** and Section V.

General Obligation Debt Limitation: means the maximum amount of General Obligation Debt or other financial obligation issued by the Districts and which is payable from a pledge of *ad valorem* property taxes of the Financing Districts that the Districts may

issue in aggregate, whether such General Obligation Debt is issued by one District, or any combination of Districts, which aggregate amount shall not exceed \$60,000,000. A refunding, re-issuance or restructuring of outstanding General Obligation Debt, shall not be deemed new General Obligation Debt that would count against the General Obligation Debt Limitation. As General Obligation Debt is paid, however, the authorization for that amount of General Obligation Debt shall be deemed extinguished. The General Obligation Debt Limitation shall include any increases in excess of \$60,000,000 as may be agreed to by the City pursuant to an intergovernmental agreement between the City and the District.

IGAs: means collectively, the District IGAs and all other intergovernmental agreements of the Districts.

Maximum Mill Levy: means the maximum mill levy that the Financing Districts are permitted to impose for all purposes, including payment of General Obligation Debt and operations and maintenance costs, and may not to exceed fifty (50) mills: provided that if, on or after January 1, 2007, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2007, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation. Any increase to the Maximum Mill Levy over those adjustments permitted herein shall constitute a material modification to this Service Plan.

Maximum Debt Mill Levy Imposition Term: means that all Debt issued shall be issued with a term not to exceed thirty (30) years; provided that the Maximum Debt Mill Levy Imposition Term may be extended pursuant to an intergovernmental agreement between the City and the District.

Maximum Net Effective Interest Rate: means the maximum net effective interest rate applicable to any Debt, which rate shall be not greater than 4% above the 30-year 'AAA' Municipal Market Index rate in effect at the time such Debt is incurred. The Maximum Net Effective Interest Rate shall include any increases above 4% above the 30-year 'AAA' Municipal Market Index rate as may be agreed to by the City pursuant to an intergovernmental agreement between the City and the District.

Maximum Underwriting Discount: means the maximum underwriter's discount or underwriter fees applicable to any issuance of Debt, which is 3% under this Service Plan.

Project: means the development or property within the District Boundaries, also referred to herein as Fossil Ridge.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped, operated, maintained and/or financed as generally described in **Exhibit B**, to serve the future taxpayers and inhabitants of the Service Area.

Regional Improvements: means that portion of the Public Improvements identified on **Exhibit B** as regional improvements.

Regional Improvements IGA: means an intergovernmental agreement to be entered into with the City and/or a Regional Service Provider concerning the provision of regional improvements within and around the Project, inclusive but not necessarily limited to the Regional Improvements.

Regional Service Provider: means one or more regional improvement authority or public entity established to provide regional improvements within and around the Project, inclusive but not necessarily limited to the Regional Improvements.

Revenue Debt: means bonds or other financial obligations not subject to annual appropriation, the payment of which any District has promised to pay from legally available revenues of the District other than property taxes of the District, including reimbursements and other funding provided by private and/or public entities. Revenue Debt shall be permitted to be issued by the Districts to fund those portions of the Public Improvements as further defined in **Exhibit B** and Section V. Under no circumstances shall any portion of the Maximum Mill Levy collected by the Districts be used for payment of Revenue Debt.

Revenue Debt Limitation: means the maximum amount of Revenue Debt that the Districts may issue in aggregate, whether such Revenue Debt is issued by one District, or any combination of Districts, which aggregate amount shall not exceed \$21,000,000. A refunding or restructuring of outstanding Revenue Debt, shall not be deemed new Revenue Debt that would count against the Revenue Debt Limit. The Revenue Debt Limitation shall include any increases in excess of \$21,000,000 as may be agreed to by the City pursuant to an intergovernmental agreement between the City and the District.

Service Area: means the property within the District Boundaries, and any other area necessary in order to provide the District Activities and Public Improvements.

Service District: shall refer to District No. 1.

Service Plan: means this service plan for the Districts, as approved by the City, as it may be amended in the future.

Service Plan Amendment: means an amendment to the Service Plan approved from time to time by the City, in accordance with the all provisions of applicable state law and the City Code.

Special District Act: means Section 32-1-101, et seq., of the Colorado Revised Statutes.

State: means the State of Colorado.

TABOR: means Article X, Section 20 of the Colorado Constitution.

C. General Overview.

The Districts are located completely within the boundaries of the City. The Districts are generally bounded by Highway C-470 on the west, West Yale Avenue on the south, West Alameda Parkway on the north, and the East line of Section 25, Township 4 South, Range 70 West of the 6th Principal Meridian on the east. The total area to be included within the Districts is approximately 308.44 acres.

Due to the expected growth and demand for services in the Project, and in order to provide effective and efficient services to the area, the Districts submit this Service Plan seeking authorization for District No. 1, District No. 2 and District No. 3 to provide necessary services and facilities to the Project. This Service Plan describes the Districts, the powers the Districts will be entitled to utilize, improvements the Districts will provide, and the proposed financing contemplated in order to furnish such improvements.

1. Multiple District Structure.

The Service District will be responsible for administering and managing the construction and operation of the Public Improvements and all District Activities as necessary to serve the Project. The Financing Districts will be responsible for providing the tax base needed to pay the debt service associated with Debt to be issued to construct the Public Improvements and provide the District Activities described herein. Various District IGAs are expected to be executed by the Districts clarifying the nature of the functions and services to be provided by each District. The District IGAs will be designed to help assure the orderly development of essential services and facilities by the Service District resulting in a community that will be both an aesthetic and an economic asset to the City.

The establishment of District No. 1 as the Service District, and the establishment of District No. 2 and District No. 3 as the Financing Districts, will create several benefits for the Project and the City. In general, those benefits are: (a) coordinated administration of construction and operation of the Public Improvements and delivery of those improvements in a timely manner; (b) maintenance of a reasonable mill levy and tax burden in all areas of the Districts through controlled management of the financing and operation of the Public Improvements; and (c) assured compliance with state laws regarding taxation in a manner that permits the issuance of bonds at the most favorable interest rates possible. Each of these concepts is addressed in greater detail in the following paragraphs.

2. Benefits of Multiple District Structure.

a. Orderly Extension of Improvements. The development of the Project will proceed in several phases, each of which will require the orderly extension of the Public Improvements. A "multiple district" structure that utilizes the Service District and Financing Districts in tandem is proposed to assure that the construction and operation of each

phase of the Public Improvements will be administered by a single board of directors consistent with a long term construction and operations program and as required under provisions of the Approved Development Plan for the Project. Use of the Service District as the entity responsible for construction of each phase of Public Improvements and for management of operations in connection with the District Activities will facilitate a well-planned financing effort through all phases of construction and will assure that facilities and services needed for future build-out of the Project will be provided only when they are needed, and not sooner. Absent such a mechanism to assure well-timed completion of future Public Improvements, the Public Improvements might be completed before they are needed simply to assure that they can be provided with tax exempt financing through the Districts.

Appropriate Developer Loan Agreements between the Service District and the Developer will provide the means to fund Public Improvements that are needed before any homes could be completed, and enables the Developer to be reimbursed for such costs as assessed valuation increases and General Obligation Debt is able to be issued to repay such obligations. At the time at which sufficient assessed valuation is developed within the Financing Districts, the Financing Districts will issue General Obligation Debt sufficient to repay the Developer under the Developer Loan Agreements and to further construction of the Public Improvements, as necessary. In no event shall any such General Obligation Debt be issued in excess of the General Obligation Debt Limitation. Issuance of General Obligation Debt by the Financing Districts shall be phased according to development and associated increases in the assessed valuation within each of the Financing Districts, respectively.

b. Coordinated Obligations for Public Improvement Costs.

Allocation of the responsibility for paying for capital improvements will be managed through a consolidated Financing Plan for the Public Improvements and through development of an integrated operating plan for long term operations and maintenance. Use of the Service District to manage these functions will help assure that no area within Fossil Ridge becomes obligated for more than its share of the costs of Public Improvements or District Activities

c. Bond Interest Rates.

The use of the Service District and the Financing Districts in tandem to issue Debt to provide for the cost of Public Improvements within the Project will allow for the issuance of Debt at competitive interest rates. Until the time at which sufficient assessed valuation is realized within the Financing Districts, initial advances for costs associated with construction of the Public Infrastructure and District Activities will be made by the Developer pursuant to Developer Loan Agreements. This structure places the risk of development with the Developer until such time as assessed valuation has been developed at a level necessary to reasonably issue General Obligation Debt through the Financing Districts. At that time, the Financing Districts may issue General Obligation Debt to allow the Service District to pay off its obligations to the Developer, issued for the purpose of recognizing the advances made by the Developer for the Public Improvements and District Activities.

In summary, a multiple district structure allows the Service District to coordinate the timing and issuance of Revenue Debt and General Obligation Debt, subject to the limitations set forth in this Service Plan, to assure that Public Improvements and District Activities are constructed at the time and in the manner necessary at market rates. The

combination of appropriate management and control of the timing of financing, and the ability of the Districts to obtain tax-exempt interest rates will benefit residents and property owners.

3. Location and Configuration of the Districts.

In order to implement the multiple district structure, the boundaries of the Service District and the Financing Districts have been carefully configured as provided in **Exhibit C-4**. District No. 1 will contain approximately 1.01 acres of undeveloped property, District No. 2 will contain approximately 112.30 acres and District No. 3 will contain approximately 195.13 acres. The total acreage of all the Districts will be approximately 308.44 acres. It is currently estimated that at build-out, the Districts will have a total combined population of 3,220 persons and that the Service District will include only undeveloped property. Legal descriptions of the property within the boundaries of District No. 1, District No. 2 and District No. 3 are attached to this Service Plan as **Exhibits C-1, C-2 and C-3**, respectively.

Pursuant to Sections 32-1-401, et seq. and 32-1-501, C.R.S., a special district may include or exclude property from its boundaries subject to the following limitations. The Districts shall be permitted to undertake inclusions of property owned by the Developer, without the prior approval of the City of Lakewood. The Districts shall further be permitted, without the prior approval of the City of Lakewood, to transfer property between Districts via inclusions and exclusions. All other boundary adjustments shall require the prior administrative approval of the City. The City may in the future petition the Districts for exclusion of City-owned park property from the Districts and the Districts shall promptly grant such exclusion if requested. Should the Districts not promptly grant such exclusion, it shall be considered a material modification of this Service Plan.

Any permitted boundary adjustment shall not constitute a material modification of this Service Plan. The Districts shall be required to provide notice of any such permitted boundary adjustment to the City in accordance with the annual reporting obligations, as set forth in Section VII. Nothing herein shall permit or authorize the Districts from exceeding the limitations in Section V regarding the Maximum Mill Levy, the Maximum Debt Mill Levy Imposition Term or the Debt limitations absent an amendment to this Service Plan, approved by the City Council of the City, after a public hearing thereon.

4. Existing Services and Districts.

The real property within the Project has been approved for exclusion by the board of directors of the Mt. Carbon Metropolitan District ("Mt. Carbon") and the Jefferson County District Court has ordered the property excluded. Upon recordation of the Court Order, the exclusion will be finalized. A copy of the recorded order of exclusion shall be provided to the City upon receipt. The Project shall continue to be subject to a mill levy of twenty (20) mills for debt service on the outstanding general obligation bonds of Mt. Carbon, consistent with the bankruptcy plan as confirmed on June 19, 2003 for Mt. Carbon.

There are currently no other entities in existence that have the ability and/or desire to undertake the design, financing and construction of improvements needed for the

Project. It is also the Districts' understanding that neither the City nor Jefferson County considers it feasible or practicable to provide the necessary services and facilities for the Project. Consequently, the powers and authorities requested under this Service Plan are deemed necessary for the provision of the Public Improvements and District Activities for the Project.

In order to minimize the proliferation of new governmental entities and personnel, the Districts shall utilize existing entities as much as possible for operations and maintenance of water and sewer improvements that are financed and constructed by the Service District. Consequently, while the Districts will finance such Public Improvements and coordinate the provision of services, the Districts shall utilize existing entities and personnel as much as possible. The Districts will avoid double taxation by undertaking necessary capital financing with Debt levies, and by having existing service providers fund day-to-day operations and maintenance with service charges and operating levies. Intergovernmental agreements or other arrangements are expected to be obtained for the following services as more specifically set forth in Section IV. herein:

a. Water. Water service will be provided to the Project through the Consolidated Mutual Water Company. It is currently anticipated that the Financing Districts will participate in funding the Public Improvements that are necessary for such water service. Water facilities caused to be constructed by the Service District and/or funded by the Financing Districts are intended to be conveyed to Consolidated Mutual Water Company for ongoing operations and maintenance. Dedication and conveyance of the Public Improvements for water services shall be made to Consolidated Mutual Water Company in accordance with all applicable rules, regulations and policies of the Consolidated Mutual Water Company.

b. Sanitation. Sanitation services will be provided to the Project by Green Mountain Water and Sanitation District. It is currently anticipated that the Financing Districts will participate in funding the Public Improvements that are necessary for such sanitation service. Sanitation facilities constructed by the Service District and/or funded by the Financing Districts are intended to be conveyed to Green Mountain Water and Sanitation District for ongoing operations and maintenance. Dedication and conveyance of the Public Improvements for sanitation services shall be made to Green Mountain Water and Sanitation District in accordance with all applicable rules, regulations and policies of the Green Mountain Water and Sanitation District.

Assumptions and Advisors. Numerous items are included in this Service Plan in order to satisfy the requirements of law for formation of special districts. Those items are listed in **Exhibit E** attached hereto. The assumptions contained within this Service Plan were derived from a variety of sources. Information regarding the present status of property within the Districts, as well as the current status and projected future level of similar services, was obtained from the Developer. Construction cost estimates were assembled by the Developer, who has experience in the costing and construction of similar facilities. Legal advice in the preparation of this Service Plan was provided by the law firm of White, Bear and Ankele Professional Corporation, which represents numerous special districts. Financial recommendations and advice in the preparation of this Service Plan were provided by Stan Bernstein & Associates.

II. NEED FOR DISTRICTS AND GENERAL POWERS

A. Need for the Districts.

The need for special districts to provide services to the Project is crucial. Due to development of the Project, a substantial amount of public infrastructure and services are necessary to support such development. The use of the Districts will assure that growth within the Project pays its own way. Due to the significance of the required Public Improvements, organization of the Districts is critical for the requisite financing and construction and/or acquisition of the Public Improvements. District IGAs between the Service District and the Financing Districts will assure that financing and construction of the Public Improvements takes place in the manner and at the time required.

B. General Powers of Each District.

Each District will have power and authority to provide the services and facilities described in this Section II.B. in accordance with law, including the power to control and enforce covenants and security services as permitted by the Special District Act. The powers and authorities of each District will be allocated and further refined in the District IGAs, which will be voted upon and approved by the Districts' respective electorates and subject to review and approval by the City pursuant to Section IV. A. For purposes of state law, the District IGAs and other agreements with municipalities and/or other public entities as contemplated herein shall not constitute an amendment of this Service Plan. They will, however, constitute binding agreements among the Districts regarding implementation of the powers contained in this Service Plan.

Construction of the Public Improvements is scheduled over the next several years. **Exhibit A** contains a proposed Improvement Phasing Map for the Public Improvements authorized to be provided hereunder. Construction of the Public Improvements shall be in accordance with the requirements of the Approved Development Plan for the Project. The Public Improvements shall be dedicated to the City, and subsequent transfer of operation and maintenance responsibility to the City shall occur, consistent with its normal policies and procedures. The Districts shall perform operation and maintenance services for the Public Improvements to the extent agreed to by the City. The Districts shall be permitted however, to undertake the operation and maintenance of on-site recreational amenities within the Project, as well as any Public Improvements that are not dedicated or conveyed to the City, or in the case of water and sewer improvements, to the applicable utility provider. All of the Districts shall have the authority to provide the Public Improvements or other District Activities, the scope and estimated costs of which are set forth in **Exhibit B**, and which shall generally include the following:

1. Water.

The design, acquisition, installation, construction, operation and maintenance of a complete domestic water and irrigation water system, including but not limited

to, water rights, water supply, treatment, storage, transmission and distribution systems for domestic and other public or private purposes, together with all necessary and proper reservoirs, treatment works and facilities, wells, water rights, equipment and appurtenances incident thereto, which may include but shall not be limited to transmission lines, distribution mains and laterals, storage facilities, land and easements, together with extensions of and improvements to said systems.

2. Streets.

The design, acquisition, installation, construction, operation, and maintenance of street and roadway improvements, including but not limited to curbs, gutters, culverts, storm sewers and other drainage facilities, detention ponds, retaining walls and appurtenances, as well as sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, tunnels and other street improvements, together with all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities.

3. Traffic and Safety Controls.

The design, acquisition, installation, construction, operation, and maintenance of traffic and safety protection facilities and services through traffic and safety controls and devices on streets and highways, street markings and environmental monitoring necessary for public safety, as well as other facilities and improvements including but not limited to, main building entry, access gates, signalization at intersections, traffic signs, area identification signs, directional assistance and driver information signs, together with all necessary, incidental, and appurtenant facilities and land easements, together with extensions of and improvements to said facilities.

4. Parks and Recreation.

The design, acquisition, installation, construction, operation and maintenance of park and recreation facilities or programs including, but not limited to, swimming pools and spas, tennis courts, exercise facilities, cultural facilities, parking lots, water supply facilities, picnic shelters, dog runs, public sculptures, bike paths, hiking trails, pedestrian trails, pedestrian bridges, pedestrian malls, public fountains and sculpture, art, and gardens, picnic areas, skating areas and facilities, landscaping and weed control, outdoor lighting of all types, community events, and other facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems.

5. Sanitation.

The design, acquisition, installation, construction, operation and maintenance of storm or sanitary sewers, or both, flood and surface drainage, treatment and disposal works and facilities, and all necessary or proper equipment and appurtenances incident

thereto, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems.

6. Mosquito and Pest Control.

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

7. Security.

The Districts shall have the power to form and control security services as permitted by the Special District Act.

8. Covenant Control.

The Districts shall have the power to control and enforce covenants as permitted by the Special District Act.

9. Legal Powers.

The powers of the Districts will be exercised by their boards of directors to the extent necessary to provide the services contemplated in this Service Plan. The Public Improvements and District Activities will be undertaken in accordance with, and pursuant to, the procedures and conditions contained in the Special District Act, other applicable statutes, and this Service Plan, as any or all of the same may be amended from time to time.

10. Other.

In addition to the powers enumerated above, the boards of directors of the Districts shall also have the following authority:

a. To amend this Service Plan as needed, subject to the appropriate statutory procedures, including approval by the City;

b. To forego or restructure the financing and construction of certain Public Improvements, in order to better accommodate the pace of growth, resource availability, and potential inclusions of property within the Districts, or if the development of the Public Improvements would best be performed by another entity or the Approved Development Plan contemplates the same; and

c. To provide all such services and exercise such powers as are expressly or impliedly granted by Colorado law to the extent permitted by this Service Plan.

III. DESCRIPTION OF FACILITIES AND IMPROVEMENTS

The Districts will be permitted to exercise the powers and authority as set forth herein to finance, construct, acquire, operate and maintain the Public Improvements. Where appropriate, the Districts will contract with various public and/or private entities to undertake some of those powers. In addition to the estimated costs of the Public Improvements discussed below, there are additional local improvements required for development of the Project estimated at \$40,000,000, which the Developer will be required to privately finance.

A description of the Public Improvements needed for the Project and the estimated costs therefore are set forth in **Exhibit B**, attached hereto. All facilities will be designed to assure that the facility and service standards will be compatible with the Approved Development Plan and applicable regulations and requirements, specifically those of the City and of other governmental entities that may be affected thereby.

IV. PROPOSED AND EXISTING AGREEMENTS

A. District IGAs.

Subject to City approval, the Districts may enter into one or more District IGAs to coordinate construction and administration of all Public Improvements and District Activities. Prior to adoption by the Districts, the form of any such District IGA shall be provided to the City for review and approval to ensure that the terms of the same are consistent with the authorizations and district structure contemplated by this Service Plan. The Master IGA shall set forth the specifics of the relationship between the Service District and the Financing Districts, including the means for approving, financing, constructing, operating and maintaining the public services and improvements needed to serve the Project.

Pursuant to the District IGAs, the Districts will coordinate and cooperate with respect to financing, constructing, operating and maintaining improvements that serve the Districts. The District IGAs shall constitute a Debt of the Financing Districts because they will impose an obligation for the Financing Districts to pay revenues to the Service District sufficient to fund the financing, construction, operation and maintenance of the public improvements that serve the Districts. Therefore, the District IGAs must be approved by the electors of the Financing Districts.

B. Sanitation Service Intergovernmental Agreement.

Sanitation services will be coordinated between the Service District and Green Mountain Water and Sanitation District and/or other appropriate entities pursuant to intergovernmental agreements or other arrangements. The Service District will have authority to enter into such contracts and to acquire land and easements necessary to provide sanitation service for the Districts.

C. Water Service Agreement.

Water services will be coordinated between the Service District and Consolidated Mutual Water Company and/or other appropriate entities pursuant to intergovernmental agreements or other arrangements. The Service District will have the authority to enter into such contracts and to acquire land and easements necessary to provide water service for the Districts.

D. Regional Improvements IGA.

It is anticipated that one or more of the Districts may enter into a Regional Improvements IGA with one or more Regional Service Providers. It shall be an express condition of this Service Plan that the Districts cooperate with respect to any Regional Service Provider established for the purposes of facilitating the financing and construction of regional improvements adjacent to, and surrounding, Fossil Ridge. In the event that a Regional Service Provider is established, it is contemplated that such Regional Service Provider may undertake financing and/or construction of Regional Improvements. If the Districts have previously paid for all or any part of any Regional Improvements that are shown as a potential reimbursement in **Exhibit B** prior to the organization of the Regional Service Provider, the Regional Improvements IGA may include reimbursement provisions to ensure that the property owners within the Districts are not unduly burdened for the aggregate costs of Regional Improvements provided by the Regional Service Provider. Please see the discussion in Section V. relating to the Districts' authorization to finance Regional Improvements.

E. Other Agreements.

To the extent practicable, the Service District may enter into additional intergovernmental and private agreements to better ensure long-term provision of the Public Improvements and District Activities. Agreements may also be executed with community associations and other service providers for operation and maintenance of the Public Improvements. All such agreements are authorized to be provided by each, pursuant to Colorado Constitution, Article XIV, Section 18 (2) (a) and Section 29-1-201, et seq., Colorado Revised Statutes.

