

SECOND 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

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SECOND AMENDED AND RESTATED SERVICE PLAN

This Second Amended and Restated Service Plan (the “2007 Amended Service Plan”) for Fossil Ridge Metropolitan District No. 1, Fossil Ridge Metropolitan District No. 2 and Fossil Ridge Metropolitan District No. 3 (the “Districts”), constitutes a restatement of the Amended and Restated Service Plan for the Districts (the “2006 Amended Service Plan”) dated as of August 22, 2006, and approved by the City of Lakewood (the “City”) on August 28, 2006.

This 2007 Amended Service Plan has several purposes:

- It identifies real property that will be included within the boundaries of the Districts in the near future. Although inclusion of these properties owned by the Developer is permitted by the 2006 Amended Service Plan, the proposed inclusions are important for purposes of understanding the increased general obligation debt limitation proposed herein.
- It defines and authorizes a newly defined category of revenue debt, as described below.
- It increases the Districts’ authorization for general obligation debt, as is associated with increases in assessed valuation as a result of the proposed inclusions.
- It grants an extension to the approval deadline for a Service Plan Amendment for Fossil Ridge Metropolitan District No. 4 to December 31, 2008.
- The Districts require flexibility to pay for Public Improvements, as the same are listed in **Exhibit B**, through the use of General Obligation Debt or Revenue Debt, or a combination of each in various amounts, as permitted herein.

There is a total of \$21,000,000 authorized for costs related to the Regional Improvements described on **Exhibit B**, the repayment sources for which are (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.

In addition, a total of an additional \$70,000,000 of either Revenue Debt, payable from a District Capital Fee, or General Obligation Debt, or a mix of both may be sold to fund additional Public Improvements described in **Exhibit B**. For example, the Districts could fund \$35,000,000 of the Public Improvement Costs with Revenue Debt and an additional \$35,000,000 with General Obligation Debt. Alternatively, the entire \$70,000,000 could be funded from either General Obligation Debt or Revenue Debt, respectively.

The total amount of Debt that may be issued under this 2007 Amended Service Plan shall not exceed an aggregate of \$91,000,000, with a total of \$21,000,000 funded with Revenue Debt used for payment of Regional Improvements and an additional \$70,000,000 funded either with General Obligation Debt or with Revenue Debt that is payable from the District Capital Fee.

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 were 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") and for Fossil Ridge Metropolitan District No. 4 ("District No. 4") on August 8, 2005. Subsequently, at an election held on November 1, 2005, the eligible electors of the Districts approved the formation and elected the initial Board of directors for the Districts and District No. 4. Pursuant to the City's conditional approval of the Original Service Plan, the proponents of the Districts sought approval of the 2006 Amended 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. 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 approval at this time. Pursuant to this 2007 Amended Service Plan, Fossil Ridge Metropolitan District No. 4 must submit an Amendment as defined below, for approval by December 31, 2008. It is anticipated that, once organized, Fossil Ridge Metropolitan District No. 4 may 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.

District No. 1, District No. 2 and District No. 3 have submitted the requisite Amendment, as approved by the City on August 28, 2006. It is contemplated that District No. 4 will move forward with the necessary amendment as development warrants, which is currently contemplated in 2008. This 2007 Amended Service Plan grants an extension to the Original Service Plan deadline for District No. 4 to have an Amendment approved by the City by December 31, 2008.

It is further recognized that the public improvement agreement mentioned above (now called the "Development Agreement") is no longer required to be signed by either the Service District or the Financing Districts pursuant to City of Lakewood Resolution 2006-46.

This 2007 Amended Service Plan is submitted in accordance with Part 2 of the Special District Act (Sections 32-1-201, et seq., C.R.S.) and the terms of the 2006 Amended Service Plan. This 2007 Amended 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 2007 Amended 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 2007 Amended Service Plan, the following terms shall have the meanings indicated below, unless the context clearly requires otherwise:

2006 Amended Service Plan: means the Amended and Restated Service Plan for the Districts approved by the City on August 28, 2006.

2007 Amended Service Plan: means this Service Plan for the Districts, as approved by the City.

Approved Development Plan: means the First Amendment to the Development Agreement for Springfield Green Official Development Plan Modification No. 1 (Alternate) between Carma Lakewood, LLC and Richmond American Homes of Colorado, Inc. and the City, as the same may be amended from time to time, 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.

District Capital Fee: means a Fee to be imposed by the Districts and payable by the Developer, or its assignee subject to the limitations of this definition, in an amount as determined by the Districts. The District Capital Fee will be a designated dollar amount per lot and will be an amount sufficient to provide revenues to support full and timely payments of principal of, and interest on, the related Revenue Debt that is issued by the Districts. The District Capital Fee shall be due and owing to the Districts not later than the point at which a building permit is obtained and in no event shall such Fee be imposed upon, or required for payment by, any individual or entity that purchases property within the Districts for direct residential or commercial use on or after a certificate of occupancy has been issued. In no event shall the Revenue Debt issued by the Districts that is supported by a District Capital Fee exceed the amount of \$70,000,000.

Developer Loan Agreement: means any agreement between the Service District and the Developer recognizing advances made to the Service District by the Developer for costs of the Public Improvements, Regional Improvements and District Activities and the Service District's obligation to reimburse the Developer for the same. The aggregate amount permitted to be recognized for repayment by the Districts under all Developer Loan Agreements is \$91,000,000. In no event shall any 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, including the Master IGA.

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.

District No. 4: means the Fossil Ridge Metropolitan District No. 4.

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**. The Financial Plan has been amended from that set forth in the 2006 Amended Service Plan to include increased assessed valuation assumptions based upon the addition of the Inclusion Area.

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 \$70,000,000, specifically excluding General Obligation Debt represented under the Master IGA. 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 be automatically decreased by the aggregate amount of Revenue Debt issued by the Districts that is supported by a pledge of District Capital Fees. The General Obligation Debt Limitation shall include any increases in excess of \$70,000,000 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.

Inclusion Area: means the real property to be included within the District Boundaries as described in **Exhibit C-5**.

Master IGA: means an agreement between the Districts that sets forth the specifics of the relationship between the Service District and the Financing Districts. Pursuant to Section IV(F) of this 2007 Amended Service Plan, the Master IGA shall be subject to review and approval by the City.

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 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.

Original Service Plan: means the Service Plan for the Districts conditionally approved by the City on August 8, 2005.

Project: means the development of real property located 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 may be paid for by the issuance of Revenue Debt in an amount not to exceed \$21,000,000 and which is supported by revenues of the District consisting of (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.

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 authorities or public entities established to provide regional improvements within and around the Project, inclusive of, 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 (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; and, (4) the District Capital Fee. With the exception of the District Capital Fee, 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. 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 \$91,000,000. 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 \$91,000,000 as may be agreed to by the City pursuant to an intergovernmental agreement between the City and the District. In no event shall Revenue Debt be issued to fund Public Improvements that General Obligation Debt is issued to fund. The Revenue Debt Limitation shall be automatically decreased by the aggregate amount of General Obligation Debt that is issued by the Districts.

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 Amendment: means an amendment to the 2007 Amended 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. Pursuant to the 2006 Amended Service Plan, the total area comprising the boundaries of the Districts is approximately 308.44 acres. Upon the addition of the Inclusion Area, anticipated to occur after approval of this 2007 Amended Service Plan, the total area of the Districts will be expanded to 348.67 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 2007 Amended 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 2007 Amended 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 otherwise 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 or other buildings could be completed, and enables the Developer to be reimbursed for such costs as assessed valuation increases and 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 and/or Revenue Debt sufficient to repay the Developer under the Developer Loan Agreements and for 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 (as well as Revenue 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 the 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**. Under the 2006 Amended Service Plan, District No. 1 contains approximately 1.01 acres of undeveloped property, District No. 2 contains approximately 112.30 acres and District No. 3 contains approximately 195.13 acres. The total acreage of all the Districts is currently approximately 308.44 acres, with an anticipated combined population of 3,220 persons. The Service District will include only undeveloped property. Legal descriptions of the property that is currently within the boundaries of District No. 1, District No. 2 and District No. 3 are attached to this 2007 Amended Service Plan as **Exhibits C-1, C-2 and C-3**, respectively, as further detailed on the mapping of the Districts, attached as **Exhibit C-4**.

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 Developer has obtained ownership of two parcels of real property, as are further described on **Exhibit C-5**, and anticipates petitioning to District No. 2 and/or District No. 3 for inclusion of the same pursuant to Sections 32-1-401, et. seq., C.R.S. (the "Inclusion Area"). Upon final inclusion of the Inclusion Area, the Districts will notify the City pursuant to the Annual Report required by Section VII.B. of this 2007 Amended Service Plan. Upon the addition of the Inclusion Area, anticipated to occur after approval of this 2007 Amended Service Plan, the total area of the Districts will be expanded to 348.67 acres. 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 Districts' legal boundaries 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. All real property excluded from the boundaries of Mt. Carbon 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 2007 Amended 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 other revenue sources as permitted hereunder, 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.

c. Assumptions and Advisors. Numerous items are included in this 2007 Amended 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 2007 Amended 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 2007 Amended 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 development of 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 2007 Amended 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 and street markings 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 2007 Amended 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 2007 Amended 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 2007 Amended 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, subject to compliance with the Approved Development Plan and other City approvals, 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 2007 Amended 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 private 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 2007 Amended 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 2007 Amended 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 2007 Amended 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 \$91,000,000. 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 in this 2007 Amended Service Plan. The Districts will also be authorized to assess District Capital Fees, other 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. City approval is required for 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.

The Financial Plan for the Districts shall be to issue an amount of Debt as the Districts can reasonably pay within the parameters of this 2007 Amended Service Plan, inclusive of limitations pertaining to the General Obligation Debt Limitation, Revenue Debt Limitation and 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 it is anticipated that General Obligation Debt may be issued by the Districts.

The Debt in the 2006 Amended Service Plan was defined under two categories “General Obligation Debt” (capped at \$60,000,000) and “Revenue Debt” (capped at \$21,000,000). The 2007 Amended Service Plan modifies the original General Obligation Debt Limitation to allow issuance of up to \$70,000,000 of General Obligation Debt. This increase

from \$60,000,000 in the 2006 Amended Service Plan to \$70,000,000 in the 2007 Amended Service Plan is reasonably supported by the increased assessed valuation and the improvements associated with the Inclusion Area.

This 2007 Amended Service Plan permits a new category of Revenue Debt to allow for further flexibility in the manner in which Debt may be issued by the Districts and to provide property owners with further benefit from tax exempt financing that may be undertaken by the Districts. The Districts shall be permitted to issue Revenue Debt for the Public Improvements in a total amount not to exceed \$91,000,000, generally described as follows:

- A total of \$70,000,000 in Revenue Debt, which is supported by a pledge of District Capital Fees, may be issued to fund Public Improvements that are not otherwise funded by the General Obligation Debt. The amount of \$70,000,000 of District Capital Fee supported Revenue Debt shall be automatically reduced by the aggregate amount of General Obligation Debt issued by the Districts.
- A total of \$21,000,000 in Revenue Debt, which is supported by reimbursements and other funding provided by private and/or public entities, may be issued to fund Regional Improvements.

The total amount of Debt that may be issued under this 2007 Amended Service Plan shall not exceed an aggregate of \$91,000,000 with the following additional limitations:

- The aggregate amount of General Obligation Debt and Revenue Debt (that is supported by a pledge of the District Capital Fee) that may be issued to fund Public Improvements shall not exceed \$70,000,000. The Public Improvements that are anticipated to be funded by this category of Revenue Debt, General Obligation Debt, or a combination of both, are characterized in **Exhibit B** as Onsite Improvements and that portion of Regional Improvements for which reimbursement is not anticipated, the costs for which are generally described as follows:

Onsite Public Improvements	\$26,409,667
Less potential reimbursement	\$ 203,203
Total Onsite Public Improvements	\$26,203,464
Plus	
Regional Improvements	\$29,269,765
Less potential reimbursement	\$18,688,919
Total Project Share Regional Improvements	\$10,580,846

**Total Onsite Public Improvements and
Regional Improvements for which Reimbursement
is Not Anticipated¹ \$36,787,310**

- The aggregate amount of Revenue Debt, which is supported by a pledge of reimbursements and other funding provided by private and/or public entities, that may be issued by the Districts to fund Regional Improvements shall not exceed \$21,000,000. The Public Improvements that are anticipated to be funded by this category of Revenue Debt, are characterized in **Exhibit B**, as Regional and Onsite Public Improvements for which reimbursement to the District is anticipated the costs for which are generally described as follows:

Potential Reimbursement Onsite Public Improvements	\$ 203,203
Potential Reimbursement Regional Improvements	\$18,688,919

**Total Onsite Public Improvements and
Regional Improvements for which Reimbursement
is Anticipated² \$18,892,122**

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 2007 Amended Service Plan. Approval of this 2007 Amended 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 2007 Amended Service Plan be construed so as to create

¹ To be funded by Debt of the Districts in a not to exceed amount of \$70,000,000, to account for inflation and interest carry, as is further generally described in the Financial Plan at Exhibit D.

² To be funded by Debt of the Districts in a not to exceed amount of \$21,000,000, to account for inflation.

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 initially be \$900-\$1,200 per year per residential unit (subject to increase or decrease in accordance with the budgetary requirements of the Districts and inflationary cost increases). 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 IGAs 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 2007 Amended 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 2007 Amended 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 2007 Amended 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 2007 Amended 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 2007 Amended Service Plan by virtue of Section 32-1-207, C.R.S., et seq., as amended, adopt a resolution that approves this 2007 Amended Service Plan as submitted.

