

MODIFICATION TO SERVICE PLAN
CHIMNEY ROCK METROPOLITAN DISTRICT

APPROVED: FEBRUARY 3, 1998

Submitted by: McGeady Sisneros, P.C.
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Denver, Colorado 80202
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LIST OF EXHIBITS

- Exhibit A Service Plan for Chimney Rock Metropolitan District
- Exhibit B Modification to Service Plan, Chimney Rock Metropolitan District
- Exhibit C Financial Plan
- Exhibit D Engineer's Estimate of Costs for Capital Improvements

INTRODUCTION

The Board of County Commissioners of Jefferson County, Colorado approved the Service Plan for the Chimney Rock Metropolitan District, attached hereto as Exhibit A. As of the date of this Modification, no development has occurred within the District's boundaries. It is anticipated that development of the properties within the District's boundaries will commence in mid-1998, which will require the District to finance and construct the public improvements anticipated in the Service Plan ("District Improvements"). The District's Board of Directors has reviewed the Service Plan and has determined that several changes are appropriate to facilitate the financing of the District Improvements.

MODIFICATION PURPOSE

The Service Plan provides on page 1 as follows:

The District is being formed solely to finance and construct certain public infrastructure improvements associated with the Development. These improvements, and the operating expenses of the District will be funded by the issuance of long-term debt in the form of limited tax obligation bonds, payable solely from ad valorem property tax revenues of the District, and any capital recovery fee imposed for improvements which do not serve all of the district. The mil levy rate imposed by the District will not exceed 30 mills. The capital recovery fee will not exceed \$300 per annum for any home.

The Service Plan further provides on page 5:

The construction of road and water and sanitation improvements for the District is to be financed through the issuance of limited tax obligation bonds, to be paid for over a term of twenty years through the ad valorem property tax revenues received by the district. The District will also be empowered to collect a capital recovery fee (the "Capital Recovery Fee"), not to exceed \$300 per year, against those property owners serviced by a sewage treatment lift station and specially benefitted by such improvement. The mill levies will not exceed 30 mills, and it is anticipated that actual mill levies will be from 20 to 25 mills. An increase in mill levy beyond 30 mills or increase of the Capital Recovery Fee above \$300 per annum per home will constitute a major modification, which will require County approval pursuant to Colorado statute.

On page 8:

The bonds will not be issued until the final plat of the Development has been approved.

There are four modifications to the Service Plan which are being proposed by the District's Board of Directors.

The first change is to allow the District to impose an operations and maintenance mill levy, which mill levy shall be limited pursuant to Colorado Statutes. Although the District will not operate or maintain any of the improvements which it constructs, it will incur administrative expenses related to its ongoing existence, including but not limited to, holding meetings, holding elections, providing insurance, preparing budgets, preparing audits and meeting other statutory obligations. The financial plan, attached hereto as Exhibit C, shows that a mill levy of Five (5) will allow the District to produce sufficient revenue to cover its anticipated administrative expenses once the assessed valuation in the District is \$8,520,000.

The second change is to allow Gallagher amendment adjustments to the thirty (30) mill levy cap attributable to debt service. The 30 mill levy cap currently in the Service Plan is an absolute cap without adjustment. The Colorado Constitution, Article X, Section 3, requires that the percentage of aggregate statewide valuation for assessment which is attributable to residential real property remain the same as it was in the year immediately preceding the year in which a change occurs in the level of value used in determining actual value. The Gallagher amendment (C.R.S. 39-1-104.2) provides the statutory mechanism whereby the assessment percentage applied to residential real estate is calculated. In 1993 the residential assessment percentage was 14.34%. From January 1, 1995, through December 31, 1996, the assessment percentage was 10.36%. Beginning January 1, 1997, the assessment percentage is 9.74%. The property within the boundaries of the District is 100% residential, so the Gallagher adjustments will have a significant impact on the District's assessed valuation and the dollars produced by a capped mill levy.

Since the approval of the Service Plan, the market has adjusted to accepting Colorado special district bonds with a mill levy cap. However, bondholders have required that the mill levy cap have a Gallagher adjustment. The Gallagher adjustment assures the bondholders that despite a reduction in the residential ratio for valuation, the mill levy cap will produce the same revenue. If the Gallagher adjustment is not included, as the residential assessment percentage decreases, the District receives less revenue from the imposition of ad valorem taxes on residential real estate. Adjusting the mill levy cap does not result in homeowners paying higher actual taxes; it results in homeowners paying the same actual tax amount regardless of the residential assessment percentage required by the statute. Including a Gallagher adjustment still satisfies the County's goal of protecting the taxpayers and providing a cap on the financial exposure of each taxpayer for the District's bonds.

The third change is to empower the District to adjust the Capital Recovery Fee based upon the consumer price index. The rationale for this is similar to the Gallagher adjustment. If the adjustment is not allowed, the District actually produces less money from the fee over time.

The fourth change is to clarify that bonds can be issued after the final plat for the initial phase of the Development has been obtained. It was appropriate, at the time the original Service Plan was approved, to condition the issuance of bonds on the final platting of the property. Since that time, it was determined that the project will be developed in phases. This change clarifies that the entire property does not have to be finally platted in order for bonds to be issued. Bonds may be issued upon the approval of the final plat for the initial phase of the Development.

Attached hereto as Exhibit B is a proposed Modified Service Plan for the Chimney Rock Metropolitan District which incorporates the four changes outlined herein. Attached hereto as Exhibit C is a new Financial Plan which shall replace the Financial Plan attached to the original Service Plan. Attached hereto as Exhibit D is an estimate of costs for capital improvements which shall replace Exhibit 7 of the original Service Plan—"Engineer's Opinion of Cost for Metropolitan District Capital Improvements."

EXHIBIT A

**ORIGINAL SERVICE PLAN FOR THE
CHIMNEY ROCK METROPOLITAN DISTRICT**

SERVICE PLAN

OF THE

CHIMNEY ROCK METROPOLITAN DISTRICT

07/20/95
CN-6060
DN-111212.5

TABLE OF CONTENTS

	PAGE
I. INTRODUCTION	1
A. General Overview	1
B. Overview of the Service Plan	1
II. DISTRICT BOUNDARIES; MAP	3
III. PURPOSE OF THE DISTRICT; DESCRIPTION OF AND NEED FOR SERVICES; INTERGOVERNMENTAL AGREEMENTS	3
IV. SCOPE OF DISTRICT POWERS	5
V. FINANCIAL PLAN; VALUATION ESTIMATE	5
VI. GENERAL DESCRIPTION OF FACILITIES; PRELIMINARY SERVICES	8
VII. GENERAL DESCRIPTION OF ORGANIZATIONAL COSTS	9
VIII. CONCLUSIONS	10

EXHIBITS

- Exhibit 1 - Map of Proposed District
- Exhibit 2 - Legal Description of Proposed District Boundaries
- Exhibit 3 - Development Agreement with Willowbrook Water and Sanitation District
- Exhibit 4 - Financial Plan (Mill Levy Analysis)
- Exhibit 5 - Preliminary Engineering Survey of Road Improvements to be Constructed Within the District
- Exhibit 6 - Preliminary Engineering Survey of Water and Sewer Facilities to be Constructed Within the District
- Exhibit 7 - Engineer's Opinion of Cost for Metropolitan District Capital Improvements
- Exhibit 8 - Data Regarding Home Value Estimates and Other Financial Assumptions

CHIMNEY ROCK METROPOLITAN DISTRICT

SERVICE PLAN

I. INTRODUCTION.

A. General Overview. This Service Plan (the "Service Plan") sets forth a proposal for the organization of a metropolitan district to be named Chimney Rock Metropolitan District (the "District"), the boundaries of which encompass approximately 136 acres in unincorporated Jefferson County, Colorado (the "County"). The District is being organized to serve the needs of a residential and mixed use project known as "Willow Springs Filing No. 11" (the "Development" or the "Project"), for which a proposed amended development plan has been submitted to Jefferson County for approval.

The District is being formed solely to finance and construct certain public infrastructure improvements associated with the Development. These improvements, and the operating expenses of the District will be funded by the issuance of long-term debt in the form of limited tax obligation bonds, payable solely from ad valorem property tax revenues of the District, and any capital recovery fee imposed for improvements which do not serve all of the District. The mill levy rate imposed by the District will not exceed 30 mills. The capital recovery fee will not exceed \$300 per annum for any home.

B. Overview of the Service Plan. The primary purpose of the Service Plan is to produce satisfactory evidence to the County that the following requirements of §§ 32-1-203(2) and 32-1-203(2.5), 13 C.R.S. (1994 Cum. Supp.) have been met:

§ 32-1-203(2):

- (a) That there is sufficient existing and projected need for organized service in the area to be served by the proposed special district;
- (b) That the existing service in the area to be served by the proposed special district is inadequate for present and projected needs;
- (c) That the proposed special district is capable of providing economical and sufficient service to the area within its proposed boundary; and
- (d) That the area to be included in the proposed special district has, or will have, the financial ability to discharge proposed indebtedness on a reasonable basis.

§ 32-1-203(2.5):

- (a) That adequate service is not, or will not be, available to the area through the County or other existing municipal or quasi-municipal corporations including special districts, within a reasonable time and on a comparable basis;
- (b) That the facility and service standards of the proposed District are compatible with the facility and service standards of the County and of each municipality which is an interested party under § 32-1-204(1);
- (c) That the proposal is in substantial compliance with the County master plan;
- (d) That the proposal is in compliance with any duly adopted County, regional or state long-range water quality management plan for the area; and
- (e) That the creation of the proposed District will be in the best interest of the area proposed to be served.

The Service Plan is submitted in accordance with the requirements of Title 32, Article 1 of the Colorado Revised Statutes, as amended (the "Special District Act"), and contains the requirements specified in Section 32-1-202(2) of the Special District Act.

This Service Plan has been prepared by the following persons:

1. Brownstein Hyatt Farber & Strickland, P.C., a professional corporation, 410 Seventeenth Street, 22nd Floor, Denver, Colorado 80202, attention: Thomas J. Mancuso, Esq., and Carrie A. Mineart, Esq.

2. Chimney Rock Limited Liability Company, a Wyoming limited liability company, 8000 E. Prentice Avenue, Suite B6, Englewood, Colorado, 80111, attention: William J. Klaess.

II. DISTRICT BOUNDARIES; MAP.

The area of the proposed District is generally located to the south of the intersection of State Highway 285 and State Highway 8, west of Fox Hills Road, and north and west of the existing Willow Springs subdivision. A map of the proposed District and a legal description of its boundaries are attached hereto as Exhibits 1 and 2, respectively. The District boundaries exclude certain parcels, such as proposed relocated portions of the Red Rocks Country Club golf course, and related facilities, and certain existing homes. The property within the District is all currently owned, or will be obtained by Willow Spring Development Company, Ltd., or related entities, upon approval of the site development plan amendment by Jefferson County.

III. PURPOSE OF THE DISTRICT; DESCRIPTION OF AND NEED FOR SERVICES; INTERGOVERNMENTAL AGREEMENTS.

The sole purpose of the District is to finance the construction of road improvements and water and sewer facilities within the District. The District will not be responsible for ongoing operations and maintenance of these facilities once they have been constructed and accepted.

The road improvements to be financed and constructed by the District include the extension and realignment of Belleview Avenue from Willow Springs Road to Turkey Creek, and construction of a bridge at Turkey Creek. These improvements are necessary for improved traffic flow and development within the District, as well as in surrounding areas. Once constructed, these improvements will become the property of Jefferson County, and will subsequently be maintained by the County.

The Willow Springs Development Company, Ltd., and Willowbrook Water and Sanitation District (the "Willowbrook District") have entered into a Development Agreement, dated May 11, 1995 (the "Development Agreement"), attached hereto as Exhibit 3.

The Development Agreement provides for 1) inclusion of the District within the Willowbrook District service area; 2) provision of sanitation services to the District; and 3) construction of certain sanitation facilities to be owned by the Willowbrook District. Once constructed, the water and sewer improvements will be deeded to Willowbrook District in accordance with the existing transfer procedures of Willowbrook District.

Existing Belleview Avenue will not adequately serve the properties within the District once they are developed, due to Belleview's current alignment and access points. Jefferson County has stated that it does not have adequate funds to address this issue. Water and sewer services are not available to this area at the present time. The Willowbrook District has stated that it will only provide ongoing services to the area within the District if the capital improvements set forth in this Service Plan are installed and deeded to the District. As a result, without these improvements, future service would not be available, and thus would not be adequate to support the proposed development, or any level of development, within the District. There are no other entities in existence in the area that are able and willing to undertake these improvements; as a result, the District is being organized to fund and construct the needed improvements.

The development of the property within the District is consistent with the County master plan and compatible with surrounding land uses. Further, wastewater from the Proposed Development will be delivered by the Willowbrook Water and Sanitation District to the Denver

Metropolitan Wastewater Reclamation District's (the "Metro Wastewater District's") Regional Treatment Facility at 58th and York. This is consistent with the Metro Wastewater District's approved "208 plan" for the area encompassing the District. That study includes the District property within the area to be served by the Regional Wastewater Treatment Facility.