F. City Review.

Any District IGA or Developer Loan Agreement shall be subject to prior City approval in accordance with the terms stated under this Section IV.F. Each District IGA and Developer Loan Agreement shall be sent to the City for review to evaluate whether such agreement is in compliance with this Service Plan. The City shall have thirty (30) days from submittal to review and comment on each such agreement and shall give its response in writing to the District. If, after thirty (30) days, the City has not given a response, the District shall notify the City of its obligation to respond to the submission of such agreements. If, within fifteen (15) days after receipt of such written notice, the City has not responded in writing to the District, the document shall be deemed approved.

V. FINANCIAL PLAN

A. General.

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements and the provision of District Activities from its legally available revenues and by and through the proceeds of both Revenue Debt and General Obligation Debt to be issued by the Districts, as authorized under this Service Plan. Absent the prior consent of the City, as evidenced by an intergovernmental agreement with the Districts, the total amount of Debt to be issued by the Districts shall not exceed the respective General Obligation Debt Limitation and Revenue Debt Limitation. All Debt of the Districts shall be permitted to be issued on a schedule and in such year or years as the Districts determine shall meet the needs of the Financial Plan and phased to serve development as it occurs. All Debt issued by the Districts may be payable from any and all legally available revenues as stated below and in the Financial Plan. The Districts will also be authorized to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time, as are necessary for payment of Debt and operations and maintenance as is contemplated in the Financial Plan and in Section V.G. The City must approve all water and sewer tap fees assessed by the Districts that are higher than the tap fees charged to properties within the Districts on land owned by the Developer.

Generally, under current state law provisions set forth in Section 32-1-1101(6), C.R.S., a special district cannot incur indebtedness payable from *ad valorem* property tax revenues in excess of fifty percent (50%) of its valuation for assessment unless such indebtedness is rated, credit enhanced or insured, or unless the mill levy from which it is payable is limited to fifty (50) mills. Notwithstanding the provisions of Section 32-1-1101(6), C.R.S., the Districts shall be prohibited from issuing General Obligation Debt that is in excess of fifty percent (50%) of its assessed valuation unless one of the following criteria are met:

- The General Obligation Debt is rated in one of the four highest categories by one or more nationally recognized organizations that regularly rate such obligations; or

If the General Obligation Debt is not rated General Obligation Debt as permitted above, such General Obligation Debt shall be sold only to Qualified Institutional Buyers as defined under Rule 144A of the Securities Act of 1933, as amended. Such sale to Qualified Institutional Buyers shall occur only when sufficient building activity and tax base growth and/or credit enhancement is consistent with expectations in the institutional market for Qualified Institutional Buyers, as conclusively evidenced by the purchase thereof by such entities.

1. General Obligation Debt. The Financial Plan for the Districts shall be to issue such General Obligation Debt as the Districts can reasonably pay within the General Obligation Debt Limitation, Maximum Debt Mill Levy Imposition Term from revenues derived from the Maximum Mill Levy, Fees and other legally available revenues. A pro forma Financial Plan is attached hereto as **Exhibit D** and depicts the manner in which a total of approximately

\$60,000,000 in General Obligation Debt may be issued by the Districts. It is the intent that the General Obligation Debt shall be issued by the Districts in order to fund (1) the Onsite Public Improvements depicted in **Exhibit B** of approximately \$26,077,658, and (2) the Districts' proportionate share of the Regional Improvements of approximately \$9,644,386 for a total of approximately \$35,722,026 of Public Improvements to be financed through the issuance of General Obligation Debt as is calculated below based upon the projections set forth on **Exhibit B**.

Onsite Public Improvements	\$26,409,667
Less potential reimbursement	\$ 332,009
Total Onsite Public Improvements	\$26,077,658
Plus	
Regional Improvements	\$29,269,765
Less potential reimbursement	\$19,625,379
Total Project Share Regional Improvements	\$ 9,644,386
Total Anticipated Public Improvements funded through General Obligation Debt	\$35,722,044

2. Revenue Debt. In addition to authorization to issue the General Obligation Debt set forth above, the Districts shall be authorized to issue Revenue Debt. Pursuant to the terms of the Approved Development Plan, the Developer is required to fund the Public Improvements, a portion of which is directly allocable to the Project and a portion of which is anticipated to be reimbursed through various mechanisms (specifically excluding District *ad valorem* property taxes). The Districts' ability to reimburse the Developer for the Project's proportionate share of the Onsite and Regional Improvements shall be limited to proceeds of General Obligation Debt as described above. The Districts' ability to reimburse the Developer for Onsite and Regional Improvements that may be reimbursed from outside sources, as further calculated below based upon the projections in **Exhibit B**, shall be limited to proceeds of Revenue Debt in an amount not to exceed the Revenue Debt Limitation. Revenue Debt shall only be issued by the Districts in an amount less than or equal to the amount funded by the Developer for the Public Improvements contemplated in this section.

Potential reimbursement Onsite Public Improvements	\$ 332,009
Potential reimbursement Regional Improvements	\$19,625,379
Total Anticipated Public Improvements funded through Revenue Debt	\$19,957,388

It is anticipated that the sources of repayment for such Revenue Debt may include from the following: (1) Reimbursement to the Service District from a Regional Service

Provider, (2) Reimbursements received directly from adjacent property owners or, (3) grants and other revenues provided to the Service District by governmental agencies. The Districts shall be expressly permitted to assign receipt of any such revenues directly to the Developer for repayment of advances received in connection with the Regional Improvements. Any such assignment agreement shall be a multi-fiscal year obligation and shall fall within the definition of permitted Revenue Debt hereunder, subject to the requisite electoral authorization.

B. Maximum Mill Levy.

The Maximum Mill Levy shall not include any mill levy assessed by a Regional Service Provider for the payment of Regional Improvements nor shall it include any mill levy assessed by the Mt. Carbon Metropolitan District for the repayment of its outstanding debt obligations.

C. Debt Repayment Sources.

The Districts may impose a mill levy, up to the Maximum Mill Levy, on taxable property within their boundaries as a primary source of revenue for repayment of General Obligation Debt and for operations and maintenance. The Districts may also rely upon various other revenue sources authorized by law. At the Districts' discretion, these may include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(l), C.R.S., as amended from time to time. In no event shall the mill levy imposed by the Districts for any purpose exceed the Maximum Mill Levy.

D. Security for Debt.

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

E. Term of Debt.

The Districts shall not issue Debt with a maturity that exceeds the Maximum Debt Mill Levy Imposition Term. Further, the Districts shall not be authorized to impose a mill levy to pay Debt after January 1, 2057, unless a majority of the Board of Directors of the District imposing the mill levy are residents of such District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101, C.R.S.; et seq. At such time as no further Debt remains outstanding, the Districts shall not be authorized to impose a mill levy for Debt.

F. TABOR Compliance.

The Districts will comply with the provisions of TABOR. In the discretion of the Board, the Districts may set up other qualifying entities such as enterprises to manage, fund,

construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the Districts will remain under the control of the Districts' Board.

G. District's Operating Costs.

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the District's organization and initial operations, are anticipated to be Three Hundred Thousand Dollars (\$300,000), which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the District will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained. The first and subsequent years operating budget of the Districts is set forth in the Financing Plan. It is anticipated that all costs associated with the Districts' permitted operation and maintenance of the Public Improvements shall be funded through the imposition of a Fee imposed by the Districts, anticipated to be \$900-\$1,200 per year per residential unit (subject to increase or decrease in accordance with the budgetary requirements of the Districts). Initially, the Developer will make advances to the Districts to account for any shortfalls in operational and maintenance costs. The Districts are authorized to repay the Developer for all such advances from surplus revenues including Fees and *ad valorem* property taxes that are not otherwise pledged to the repayment of General Obligation Debt. Any repayments of the operational and maintenance amounts stated herein shall not constitute Debt of the Districts and shall be subject to annual appropriation.

H. Notices.

The following notices shall be required to be provided by the Districts to the City Clerk of the City:

a. The Districts shall cause to be provided to the City notices of all District elections that authorize increases in taxes and or debt. Notice shall not be required for any directors' elections held in May of even-numbered years.

b. The Districts shall provide the City with notice of all board meetings at least 72 hours prior to such meeting.

c. The Districts shall provide notice to the City of any uncured events of default by any District or any inability of the Districts to pay Debt obligations as they become due, in accordance with the terms of such obligations, and which continue beyond a ninety (90) day period, under any Debt instrument. Such notice shall be provided to the City not later than ten (10) days after the end of such ninety (90) day period.

VI. DISCLOSURE TO PURCHASERS

The Districts shall provide written notice as a supplement or in addition to that required by the Approved Development Plan regarding the Maximum Mill Levy, Revenue Debt

Limitation and the General Obligation Debt Limitation as well as a general description of the Districts' authority to impose and collect rates, fees, tolls and charges. The form of this notice shall be submitted to the City for approval and shall be recorded with Jefferson County prior to the imposition of any mill levy by the Districts.

VII. ANNUAL REPORT

A. General.

Each of the Districts shall be responsible for submitting an annual report to the City no later than August 1st of each year following the year in which the Order and Decree creating the District has been issued. Failure to submit an annual report within thirty (30) days of its due date shall empower the City to impose sanctions as described in Section VIII.

B. Reporting of Significant Events.

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

1. Names, addresses, and telephone numbers of District board members, chief administrative staff and general counsel, together with the date, time and place of regular Board meetings.
2. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.
3. A description of District ISAs with other governmental entities either entered into or proposed as of December 31 of the prior year.
4. Copies of the Districts' rules and regulations, if any, as of December 31 of the prior year.
5. A summary of any litigation as of December 31 of the prior year.
6. A summary of the Districts' construction of the Public Improvements as of December 31 of the prior year and the costs associated with such Public Improvements.
7. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City as of December 31 of the prior year.
8. The assessed valuation of the Districts for the current year.
9. Current year budget including a description of the Public Improvements to be constructed in such year and a summary of all Fees, charges, assessments and mill levies.

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

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

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

13. A narrative summary of the Districts' progress in implementing the Service Plan for the report year.

VIII. MATERIAL MODIFICATION

It is the intent of the City that the Districts abide by the limitations provided herein and failure by any District to do so shall be considered a material modification of this Service Plan. A material modification shall include, but not be limited to exceeding the following limitations set forth herein: the General Obligation Debt Limitation, Maximum Mill Levy, Maximum Debt Mill Levy Imposition Term, Maximum Net Effective Interest Rate or Revenue Debt Limitation.

The City shall provide at least 72 hours notice to the Districts prior to taking any action under this Section VIII. Any violation of the parameters of this Service Plan shall allow the City to impose one (1) or more of the following sanctions, as it deems appropriate:

- A. Exercise any applicable remedy under the Special District Act.
- B. Withhold the issuance of any permit, authorization, acceptance or other administrative approval necessary for the District's development or construction of public facilities.
- C. Exercise any remedy under the terms of any agreement between the City and the Districts, under which the Districts are in default.

IX. CONCLUSIONS

It is submitted that this Service Plan for the Fossil Ridge Metropolitan District Nos. 1, 2 and 3 as required by Section 32-1-203(2), C.R.S., has established that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the Districts; and
2. The existing service in the area to be served by the Districts is inadequate for present and projected needs; and

3. The Districts are capable of providing economical and sufficient service to the area within its boundaries; and

4. The area included in the Districts has, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

Therefore, it is requested that the City Council of the City of Lakewood, Colorado, which has jurisdiction to approve this Service Plan by virtue of Section 32-1-207, C.R.S., et seq., as amended, adopt a resolution that approves this Service Plan as submitted.

Respectfully submitted,

By WHITE, BEAR & ANKELE
Professional Corporation
As Counsel to Developer

FRMD\PLAN\FINAL8-22\MER0832082206
00823.0003c

Superseded in its entirety
by the Second Amended and Restated Service Plan
dated as of August 27, 2007

EXHIBIT A
Improvement Phasing Map

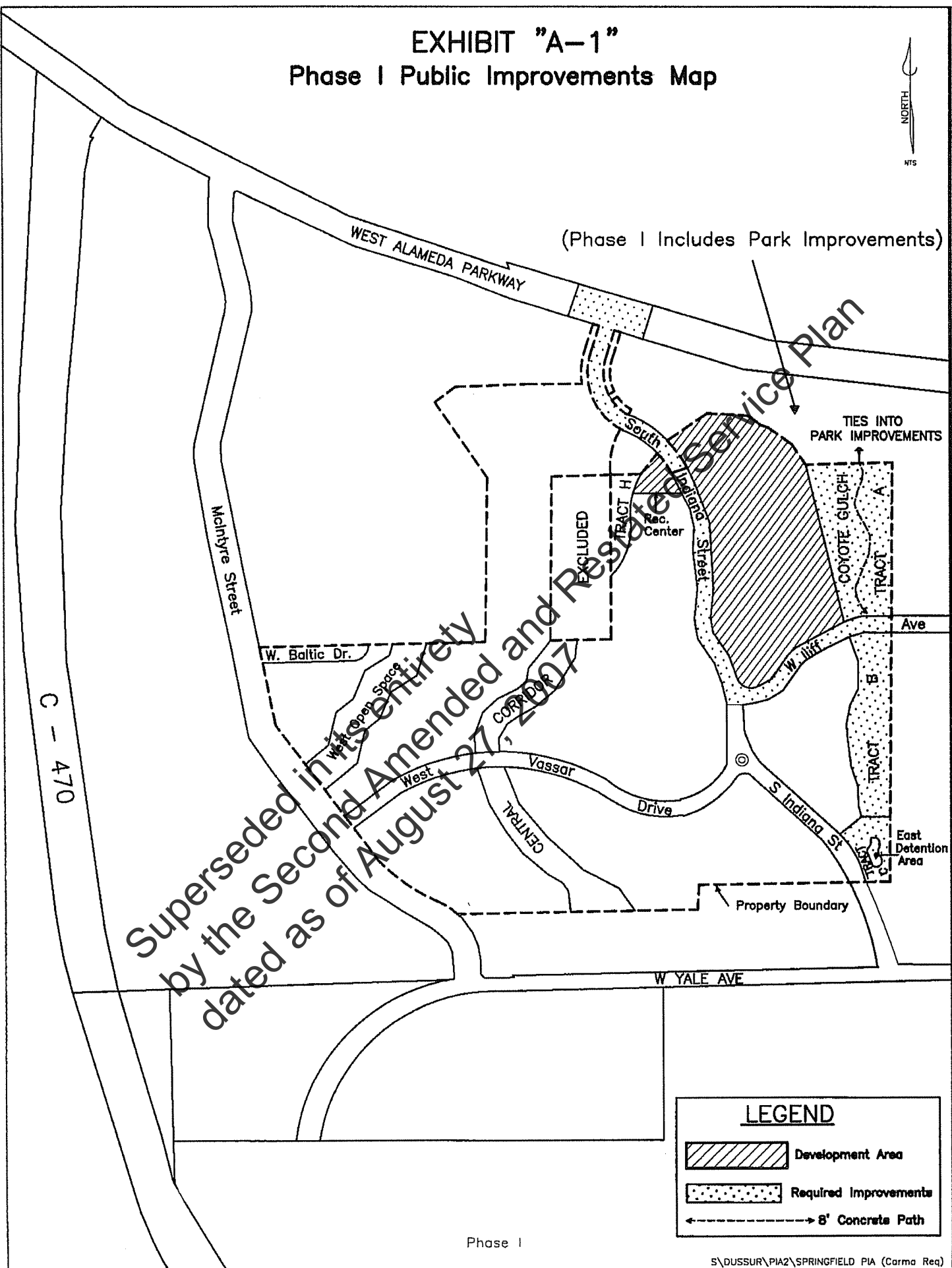
Superseded in its entirety
by the Second Amended and Restated Service Plan
dated as of August 27, 2007

EXHIBIT "A-1"

Phase I Public Improvements Map



(Phase I Includes Park Improvements)



C - 470

Superseded in its entirety by the Second Amended and Restated Service Plan dated as of August 27, 2007

Phase I

LEGEND

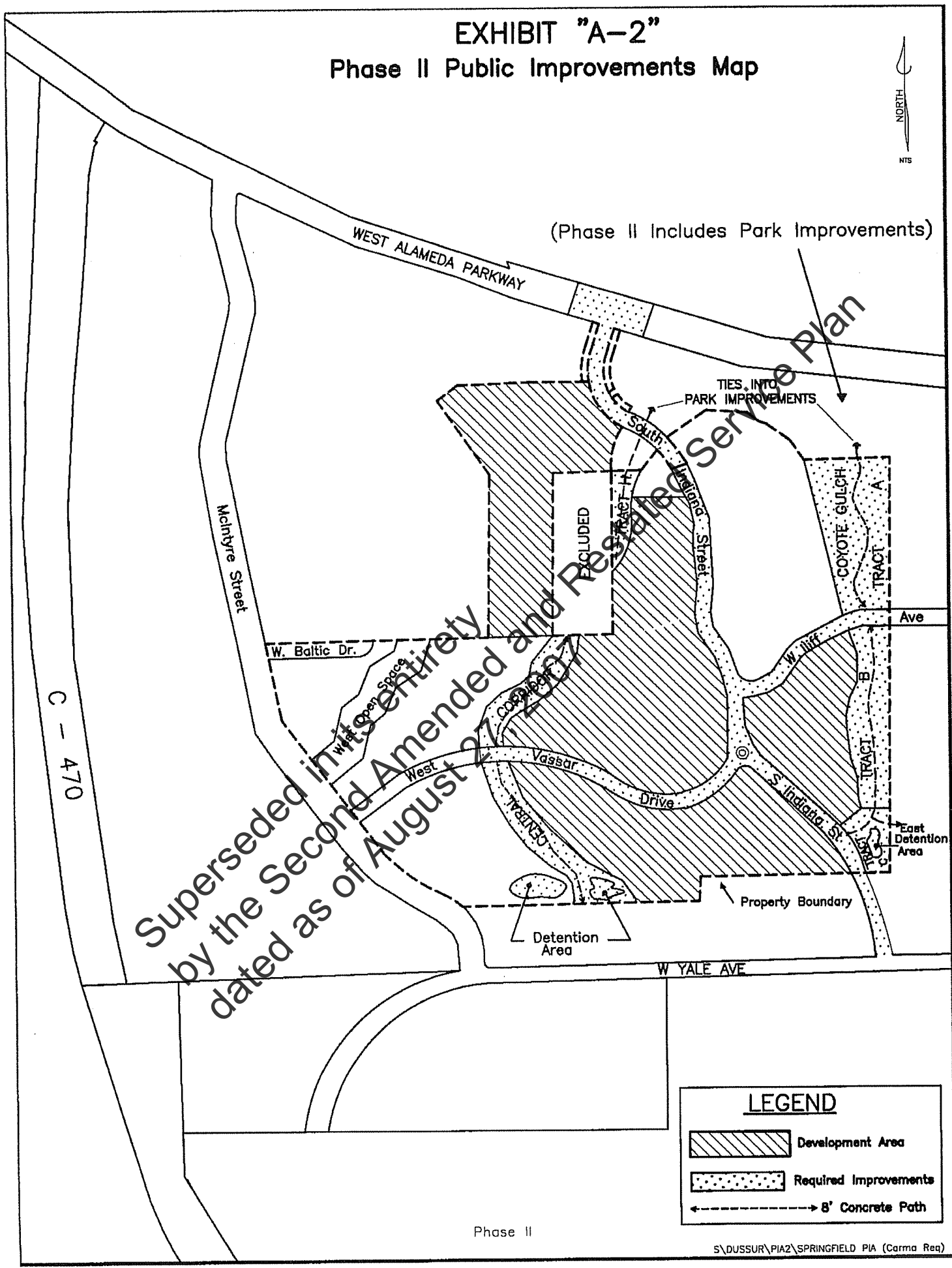
	Development Area
	Required Improvements
	8' Concrete Path

EXHIBIT "A-2"

Phase II Public Improvements Map



(Phase II Includes Park Improvements)



C - 470

Superseded in its entirety
by the Second Amended and Restated Service Plan
dated as of August 27, 2011

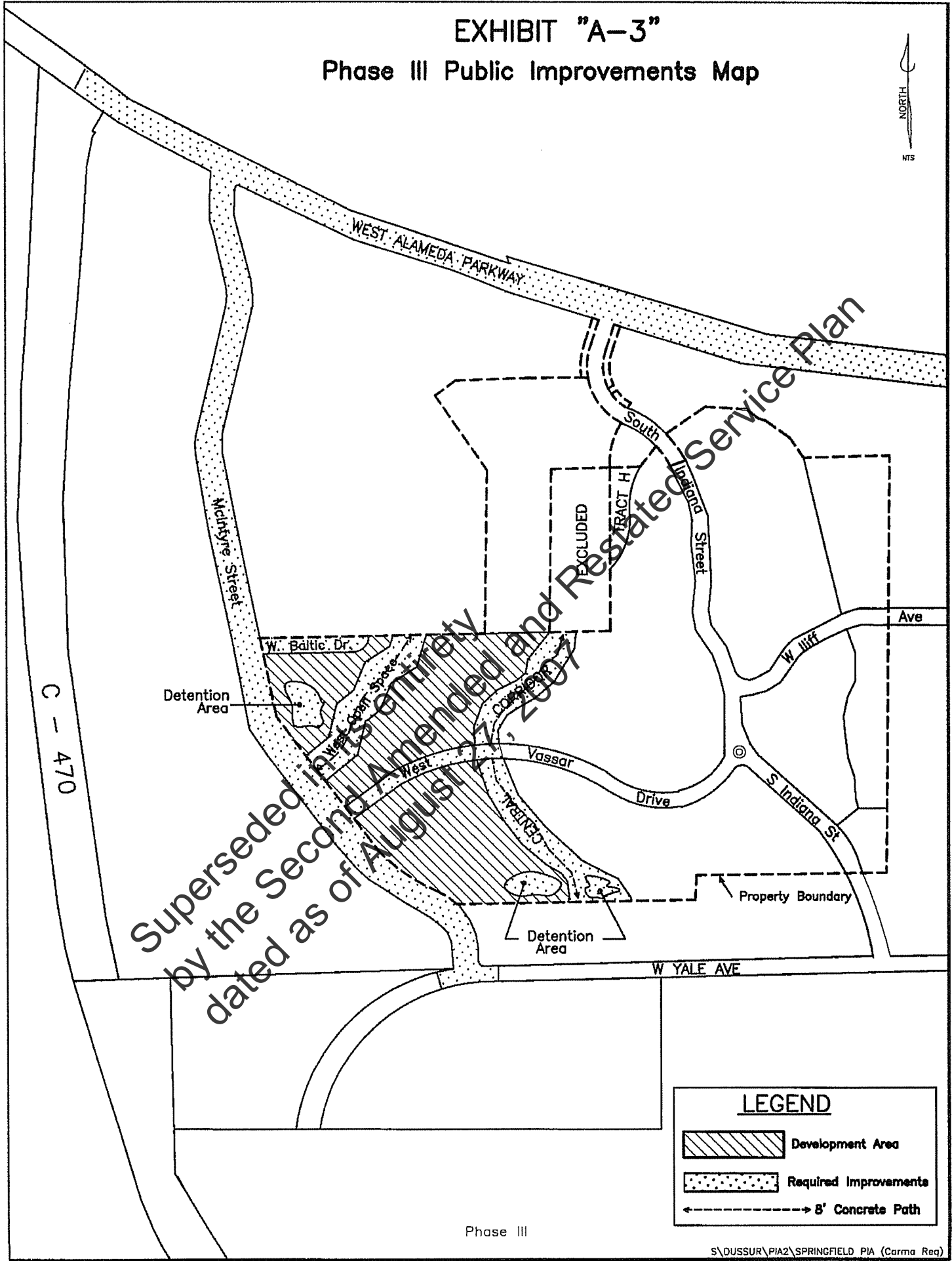
LEGEND

	Development Area
	Required Improvements
	8' Concrete Path

Phase II

EXHIBIT "A-3"