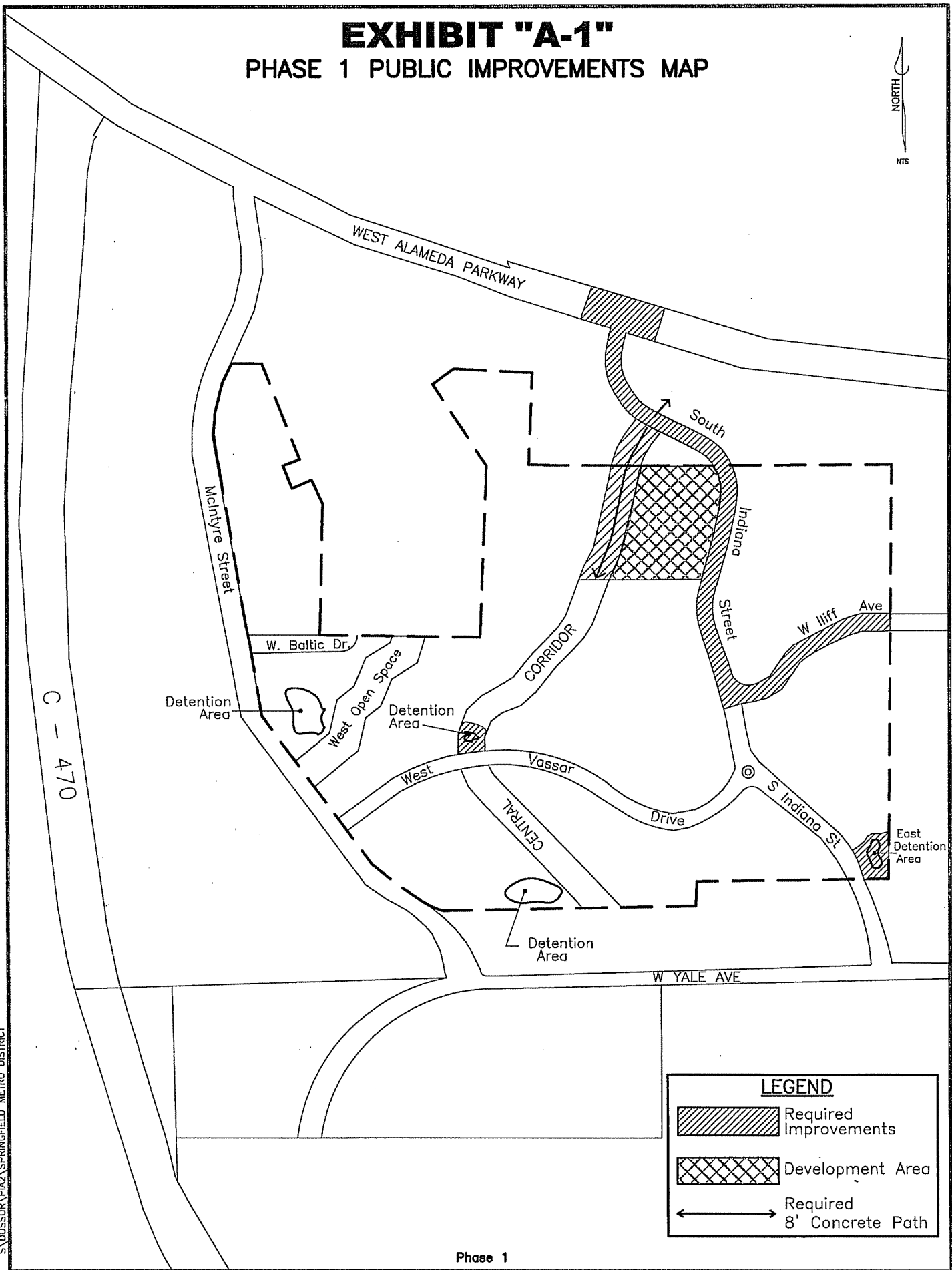
Respectfully submitted,

By WHITE, BEAR & ANKELE
Professional Corporation
As Counsel to the Districts

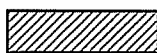


EXHIBIT A
Improvement Phasing Map

EXHIBIT "A-1"

PHASE 1 PUBLIC IMPROVEMENTS MAP



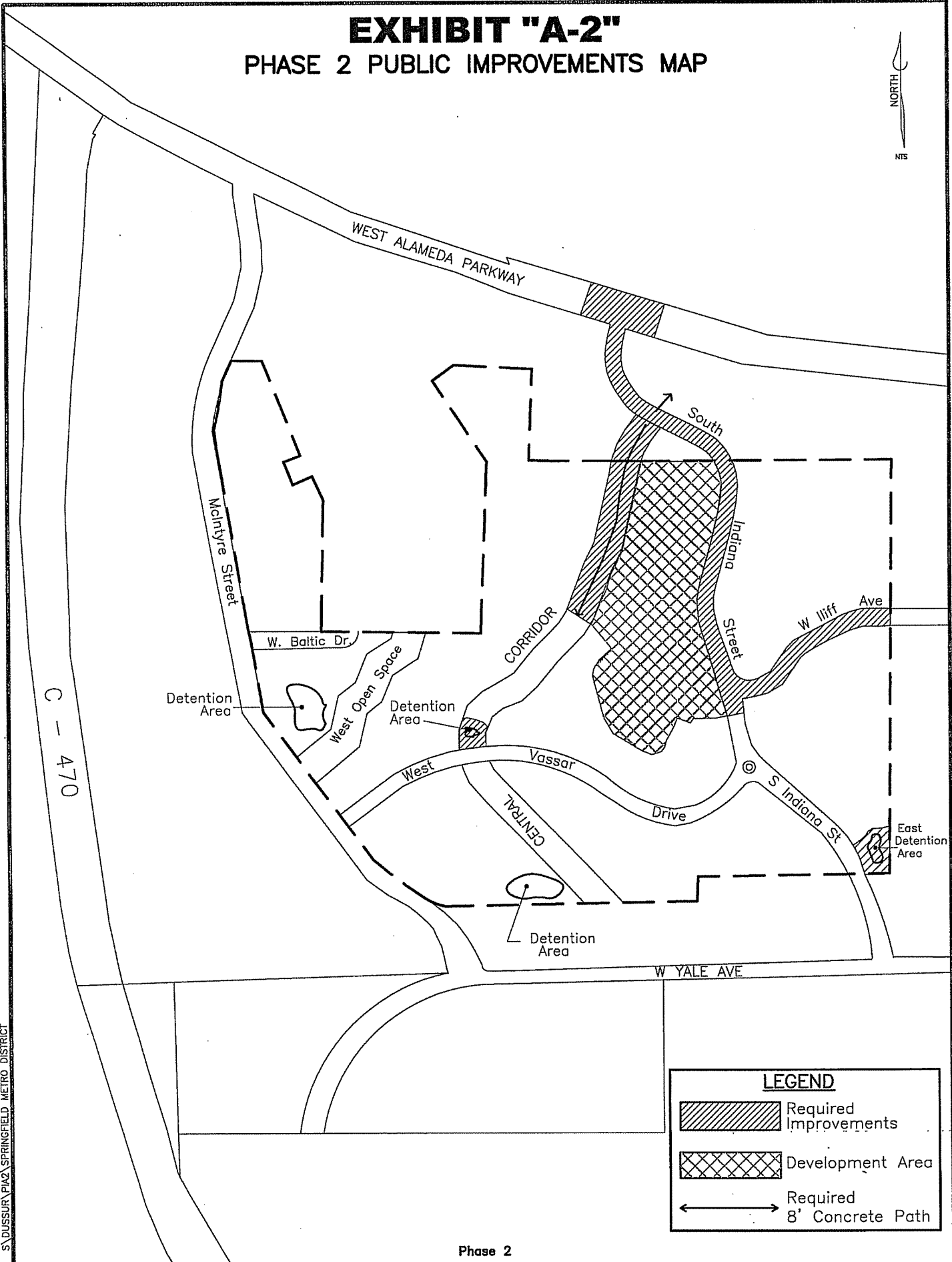
LEGEND

	Required Improvements
	Development Area
	Required 8' Concrete Path

SYDUSUR\PIAZ\SPRINGFIELD METRO DISTRICT

EXHIBIT "A-2"

PHASE 2 PUBLIC IMPROVEMENTS MAP



LEGEND

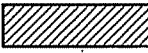


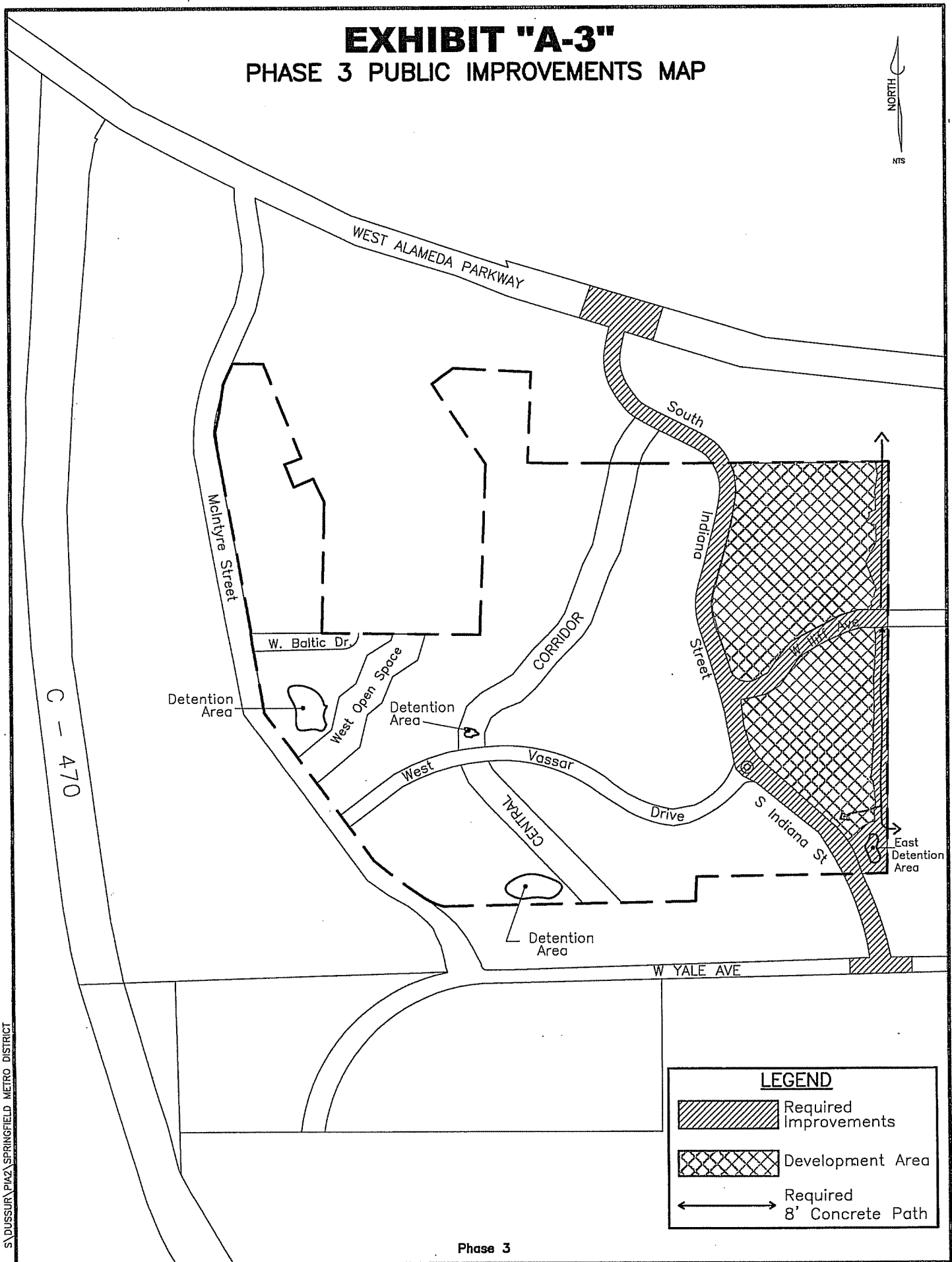
	Required Improvements
	Development Area
	Required 8' Concrete Path

EXHIBIT "A-3"

PHASE 3 PUBLIC IMPROVEMENTS MAP

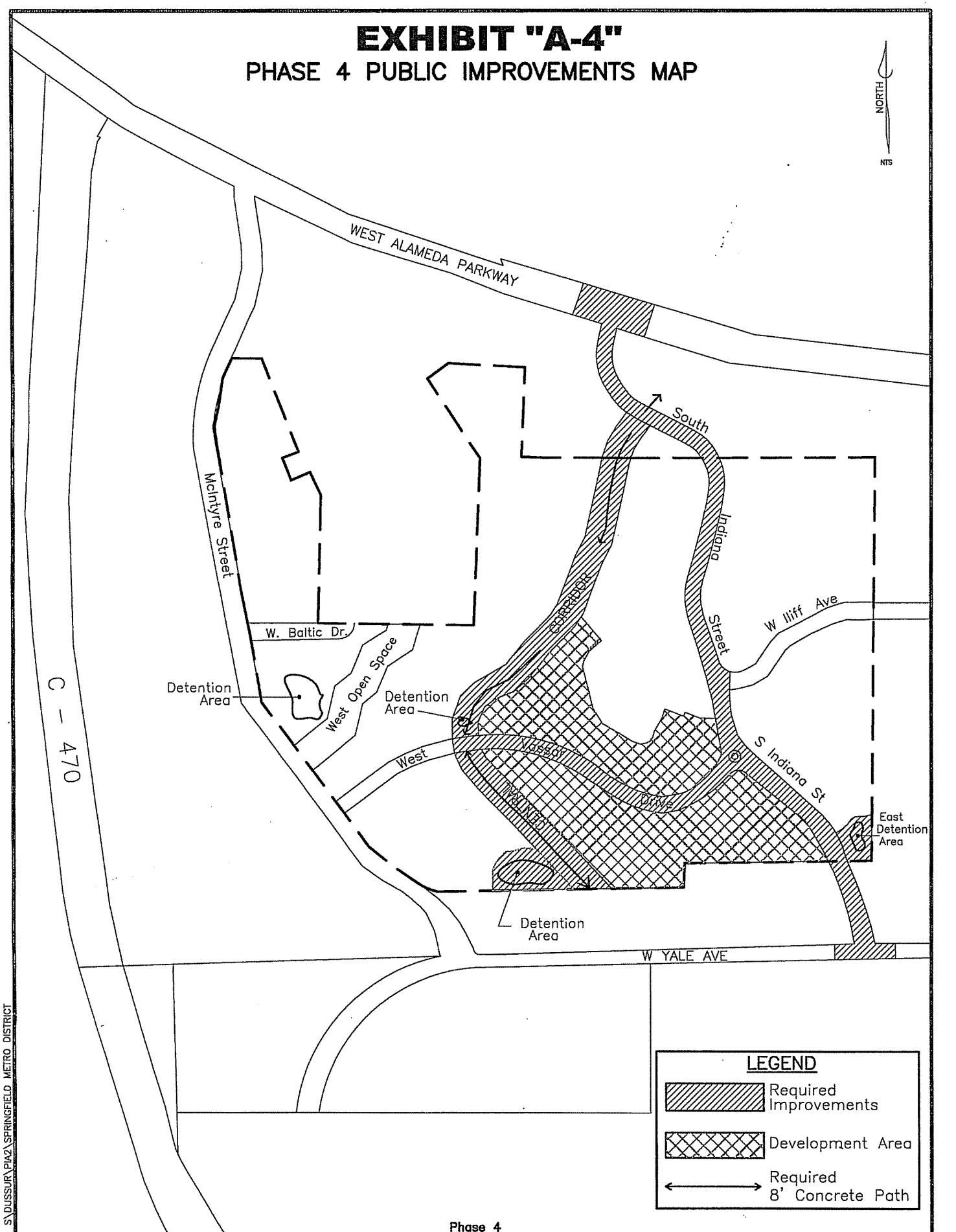
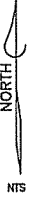


LEGEND

	Required Improvements
	Development Area
←→	Required 8' Concrete Path

EXHIBIT "A-4"