IV. SCOPE OF DISTRICT POWERS.

The powers of the District will be exercised to the extent necessary to finance and construct road improvements and to finance and construct special facilities for water and sewer service in accordance with the Development Agreement. The District's powers include those described in Sections 32-1-1001 and 32-1-1006, to the extent reasonably necessary to fulfill the purposes set forth in this Service Plan.

V. FINANCIAL PLAN; VALUATION ESTIMATE.

The construction of road and water and sanitation improvements for the District is to be financed through the issuance of limited tax obligation bonds, to be paid for over a term of twenty years through the ad valorem property tax revenues received by the District. The District will also be empowered to collect a capital recovery fee (the "Capital Recovery Fee"), not to exceed \$300 per year, against those property owners serviced by a sewage treatment lift station and specially benefited by such improvement. The mill levies will not exceed 30 mills, and it is anticipated that actual mill levies will be from 20 to 25 mills. An increase in mill levy beyond 30 mills or increase of the Capital Recovery Fee above \$300 per annum per home will constitute a major modification, which will require County approval pursuant to Colorado statute. The limited tax obligation bonds will by their terms specify that the obligations of the District with respect thereto are limited to amounts actually received by the District from the limited mill levy

and Capital Recovery Fees. As limited obligation bonds, a failure by the District to make payments because revenues are insufficient therefor shall not constitute a default for which bondholders have a remedy, and bondholders may not seek an increase in tax rates or Capital Recovery Fees.

The bonds will be structured such that the payments due to bondholders for a given period will be entirely dependent upon the tax proceeds that have been received, within the approved mill levy limitation, and, to the extent received, the Capital Recovery Fee. Moreover, each property owner within the District shall be responsible only for the taxes and Capital Recovery Fee imposed on his or her property and not for the taxes or Capital Recovery Fee imposed on any other property within the District. As a result, property owners within the District do not bear financial risk relating to the success of the District, and they can be assured that only the current mill levy rate, not to exceed the maximum approved rate, as applied to their own properties for a given tax year, will determine the maximum amount of tax for which they will be liable.

The enclosed Financial Plan, attached as Exhibit 4, demonstrates that the District is capable of providing the proposed improvements economically, and demonstrates that the proposed bond financing will be based on reasonable estimates of the tax revenues available to support the bonds the District is expected issue. The Financial Plan demonstrates that the projected revenues will allow payment to bondholders of interest at an annualized rate of 8.5% at a mill levy rate of 25 mills.

It is not anticipated that the District shall incur any indebtedness other than the bond debt discussed above to fund the planned improvements. Of course, the owners of lots within the

District shall be responsible for paying normal water and sewer service charges, which shall be billed by and paid to the Willowbrook District in accordance with existing Willowbrook District procedures.

None of the land within the District is currently developed. The proposed subdivision plat, which is pending approval from the County, provides for construction of 260 homes over a period of six to eight years. It is estimated that at build-out, the total population within the District will be approximately 800 people and the total valuation for assessment purposes will be approximately \$84.5 million.

The 1994 appraised value of all taxable property within the District is approximately \$375,000.

The estimated values for homes to be developed in the District, and the rate of build-out, are considered conservative by the builders and those familiar with development in this area. Exhibit 8 provides additional information in support of the assumptions on which the Financial Plan is based. The three types of homes to be developed are expected to have a value at sale of \$250,000, \$325,000 and \$400,000. As shown in Exhibit 8, these home values compare well to the values of existing homes in the general vicinity of the proposed District. A five-year average home value increase at the rate of 10.00%, or an annual rate of approximately 2%, has also been included. This figure is extremely conservative based on the development patterns in the area, and is based not only on historical trends, but also on the appreciation that takes place as a development matures and infrastructure grows to meet that development.

Because the bonds issued by the District will be "cash flow" bonds, and the proceeds from those bonds at a given time will be entirely dependent upon the tax revenues and Capital

Recovery Fees received by the District, they will not be appropriate for marketing to general public investors, and no such marketing is anticipated.

The bonds will not be issued until the final plat for the Development has been approved.

VI. GENERAL DESCRIPTION OF FACILITIES: PRELIMINARY SERVICES.

A preliminary engineering survey of the road improvements to be constructed by the District are depicted in Exhibit 5. These improvements include rock excavation, earthwork and paving, and installation of storm drainage facilities for a new Belleview Avenue alignment west of its current location. In addition, a bridge will be constructed over Turkey Creek for the realigned Belleview Avenue.

The improvements will be completed in accordance with applicable County standards. Upon satisfactory completion of these road improvements, the new road and bridge facilities shall be conveyed to Jefferson County. Thereafter, the County shall have the obligation for the inspection, maintenance, repair and replacement of such road and bridge facilities.

A preliminary engineering survey of the water and sanitation facilities to be constructed by the District is attached as Exhibit 6. The District will construct a sanitary sewer lift station, to be centrally located along the northern edge of the District, and accompanying sewer main, and force main installation. The District will also construct a 0.75 million gallon reservoir, and related facilities, to be located south of the southwestern corner of the District, outside of the District boundaries. In addition, the Willowbrook District has required that a fund in the amount of one hundred and fifty thousand dollars (\$150,000) be established to cover anticipated costs of replacement of the Lift Station (the "Capital Replacement Fund"). After the lift station has

been deeded to Willowbrook District, any replacement shortfalls will be billed by Willowbrook District to users of the lift station.

The water and sanitation facilities to be constructed are necessary to address special needs of the water and sanitation service area within the District, provision of sanitation facilities is required by the Development Agreement under which the Willowbrook District has agreed to provide sanitation service to the area. The facilities are compatible with existing facilities and service standards within the County and the Willowbrook District.

The estimated total cost to construct the proposed improvements, including 6% for engineering costs and 10% for contingencies, is \$1.95 million. A detailed analysis of these estimated costs is attached hereto as Exhibit 7. Thus, the total cost of the District's improvements, including the Capital Replacement Fund, will be approximately \$2.1 million.

The District will have no ongoing operations or maintenance responsibilities.

VII. GENERAL DESCRIPTION OF ORGANIZATIONAL COSTS.

No costs for land acquisition, engineering services, legal or administrative services or any initial or proposed indebtedness will be assigned to the District by those seeking to organize it, except for the obligations to construct the improvements described in this Service Plan. The costs of initial organization of the District will be funded through contributions from Chimney Rock, L.L.C., until such time as the District collects tax revenues adequate to cover its administrative costs.

VIII. CONCLUSIONS.

The Service Plan for the Chimney Rock Metropolitan District meets the requirements of the Special District Act, and specifically, Section 32-1-202(2), and presents satisfactory evidence

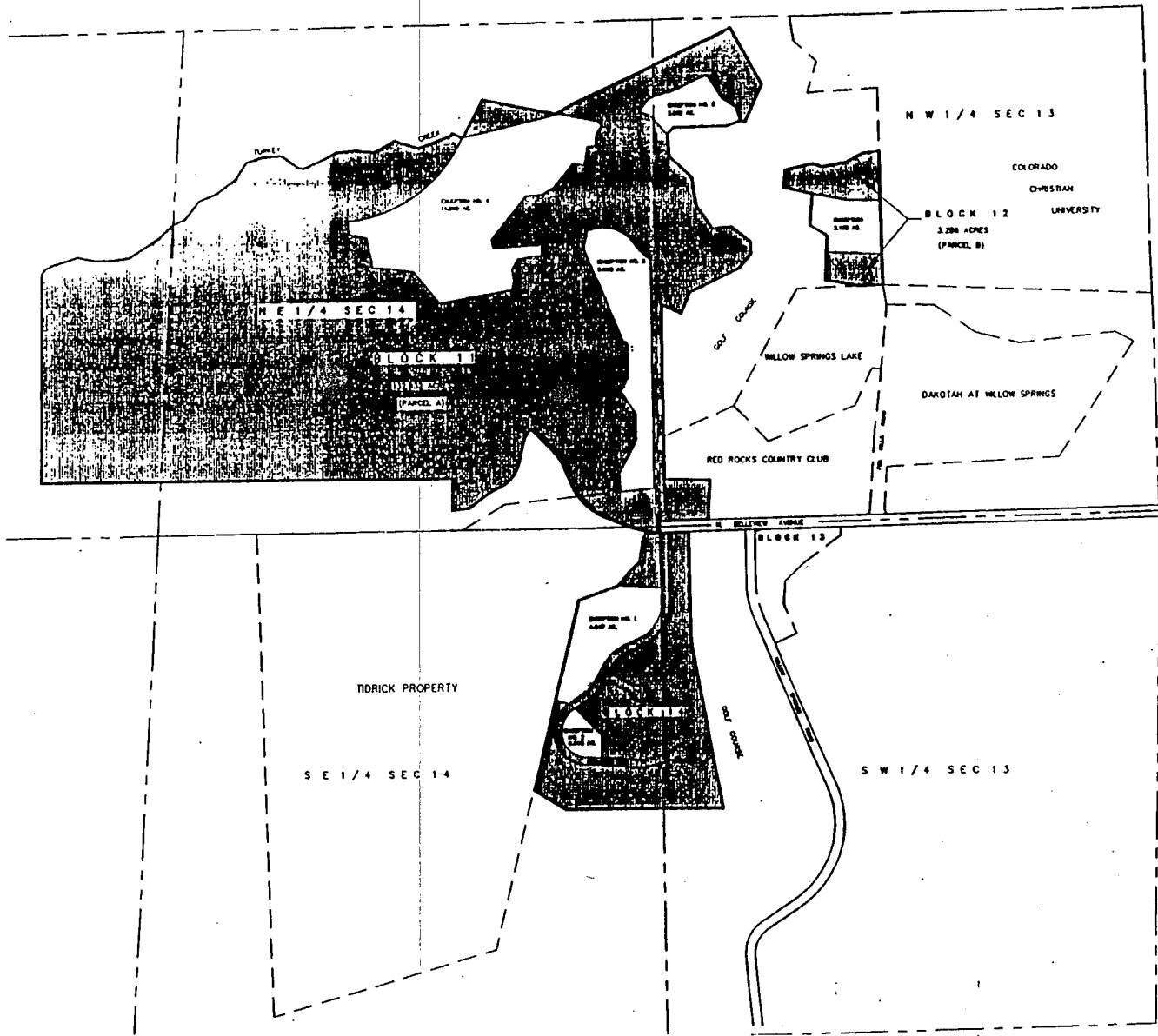
of the criteria identified in Sections 32-1-203(2) and 32-1-203(2.5). The following conclusions can be made with regard to the proposed District:

- There is sufficient projected need for organized service in the area to be served by the District.
- The existing service in the area to be served by the District is inadequate for present projected needs.
- The District is capable of providing economical and sufficient service to the area within its boundaries.
- The area to be included in the District will have the financial ability to discharge the proposed indebtedness on a reasonable basis.
- Adequate service will not otherwise be available to the District within a reasonable time and on a comparable basis.
- The facility and service standards are compatible with those of the County and any municipality which is an interested party under § 32-1-204(1).
- The proposal is in substantial compliance with the County master plan.
- The proposal is in compliance with the regional 208 plan for the area to be served.
- The creation of the District will be in the best interest of the area to be served.

THEREFORE, it is requested that the Board of County Commissioners of Jefferson County, Colorado, which has jurisdiction to approve the Service Plan by virtue of § 32-1-204, adopt a resolution approving this Service Plan for Chimney Rock Metropolitan District as submitted.