Phase III Public Improvements Map



C - 470

Detention Area

Detention Area

Property Boundary

LEGEND




-  Development Area
-  Required Improvements
-  8' Concrete Path

EXHIBIT B
Onsite and Regional Improvements

Superseded in its entirety
by the Second Amended and Restated Service Plan
dated as of August 27, 2007

**Fossil Ridge Metropolitan District 1-3
ONSITE IMPROVEMENT COST SUMMARY**

Description	Total Cost	Potential Reimbursement	Comments
ONSITE IMPROVEMENTS			
Onsite Water	\$ 1,252,704	\$ 217,035	Construction of 12" waterlines within all onsite collectors with 2 onsite pump stations (See Note 1)
Onsite Sanitary	\$ 962,500	-	Construction of sanitary mains for 3 Onsite Sanitary Sewer Basins
Onsite Storm Sewer	\$ 3,965,076	-	Construction of 3 onsite detention ponds, storm sewer mains and inlets within all onsite collectors, drop structure controls in all drainage ways, combined storm, pedestrian, and wildlife crossings
Alameda Parkway	\$ 469,624	-	Construction of phased safety improvements including asphalt accel/decell lanes at Indiana
Baltic Drive	\$ 229,948	\$ 44,974	Construction of 60' ROW section w/ 36" FL - FL including asphalt, curb, gutter, and walks; McIntyre to E. Prop line of Extenda Care. (See Note 2)
Iliff Avenue	\$ 502,381	-	Construction of 60' ROW section w/ 36" FL - FL including asphalt, curb, gutter, and walks; Indiana to existing Iliff Avenue stub-out.
South Indiana Street	\$ 2,637,002	-	Construction of 60' ROW section w/ 36" FL - FL including asphalt, curb, gutter, and walks; Alameda to S. Prop.
Vassar Street	\$ 1,400,421	-	Construction of 60' ROW section w/ 36" FL - FL including asphalt, curb, gutter, and walks; McIntyre to Indiana
Lakewood City Park	\$ 2,718,995	-	Grading, landscaping, irrigation, and Construction
Community Recreational center(s)	\$ 4,829,691	-	Grading, landscaping, irrigation, and Construction
Open Space/ Buffer Landscaping	\$ 6,583,761	-	Includes all landscaping, irrigation, walks, and walls for street scopes, open space corridors, tracts and entry documentation
Removal of Existing Utilities	\$ 138,567	-	Removal of existing onsite Mt. Carbon water and sanitary mains.
Legal - Construction Related	\$ 750,000	-	General legal for districts
Total	\$ 26,409,667	\$ 332,009	

Notes:

- Potential reimbursement based on waterline loop provided to adjacent properties (Westwind, Marvin Simon, & Extenda Care).
- Potential reimbursement based on shared roadway improvements with northern adjacent property (Extenda Care).

Additional Information:

- Total Costs include material and installation costs in addition to contingencies (10%), engineering (7%), surveying (1%), construction management (8%), soils engineering/testing (1.5%), and inspection fees (1.5%).
- In addition to the District Onsite Expense shown here, the developer will be privately funding local public improvement costs for lot development and servicing, which are anticipated to be approximately \$40 million (\$32,000 per SFD lot and \$20,000 per MIF lot).
- Onsite Improvements identified herein are anticipated to be funded through General Obligation Bonds as set forth in the Financial Plan

**Fossil Ridge Metropolitan District 1-3
REGIONAL IMPROVEMENT COST SUMMARY**

Description	Total Cost	Potential Reimbursement	Comments
REGIONAL IMPROVEMENTS			
Offsite Sanitary	\$ 527,042	\$ 70,760	Construction of sanitary mains through Westwind property and upgrades to existing facilities. (See Note 1)
Regional Water	\$ 13,414,755	\$ 5,864,554	Construction of 24" water transmission line and loop (approximately 9 miles to site) and 6MG water storage (See Note 1)
South Indiana Street	\$ 768,000	\$ 645,908	Construction of 60' ROW section w/ 36' FL - FL including asphalt, curb, gutter, and walks; S. Prop to Yale (See Note 2)
Alameda Parkway	\$ 7,150,189	\$ 6,411,185	Construction of a 4-lane Arterial section including asphalt, curb, gutter, and walks; C-470 Interchange to Bear Creek Blvd (See Note 3)
S. McIntyre Blvd	\$ 7,135,677	\$ 6,297,808	Construction of a 6-lane Arterial section, with oversized median to accommodate overhead power lines, including asphalt, curb, gutter, and walks; Alameda to Yale (See Note 3)
Yale Avenue	\$ 268,072	\$ 240,164	Construction of the north 1/2 of a 4-lane Arterial section including asphalt, curb, gutter, and walks, along Original Springfield Green Plat frontage (See Note 3)
Total	\$ 29,269,765	\$ 19,255,379	

Notes:

- Potential reimbursement based on single-family equivalents and/or commercial st of all properties within the regional service area. Existing facilities upgrades are located within: Yale Ave. from MH BS-46.6 through BS-50.12, Bear Creek Blvd. from MH BS-50.12 through BS-1, and Indiana St. from MH TH-4 to the Tamarisk lift station.
- Potential reimbursement based on Fossil Ridge MD 1-3 only contributing proportional share of traffic signal located at Indiana and Morrison Road.
- Potential reimbursement based on trip generation of all properties within the regional service area.

Additional Information:

- Total Costs include material and installation costs in addition to contingencies (10%), engineering (7%), surveying (4%), construction management (8%), soils engineering/testing (1.5%), and inspection fees (1.5%).
- The Approved Development Plan requires construction of all of the Regional Improvements identified herein based upon certain thresholds of development. It is anticipated that the Developer will be required to fund all or a part of these Regional Improvements based upon the manner in which development of the Project progresses as compared with that of adjacent developments. The Districts shall be authorized to issue the Developer Revenue Bonds in recognition of all amounts advanced for the construction of the Regional Improvements, subject to the limitations of this Service Plan. The source of revenues associated with repayment of the Revenue Bonds may include: (1) Reimbursement to the Service District from a Regional Services Provider, (2) Reimbursements received directly from adjacent property owners and, (3) grants and other revenues provided to the Service District by governmental agencies.

Approved by the Board of Directors dated 8/27/2007

Approved and Restated Service Plan

EXHIBIT C-1

Legal Description for Fossil Ridge Metropolitan District No. 1

Superseded in its entirety
by the Second Amended and Restated Service Plan
dated as of August 27, 2007

LEGAL DESCRIPTION

DISTRICT NO. 1
SHEET 1 OF 2

PROPERTY DESCRIPTION

A PARCEL OF LAND BEING A PART OF SPRINGFIELD GREEN, A SUBDIVISION PLAT RECORDED AT RECEPTION NO. 86040993 OF THE RECORDS OF THE JEFFERSON COUNTY CLERK AND RECORDER AND LOCATED IN THE SOUTHWEST QUARTER OF SECTION 25, TOWNSHIP 4 SOUTH, RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF LAKEWOOD, COUNTY OF JEFFERSON, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

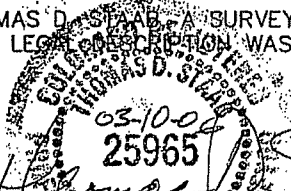
COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 25, AND CONSIDERING THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 25 TO BEAR NORTH 00°34'09" WEST, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE NORTH 89°08'00" EAST, ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 25, A DISTANCE OF 645.94 FEET, TO THE **POINT OF BEGINNING**;

THENCE CONTINUING NORTH 89°08'00" EAST, ALONG SAID NORTH LINE, A DISTANCE OF 208.74 FEET;
THENCE SOUTH 00°00'00" EAST, A DISTANCE OF 243.07 FEET;
THENCE SOUTH 90°00'00" WEST, A DISTANCE OF 154.48 FEET;
THENCE NORTH 12°44'19" WEST, A DISTANCE OF 245.97 FEET TO THE **POINT OF BEGINNING**;

SAID PARCEL CONTAINS AN AREA OF 43,897 SQUARE FEET OR 1.01 ACRES, MORE OR LESS.

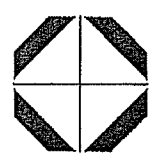
I, THOMAS D. STAAB, A SURVEYOR LICENSED IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND CHECKING.



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

03-10-06
DATE

*Superseded in its entirety
by the Second Amended and Resubmitted Service Plan
dated as of August 27, 2007*



Carroll & Lange ^{INC}
Professional Engineers & Land Surveyors
165 South Union Blvd., Suite 156
Lakewood, Colorado 80228
PHONE: (303) 980-0200
FAX: (303) 980-0917
WWW.CARROLL-LANGE.COM

EXHIBIT
 DISTRICT NO. 1
 SHEET 2 OF 2

W LINE NW1/4 SEC 25
 N00°33'37"W 2641.13'

POINT OF COMMENCEMENT

W1/4 COR SEC 25
 FND 3-1/4" ALUM CAP
 STAMPED "PLS 20699"

N89°08'00"E 645.94'
 N LINE SW1/4 SEC 25
 N89°08'00"E 2711.96'

W LINE SW1/4 SEC 25
 BASIS OF BEARINGS
 N00°34'09"W 2642.10'

RED ROCKS
 BUSINESS PARK
 FLG NO.
 REC. NO. 83077584

*Superseded in its entirety
 by the Second Amended and Restated Service Plan
 dated as of August 27, 2007*

MONROE STREET

UNPLATTED

POINT OF BEGINNING

N89°08'00"E
 208.74'

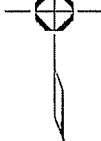
N12°44'19"W
 245.97'

S00°00'00"E
 243.07'

S90°00'00"W
 154.48'

PARCEL
 43,897 S.F.±
 1.01 AC.±

SPRINGFIELD GREEN
 REC. NO. 86040993

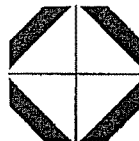


SCALE:
 1" = 150'

SW COR SEC 25
 FND 3-1/4" ALUM CAP
 STAMPED "PLS 22109"

NOTE:

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



Carroll & Lange INC

Professional Engineers & Land Surveyors
 165 South Union Blvd., Suite 156
 Lakewood, Colorado 80228
 PHONE: (303) 980-0200
 FAX: (303) 980-0917
 WWW.CARROLL-LANGE.COM

EXHIBIT C-2
Legal Description for Fossil Ridge Metropolitan District No. 2

Superseded in its entirety
by the Second Amended and Restated Service Plan
dated as of August 27, 2007

LEGAL DESCRIPTION

DISTRICT NO. 2

SHEET 1 OF 5

PROPERTY DESCRIPTION

A PARCEL OF LAND BEING A PART OF SPRINGFIELD GREEN, A SUBDIVISION PLAT RECORDED AT RECEPTION NO. 86040993 OF THE RECORDS OF THE JEFFERSON COUNTY CLERK AND RECORDER TOGETHER WITH PART OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 25, AND SAID PARCEL LOCATED IN THE EAST HALF OF SECTION 25, TOWNSHIP 4 SOUTH, RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF LAKEWOOD, COUNTY OF JEFFERSON, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE EAST QUARTER CORNER OF SAID SECTION 25, AND CONSIDERING THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 25 TO BEAR SOUTH 00°08'06" EAST, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE ALONG SAID EAST LINE SOUTH 00°08'06" EAST, ALONG THE EASTERLY BOUNDARY LINE OF SAID SPRINGFIELD GREEN, A DISTANCE OF 1901.95 FEET;

THENCE SOUTH 89°08'00" WEST, ALONG THE SOUTH BOUNDARY LINE OF SAID SPRINGFIELD GREEN, A DISTANCE OF 225.00 FEET;

THENCE NORTH 00°51'08" WEST, A DISTANCE OF 12.88 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 45°29'29", A RADIUS OF 350.00 FEET AND AN ARC LENGTH OF 277.89 FEET;

THENCE NORTH 46°20'37" WEST, A DISTANCE OF 101.84 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 21°42'06", A RADIUS OF 330.00 FEET AND AN ARC LENGTH OF 124.99 FEET;

THENCE NORTH 24°38'30" WEST, A DISTANCE OF 239.17 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 50°25'03", A RADIUS OF 270.00 FEET AND AN ARC LENGTH OF 237.59 FEET;

THENCE NORTH 75°03'33" WEST, A DISTANCE OF 98.72 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 65°07'48", A RADIUS OF 15.00 FEET AND AN ARC LENGTH OF 17.05 FEET TO A POINT OF REVERSE CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 75°00'21", A RADIUS OF 92.00 FEET AND AN ARC LENGTH OF 120.44 FEET TO A POINT OF REVERSE CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 65°07'48", A RADIUS OF 15.00 FEET AND AN ARC LENGTH OF 17.05 FEET;

THENCE NORTH 40°18'48" WEST, A DISTANCE OF 80.00 FEET TO A POINT ON A CURVE;

THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 65°07'48", A RADIUS OF 15.00 FEET, AN ARC LENGTH OF 17.05 FEET, AND A CHORD THAT BEARS NORTH 17°07'18" EAST TO A POINT OF REVERSE CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 67°53'14", A RADIUS OF 92.00 FEET AND AN ARC LENGTH OF 109.01 FEET TO A POINT OF REVERSE CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 65°07'48", A RADIUS OF 15.00 FEET AND AN ARC LENGTH OF 17.05 FEET;

THENCE NORTH 12°41'11" WEST, A DISTANCE OF 443.36 FEET TO A POINT OF CURVATURE;

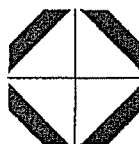
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 16°43'36", A RADIUS OF 616.72 FEET AND AN ARC LENGTH OF 180.04 FEET;

THENCE NORTH 29°24'47" WEST, A DISTANCE OF 340.59 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 04°24'03", A RADIUS OF 337.44 FEET AND AN ARC LENGTH OF 25.92 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 25;

THENCE SOUTH 89°08'00" WEST, ALONG SAID NORTH LINE, A DISTANCE OF 753.71 FEET;

THENCE NORTH 00°15'39" WEST, A DISTANCE OF 1317.78 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 25;



Carroll & Lange INC

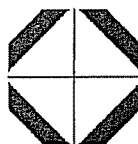
Professional Engineers & Land Surveyors
165 South Union Blvd., Suite 156
Lakewood, Colorado 80228
PHONE: (303) 980-0200
FAX: (303) 980-0917
WWW.CARROLL-LANGE.COM

LEGAL DESCRIPTION

DISTRICT NO. 2
SHEET 2 OF 5

PROPERTY DESCRIPTION

THENCE NORTH 89°12'15" EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 194.99 FEET TO A POINT ON A CURVE;
THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 19°39'50", A RADIUS OF 590.00 FEET, AN ARC LENGTH OF 202.49 FEET, AND A CHORD THAT BEARS NORTH 30°21'12" EAST;
THENCE NORTH 40°11'07" EAST, A DISTANCE OF 125.53 FEET;
THENCE NORTH 67°20'35" WEST, A DISTANCE OF 95.38 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 44°16'35", A RADIUS OF 530.00 FEET AND AN ARC LENGTH OF 409.57 FEET TO A POINT ON A CURVE;
THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 07°54'03", A RADIUS OF 535.37 FEET, AN ARC LENGTH OF 73.83 FEET, AND A CHORD THAT BEARS NORTH 21°44'18" WEST;
THENCE SOUTH 89°11'51" WEST, A DISTANCE OF 31.29 FEET TO A POINT ON A CURVE;
THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 19°05'28", A RADIUS OF 565.37 FEET, AN ARC LENGTH OF 188.38 FEET, AND A CHORD THAT BEARS NORTH 07°18'58" WEST TO A POINT ON A CURVE;
THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 10°15'53", A RADIUS OF 572.00 FEET, AN ARC LENGTH OF 102.47 FEET, AND A CHORD THAT BEARS NORTH 09°47'12" EAST;
THENCE NORTH 14°55'09" EAST, A DISTANCE OF 143.43 FEET TO A POINT ON A CURVE ON THE SOUTHERLY RIGHT-OF-WAY LINE OF ALAMEDA PARKWAY;
THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 02°31'59", A RADIUS OF 3257.38 FEET, AN ARC LENGTH OF 144.01 FEET, AND A CHORD THAT BEARS SOUTH 75°10'28" EAST;
THENCE SOUTH 14°55'09" WEST, A DISTANCE OF 143.66 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 10°17'21", A RADIUS OF 428.00 FEET AND AN ARC LENGTH OF 76.86 FEET TO A POINT ON A CURVE;
THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 27°56'26", A RADIUS OF 433.26 FEET, AN ARC LENGTH OF 211.28 FEET AND A CHORD THAT BEARS SOUTH 06°05'25" EAST TO A POINT ON A CURVE;
THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 07°49'42", A RADIUS OF 449.17 FEET, AN ARC LENGTH OF 61.57 FEET, AND A CHORD THAT BEARS SOUTH 27°15'07" EAST TO A POINT ON A CURVE;
THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 18°04'44", A RADIUS OF 440.00 FEET, AN ARC LENGTH OF 138.84 FEET, AND A CHORD THAT BEARS SOUTH 40°14'51" EAST;
THENCE SOUTH 40°42'47" WEST, A DISTANCE OF 30.00 FEET TO A POINT ON A CURVE;
THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 18°03'22", A RADIUS OF 470.00 FEET, AN ARC LENGTH OF 148.12 FEET, AND A CHORD THAT BEARS SOUTH 58°18'54" EAST;
THENCE SOUTH 67°20'35" EAST, A DISTANCE OF 134.76 FEET;
THENCE NORTH 37°44'00" EAST, A DISTANCE OF 354.09 FEET;
THENCE SOUTH 89°46'08" EAST, A DISTANCE OF 312.97 FEET;
THENCE SOUTH 41°12'02" EAST, A DISTANCE OF 151.03 FEET;
THENCE NORTH 89°45'56" EAST, A DISTANCE OF 51.67 FEET;
THENCE SOUTH 48°30'35" EAST, A DISTANCE OF 429.25 FEET;
THENCE SOUTH 00°02'06" EAST, A DISTANCE OF 122.87 FEET;
THENCE SOUTH 47°37'18" WEST, A DISTANCE OF 76.09 FEET;
THENCE SOUTH 16°52'09" EAST, A DISTANCE OF 0.33 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 25;



Carroll & Lange ^{INC}

Professional Engineers & Land Surveyors
165 South Union Blvd., Suite 156
Lakewood, Colorado 80228
PHONE: (303) 980-0200
FAX: (303) 980-0917
WWW.CARROLL-LANGE.COM

LEGAL DESCRIPTION

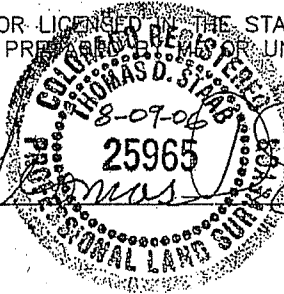
DISTRICT NO. 2
SHEET 3 OF 5

PROPERTY DESCRIPTION

THENCE NORTH 89°12'15" EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 696.38 FEET TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 25;
THENCE SOUTH 00°07'58" EAST, ALONG THE EAST LINE OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 25, A DISTANCE OF 1315.23 FEET TO THE **POINT OF BEGINNING**;

SAID PARCEL CONTAINS AN AREA OF 4,891,981 SQUARE FEET OR 112.30 ACRES, MORE OR LESS.

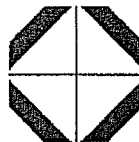
I, THOMAS D. STAAB, A SURVEYOR LICENSED IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND CHECKING.