PHASE 4 PUBLIC IMPROVEMENTS MAP



C - 470

S. DIUSSUR, PI42, SPRINGFIELD, METRO DISTRICT

LEGEND

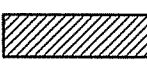


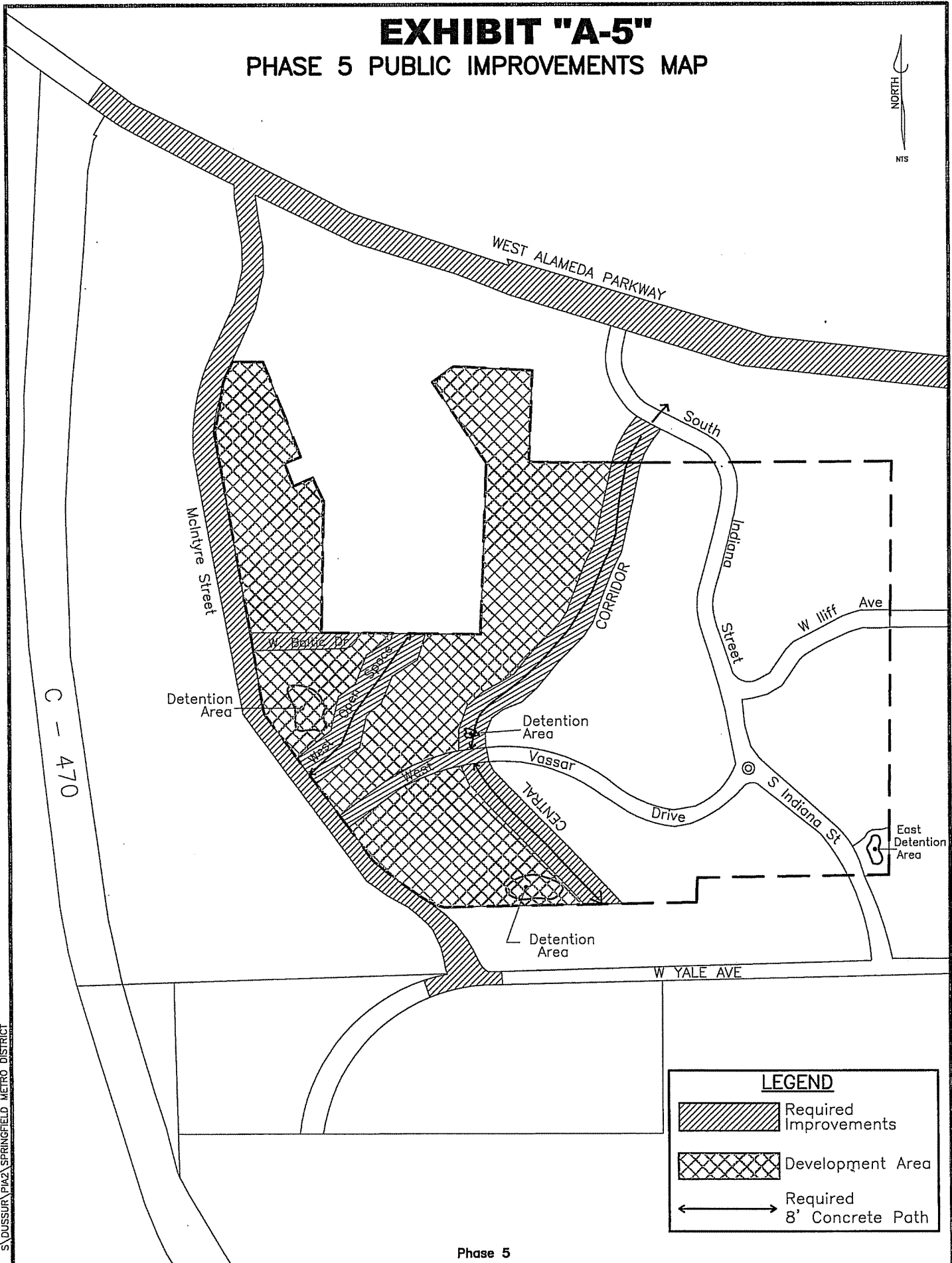
	Required Improvements
	Development Area
	Required 8' Concrete Path

EXHIBIT "A-5"

PHASE 5 PUBLIC IMPROVEMENTS MAP



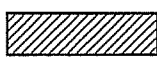


LEGEND	
	Required Improvements
	Development Area
	Required 8' Concrete Path

EXHIBIT B
Onsite and Regional Improvements

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

Description	Total Cost	Potential Reimbursement	Comments
ONSITE IMPROVEMENTS			
Onsite Water	\$ 1,252,701	\$ 203,203	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	\$ 438,624	\$ -	Construction of phased safety improvements including asphalt access/decell lanes at Indiana
Ballic Drive	\$ 229,948	\$ -	Construction of 60' ROW section w/ 36' FL - FL including asphalt, curb, gutter, and walks; McIntyre to E. Prop line of Extenda Care.
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 scapes, open space corridors, tracts and entry monumentation
Removal of Existing Utilities	\$ 138,567	\$ -	Removal of existing onsite Mt. Carbon water and sanitary mains.
Legal - Construction Related	\$ 750,000	\$ -	General legal for district(s)
Total	\$ 26,409,667	\$ 203,203	

Notes:

1. Potential reimbursement based on waterline loop provided to adjacent properties (Westwind).

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%).
- 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 MF lot).
- Onsite Improvements identified herein are anticipated to be funded through General Obligation Bonds and/or Revenue Bonds as set forth in the text of the Service Plan

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

Description	Total Cost	Potential Reimbursement	Comments
REGIONAL IMPROVEMENTS			
Offsite Sanitary	\$ 527,042	\$ 82,076	Construction of sanitary mains through Westwind property and upgrades to existing facilities. (See Note 1)
Regional Water	\$13,414,755	\$ 4,986,344	Construction of 24" water transmission line and loop (approximately 9 miles to site) and 6MG water storage (See Note 1)
South Indiana Street	\$ 768,030	\$ 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	\$ 7,156,189	\$ 6,376,993	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	\$ 6,358,715	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	\$ 238,883	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	\$ 18,688,919	

Notes:

1. Potential reimbursement based on single-family equivalents and/or commercial sf 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.
2. Potential reimbursement based on Fossil Ridge MD 1-3 only contributing proportionate share of traffic signal located at Indiana and Morrison Road.
3. 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.

EXHIBIT C-1

Legal Description for Fossil Ridge Metropolitan District No. 1

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, 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;

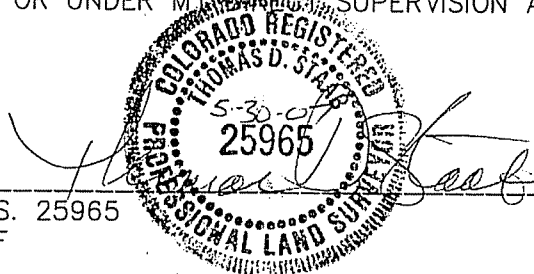
THENCE SOUTH 00°00'00" WEST, A DISTANCE OF 243.07 FEET;

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;**

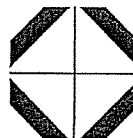
SAID PARCEL CONTAINS AN AREA OF 43,897 SQUARE FEET OR 1.01 ACRES, MORE OR LESS.

I, THOMAS D. STAAB, A SURVEYOR LICENSED IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE 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.

5-30-07
DATE



Carroll & Lange ^{INC}

Professional Engineers & Land Surveyors
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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. 1
 REC. NO. 83077584



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.

MCINTYRE STREET

N12°44'19"W
 245.97'

S90°00'00"W
 154.48'

W 300'00"00"
 243.07'

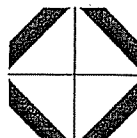
UNPLATTED

POINT OF BEGINNING

N89°08'00"E
 208.74'

PARCEL
 43,894 S.F.±
 1.01 AC.±

SPRINGFIELD GREEN
 REC. NO. 86040993



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

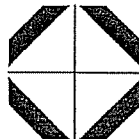
LEGAL DESCRIPTION

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, 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 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 12.89 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 235.28 FEET TO A POINT OF CURVATURE; THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 48°02'40", A RADIUS OF 289.00 FEET AND AN ARC LENGTH OF 242.34 FEET; THENCE NORTH 72°41'11" WEST, A DISTANCE OF 84.99 FEET TO A POINT OF CURVATURE; THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 45°48'56", A RADIUS OF 85.00 FEET AND AN ARC LENGTH OF 67.97 FEET TO A POINT OF REVERSE CURVATURE; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 31°37'52", A RADIUS OF 80.00 FEET AND AN ARC LENGTH OF 44.17 FEET TO A POINT OF REVERSE CURVATURE; THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 45°48'56", A RADIUS OF 85.00 FEET AND AN ARC LENGTH OF 67.97 FEET; THENCE SOUTH 47°18'49" WEST, A DISTANCE OF 250.46 FEET TO A POINT OF CURVATURE; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 74°17'30", A RADIUS OF 550.00 FEET AND AN ARC LENGTH OF 713.15 FEET; THENCE NORTH 58°23'41" WEST, A DISTANCE OF 444.06 FEET TO A POINT OF CURVATURE;



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LEGAL DESCRIPTION

DISTRICT NO. 2
SHEET 2 OF 5

PROPERTY DESCRIPTION

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 10°56'28", A RADIUS OF 320.00 FEET AND AN ARC LENGTH OF 61.11 FEET;

THENCE NORTH 60°20'09" WEST, A DISTANCE OF 416.01 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 27°59'04", A RADIUS OF 820.00 FEET AND AN ARC LENGTH OF 400.50 FEET TO A POINT OF CUSP;

THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 04°44'07", A RADIUS OF 400.00 FEET, AN ARC LENGTH OF 33.06 FEET, AND A CHORD THAT BEARS NORTH 02°46'45" WEST;

THENCE NORTH 00°24'42" WEST, A DISTANCE OF 67.93 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 75°20'47", A RADIUS OF 325.00 FEET AND AN ARC LENGTH OF 427.39 FEET TO A POINT OF REVERSE CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 38°13'40", A RADIUS OF 250.00 FEET AND AN ARC LENGTH OF 166.80 FEET;

THENCE NORTH 36°42'25" EAST, A DISTANCE OF 223.32 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 07°17'23", A RADIUS OF 350.00 FEET AND AN ARC LENGTH OF 44.53 FEET;

THENCE NORTH 43°59'47" EAST, A DISTANCE OF 227.87 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 25°31'18", A RADIUS OF 300.00 FEET AND AN ARC LENGTH OF 133.63 FEET;

THENCE NORTH 18°28'29" EAST, A DISTANCE OF 409.71 FEET TO A POINT OF CURVATURE;

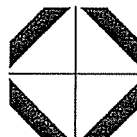
THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 14°24'57", A RADIUS OF 300.00 FEET AND AN ARC LENGTH OF 75.48 FEET TO A POINT OF REVERSE CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 27°50'40", A RADIUS OF 300.00 FEET AND AN ARC LENGTH OF 145.79 FEET;

THENCE NORTH 05°02'46" EAST, A DISTANCE OF 180.15 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 23°34'14", A RADIUS OF 349.09 FEET AND AN ARC LENGTH OF 143.61 FEET TO A POINT OF REVERSE CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 29°24'45", A RADIUS OF 150.00 FEET AND AN ARC LENGTH OF 77.00 FEET;



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LEGAL DESCRIPTION

DISTRICT NO. 2
SHEET 3 OF 5

PROPERTY DESCRIPTION

THENCE NORTH 00°47'45" WEST, A DISTANCE OF 203.49 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 25;
THENCE NORTH 89°12'15" EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 2014.71 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;**

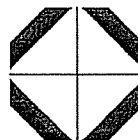
SAID PARCEL CONTAINS AN AREA OF 6,399,579 SQUARE FEET OR 146.91 ACRES, MORE OR LESS.

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



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

5-30-07
DATE



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EXHIBIT

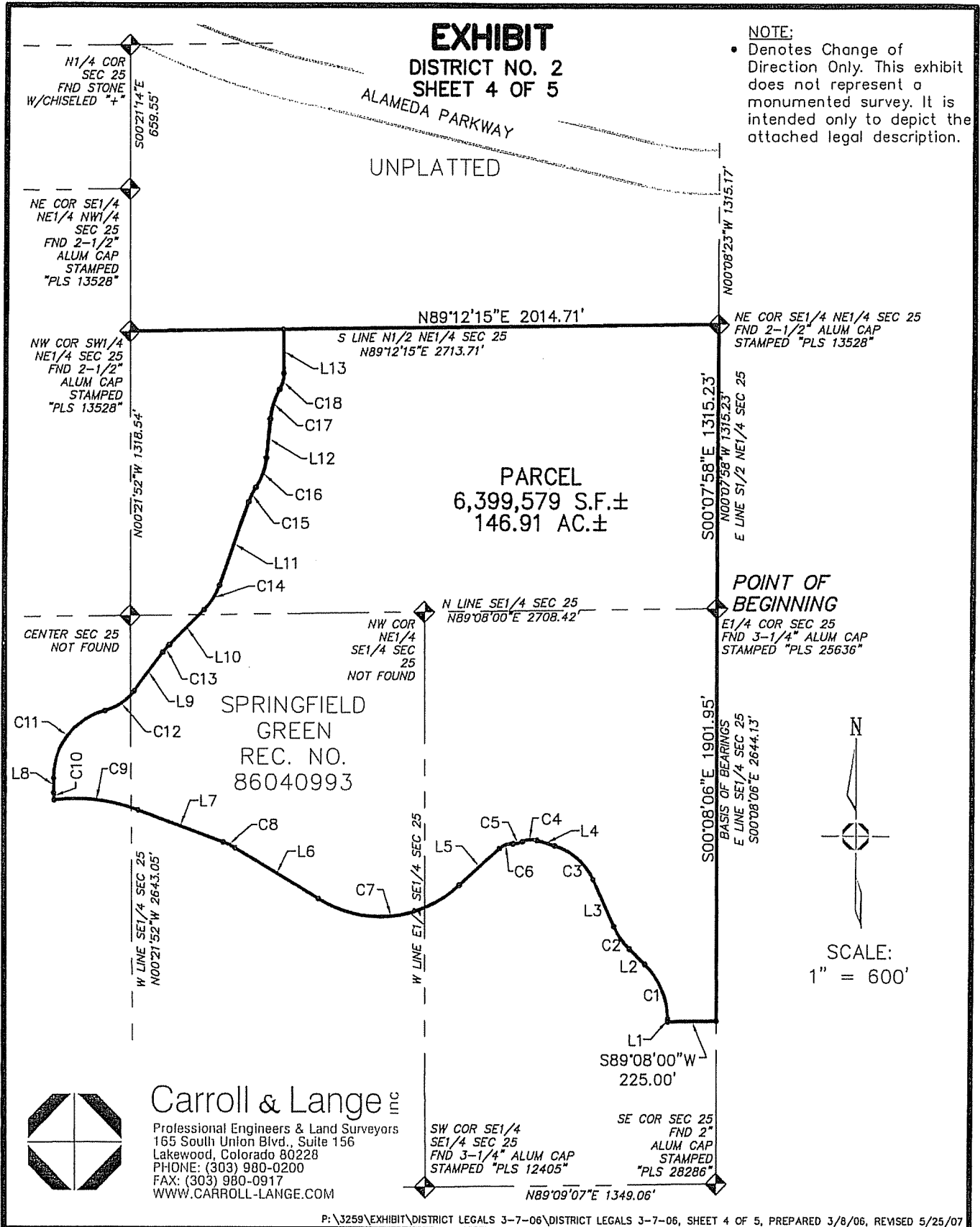
DISTRICT NO. 2
SHEET 4 OF 5

ALAMEDA PARKWAY

UNPLATTED

NOTE:

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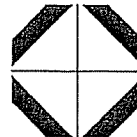


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EXHIBIT
DISTRICT NO. 2
SHEET 5 OF 5

LINE TABLE		
LINE	LENGTH	BEARING
L1	12.88'	N00°51'08"W
L2	101.84'	N46°20'37"W
L3	235.28'	N24°38'30"W
L4	84.99'	N72°41'11"W
L5	250.46'	S47°18'49"W
L6	444.06'	N58°23'41"W
L7	416.01'	N60°20'09"W
L8	67.93'	N00°24'42"W
L9	223.32'	N36°42'25"E
L10	227.87'	N43°59'47"E
L11	409.71'	N18°28'29"E
L12	180.15'	N05°02'46"E
L13	203.49'	N00°47'45"W

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'	N35°29'33"W
C3	48°02'40"	289.00'	242.34'	N48°39'50"W
C4	45°48'56"	85.00'	67.97'	S84°24'21"W
C5	31°37'52"	80.00'	44.17'	S77°18'49"W
C6	45°48'56"	85.00'	67.97'	S70°13'17"W
C7	74°17'30"	550.00'	713.15'	S84°27'34"W
C8	10°56'28"	320.00'	61.11'	N63°51'55"W
C9	27°59'04"	820.00'	400.50'	N83°19'41"W
C10	04°44'07"	400.00'	33.06'	N02°46'45"W
C11	75°20'47"	325.00'	427.39'	N37°15'41"E
C12	38°13'40"	250.00'	166.80'	N55°49'15"E
C13	07°17'23"	350.00'	44.53'	N40°21'06"E
C14	25°31'18"	300.00'	133.63'	N31°14'08"E
C15	14°24'57"	300.00'	75.48'	N25°40'57"E
C16	27°50'40"	300.00'	145.79'	N18°58'06"E
C17	23°34'14"	349.09'	143.61'	N16°49'53"E
C18	29°24'45"	150.00'	77.00'	N13°54'38"E