EXHIBIT 1
MAP OF PROPOSED DISTRICT

07/20/95
CN-6060
DN-111212.5



METRO DISTRICT
BOUNDARY

TO C-470
& DENVER



SCALE: 1" = 500'

LEGAL DESCRIPTION - METRO DISTRICT BOUNDARY

TWO (2) PARCELS OF LAND LOCATED IN SECTION 14 AND THE WEST ONE-HALF OF SECTION 13, TOWNSHIP 5 SOUTH, RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF JEFFERSON, STATE OF COLORADO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A

BEGINNING AT THE WEST ONE-QUARTER CORNER OF SAID SECTION 13; THENCE ALONG THE WESTERLY BOUNDARY OF WEST BELLEVUE AVENUE AS DESCRIBED AT RECEPTION NUMBER 639670 OF THE JEFFERSON COUNTY RECORDS, THE FOLLOWING TWO (2) COURSES:

1. SOUTH 00°54'45" EAST A DISTANCE OF 30.00 FEET;
2. THENCE NORTH 88°42'54" EAST A DISTANCE OF 155.00 FEET TO THE NORTHWEST CORNER OF WILLOW SPRINGS COUNTRY CLUB, FIRST FILING, AMENDMENT NO.1, A PLAT RECORDED IN THE JEFFERSON COUNTY RECORDS IN BOOK 47, PAGES 40 THROUGH 43;

THENCE ALONG THE EASTERLY BOUNDARY OF TRACT "A" AND TRACT "N" OF SAID PLAT THE FOLLOWING TWO (2) COURSES:

1. SOUTH 01°17'06" EAST A DISTANCE OF 550.00 FEET;
2. THENCE SOUTH 11°01'19" EAST A DISTANCE OF 899.07 FEET, MORE OR LESS TO THE EASTERLY ANGLE POINT OF SAID TRACT "N";

THENCE DEPARTING SAID BOUNDARY SOUTH 90°00'00" WEST A DISTANCE OF 843.70 FEET; THENCE NORTH 58°40'40" WEST A DISTANCE OF 193.58 FEET TO A POINT ON THE EASTERLY BOUNDARY LINE OF A PARCEL OF LAND DESCRIBED IN A QUIT CLAIM DEED RECORDED IN THE JEFFERSON COUNTY RECORDS AT RECEPTION NUMBER 91048814; THENCE ALONG THE EASTERLY BOUNDARY OF SAID PARCEL THE FOLLOWING NINE (9) COURSES:

1. NORTH 13°18'57" EAST A DISTANCE OF 1,017.37 FEET;
2. THENCE NORTH 70°28'07" EAST A DISTANCE OF 216.04 FEET;
3. THENCE NORTH 40°39'28" EAST A DISTANCE OF 102.07 FEET;
4. THENCE NORTH 48°16'34" EAST A DISTANCE OF 66.00 FEET;
5. THENCE NORTH 09°38'55" EAST A DISTANCE OF 107.53 FEET;
6. THENCE NORTH 21°24'22" EAST A DISTANCE OF 32.11 FEET;
7. THENCE NORTH 48°30'53" EAST A DISTANCE OF 12.24 FEET;
8. THENCE NORTH 88°31'27" EAST A DISTANCE OF 47.29 FEET;
9. THENCE NORTH 00°54'45" WEST A DISTANCE OF 5.52 FEET TO A POINT ON A NON-TANGENT CURVE;

THENCE 161.26 FEET ALONG THE ARC OF SAID CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 19°27'04" AND A RADIUS OF 475.00 FEET (THE CHORD OF WHICH BEARS NORTH 77°55'09" WEST A DISTANCE OF 160.48 FEET) TO A POINT OF TANGENCY; THENCE NORTH 68°11'37" WEST A DISTANCE OF 113.02 FEET TO A POINT OF CURVATURE; THENCE 254.85 FEET ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 44°55'45" AND A RADIUS OF 325.00 FEET TO A POINT OF TANGENCY; THENCE NORTH 23°15'52" WEST A DISTANCE OF 106.92 FEET TO A POINT OF CURVATURE; THENCE 106.01 FEET ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 22°05'14" AND A RADIUS OF 275.00 FEET TO A POINT OF TANGENCY; THENCE NORTH 45°21'05" WEST A DISTANCE OF 155.87 FEET; THENCE SOUTH 38°29'52" WEST A DISTANCE OF 16.16 FEET TO A POINT OF CURVATURE; THENCE 67.67 FEET ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 25°50'58" AND A RADIUS OF 150.00 FEET TO A POINT OF TANGENCY; THENCE SOUTH 12°38'55" WEST A DISTANCE OF 105.00 FEET TO A POINT OF CURVATURE; THENCE 178.25 FEET ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 53°45'13" AND A RADIUS OF 190.00 FEET TO A POINT OF REVERSE CURVATURE; THENCE 72.41 FEET ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 14°18'20" AND A RADIUS OF 290.00 FEET TO A POINT OF TANGENCY; THENCE SOUTH 52°05'47" WEST A DISTANCE OF 112.94 FEET; THENCE SOUTH 84°02'38" WEST A DISTANCE OF 88.47 FEET; THENCE NORTH 00°00'00" EAST A DISTANCE OF 167.78 FEET; THENCE SOUTH 90°00'00" WEST A DISTANCE OF 2,151.47 FEET; THENCE NORTH 00°00'00" EAST A DISTANCE OF 1,074.64 FEET MORE OR LESS TO THE CENTER OF TURKEY CREEK; THENCE ALONG THE CENTER OF TURKEY CREEK THE FOLLOWING TWENTY SIX (26) COURSES;

1. NORTH 38°28'36" EAST A DISTANCE OF 24.71 FEET;
2. THENCE NORTH 57°00'11" EAST A DISTANCE OF 40.11 FEET;
3. THENCE NORTH 71°44'03" EAST A DISTANCE OF 143.80 FEET;
4. THENCE SOUTH 78°50'02" EAST A DISTANCE OF 101.43 FEET;
5. THENCE NORTH 89°23'42" EAST A DISTANCE OF 80.99 FEET;
6. THENCE NORTH 81°06'22" EAST A DISTANCE OF 91.05 FEET;
7. THENCE NORTH 56°37'33" EAST A DISTANCE OF 174.02 FEET;
8. THENCE NORTH 46°41'53" EAST A DISTANCE OF 109.03 FEET;
9. THENCE NORTH 65°06'05" EAST A DISTANCE OF 70.59 FEET;
10. THENCE NORTH 37°07'42" EAST A DISTANCE OF 118.81 FEET;
11. THENCE NORTH 67°05'27" EAST A DISTANCE OF 98.53 FEET;
12. THENCE NORTH 52°08'57" EAST A DISTANCE OF 129.18 FEET;
13. THENCE NORTH 31°36'16" EAST A DISTANCE OF 104.19 FEET;
14. THENCE NORTH 72°20'15" EAST A DISTANCE OF 88.14 FEET;
15. THENCE NORTH 86°26'43" EAST A DISTANCE OF 104.17 FEET;
16. THENCE SOUTH 54°39'32" EAST A DISTANCE OF 113.88 FEET;
17. THENCE SOUTH 84°21'30" EAST A DISTANCE OF 23.14 FEET;
18. THENCE NORTH 65°37'57" EAST A DISTANCE OF 131.04 FEET;
19. THENCE NORTH 59°58'20" EAST A DISTANCE OF 57.58 FEET;
20. THENCE NORTH 84°21'24" EAST A DISTANCE OF 99.49 FEET;
21. THENCE SOUTH 84°24'33" EAST A DISTANCE OF 104.93 FEET;
22. THENCE NORTH 60°45'16" EAST A DISTANCE OF 126.01 FEET;
23. THENCE SOUTH 62°43'26" EAST A DISTANCE OF 28.42 FEET;
24. THENCE SOUTH 73°54'56" EAST A DISTANCE OF 104.55 FEET;
25. THENCE NORTH 68°59'34" EAST A DISTANCE OF 171.70 FEET;
26. THENCE NORTH 40°05'38" EAST A DISTANCE OF 21.49 FEET;

THENCE SOUTH 62°47'52" EAST A DISTANCE OF 60.03 FEET; THENCE NORTH 27°12'08" EAST A DISTANCE OF 223.57 FEET; THENCE SOUTH 78°43'55" EAST A DISTANCE OF 392.72 FEET; THENCE NORTH 60°23'45" EAST A DISTANCE OF 104.20 FEET; THENCE NORTH 65°29'56" EAST

A DISTANCE OF 920.00 FEET; THENCE SOUTH 30°00'04" EAST A DISTANCE OF 340.00 FEET; THENCE SOUTH 24°29'56" WEST A DISTANCE OF 218.70 FEET; THENCE NORTH 65°30'04" WEST A DISTANCE OF 25.00 FEET; THENCE SOUTH 70°55'36" WEST A DISTANCE OF 80.25 FEET; THENCE SOUTH 89°04'48" WEST A DISTANCE OF 280.60 FEET; THENCE SOUTH 46°29'59" WEST A DISTANCE OF 46.21 FEET; THENCE SOUTH 06°45'04" EAST A DISTANCE OF 120.00 FEET; THENCE SOUTH 47°00'04" EAST A DISTANCE OF 165.00 FEET; THENCE SOUTH 09°00'04" EAST A DISTANCE OF 155.00 FEET; THENCE SOUTH 34°30'04" EAST A DISTANCE OF 150.00 FEET; THENCE NORTH 83°59'56" EAST A DISTANCE OF 100.00 FEET; THENCE SOUTH 51°48'29" EAST A DISTANCE OF 130.00 FEET; THENCE SOUTH 03°27'57" EAST A DISTANCE OF 62.91 FEET; THENCE SOUTH 38°25'11" WEST A DISTANCE OF 100.00 FEET; THENCE SOUTH 64°29'56" WEST A DISTANCE OF 292.16 FEET; THENCE SOUTH 23°29'56" WEST A DISTANCE OF 120.00 FEET; THENCE NORTH 66°30'04" WEST A DISTANCE OF 114.79 FEET; THENCE SOUTH 00°54'37" EAST A DISTANCE OF 885.09 FEET; THENCE SOUTH 87°58'17" EAST A DISTANCE OF 241.83 FEET; THENCE SOUTH 02°35'43" WEST A DISTANCE OF 209.13 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF SAID BELLEVUE AVENUE; THENCE ALONG SAID RIGHT-OF-WAY LINE SOUTH 88°42'54" WEST A DISTANCE OF 258.73 FEET; THENCE SOUTH 00°55'12" EAST A DISTANCE OF 30.00 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 159.593 ACRES MORE OR LESS.

EXCEPT THE FOLLOWING PARCELS OF LAND DESCRIBED AS FOLLOWS:

EXCEPTION NO. 1 - LOTS 4 THROUGH 8, BLOCK 14

A PARCEL OF LAND LOCATED IN THE SOUTHWEST ONE-QUARTER OF SECTION 13 AND THE SOUTHEAST ONE-QUARTER OF SECTION 14, TOWNSHIP 5 SOUTH, RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF JEFFERSON, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST ONE-QUARTER CORNER OF SAID SECTION 13; THENCE SOUTH 01°47'57" EAST A DISTANCE OF 312.56 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 01°17'06" EAST A DISTANCE OF 56.45 FEET TO A POINT OF CURVATURE; THENCE 236.14 FEET ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 66°00'00" AND A RADIUS OF 205.00 FEET TO A POINT OF TANGENCY; THENCE SOUTH 64°42'54" WEST A DISTANCE OF 108.00 FEET TO A POINT OF CURVATURE; THENCE 148.53 FEET ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 37°00'00" AND A RADIUS OF 230.00 FEET TO A POINT OF TANGENCY; THENCE SOUTH 27°42'54" WEST A DISTANCE OF 100.00 FEET TO A POINT OF CURVATURE; THENCE 63.53 FEET ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 28°00'00" AND A RADIUS OF 130.00 FEET TO A POINT OF TANGENCY; THENCE SOUTH 55°42'54" WEST A DISTANCE OF 108.00 FEET; THENCE NORTH 75°32'55" WEST A DISTANCE OF 73.15 FEET TO A POINT ON THE EASTERLY BOUNDARY LINE OF A PARCEL OF LAND DESCRIBED IN A QUIT CLAIM DEED RECORDED AT RECEPTION NO. 91048814 OF THE JEFFERSON COUNTY RECORDS; THENCE ALONG THE EASTERLY BOUNDARY OF SAID PARCEL THE FOLLOWING TWO (2) COURSES:

1. NORTH 13°22'44" EAST A DISTANCE OF 530.16 FEET;
2. THENCE NORTH 70°28'07" EAST A DISTANCE OF 216.04 FEET;

THENCE SOUTH 86°06'26" EAST A DISTANCE OF 241.85 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 4.047 ACRES, MORE OR LESS.

EXCEPTION NO. 2 - LOT 19, BLOCK 14

A PARCEL OF LAND LOCATED IN THE SOUTHEAST ONE-QUARTER OF SECTION 14, TOWNSHIP 5 SOUTH, RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF JEFFERSON, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST ONE-QUARTER CORNER OF SAID SECTION 14; THENCE SOUTH 25°59'52" WEST A DISTANCE OF 1031.19 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 44°16'53" EAST A DISTANCE OF 198.86 FEET; THENCE SOUTH 00°34'59" EAST A DISTANCE OF 117.88 FEET; THENCE NORTH 86°17'06" WEST A DISTANCE OF 85.31 FEET TO A POINT OF CURVATURE; THENCE 334.58 FEET ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 142°00'00" AND A RADIUS OF 135.00 FEET TO A POINT OF TANGENCY; THENCE NORTH 55°42'54" EAST A DISTANCE OF 15.00 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 0.863 ACRES, MORE OR LESS.