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

8-09-06
DATE

Superseded in its entirety
by the Second Amended and Restated Service Plan
dated as of August 27, 2007



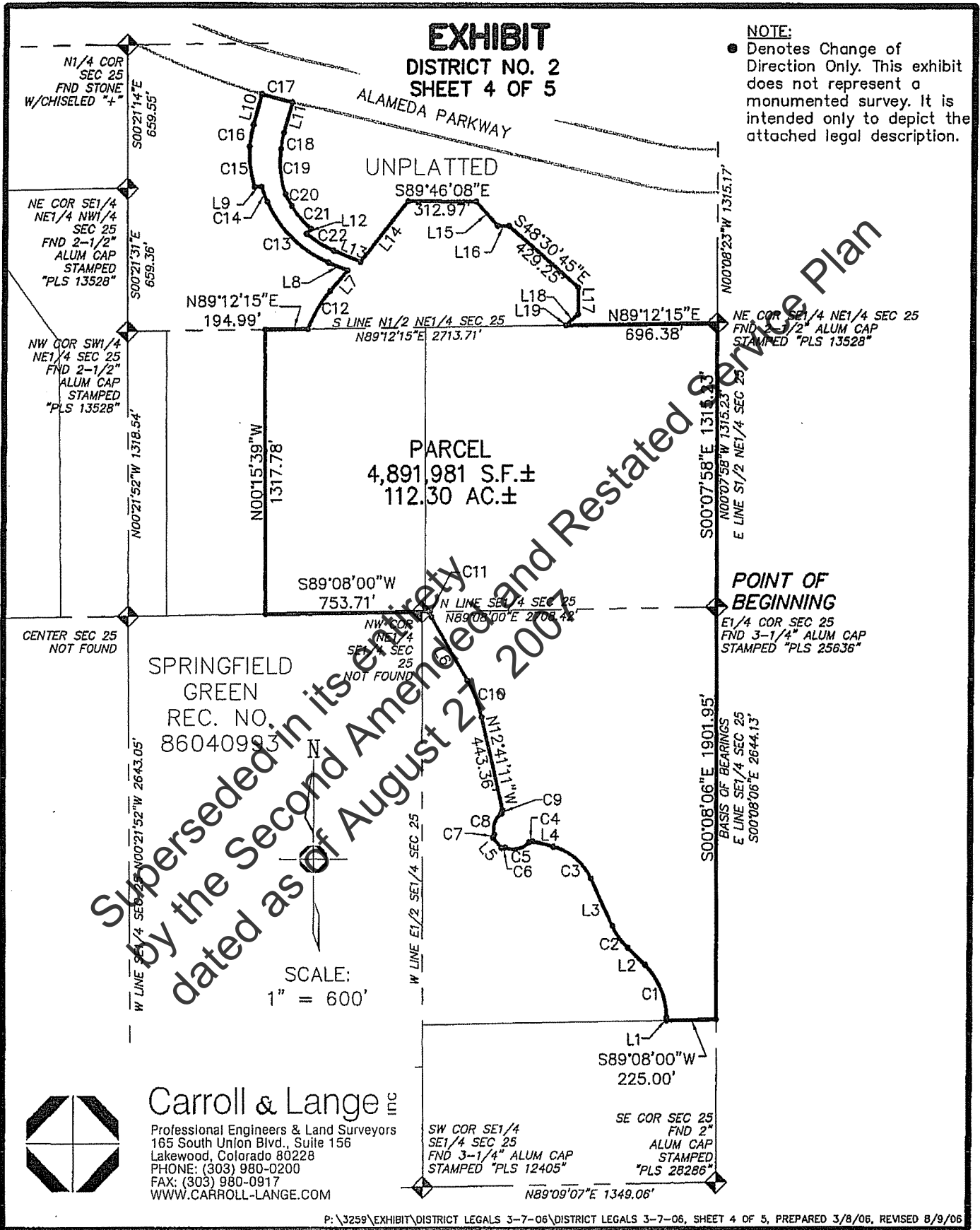
Carroll & Lange 

Professional Engineers & Land Surveyors
165 South Union Blvd., Suite 156
Lakewood, Colorado 80228
PHONE: (303) 980-0200
FAX: (303) 980-0917
WWW.CARROLL-LANGE.COM

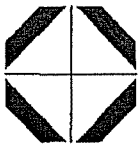
EXHIBIT
DISTRICT NO. 2
SHEET 4 OF 5

NOTE:

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



Superseded in its entirety by the Second Amended and Restated Service Plan dated as of August 27, 2007



Carroll & Lange inc
Professional Engineers & Land Surveyors
165 South Union Blvd., Suite 156
Lakewood, Colorado 80228
PHONE: (303) 980-0200
FAX: (303) 980-0917
WWW.CARROLL-LANGE.COM

SW COR SE1/4
SE1/4 SEC 25
FND 3-1/4" ALUM CAP
STAMPED "PLS 12405"

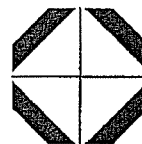
SE COR SEC 25
FND 2"
ALUM CAP
STAMPED
"PLS 28286"

EXHIBIT
DISTRICT NO. 2
SHEET 5 OF 5

LINE TABLE		
LINE	LENGTH	BEARING
L1	12.88'	N00°51'08"W
L2	101.84'	N46°20'37"W
L3	239.17'	N24°38'30"W
L4	98.72'	N75°03'33"W
L5	60.00'	N40°18'48"W
L6	340.59'	N29°24'47"W
L7	125.53'	N40°11'07"E
L8	95.38'	N67°20'35"W
L9	31.29'	S89°11'51"W
L10	143.43'	N14°55'09"E
L11	143.66'	S14°55'09"W
L12	30.00'	S40°42'47"W
L13	134.76'	S67°20'35"E
L14	354.09'	N37°44'00"E
L15	151.03'	S41°12'02"E
L16	51.67'	N89°45'56"E
L17	122.87'	S00°02'06"E
L18	76.09'	S47°37'18"W
L19	0.33'	S16°52'09"E

CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	BEARING
C1	45°29'29"	350.00'	277.89'	N23°35'52"W
C2	21°42'06"	330.00'	124.99'	N55°29'33"W
C3	50°25'03"	270.00'	237.59'	N49°51'02"W
C4	65°07'48"	15.00'	17.05'	S72°22'33"W
C5	75°00'21"	92.00'	120.44'	S77°18'49"W
C6	65°07'48"	15.00'	17.05'	S82°15'06"W
C7	65°07'48"	15.00'	17.05'	N17°07'18"E
C8	67°53'14"	92.00'	109.01'	N18°30'01"E
C9	65°07'48"	15.00'	17.05'	N19°52'43"E
C10	16°43'36"	116.72'	180.04'	N21°02'59"W
C11	04°24'08"	337.44'	25.92'	N27°12'46"W
C12	19°39'58"	590.00'	202.49'	N30°21'12"E
C13	44°06'35"	530.00'	409.57'	N45°12'18"W
C14	07°54'03"	535.37'	73.83'	N21°44'18"W
C15	09°05'28"	565.37'	188.38'	N07°18'58"W
C16	10°15'53"	572.00'	102.47'	N09°47'12"E
C17	08°31'59"	3257.38'	144.01'	S75°10'28"E
C18	10°17'21"	428.00'	76.86'	S09°46'28"W
C19	27°56'26"	433.26'	211.28'	S06°05'25"E
C20	07°49'42"	449.17'	61.37'	S27°15'07"E
C21	18°04'44"	440.00'	138.84'	S40°14'51"E
C22	18°03'22"	470.00'	148.12'	S58°18'54"E

Superseded in its entirety
 by the Second Amended
 dated as of August 21, 2006



Carroll & Lange INC
 Professional Engineers & Land Surveyors
 165 South Union Blvd., Suite 156
 Lakewood, Colorado 80228
 PHONE: (303) 980-0200
 FAX: (303) 980-0917
 WWW.CARROLL-LANGE.COM

EXHIBIT C-3
Legal Description for Fossil Ridge Metropolitan District No. 3

Superseded in its entirety
by the Second Amended and Restated Service Plan
dated as of August 27, 2007

LEGAL DESCRIPTION

DISTRICT NO. 3
SHEET 1 OF 4

PROPERTY DESCRIPTION

A PARCEL OF LAND BEING A PART OF SPRINGFIELD GREEN, A SUBDIVISION PLAT RECORDED AT RECEPTION NO. 86040993 OF THE JEFFERSON COUNTY CLERK AND RECORDER TOGETHER WITH A PART OF THE NORTHEAST QUARTER OF SECTION 25, SAID PARCEL LOCATED IN SECTION 25, TOWNSHIP 4 SOUTH, RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF LAKEWOOD, COUNTY OF JEFFERSON, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 25 AND CONSIDERING THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 25 TO BEAR SOUTH 00°08'06" EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE NORTH 89°11'51" EAST, ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 25, DISTANCE OF 616.74 FEET TO A POINT ON A CURVE;

THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 07°54'03", A RADIUS OF 535.37 FEET, AN ARC LENGTH OF 73.83 FEET, AND A CHORD THAT BEARS SOUTH 21°44'18" EAST TO A POINT ON A CURVE;

THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 26°29'16", A RADIUS OF 530.00 FEET, AN ARC LENGTH OF 245.02 FEET, AND A CHORD THAT BEARS SOUTH 36°18'38" EAST TO A POINT ON A CURVE;

THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 45°44'16", A RADIUS OF 545.00 FEET, AN ARC LENGTH OF 435.06 FEET, AND A CHORD THAT BEARS SOUTH 21°10'01" WEST TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 25;

THENCE SOUTH 89°12'15" WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 449.59 FEET;

THENCE SOUTH 00°15'39" EAST, A DISTANCE OF 1318.34 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 25;

THENCE NORTH 89°08'00" EAST, ALONG SAID NORTH LINE, A DISTANCE OF 1206.15 FEET TO A POINT ON A CURVE;

THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 04°24'03", A RADIUS OF 337.44 FEET, AN ARC LENGTH OF 25.92 FEET, AND A CHORD THAT BEARS SOUTH 27°12'46" EAST;

THENCE SOUTH 29°24'47" EAST, A DISTANCE OF 340.59 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 16°43'36", A RADIUS OF 616.72 FEET AND AN ARC LENGTH OF 189.94 FEET;

THENCE SOUTH 12°41'11" EAST, A DISTANCE OF 443.36 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 65°07'48", A RADIUS OF 15.00 FEET AND AN ARC LENGTH OF 17.05 FEET TO A POINT OF REVERSE CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 67°53'14", A RADIUS OF 92.00 FEET AND AN ARC LENGTH OF 109.01 FEET TO A POINT OF REVERSE CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 65°07'48", A RADIUS OF 15.00 FEET AND AN ARC LENGTH OF 17.05 FEET;

THENCE SOUTH 40°18'48" EAST, A DISTANCE OF 60.00 FEET TO A POINT ON A CURVE;

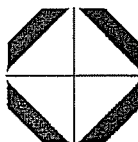
THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 65°07'48", A RADIUS OF 15.00 FEET, AN ARC LENGTH OF 17.05 FEET, AND A CHORD THAT BEARS NORTH 82°15'06" EAST TO A POINT OF REVERSE CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 75°00'21", A RADIUS OF 92.00 FEET AND AN ARC LENGTH OF 120.44 FEET TO A POINT OF REVERSE CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 65°07'48", A RADIUS OF 15.00 FEET AND AN ARC LENGTH OF 17.05 FEET;

THENCE SOUTH 75°03'33" EAST, A DISTANCE OF 98.72 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 50°25'03", A RADIUS OF 270.00 FEET AND AN ARC LENGTH OF 237.59 FEET;



Carroll & Lange ^{PC}

Professional Engineers & Land Surveyors
165 South Union Blvd., Suite 156
Lakewood, Colorado 80228
PHONE: (303) 980-0200
FAX: (303) 980-0917
WWW.CARROLL-LANGE.COM

LEGAL DESCRIPTION

DISTRICT NO. 3
SHEET 2 OF 4

PROPERTY DESCRIPTION

THENCE SOUTH 24°38'30" EAST, A DISTANCE OF 239.17 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 21°42'06", A RADIUS OF 330.00 FEET AND AN ARC LENGTH OF 124.99 FEET;
THENCE SOUTH 46°20'37" EAST, A DISTANCE OF 101.84 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 45°29'29", A RADIUS OF 350.00 FEET AND AN ARC LENGTH OF 277.89 FEET;
THENCE SOUTH 00°51'08" EAST, A DISTANCE OF 12.88 FEET TO A POINT ON THE SOUTHERLY BOUNDARY OF SAID SPRINGFIELD GREEN;

THENCE ALONG SAID SOUTHERLY BOUNDARY THE FOLLOWING THREE (3) COURSES:

1. THENCE SOUTH 89°08'00" WEST, A DISTANCE OF 1125.49 FEET;
2. THENCE SOUTH 00°14'44" EAST, A DISTANCE OF 192.53 FEET;
3. THENCE SOUTH 89°09'15" WEST, A DISTANCE OF 1792.45 FEET;

THENCE SOUTH 48°34'50" WEST, A DISTANCE OF 56.22 FEET TO A POINT ON A CURVE ON THE EASTERLY RIGHT-OF-WAY LINE OF MCINTYRE STREET;

THENCE ALONG SAID EASTERLY RIGHT-OR-WAY LINE THE FOLLOWING FIVE (5) COURSES:

1. THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 19°44'49", A RADIUS OF 550.00 FEET, AN ARC LENGTH OF 185.56 FEET, AND A CHORD THAT BEARS NORTH 51°58'21" WEST;
2. THENCE NORTH 61°50'45" WEST, A DISTANCE OF 79.71 FEET TO A POINT OF CURVATURE;
3. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 24°51'03", A RADIUS OF 1504.99 FEET AND AN ARC LENGTH OF 662.76 FEET;
4. THENCE NORTH 36°59'42" WEST, A DISTANCE OF 1002.20 FEET;
5. THENCE NORTH 12°44'19" WEST, A DISTANCE OF 181.18 FEET;

THENCE NORTH 90°00'00" EAST, A DISTANCE OF 154.48 FEET;
THENCE NORTH 00°00'00" WEST, A DISTANCE OF 243.07 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 25;
THENCE NORTH 89°08'00" EAST, ALONG SAID NORTH LINE, A DISTANCE OF 1537.85 FEET;
THENCE NORTH 00°33'29" WEST, A DISTANCE OF 1278.15 FEET;
THENCE NORTH 36°10'18" WEST, A DISTANCE OF 413.77 FEET;
THENCE NORTH 53°48'26" EAST, A DISTANCE OF 203.78 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 25;
THENCE NORTH 89°11'03" EAST, ALONG SAID NORTH LINE, A DISTANCE OF 576.19 FEET TO THE **POINT OF BEGINNING**;

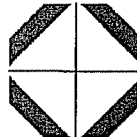
SAID PARCEL CONTAINS AN AREA OF 8,499,828 SQUARE FEET OR 195.13 ACRES, MORE OR LESS.

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

Superseded by its erratum dated August 27, 2007
THOMAS D. STAAB, P.L.S. 25965
03-10-06
Thomas D. Staab

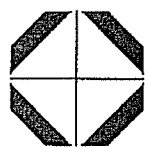
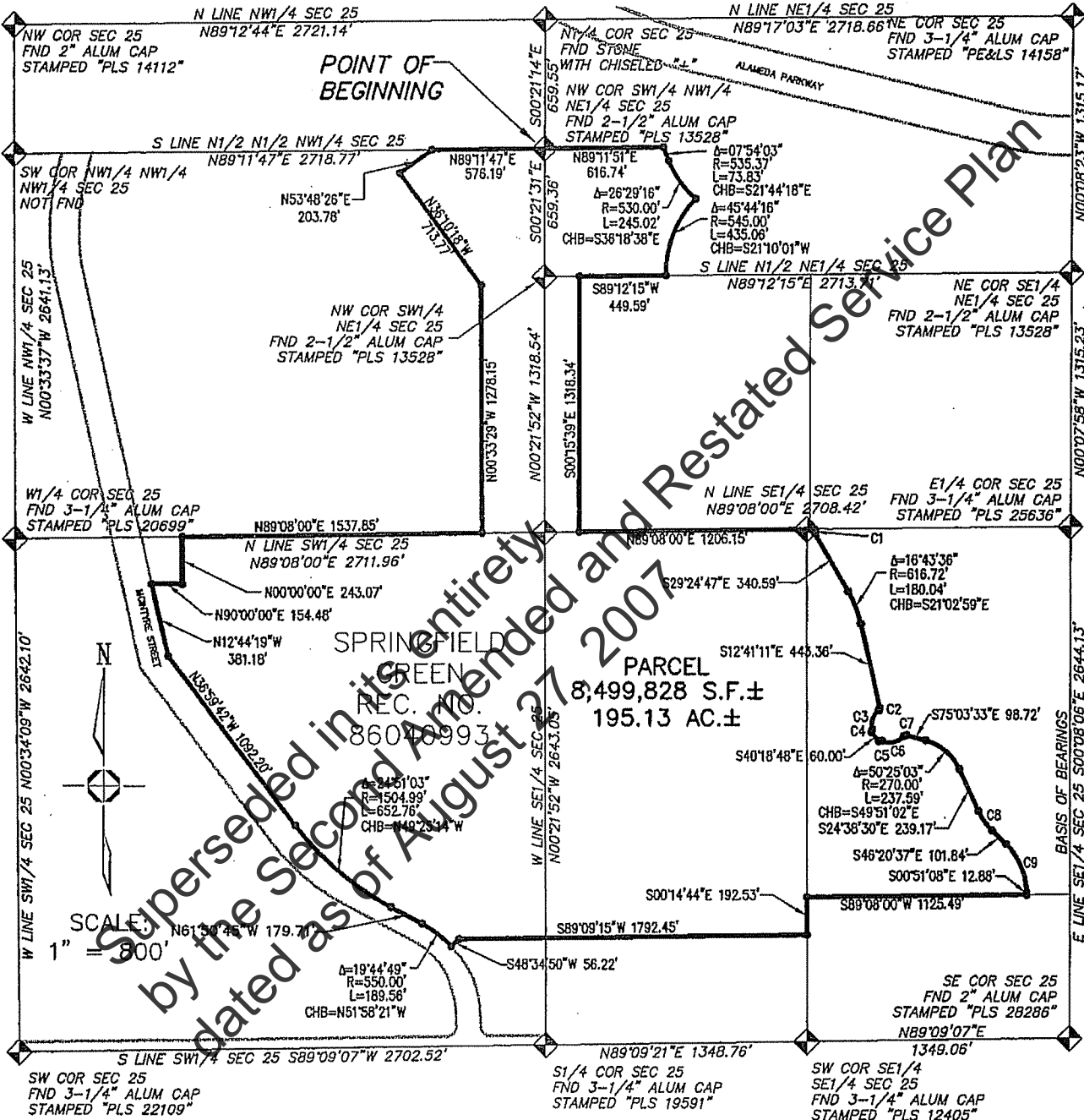
THOMAS D. STAAB, P.L.S. 25965
FOR AND ON BEHALF OF
CARROLL & LANGE, INC.

03-10-06
DATE



Carroll & Lange 
Professional Engineers & Land Surveyors
165 South Union Blvd., Suite 156
Lakewood, Colorado 80228
PHONE: (303) 980-0200
FAX: (303) 980-0917
WWW.CARROLL-LANGE.COM

EXHIBIT
DISTRICT NO. 3
SHEET 3 OF 4

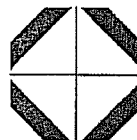


Carroll & Lange INC
 Professional Engineers & Land Surveyors
 165 South Union Blvd., Suite 156
 Lakewood, Colorado 80228
 PHONE: (303) 980-0200
 FAX: (303) 980-0917
 WWW.CARROLL-LANGE.COM

EXHIBIT
DISTRICT NO. 3
SHEET 4 OF 4

Superseded in its entirety
 by the Second Amendment and Restated Service Plan
 dated as of August 27, 2003

CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	BEARING
C1	04°24'03"	337.44'	25.92'	S27°12'46"E
C2	65°07'48"	15.00'	17.05'	S19°52'43"W
C3	67°53'14"	92.00'	169.91'	S18°30'01"W
C4	65°07'48"	15.00'	17.05'	S17°07'18"W
C5	65°07'48"	15.00'	17.05'	N82°15'06"E
C6	75°00'21"	92.00'	120.44'	N77°18'49"E
C7	65°07'48"	15.00'	17.05'	N72°22'33"E
C8	21°42'06"	70.00'	24.99'	S35°29'33"E
C9	46°29'29"	150.00'	277.89'	S23°35'52"E



Carroll & Lange INC

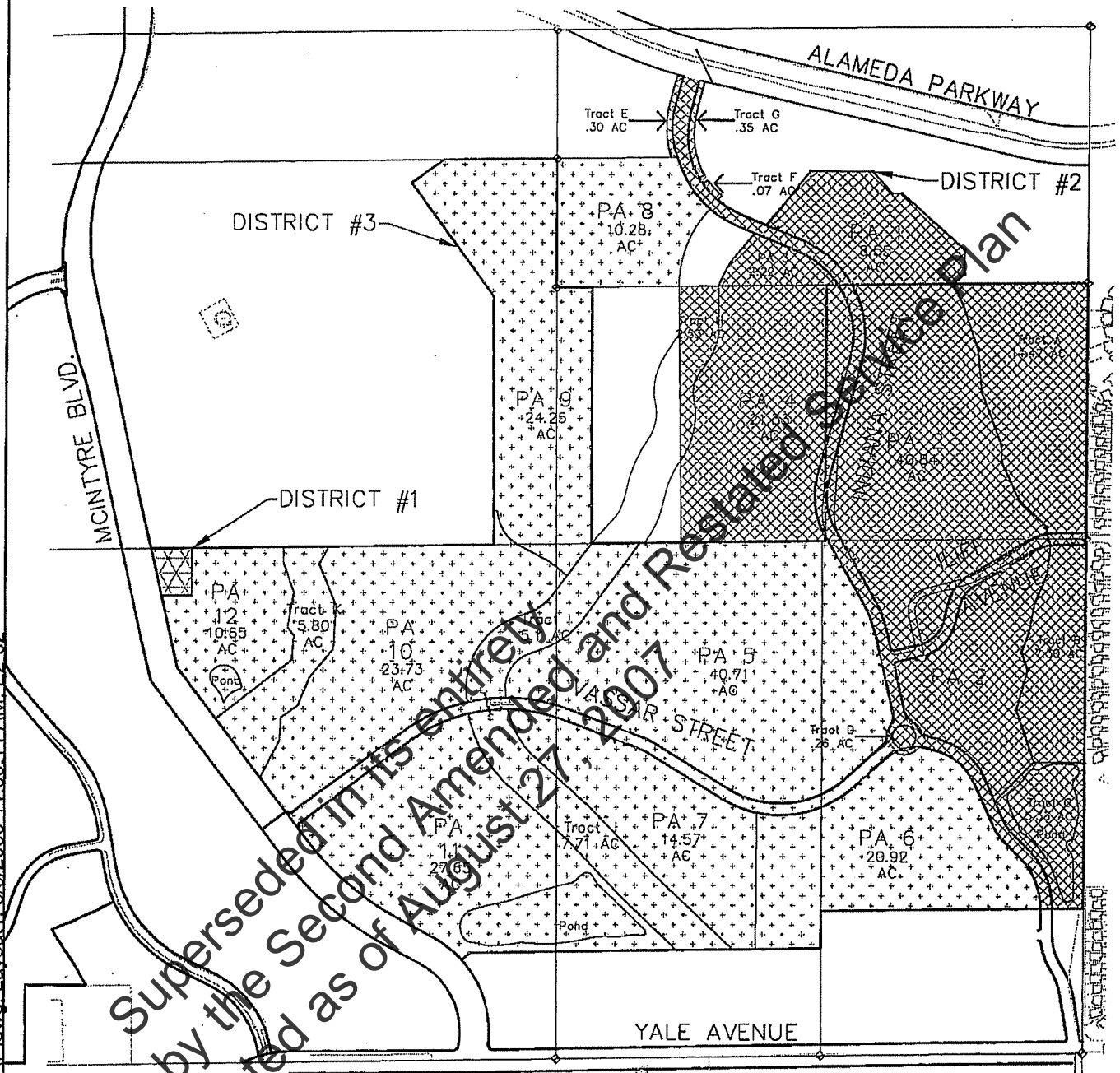
Professional Engineers & Land Surveyors
 165 South Union Blvd., Suite 156
 Lakewood, Colorado 80226
 PHONE: (303) 980-0200
 FAX: (303) 980-0917
 WWW.CARROLL-LANGE.COM

EXHIBIT C-4
Map of the Districts' Boundaries

Superseded in its entirety
by the Second Amended and Restated Service Plan
dated as of August 27, 2007

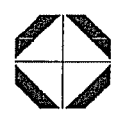
EXHIBIT C-4

MAP OF DISTRICTS' BOUNDARIES



Superseded in its entirety
by the Second Amended and Restated Surface Plan
dated as of August 27, 2007

P:\3259\Exhibits\3259-DISTRICT MAP.dwg Layout1_8/9/2006 11:50:11 AM E2-02



Carroll & Lange
 Professional Engineers & Land Surveyors
 165 South Union Blvd., Suite 166
 Lakewood, Colorado 80226
 (303) 980-0200



N.T.S.