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

LEGAL DESCRIPTION

DISTRICT NO. 3
SHEET 1 OF 6

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 AND A PART OF THE NORTHWEST 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 SOUTH LINE OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 25 TO BEAR NORTH 89°12'15" EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE SOUTH 00°21'31" EAST, ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 25, DISTANCE OF 659.36 FEET TO THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 25;

THENCE NORTH 89°12'15" EAST, ALONG THE SOUTH LINE OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 25, A DISTANCE OF 699.00 FEET;

THENCE SOUTH 00°47'45" EAST, A DISTANCE OF 203.49 FEET TO A POINT OF CURVATURE; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 29°24'45", A RADIUS OF 150.00 FEET, AN ARC LENGTH OF 77.00 FEET TO A POINT OF REVERSE CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 23°34'14", A RADIUS OF 349.09 FEET AND AN ARC LENGTH OF 143.61 FEET;

THENCE SOUTH 05°02'46" WEST, A DISTANCE OF 180.15 FEET TO A POINT OF CURVATURE; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 27°50'40", A RADIUS OF 300.00 FEET AND AN ARC LENGTH OF 145.79 FEET TO A POINT OF REVERSE CURVATURE;

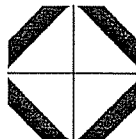
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 14°24'57", A RADIUS OF 300.00 FEET AND AN ARC LENGTH OF 75.48 FEET;

THENCE SOUTH 18°28'29" WEST, A DISTANCE OF 409.71 FEET TO A POINT OF CURVATURE; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 25°31'18", A RADIUS OF 300.00 FEET AND AN ARC LENGTH OF 133.63 FEET;

THENCE SOUTH 43°59'47" WEST, A DISTANCE OF 227.87 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 07°17'23", A RADIUS OF 350.00 FEET, AN ARC LENGTH OF 44.53 FEET;

THENCE SOUTH 36°42'25" WEST, A DISTANCE OF 223.32 FEET TO A POINT OF CURVATURE;



Carroll & Lange ^{PC}

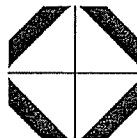
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LEGAL DESCRIPTION

DISTRICT NO. 3
SHEET 2 OF 6

PROPERTY DESCRIPTION

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 38°13'40", A RADIUS OF 250.00 FEET AND AN ARC LENGTH OF 166.80 FEET TO A POINT OF REVERSE CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 75°20'47", A RADIUS OF 325.00 FEET AND AN ARC LENGTH OF 427.39 FEET;
THENCE SOUTH 00°24'42" EAST, A DISTANCE OF 67.93 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 04°44'07", A RADIUS OF 400.00 FEET AND AN ARC LENGTH OF 33.06 FEET TO A POINT OF CUSP;
THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 27°59'04", A RADIUS OF 820.00 FEET AND AN ARC LENGTH OF 400.50 FEET;
THENCE SOUTH 69°20'09" EAST, A DISTANCE OF 416.01 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 10°56'28", A RADIUS OF 320.00 FEET AND AN ARC LENGTH OF 61.11 FEET;
THENCE SOUTH 58°23'41" EAST, A DISTANCE OF 444.06 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 74°17'30", A RADIUS OF 550.00 FEET AND AN ARC LENGTH OF 713.15 FEET;
THENCE NORTH 47°18'49" EAST, A DISTANCE OF 250.46 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 45°48'56", A RADIUS OF 85.00 FEET AND AN ARC LENGTH OF 67.97 FEET TO A POINT OF REVERSE CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 31°37'52", A RADIUS OF 80.00 FEET AND AN ARC LENGTH OF 44.17 FEET TO A POINT OF REVERSE CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 45°48'56", A RADIUS OF 85.00 FEET AND AN ARC LENGTH OF 67.97 FEET;
THENCE SOUTH 72°41'11" EAST, A DISTANCE OF 84.99 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 48°02'40", A RADIUS OF 289.00 FEET AND AN ARC LENGTH OF 242.34 FEET;
THENCE SOUTH 24°38'30" EAST, A DISTANCE OF 235.28 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;



Carroll & Lange ^{PC}

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LEGAL DESCRIPTION

DISTRICT NO. 3
SHEET 3 OF 6

PROPERTY DESCRIPTION

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-OF-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 189.56 FEET, AND A CHORD THAT BEARS NORTH 51°58'21" WEST;
2. THENCE NORTH 61°50'45" WEST, A DISTANCE OF 179.71 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 652.76 FEET;
4. THENCE NORTH 36°59'42" WEST, A DISTANCE OF 1092.20 FEET;
5. THENCE NORTH 12°44'19" WEST, A DISTANCE OF 381.19 FEET;

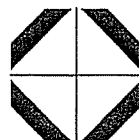
THENCE NORTH 90°00'00" EAST, A DISTANCE OF 154.48 FEET;


THENCE NORTH 00°00'00" EAST, A DISTANCE OF 243.07 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 25;

THENCE SOUTH 89°08'00" WEST, ALONG SAID NORTH LINE, A DISTANCE OF 208.74 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF SOUTH MCINTYRE STREET;

THENCE ALONG SAID EASTERLY RIGHT OF WAY LINE THE FOLLOWING THREE (3) COURSES:

1. THENCE NORTH 12°44'19" WEST, A DISTANCE OF 1442.29 FEET TO A POINT ON A CURVE;
2. THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 01°54'39", A RADIUS OF 1216.85 FEET, AN ARC LENGTH OF 40.58 FEET, AND A CHORD WHICH BEARS NORTH 07°26'19" WEST TO A POINT OF COMPOUND CURVATURE;
3. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 25°24'53", A RADIUS OF 1210.83 FEET, AN ARC LENGTH OF 537.09 FEET, AND A CHORD WHICH BEARS NORTH 06°13'27" EAST, TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 25;



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LEGAL DESCRIPTION

DISTRICT NO. 3
SHEET 4 OF 6

PROPERTY DESCRIPTION

THENCE NORTH 89°11'47" EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 246.83 FEET;
THENCE SOUTH 28°46'04" EAST, A DISTANCE OF 793.23 FEET TO THE BOUNDARY OF
THAT PARCEL OF LAND RECORDED UNDER RECEPTION NO. 84088063 OF THE RECORDS OF
THE JEFFERSON COUNTY CLERK AND RECORDER;

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

1. THENCE SOUTH 61°13'56" WEST, A DISTANCE OF 144.00 FEET;
2. THENCE SOUTH 28°46'04" EAST, A DISTANCE OF 156.00 FEET;
3. THENCE NORTH 61°13'56" EAST, A DISTANCE OF 144.00 FEET;

THENCE SOUTH 28°46'04" EAST, A DISTANCE OF 182.58 FEET TO A POINT ON THE
WESTERLY BOUNDARY OF SAID SPRINGFIELD GREEN;

THENCE SOUTH 00°34'04" EAST, ALONG SAID WESTERLY BOUNDARY, A DISTANCE OF
979.87 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 1210.85 FEET
TO THE SOUTHEAST CORNER OF LOT 3, BLOCK 6, OF SAID SPRINGFIELD GREEN;

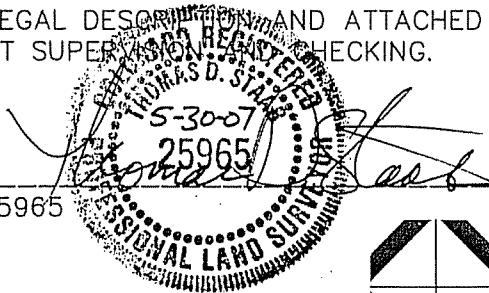
THENCE ALONG THE EASTERLY LINES OF SAID LOT 3 THE FOLLOWING THREE (3) COURSES:

1. THENCE NORTH 00°33'29" WEST, A DISTANCE OF 1278.15 FEET;
2. THENCE NORTH 36°10'18" WEST, A DISTANCE OF 713.77 FEET;
3. THENCE NORTH 53°48'26" EAST, A DISTANCE OF 203.78 TO A POINT ON THE
BOUNDARY OF SAID SPRINGFIELD GREEN;

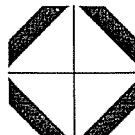
THENCE NORTH 89°11'47" EAST ALONG THE BOUNDARY OF SAID SPRINGFIELD GREEN, A
DISTANCE OF 576.19 FEET TO THE **POINT OF BEGINNING**;


SAID PARCEL CONTAINS AN AREA OF 7,696,094 SQUARE FEET OR 176.68 ACRES, MORE
OR LESS.

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



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

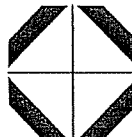
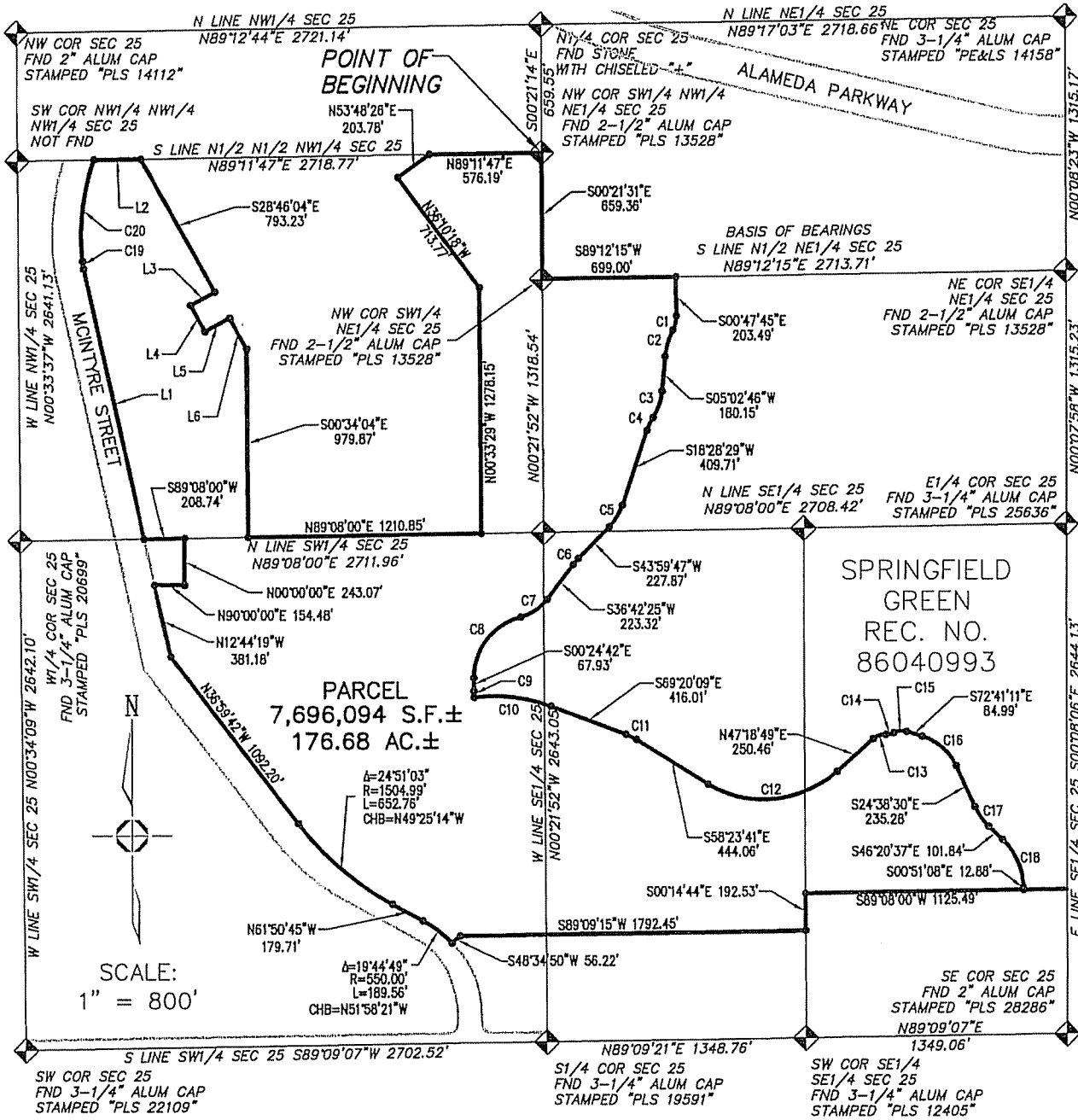


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5-30-07
DATE

EXHIBIT
DISTRICT NO. 3
SHEET 5 OF 6

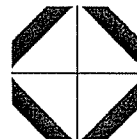


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EXHIBIT
DISTRICT NO. 3
SHEET 6 OF 6

CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	BEARING
C1	29°24'45"	150.00'	77.00'	S13°54'38"W
C2	23°34'14"	349.09'	143.61'	S16°49'53"W
C3	27°50'40"	300.00'	145.79'	S18°58'06"W
C4	14°24'57"	300.00'	75.48'	S25°40'57"W
C5	25°31'18"	300.00'	133.63'	S31°14'08"W
C6	07°17'23"	350.00'	44.53'	S40°21'06"W
C7	38°13'40"	250.00'	166.80'	S55°49'15"W
C8	75°20'47"	325.00'	427.39'	S37°15'41"W
C9	04°44'07"	400.00'	33.06'	S02°46'45"E
C10	27°59'04"	820.00'	400.50'	S83°19'41"E
C11	10°56'28"	320.00'	61.11'	S63°51'55"E
C12	74°17'30"	550.00'	713.15'	N84°27'34"E
C13	45°48'56"	85.00'	67.97'	N70°13'17"E
C14	31°37'52"	80.00'	44.17'	N77°18'49"E
C15	45°48'56"	85.00'	67.97'	N84°24'21"E
C16	48°02'40"	289.00'	242.34'	S48°39'50"E
C17	21°42'06"	330.00'	124.99'	S35°29'33"E
C18	45°29'29"	350.00'	277.89'	S23°35'52"E
C19	01°54'39"	1216.85'	40.58'	N07°26'19"W
C20	25°24'53"	1210.83'	537.09'	N06°13'27"E

LINE TABLE		
LINE	LENGTH	BEARING
L1	1442.29'	N12°44'19"W
L2	246.83'	N89°11'47"E
L3	144.00'	S61°13'56"W
L4	156.00'	S28°46'04"E
L5	144.00'	N61°13'56"E
L6	182.58'	S28°46'04"E