EXCEPTION NO. 3 - GOLF COURSE HOLE NO. 3

A PARCEL OF LAND LOCATED IN THE NORTHEAST ONE-QUARTER OF SECTION 14, TOWNSHIP 5 SOUTH, RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF JEFFERSON, STATE OF COLORADO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID NORTHEAST ONE-QUARTER OF SECTION 14; THENCE NORTH 00°54'37" WEST ALONG THE EAST LINE OF SAID NORTHEAST ONE-QUARTER A DISTANCE OF 207.49 FEET; THENCE SOUTH 88°44'52" WEST A DISTANCE OF 17.60 FEET TO THE TRUE POINT OF BEGINNING;

THENCE ALONG THE NORTHERLY BOUNDARY OF A PARCEL OF LAND DESCRIBED IN A QUIT CLAIM DEED RECORDED AT RECEPTION NUMBER 9104881 OF THE JEFFERSON COUNTY RECORDS, SOUTH 84°02'54" WEST A DISTANCE OF 190.00 FEET; THENCE NORTH 05°57'06" WEST A DISTANCE OF 95.00 FEET; THENCE NORTH 27°29'41" EAST A DISTANCE OF 200.16 FEET; THENCE ALONG A LINE 120.00 FEET WEST OF AND PARALLEL WITH SAID EAST LINE OF THE NORTHEAST ONE-QUARTER NORTH 00°54'37" WEST A DISTANCE OF 131.71 FEET; THENCE NORTH 35°55'12" WEST A DISTANCE OF 140.18 FEET; THENCE NORTH 28°33'58" EAST A DISTANCE OF 82.14 FEET; THENCE ALONG A LINE 160.00 FEET WEST OF AND PARALLEL WITH SAID EAST LINE OF THE NORTHEAST ONE-QUARTER NORTH 00°54'37" WEST A DISTANCE OF 167.50 FEET; THENCE NORTH 50°20'12" WEST A DISTANCE OF 30.91 FEET; THENCE NORTH 23°13'48" WEST A

DISTANCE OF 523.58 FEET; THENCE NORTH 11°46'39" EAST A DISTANCE OF 92.30 FEET; THENCE NORTH 70°25'44" EAST A DISTANCE OF 16.67 FEET TO A POINT OF CURVATURE; THENCE 263.08 FEET ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 75°22'04" AND A RADIUS OF 200.00 FEET TO A POINT OF REVERSE CURVATURE; THENCE 122.93 FEET ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 21°40'18" AND A RADIUS OF 325.00 FEET; THENCE DEPARTING SAID CURVE ALONG A LINE 30.00 FEET WEST OF AND PARALLEL WITH SAID EAST LINE OF THE NORTHEAST ONE-QUARTER SOUTH 00°54'37" EAST A DISTANCE OF 1171.97 FEET; THENCE NORTH 89°04'48" EAST A DISTANCE OF 12.40 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 5.600 ACRES, MORE OR LESS.

EXCEPTION NO. 4 - GOLF COURSE HOLE 4 AND 5

A PARCEL OF LAND LOCATED IN THE NORTHEAST ONE-QUARTER OF SECTION 14, TOWNSHIP 5 SOUTH, RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF JEFFERSON, STATE OF COLORADO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID NORTHEAST ONE-QUARTER OF SECTION 14; THENCE NORTH 32°24'16" WEST A DISTANCE OF 1456.50 FEET TO THE TRUE POINT TO BEGINNING;

THENCE SOUTH 79°39'48" WEST A DISTANCE OF 383.27 FEET; THENCE NORTH 38°50'58" WEST A DISTANCE OF 214.42 FEET; THENCE NORTH 81°51'03" WEST A DISTANCE OF 122.13 FEET; THENCE NORTH 85°54'04" WEST A DISTANCE OF 96.36 FEET; THENCE NORTH 04°05'56" EAST A DISTANCE OF 26.61 FEET; THENCE NORTH 13°40'06" WEST A DISTANCE OF 132.71 FEET; THENCE NORTH 76°23'10" WEST A DISTANCE OF 91.23 FEET; THENCE NORTH 06°11'06" WEST A DISTANCE OF 66.88 FEET TO A POINT ON A NON-TANGENT CURVE, SAID POINT LYING ON THE PROPOSED SOUTHERLY RIGHT-OF-WAY LINE OF EAST BELLEVUE AVENUE; THENCE ALONG SAID PROPOSED RIGHT-OF-WAY LINE THE FOLLOWING TWO (2) COURSES:

1. 716.35 FEET ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 56°36'45" AND A RADIUS OF 725.00 FEET (THE CHORD OF WHICH BEARS NORTH 55°30'31" EAST AND A DISTANCE OF 687.57 FEET) TO A POINT OF TANGENCY;
2. THENCE NORTH 27°12'08" EAST A DISTANCE OF 60.00 FEET; THENCE NORTH 76°50'54" EAST A DISTANCE OF 520.00 FEET; THENCE SOUTH 78°43'55" EAST A DISTANCE OF 206.97 FEET; THENCE SOUTH 44°53'54" EAST A DISTANCE OF 30.00 FEET TO A POINT ON A NON-TANGENT CURVE; THENCE 111.59 FEET ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 53°16'49" AND A RADIUS OF 120.00 FEET (THE CHORD OF WHICH BEARS SOUTH 18°27'41" WEST AND A DISTANCE OF 107.61 FEET); THENCE RADIALLY DEPARTING SAID CURVE SOUTH 81°49'16" WEST A DISTANCE OF 45.00 FEET; THENCE SOUTH 07°40'16" WEST A DISTANCE OF 61.99 FEET; THENCE SOUTH 14°23'18" WEST A DISTANCE OF 38.52 FEET; THENCE NORTH 75°36'42" WEST A DISTANCE OF 55.78 FEET; THENCE SOUTH 37°47'38" WEST A DISTANCE OF 166.00 FEET; THENCE SOUTH 58°25'50" WEST A DISTANCE OF 75.00 FEET; THENCE SOUTH 87°29'09" WEST A DISTANCE OF 80.00 FEET; THENCE SOUTH 38°13'41" WEST A DISTANCE OF 295.00 FEET; THENCE SOUTH 16°29'25" EAST A DISTANCE OF 50.00 FEET; THENCE NORTH 86°21'37" EAST A DISTANCE OF 255.07 FEET TO A POINT ON A NON-TANGENT CURVE; THENCE 53.65 FEET ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 21°11'53" AND A RADIUS OF 145.00 FEET (THE CHORD OF WHICH BEARS SOUTH 01°12'45" WEST A DISTANCE OF 53.34 FEET; THENCE SOUTH 80°36'48" WEST A DISTANCE OF 130.00 FEET; THENCE SOUTH 30°01'04" WEST A DISTANCE OF 60.00 FEET; THENCE SOUTH 08°53'02" EAST A DISTANCE OF 65.00 FEET; THENCE SOUTH 14°47'07" WEST A DISTANCE OF 45.22 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 14.069 ACRES, MORE OR LESS.

EXCEPTION NO. 5 - GOLF COURSE HOLE NO. 6

A PARCEL OF LAND LOCATED IN THE NORTHEAST ONE-QUARTER OF SECTION 14 AND THE NORTHWEST ONE-QUARTER OF SECTION 13, TOWNSHIP 5 SOUTH, RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF JEFFERSON, STATE OF COLORADO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID NORTHEAST ONE-QUARTER; THENCE SOUTH 08°38'34" WEST A DISTANCE OF 478.65 FEET TO THE TRUE POINT TO BEGINNING;

THENCE NORTH 36°39'56" EAST A DISTANCE OF 55.00 FEET TO A POINT OF CURVATURE; THENCE 60.12 FEET ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 38°16'31" AND A RADIUS OF 90.00 FEET TO A POINT OF TANGENCY; THENCE NORTH 74°56'27" EAST A DISTANCE OF 78.38 FEET TO A POINT OF CURVATURE; THENCE 76.95 FEET ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 10°29'49" AND A RADIUS OF 420.00 FEET TO A POINT OF TANGENCY; THENCE NORTH 64°26'38" EAST A DISTANCE OF 105.10 FEET TO A POINT OF CURVATURE; THENCE 46.00 FEET ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 20°16'21" AND A RADIUS OF 130.00 FEET; THENCE DEPARTING SAID CURVE ON A NON-RADIAL LINE SOUTH 33°17'53" EAST A DISTANCE OF 146.00 FEET; THENCE SOUTH 57°32'53" EAST A DISTANCE OF 86.56 FEET; THENCE SOUTH 19°22'07" EAST A DISTANCE OF 71.42 FEET; THENCE SOUTH 70°55'36" WEST A DISTANCE OF 80.25 FEET; THENCE SOUTH 89°04'48" WEST A DISTANCE OF 280.60 FEET; THENCE SOUTH 46°29'56" WEST A DISTANCE OF 46.21 FEET; THENCE NORTH 43°30'04" WEST A DISTANCE OF 124.64 FEET; THENCE NORTH 69°21'44" WEST A DISTANCE OF 74.25 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 2.082 ACRES, MORE OR LESS.

THE NET ACREAGE FOR PARCEL A IS 132.932 ACRES.

PARCEL B

COMMENCING AT THE WEST ONE-QUARTER CORNER OF SAID SECTION 13; THENCE NORTH 43°47'46" EAST A DISTANCE OF 1,706.44 FEET TO THE SOUTHWEST CORNER OF A PARCEL OF LAND OWNED BY THE WESTERN BIBLE INSTITUTE DESCRIBED AT RECEPTION NUMBER 85121948 OF THE JEFFERSON COUNTY RECORDS, SAID POINT BEING THE TRUE POINT TO BEGINNING;

THENCE SOUTH 87°55'12" WEST A DISTANCE OF 121.88 FEET; THENCE NORTH 79°53'53" WEST A DISTANCE OF 183.96 FEET; THENCE NORTH 03°14'50" EAST A DISTANCE OF 235.00 FEET; THENCE NORTH 57°18'07" WEST A DISTANCE OF 110.00 FEET; THENCE NORTH 04°46'28" EAST A DISTANCE OF 163.89 FEET; THENCE NORTH 75°55'47" WEST A DISTANCE OF 158.94 FEET; THENCE NORTH 06°18'02" EAST A DISTANCE OF 95.05 FEET; THENCE NORTH 77°13'32" EAST A DISTANCE OF 145.65 FEET; THENCE SOUTH 72°01'24" EAST A DISTANCE OF 58.95 FEET; THENCE NORTH 78°52'09" EAST A DISTANCE OF 125.44 FEET; THENCE NORTH 61°54'36" EAST A DISTANCE OF 93.24 FEET; THENCE NORTH 82°11'03" EAST A DISTANCE OF 91.11 FEET; THENCE ALONG THE WESTERLY BOUNDARY OF SAID PARCEL AT RECEPTION NUMBER 85121948 SOUTH 01°29'26" EAST A DISTANCE OF 713.09 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 5.471 ACRES, MORE OR LESS.

EXCEPT THE FOLLOWING PARCEL OF LAND DESCRIBED AS FOLLOWS:

A PARCEL OF LAND LOCATED IN THE NORTHWEST ONE-QUARTER OF SECTION 13, TOWNSHIP 5 SOUTH, RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF JEFFERSON, STATE OF COLORADO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID NORTHWEST ONE-QUARTER OF SECTION 13; THENCE NORTH 32°10'26" EAST A DISTANCE OF 1665.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 03°14'50" EAST A DISTANCE OF 85.00 FEET; THENCE NORTH 57°18'07" WEST A DISTANCE OF 110.00 FEET; THENCE NORTH 04°46'28" EAST A DISTANCE OF 163.89 FEET; THENCE SOUTH 78°31'33" EAST A DISTANCE OF 176.95 FEET; THENCE SOUTH 88°33'22" EAST A DISTANCE OF 183.58 FEET TO A POINT ON THE WESTERLY BOUNDARY OF SAID PARCEL OF LAND OWNED BY THE WESTERN BIBLE INSTITUTE; THENCE ALONG SAID WESTERLY BOUNDARY SOUTH 01°29'26" EAST A DISTANCE OF 279.51 FEET; THENCE DEPARTING SAID BOUNDARY NORTH 87°42'10" WEST A DISTANCE OF 290.33 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 2.185 ACRES, MORE OR LESS.

THE NET ACREAGE FOR PARCEL B IS 3.286 ACRES.

THE NET ACREAGE FOR PARCELS A AND B IS 136.218 ACRES.

BEARINGS ARE BASED ON THE NORTH LINE OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 13, BEARING NORTH 88°42'54" EAST AS DETERMINED FROM THE COLORADO STATE PLANE COORDINATE SYSTEM.

PREPARED BY:

DUWAYNE M. PHILLIPS PLS 9329
FOR AND ON BEHALF OF
ROCKY MOUNTAIN CONSULTANTS, INC.

DATE: _____

WILLOW SPRINGS
METRO DISTRICT BOUNDARY
2334.001.00A (SETS 20 & 78)
JUNE 7, 1995 - gjk

EXHIBIT 2

LEGAL DESCRIPTION OF PROPOSED DISTRICT BOUNDARIES

07/20/95
CN-6060
DN-111212.5

EXHIBIT 3

DEVELOPMENT AGREEMENT WITH
WILLOWBROOK WATER AND SANITATION DISTRICT

07/20/95
CN-6060
DN-111212.5

DEVELOPMENT AGREEMENT

FILINGS 11 and 12
WILLOWSPRINGS SUBDIVISION
JEFFERSON COUNTY, STATE OF COLORADO

WILLOWSPRINGS DEVELOPMENT COMPANY, LTD.