EXHIBIT D
Financing Plan

Superseded in its entirety
by the Second Amended and Restated Service Plan
dated as of August 27, 2007

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: MILES STEPHENS, CARMA
CHRIS BREMNER, CARMA
THOMAS P. MORTON, CARMA
KRISTEN BEAR, ESQ.
JOHN MULLINS

FROM: STAN BERNSTEIN
AMY BERNSTEIN

SUBJECT: FINANCING PLAN,
FOSSIL RIDGE METROPOLITAN DISTRICTS #1 – 3
(COMBINED)

DATE: AUGUST 17, 2006

This memorandum, and the attached multi-year combined financial model for Fossil Ridge Metropolitan Districts #1 – 3 ("the Districts") has been assembled by Stan Bernstein and Associates, Inc. based upon key assumptions regarding land use and buildout provided by Carma, Inc.

Exhibit I (page 1), Cash Flow Forecast for Debt Service Fund Only – Infrastructure Funding and Related Bond Issues. This Exhibit – row 34 - demonstrates how approximately \$37.8 million of infrastructure costs (these infrastructure costs include 5.0% annual compounded inflationary increases over current dollar cost estimates of approximately \$35.7 million) could be funded from a series of (i) non-rated limited tax general obligation bond issues, (ii) impact fees and (iii) developer infrastructure capital loans.

Row 30 on Exhibit I indicates that approximately \$37.8 million of infrastructure costs expected to be incurred from 2006 through 2009 are assumed to be funded from developer capital loans (it may also be possible to fund all, or a portion, of these costs from developer credit enhanced variable rate demand bonds). It is assumed that these developer capital loans will accrue interest at 4.40% annually, and that by October 1, 2032 all of the \$37.8 million developer capital loans, plus \$23.6 million of compounded interest, could be recovered from the Districts' issuance of non-rated limited tax general obligation bonds (net bond proceeds in amount of \$57,375,000 shown on Schedule 2) and from approximately \$4,025,000 of Development Fees.

Exhibit I - Infrastructure Funding and Related Bond Issues (Continued)

Based upon an initial debt service mill levy of 30.0, which is assumed to increase to 40.0 mills for tax collection year 2031 (when the Mt. Carbon Metropolitan District's obligations are assumed to be discharged as they relate to the property in Fossil Ridge), Row 32 on Exhibit I indicates that approximately \$59.15 million of non-rated limited tax general obligation bonds (netting \$57,375,000 after costs of bond issuance) could be issued and, when combined with Development Fees of approximately \$4,025,000 million, could be used to reimburse approximately \$37.8 million of developer loans and approximately \$23.6 million of compounded interest on the developer capital loans.

October 1, 2010	\$ 7,000,000
October 1, 2012	\$13,000,000
October 1, 2015	\$ 7,500,000
October 1, 2020	\$ 6,750,000
October 1, 2025	\$ 8,000,000
October 1, 2032	\$16,900,000
Totals	\$59,150,000

The issuance, and related timing and size, of these \$59.15 million of limited tax non-rated general obligation bonds will be contingent upon the number of completed homes occurring within the Districts' boundaries and the related assessed valuation certified by the Jefferson County Assessor's Office, municipal bond interest rates, and debt service coverage ratio requirements at the time of bond issuance. The timing and the size of the above bond issues assume that at the date of bond issuance, the total outstanding non-rated limited tax general obligation bonds will be approximately 50% of the total certified assessed valuation for the Districts. The non-rated general obligation bonds assume average interest rates of 6.0% (per discussions with representatives of Kirkpatrick, Pettis, Investment Bankers) and debt service payments occurring no longer than a 30-year period. Row 40 of Exhibit I presents the total amount of outstanding non-rated general obligation bonds outstanding at the end of each year. Row 41 of Exhibit I presents the total outstanding non-rated general obligation bonds at the end of each year as a percentage of the Districts' certified assessed valuation.

Exhibit I - Infrastructure Funding and Related Bond Issues (Continued)

It is possible that decreases to the residential assessment rate caused by Gallagher, or actual buildout occurring at a different pace than shown on Schedule 1, could result in a corresponding increase or decrease in the total amount of non-rated limited tax general obligation bonds being issued in the years shown on Exhibit I and Schedule 2.

The actual timing and the size of the above bond issues will vary depending upon certified assessed valuation levels within the Districts' boundaries. Row 42 of Exhibit I presents the total outstanding developer capital loans assuming 4.40% annual compounded interest.

Exhibit I – Revenue Available for Debt Service and Infrastructure Funding

This draft assumes a District debt service fund mill levy of 30.00 increasing to 40.00 for tax collection year 2031 (which would increase in direct proportion to any decreases in assessed valuation caused by Gallagher), and is based upon the land use and buildout schedule presented on Schedule 1, page 2.

Exhibit I indicates other revenues in addition to the property taxes generated from a 30.00 – 40.00 mill levy which include:

- Specific Ownership Taxes assumed to be 6% of property tax revenues.
- Single Family Development Impact Fees imposed at building permit (assumed to be one year before homes are completed) on all single family residential units, which are based upon \$4,000 per unit (inflated @ 5.0% annually beginning in 2008).
- Town Home Development Impact Fees imposed at building permit on all town home residential units, which are based upon \$3,000 per unit (inflated @ 5.0% annually beginning in 2008).
- Apartment Development Impact Fees imposed at building permit on all apartment residential units, which are based upon \$1,500 per unit (inflated @ 5.0% annually beginning in 2008).
- It is assumed that the revenues generated from all of the above impact fees (approximately \$4.9 million on an inflated basis), will be used to pay debt service on all general obligation bond issues, repay the developer capital loans and interest (approximately \$4.025 million) and/or to fund capital infrastructure costs.

Cash Flow Forecast, Exhibit II, page 4, General Fund Revenues and Expenditures

Exhibit II presents the combined Districts' General Fund forecasted revenues and operating and administrative expenditures. Detailed operating and administrative expenditure estimates have been provided by officials of Carma and include grounds maintenance, adult and family recreation facilities, related utility, administrative and reserve costs (these detailed costs estimate are presented on Schedule 3, page 5). Key assumptions are set forth as follows:

- The General Fund mill levy is assumed to be zero.
- Service Charge fees are calculated based upon \$900 per year per completed residential unit and are assumed to increase 5% annually beginning in 2011.
- Annual Expenditure estimates are presented on Schedule 3 and Exhibit II, and assume 5% annual increases (including inflation).
- The Developer is planning to subsidize General Fund expenditures during the first four years (or more if needed).

Schedule 1, page 2, presents the land use and expected buildout and the related assessed valuation buildup for the Districts. An anticipated residential assessment rate of 7.96% has been assumed for the entire planning period. This rate is currently 7.96% but could decline every other year pursuant to the provisions of The Gallagher Amendment. This analysis, pursuant to Carma's direction, assumes that the Districts' mill levy will be increased to offset any decrease in the residential assessment rate as a result of Gallagher. This analysis assumes that inflationary increases in real estate will result in 6% inflationary assessed valuation increases every other year. Discussions with the Jefferson County Deputy Assessor indicates that the current assessed value of land within the boundaries of the Districts is approximately \$1,400,000 and is likely to increase to in excess of \$3,100,000 million within the next year or two as a result of a bulk land sale.

Schedule 2, page 3, presents the detailed debt service schedules. All non-rated limited tax general obligation bond issues assume average coupon rates of 6.0% and no longer than thirty-year serial maturities.

LIMITATIONS

This Financial Model presents, to the best knowledge and belief of the Developer (based upon assumptions provided by the Developer), the District's expected cash position and results of cash receipts and disbursements for the forecast period. Accordingly, the Financial Model reflects the Developer's judgment, as of the date of this report, of the expected conditions within the District's boundaries and the District's expected course of action. The assumptions disclosed in the Financial Model are those of the Developer and have not been independently reviewed by Stan Bernstein and Associates, Inc.

The assumptions identified are believed to be the significant factors in determining financial feasibility; however, they are likely not to be all-inclusive. There will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. Key assumptions – like those relating to market values of real property improvements and the buildout schedule of such property – are particularly sensitive in terms of the timing necessary to create the tax base for the Financing Districts. A small variation in these variables, and to their timing, can have a large effect on the forecasted results. There is a high probability that the forecasted results will differ from realized future tax base factors (either positively or negatively). Additionally, other key assumptions relating to inflation, assessment ratios, interest rates, debt service coverage requirements, and infrastructure, administrative and operating costs may, and likely will vary from those assumed.

Because Stan Bernstein and Associates, Inc. has not independently evaluated or reviewed the assumptions that the Financial Model is based upon, we do not vouch for (and disclaim any opinion) the achievability of the information presented on Exhibits I and II and on Schedules 1 and 2. Furthermore, because of the inherent nature of future events, which are subject to change and variation as events and circumstances change, the actual results may vary materially from the results presented on Exhibits I and II and on Schedules 1 and 2. Stan Bernstein and Associates, Inc. has no responsibility or obligation to update this information or this Financial Model for events occurring after the date of this memorandum.

The actual amount of Limited Tax General Obligation Bonds (and the timing of their issuance) that could be supported by the Districts will depend on the rate of buildout and related increases in assessed valuation, interest rates and debt service coverage requirements.

FOSSIL RIDGE METROPOLITAN DISTRICTS #1 - 3
CASH FLOW FORECAST - BUDGETARY BASIS
DEBT SERVICE FUND ONLY
FOR THE YEARS ENDING DECEMBER 31, 2006 - 2046

FINAL 8-17-06

EXHIBIT I - CASH FLOW FORECAST - DEBT SERVICE FUNDS ONLY

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1 INCREMENTAL HOMES DEVELOPED (SCHEDULE 1)	0	0	68	196	360	357	148	89	71	9
2 CUMULATIVE HOMES DEVELOPED	0	0	68	264	624	981	1,129	1,218	1,289	1,298
3 INCREMENTAL TOWNHOME UNITS (SCH. 1)	0	0	0	0	30	60	60	60	60	9
4 INCREMENTAL SINGLE FAMILY HOMES (SCH. 1)	0	0	68	196	300	237	28	20	11	0
5 INCREMENTAL APARTMENT UNITS (SCH. 1)	0	0	0	0	30	60	60	9	0	0
6 SINGLE FAMILY DEVELOPMENT IMPACT FEE RATE @ 1.05	4,000	4,000	4,000	4,200	4,410	4,631	4,862	5,105	5,360	5,628
(at permit, one year before home completed)										
7 TOWNHOME DEVELOPMENT IMPACT FEE RATE @ 1.05	3,000	3,000	3,000	3,150	3,308	3,473	3,647	3,829	4,020	4,221
(at permit, one year before home completed)										
8 APARTMENT DEVELOPMENT IMPACT FEE RATE @ 1.05	1,500	1,500	1,500	1,575	1,654	1,736	1,823	1,914	2,010	2,111
(at permit, one year before home completed)										
9 ASSESSED VALUATION @ 6% EVERY OTHER YEAR (SCH. 1)	14,000,000	14,000,000	14,000,000	3,000,000	6,486,606	16,547,512	34,179,418	48,961,728	59,056,526	59,172,662
MILL LEVY	0.00	0.00	0.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
11 PROPERTY TAXES	0	0	0	90,000	194,598	496,425	1,025,383	1,468,852	1,681,696	1,775,190
12 SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	0	0	0	5,400	11,676	29,786	61,523	88,131	100,902	106,511
13 SINGLE FAMILY DEVELOPMENT IMPACT FEES @ PERMIT	0	0	784,000	1,260,000	1,045,170	129,654	97,241	56,156	0	0
14 TOWNHOME DEVELOPMENT IMPACT FEE @ PERMIT	0	0	0	94,500	198,450	208,373	218,791	229,731	24,122	0
15 APARTMENT DEVELOPMENT IMPACT FEE @ PERMIT	0	0	0	47,250	99,225	104,186	16,409	0	0	0
16 INTEREST INCOME - CAPITALIZED INTEREST	0	0	0	0	0	0	0	0	0	0
17 INTEREST INCOME - OTHER @ 3%	0	0	0	0	8,160	31,680	16,514	63,057	79,953	109,446
18 TOTAL REVENUES	14,000,000	14,000,000	784,000	1,497,150	1,557,279	1,000,104	1,435,860	1,905,927	1,886,672	1,991,137
EXPENDITURES:										
19 3.0% JEFFCO COUNTY TREASURER'S COLLECTION FEE	0	0	0	2,700	5,898	14,893	30,761	44,066	50,451	53,255
20 SERIES 2010 G.O. BONDS NON-RATED DEBT SERVICE (SCH. 2)	0	0	0	0	0	420,000	420,000	520,000	524,000	522,400
21 SERIES 2012 G.O. BONDS DEBT SERVICE (SCH. 2)	0	0	0	0	0	0	0	945,000	945,100	944,600
22 SERIES 2015 G.O. BONDS DEBT SERVICE (SCH. 2)	0	0	0	0	0	0	0	0	0	0
23 SERIES 2020 G.O. BONDS DEBT SERVICE (SCH. 2)	0	0	0	0	0	0	0	0	0	0
24 SERIES 2025 G.O. BONDS DEBT SERVICE (SCH. 2)	0	0	0	0	0	0	0	0	0	0
25 SERIES 2032 G.O. BONDS DEBT SERVICE (SCH. 2)	0	0	0	0	0	0	0	0	0	0
26 BOND PAYING AGENT FEES	0	0	0	2,700	5,838	2,000	2,000	4,000	4,000	4,000
27 TOTAL EXPENDITURES	0	0	0	2,700	5,838	436,893	452,761	1,513,066	1,523,551	1,524,255
28 EXCESS REVENUES OVER (UNDER) EXPENDITURES	0	272,000	784,000	1,494,450	1,551,441	563,211	983,098	392,861	363,121	466,881
OTHER FINANCING SOURCES (USES):										
29 DEVELOPER CAPITAL LOANS	10,609,035	14,501,929	11,237,226	1,465,481	0	0	0	0	0	0
30 REPAYMENT OF DEVELOPER CAPITAL LOANS & INTEREST	0	0	0	(2,000,000)	(6,790,000)	0	(12,610,000)	(2,000,000)	0	(7,275,000)
31 PROCEEDS FROM G.O. BONDS (SCH. 2)	0	0	0	7,000,000	7,000,000	0	13,000,000	0	0	7,500,000
32 COSTS OF BOND ISSUANCE	0	0	0	0	(210,000)	0	(390,000)	0	0	(225,000)
33 INFRASTRUCTURE COSTS (INFLATED @ 5% ANNUALLY)	(10,609,035)	(14,501,929)	(11,237,226)	(1,465,481)	0	0	0	0	0	0
34 TOTAL OTHER FINANCING SOURCES	0	0	0	2,700	0	0	0	(2,000,000)	0	0
35 FUND BALANCE - JANUARY 1	0	0	272,000	1,956,000	550,450	2,101,891	2,665,102	2,665,102	2,665,102	2,665,102
36 FUND BALANCE - DECEMBER 31	0	272,000	1,056,000	550,450	2,101,891	2,665,102	3,348,200	2,041,062	2,404,183	2,871,064
37 Restricted - Bond Proceeds	0	0	0	0	0	0	0	0	0	0
38 Unrestricted	0	272,000	1,056,000	550,450	2,101,891	2,665,102	3,348,200	2,041,062	2,404,183	2,871,064
39 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	7,000,000	7,000,000	20,000,000	19,735,000	19,450,000	26,650,000
40 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	0.00%	0.00%	0.00%	0.00%	42.30%	20.48%	40.85%	35.21%	32.87%	40.91%
41 TOTAL DEVELOPER CAPITAL LOANS @ 4.40% COMPOUNDED	10,609,035	25,577,761	37,940,409	39,075,268	34,004,580	35,500,781	24,452,816	23,528,740	24,564,004	18,369,820

SEE CONSULTANT'S REPORT AND DISCLAIMER.

FOSSIL RIDGE METROPOLITAN DISTRICTS #1 - 3
CASH FLOW FORECAST - BUDGETARY BASIS
DEBT SERVICE FUND ONLY
FOR THE YEARS ENDING DECEMBER 31, 2006 - 2046

EXHIBIT I - CASH FLOW FORECAST - DEBT SERVICE FUNDS ONLY

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
1 INCREMENTAL HOMES DEVELOPED (SCHEDULE 1)	0	0	0	0	0	0	0	0	0	0	0
2 CUMULATIVE HOMES DEVELOPED	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295
3 INCREMENTAL TOWNHOME UNITS (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0
4 INCREMENTAL SINGLE FAMILY HOMES (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0
5 INCREMENTAL APARTMENT UNITS (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0
6 SINGLE FAMILY DEVELOPMENT IMPACT FEE RATE @ (at permit, one year before home completed)	5.910	6.205	6.516	6.841	7.183	7.543	7.920	8.316	8.731	9.168	9.626
7 TOWNHOME DEVELOPMENT IMPACT FEE RATE @ (at permit, one year before home completed)	4.492	4.654	4.887	5.131	5.388	5.657	5.940	6.237	6.549	6.876	7.220
8 APARTMENT DEVELOPMENT IMPACT FEE RATE @ (at permit, one year before home completed)	2.216	2.327	2.443	2.566	2.694	2.828	2.970	3.118	3.274	3.438	3.610
9 ASSESSED VALUATION @ 6% EVERY OTHER YEAR (SCH. 1)	65,748,821	64,871,353	68,763,635	68,763,635	72,889,453	72,889,453	77,262,820	77,262,820	81,896,589	81,896,589	86,812,504
10 MILL LEVY	28.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
REVENUES:											
11 PROPERTY TAXES	1,954,465	1,946,141	2,062,909	2,062,909	2,186,684	2,186,684	2,317,885	2,317,885	2,456,958	2,456,958	2,604,375
12 SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	117,286	116,766	123,775	123,775	131,201	131,201	139,073	139,073	147,417	147,417	156,263
13 SINGLE FAMILY DEVELOPMENT IMPACT FEES @ PERMIT	0	0	0	0	0	0	0	0	0	0	0
14 TOWNHOME DEVELOPMENT IMPACT FEE @ PERMIT	0	0	0	0	0	0	0	0	0	0	0
15 APARTMENT DEVELOPMENT IMPACT FEE @ PERMIT	0	0	0	0	0	0	0	0	0	0	0
16 INTEREST INCOME - CAPITALIZED INTEREST	61,293	72,152	86,162	90,762	95,278	100,685	106,168	115,752	110,774	109,808	109,303
17 INTEREST INCOME - OTHER @ 3%	2,132,964	2,185,035	2,272,816	2,277,445	2,413,163	2,418,570	2,563,126	2,572,709	2,745,149	2,714,183	2,869,940
18 TOTAL REVENUES	58,634	59,384	61,887	61,887	65,601	65,601	69,537	69,537	73,709	73,709	78,131
EXPENDITURES:											
19 3.0% JEFFCO COUNTY TREASURER'S COLLECTION FEE	520,500	523,300	520,500	522,400	523,700	519,800	519,600	519,600	523,800	522,100	519,800
20 SERIES 2010 G.O. BONDS NON-RATED DEBT SERVICE (SCH. 2)	943,500	946,800	944,200	946,000	941,900	942,200	946,800	946,800	942,100	943,500	943,700
21 SERIES 2012 G.O. BONDS DEBT SERVICE (SCH. 2)	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
22 SERIES 2015 G.O. BONDS DEBT SERVICE (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
23 SERIES 2020 G.O. BONDS DEBT SERVICE (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
24 SERIES 2025 G.O. BONDS DEBT SERVICE (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
25 SERIES 2032 G.O. BONDS DEBT SERVICE (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
26 BOND PAYING AGENT FEES	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
27 TOTAL EXPENDITURES	1,978,634	1,984,484	2,092,587	2,094,687	2,093,701	2,094,501	2,595,337	2,595,337	2,595,809	2,595,209	3,203,331
28 EXCESS REVENUES OVER (UNDER) EXPENDITURES	154,330	150,550	180,228	182,758	3,922,462	(165,891)	(32,211)	(16,827)	119,340	118,974	(333,391)
OTHER FINANCING SOURCES (USES):											
29 DEVELOPER CAPITAL LOANS	0	0	0	0	0	0	0	0	0	0	0
30 REPAYMENT OF DEVELOPER CAPITAL LOANS & INTEREST	0	0	0	0	0	0	0	0	0	0	0
31 PROCEEDS FROM G.O. BONDS (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
32 COSTS OF BOND ISSUANCE	0	0	0	0	0	0	0	0	0	0	0
33 INFRASTRUCTURE COSTS (INFLATED @ 5% ANNUALLY)	0	0	0	0	0	0	0	0	0	0	0
34 TOTAL OTHER FINANCING SOURCES	0	0	0	0	0	0	0	0	0	0	0
35 FUND BALANCE - JANUARY 1	2,871,064	3,025,395	3,175,945	3,356,173	3,538,931	3,858,394	3,662,463	3,660,252	3,643,425	3,762,766	3,881,740
37 FUND BALANCE - DECEMBER 31	3,025,395	3,175,945	3,356,173	3,538,931	3,858,394	3,692,463	3,660,252	3,643,425	3,762,766	3,881,740	3,548,349
38 Restricted - Bond Proceeds	0	0	0	0	0	0	0	0	0	0	0
39 Unrestricted	3,025,395	3,175,945	3,356,173	3,538,931	3,858,394	3,692,463	3,660,252	3,643,425	3,762,766	3,881,740	3,548,349
40 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	25,335,000	25,995,000	25,530,000	25,035,000	31,265,000	30,650,000	29,950,000	29,235,000	28,475,000	35,670,000	34,695,000
41 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	40.60%	37.80%	37.13%	34.35%	42.89%	39.64%	38.76%	35.70%	34.77%	41.09%	39.97%
42 TOTAL DEVELOPER CAPITAL LOANS @ 4.40% COMPOUNDED	19,176,092	20,021,929	20,902,893	21,822,621	16,235,316	16,949,670	17,695,455	18,474,055	19,286,914	12,375,538	12,920,062

SEE CONSULTANT'S REPORT AND DISCLAIMER.