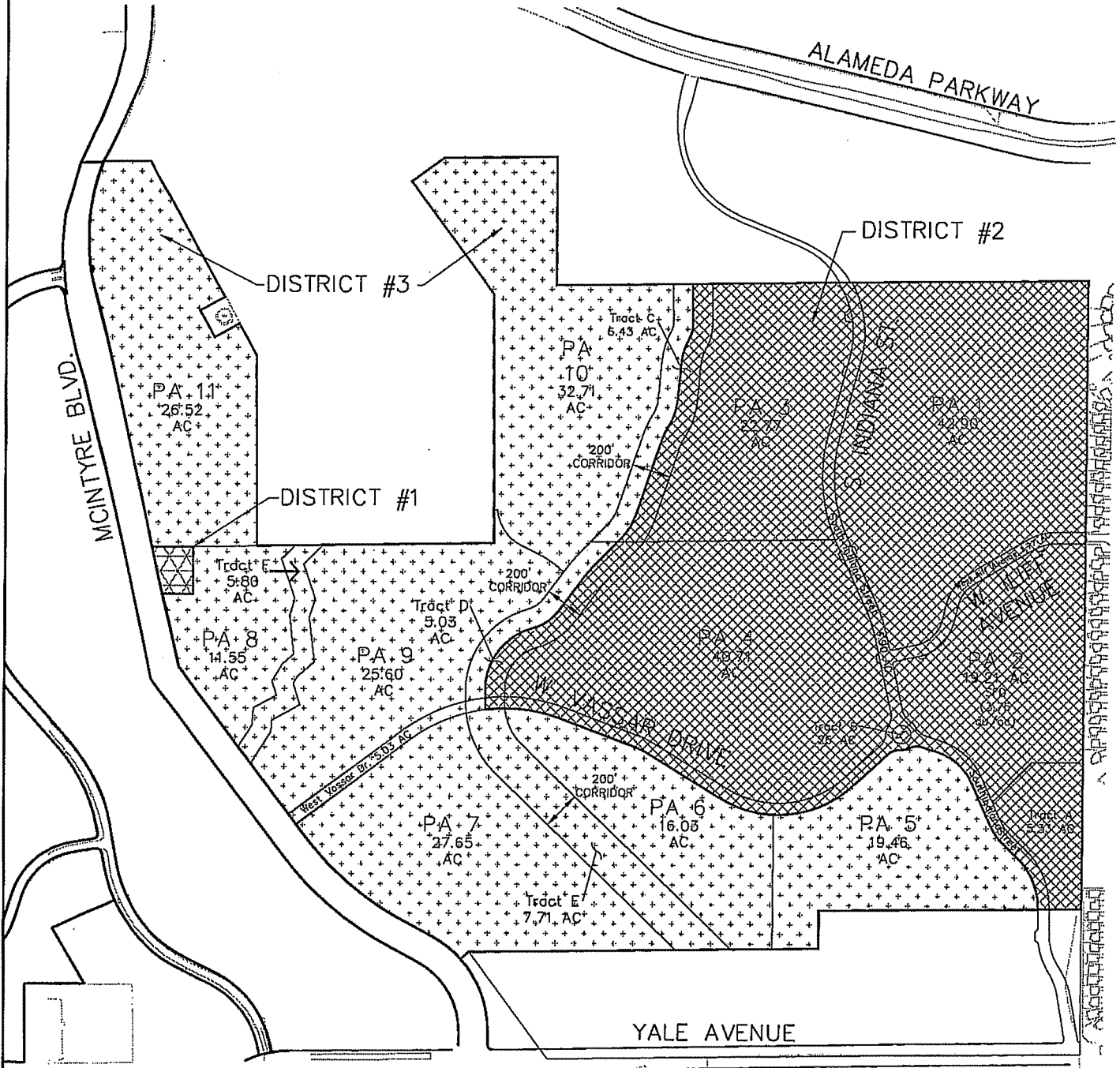
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EXHIBIT C-4
Map of the Districts' Boundaries

EXHIBIT C-4

MAP OF DISTRICTS' BOUNDARIES



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N.T.S.

EXHIBIT C-5
Inclusion Area

A PARCEL OF LAND BEING A PART OF THE NORTHWEST QUARTER OF SECTION 25, TOWNSHIP 4 SOUTH, RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF JEFFERSON, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 25 AND CONSIDERING THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 25 TO BEAR NORTH 89°08'00" EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO:

THENCE NORTH 89°08'00" EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 645.94 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 12°44'19" WEST, A DISTANCE OF 1442.29 FEET TO A POINT ON A CURVE; THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 01°54'39", A RADIUS OF 1216.85 FEET, AN ARC LENGTH OF 40.58 FEET, AND A CHORD THAT BEARS NORTH 07°26'19" WEST TO A POINT OF COMPOUND CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 25°24'53", A RADIUS OF 1210.83 FEET AND AN ARC LENGTH OF 537.09 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°11'47" EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 246.83 FEET; THENCE SOUTH 28°46'04" EAST, A DISTANCE OF 793.23 FEET TO THE BOUNDARY OF THAT PARCEL OF LAND RECORDED UNDER RECEPTION NO. 84088063 OF THE RECORDS OF THE JEFFERSON COUNTY CLERK AND RECORDER;

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

1. THENCE SOUTH 61°13'56" WEST, A DISTANCE OF 144.00 FEET;
2. THENCE SOUTH 28°46'04" EAST, A DISTANCE OF 156.00 FEET;
3. THENCE NORTH 61°13'56" EAST, A DISTANCE OF 144.00 FEET;

THENCE SOUTH 28°46'04" EAST, A DISTANCE OF 182.58 FEET TO A POINT ON THE WESTERLY BOUNDARY OF SPRINGFIELD GREEN RECORDED UNDER RECEPTION NO. 86040993 OF THE JEFFERSON COUNTY CLERK AND RECORDER;

THENCE SOUTH 00°34'04" EAST, ALONG SAID WESTERLY BOUNDARY, A DISTANCE OF 979.87 FEET TO A POINT ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 25;

THENCE SOUTH 89°08'00" WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 535.74 FEET TO THE POINT OF BEGINNING;

SAID PARCEL CONTAINS AN AREA OF 1,155,017 SQUARE FEET OR 26.52 ACRES, MORE OR LESS.

LEGAL DESCRIPTION

THAT PARCEL OF LAND DESCRIBED AT RECEPTION NUMBER 80096878 OF THE RECORDS OF THE JEFFERSON COUNTY CLERK AND RECORDER, LOCATED IN THE NORTHEAST 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 NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID NORTHEAST QUARTER, AND CONSIDERING THE NORTH LINE OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 25, TOWNSHIP 4 SOUTH, RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TO BEAR NORTH 89°12'15" EAST, WITH ALL BEARINGS CONTAINED HEREIN BEING RELATIVE THERETO;

THENCE NORTH 89°12'15" EAST ALONG SAID NORTH LINE OF THE SOUTH HALF OF THE NORTHEAST QUARTER, A DISTANCE OF 181.19 FEET TO THE **POINT OF BEGINNING**;

THENCE NORTH 89°12'15" EAST CONTINUING ALONG SAID NORTH LINE, A DISTANCE OF 453.07 FEET;

THENCE SOUTH 00°15'39" EAST, A DISTANCE OF 1317.77 FEET TO A POINT ON THE SOUTH LINE OF SAID NORTHEAST QUARTER OF SECTION 25;

THENCE SOUTH 89°08'00" WEST ALONG SAID SOUTH LINE, A DISTANCE OF 453.08 FEET;

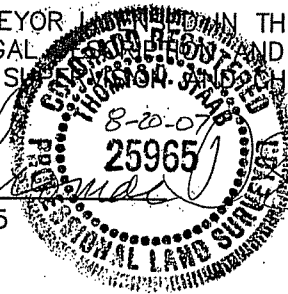
THENCE NORTH 00°15'39" WEST, A DISTANCE OF 1318.34 FEET TO THE **POINT OF BEGINNING**,

CONTAINING A CALCULATED AREA OF 13.71 ACRES, MORE OR LESS.

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

THOMAS D. STAAB, PLS 25965
FOR AND ON BEHALF OF
CARROLL & LANGE, INC.

8-20-07
DATE



Carroll & Lange 
Professional Engineers & Land Surveyors
165 South Union Blvd., Suite 156
Lakewood, Colorado 80228
(303) 980-0200

EXHIBIT D
Financing Plan

Stan Bernstein and Associates, Inc.

Financial Planners and Consultants

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

8400 East Prentice Avenue, Penthouse

Greenwood Village, Colorado 80111

Telephone: 303-409-7611, Fax: 303-409-7612; Email: stanplan@earthlink.net

MEMORANDUM

TO: 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 20, 2007

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 \$39.0 million of infrastructure costs (these infrastructure costs include 5.0% annual compounded inflationary increases over current dollar cost estimates of approximately \$36.8 million) could be funded from a series of (i) non-rated limited tax general obligation bond issues, (ii) development fees and (iii) developer infrastructure capital loans.

Row 30 on Exhibit I indicates that approximately \$39.0 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 approximately 4.40% annually, and that by October 1, 2032 all of the \$39.0 million developer capital loans, plus \$26.7 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 \$62,225,500 shown on Schedule 2) and from approximately \$3,500,000 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 \$64.15 million of non-rated limited tax general obligation bonds (netting \$62,225,500 after costs of bond issuance) could be issued and, when combined with development fees of approximately \$3,500,000, could be used to reimburse approximately \$39.0 million of developer loans and approximately \$26.7 million of compounded interest on the developer capital loans.

October 1, 2010	\$ 7,000,000
October 1, 2012	\$18,000,000
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	\$64,150,000

The issuance, and related timing and size, of these \$64.15 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 limited tax 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 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 a 5.0% annually beginning in 2008).
- Town Home Development 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 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 development fees (approximately \$5.52 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 \$3.5 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) – these cost estimates may have to be increased as a result of adding 30 single family units and 256 apartments to the model.
- 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 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

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	375	372	148	140	131	66
2 CUMULATIVE HOMES DEVELOPED	0	0	68	264	639	1,011	1,159	1,299	1,430	1,496
3 INCREMENTAL TOWNHOME UNITS (SCH. 1)	0	0	0	0	30	60	60	60	60	6
4 INCREMENTAL SINGLE FAMILY HOMES (SCH. 1)	0	0	68	196	315	252	28	20	11	0
5 INCREMENTAL APARTMENT UNITS (SCH. 1)	0	0	0	0	30	60	60	60	60	60
6 SINGLE FAMILY DEVELOPMENT FEE RATE @ (at permit, one year before home completed)	1.05	4,000	4,000	4,200	4,410	4,631	4,862	5,105	5,360	5,628
7 TOWNHOME DEVELOPMENT FEE RATE @ (at permit, one year before home completed)	1.05	3,000	3,000	3,150	3,308	3,473	3,647	3,829	4,020	4,221
8 APARTMENT DEVELOPMENT FEE RATE @ (at permit, one year before home completed)	1.05	1,500	1,500	1,575	1,654	1,736	1,823	1,914	2,010	2,111
9 ASSESSED VALUATION @ 6% EVERY OTHER YEAR (SCH. 1)	1,400,000	1,400,000	1,400,000	3,000,000	6,486,606	16,547,512	35,024,612	50,652,117	57,848,338	61,544,680
10 MILL LEVY	0.00	0.00	0.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
REVENUES:										
11 PROPERTY TAXES	0	0	0	90,000	194,598	496,425	1,050,738	1,519,564	1,735,450	1,846,340
12 SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	0	0	0	5,400	11,676	29,786	63,044	91,174	104,127	110,780
13 SINGLE FAMILY DEVELOPMENT FEES @ PERMIT	0	272,000	784,000	1,323,000	1,111,320	129,654	97,241	56,156	0	0
14 TOWNHOME DEVELOPMENT FEE @ PERMIT	0	0	0	94,500	198,450	208,373	218,791	229,731	24,122	0
15 APARTMENT DEVELOPMENT FEE @ PERMIT	0	0	0	47,250	99,225	104,186	109,396	114,865	120,609	126,639
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	18,404	66,931	83,828	116,950
18 TOTAL REVENUES	0	272,000	784,000	1,560,150	1,623,429	1,000,104	1,557,613	2,078,421	2,088,135	2,200,710
EXPENDITURES:										
19 3.0% JEFFCO COUNTY TREASURER'S COLLECTION FEE	0	0	0	2,700	5,838	14,893	31,522	45,587	52,064	55,390
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	1,305,000	1,306,500	1,307,100
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	0	0	2,000	2,000	4,000	4,000	4,000
27 TOTAL EXPENDITURES	0	0	0	2,700	5,838	436,893	453,522	1,874,587	1,886,564	1,888,890
28 EXCESS REVENUES OVER (UNDER) EXPENDITURES	0	272,000	784,000	1,557,450	1,617,591	563,211	1,104,091	203,834	181,572	311,820
OTHER FINANCING SOURCES (USES):										
29 DEVELOPER CAPITAL LOANS	10,609,035	14,501,929	11,237,226	2,698,659	0	0	0	0	0	0
30 REPAYMENT OF DEVELOPER CAPITAL LOANS & INTEREST	0	0	0	(2,000,000)	(6,790,000)	0	(17,460,000)	(1,500,000)	0	(7,275,000)
31 PROCEEDS FROM G.O. BONDS (SCH. 2)	0	0	0	0	7,000,000	0	18,000,000	0	0	7,500,000
32 COSTS OF BOND ISSUANCE	0	0	0	0	(210,000)	0	(540,000)	0	0	(225,000)
33 INFRASTRUCTURE COSTS (INFLATED @ 5% ANNUALLY)	(10,609,035)	(14,501,929)	(11,237,226)	(2,698,659)	0	0	0	0	0	0
34 TOTAL OTHER FINANCING SOURCES	0	0	0	(2,000,000)	0	0	(1,500,000)	0	0	0
35 FUND BALANCE - JANUARY 1	0	0	272,000	1,056,000	613,450	2,231,041	2,794,252	3,898,343	2,602,177	2,783,749
37 FUND BALANCE - DECEMBER 31	0	272,000	1,056,000	613,450	2,231,041	2,794,252	3,898,343	2,602,177	2,783,749	3,095,569
38 Restricted - Bond Proceeds	0	0	0	0	0	0	0	0	0	0
39 Unrestricted	0	272,000	1,056,000	613,450	2,231,041	2,794,252	3,898,343	2,602,177	2,783,749	3,095,569
40 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	7,000,000	7,000,000	25,000,000	24,675,000	24,325,000	31,455,000
41 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	0.00%	0.00%	0.00%	0.00%	42.30%	19.99%	49.36%	42.65%	39.52%	46.00%
42 TOTAL DEVELOPER CAPITAL LOANS @ 4.40% COMPOUNDED	10,609,035	25,577,761	37,940,409	40,308,445	35,292,017	36,844,866	21,006,040	20,430,306	21,329,239	14,992,726

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	60	25	0	0	0	0	0	0	0	0	0
2	1,556	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581
3	0	0	0	0	0	0	0	0	0	0	0
4	0	0	0	0	0	0	0	0	0	0	0
5	60	25	0	0	0	0	0	0	0	0	0
6	5,910	6,205	6,516	6,841	7,183	7,543	7,920	8,316	8,731	9,168	9,626
7	4,432	4,654	4,887	5,131	5,388	5,657	5,940	6,237	6,549	6,876	7,220
8	2,216	2,327	2,443	2,566	2,694	2,828	2,970	3,118	3,274	3,438	3,610
9	68,386,710	68,832,794	73,729,726	74,049,294	78,492,251	78,492,251	83,201,787	83,201,787	88,193,894	88,193,894	93,485,527
10	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
REVENUES:											
11	2,051,601	2,064,984	2,211,892	2,221,479	2,354,768	2,354,768	2,496,054	2,496,054	2,645,817	2,645,817	2,804,566
12	123,096	123,899	132,714	133,289	141,286	141,286	149,763	149,763	158,749	158,749	168,274
13	0	0	0	0	0	0	0	0	0	0	0
14	0	0	0	0	0	0	0	0	0	0	0
15	55,405	0	0	0	0	0	0	0	0	0	0
16	0	0	0	0	0	0	0	0	0	0	0
17	78,065	83,512	92,867	91,767	99,533	88,816	88,453	92,135	81,093	74,229	67,688
18	2,308,167	2,272,395	2,437,472	2,446,534	2,585,587	2,584,870	2,734,270	2,737,952	2,885,659	2,878,795	3,040,528
EXPENDITURES:											
19	61,548	61,950	66,357	66,644	70,643	70,643	74,882	74,882	79,375	79,375	84,137
20	520,500	523,300	520,500	522,400	523,700	519,400	519,800	519,600	523,800	522,100	519,800
21	1,306,800	1,305,600	1,308,000	1,305,200	1,306,000	1,305,600	1,309,000	1,305,900	1,306,600	1,305,800	1,308,500
22	450,000	450,000	560,000	558,400	556,500	559,300	561,500	558,100	559,400	560,100	560,200
23	0	0	0	0	0	490,000	489,900	489,500	488,800	487,800	491,500
24	0	0	0	0	0	0	0	0	0	0	600,000
25	0	0	0	0	0	0	0	0	0	0	0
26	6,000	6,000	6,000	6,000	6,000	8,000	8,000	8,000	8,000	8,000	10,000
27	2,344,848	2,346,850	2,461,357	2,458,644	2,462,843	2,952,943	2,963,082	2,955,882	2,965,975	2,963,175	3,574,137
28	(36,681)	(74,454)	(23,884)	(12,110)	122,744	(368,073)	(228,812)	(218,029)	(80,315)	(84,380)	(533,609)
OTHER FINANCING SOURCES (USES):											
29	0	0	0	0	0	0	0	0	0	0	0
30	0	0	0	0	0	0	0	0	0	0	0
31	0	0	0	0	(6,547,500)	0	0	0	0	(7,760,000)	0
32	0	0	0	0	6,750,000	0	0	0	0	8,000,000	0
33	0	0	0	0	(202,500)	0	0	0	0	(240,000)	0
34	0	0	0	0	0	0	0	0	0	0	0
35	0	0	0	0	0	0	0	0	0	0	0
36	3,095,569	3,058,888	2,984,434	2,960,549	2,948,439	3,071,183	2,703,110	2,474,298	2,256,269	2,175,953	2,091,574
37	3,058,888	2,984,434	2,960,549	2,948,439	3,071,183	2,703,110	2,474,298	2,256,269	2,175,953	2,091,574	1,557,965
38	0	0	0	0	0	0	0	0	0	0	0
39	3,058,888	2,984,434	2,960,549	2,948,439	3,071,183	2,703,110	2,474,298	2,256,269	2,175,953	2,091,574	1,557,965
40	31,065,000	30,650,000	30,100,000	29,520,000	35,655,000	34,920,000	34,135,000	33,310,000	32,430,000	39,500,000	38,390,000
41	45,13%	41.57%	40.65%	37.61%	45.42%	41.97%	41.03%	37.77%	36.77%	42.25%	41.07%
42	15,652,406	16,341,111	17,060,120	17,810,766	12,046,939	12,577,005	13,130,393	13,708,130	14,311,288	7,180,984	7,496,948