THIS AGREEMENT entered into and executed this 11/24/95 day of MAY, 1995, between WILLOWSPRINGS DEVELOPMENT COMPANY, LTD., hereinafter referred to as Owner/Developer, and the Willowbrook Water and Sanitation District, a statutory entity, hereinafter referred to as District.

WITNESSETH:

WHEREAS, the Owner/Developer is the owner of the following described property located within the District's boundaries, County of Jefferson, State of Colorado.

That part of the Willowsprings Development Company LTD.'s P.U.D., Filings 11 and 12, known and described as follows:

Single Family Dwellings, Lots One (1) through Forty Two (42), and Lifestyle Single Family Dwellings, Lots One (1) through Twenty One (21), and Lots Thirty Two (32) through Sixty Five (65), and Cluster Homes One (1) through Seventy (70) and Seventy Four (74) through Eighty (80), all the preceding in Block 11, and Single Family Dwellings, Lots One (1) through Ten (10), in Block 12, the above property being further described in the legal description entitled Exhibit A consisting of two pages, attached hereto and incorporated by reference herein, hereinafter referred to as Property Served.

If there is any discrepancy between the legal description and the above specified numbered lots for the purpose of identifying the Property Served, the above designation of lots by number shall take precedence over the legal description. If there is any discrepancy between the above specified numbered lots and the actual number and designation of the specified lots as shown on the final plat(s) approved by Jefferson County in the pending rezoning case, the latter shall take precedence, and an amended copy of this agreement shall be executed and recorded.

In no event shall any other than the above specified

numbered lots be included in the property served except as hereinafter provided (see paragraph 14),

AND WHEREAS, this property was previously zoned for multiple family housing units,

AND WHEREAS, the Owner/Developer wishes to change the zoning, increase the area of this filing, enhance the marketability of these properties by changing them to single family, high market end units,

AND WHEREAS, the Owner/Developer has determined that, in the Owner/Developer's opinion, the most practical and most marketable way to serve a part of these units with a sewage collection system involves the use of a sewage lift station,

AND WHEREAS, the rules, regulations and policies of the District do not allow sewage lift stations to be a part of the District's infrastructure,

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements of the parties, the approval by the District of this method of sewer and water service to facilitate development, and other good and valuable considerations, the sufficiency and adequacy of which are hereby acknowledged by the parties, the parties hereto agree as follows:

1. The Owner/ Developer agrees that prior to any or all of the subject property, Filings 11 and 12, being sold, uses changed, or the P.U.D. is modified, or the land is platted, the approval of the District shall be obtained for all plans for water and sewer service. If portions of Filings 11 and 12 are segregated from other portions for the purpose of phasing the platting only, then the Owner/Developer shall obtain approval by the District for all plans for water and sewer service for each phase before any final plat is approved.
2. The Owner/Developer agrees that only the lots included in the Property Served will be served by a sewage lift station, and that all the remainder of lots in Filings 11 and 12 will be served by a gravity flow sewage collection system.
3. The Owner/Developer agrees that simultaneously with the execution of this agreement and prior to any or all of the subject property, Filings 11 and 12, being sold, uses changed, and concurrently with the P.U.D. being modified, and the land being platted, SPECIAL PROTECTIVE COVENANTS for the Property Served portion of Filings 11 and 12 shall be executed by the Owner/Developer and the District's Board President and Secretary. The Special Protective

Covenants and this Agreement shall then be recorded with the Jefferson County Clerk and Recorder, and both of these instruments shall be noted on the plat for this filing. The above referenced SPECIAL PROTECTIVE COVENANTS are hereby incorporated by reference in this agreement, are entitled Exhibit B and attached hereto. This agreement shall be incorporated by reference in those covenants.

4. The Owner/Developer agrees that, prior to the above referenced covenants being executed and recorded, they shall have been approved for content and form by the District.

5. These covenants shall clearly state, including, but not limited to, the following:

- a) that part of the consideration for developing residential lots in the Property Served portion of Filings 11 and 12 is the approval by the District of a sewage lift station to avoid the additional cost of constructing the otherwise necessary gravity flow sewage collection system,
- b) that said lift station is an improvement and a part of infrastructure for the sole and exclusive use of the residential lots in the Property Served,
- c) that, therefore, all costs of operation, maintenance and replacement, if and when needed, of said lift station, forever, shall be the individual responsibility on a pro rata basis of the owners of the residential lots in the Property Served and of their grantees, heirs and assigns forever,
- d) that the Owner/Developer has paid for construction of said lift station and established a fund to pay for all of the replacement costs of the lift station (see Para. 9),
- e) that, if for any reason whatsoever the funds referred to in item d above are not sufficient to pay the replacement costs referenced in item c above, the District will, by special assessment or otherwise, collect the same from the then existing owners of residential lots in the Property Served on a pro rata basis,
- f) that once the lift station is activated all of the operation and maintenance costs for this facility will be charged in equal shares to all of the then existing owners of residential lots in the Property Served,
- g) that one of the provisions of these covenants be the requirement of actual notice to each purchaser of any residential lot in the Property Served on a form reciting the existence of the SPECIAL PROTECTIVE COVENANTS, notice that the particular property is subject to special assessment for deficiencies in the funds for operation maintenance and operation of the lift station. Such form shall be recorded by the District with the Jefferson County Clerk and Recorder.

6. The Owner/Developer agrees that, for all of the real property comprising the Property Served in Filings 11 and

12, the form referenced in 5g above shall be a special sewer tap permit which shall be captioned as follows:

ASSESSMENT NOTICE/SEWER TAP PERMIT
LOT _____, Block _____
WILLOWSPRINGS SUBDIVISION
Jefferson County, Colorado

THIS LOT IS SERVED BY A SEWAGE LIFT STATION WHICH SERVES CERTAIN SPECIFIED LOTS IN FILINGS 11 AND 12 AND THERE ARE RECORDED SPECIAL PROTECTIVE COVENANTS REQUIRING CHARGES FOR THE OPERATION AND MAINTENANCE OF SAME AS WELL AS POSSIBLE ASSESSMENTS FOR REPLACEMENT OF THE SEWAGE LIFT STATION, IF AND WHEN IT IS REQUIRED. THIS DOCUMENT WILL BE RECORDED WITH THE JEFFERSON COUNTY CLERK AND RECORDER. An example of this form in its entirety is attached as Exhibit C to this agreement.

7. The Owner/Developer agrees that any lift station for the Property Served must be approved by the District, and that both the design and subsequent construction of the lift station must be approved by the District's engineers.

8. The Owner/Developer agrees to cause the lift station to be built at the Owner/Developer's sole cost, and then deed the facility to the District.

9. The Owner Developer agrees to deposit with the District a sum of One Hundred Fifty Thousand Dollars (\$150,000.00) to fund all costs of replacement, if and when needed, of said lift station, forever. These funds shall be deposited with the District: a) as a condition precedent to receiving the District's approval for construction of the lift station, or b) 30 days after Jefferson County approves the preliminary plat for any phase of the Property Served, whichever of these events occurs first. These funds shall be held in a segregated interest bearing account for the sewage lift station fund by the District.

10. The Owner/Developer agrees that, once the lift station is activated and used to process sewage, the Owner/Developer will pay on a monthly basis all of the pro rata shares of all costs of operation and maintenance for the lift station for those lots in the Property Served portion of Filings 11 and 12 owned by the Owner/Developer or any Owner/ Developer's successor in interest until such time as residences are constructed on the lots and occupied.

11. Once a residence is constructed and occupied on any lot in the Property Served Portion of Filings 11 and 12, the Owner/Developer shall no longer be liable for the pro rata share of costs of operation and maintenance for the lift station for that lot.

12. The District agrees to approve a sewage lift station for that portion of Filings 11 and 12 designated as the Property Served as an exception to its rules, regulations and policies.

13. The Owner/Developer agrees to comply with all the rules, regulations and policies of the District and to pay all other fees normally required by the District related to permits, taps and inspections.

14. The District herewith reserves the right at its sole discretion, subject to the terms and conditions hereof to permit other properties beyond the boundaries of the "Property Served", as described on page one hereof, to be served by the sewage lift station to be built to the Districts specifications by the Owner/Developer herein, it being understood that such additional service will be within the designed hydraulic and pump capacity of said sewage lift station.

15. In the event of the exerciss of such reserved right by the District, the Owner/Developer herein shall be entitled to recover a pro rata share of lift station construction costs and the replacement deposit from the owner or owners of such additional properties to be served by the said sewage lift station.

16. The owner or owners of such additional properties to be served by said sewage lift station shall be required to execute both a Development Agreement similar in nature to this agreement and Special Protective Covenants similar to those required by this agreement, and the same shall both be recorded upon the public records of Jefferson County, Colorado.

17. It is the agreement of the parties that the District shall have no obligation to enforce this right of the Owner/Developer. However, the District recognizes the right of the Owner/Developer to obtain a pro rata participation from the additional users of said sewage lift station.

18. The parties hereto agree that this is a specific performance agreement, and that there is no other suitable remedy for either party in the event of breach or failure to perform by the other party.

19. In the event of any litigation arising out of this agreement the Court may award to the prevailing party all reasonable costs and expenses, including attorneys' fees. Venue for any such litigation shall be in Jefferson County, Colorado.

20. Invalidation of any provision of this agreement by

EXHIBIT B

SPECIAL PROTECTIVE COVENANTS

**FILINGS 11 and 12
WILLOWSPRINGS SUBDIVISION
JEFFERSON COUNTY, STATE of COLORADO**

THIS INDENTURE WITNESSETH THAT:

WHEREAS, WILLOWSPRINGS DEVELOPMENT COMPANY LTD. is the owner of the following described property situated in the County of Jefferson, State of Colorado:

That part of the Willowsprings Development Company LTD.'s P.U.D., Filings 11 and 12, known and described as follows:

Single Family Dwellings, Lots One (1) through Forty Two (42), and Lifestyle Single Family Dwellings, Lots One (1) through Twenty One (21), and Lots Thirty Two (32) through Sixty Five (65), and Cluster Homes One (1) through Seventy (70) and Seventy Four (74) through Eighty (80), all the preceding in Block 11, and Single Family Dwellings, Lots One (1) through Ten (10), in Block 12, the above property being further described in the legal description entitled Exhibit A consisting of two pages, attached hereto and incorporated by reference herein, hereinafter referred to as Property Served.

If there is any discrepancy between the legal description and the above specified numbered lots for the purpose of identifying the Property Served, the above designation of lots by number shall take precedence over the legal description. If there is any discrepancy between the above specified numbered lots and the actual number and designation of the specified lots as shown on the final plat(s) approved by Jefferson County in the pending rezoning case, the latter shall take precedence, and an amended copy of these covenants shall be executed and recorded.

AND WHEREAS, this property was previously zoned for multiple family housing units,

AND WHEREAS, the owner wishes to change the zoning, increase the area of this filing, enhance the marketability of these properties by changing them to single family, and other high market end units,

AND WHEREAS, the owner has determined that, in the owner's opinion, the most practical and most marketable way to serve a part of these units with a sewage collection system involves the use of a sewage lift station,

AND WHEREAS, the rules, regulations and policies of the Willowbrook Water and Sanitation District do not allow sewage lift stations to be a part of said District's infrastructure,

AND WHEREAS, the owner has entered into a Development Agreement, which is hereby incorporated by reference in these covenants, with the Willowbrook Water and Sanitation District whereby, in consideration of the mutual promises, covenants and agreements of the parties, the approval by the District of this method of sewer and water service to facilitate and enhance this development has been obtained,

NOW, THEREFORE, the owner of the above described land, for the use and benefit of itself, its grantees, assigns, successors, and all persons claiming by, through or under it does hereby declare, agree, restrict and covenant that the use enjoyment and ownership of the lands herein, shall be, and the same are hereby restricted, conditioned limited, and protected for the purpose of providing and making possible their high standard of construction and use as follows:

1. Part of the consideration for developing residential lots in the Property Served portion of Filings 11 and 12 is the approval by the District of a sewage lift station to avoid the additional cost of constructing the otherwise necessary gravity flow sewage collection system.
2. Said lift station is an improvement and a part of infrastructure for the sole and exclusive use of the residential lots in the Property Served and does not serve other parts of the District or the general public.
3. Therefore, all costs of operation, maintenance and replacement, if and when needed, of said lift station, forever, shall be the individual responsibility on a pro rata basis of the owners of the residential lots in the Property Served and of their grantees, heirs and assigns forever.
4. The Owner/Developer, Willowsprings Development Company Ltd. has paid for construction of said lift station and established a fund to pay for all of the replacement costs of the lift station.
5. If for any reason whatsoever the funds referred to in paragraph 4 above are not sufficient to pay the

replacement costs of the sewage lift station, the District will, by special assessment or otherwise, collect the same from the then existing owners of residential lots in the Property Served. *ON A PFD RATA BASIS.*

[Handwritten signature] KRC

6. Once the lift station is activated all of the operation and maintenance costs for this facility will be charged in equal shares to all of the then existing owners of residential lots in the Property Served,

7. One of the provisions of these covenants shall be the requirement of actual notice to each purchaser of any residential lot in the Property Served in Filings 11 and 12 on a form reciting the existence of these SPECIAL PROTECTIVE COVENANTS, notice that the particular property is subject to special assessment for deficiencies in the funds for operation maintenance and operation of the lift station. Such form shall be recorded by the District with the Jafferson County Clerk and Recorder.