FOSSIL RIDGE METROPOLITAN DISTRICTS #1 - 3
CASH FLOW FORECAST - BUDGETARY BASIS
DEBT SERVICE FUND ONLY
FOR THE YEARS ENDING DECEMBER 31, 2006 - 2046

EXHIBIT I - CASH FLOW FORECAST - DEBT SERVICE FUNDS ONLY

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
1 INCREMENTAL HOMES DEVELOPED (SCHEDULE 1)	0	0	0	0	0	0	0	0	0	0
2 CUMULATIVE HOMES DEVELOPED	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295
3 INCREMENTAL TOWNHOME UNITS (SCH. 1)	0	0	0	0	0	0	0	0	0	0
4 INCREMENTAL SINGLE FAMILY HOMES (SCH. 1)	0	0	0	0	0	0	0	0	0	0
5 INCREMENTAL APARTMENT UNITS (SCH. 1)	0	0	0	0	0	0	0	0	0	0
6 SINGLE FAMILY DEVELOPMENT IMPACT FEE RATE @ (at permit, one year before home completed)	40,108	10,613	11,144	11,701	12,286	12,900	13,545	14,223	14,934	15,681
7 TOWNHOME DEVELOPMENT IMPACT FEE RATE @ (at permit, one year before home completed)	1,581	7,960	8,358	8,776	9,215	9,675	10,159	10,667	11,200	11,760
8 APARTMENT DEVELOPMENT IMPACT FEE RATE @ (at permit, one year before home completed)	3,790	3,980	4,179	4,388	4,607	4,838	5,080	5,334	5,600	5,880
9 ASSESSED VALUATION @ 6% EVERY OTHER YEAR (SCH. 1)	36,642,504	42,021,255	42,021,255	42,021,255	42,021,255	42,021,255	42,021,255	42,021,255	42,021,255	42,021,255
10 MILL LEVY	29,000	30,000	30,000	30,000	40,000	40,000	40,000	40,000	40,000	40,000
11 PROPERTY TAXES	2,604,375	2,760,638	2,760,638	2,926,276	3,901,701	4,135,803	4,135,803	4,383,951	4,383,951	4,646,989
12 SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	156,263	165,638	165,638	175,577	234,102	248,148	248,148	263,037	263,037	278,819
13 SINGLE FAMILY DEVELOPMENT IMPACT FEES @ PERMIT	0	0	0	0	0	0	0	0	0	0
14 TOWNHOME DEVELOPMENT IMPACT FEE @ PERMIT	0	0	0	0	0	0	0	0	0	0
15 APARTMENT DEVELOPMENT IMPACT FEE @ PERMIT	0	0	0	0	0	0	0	0	0	0
16 INTEREST INCOME - CAPITALIZED INTEREST	112,863	116,467	106,450	96,511	91,420	86,060	85,666	115,374	152,095	151,658
17 INTEREST INCOME - OTHER @ 3%	2,873,521	3,042,728	3,032,728	3,198,354	4,227,224	4,470,011	4,469,517	4,762,363	4,799,084	5,077,466
18 TOTAL REVENUES	76,131	82,819	82,819	87,788	117,051	124,074	124,074	131,519	131,519	139,410
19 3.0% JEFFCO COUNTY TREASURER'S COLLECTION FEE	521,900	523,000	523,000	522,800	521,300	523,900	520,300	520,800	520,100	523,200
20 SERIES 2010 G.O. BONDS NON-RATED DEBT SERVICE (SCH. 2)	942,700	945,500	946,800	941,600	945,200	942,000	942,300	945,800	942,200	941,800
21 SERIES 2012 G.O. BONDS DEBT SERVICE (SCH. 2)	489,600	482,400	489,600	489,600	489,600	488,800	489,200	488,200	489,000	491,800
22 SERIES 2015 G.O. BONDS DEBT SERVICE (SCH. 2)	602,800	600,000	604,900	596,900	599,200	599,600	599,400	598,600	602,200	599,900
23 SERIES 2020 G.O. BONDS DEBT SERVICE (SCH. 2)	0	0	0	0	0	0	0	0	0	0
24 SERIES 2025 G.O. BONDS DEBT SERVICE (SCH. 2)	10,000	10,000	10,000	10,000	10,000	10,000	12,000	12,000	12,000	12,000
25 SERIES 2032 G.O. BONDS DEBT SERVICE (SCH. 2)	3,204,831	3,212,419	3,211,419	3,211,408	3,236,951	3,245,974	4,484,174	4,495,519	4,498,119	4,507,010
26 BOND PAYING AGENT FEES	(331,311)	(169,691)	(178,693)	(13,125)	99,973	1,224,037	(14,557)	266,844	300,955	570,457
27 TOTAL EXPENDITURES	3,548,349	3,217,038	3,047,347	2,868,654	2,855,530	3,845,802	3,845,839	5,055,282	5,322,127	5,623,092
28 EXCESS REVENUES OVER (UNDER) EXPENDITURES	0	0	0	0	0	0	0	0	0	0
29 OTHER FINANCING SOURCES (USES):	0	0	0	0	0	0	0	0	0	0
30 DEVELOPER CAPITAL LOANS	0	0	0	0	0	0	0	0	0	0
31 REPAYMENT OF DEVELOPER CAPITAL LOANS & INTEREST	0	0	0	0	0	0	0	0	0	0
32 PROCEEDS FROM G.O. BONDS (SCH. 2)	0	0	0	0	0	0	0	0	0	0
33 COSTS OF BOND ISSUANCE	0	0	0	0	0	0	0	0	0	0
34 INFRASTRUCTURE COSTS (INFLATED @ 5% ANNUALLY)	0	0	0	0	0	0	0	0	0	0
35 TOTAL OTHER FINANCING SOURCES	0	0	0	0	0	0	0	0	0	0
36 FUND BALANCE - JANUARY 1	33,660,000	32,560,000	31,395,000	30,165,000	28,865,000	44,385,000	42,700,000	40,210,000	39,010,000	36,995,000
37 FUND BALANCE - DECEMBER 31	36,58%	35,38%	32,19%	30,92%	27,92%	42,93%	38,96%	37,33%	33,58%	31,84%
38 Restricted - Bond Proceeds	13,488,544	14,082,040	14,701,650	15,348,523	16,023,856	0	0	0	0	0
39 Unrestricted	0	0	0	0	0	0	0	0	0	0
40 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0
41 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	0	0	0	0	0	0	0	0	0	0
42 TOTAL DEVELOPER CAPITAL LOANS @ 4.40% COMPOUNDED	0	0	0	0	0	0	0	0	0	0

SEE CONSULTANT'S REPORT AND DISCLAIMER.

FOSSIL RIDGE METROPOLITAN DISTRICTS #1 - 3
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND ONLY
 FOR THE YEARS ENDING DECEMBER 31, 2006 - 2046

EXHIBIT 1 - CASH FLOW FORECAST - DEBT SERVICE FUNDS ONLY

	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
1 INCREMENTAL HOMES DEVELOPED (SCHEDULE 1)	0	0	0	0	0	0	0	0	0	0
2 CUMULATIVE HOMES DEVELOPED	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295
3 INCREMENTAL TOWNHOME UNITS (SCH. 2)	0	0	0	0	0	0	0	0	0	0
4 INCREMENTAL SINGLE FAMILY HOMES (SCH. 1)	0	0	0	0	0	0	0	0	0	0
5 INCREMENTAL APARTMENT UNITS (SCH. 1)	0	0	0	0	0	0	0	0	0	0
6 SINGLE FAMILY DEVELOPMENT IMPACT FEE RATE @ (at permit, one year before home completed)	16.465	17.288	18.152	19.060	20.013	21.013	22.064	23.167	24.326	25.542
7 TOWNHOME DEVELOPMENT IMPACT FEE RATE @ (at permit, one year before home completed)	12.348	12.956	13.614	14.295	15.010	15.760	16.548	17.375	18.244	19.156
8 APARTMENT DEVELOPMENT IMPACT FEE RATE @ (at permit, one year before home completed)	6.174	6.483	6.807	7.147	7.505	7.880	8.274	8.688	9.122	9.578
9 ASSESSED VALUATION @ 6% EVERY OTHER YEAR (SCH. 1)	123,145,197	123,145,197	123,145,197	130,533,909	130,533,909	138,365,943	138,365,943	146,667,900	146,667,900	155,467,974
10 MILL LEVY	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
REVENUES:										
11 PROPERTY TAXES	4,646,989	4,925,808	4,925,808	5,221,356	5,221,356	5,534,638	5,534,638	5,866,716	5,866,716	6,218,719
12 SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	278,819	295,548	295,548	313,281	313,281	332,078	332,078	352,003	352,003	373,123
13 SINGLE FAMILY DEVELOPMENT IMPACT FEES @ PERMIT	0	0	0	0	0	0	0	0	0	0
14 TOWNHOME DEVELOPMENT IMPACT FEE @ PERMIT	0	0	0	0	0	0	0	0	0	0
15 APARTMENT DEVELOPMENT IMPACT FEE @ PERMIT	0	0	0	0	0	0	0	0	0	0
16 INTEREST INCOME - CAPITALIZED INTEREST	0	0	0	0	0	0	0	0	0	0
17 INTEREST INCOME - OTHER @ 3%	159,664	168,899	186,306	203,187	229,398	256,448	291,905	344,843	407,687	500,591
18 TOTAL REVENUES	5,085,472	5,390,049	5,407,161	5,737,825	5,764,035	6,123,154	6,158,621	6,563,562	6,626,406	7,092,433
EXPENDITURES:										
19 3.0% JEFFCO COUNTY TREASURER'S COLLECTION FEE	139,410	147,774	147,774	156,641	156,641	166,039	166,039	176,001	176,001	186,562
20 SERIES 2010 G.O. BONDS NON-RATED DEBT SERVICE (SCH. 2)	519,800	520,200	519,800	556,500	556,500	0	0	0	0	0
21 SERIES 2012 G.O. BONDS DEBT SERVICE (SCH. 2)	944,300	944,300	942,400	942,400	945,000	964,600	0	0	0	0
22 SERIES 2015 G.O. BONDS DEBT SERVICE (SCH. 2)	559,500	559,700	558,700	556,500	558,100	556,200	556,800	558,900	604,200	0
23 SERIES 2020 G.O. BONDS DEBT SERVICE (SCH. 2)	489,500	489,500	487,800	481,600	487,800	491,600	489,200	490,900	491,400	2,220,700
24 SERIES 2025 G.O. BONDS DEBT SERVICE (SCH. 2)	602,000	598,200	599,300	593,500	602,300	599,900	601,600	602,100	601,400	3,789,500
25 SERIES 2032 G.O. BONDS DEBT SERVICE (SCH. 2)	1,239,600	1,242,500	1,239,200	1,240,000	1,239,600	1,238,000	1,240,200	1,240,900	1,240,100	13,387,800
26 BOND PAYING AGENT FEES	12,000	12,000	12,000	12,000	10,000	10,000	8,000	8,000	8,000	6,000
27 TOTAL EXPENDITURES	4,506,110	4,516,374	4,505,474	4,555,346	4,555,346	4,028,339	4,061,639	3,076,801	3,121,101	19,590,562
28 EXCESS REVENUES OVER (UNDER) EXPENDITURES	579,362	873,675	901,689	1,181,884	1,208,689	2,094,825	3,096,982	3,486,760	3,505,305	(12,498,129)
OTHER FINANCING SOURCES (USES):										
29 DEVELOPER CAPITAL LOANS	0	0	0	0	0	0	0	0	0	0
30 REPAYMENT OF DEVELOPER CAPITAL LOANS & INTEREST	0	0	0	0	0	0	0	0	0	0
31 PROCEEDS FROM G.O. BONDS (SCH. 2)	0	0	0	0	0	0	0	0	0	0
32 COSTS OF BOND ISSUANCE	0	0	0	0	0	0	0	0	0	0
33 INFRASTRUCTURE COSTS (INFLATED @ 5% ANNUALLY)	0	0	0	0	0	0	0	0	0	0
34 TOTAL OTHER FINANCING SOURCES	0	0	0	0	0	0	0	0	0	0
35 FUND BALANCE - JANUARY 1	5,193,548	6,772,910	7,646,585	8,548,274	9,730,158	11,494,753	13,589,578	16,686,359	20,173,119	23,678,424
36 FUND BALANCE - DECEMBER 31	6,772,910	7,646,585	8,548,274	9,730,158	11,494,753	13,589,578	16,686,359	20,173,119	23,678,424	11,180,296
37 Restricted - Bond Proceeds	0	0	0	0	0	0	0	0	0	0
38 Unrestricted	6,772,910	7,646,585	8,548,274	9,730,158	11,494,753	13,589,578	16,686,359	20,173,119	23,678,424	11,180,296
39 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	34,860,000	32,595,000	30,205,000	27,650,000	25,455,000	23,150,000	21,630,000	20,095,000	18,300,000	0
40 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	28.31%	26.47%	23.14%	21.17%	18.40%	16.72%	14.75%	13.66%	11.77%	0.00%
41 TOTAL DEVELOPER CAPITAL LOANS @ 4.40% COMPOUNDED	0	0	0	0	0	0	0	0	0	0

SEE CONSULTANT'S REPORT AND DISCLAIMER.

FOSSIL RIDGE METROPOLITAN DISTRICTS #1 - 3
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND ONLY
 FOR THE YEARS ENDING DECEMBER 31, 2006 - 2046

EXHIBIT 1 - CASH FLOW FORECAST - DEBT SERVICE FUNDS ONL1

TOTALS

1	INCREMENTAL HOMES DEVELOPED (SCHEDULE 1)	1,295
2	CUMULATIVE HOMES DEVELOPED	1,295
3	INCREMENTAL TOWNHOME UNITS (SCH. 1)	276
4	INCREMENTAL SINGLE FAMILY HOMES (SCH. 1)	860
5	INCREMENTAL APARTMENT UNITS (SCH. 1)	159
6	SINGLE FAMILY DEVELOPMENT IMPACT FEE RATE @ (at permit, one year before home completed)	121,888.85%
7	TOWNHOME DEVELOPMENT IMPACT FEE RATE @ (at permit, one year before home completed)	7,313.33%
8	APARTMENT DEVELOPMENT IMPACT FEE RATE @ (at permit, one year before home completed)	3,644.22%
9	ASSESSED VALUATION @ 6% EVERY OTHER YEAR (SCH. 1)	973,966
10	MILL LEVY	46,7071
11	REVENUES:	0
12	PROPERTY TAXES	5,223,021
13	SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	139,317.061
14	SINGLE FAMILY DEVELOPMENT IMPACT FEES @ PERMIT	3,656,666
15	TOWNHOME DEVELOPMENT IMPACT FEES @ PERMIT	15,477,700
16	APARTMENT DEVELOPMENT IMPACT FEES @ PERMIT	28,338,700
17	INTEREST INCOME - CAPITALIZED INTEREST	16,587,000
18	TOTAL REVENUES	14,469,300
19	EXPENDITURES:	15,796,100
20	3.0% JEFFCO COUNTY TREASURER'S COLLECTION FEE	29,509,300
21	SERIES 2010 G.O. BONDS NON-RATED DEBT SERVICE (SCH. 2)	302,000
22	SERIES 2012 G.O. BONDS DEBT SERVICE (SCH. 2)	124,136,766
23	SERIES 2015 G.O. BONDS DEBT SERVICE (SCH. 2)	15,180,296
24	SERIES 2020 G.O. BONDS DEBT SERVICE (SCH. 2)	0
25	SERIES 2025 G.O. BONDS DEBT SERVICE (SCH. 2)	0
26	SERIES 2032 G.O. BONDS DEBT SERVICE (SCH. 2)	0
27	BOND PAYING AGENT FEES	0
28	TOTAL EXPENDITURES	15,180,296
29	EXCESS REVENUES OVER (UNDER) EXPENDITURES	0
30	OTHER FINANCING SOURCES (USES):	37,813,671
31	DEVELOPER CAPITAL LOANS	(61,375,500)
32	REPAYMENT OF DEVELOPER CAPITAL LOANS & INTEREST	59,150,000
33	PROCEEDS FROM G.O. BONDS (SCH. 2)	(1,774,500)
34	COSTS OF BOND ISSUANCE	(37,813,671)
35	INFRASTRUCTURE COSTS (INFLATED @ 5% ANNUALLY)	(4,000,000)
36	TOTAL OTHER FINANCING SOURCES	0
37	FUND BALANCE - JANUARY 1	0
38	FUND BALANCE - DECEMBER 31	11,180,296
39	Restricted - Bond Proceeds	11,180,296
40	Unrestricted	0
41	TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	0
42	% OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	0
43	TOTAL DEVELOPER CAPITAL LOANS @ 4.40% COMPOUNDED	0

SEE CONSULTANT'S REPORT AND DISCLAIMER.

PAGE 10

Superseded in its entirety
 by the Second Amended and Restated Service Plan
 dated August 27, 2007

SCHEDULE 1 - DEVELOPERS ESTIMATED BUILDOUT
 AND ASSESSED VALUATION FROM BUILDOUT

BUILDOUT/LANDUSE (INCLUDING LOT VALUES):

Description of Units/Planning Area	Planned Number Unit	Average Per Unit Price	Total Gross Unit Volume
Residential:			
Phase 1 - Single Family Detached (SFD) - 70's	30	650,000	19,500,000
Phase 1 - Single Family Detached (SFD) - 65's	30	630,000	18,900,000
Phase 1 - Single Family Detached (SFD) - 60's	30	575,000	17,250,000
Phase 1 - Single Family Detached (SFD) - 80's	33	360,000	28,050,000
Phase 2 - Single Family Detached (SFD) - 70's	112	650,000	72,800,000
Phase 2 - Single Family Detached (SFD) - 65's	112	660,000	70,560,000
Phase 2 - Single Family Detached (SFD) - 60's	112	575,000	64,400,000
Phase 2 - Single Family Detached (SFD) - 80's	112	575,000	64,400,000
Phase 2 - Richmond Lots	83	330,000	27,390,000
Phase 3 - Single Family Detached (SFD) - Patios	62	475,000	29,450,000
Phase 3 - Single Family Detached (SFD) - Patios	62	475,000	29,450,000
Phase 3 - Single Family Detached (SFD) - 80's	42	850,000	69,700,000
Townhomes	276	325,000	89,700,000
Apartments	159	120,000	19,080,000
Total Residential	1,295	498,479	645,930,000
Commercial:			
Total Commercial Sq Ft	0	0.00	0
Totals	0	0.00	0

SOURCE: CARMA

Estimated Values (Uninflated):
 Estimated Value Of Single Family
 Estimated Value Of Townhome
 Estimated Value Of Apartments
 Estimated Value Of Buildout - Entire Project (Uninflated)

Proj. Assessed Value - Incremental:
 Estimated Value Of Single Family @ 7.96%
 Estimated Value Of Townhomes @ 7.96%
 Estimated Value Of Apartments @ 7.96%
 Vacant Land
 Total Incremental Assessed Valuation - All Sources
 Proj. Assessed Value By Year - Cumulative (Uninflated):
 Proj. Assessed Value By Year - Cumulative (Inflated 6% Every Other Year):
 Year Assessed Valuation Certified

Year Taxes Received

SEE CONSULTANT'S REPORT AND DISCLAIMER.

Superseded by the Second Amended and Restated Service Plan dated August 27, 2007

	2006	2007	2008	2009	2010	2011	2012	2013
Phase 1 - Single Family Detached (SFD) - 70's	0	0	20	10	0	0	0	0
Phase 1 - Single Family Detached (SFD) - 65's	0	0	20	10	0	0	0	0
Phase 1 - Single Family Detached (SFD) - 60's	0	0	20	10	0	0	0	0
Phase 1 - Single Family Detached (SFD) - 80's	0	0	8	16	9	0	0	0
Phase 2 - Single Family Detached (SFD) - 70's	0	0	0	30	40	40	2	0
Phase 2 - Single Family Detached (SFD) - 65's	0	0	0	30	40	40	2	0
Phase 2 - Single Family Detached (SFD) - 60's	0	0	0	30	40	40	2	0
Phase 2 - Single Family Detached (SFD) - 80's	0	0	0	30	40	40	2	0
Phase 2 - Richmond Lots	0	0	0	30	40	13	0	0
Phase 3 - Single Family Detached (SFD) - Patios	0	0	0	0	40	22	0	0
Phase 3 - Single Family Detached (SFD) - Patios	0	0	0	0	40	22	0	0
Phase 3 - Single Family Detached (SFD) - 80's	0	0	0	0	11	20	20	20
Townhomes	0	0	0	0	30	60	60	60
Apartments	0	0	0	0	30	60	60	60
Total Residential	0	0	68	199	360	367	148	89
Commercial:	0	0	0	0	0	0	0	0
Totals	0	0	68	199	360	367	148	89

FOSSIL RIDGE METROPOLITAN DISTRICTS #1 - 3
 FORECASTED BUILDOUT AND ASSESSED VALUATION
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2021

SCHEDULE 1 - DEVELOPERS ESTIMATED BUILDOUT
 AND ASSESSED VALUATION FROM BUILDOUT

Description of Units/Planning Area	Planned Number Unit	Average Per Unit Price	Total Gross Unit Volume	BUILDOUT/LANDUSE (INCLUDING LOT VALUES)									
				2014	2015	2016	2017	2018	2019	2020	2021		
Residential:													
Phase 1 - Single Family Detached (SFD) - 70's	30	650,000	19,500,000	0	0	0	0	0	0	0	0	0	0
Phase 1 - Single Family Detached (SFD) - 65's	66	630,000	18,900,000	0	0	0	0	0	0	0	0	0	0
Phase 1 - Single Family Detached (SFD) - 60's	30	575,000	17,250,000	0	0	0	0	0	0	0	0	0	0
Phase 1 - Single Family Detached (SFD) - 80's	33	330,000	28,050,000	0	0	0	0	0	0	0	0	0	0
Phase 2 - Single Family Detached (SFD) - 70's	112	630,000	70,560,000	0	0	0	0	0	0	0	0	0	0
Phase 2 - Single Family Detached (SFD) - 65's	112	575,000	64,400,000	0	0	0	0	0	0	0	0	0	0
Phase 2 - Single Family Detached (SFD) - 60's	112	575,000	64,400,000	0	0	0	0	0	0	0	0	0	0
Phase 2 - Single Family Detached (SFD) - 60's	112	575,000	64,400,000	0	0	0	0	0	0	0	0	0	0
Phase 2 - Richmond Lots	83	330,000	27,390,000	0	0	0	0	0	0	0	0	0	0
Phase 3 - Single Family Detached (SFD) - Patios	62	475,000	29,450,000	0	0	0	0	0	0	0	0	0	0
Phase 3 - Single Family Detached (SFD) - Patios	62	475,000	29,450,000	0	0	0	0	0	0	0	0	0	0
Phase 3 - Single Family Detached (SFD) - 80's	82	850,000	69,700,000	11	0	0	0	0	0	0	0	0	0
Townhomes	276	325,000	89,700,000	60	6	0	0	0	0	0	0	0	0
Apartments	153	120,000	18,360,000	0	0	0	0	0	0	0	0	0	0
Commercial:	1,295	486,479	628,330,000	71	0	0	0	0	0	0	0	0	0
Totals				0	0	0	0	0	0	0	0	0	0

SOURCE: CARMA

Estimated Values (Uninflated):

Estimated Value Of Single Family	3,350,000
Estimated Value Of Townhome	19,500,000
Estimated Value Of Apartments	0
Estimated Value Of Buildout - Entire Project (Uninflated)	28,850,000

Proj. Assessed Value - Incremental:

Estimated Value Of Single Family @ 7.96%	744,260
Estimated Value Of Townhomes @ 7.96%	1,552,200
Estimated Value Of Apartments @ 7.96%	0
Total Incremental Assessed Valuation - All Sources	(375,000)
Proj. Assessed Value By Year - Cumulative (Uninflated):	1,921,460
Proj. Assessed Value By Year - Cumulative (initiated 6% Every Other Year):	51,384,188
Year Assessed Valuation Certified	95,148,821

Year Taxes Received

2014	0
2015	0
2016	0
2017	0
2018	0
2019	0
2020	0
2021	0
2022	0
2023	0

SEE CONSULTANT'S REPORT AND DISCLAIMER.