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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	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581
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 FEE RATE @ (at permit, one year before home completed)	10,108	10,613	11,144	11,701	12,286	12,900	13,545	14,223	14,934	15,681
7 TOWNHOME DEVELOPMENT FEE RATE @ (at permit, one year before home completed)	7,581	7,960	8,358	8,776	9,215	9,675	10,159	10,667	11,200	11,760
8 APARTMENT DEVELOPMENT 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)	93,485,527	99,094,659	99,094,659	105,040,339	111,342,759	111,342,759	111,342,759	118,023,324	118,023,324	125,104,724
10 MILL LEVY	30.00	30.00	30.00	30.00	40.00	40.00	40.00	40.00	40.00	40.00
REVENUES:										
11 PROPERTY TAXES	2,804,566	2,972,840	2,972,840	3,151,210	4,201,614	4,453,710	4,453,710	4,720,933	4,720,933	5,004,189
12 SPECIFIC OWNERSHIP TAXES @ 6% OF PROF. TAXES	168,274	178,370	178,370	189,073	252,097	267,223	267,223	283,256	283,256	300,251
13 SINGLE FAMILY DEVELOPMENT FEES @ PERMIT	0	0	0	0	0	0	0	0	0	0
14 TOWNHOME DEVELOPMENT FEE @ PERMIT	0	0	0	0	0	0	0	0	0	0
15 APARTMENT DEVELOPMENT FEE @ PERMIT	0	0	0	0	0	0	0	0	0	0
16 INTEREST INCOME - CAPITALIZED INTEREST	65,279	62,747	46,739	30,706	19,663	8,288	1,921	27,950	51,232	57,219
17 INTEREST INCOME - OTHER @ 3%	3,038,118	3,213,957	3,197,949	3,370,989	4,473,373	4,729,221	4,722,854	5,032,139	5,065,421	5,361,660
18 TOTAL REVENUES	84,137	89,185	89,185	94,536	126,048	133,611	133,611	141,628	141,628	150,126
EXPENDITURES:										
19 3.0% JEFFCO COUNTY TREASURER'S COLLECTION FEE	521,900	523,100	523,400	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)	1,304,400	1,308,800	1,306,100	1,306,600	1,305,000	1,306,300	1,305,200	1,306,700	1,305,500	1,306,600
21 SERIES 2012 G.O. BONDS DEBT SERVICE (SCH. 2)	559,700	558,600	556,900	559,600	556,400	557,600	557,900	557,300	560,800	558,100
22 SERIES 2015 G.O. BONDS DEBT SERVICE (SCH. 2)	489,600	492,400	488,600	491,500	487,800	488,800	489,200	489,000	488,200	491,800
23 SERIES 2020 G.O. BONDS DEBT SERVICE (SCH. 2)	602,800	600,000	601,900	598,200	599,200	599,600	599,400	598,600	602,200	599,900
24 SERIES 2025 G.O. BONDS DEBT SERVICE (SCH. 2)	0	0	0	0	0	0	1,239,000	1,240,500	1,241,100	1,240,800
25 SERIES 2032 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
26 BOND PAYING AGENT FEES	3,572,537	3,582,085	3,577,085	3,583,236	3,605,748	3,619,811	4,856,611	4,866,528	4,871,528	4,882,526
27 TOTAL EXPENDITURES	(534,419)	(368,128)	(379,136)	(212,247)	867,624	1,109,410	(133,757)	165,611	193,893	479,134
28 EXCESS REVENUES OVER (UNDER) EXPENDITURES	1,557,965	1,023,546	655,418	276,282	64,035	931,659	2,041,070	1,907,312	2,072,923	2,266,816
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	(16,393,000)	0	0	0	0
31 PROCEEDS FROM G.O. BONDS (SCH. 2)	0	0	0	0	0	16,900,000	0	0	0	0
32 COSTS OF BOND ISSUANCE	0	0	0	0	0	(507,000)	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	1,023,546	655,418	276,282	64,035	931,659	2,041,070	1,907,312	2,072,923	2,266,816	2,745,950
36 FUND BALANCE - DECEMBER 31	1,023,546	655,418	276,282	64,035	931,659	2,041,070	1,907,312	2,072,923	2,266,816	2,745,950
37 Restricted - Bond Proceeds	0	0	0	0	0	0	0	0	0	0
38 Unrestricted	1,023,546	655,418	276,282	64,035	931,659	2,041,070	1,907,312	2,072,923	2,266,816	2,745,950
39 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	37,215,000	35,965,000	34,645,000	33,245,000	31,770,000	47,100,000	45,215,000	43,215,000	41,090,000	38,835,000
40 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	37.56%	36.29%	32.98%	31.65%	28.53%	42.30%	38.31%	36.62%	32.84%	31.04%
41 TOTAL DEVELOPER CAPITAL LOANS @ 4.40% COMPOUNDED	7,826,813	8,171,193	8,530,726	8,906,078	9,297,945	0	0	0	0	0
42 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

	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	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581
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 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 FEE RATE @ (at permit, one year before home completed)	12,348	12,966	13,614	14,295	15,010	15,760	16,548	17,375	18,244	19,156
8 APARTMENT DEVELOPMENT 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)	125,104,724	132,611,007	132,611,007	140,567,668	140,567,668	149,001,728	149,001,728	157,941,831	157,941,831	167,418,341
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	5,004,189	5,304,440	5,304,440	5,622,707	5,622,707	5,960,069	5,960,069	6,317,673	6,317,673	6,686,734
12 SPECIFIC OWNERSHIP TAXES @ 6% OF PROF. TAXES	300,251	318,266	318,266	337,362	337,362	357,604	357,604	379,060	379,060	401,804
13 SINGLE FAMILY DEVELOPMENT FEES @ PERMIT	0	0	0	0	0	0	0	0	0	0
14 TOWNHOME DEVELOPMENT FEE @ PERMIT	0	0	0	0	0	0	0	0	0	0
15 APARTMENT DEVELOPMENT 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%	62,188	68,004	82,379	97,061	121,138	145,850	179,653	230,963	290,120	382,802
18 TOTAL REVENUES	5,366,628	5,690,711	5,705,085	6,057,130	6,081,207	6,463,524	6,497,326	6,927,696	6,986,854	7,491,340
EXPENDITURES:										
19 3.0% JEFFCO COUNTY TREASURER'S COLLECTION FEE	150,126	159,133	159,133	168,681	168,681	178,802	178,802	189,530	189,530	200,902
20 SERIES 2010 G.O. BONDS NON-RATED DEBT SERVICE (SCH. 2)	519,800	520,200	519,100	556,500	0	0	0	0	0	0
21 SERIES 2012 G.O. BONDS DEBT SERVICE (SCH. 2)	1,304,700	1,304,800	1,306,600	1,304,800	1,304,400	1,415,100	0	0	0	0
22 SERIES 2015 G.O. BONDS DEBT SERVICE (SCH. 2)	559,500	559,700	558,700	556,500	558,100	558,200	556,800	558,900	604,200	0
23 SERIES 2020 G.O. BONDS DEBT SERVICE (SCH. 2)	489,500	491,600	487,800	493,400	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	596,800	598,500	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	1,239,200	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	5,000
27 TOTAL EXPENDITURES	4,877,226	4,888,133	4,881,333	4,930,381	4,370,881	4,491,602	3,074,602	3,090,330	3,134,630	19,604,902
28 EXCESS REVENUES OVER (UNDER) EXPENDITURES	489,402	802,578	823,752	1,126,748	1,710,326	1,971,922	3,422,724	3,837,366	3,852,224	(12,113,562)
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	2,745,950	3,235,352	4,037,930	4,861,682	5,988,431	7,698,757	9,670,678	13,093,402	16,930,769	20,782,992
36 FUND BALANCE - DECEMBER 31	3,235,352	4,037,930	4,861,682	5,988,431	7,698,757	9,670,678	13,093,402	16,930,769	20,782,992	8,669,430
37 Restricted - Bond Proceeds	0	0	0	0	0	0	0	0	0	0
38 Unrestricted	3,235,352	4,037,930	4,861,682	5,988,431	7,698,757	9,670,678	13,093,402	16,930,769	20,782,992	8,669,430
40 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	36,450,000	33,920,000	31,245,000	28,370,000	25,880,000	23,130,000	21,630,000	20,035,000	18,300,000	0
41 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	27.49%	25.58%	22.23%	20.18%	17.37%	15.52%	13.69%	12.69%	10.93%	0.00%
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

	<u>TOTALS</u>
EXHIBIT 1 - CASH FLOW FORECAST - DEBT SERVICE FUNDS ONL ¹	
1 INCREMENTAL HOMES DEVELOPED (SCHEDULE 1)	1,581
2 CUMULATIVE HOMES DEVELOPED	1,581
3 INCREMENTAL TOWNHOME UNITS (SCH. 1)	276
4 INCREMENTAL SINGLE FAMILY HOMES (SCH. 1)	890
5 INCREMENTAL APARTMENT UNITS (SCH. 1)	415
6 SINGLE FAMILY DEVELOPMENT FEE RATE @ (at permit, one year before home completed)	
7 TOWNHOME DEVELOPMENT FEE RATE @ (at permit, one year before home completed)	
8 APARTMENT DEVELOPMENT FEE RATE @ (at permit, one year before home completed)	
9 ASSESSED VALUATION @ 6% EVERY OTHER YEAR (SCH. 1)	
10 MILL LEVY	
REVENUES:	
11 PROPERTY TAXES	130,848,159
12 SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	7,850,890
13 SINGLE FAMILY DEVELOPMENT FEES @ PERMIT	3,773,371
14 TOWNHOME DEVELOPMENT FEE @ PERMIT	973,966
15 APARTMENT DEVELOPMENT FEE @ PERMIT	777,574
16 INTEREST INCOME - CAPITALIZED INTEREST	0
17 INTEREST INCOME - OTHER @ 3%	3,306,015
18 TOTAL REVENUES	<u>147,529,975</u>
EXPENDITURES:	
19 3.0% JEFFCO COUNTY TREASURER'S COLLECTION FEE	3,925,445
20 SERIES 2010 G.O. BONDS NON-RATED DEBT SERVICE (SCH. 2)	15,477,700
21 SERIES 2012 G.O. BONDS DEBT SERVICE (SCH. 2)	39,293,700
22 SERIES 2015 G.O. BONDS DEBT SERVICE (SCH. 2)	16,587,000
23 SERIES 2020 G.O. BONDS DEBT SERVICE (SCH. 2)	14,469,300
24 SERIES 2025 G.O. BONDS DEBT SERVICE (SCH. 2)	15,796,100
25 SERIES 2032 G.O. BONDS DEBT SERVICE (SCH. 2)	29,509,300
26 BOND PAYING AGENT FEES	302,000
27 TOTAL EXPENDITURES	<u>135,360,545</u>
28 EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>12,169,430</u>
OTHER FINANCING SOURCES (USES):	
29 DEVELOPER CAPITAL LOANS	39,046,848
30 REPAYMENT OF DEVELOPER CAPITAL LOANS & INTEREST	(65,725,500)
31 PROCEEDS FROM G.O. BONDS (SCH. 2)	64,150,000
32 COSTS OF BOND ISSUANCE	(1,924,500)
33 INFRASTRUCTURE COSTS (INFLATED @ 5% ANNUALLY)	(39,046,848)
34 TOTAL OTHER FINANCING SOURCES	<u>(3,500,000)</u>
35 FUND BALANCE - JANUARY 1	0
36 FUND BALANCE - DECEMBER 31	<u>8,669,430</u>
37 Restricted - Bond Proceeds	<u>8,669,430</u>
38 Unrestricted	
39 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	0
40 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	
41 TOTAL DEVELOPER CAPITAL LOANS @ 4.40% COMPOUNDED	
42	

SEE CONSULTANT'S REPORT AND DISCLAIMER.