8. For all of the real property comprising the Property Served in Filings 11 and 12, the form referenced in 7. above shall be a special sewer tap permit which shall be captioned as follows:

ASSESSMENT NOTICE/SEWER TAP PERMIT
LOT _____, Block _____
WILLOWSPRINGS SUBDIVISION
Jefferson County, Colorado

THIS LOT IS SERVED BY A SEWAGE LIFT STATION WHICH SERVES CERTAIN SPECIFIED LOTS IN FILINGS 11 and 12 AND THERE ARE RECORDED SPECIAL PROTECTIVE COVENANTS REQUIRING CHARGES FOR THE OPERATION AND MAINTENANCE OF SAME AS WELL AS POSSIBLE ASSESSMENTS FOR REPLACEMENT OF THE SEWAGE LIFT STATION, IF AND WHEN IT IS REQUIRED. THIS DOCUMENT WILL BE RECORDED WITH THE JEFFERSON COUNTY CLERK AND RECORDER.

9. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of ninety nine (99) years fro the date hereof after which time said covenants shall be automatically extended for a successive period of ninety nine (99) years unless an instrument signed by a majority of the electors in the District has been recorded agreeing to change these covenants in whole or in part.

10. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain violation or collect damages.

ASSESSMENT NOTICE/SEWER TAP PERMIT
Lakewood, Block 11
WILLOWSPRINGS SUBDIVISION
Jefferson County, Colorado
AND 12

EXH C
TO DEVELOPMENT
AGREEMENT, 05/11/95

THIS LOT IS SERVED BY A SEWAGE LIFT STATION WHICH SERVES CERTAIN SPECIFIED LOTS IN FILINGS 11 AND THERE ARE RECORDED SPECIAL PROTECTIVE COVENANTS REQUIRING CHARGES FOR THE OPERATION AND MAINTENANCE OF SAME AS WELL AS POSSIBLE ASSESSMENTS FOR REPLACEMENT OF THE SEWAGE LIFT STATION, IF AND WHEN IT IS REQUIRED. THIS DOCUMENT WILL BE RECORDED WITH THE JEFFERSON COUNTY CLERK AND RECORDER.

WILLOWBROOK WATER AND SANITATION DISTRICT

Lakewood, Colorado 80227

986-2275

APPLICATION FOR PERMIT TO TAP WATER & SEWER LINES

DATE OF ISSUE: _____

The undersigned hereby applies for permission to tap Willowbrook Water and Sanitation District water and/or sewer mains for the following properties and expressly agrees to adhere to the rules and regulations of said District and further grants the District and its agents the right to ingress and egress over said property for meter reading, inspection and repair.

Address	Legal Description		Items	Sewer Tap	Water Tap	Stub/ Connection
	Lot	Block				

TAPS MUST BE ACTIVATED WITHIN ONE YEAR OF DATE OF ISSUE OR DISTRICT FEES WILL BE FORFEITED

Subdivision _____ Residential Other

Owner's Name _____ Applicant Signature _____

Subject to approval of the District's inspector*, the Lakehurst Water and Sanitation District, and the Wastewater Control Division of the City and County of Denver, Colorado

I HEREBY CERTIFY THAT I HAVE INSPECTED THE ABOVE-DESCRIBED TAP AND FOUND THE WORK TO CONFORM WITH THE STANDARDS IMPOSED FOR SUCH WORK BY THE DISTRICT AND THE WASTEWATER CONTROL DIVISION OF THE CITY AND COUNTY OF DENVER, STATE OF COLORADO, AND I FURTHER CERTIFY THAT THE SPECIFIC LOCATION OF SAID TAP IS _____

_____ Inspector*

Paid _____ By _____, Agent

(Rel. Perm.)

_____ Registration Number

EXHIBIT 4

FINANCIAL PLAN (MILL LEVY ANALYSIS)

07/20/95
CN-6060
DN-111212.5

CHIMNEY ROCK BOND ISSUE MILL LEVY ANALYSIS - 12-Jul-95

P.02

3032978452

Assumptions

Requested Authorization	2,200,000	
	400,000	of which will be used for a lift station servicing 163 homes
Assumed Rate	8.50%	
Amortization	25	
Mills (as %)	2.50%	25 mill maximum
5 year average home value increase	10.00%	
Assessed Value as % of Actual Value	10.36%	
Initial SFR average value	400,000	
Initial "Lifestyle" average value	325,000	
Initial "Cluster" average value	250,000	

AMCAL

12:53

JUL-12-1995

CHIMNEY ROCK BOND ISSUE MILL LEVY ANALYSIS - 12-Jul-95

CALCULATING PROJECT SALES ESTIMATES AND ASSESSMENT COLLECTIONS

Sales Date	Jul 1996	Oct 1996	Jan 1997	Apr 1997	Jul 1997	Oct 1997	Jan 1998	Apr 1998	Jul 1998	Oct 1998	Jan 1999	Apr 1999	Jul 1999
Block 14 - sfr	3	3	3	3	3	3	3	1	0				
SFR	8	8	8	8	8	3			5	4			
Lifestyle	8	8	4						4	4	4	4	4
Cluster	8	8	8	8	8	8			8	8	8	8	8
TOTAL SALES	8,000,000	8,000,000	7,700,000	8,400,000	8,400,000	3,900,000	1,210,000	400,000	5,300,000	4,900,000	3,300,000	3,300,000	3,300,000
SCHEDULED LEVY													
Jul 1996				11,805				23,310					23,310
Oct 1996				5,828				23,310					23,310
Jan 1997								19,943					19,943
Apr 1997								12,432					18,578
Jul 1997								8,268					18,578
Oct 1997								2,525					10,101
Jan 1998													3,109
Apr 1998													777
Jul 1998													8,864
Oct 1998													3,173
Jan 1999													
Apr 1999													
Jul 1999													
Oct 1999													
Jan 2000													
Apr 2000													
Jul 2000													
Oct 2000													
Jan 2001													
Apr 2001													
Jul 2001													
TOTALS	0	0	0	17,483	0	0	0	89,808	0	0	0	123,737	0

SCHEDULED LEVY estimates actual collections - homes sold in July of 1996 will pay one-half year's assessment in April of 1997; a full year's assessment in 1998 and beyond
 Five years after purchase, homes are projected to have increased in value by 10%; therefore homes purchased in 1996 will be worth 10% more in 2001, which will
 increase the assessment collected in 2002 by 10%

3032978452 F.03

FISCAL

JUL-12-1995 12:53

CHIMNEY ROCK BOND ISSUE MILL LEVY ANALYSIS - 12-Jul-95

3032978452 P. 04

Sales Date	Oct 1999	Jan 2000	Apr 2000	Jul 2000	Oct 2000	Jan 2001	Apr 2001	Jul 2001	Oct 2001	Jan 2002	Apr 2002	Jul 2002	Oct 2002	Jan 2003	Apr 2003
Block 14 - sfr															
SFR		5	5	5	5	4	0								
Lifestyle	3	4	4	4	4	4	2								
Cluster	11														
TOTAL SALES	3,725,000	3,300,000	3,300,000	3,300,000	3,300,000	2,900,000	650,000								
SCHEDULED															
Jul 1996			23,310				23,310				25,641				25,641
Oct 1996			23,310				23,310				25,641				25,641
Jan 1997			19,943				19,943				19,943				21,837
Apr 1997			16,576				16,576				16,576				18,234
Jul 1997			16,576				16,576				16,576				18,234
Oct 1997			10,101				10,101				10,101				11,111
Jan 1998			3,108				3,108				3,108				3,108
Apr 1998			1,036				1,036				1,036				1,036
Jul 1998			13,727				13,727				13,727				13,727
Oct 1998			12,691				12,691				12,691				12,691
Jan 1999			6,547				6,547				6,547				6,547
Apr 1999			6,410				6,547				6,547				6,547
Jul 1999			4,274				6,547				6,547				6,547
Oct 1999			2,412				6,646				9,646				9,646
Jan 2000							6,547				6,547				6,547
Apr 2000							6,410				6,547				6,547
Jul 2000							4,274				6,547				6,547
Oct 2000							2,137				6,547				6,547
Jan 2001											7,511				7,511
Apr 2001											1,263				1,664
Jul 2001															
TOTALS	0	0	162,021	0	0	0	197,034	0	0	0	223,290	0	0	0	230,031

AMCAL

JUL-12-1995 12:54

CHIMNEY ROCK BOND ISSUE MILL LEVY ANALYSIS - 12-Jul-95

	Appraised Value	Assessed Value	Scheduled Levy (1)	Beginning Principal	Scheduled Debt (2)	Interest Paid	Scheduled Amortization	Lift Station Recovery Fee (3)	Principal Repayment	Remaining Debt	Debt Service Coverage
1996			0	2,200,000	0	0	0	0	0	2,200,000	
1997	18,000,000	1,864,800	17,483	2,200,000	17,483	17,483	0	0	0	2,200,000	1.00
1998	42,400,000	4,392,840	89,808	2,200,000	89,808	89,808	0	39,085	0	2,200,000	1.00
1999	54,200,000	5,615,120	123,737	2,200,000	123,737	122,737	1,000	39,085	0	2,199,000	1.00
2000	67,625,000	7,026,670	162,021	2,199,000	162,021	161,021	1,000	39,085	0	2,198,000	1.00
2001	81,025,000	8,394,190	197,034	2,198,000	197,034	186,830	10,204	39,085	0	2,187,796	1.00
2002	96,375,000	9,948,450	223,260	2,187,796	213,773	185,963	27,811	39,085	9,517	2,150,466	1.04
2003	88,815,000	9,201,234	230,031	2,150,466	210,126	182,790	27,336	39,085	19,905	2,103,227	1.09
2004	89,995,000	9,323,482	233,087	2,103,227	205,510	178,774	26,736	39,085	27,577	2,048,914	1.13
2005	91,357,500	9,464,837	236,616	2,048,914	200,203	174,158	26,045	39,085	36,413	1,986,456	1.18
2006	92,677,500	9,601,369	240,035	1,986,456	194,100	168,849	25,251	39,085	45,935	1,915,270	1.24
2007	95,048,000	9,848,973	246,174	1,915,270	187,144	162,796	24,346	39,085	59,030	1,831,894	1.32
2008	97,732,000	10,125,035	253,126	1,831,894	176,997	155,711	23,286	39,085	74,128	1,734,479	1.41
2009	99,030,000	10,259,508	256,486	1,734,479	169,479	147,431	22,048	39,085	87,009	1,625,422	1.51
2010	100,528,750	10,414,779	260,369	1,625,422	158,823	138,161	20,662	39,085	101,547	1,503,213	1.64
2011	101,980,750	10,565,208	264,130	1,503,213	146,861	127,773	19,108	39,085	117,249	1,366,856	1.80
2012	104,588,300	10,835,348	270,884	1,366,856	133,558	116,183	17,375	39,085	137,326	1,212,155	2.03
2013	107,540,700	11,141,217	276,530	1,212,155	118,442	103,033	15,409	39,085	160,089	1,036,658	2.35
2014	108,988,500	11,289,137	282,228	1,036,658	101,294	88,116	13,178	39,085	180,935	842,545	2.79
2015	110,617,125	11,459,934	286,488	842,545	82,327	71,616	10,710	39,085	204,172	627,663	3.48
2016	112,214,325	11,625,404	290,635	627,663	61,330	53,351	7,979	39,085	229,305	390,360	4.74
2017	115,082,830	11,922,560	298,064	390,360	38,145	33,182	4,962	39,085	259,919	125,498	7.81
2018	118,330,270	12,259,016	306,475	125,498	12,263	10,667	1,595	39,085	125,468	0	24.99
2019	119,900,850	12,421,728	310,543	0	0	0	0	0	0	0	ERR
2020	121,714,338	12,609,605	315,240	0	0	0	0	0	0	0	

NOTES: (1) Until full build-out, scheduled levies reflect partial year ownerships

(2) The bonds will not bear a guaranteed interest rate, interest will be paid based on assessments collected, up to a maximum 8.5%

(3) Lift Station Recovery Fees are for illustration purposes, and are aggregated in the bond payment and levy analysis