Superseded in Entirety
 by the Second Amended and Restated Service Plan
 dated as of August 27, 2007

FOSSIL RIDGE METROPOLITAN DISTRICTS #1 - 3
 FORECASTED BUILDOUT AND ASSESSED VALUATION
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2021

SCHEDULE 1 - DEVELOPERS ESTIMATED BUILDOUT
 AND ASSESSED VALUATION FROM BUILDOUT

Description of Units/Planning Area	Planned Number	Average Per Unit Price	Total Gross Unit Volume	TOTALS	
				Unit	Volume
Residential:					
Phase 1 - Single Family Detached (SFD) - 70's	30	650,000	19,500,000	30	
Phase 1 - Single Family Detached (SFD) - 65's	30	630,000	18,900,000	30	
Phase 1 - Single Family Detached (SFD) - 60's	30	575,000	17,250,000	30	
Phase 1 - Single Family Detached (SFD) - 50's	33	850,000	28,050,000	33	
Phase 2 - Single Family Detached (SFD) - 70's	112	645,000	72,800,000	112	
Phase 2 - Single Family Detached (SFD) - 65's	112	630,000	70,560,000	112	
Phase 2 - Single Family Detached (SFD) - 60's	112	575,000	64,400,000	112	
Phase 2 - Single Family Detached (SFD) - 60's	112	575,000	64,400,000	112	
Phase 2 - Richmond Lofts	83	680,000	56,400,000	83	
Phase 3 - Single Family Detached (SFD) - Patios	62	475,000	29,450,000	62	
Phase 3 - Single Family Detached (SFD) - Patios	62	476,000	29,512,000	62	
Phase 3 - Single Family Detached (SFD) - 80's	82	850,000	69,700,000	82	
Townhomes	276	325,000	89,700,000	276	
Apartments	159	220,000	34,980,000	159	
Total Residential	1,295	498,479	645,550,000	1,295	1,295
Commercial:					
Total Commercial Sq Ft	0	0.00	0	0	
Totals	0	0.00	0	0	

SOURCE: CARMA

Estimated Values (Uninflated):
 Estimated Value Of Single Family
 Estimated Value Of Townhome
 Estimated Value Of Apartments
 Estimated Value Of Buildout - Entire Project (Uninflated)

Proj. Assessed Value - Incremental:
 Estimated Value Of Single Family @ 7.96%
 Estimated Value Of Townhomes @ 7.96%
 Estimated Value Of Apartments @ 7.96%
 Vacant Land
 Total Incremental Assessed Valuation - All Sources
 Proj. Assessed Value By Year - Cumulative (Uninflated):
 Proj. Assessed Value By Year - Cumulative (Inflated 6% Every Other Year):
 Year Assessed Valuation Certified

Year Taxes Received

SEE CONSULTANT'S REPORT AND DISCLAIMER.

FOSSIL RIDGE METROPOLITAN DISTRICTS #1 - 3
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2006 - 2046

FINAL 8-17-06

SCHEDULE 2 - GENERAL OBLIGATION BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE
10/01/2010 NON-RATED	6,790,000	0	210,000	7,000,000
10/01/2012 NON-RATED	12,610,000	0	360,000	12,970,000
10/01/2015 NON-RATED	7,275,000	0	675,000	7,950,000
10/01/2020 NON-RATED	6,547,500	0	202,500	6,750,000
10/01/2025 NON-RATED	7,760,000	0	240,000	8,000,000
10/01/2032 NON-RATED	16,395,000	0	507,000	16,902,000
TOTALS	57,372,500	0	1,374,500	58,747,000

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

BOND ISSUE DATE	NEWS 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.00%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
10/01/2010 NON-RATED	NEWS 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.00%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	420,000	420,000	520,000	524,000	522,400
10/01/2012 NON-RATED	NEWS 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.00%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	7,000,000	7,000,000	7,000,000	6,900,000	6,790,000	6,675,000
10/01/2015 NON-RATED	NEWS 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.00%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	165,000	170,100	185,000
10/01/2020 NON-RATED	NEWS 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.00%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	760,000	770,100	759,600
10/01/2025 NON-RATED	NEWS 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.00%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	945,000	945,100	944,600
10/01/2032 NON-RATED	NEWS 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.00%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	13,000,000	12,835,000	12,660,000	12,475,000	12,285,000
TOTALS					0	0	0	0	7,000,000	20,000,000	20,000,000	19,735,000	19,450,000	26,650,000

SEE CONSULTANT'S REPORT AND DISCLAIMER.

FOSSIL RIDGE METROPOLITAN DISTRICTS #1 - 3
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2006 - 2046

SCHEDULE 2 - GENERAL OBLIGATION BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE
10/01/2010 NON-RATED	6,790,000	0	210,000	7,000,000
10/01/2012 NON-RATED	12,610,000	0	395,000	13,005,000
10/01/2015 NON-RATED	7,275,000	0	227,500	7,502,500
10/01/2020 NON-RATED	6,547,500	0	202,500	6,750,000
10/01/2025 NON-RATED	7,760,000	0	240,000	8,000,000
10/01/2032 NON-RATED	16,393,000	0	507,000	16,900,000
TOTALS	57,375,500	0	1,274,500	58,650,000

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

BOND ISSUE DATE	NEWS 30 YR	PRINCIPAL REDUCTION	INTEREST @ 6.00%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
10/01/2010 NON-RATED	NEWS 30 YR	120,000	145,000	155,000	160,000	160,000	160,000	155,000	145,000	155,000	170,000	170,000	180,000	195,000	205,000
	INTEREST @ 6.00%	400,500	377,400	368,700	359,400	359,400	359,400	368,700	377,400	368,700	349,800	349,800	339,600	328,800	317,100
	TOTAL DEBT SERVICE REQUIREMENTS	520,500	522,400	523,700	519,400	519,400	519,400	523,700	522,400	519,400	519,800	519,800	519,600	523,800	522,100
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	6,395,000	6,145,000	5,990,000	5,850,000	5,850,000	5,850,000	5,990,000	6,145,000	6,290,000	6,425,000	6,560,000	6,740,000	6,965,000	7,230,000
10/01/2012 NON-RATED	NEWS 30 YR	195,000	235,000	245,000	260,000	260,000	260,000	245,000	235,000	245,000	280,000	280,000	295,000	310,000	330,000
	INTEREST @ 6.00%	748,000	711,000	696,800	682,200	682,200	682,200	696,800	711,000	696,800	649,800	649,800	632,100	632,100	613,500
	TOTAL DEBT SERVICE REQUIREMENTS	943,000	946,000	941,800	942,200	942,200	942,200	941,800	946,000	946,600	946,600	944,800	944,800	942,100	943,500
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	11,850,000	11,615,000	11,370,000	11,110,000	11,110,000	11,110,000	11,370,000	11,615,000	11,850,000	12,080,000	12,315,000	12,555,000	12,795,000	13,035,000
10/01/2015 NON-RATED	NEWS 30 YR	450,000	443,400	436,500	421,500	421,500	421,500	443,400	443,400	436,500	421,500	421,500	413,100	404,400	395,100
	INTEREST @ 6.00%	450,000	559,400	556,500	559,300	559,300	559,300	559,400	559,400	556,500	551,500	551,500	558,100	559,400	560,100
	TOTAL DEBT SERVICE REQUIREMENTS	900,000	992,800	993,000	980,800	980,800	980,800	1,002,800	1,002,800	993,000	973,000	973,000	971,200	963,800	955,200
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	7,300,000	7,275,000	7,155,000	7,025,000	7,025,000	7,025,000	7,155,000	7,275,000	7,390,000	7,515,000	7,640,000	7,765,000	7,890,000	8,015,000
10/01/2020 NON-RATED	NEWS 30 YR	0	0	0	85,000	85,000	85,000	0	0	0	90,000	90,000	95,000	100,000	105,000
	INTEREST @ 6.00%	0	0	0	405,000	405,000	405,000	0	0	0	399,900	399,900	394,500	388,800	382,800
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	490,000	490,000	490,000	0	0	0	489,900	489,900	489,500	486,800	487,800
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	6,665,000	6,665,000	6,665,000	0	0	0	6,575,000	6,575,000	6,480,000	6,380,000	6,275,000
10/01/2025 NON-RATED	NEWS 30 YR	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	INTEREST @ 6.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10/01/2032 NON-RATED	NEWS 30 YR	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	INTEREST @ 6.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTALS	TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/31	25,335,000	25,995,000	25,530,000	25,035,000	25,035,000	25,035,000	25,530,000	25,995,000	26,460,000	26,950,000	27,440,000	27,930,000	28,420,000	28,910,000

SEE CONSULTANT'S REPORT AND DISCLAIMER.

FOSSIL RIDGE METROPOLITAN DISTRICTS #1 - 3
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2006 - 2046

SCHEDULE 2 - GENERAL OBLIGATION BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE
10/01/2010 NON-RATED	6,790,000	0	210,000	7,000,000
10/01/2012 NON-RATED	12,610,000	0	395,000	13,005,000
10/01/2015 NON-RATED	7,275,000	0	228,900	7,503,900
10/01/2020 NON-RATED	6,547,500	0	202,500	6,750,000
10/01/2025 NON-RATED	7,760,000	0	240,000	8,000,000
10/01/2032 NON-RATED	16,393,000	0	507,000	16,900,000
TOTALS	57,375,500	0	1,774,500	59,150,000

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

BOND ISSUE DATE	NEWS 30 YR	PRINCIPAL REDUCTION	INTEREST @ 6.00%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
10/01/2010 NON-RATED	NEWS 30 YR	215,000	230,000	245,000	260,000	275,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000
10/01/2012 NON-RATED	NEWS 30 YR	304,800	281,900	278,100	263,400	247,800	231,300	231,300	231,300	231,300	231,300	231,300	231,300	231,300	231,300	231,300
10/01/2015 NON-RATED	NEWS 30 YR	519,800	521,900	523,100	523,400	522,800	521,300	521,300	521,300	521,300	521,300	521,300	521,300	521,300	521,300	521,300
10/01/2020 NON-RATED	NEWS 30 YR	3,965,000	4,635,000	4,390,000	4,130,000	3,855,000	3,565,000	3,565,000	3,565,000	3,565,000	3,565,000	3,565,000	3,565,000	3,565,000	3,565,000	3,565,000
10/01/2025 NON-RATED	NEWS 30 YR	360,000	370,000	395,000	420,000	440,000	470,000	470,000	470,000	470,000	470,000	470,000	470,000	470,000	470,000	470,000
10/01/2032 NON-RATED	NEWS 30 YR	583,700	572,700	550,500	526,800	501,600	475,200	447,000	447,000	447,000	447,000	447,000	447,000	447,000	447,000	447,000
TOTALS	NEWS 30 YR	943,700	942,700	945,500	946,800	941,600	945,200	942,000	942,000	942,000	942,000	942,000	942,000	942,000	942,000	942,000
	NEWS 30 YR	3,175,000	3,175,000	8,780,000	9,360,000	7,920,000	7,450,000	6,955,000	6,955,000	6,955,000	6,955,000	6,955,000	6,955,000	6,955,000	6,955,000	6,955,000
10/01/2010 NON-RATED	NEWS 30 YR	120,000	120,000	130,000	135,000	145,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
10/01/2015 NON-RATED	NEWS 30 YR	385,000	374,700	363,600	351,900	339,600	326,400	326,400	326,400	326,400	326,400	326,400	326,400	326,400	326,400	326,400
10/01/2020 NON-RATED	NEWS 30 YR	560,200	559,700	559,600	556,900	559,600	556,400	556,400	556,900	559,600	556,400	557,600	557,900	557,300	557,300	557,300
10/01/2025 NON-RATED	NEWS 30 YR	5,145,000	5,060,000	5,865,000	5,660,000	5,440,000	5,210,000	5,210,000	5,210,000	5,210,000	5,210,000	5,210,000	5,210,000	5,210,000	5,210,000	5,210,000
10/01/2032 NON-RATED	NEWS 30 YR	112,000	120,000	130,000	135,000	145,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
TOTALS	NEWS 30 YR	366,600	366,600	362,400	354,600	346,500	337,800	337,800	337,800	337,800	337,800	337,800	337,800	337,800	337,800	337,800
10/01/2010 NON-RATED	NEWS 30 YR	494,000	489,600	492,400	489,600	491,500	487,800	487,800	489,600	489,600	489,600	489,600	489,600	489,600	489,600	489,600
10/01/2015 NON-RATED	NEWS 30 YR	5,160,000	5,040,000	5,810,000	5,775,000	5,630,000	5,480,000	5,480,000	5,480,000	5,480,000	5,480,000	5,480,000	5,480,000	5,480,000	5,480,000	5,480,000
10/01/2020 NON-RATED	NEWS 30 YR	120,000	130,000	130,000	135,000	145,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
10/01/2025 NON-RATED	NEWS 30 YR	480,000	472,800	460,000	456,900	448,200	439,200	439,200	439,200	439,200	439,200	439,200	439,200	439,200	439,200	439,200
10/01/2032 NON-RATED	NEWS 30 YR	600,000	602,800	600,000	601,900	598,200	599,200	599,200	599,600	599,600	599,200	599,600	599,400	598,600	598,600	598,600
TOTALS	NEWS 30 YR	7,880,000	7,750,000	7,615,000	7,470,000	7,320,000	7,160,000	7,160,000	7,160,000	7,160,000	7,160,000	7,160,000	7,160,000	7,160,000	7,160,000	7,160,000
10/01/2010 NON-RATED	NEWS 30 YR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10/01/2015 NON-RATED	NEWS 30 YR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10/01/2020 NON-RATED	NEWS 30 YR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10/01/2025 NON-RATED	NEWS 30 YR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10/01/2032 NON-RATED	NEWS 30 YR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTALS	NEWS 30 YR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/31		34,695,000	33,660,000	32,560,000	31,395,000	30,165,000	28,865,000	28,865,000	28,865,000	28,865,000	28,865,000	28,865,000	28,865,000	28,865,000	28,865,000	28,865,000

SEE CONSULTANT'S REPORT AND DISCLAIMER.

FOSSIL RIDGE METROPOLITAN DISTRICTS #1 - 3
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2006 - 2046

SCHEDULE 2 - GENERAL OBLIGATION BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE
10/01/2010 NON-RATED	6,790,000	0	210,000	7,000,000
10/01/2012 NON-RATED	12,610,000	0	390,000	13,000,000
10/01/2015 NON-RATED	7,275,000	0	225,000	7,500,000
10/01/2020 NON-RATED	6,547,500	0	202,500	6,750,000
10/01/2025 NON-RATED	7,760,000	0	240,000	8,000,000
10/01/2032 NON-RATED	16,393,000	0	507,000	16,900,000
TOTALS	57,375,500	0	1,574,500	58,950,000

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

BOND ISSUE DATE	NEWS 30 YR	PRINCIPAL REDUCTION	INTEREST @ 6.00%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
10/01/2010 NON-RATED	NEWS\$ 30 YR	390,000	410,000	460,000	525,000	523,200	519,800	520,200	519,100	556,500	0	0	0	0	0
		133,200	109,800	85,200	31,500	941,800	944,300	944,400	942,100	942,400	945,000	964,500	0	0	0
		523,200	519,800	520,200	556,500	558,100	559,500	559,700	558,700	556,500	558,100	558,200	556,800	558,900	604,200
		1,420,000	1,420,000	965,000	0	491,800	489,500	491,600	487,800	493,400	487,800	491,600	489,200	490,900	491,400
10/01/2012 NON-RATED	NEWS\$ 30 YR	665,000	279,300	197,100	152,400	316,200	279,300	239,400	197,100	152,400	105,000	54,600	0	0	0
		941,800	944,300	942,100	942,400	941,800	944,300	944,400	942,100	942,400	945,000	964,600	0	0	0
		2,296,000	3,290,000	3,285,000	1,750,000	2,296,000	2,290,000	2,285,000	2,285,000	2,285,000	2,290,000	2,290,000	2,285,000	2,285,000	2,290,000
		1,100,000	850,000	370,000	390,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
10/01/2015 NON-RATED	NEWS\$ 30 YR	238,000	229,500	188,700	166,500	238,000	229,500	209,700	188,700	166,500	143,100	118,200	91,800	63,900	34,200
		558,700	559,500	559,700	558,700	558,700	559,500	559,700	558,700	558,700	558,700	558,200	556,800	558,900	604,200
		3,125,000	3,125,000	3,145,000	2,885,000	3,125,000	3,125,000	3,145,000	2,885,000	2,885,000	3,125,000	3,125,000	3,145,000	2,885,000	2,885,000
		205,000	215,000	230,000	260,000	205,000	215,000	230,000	240,000	260,000	270,000	290,000	305,000	325,000	345,000
10/01/2020 NON-RATED	NEWS\$ 30 YR	246,600	271,500	261,600	233,400	246,600	271,500	261,600	247,800	233,400	217,800	201,600	184,200	165,900	146,400
		491,800	489,500	487,800	493,400	491,800	489,500	491,600	487,800	493,400	487,800	491,600	489,200	490,900	491,400
		4,575,000	4,360,000	4,130,000	3,890,000	4,575,000	4,360,000	4,130,000	3,890,000	3,890,000	3,360,000	3,070,000	2,765,000	2,440,000	2,095,000
		215,000	230,000	255,000	270,000	215,000	230,000	255,000	270,000	270,000	290,000	305,000	325,000	345,000	365,000
10/01/2025 NON-RATED	NEWS\$ 30 YR	384,900	372,000	343,800	328,500	384,900	372,000	343,800	328,500	328,500	312,300	294,900	276,600	257,100	236,400
		599,900	602,000	598,800	598,500	599,900	602,000	598,800	598,500	598,500	602,300	599,900	601,600	602,100	601,400
		6,200,000	5,970,000	5,730,000	5,205,000	6,200,000	5,970,000	5,730,000	5,205,000	5,205,000	4,915,000	4,610,000	4,285,000	3,940,000	3,575,000
		270,000	285,000	305,000	340,000	270,000	285,000	305,000	340,000	340,000	360,000	380,000	405,000	430,000	455,000
10/01/2032 NON-RATED	NEWS\$ 30 YR	970,800	954,600	937,500	900,000	970,800	954,600	937,500	916,200	900,000	879,600	858,000	835,200	810,900	785,100
		1,240,800	1,239,600	1,242,500	1,240,000	1,240,800	1,239,600	1,242,500	1,239,200	1,240,000	1,239,600	1,238,000	1,240,200	1,240,900	1,240,100
		15,910,000	15,625,000	15,320,000	14,660,000	15,910,000	15,625,000	15,320,000	15,000,000	14,660,000	14,300,000	13,920,000	13,515,000	13,065,000	12,650,000
		36,995,000	34,860,000	32,595,000	30,205,000	36,995,000	34,860,000	32,595,000	30,205,000	27,650,000	25,455,000	23,130,000	21,650,000	20,035,000	18,300,000

TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/31

SEE CONSULTANT'S REPORT AND DISCLAIMER.

PAGE 3C

FOSSIL RIDGE METROPOLITAN DISTRICTS #1 - 3
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2006 - 2046

SCHEDULE 2 - GENERAL OBLIGATION BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE
10/01/2010 NON-RATED	6,790,000	0	210,000	7,000,000
10/01/2012 NON-RATED	12,610,000	0	300,000	12,910,000
10/01/2015 NON-RATED	7,275,000	0	225,000	7,500,000
10/01/2020 NON-RATED	6,547,500	0	207,500	6,755,000
10/01/2025 NON-RATED	7,760,000	0	240,000	8,000,000
10/01/2032 NON-RATED	16,593,000	0	507,000	17,100,000
TOTALS	57,575,500	0	1,474,500	59,050,000

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

BOND ISSUE DATE	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.00%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31
10/01/2010 NON-RATED	0	7,000,000	7,000,000	0
	0	8,477,700	8,477,700	0
	0	15,477,700	15,477,700	0
10/01/2012 NON-RATED	0	13,000,000	13,000,000	0
	0	15,338,700	15,338,700	0
	0	28,338,700	28,338,700	0
10/01/2015 NON-RATED	0	7,500,000	7,500,000	0
	0	9,087,000	9,087,000	0
	0	16,587,000	16,587,000	0
10/01/2020 NON-RATED	0,094,000	8,000,000	8,094,000	0
	1,267,000	7,796,100	9,063,100	0
	2,228,700	15,796,100	18,024,800	0
10/01/2025 NON-RATED	3,575,000	8,000,000	11,575,000	0
	2,145,000	7,796,100	9,941,100	0
	3,789,500	15,796,100	19,585,600	0
10/01/2032 NON-RATED	12,680,000	16,900,000	29,580,000	0
	757,800	12,609,300	13,367,100	0
	13,387,800	29,509,300	42,897,100	0
TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/31	0	0	0	0

SEE CONSULTANT'S REPORT AND DISCLAIMER.