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	2006	2007	2008	2009	2010	2011	2012	2013	2014
Residential:												
Phase 1 - Single Family Detached (SFD) - 70's	30	650,000	19,500,000	0	0	20	10	0	0	0	0	0
Phase 1 - Single Family Detached (SFD) - 65's	30	630,000	18,900,000	0	0	20	10	0	0	0	0	0
Phase 1 - Single Family Detached (SFD) - 60's	30	575,000	17,250,000	0	0	20	10	0	0	0	0	0
Phase 1 - Single Family Detached (SFD) - 80's	33	850,000	28,050,000	0	0	8	16	9	0	0	0	0
Phase 2 - Single Family Detached (SFD) - 70's	112	650,000	72,800,000	0	0	0	30	40	40	2	0	0
Phase 2 - Single Family Detached (SFD) - 65's	112	630,000	70,560,000	0	0	0	30	40	40	2	0	0
Phase 2 - Single Family Detached (SFD) - 60's	112	575,000	64,400,000	0	0	0	30	40	40	2	0	0
Phase 2 - Single Family Detached (SFD) - 80's	112	575,000	64,400,000	0	0	0	30	40	40	2	0	0
Phase 2 - Richmond Lots	83	630,000	52,290,000	0	0	0	30	40	13	0	0	0
Phase 3 - Single Family Detached (SFD) - Patios	62	475,000	29,450,000	0	0	0	0	40	22	0	0	0
Phase 3 - Single Family Detached (SFD) - Patios	62	475,000	29,450,000	0	0	0	0	40	22	0	0	0
Phase 3 - Single Family Detached (SFD) - 80's	82	850,000	69,700,000	0	0	0	0	11	20	20	20	20
Townhomes	276	325,000	89,700,000	0	0	0	0	30	60	60	60	60
Apartments	159	120,000	19,080,000	0	0	0	0	30	60	60	60	9
Marvin Simon - Single Family Detached (SFD) - 65's	30	630,000	18,900,000	0	0	0	0	15	15	0	0	0
Extendicare Apartments	256	120,000	30,720,000	0	0	0	0	0	0	0	0	51
Total Residential	1,581	439,690	695,150,000	0	0	68	196	375	372	148	140	140
Commercial:												
Total Commercial Sq Ft	0	0.00	0	0	0	0	0	0	0	0	0	0
Totals	0	0.00	0	0	0	0	0	0	0	0	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
 FORECASTED BUILDOUT AND ASSESSED VALUATION
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2021

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	850,000	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	630,000	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	630,000	52,290,000
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	82	850,000	69,700,000
Townhomes	276	325,000	89,700,000
Apartments	159	120,000	19,080,000
Marvin Simon - Single Family Detached (SFD) - 65's	30	630,000	18,900,000
Extendicare Apartments	256	120,000	30,720,000
Total Residential	1,581	439,690	695,150,000
Commercial:			
Total Commercial Sq Ft	0	0.00	0
Totals	0	0.00	0

SOURCE: CARMA

Estimated Values (Uninflated):

Estimated Value Of Single Family	9,350,000	0	0	0	0	0	0	0	0
Estimated Value Of Townhome	19,500,000	1,950,000	0	0	0	0	0	0	0
Estimated Value Of Apartments	7,200,000	7,200,000	7,200,000	3,000,000	0	0	0	0	0
Estimated Value Of Buildout - Entire Project (Uninflated)	36,050,000	9,150,000	7,200,000	3,000,000	0	0	0	0	0

Proj. Assessed Value - Incremental:

Estimated Value Of Single Family @ 7.96%	744,260	0	0	0	0	0	0	0	0
Estimated Value Of Townhomes @ 7.96%	1,552,200	155,220	0	0	0	0	0	0	0
Estimated Value Of Apartments @ 7.96%	573,120	573,120	573,120	238,800	0	0	0	0	0
Vacant Land	(375,000)	(375,000)	0	0	0	0	0	0	0
Total Incremental Assessed Valuation - All Sources	2,494,580	353,340	573,120	238,800	0	0	0	0	0
Proj. Assessed Value By Year - Cumulative (Uninflated):	54,168,680	54,522,020	55,095,140	55,333,940	55,333,940	55,333,940	55,333,940	55,333,940	55,333,940
Year Assessed Value By Year - Cumulative (inflated 6% Every Other Year):	66,386,710	68,832,794	73,729,726	74,049,294	78,492,251	83,201,787	88,000,000	92,800,000	97,600,000
Year Assessed Valuation Certified	2015	2016	2017	2018	2019	2020	2021	2022	2023

Year Taxes Received

SEE CONSULTANT'S REPORT AND DISCLAIMER.

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

BUILDOUT/LANDUSE (INCLUDING LOT VALUES):

Description of Units/Planning Area	Planned Number Unit	Average Per Unit Price	Total Gross Unit Volume	TOTALS
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) - 80's	30	575,000	17,250,000	30
Phase 1 - Single Family Detached (SFD) - 80's	33	850,000	28,050,000	33
Phase 2 - Single Family Detached (SFD) - 70's	112	650,000	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 Lots	83	630,000	52,290,000	83
Phase 3 - Single Family Detached (SFD) - Patios	62	475,000	29,450,000	62
Phase 3 - Single Family Detached (SFD) - Patios	62	475,000	29,450,000	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	120,000	19,080,000	159
Marvin Simon - Single Family Detached (SFD) - 65's	30	630,000	18,900,000	30
Extendicare Apartments	256	120,000	30,720,000	256
Total Residential	1,581	439,690	695,150,000	1,581
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	555,650,000
Estimated Value Of Townhome	89,700,000
Estimated Value Of Apartments	49,800,000
Estimated Value Of Buildout - Entire Project (Uninflated)	695,150,000

Proj. Assessed Value - Incremental:

Estimated Value Of Single Family @ 7.96%	44,229,740
Estimated Value Of Townhomes @ 7.96%	7,140,120
Vacant Land	0
Total Incremental Assessed Valuation - All Sources	55,333,940

Proj. Assessed Value By Year - Cumulative (Uninflated):

Proj. Assessed Value By Year - Cumulative (inflated 6% Every Other Year):	55,333,940
Year Assessed Valuation Certified	83,201,787

Year Taxes Received

SEE CONSULTANT'S REPORT AND DISCLAIMER.

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	17,460,000	0	540,000	18,000,000
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	62,225,500	0	1,924,500	64,150,000

ANNUAL DEBT SERVICE REQUIREMENTS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
10/01/2010 NON-RATED	0	0	0	0	0	420,000	420,000	520,000	524,000	522,400
10/01/2012 NON-RATED	0	0	0	0	0	0	0	1,305,000	1,306,500	1,307,100
10/01/2015 NON-RATED	0	0	0	0	0	0	0	0	0	0
10/01/2020 NON-RATED	0	0	0	0	0	0	0	0	0	0
10/01/2025 NON-RATED	0	0	0	0	0	0	0	0	0	0
10/01/2032 NON-RATED	0	0	0	0	0	420,000	420,000	1,825,000	1,830,500	1,829,500
TOTALS	0	0	0	0	0	420,000	420,000	1,825,000	1,830,500	1,829,500
DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:										
10/01/2010 NON-RATED	0	0	0	0	0	0	0	100,000	110,000	115,000
INTEREST @ 6.00%	0	0	0	0	0	420,000	420,000	420,000	414,000	407,400
TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	420,000	420,000	520,000	524,000	522,400
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
10/01/2012 NON-RATED	0	0	0	0	0	0	0	225,000	240,000	255,000
INTEREST @ 6.00%	0	0	0	0	0	0	0	1,080,000	1,066,500	1,052,100
TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	1,305,000	1,306,500	1,307,100
TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	18,000,000	17,775,000	17,535,000	17,280,000
10/01/2015 NON-RATED	0	0	0	0	0	0	0	0	0	0
INTEREST @ 6.00%	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE REQUIREMENTS	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
10/01/2020 NON-RATED	0	0	0	0	0	0	0	0	0	0
INTEREST @ 6.00%	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE REQUIREMENTS	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
10/01/2025 NON-RATED	0	0	0	0	0	0	0	0	0	0
INTEREST @ 6.00%	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE REQUIREMENTS	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
10/01/2032 NON-RATED	0	0	0	0	0	0	0	0	0	0
INTEREST @ 6.00%	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE REQUIREMENTS	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
TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/31	0	0	0	0	7,000,000	7,000,000	25,000,000	24,675,000	24,325,000	31,455,000

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	SIZE OF GENERAL OBLIGATION BOND ISSUES			GROSS BOND ISSUE
	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	
10/01/2010 NON-RATED	6,790,000	0	210,000	7,000,000
10/01/2012 NON-RATED	17,460,000	0	540,000	18,000,000
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	62,225,500	0	1,924,500	64,150,000

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

BOND ISSUE DATE	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
10/01/2010 NON-RATED	120,000	130,000	135,000	145,000	155,000	160,000	170,000	180,000	195,000	205,000
PRINCIPAL REDUCTION	400,500	393,300	385,500	377,400	368,700	359,400	349,800	339,500	328,800	317,100
INTEREST @ 6.0%	520,500	1,306,800	1,308,500	1,305,200	1,306,000	1,305,600	1,309,000	1,305,900	1,306,600	1,305,800
TOTAL DEBT SERVICE REQUIREMENTS	6,555,000	6,425,000	6,290,000	6,145,000	5,990,000	5,830,000	5,660,000	5,480,000	5,285,000	5,080,000
TOTAL G.O. BONDS OUTSTANDING @ 12/31	270,000	285,000	305,000	320,000	340,000	360,000	385,000	405,000	430,000	455,000
10/01/2012 NON-RATED	1,036,800	1,020,600	1,003,500	985,200	966,000	945,600	924,000	900,900	876,600	850,800
PRINCIPAL REDUCTION	1,306,800	1,305,600	1,308,500	1,305,200	1,306,000	1,305,600	1,309,000	1,305,900	1,306,600	1,305,800
INTEREST @ 6.00%	17,010,000	16,725,000	16,420,000	16,100,000	15,760,000	15,400,000	15,015,000	14,610,000	14,180,000	13,725,000
TOTAL DEBT SERVICE REQUIREMENTS	450,000	450,000	450,000	443,400	436,500	429,300	421,500	413,100	404,400	395,100
TOTAL G.O. BONDS OUTSTANDING @ 12/31	7,500,000	7,500,000	7,390,000	7,275,000	7,155,000	7,025,000	6,885,000	6,740,000	6,585,000	6,420,000
10/01/2015 NON-RATED	0	0	110,000	115,000	120,000	130,000	140,000	145,000	155,000	165,000
PRINCIPAL REDUCTION	450,000	450,000	450,000	443,400	436,500	429,300	421,500	413,100	404,400	395,100
INTEREST @ 6.00%	450,000	450,000	450,000	443,400	436,500	429,300	421,500	413,100	404,400	395,100
TOTAL DEBT SERVICE REQUIREMENTS	7,500,000	7,500,000	7,390,000	7,275,000	7,155,000	7,025,000	6,885,000	6,740,000	6,585,000	6,420,000
TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	85,000	90,000	95,000	100,000	105,000
10/01/2020 NON-RATED	0	0	0	0	0	405,000	399,900	394,500	388,800	382,800
PRINCIPAL REDUCTION	0	0	0	0	0	490,000	489,900	489,500	488,800	487,800
INTEREST @ 6.00%	0	0	0	0	0	6,665,000	6,575,000	6,480,000	6,380,000	6,275,000
TOTAL DEBT SERVICE REQUIREMENTS	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
10/01/2025 NON-RATED	0	0	0	0	0	0	0	0	0	0
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0
INTEREST @ 6.00%	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE REQUIREMENTS	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
10/01/2032 NON-RATED	0	0	0	0	0	0	0	0	0	0
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0
INTEREST @ 6.00%	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE REQUIREMENTS	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
TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/31	31,065,000	30,650,000	30,100,000	29,520,000	35,655,000	34,920,000	34,135,000	33,310,000	32,430,000	31,500,000

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	17,460,000	0	540,000	18,000,000
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	62,225,500	0	1,924,500	64,150,000

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

BOND ISSUE DATE	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0%	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	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	215,000	230,000	245,000	260,000	275,000	290,000	310,000	325,000	345,000	365,000
10/01/2012 NON-RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	304,800	291,900	278,100	263,400	247,800	231,300	213,900	195,300	175,800	155,100
10/01/2015 NON -RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	519,800	521,900	523,100	523,400	522,800	521,300	523,900	520,300	520,800	520,100
10/01/2020 NON -RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	4,865,000	4,655,000	4,390,000	4,130,000	3,855,000	3,565,000	3,255,000	2,930,000	2,585,000	2,220,000
10/01/2025 NON -RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	485,000	510,000	545,000	575,000	610,000	645,000	685,000	725,000	770,000	815,000
10/01/2032 NON -RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	823,500	794,400	763,800	731,100	696,600	660,000	621,300	580,200	536,700	490,500
TOTALS	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	1,308,500	1,304,400	1,308,800	1,306,100	1,306,600	1,305,000	1,306,300	1,305,200	1,306,700	1,305,500
10/01/2010 NON -RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	13,240,000	12,730,000	12,185,000	11,610,000	11,000,000	10,355,000	9,670,000	8,945,000	8,175,000	7,360,000
10/01/2012 NON -RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	175,000	185,000	195,000	205,000	220,000	230,000	245,000	260,000	275,000	295,000
10/01/2015 NON -RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	385,200	374,700	363,600	351,900	339,600	326,400	312,600	297,900	282,300	265,800
10/01/2020 NON -RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	6,245,000	6,060,000	5,865,000	5,660,000	5,440,000	5,210,000	4,965,000	4,705,000	4,430,000	4,135,000
10/01/2025 NON -RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	115,000	120,000	130,000	135,000	145,000	150,000	160,000	170,000	180,000	190,000
10/01/2032 NON -RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	376,500	369,600	362,400	354,600	346,500	337,800	328,800	319,200	309,000	298,200
TOTALS	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	491,500	489,600	482,400	489,600	491,500	487,800	488,800	489,200	498,000	488,200
10/01/2010 NON -RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	9,160,000	9,040,000	8,910,000	8,775,000	8,630,000	8,480,000	8,320,000	8,150,000	7,970,000	7,800,000
10/01/2012 NON -RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	120,000	130,000	135,000	145,000	150,000	160,000	170,000	180,000	190,000	205,000
10/01/2015 NON -RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	480,000	472,800	465,000	456,900	448,200	439,200	429,600	419,400	408,600	397,200
10/01/2020 NON -RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	600,000	602,800	600,000	601,900	598,200	599,200	599,600	599,400	598,600	602,200
10/01/2025 NON -RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	7,880,000	7,750,000	7,615,000	7,470,000	7,320,000	7,160,000	6,990,000	6,810,000	6,620,000	6,415,000
10/01/2032 NON -RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0
TOTALS	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0%	TOTAL DEBT SERVICE REQUIREMENTS	TOTAL G.O. BONDS OUTSTANDING @ 12/31	38,390,000	37,215,000	35,965,000	34,645,000	33,245,000	31,770,000	47,100,000	45,215,000	43,215,000	41,090,000

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	17,460,000	0	540,000	18,000,000
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	62,225,500	0	1,924,500	64,150,000

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	390,000	410,000	800,000	410,000
	133,200	109,800	243,000	109,800
	523,200	519,800	1,043,000	519,800
TOTALS	1,046,400	1,429,600	2,476,000	1,429,600
10/01/2012 NON-RATED	865,000	915,000	1,780,000	915,000
	441,600	389,700	831,300	389,700
	1,306,600	1,304,700	2,611,300	1,304,700
TOTALS	6,495,000	5,680,000	12,175,000	5,680,000
10/01/2015 NON-RATED	310,000	330,000	640,000	330,000
	248,100	229,500	477,600	229,500
	568,100	559,500	1,127,600	559,500
TOTALS	3,825,000	3,495,000	7,320,000	3,495,000
10/01/2020 NON-RATED	205,000	215,000	420,000	215,000
	286,800	274,500	561,300	274,500
	491,800	489,500	981,300	489,500
TOTALS	4,575,000	4,360,000	8,935,000	4,360,000
10/01/2025 NON-RATED	215,000	230,000	445,000	230,000
	384,900	372,000	756,900	372,000
	599,900	602,000	1,201,900	602,000
TOTALS	6,200,000	5,970,000	12,170,000	5,970,000
10/01/2032 NON-RATED	270,000	285,000	555,000	285,000
	970,800	954,600	1,925,400	954,600
	1,240,800	1,239,600	2,480,400	1,239,600
TOTALS	15,910,000	15,625,000	31,535,000	15,625,000

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

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

SIZE OF GENERAL OBLIGATION 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	17,460,000	0	540,000	18,000,000	
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	52,225,500	0	1,924,500	94,150,000	

2046	TOTALS
0	15,477,700
0	39,293,700
0	16,587,000
2,220,700	14,469,300
3,789,500	15,796,100
13,387,800	29,509,300
19,398,000	131,133,100

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

10/01/2010 NON-RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.0% TOTAL DEBT SERVICE REQUIREMENTS TOTAL G.O. BONDS OUTSTANDING @ 12/31	0 0 0 0	7,000,000 8,477,700 15,477,700 0
10/01/2012 NON-RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.00% TOTAL DEBT SERVICE REQUIREMENTS TOTAL G.O. BONDS OUTSTANDING @ 12/31	0 0 0 0	18,000,000 21,293,700 39,293,700 0
10/01/2015 NON -RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.00% TOTAL DEBT SERVICE REQUIREMENTS TOTAL G.O. BONDS OUTSTANDING @ 12/31	0 0 0 0	7,500,000 9,087,000 16,587,000 0
10/01/2020 NON -RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.00% TOTAL DEBT SERVICE REQUIREMENTS TOTAL G.O. BONDS OUTSTANDING @ 12/31	2,095,000 125,700 2,220,700 0	6,750,000 7,719,300 14,469,300 0
10/01/2025 NON-RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.00% TOTAL DEBT SERVICE REQUIREMENTS TOTAL G.O. BONDS OUTSTANDING @ 12/31	3,575,000 214,500 3,789,500 0	8,000,000 7,796,100 15,796,100 0
10/01/2032 NON-RATED	NEW\$ 30 YR	PRINCIPAL REDUCTION INTEREST @ 6.00% TOTAL DEBT SERVICE REQUIREMENTS TOTAL G.O. BONDS OUTSTANDING @ 12/31	12,630,000 757,800 13,387,800 0	16,900,000 12,609,300 29,509,300 0
TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/31			0	0

SEE CONSULTANT'S REPORT AND DISCLAIMER.