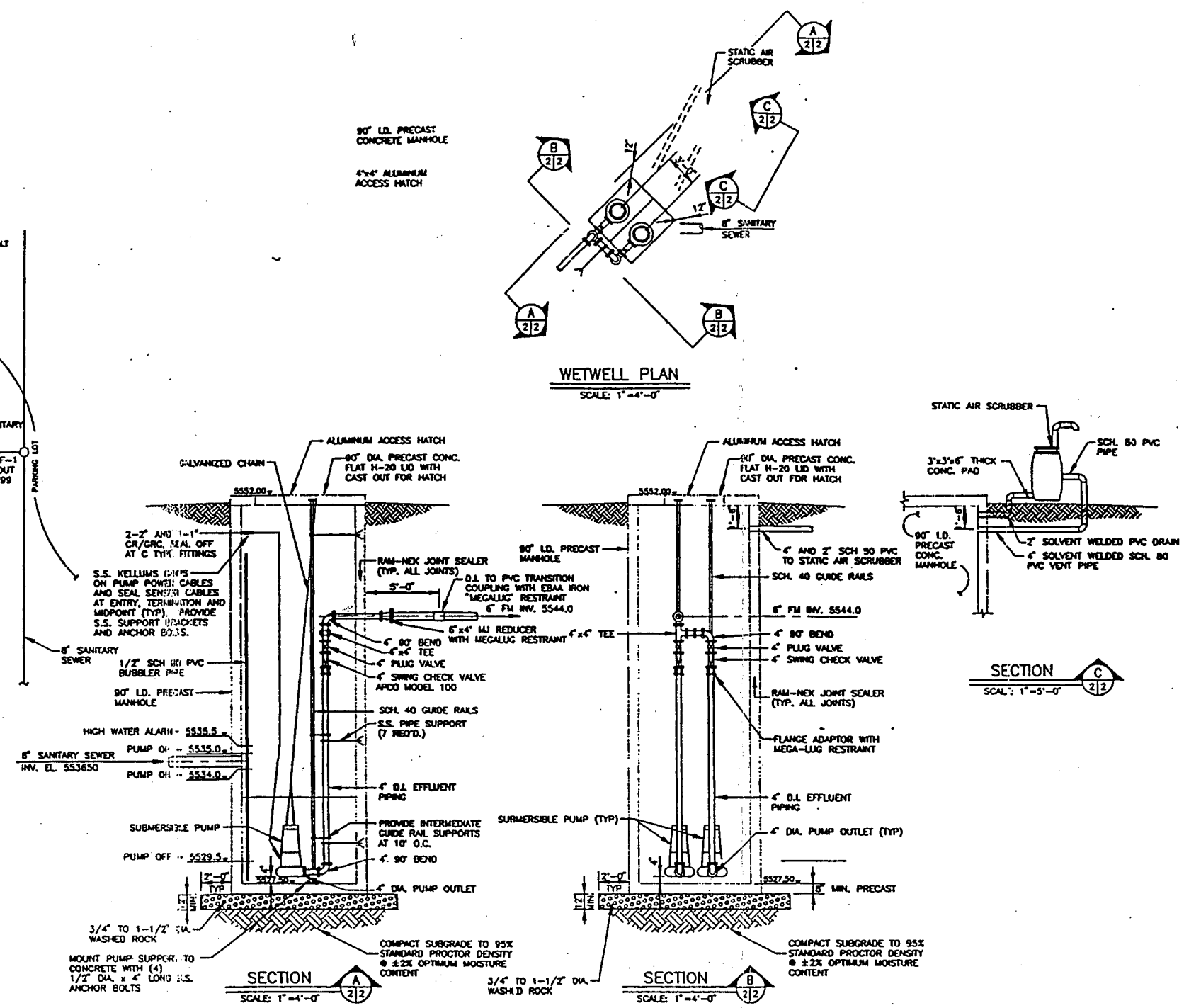
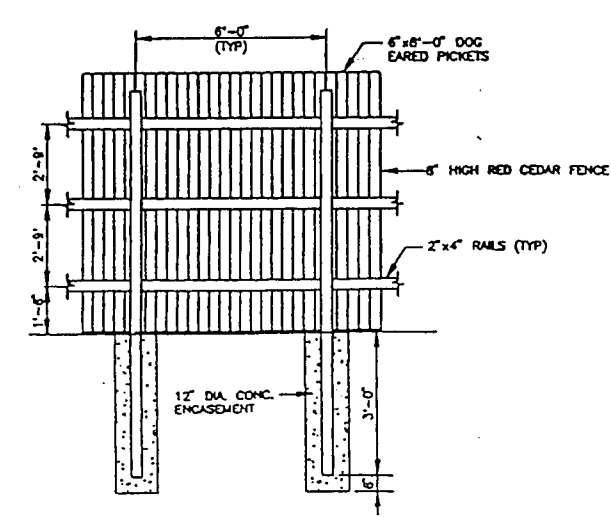
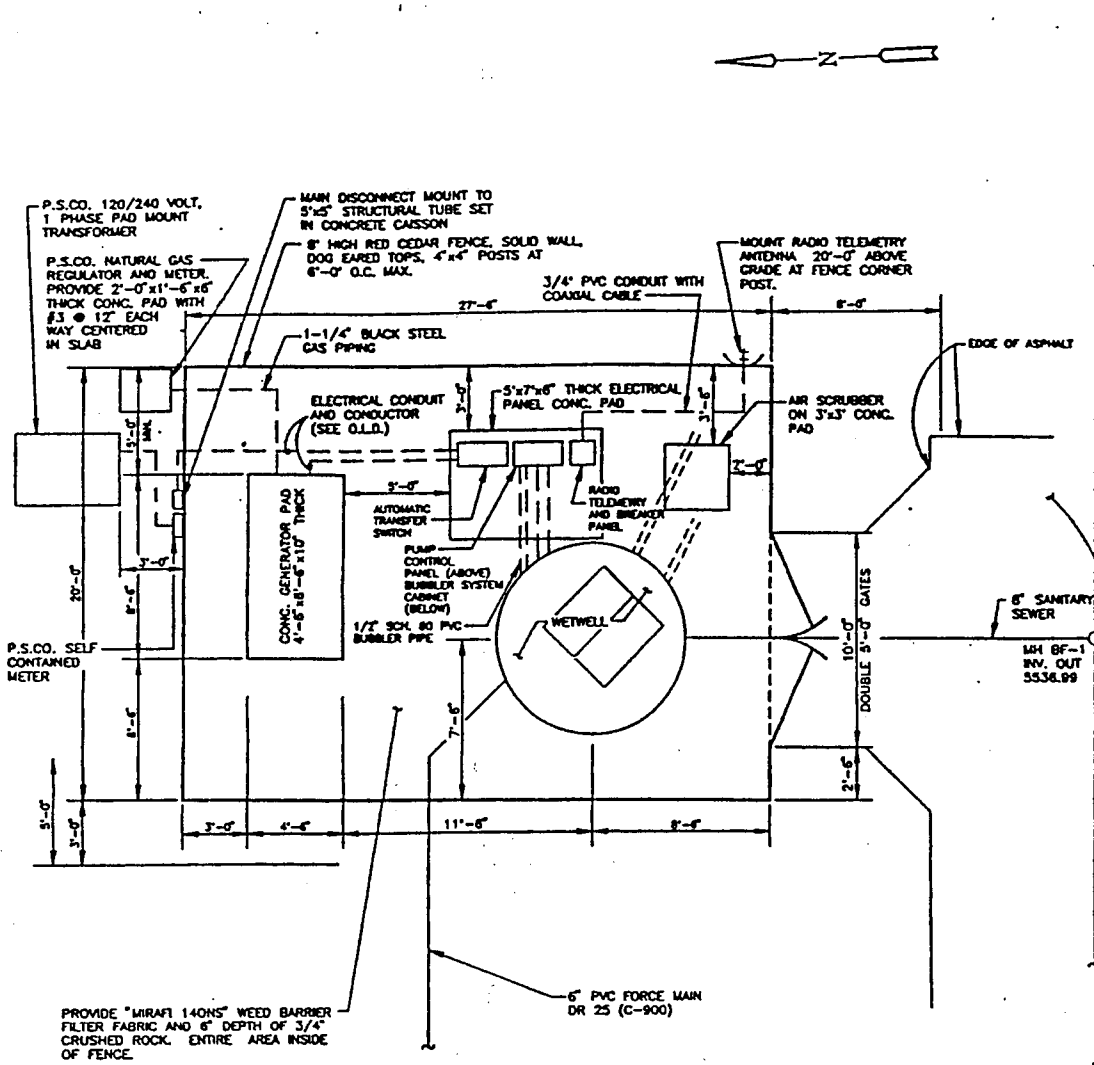
EXHIBIT 5

PRELIMINARY ENGINEERING SURVEY OF ROAD IMPROVEMENTS
TO BE CONSTRUCTED WITHIN THE DISTRICT

07/20/95
CN-6060
DN-111212.5

REVISIONS	DATE	BY

CONCEPTUAL PLAN
 WILLOW SPRINGS WASTEWATER LIFT STATION
 WETWELL SITE PLAN AND DETAILS



- NOTES:**
1. ALL INTERIOR PIPING SHALL BE FLANGED DUCTILE IRON.
 2. ALL INTERIOR SURFACES TO BE COATED PER SECTION 09900 OF THE SPECIFICATIONS.
 3. CONCRETE GENERATOR PAD SHALL HAVE #4 @ 12" ON CENTER EACH WAY BOTH FACES 2" CLEARANCE WITH TOOLED CONSTRUCTION JOINTS AT ±3'-0" ON CENTER ONE WAY. CONCRETE ELECTRICAL PAD AND AIR SCRUBBER PAD SHALL HAVE #3 @ 12" ON CENTER EACH WAY CENTERED IN SLAB.
 4. PRECAST MANHOLE BASE SHALL BE INTEGRAL TO BOTTOM SECTION.
 5. INSTALL SILICONE CAULK "BEAD" TO ACCESS HATCH TO PROVIDE AIR TIGHT SEAL.
 6. ALL PIPE PENETRATIONS SHALL BE GROUTED "SEAL TIGHT" NON-SHRINK GROUT.
 7. FLOAT SWITCHES SHALL BE PERMANENTLY MOUNTED TO WET WELL WITH STAINLESS STEEL BRACKETS AND ANCHOR BOLTS.
 8. PUMP VAULT AND AREA SURROUNDING IS CLASS 1, DIVISION 1, HAZARDOUS LOCATIONS PER NEC. ALL MATERIALS SHALL BE APPROVED PRIOR TO INSTALLATION BY THE ENGINEER AND LOCAL CODE ENFORCEMENT AUTHORITY.

EXHIBIT 6

PRELIMINARY ENGINEERING SURVEY OF WATER AND SEWER FACILITIES
TO BE CONSTRUCTED WITHIN THE DISTRICT

07/20/95
CN-6060
DN-111212.5

EXHIBIT 7

ENGINEER'S OPINION OF COST FOR
METROPOLITAN DISTRICT CAPITAL IMPROVEMENTS

07/20/95
CN-6060
DN-111212.5



8301 E. Prentice Ave.
 Suite 101
 Englewood, CO 80111
 (303) 741-6000
 FAX (303) 741-6106

July 12, 1995

Mr. William J. Klaess
 8000 E. Prentice Avenue
 Suite B6
 Englewood, CO 80111

Re: Engineer's Opinion of Cost for
 Metropolitan District Capital Improvements
 Willow Springs Development, Jefferson County, CO

Dear Mr. Klaess:

At your request, we have determined the cost of the following capital improvements for the Metropolitan District to be formed:

<u>Item</u>	<u>Cost</u>
1. Belleview Avenue from Willow Springs Road to Turkey Creek	\$ 424,229.40
2. Bridge at Turkey Creek (see attached cost opinion)	\$ 584,000.00
3. Sanitary Sewer Lift Station and Force Main	\$ 242,440.00
4. 0.75 MG Water Tank and Facilities	\$ 703,644.00
5. Replacement cost fund per Development Agreement	<u>\$ 150,000.00</u>
TOTAL	\$ 2,104,313.40

The above described costs include 6% for engineering and 10% for contingencies.

If you have any questions, please call me at 741-6000.

Sincerely,

ROCKY MOUNTAIN CONSULTANTS, INC.