EXHIBIT II - CASH FLOW FORECAST - GENERAL FUND ONLY

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1	0	0	68	195	360	357	148	89	71	6	0	0	0
2	0	0	65	264	524	981	1,128	1,216	1,285	1,295	1,295	1,295	1,295
3	0	0	22	133	383	742	1,030	1,158	1,241	1,291	1,295	1,295	1,295
4	0	0	0	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0	0	0	0
6	900	900	900	900	900	945	992	1,042	1,094	1,149	1,206	1,266	1,330
7	75	75	75	75	75	79	83	87	91	96	101	106	111
8	1,400,000	1,400,000	1,400,000	3,000,000	6,486,606	16,547,512	34,179,418	48,961,728	56,056,526	59,172,662	65,148,821	64,871,353	68,763,655
9	0	0	0	0	0	0	0	0	0	0	0	0	0
10	0	0	0	0	0	0	0	0	0	0	0	0	0
11	0	0	0	0	0	0	0	0	0	0	0	0	0
12	0	0	20,196	119,412	344,520	701,010	1,021,859	1,206,662	1,358,069	1,482,889	1,561,881	1,639,976	1,721,974
13	0	0	0	500,000	600,000	450,000	200,000	0	0	0	0	0	0
14	0	0	0	606	2,100	3,336	9,325	16,294	20,259	23,393	25,385	26,489	27,642
15	0	0	0	920,018	946,620	1,154,346	1,231,184	1,223,157	1,378,328	1,506,281	1,567,266	1,656,464	1,749,617
16	0	0	0	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	138,920	156,773	174,838	233,004	247,489	279,891	312,174	327,782	344,171
18	0	0	0	0	290,275	302,534	317,943	329,285	349,423	365,849	387,336	406,703	427,038
19	0	0	0	0	163,495	169,334	174,599	180,375	184,951	191,572	199,581	209,560	220,038
20	0	0	0	0	114,425	118,169	120,782	125,066	127,322	132,851	137,753	144,541	151,873
21	0	0	0	0	189,050	207,900	210,700	223,300	233,400	243,100	260,100	273,105	286,760
22	0	0	0	0	0	0	0	0	131,305	227,008	253,636	266,213	279,623
23	0	0	0	0	905,415	954,709	998,863	1,091,001	1,273,874	1,439,871	1,550,480	1,629,004	1,709,404
24	0	0	0	0	41,205	199,637	232,321	132,156	104,455	66,410	36,786	38,460	40,212
25	0	0	0	0	59,984	111,188	310,826	543,147	675,303	779,757	846,167	882,953	921,413
26	0	0	0	0	11,198	310,826	543,147	675,303	779,757	846,167	882,953	921,413	961,625

SEE CONSULTANT'S REPORT AND DISCLAIMER.

Superseded in its entirety by the Second Amended and Restated Service Plan dated as of August 27, 2007

EXPENDITURES - (SOURCE: CAPMA, INC.)
 5% INCREASES BEG IN 2017

PAGE 4

FOSSIL RIDGE METROPOLITAN DISTRICTS #1 - 3
 CASH FLOW FORECAST - BUDGETARY BASIS
 GENERAL FUND
 FOR THE YEARS ENDING DECEMBER 31, 2006 - 2046

EXHIBIT II - CASH FLOW FORECAST - GENERAL FUND ONLY

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1 INCREMENTAL HOMES DEVELOPED (SCHEDULE 1)	0	0	0	0	0	0	0	0	0	0	0	0
2 CUMULATIVE HOMES DEVELOPED	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295
3 CUMULATIVE HOMES FOR SERVICE FEE (PRIOR YR +1/3 CURRENT YR)	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295
4 INCREMENTAL COMMERCIAL SQUARE FEET (SCHEDULE 1)	0	0	0	0	0	0	0	0	0	0	0	0
5 CUMULATIVE COMMERCIAL SQUARE FEET	0	0	0	0	0	0	0	0	0	0	0	0
6 RECREATION AND ADMIN. ANNUAL SERVICE CHARGE PER UNIT	1,396	1,466	1,559	1,616	1,697	1,782	1,871	1,955	2,063	2,166	2,274	2,388
7 MONTHLY CHARGE PER UNIT (5% INCREASE BEG IN 2020)	116	122	128	135	141	148	156	164	172	180	190	199
8 ASSESSED VALUATION (SCH. 1)	66,056,535	72,889,453	72,889,453	77,262,820	77,262,820	81,898,589	81,898,589	86,812,504	86,812,504	92,021,255	92,021,255	97,542,630
9 MILL LEVY	0	0	0	0	0	0	0	0	0	0	0	0
REVENUES:												
10 PROPERTY TAXES @ 0 MILLS	0	0	0	0	0	0	0	0	0	0	0	0
11 SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	0	0	0	0	0	0	0	0	0	0	0	0
12 RECREATION/ADMINISTRATIVE SERVICE CHARGE FEES	1,400,000	1,697,477	1,993,401	2,093,071	2,197,724	2,307,610	2,422,991	2,544,140	2,671,347	2,804,915	2,945,760	3,092,418
13 DEVELOPER CONTRIBUTION	0	0	0	0	0	0	0	0	0	0	0	0
14 INTEREST INCOME - OTHER @ 3%	28,849	30,110	31,429	32,809	34,251	35,760	37,338	38,989	40,716	42,522	44,412	46,390
15 TOTAL REVENUES	1,836,922	1,928,587	2,024,830	2,125,879	2,231,975	2,343,370	2,460,329	2,583,129	2,712,063	2,847,437	2,989,572	3,138,808
EXPENDITURES - (SOURCE: CARMA, INC.)												
16 3.0% JEFFCO COUNTY TREASURER'S COLLECTION FEE	0	0	0	0	0	0	0	0	0	0	0	0
17 ADMINISTRATION SCH 3	367,340	378,444	398,421	418,342	439,259	461,222	484,284	508,498	533,923	560,619	588,650	618,082
18 GROUNDS SCH 3	448,360	470,810	494,356	519,088	545,021	572,272	600,866	630,990	662,477	695,601	730,381	766,900
19 ADULT FACILITY SCH 3	231,040	241,992	254,722	267,458	280,831	294,872	309,616	325,097	341,351	358,419	376,340	395,157
20 FAMILY FACILITY SCH 3	159,467	167,440	177,812	184,603	193,853	203,524	213,701	224,386	235,605	247,385	259,754	272,742
21 UTILITIES SCH 3	301,098	316,458	333,998	348,559	365,987	384,286	403,500	423,675	444,859	467,102	490,457	514,980
22 RESERVE SCH 3	293,500	308,175	324,583	339,762	356,751	374,588	393,318	412,953	433,633	455,314	478,080	501,984
23 TOTAL EXPENDITURES	1,794,875	1,884,818	1,978,649	2,077,792	2,181,581	2,290,766	2,405,304	2,525,559	2,651,847	2,784,440	2,923,662	3,069,845
24 EXCESS REVENUES OVER (UNDER) EXPENDITURES	42,047	43,769	46,181	48,087	50,394	52,605	55,025	57,560	60,216	62,997	65,911	68,963
25 FUND BALANCE - JANUARY 1	961,625	1,003,673	1,047,441	1,093,621	1,141,709	1,192,003	1,244,607	1,299,633	1,357,193	1,417,409	1,480,406	1,546,317
26 FUND BALANCE - DECEMBER 31	1,003,673	1,047,441	1,093,621	1,141,709	1,192,003	1,244,607	1,299,633	1,357,193	1,417,409	1,480,406	1,546,317	1,615,280

SEE CONSULTANT'S REPORT AND DISCLAIMER.

Superseded in its entirety and Restated Service Plan
 by the Second Amendment dated as of August 2007

FOSSIL RIDGE METROPOLITAN DISTRICTS #1 - 3
 CASH FLOW FORECAST - BUDGETARY BASIS
 GENERAL FUND
 FOR THE YEARS ENDING DECEMBER 31, 2006 - 2046

EXHIBIT II - CASH FLOW FORECAST - GENERAL FUND ONLY

	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
1 INCREMENTAL HOMES DEVELOPED (SCHEDULE 1)	0	0	0	0	0	0	0	0	0	0	0
2 CUMULATIVE HOMES DEVELOPED	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295
3 CUMULATIVE HOMES FOR SERVICE FEE (PROP YR +1/2 CURRENT YR)	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295
4 INCREMENTAL COMMERCIAL SQUARE FEET (SCHEDULE 1)	0	0	0	0	0	0	0	0	0	0	0
5 CUMULATIVE COMMERCIAL SQUARE FEET	0	0	0	0	0	0	0	0	0	0	0
6 RECREATION AND ADMIN. ANNUAL SERVICE CHARGE PER UNIT	2,507	2,533	2,784	2,903	3,048	3,200	3,360	3,528	3,705	3,890	4,084
7 MONTHLY CHARGE PER UNIT (5% INCREASE BEGIN IN 2014)	209	219	230	242	254	267	280	294	309	324	340
8 ASSESSED VALUATION (SCH. 1)	97,622,590	103,395,082	109,395,082	109,598,787	109,598,787	116,174,714	116,174,714	123,145,197	123,145,197	130,533,909	130,533,909
9 MILL LEVY	0	0	0	0	0	0	0	0	0	0	0
REVENUES:											
10 PROPERTY TAXES @ 0 MILLS	0	0	0	0	0	0	0	0	0	0	0
11 SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	0	0	0	0	0	0	0	0	0	0	0
12 RECREATION/ADMINISTRATIVE SERVICE CHARGE FEES	3,277,939	3,406,304	3,579,861	3,758,854	3,946,797	4,144,137	4,351,343	4,588,911	4,787,356	5,037,224	5,289,085
13 DEVELOPER CONTRIBUTION	0	0	0	0	0	0	0	0	0	0	0
14 INTEREST INCOME - OTHER @ 3%	48,458	50,823	52,889	55,259	57,740	60,337	63,054	65,899	68,876	71,993	75,256
15 TOTAL REVENUES	3,295,436	3,450,015	3,632,749	3,814,113	4,004,537	4,204,473	4,414,398	4,634,809	4,866,232	5,109,217	5,364,341
EXPENDITURES - (SOURCE: CARMA, INC.)											
16 3.0% JEFFCO COUNTY TREASURER'S COLLECTION FEE	0	0	0	0	0	0	0	0	0	0	0
17 ADMINISTRATION SCH 3	64,946	68,145	71,500	75,123	78,847	82,829	86,974	91,389	95,848	1,006,791	1,057,130
18 GROUNDS SCH 3	805,240	845,507	887,760	932,171	978,780	1,027,719	1,079,105	1,133,080	1,189,713	1,249,199	1,311,659
19 ADULT FACILITY SCH 3	414,915	435,660	457,443	480,316	504,331	529,548	556,025	583,827	613,018	643,669	675,852
20 FAMILY FACILITY SCH 3	286,379	300,938	315,733	331,520	348,096	365,500	383,775	402,964	423,112	444,268	466,481
21 UTILITIES SCH 3	540,729	567,706	596,794	625,952	657,260	690,123	724,629	760,860	798,903	838,848	880,791
22 RESERVE SCH 3	527,083	553,437	581,009	610,165	640,673	672,706	706,342	741,659	778,742	817,679	858,563
23 TOTAL EXPENDITURES	3,223,337	3,390,904	3,553,729	3,731,416	3,917,966	4,113,886	4,319,580	4,535,589	4,762,337	5,000,454	5,250,476
24 EXCESS REVENUES OVER (UNDER) EXPENDITURES	72,161	75,511	79,020	82,698	86,550	90,587	94,818	99,250	103,895	108,763	113,865
25 FUND BALANCE - JANUARY 1	1,615,280	1,687,441	1,762,951	1,841,971	1,924,669	2,011,219	2,101,807	2,196,624	2,295,874	2,399,770	2,508,533
26 FUND BALANCE - DECEMBER 31	1,687,441	1,762,951	1,841,971	1,924,669	2,011,219	2,101,807	2,196,624	2,295,874	2,399,770	2,508,533	2,622,397

SEE CONSULTANT'S REPORT AND DISCLAIMER.

Superseded in its entirety by the Second Amendment dated as of August 27, 2007 and Restated Service Plan

FOSSIL RIDGE METROPOLITAN DISTRICTS #1 - 3
 CASH FLOW FORECAST - BUDGETARY BASIS
 GENERAL FUND
 FOR THE YEARS ENDING DECEMBER 31, 2006 - 2046

EXHIBIT II - CASH FLOW FORECAST - GENERAL FUND ONLY

	2042	2043	2044	2045	2046 TOTALS
1 INCREMENTAL HOMES DEVELOPED (SCHEDULE 1)	0	0	0	0	0
2 CUMULATIVE HOMES DEVELOPED	1,295	1,295	1,295	1,295	1,295
3 CUMULATIVE HOMES FOR SERVICE FEE (PROG YR +1/3 CURRENT YR)	1,295	1,295	1,295	1,295	1,295
4 INCREMENTAL COMMERCIAL SQUARE FEET (SCHEDULE 1)	0	0	0	0	0
5 CUMULATIVE COMMERCIAL SQUARE FEET	0	0	0	0	0
6 RECREATION AND ADMIN. ANNUAL SERVICE CHARGE PER UNIT	4,288	4,503	4,728	4,954	5,213
7 MONTHLY CHARGE PER UNIT (5% INCREASES BEGIN IN 2004)	357	375	394	414	434
8 ASSESSED VALUATION (SCH. 1)	138,365,943	138,365,943	146,667,900	146,667,900	155,467,974
9 MILL LEVY	0	0	0	0	0
REVENUES:					
10 PROPERTY TAXES @ 0 MILLS	0	0	0	0	0
11 SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	0	0	0	0	0
12 RECREATION/ADMINISTRATIVE SERVICE CHARGE FEES	5,658,939	5,658,939	6,122,777	6,428,916	6,750,362
13 DEVELOPER CONTRIBUTION	0	0	0	0	0
14 INTEREST INCOME - OTHER @ 3%	75,672	82,248	85,993	89,913	94,019
15 TOTAL REVENUES	5,632,211	5,741,187	6,208,770	6,518,829	6,844,380
EXPENDITURES - (SOURCE: CARMA, INC.)					
16 3.0% JEFFCO COUNTY TREASURER'S COLLECTION FEE	1,109,939	0	0	0	0
17 ADMINISTRATION SCH 3	1,377,502	1,446,100	1,518,400	1,594,329	1,674,046
18 GROUNDS SCH 3	709,644	745,127	782,384	821,503	862,578
19 ADULT FACILITY SCH 3	489,805	514,286	540,011	567,011	595,362
20 FAMILY FACILITY SCH 3	924,830	974,872	1,029,926	1,070,607	1,124,137
21 UTILITIES SCH 3	901,491	946,566	992,894	1,043,589	1,095,768
22 RESERVE SCH 3	5,513,000	5,738,650	6,078,085	6,381,987	6,701,086
23 TOTAL EXPENDITURES	119,211	124,814	130,687	136,842	143,294
24 EXCESS REVENUES OVER (UNDER) EXPENDITURES	2,622,397	2,741,608	2,668,423	2,667,109	3,133,952
25 FUND BALANCE - JANUARY 1	2,741,608	2,866,422	2,997,109	3,133,952	3,277,245
26 FUND BALANCE - DECEMBER 31					

SEE CONSULTANT'S REPORT AND DISCLAIMER.

Superseded in its entirety by the Second Amendment dated as of August 2, 2007 and Restated Service Plan

FOSSIL RIDGE METROPOLITAN DISTRICTS #1 - 3
CASH FLOW FORECAST - BUDGETARY BASIS
GENERAL FUND
FOR THE YEARS ENDING DECEMBER 31, 2009 - 2016

FINAL 6-17-06

SCHEDULE 3 - GENERAL FUND OPERATING EXPENDITURE DETAIL

EXPENSES	2009	2010	2011	2012	2013	2014	2015	2016
ADMINISTRATIVE								
Property Management Fee	12,000	12,000	16,610	33,945	57,006	66,366	84,987	91,854
Accounting Management Fee	9,500	9,500	9,200	9,500	9,600	9,500	9,500	10,000
Property Insurance	34,500	36,000	38,700	40,500	47,500	43,650	44,100	50,000
General Legal	10,000	10,000	12,000	1,300	14,000	15,000	16,000	17,000
Collections expense	500	1,200	2,400	6,000	7,200	12,000	14,400	18,000
Audit	180	720	1,800	4,200	9,600	9,600	12,000	15,000
Administrative (postage, printing, copies)	3,500	11,000	11,500	11,500	10,500	13,000	14,000	18,000
Website/newsletter	6,300	6,800	7,500	8,000	10,500	11,700	14,400	18,000
Contingency (5% increases)	45,000	47,250	49,500	51,750	54,000	56,250	58,500	60,750
TOTAL ADMINISTRATIVE EXPENDITURES	118,310	139,931	156,173	174,838	233,004	247,499	279,991	312,174
GROUNDS								
Landscape contract	0	15,000	18,000	19,000	195,000	210,000	220,000	230,000
Irrigation repair	0	0	3,500	4,000	43,500	46,500	48,500	52,000
Tree and shrub main/replacement	2,500	10,000	10,500	11,000	11,500	12,500	12,500	15,000
Common area flower main/replace	0	39,000	37,500	38,000	39,000	40,000	42,000	45,000
Snow Removal	3,100	6,000	6,150	6,400	7,000	7,000	8,400	9,000
Light maintenance/replacement	1,500	6,600	7,200	7,900	8,400	7,200	7,200	7,800
Play ground equipment	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Pond maintenance	9,000	9,450	10,110	10,410	10,860	11,487	12,061	12,664
Pond supplies/chemicals	4,500	4,725	4,950	5,175	5,400	5,743	6,030	6,332
Additional Grounds	5,000	6,000	6,100	6,615	6,946	7,293	7,658	8,041
TOTAL GROUNDS EXPENDITURES	27,100	290,275	302,331	317,943	329,255	349,423	365,849	387,336
ADULT FACILITY								
Clubhouse supplies	10,000	13,800	13,800	14,400	14,400	14,700	15,000	15,000
Janitorial	2,700	3,420	3,420	3,780	3,780	3,780	3,900	3,900
Telephone/gate system	5,000	6,600	7,400	7,800	7,800	7,800	8,400	8,400
Pool Contract	50,000	51,000	52,500	53,500	54,500	55,500	57,500	60,000
Pool maintenance	15,000	16,000	16,500	17,000	17,500	17,500	18,000	18,000
Pool supplies/chemicals	5,000	5,000	5,000	5,000	5,000	5,000	6,500	7,500
Hot Tub maintenance	12,000	12,600	13,200	13,892	14,584	15,276	16,091	16,885
Hot Tub supplies/chemicals	6,000	6,000	6,615	6,946	7,277	7,608	8,041	8,443
Seasonal decorations	5,000	4,000	4,000	4,500	4,500	4,500	4,700	5,000
Security Patrol	16,000	29,000	29,600	29,600	30,200	30,200	31,400	32,600
Miscellaneous	7,500	7,875	8,269	8,662	9,116	9,572	10,028	10,553
Fountain maintenance	3,000	1,800	2,100	2,100	3,000	3,000	4,200	4,200
Outside building maintenance	2,500	2,800	3,150	3,500	3,850	4,200	4,550	4,550
Indoor building maintenance	2,500	2,800	3,150	3,500	3,850	4,200	4,550	4,550
TOTAL ADULT FACILITY EXPENDITURES	142,200	163,485	169,334	174,599	180,375	184,925	191,572	199,581
FAMILY FACILITY								
Clubhouse supplies	5,000	6,600	6,600	6,600	6,600	6,600	7,200	7,500
Janitorial	2,000	2,700	2,700	2,700	2,700	2,700	3,000	3,000
Telephone/gate system	5,000	6,600	7,200	7,200	7,800	7,800	8,400	8,400
Pool Contract	37,500	38,500	39,500	40,000	41,000	42,000	43,000	45,000
Pool maintenance	7,500	8,750	9,000	9,500	10,000	10,000	10,500	11,000
Pool supplies/chemicals	5,000	5,500	5,500	6,000	6,250	6,250	6,500	7,500
Seasonal decorations	3,000	3,300	3,500	3,700	3,800	3,800	3,900	4,000
Security Patrol	16,000	29,000	29,600	29,600	30,200	30,200	31,400	32,600
Miscellaneous	7,500	7,875	8,269	8,662	9,116	9,572	10,051	10,553
Outside building maintenance	2,500	2,800	3,150	3,500	3,850	4,200	4,200	4,200
Indoor building maintenance	2,500	2,800	3,150	3,500	3,850	4,200	4,200	4,200
TOTAL FAMILY FACILITY EXPENDITURES	99,500	116,425	118,169	120,782	123,065	127,322	132,551	137,753
UTILITIES								
Water	162,050	161,000	169,800	170,800	179,100	185,400	192,500	206,300
Electricity	37,300	37,300	39,100	39,900	44,200	46,000	50,600	53,600
TOTAL UTILITIES EXPENDITURES	199,350	198,300	207,900	210,700	223,300	233,400	243,100	260,100
TOTAL RESERVE ALLOWANCES	0	0	0	0	0	131,305	227,008	253,536
TOTAL EXPENDITURES	570,230	905,415	954,709	998,863	1,091,001	1,273,974	1,439,871	1,550,480

SEE CONSULTANT'S REPORT AND DISCLAIMER.

EXHIBIT E
Statutory Contents of This Service Plan

1. A description of the proposed services;
2. A financial plan showing how the proposed services are to be financed;
3. A preliminary engineering or architectural survey showing how proposed services are to be provided;
4. A map of the Districts' boundaries and an estimate of the population and valuation for assessment of the Districts;
5. A general description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of Districts are compatible with facility and service standards of the City and of municipalities and special districts that are interested parties pursuant to Section 32-1-204(1), C.R.S.;
6. A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the District;
7. A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between District and such other political subdivision;
8. Information satisfactory to establish that each of the following criteria as set forth in Section 32-1-203, C.R.S., has been met:
 - (a) That there is sufficient existing and projected need for organized service in the area to be served by the Districts;
 - (b) That the existing service in the area to be served by the Districts is inadequate for the present and projected needs;
 - (c) That the Districts are capable of providing economical and sufficient service to the area within their proposed boundaries;
 - (d) That the area included in the Districts has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;

Superseded in its entirety
by the Second Amended and Restated Service Plan
dated as of August 27, 2007