DRAFT 8-20-07

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1	0	0	68	196	375	372	148	140	131	66	60	25	0
2	0	0	68	264	639	1,011	1,159	1,299	1,430	1,496	1,556	1,581	1,581
3	0	0	22	133	388	762	1,060	1,205	1,342	1,482	1,516	1,564	1,561
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	9,486,606	16,547,512	35,024,512	50,652,117	57,848,338	61,544,690	66,386,710	68,832,794	73,729,726
9	0	0	0	0	0	0	0	0	0	0	0	0	0
REVENUES:													
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	348,975	719,863	1,051,626	1,255,653	1,468,340	1,667,592	1,828,185	1,980,951	2,102,271
13	0	0	0	500,000	650,000	380,000	0	0	0	0	0	0	0
14	0	0	0	506	2,100	4,969	9,473	10,989	15,253	22,590	30,089	39,323	51,091
15	0	0	20,196	620,018	1,001,075	1,104,833	1,061,099	1,266,642	1,484,598	1,690,172	1,856,274	2,020,274	2,153,362
EXPENDITURES - (SOURCE: CARMA, INC.)													
16	0	0	0	0	0	0	0	0	0	0	0	0	0
17	0	0	0	118,380	138,920	156,773	186,538	233,004	247,499	279,991	312,174	327,782	344,171
18	0	0	0	27,100	290,275	302,934	317,943	329,255	349,423	365,849	387,336	406,703	427,038
19	0	0	0	142,200	163,495	169,334	174,599	180,375	184,925	191,572	199,581	209,560	220,038
20	0	0	0	93,500	114,425	118,169	120,782	125,066	127,322	132,351	137,753	144,641	151,873
21	0	0	0	189,050	198,300	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	253,536	266,213	279,523
23	0	0	0	570,230	905,415	954,709	1,010,553	1,091,001	1,273,874	1,439,871	1,550,480	1,628,004	1,709,404
24	0	0	20,196	49,788	95,660	150,124	50,537	175,641	210,725	250,301	307,794	392,270	443,958
25	0	0	0	20,196	69,984	165,643	315,767	366,304	541,945	752,670	1,002,970	1,310,764	1,703,034
26	0	0	20,196	69,984	165,643	315,767	366,304	541,945	752,670	1,002,970	1,310,764	1,703,034	2,146,992

SEE CONSULTANT'S REPORT AND DISCLAIMER.

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	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581
3 CUMULATIVE HOMES FOR SERVICE FEE (PRIOR YR +1/3 CURRENT YR)	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581
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 REGULATION AND ADMIN. ANNUAL SERVICE CHARGE PER UNIT	1,396	1,466	1,539	1,616	1,697	1,782	1,871	1,965	2,063	2,166	2,274	2,388
7 MONTHLY CHARGE PER UNIT (5% INCREASE BEGIN IN 2011)	116	122	128	135	141	148	156	164	172	180	190	199
8 ASSESSED VALUATION (SCH. 1)	74,049,294	78,492,251	83,201,787	88,193,894	93,485,527	99,094,659	105,040,339					
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	2,207,385	2,317,754	2,433,642	2,555,324	2,683,090	2,817,245	2,958,107	3,106,012	3,261,313	3,424,379	3,595,597	3,775,377
13 DEVELOPER CONTRIBUTION	0	0	0	0	0	0	0	0	0	0	0	0
14 INTEREST INCOME - OTHER @ 3%	64,410	78,717	94,073	110,539	128,181	147,069	167,275	188,878	211,957	236,600	262,896	290,941
15 TOTAL REVENUES	2,271,795	2,396,472	2,527,715	2,665,863	2,811,271	2,964,313	3,125,382	3,294,890	3,473,270	3,660,978	3,858,493	4,066,318
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	361,380	379,449	398,421	418,342	439,259	461,222	484,284	508,498	533,923	560,619	588,650	618,082
18 GROUNDS SCH 3	448,990	470,810	494,350	519,068	545,021	572,272	600,866	630,930	662,477	695,601	730,381	766,900
19 ADULT FACILITY SCH 3	231,040	242,592	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	175,812	184,603	193,833	203,524	213,701	224,386	235,605	247,385	259,754	272,742
21 UTILITIES SCH 3	301,098	316,153	331,961	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	323,583	339,762	356,751	374,588	393,318	412,983	433,633	455,314	478,080	501,984
23 TOTAL EXPENDITURES	1,794,875	1,884,618	1,978,849	2,077,792	2,181,681	2,290,766	2,405,304	2,525,569	2,651,847	2,784,440	2,923,662	3,069,845
24 EXCESS REVENUES OVER (UNDER) EXPENDITURES	476,920	511,853	548,865	588,071	629,590	673,548	720,078	769,321	821,423	876,539	934,832	996,473
25 FUND BALANCE - JANUARY 1	2,146,892	2,623,912	3,135,765	3,684,631	4,272,702	4,902,291	5,575,839	6,295,918	7,065,238	7,886,661	8,763,200	9,698,031
26 FUND BALANCE - DECEMBER 31	2,623,912	3,135,765	3,684,631	4,272,702	4,902,291	5,575,839	6,295,918	7,065,238	7,886,661	8,763,200	9,698,031	10,694,505

SEE CONSULTANT'S REPORT AND DISCLAIMER.

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	0	0	0	0	0	0	0	0	0	0	0
2	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581
3	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581
4	0	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0	0
6	2,507	2,633	2,764	2,903	3,048	3,200	3,360	3,528	3,705	3,890	4,084
7	209	219	230	242	254	267	280	294	309	324	340
8	105,040,339	111,342,759	111,342,759	118,023,324	118,023,324	125,104,724	125,104,724	132,611,007	132,611,007	140,567,668	140,567,668
9	0	0	0	0	0	0	0	0	0	0	0
REVENUES:											
10	0	0	0	0	0	0	0	0	0	0	0
11	0	0	0	0	0	0	0	0	0	0	0
12	3,964,146	4,162,353	4,370,471	4,588,995	4,818,444	5,059,367	5,312,335	5,577,952	5,856,849	6,149,692	6,457,176
13	0	0	0	0	0	0	0	0	0	0	0
14	320,835	352,684	386,600	422,701	461,109	501,956	545,379	591,523	640,541	692,592	747,847
15	4,284,981	4,515,038	4,757,072	5,011,695	5,279,554	5,561,323	5,857,714	6,169,475	6,497,390	6,842,284	7,205,024
EXPENDITURES - (SOURCE: CARMA, INC.)											
16	0	0	0	0	0	0	0	0	0	0	0
17	648,986	681,436	715,507	751,283	788,847	828,289	869,704	913,189	958,848	1,006,791	1,057,130
18	805,245	845,507	887,782	932,171	978,780	1,027,719	1,079,105	1,133,060	1,189,713	1,249,199	1,311,659
19	414,915	435,660	457,443	480,316	504,331	529,548	556,025	583,827	613,018	643,669	675,852
20	286,379	300,698	315,733	331,520	348,096	365,500	383,775	402,964	423,112	444,268	466,481
21	540,729	567,766	596,154	625,962	657,260	690,123	724,629	760,860	798,903	838,848	880,791
22	527,083	553,437	581,109	610,165	640,673	672,706	706,342	741,659	778,742	817,573	858,563
23	3,223,337	3,384,504	3,553,729	3,731,416	3,917,986	4,113,886	4,319,580	4,535,559	4,762,337	5,000,454	5,250,476
24	1,061,644	1,130,534	1,203,342	1,280,280	1,361,567	1,447,437	1,538,134	1,633,916	1,735,053	1,841,830	1,954,547
25	10,694,505	11,755,149	12,886,683	14,090,025	15,370,305	16,731,872	18,179,309	19,717,444	21,351,360	23,086,413	24,928,243
26	11,755,149	12,886,683	14,090,025	15,370,305	16,731,872	18,179,309	19,717,444	21,351,360	23,086,413	24,928,243	26,882,790

SEE CONSULTANT'S REPORT AND DISCLAIMER.

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	1,581
2 CUMULATIVE HOMES DEVELOPED	1,581	1,581	1,581	1,581	1,581	1,581
3 CUMULATIVE HOMES FOR SERVICE FEE (PRIOR YR +1/3 CURRENT YR)	1,581	1,581	1,581	1,581	1,581	1,581
4 INCREMENTAL COMMERCIAL SQUARE FEET (SCHEDULE 1)	0	0	0	0	0	0
5 CUMULATIVE COMMERCIAL SQUARE FEET	0	0	0	0	0	0
6 RECREATION AND ADMIN. ANNUAL SERVICE CHARGE PER UNIT	4,288	4,503	4,728	4,964	5,213	
7 MONTHLY CHARGE PER UNIT (5% INCREASE BEGIN IN 2011)	357	375	394	414	434	
8 ASSESSED VALUATION (SCH. 1)	149,001,728	149,001,728	157,941,831	157,941,831	167,418,341	
9 MILL LEVY	0	0	0	0	0	
REVENUES:						
10 PROPERTY TAXES @ 0 MILLS	0	0	0	0	0	0
11 SPECIFIC OWNERSHIP TAXES @ 6% OF PROP. TAXES	0	0	0	0	0	0
12 RECREATION/ADMINISTRATIVE SERVICE CHARGE FEES	6,780,035	7,119,037	7,474,989	7,848,738	8,241,175	141,480,045
13 DEVELOPER CONTRIBUTION	0	0	0	0	0	1,530,000
14 INTEREST INCOME - OTHER @ 3%	806,484	869,689	934,692	1,004,609	1,078,749	12,525,975
15 TOTAL REVENUES	7,586,519	7,987,726	8,409,650	8,853,347	9,319,925	155,536,021
EXPENDITURES - (SOURCE: CARMA, INC.)						
16 3.0% JEFFCO COUNTY TREASURER'S COLLECTION FEE	0	0	0	0	0	0
17 ADMINISTRATION SCH 3	1,109,987	1,165,486	1,223,761	1,284,949	1,349,196	23,450,749
18 GROUNDS SCH 3	1,377,242	1,448,104	1,518,409	1,594,329	1,674,046	29,390,610
19 ADULT FACILITY SCH 3	709,645	745,127	782,384	821,503	862,578	15,329,015
20 FAMILY FACILITY SCH 3	489,805	514,296	540,011	567,011	595,362	10,579,144
21 UTILITIES SCH 3	924,830	971,072	1,019,626	1,070,607	1,124,137	19,910,631
22 RESERVE SCH 3	901,491	946,566	993,894	1,043,589	1,095,768	18,298,721
23 TOTAL EXPENDITURES	5,513,000	5,788,650	6,078,063	6,381,987	6,701,086	116,958,870
24 EXCESS REVENUES OVER (UNDER) EXPENDITURES	2,073,519	2,199,076	2,331,588	2,471,360	2,618,838	38,577,150
25 FUND BALANCE - JANUARY 1	26,882,790	28,956,309	31,155,385	33,486,952	35,958,312	0
26 FUND BALANCE - DECEMBER 31	28,956,309	31,155,385	33,486,952	35,958,312	38,577,150	38,577,150

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

DRAFT 8-20-07

SCHEDULE 3 - GENERAL FUND OPERATING EXPENDITURE DETAIL

	2009	2010	2011	2012	2013	2014	2015	2016
EXPENSES								
ADMINISTRATIVE								
Property Management Fee	12,000	12,000	18,610	33,945	57,006	66,366	84,987	91,854
Accounting Management Fee	9,000	9,000	9,200	9,500	9,600	9,800	9,900	10,000
Property Insurance	31,500	36,000	38,700	40,500	47,500	43,650	44,100	50,000
General Legal	10,000	10,000	12,000	13,000	14,000	15,000	16,000	17,000
Collections Legal	500	1,200	2,400	6,000	12,000	12,000	14,400	18,000
Collections expense	180	720	1,800	4,200	7,200	9,600	12,000	18,000
Audit	0	11,000	11,000	11,500	12,000	13,000	14,000	15,000
Administrative (postage, printing, copies)	3,900	4,950	6,300	8,000	10,500	11,700	14,400	18,000
Website/newsletter	6,300	6,800	7,150	7,800	8,500	9,950	11,000	11,000
Contingency (5% increases)	45,000	47,250	49,613	52,093	54,698	57,433	60,304	63,320
TOTAL ADMINISTRATIVE EXPENDITURES	118,380	138,920	156,773	186,538	233,004	247,499	279,991	312,174
GROUPS								
Landscape contract	0	175,000	180,000	190,000	195,000	210,000	220,000	230,000
Irrigation repair	0	36,000	38,500	41,000	43,500	46,000	48,500	52,000
Tree and Shrub main/replacement	2,500	10,000	10,500	11,000	11,500	12,000	12,500	15,000
Common area flower main/replace	0	35,000	37,500	38,000	39,000	40,000	42,000	45,000
Snow Removal	3,100	6,000	6,150	6,400	7,000	7,700	8,400	9,000
Light maintenance/replacement	1,500	6,000	7,200	7,800	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	9,923	10,419	10,940	11,487	12,061	12,664
Pond supplies/chemicals	4,500	4,725	4,961	5,209	5,470	5,743	6,030	6,332
Additional Grounds	5,000	6,000	6,300	6,615	6,946	7,293	7,658	8,041
TOTAL GROUNDS EXPENDITURES	27,100	290,275	302,534	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	6,000	7,200	7,200	7,800	7,800	8,400	8,400
Pool Contract	50,000	51,000	52,500	53,500	54,500	56,500	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	5,500	5,500	6,000	6,000	6,000	6,500	7,500
Hot Tub maintenance	12,000	12,600	13,200	13,892	14,586	15,315	16,081	16,885
Hot Tub supplies/chemicals	6,000	6,300	6,615	6,946	7,293	7,658	8,041	8,443
Seasonal decorations	5,000	4,000	4,500	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	8,682	9,116	9,572	10,051	10,553
Fountain maintenance	3,000	2,800	2,100	2,100	3,000	3,000	3,600	4,200
Outside building maintenance	2,500	2,800	3,150	3,500	3,850	4,200	4,200	4,550
Indoor building maintenance	2,500	2,800	3,150	3,500	3,850	4,200	4,200	4,550
TOTAL ADULT FACILITY EXPENDITURES	142,200	163,495	169,334	174,589	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	7,300
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	3,500	3,700	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	8,682	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	4,550
Indoor building maintenance	2,500	2,800	3,150	3,500	3,850	4,200	4,200	4,550
TOTAL FAMILY FACILITY EXPENDITURES	93,500	114,425	118,169	120,782	125,066	127,322	132,351	137,753
UTILITIES								
Water	152,050	161,000	168,800	170,800	179,100	185,400	192,500	206,300
Electricity	37,000	37,300	39,100	39,900	44,200	48,000	50,600	53,800
TOTAL UTILITIES EXPENDITURES	189,050	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	1,010,563	1,091,001	1,273,874	1,439,871	1,550,480

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;