William H. Keller, P.E.
 Project Manager

WHK:m/m
 \misc4\2334\klaess.712

ENGINEER'S OPINION OF COST
WILLOW SPRINGS, JEFFERSON COUNTY, CO
JUNE 29, 1995

DESCRIPTION	QUANTITY	UNITS	UNIT PRICE	TOTAL COST
I. BELLEVIEW AVENUE				
Earthwork/Paving				
Earthwork Cut/Fill	3800	LF	\$24.00	\$91,200.00
Subgrade Preparation	3800	LF	\$5.00	\$19,000.00
Shoulders 4' Wide	7600	LF	\$2.40	\$18,240.00
6" Full Depth Asphalt 24"	3800	LF	\$20.00	\$76,000.00
Drainage Swales Rip-Rap	7600	LF	\$1.50	\$11,400.00
Subtotal Earthwork/Paving				\$215,840.00
Rock				
Rock Excavation	1	LS	\$15,000.00	\$15,000.00
Subtotal Rock				\$15,000.00
Storm Drainage				
24" RCP	80	LF	\$28.00	\$2,240.00
30" RCP	80	LF	\$32.00	\$2,560.00
36" RCP	80	LF	\$35.00	\$2,800.00
24" FES	2	EA	\$400.00	\$800.00
30" FES	2	EA	\$500.00	\$1,000.00
36" FES	2	EA	\$550.00	\$1,100.00
5 x 8 Double Box (2)	120	LF	\$525.00	\$63,000.00
Headwall	4	EA	\$3,500.00	\$14,000.00
5 x 10 Double Box (1)	60	LF	\$675.00	\$40,500.00
Headwall	2	EA	\$3,500.00	\$7,000.00
Type 'M' Riprap	25	CY	\$35.00	\$875.00
Subtotal Storm Drainage				\$135,875.00
Total Belleview				\$365,715.00
Contingencies - 10%*				\$36,571.50
Engineering - 6%*				\$21,942.80
Total				\$424,229.40
II. BRIDGE CONSTRUCTION				
Bridge-see attached cost opinion	1	LS	\$504,000.00	\$504,000.00
Contingencies - 10%*				\$50,000.00
Engineering - 6%*				\$30,000.00
Total				\$584,000.00

ENGINEER'S OPINION OF COST
WILLOW SPRINGS, JEFFERSON COUNTY, CO
JUNE 29, 1995

III. SANITARY SEWER LIFT STATION

DESCRIPTION	QUANTITY	UNITS	UNIT PRICE	TOTAL COST
Sanitary Lift Station	1	LS	\$180,000.00	\$180,000.00
6" Force Main	500	LF	\$18.00	\$9,000.00
Subtotal Utilities				\$189,000.00
Rock				
Water 20%	1070	LF	\$18.00	\$19,260.00
Sewer 25%	1360	LF	\$18.00	\$24,480.00
Subtotal Rock				\$43,740.00
Storm Drainage				
24" RCP	80	LF	\$28.00	\$2,240.00
36" RCP	80	LF	\$35.00	\$2,800.00
24" FES	2	EA	\$400.00	\$800.00
36" FES	2	EA	\$550.00	\$1,100.00
5 x 8 Double Box	60	LF	\$525.00	\$31,500.00
Headwall	2	EA	\$3,500.00	\$7,000.00
5 x 10 Double Box	60	LF	\$675.00	\$40,500.00
Headwall	2	EA	\$3,500.00	\$7,000.00
Subtotal Storm Drainage				\$92,940.00
Total				\$209,000.00
Contingencies - 10%*				\$20,900.00
Engineering - 6%*				\$12,540.00
Replacement Fund				\$150,000.00
Total				\$392,440.00

IV. WATER TANK FACILITIES

16" DIP to Tank	3910	LF	\$32.00	\$125,120.00
0.75 MG Reservoir	1	LS	\$426,250.00	\$426,250.00
Subtotal Utilities				\$551,370.00
Rock				
Rock Excavation	1	LS	\$35,000.00	\$35,000.00
Subtotal Rock				\$35,000.00
Total				\$586,370.00
Contingencies - 10%*				\$58,637.00
Engineering - 6%*				\$58,637.00
Total				\$703,644.00

GRAND TOTAL OF IMPROVEMENTS

\$2,104,313.40

* Percentages for contingencies and engineering fees are approximate.

EXHIBIT 8

DATA REGARDING HOME VALUE ESTIMATES
AND OTHER FINANCIAL ASSUMPTIONS

07/20/95
CN-6060
DN-111212.5

BACK UP FOR SALES ASSUMPTION
FOR SERVICE PLAN

WILLOW SPRINGS

LOT SALES - Nov. '93-July '95	50
Avg. lot price	\$85,500
NEW HOME SALES - Filing 5	
Feb. '94-July '95	29
Avg. new home price	\$457,000
PATIO HOME SALES - Dakota Pointe	
July '94-July '95	27
Avg. patio home price	\$280,000
Fairfield Homes	

WILLOW SPRINGS FILING 5A. PHASE 1 - CUSTOM HOME CONSTRUCTION REPORT

LOT/ BLOCK	LOT PURCHASER	HOME TYPE	CONSTRUCTION STAGE	STATUS	HOME PRICE	BROKER CO. OP.	FINISH DATE
1/1	Golden Dan	spec	complete	closed	\$414,000.00	no	November '94
2/1	Nicholas	spec	complete	closed	\$430,000.00	yes	May '95
3/1	Ades	presold	carpet	under cont	\$480,000.00	no	August '95
4/1	Sunshine	spec	complete	closed	\$430,000.00	yes	June '94
5/1	Palisade	presold	complete	closed	\$443,000.00	no	June '95
6/1	Graham	spec	complete	closed	\$548,000.00	no	September '94
7/1	Palisade	presold	complete	closed	\$383,000.00	no	October '94
8/1	Golden Design	presold	complete	closed	\$571,000.00	no	November '94
9/1	Golden Design	spec	vacant land	unsold			
10/1	Graham	spec	excavation	unsold	\$600,000.00		
11/1	Ades	spec	complete	closed	\$482,000.00	yes	August '94
12/1	Bainbridge	presold	complete	closed	\$470,000.00	yes	July '94
13/1	Golden Design	presold	complete	closed	\$570,000.00	no	November '94
14/1	Graham	presold	complete	closed	\$572,000.00	no	February '95
15/1	Dimensions	spec	completed	closed	\$391,000.00	no	June '94
16/1	Nicholas	presold	complete	closed	\$443,000.00	yes	May '95
17/1	Graham	presold	completed	closed	\$368,000.00	yes	February '94
18/1	Dimensions	presold	complete	closed	\$446,000.00	no	May '95
19/1	Mibec	spec	complete	closed	\$460,000.00	yes	June '95
20/1	Dimensions	presold	forms	design	\$480,000.00	no	November '95
21/1	Palisade	spec	rough electric	unsold	\$518,000.00		September '95
22/1	Ades	spec	complete	closed	\$392,000.00	yes	July '94
23/1	Dimensions	spec	complete	closed	\$438,000.00	yes	January '95
24/1	Ades	spec	foundation	unsold	\$440,000.00		
25/1	Fairfield	spec	complete	closed	\$425,000.00	yes	October '94
26/1	Dimensions	spec	complete	closed	\$515,000.00	yes	November '94
27/1	Fairfield	spec	complete	closed	\$418,000.00	no	September '94
28/1	Nicholas	presold	vacant land	design	\$800,000.00	yes	
29/1	Bainbridge	spec	complete	closed	\$550,000.00	no	October '94
30/1	Graham	spec	complete	closed	\$585,000.00	yes	April '95
31/1	Ades	spec	carpet	unsold	\$440,000.00		July '95
32/1	Palisade	presold	vacant land	design	\$400,000.00	no	December '95
1/2	Gulry	spec	vacant land	design	\$395,000.00		
2/2	Dimensions	spec	drywall	unsold	\$418,000.00		September '95
3/2	Mibec	presold	vacant land	design	\$450,000.00	no	

July 10, 1995

LOT SALES, PHASE 1

LOT/ BLOCK	LOT PURCHASER	CLOSING DATE	SALE PRICE
1/1	Golden Dsn	9/29/93	\$84,000.00
2/1	Nicholas	7/7/94	\$84,000.00
3/1	Ades	6/17/94	\$82,000.00
4/1	Sunshine	8/14/93	\$84,000.00
5/1	Palisade	11/21/94	\$84,000.00
6/1	Graham	10/12/93	\$84,000.00
7/1	Palisade	12/31/93	\$86,000.00
8/1	Golden Design	12/17/93	\$98,000.00
9/1	Golden Design	3/18/94	\$98,000.00
10/1	Graham	4/20/95	\$98,000.00
11/1	Ades	8/27/93	\$84,000.00
12/1	Bainbridge	12/15/93	\$98,000.00
13/1	Golden Design	3/18/94	\$98,000.00
14/1	Graham	7/5/94	\$98,000.00
15/1	Dimensions	10/13/93	\$60,000.00
16/1	Nicholas	11/7/94	\$65,000.00
17/1	Graham	8/23/93	\$74,000.00
18/1	Dimensions	9/7/94	\$68,000.00
19/1	Mibec	8/22/94	\$68,000.00
20/1	Dimensions	4/20/95	\$70,000.00
21/1	Palisade	9/2/94	\$74,000.00
22/1	Ades	8/27/93	\$74,000.00
23/1	Dimensions	3/10/94	\$82,000.00
24/1	Ades	6/17/94	\$77,000.00
25/1	Fairfield	1/21/94	\$79,000.00
26/1	Dimensions	12/7/93	\$82,000.00
27/1	Fairfield	12/28/93	\$79,000.00
28/1	Nicholas	12/19/94	\$78,000.00
29/1	Bainbridge	9/23/93	\$82,000.00
30/1	Graham	5/18/94	\$74,000.00
31/1	Ades	6/17/94	\$86,000.00
32/1	Palisade	1/25/95	\$74,000.00
1/2	Pat Guly	6/1/95	\$65,000.00
2/2	Dimensions	1/18/95	\$70,000.00
3/2	Mibec	5/1/95	\$78,000.00
6/2/95	TOTALS		\$2,797,000.00

WILLOW SPRINGS FILING 5A - LOT SALES, PHASE 2

LOT/ BLOCK	LOT PURCHASER	CLOSING DATE	SALE PRICE
33/1			\$78,000.00
34/1	Summit Chateau	6/30/95	\$84,000.00
35/1	Nicholas		\$94,000.00
36/1	Dimensions		\$84,000.00
37/1	KB Griffin	7/11/95	\$84,000.00
38/1	Ades Design		\$78,000.00
39/1	Ades Design	7/6/95	\$82,000.00
40/1	Reservation		\$74,000.00
41/1	Golden Dsn		\$125,000.00
42/1	Palisade		\$125,000.00
43/1	Dimensions		\$125,000.00
44/1	Reservation		\$130,000.00
45/1			\$95,000.00
46/1	Graham Dsn		\$125,000.00
48/1			\$130,000.00
49/1			\$33,000.00
50/1			\$72,000.00
51/1	Golden Dsn		\$84,000.00
52/1	Ades Design		\$75,000.00
53/1	Reservation		\$76,000.00
	TOTALS		\$1,918,000.00

Sage

REALTY
MARKETING
INC.

16234 West Belleview Avenue Morrison, Colorado 80465 (303) 697-8000

March 22, 1995

Mr. Cecil Cooksey
First Federal Bank
215 S. Wadsworth Blvd.
Lakewood, CO

Dear Cecil,

John Neilson of Willow Springs Development Co., Ltd. has asked that I summarize for you the marketing success and inventory absorption in Willow Springs Filing 5A. I am quite pleased to report on the current status of our sales efforts, and have attached three spreadsheets to give you a concise picture of these results. The first spreadsheet, the custom home construction report, indicates the status of all construction in the subdivision. Two additional spreadsheets deal with lot disposition in Phases 1 and 2.

As you can see from the spreadsheets, Sundance is an unqualified success. Because of a number of factors, including sound inventory management, the current unsold inventory consists of two foundations and one just-framed house. Consequently, the participating builders are in a significant lot-purchasing mode, as you can see from the enclosed copies of lot contracts which total \$992,000 in sales. In addition to these, I have received two lot reservations for presold homes and builder commitments for an additional two lots, for a total of 14 lot sales totaling \$1,320,000. *All of these lots will close spring and summer of 1995.*

First-quarter '95 home sales have been exceptionally strong, allowing us to rebound from a mildly disappointing late '94. With the closeout of Sundance's neighboring subdivision, The North Ranch at Ken-Caryl, demand for our lots has intensified. The completion and occupancy of so many homes in Sundance has matured the area, an important marketing benefit because potential purchasers do not feel as if they are "pioneers" in an untried subdivision.

Based upon the enthusiastic response of our builders and the excellent traffic from both the Realtor community and the general public, I expect that the remaining Phase 2 lots will be under contract by July of 1995, and demand will justify the need for delivery of additional lots in the 4th quarter of 1995.

Sincerely,



Kerry M. Gubits
President

EXHIBIT B

**MODIFIED
SERVICE PLAN
OF THE
CHIMNEY ROCK
METROPOLITAN DISTRICT**

DATED: DECEMBER, 1997

TABLE OF CONTENTS

I.	INTRODUCTION	1
	A. General Overview	1
	B. Overview of the Service Plan	1
II.	DISTRICT BOUNDARIES; MAP	3
III.	PURPOSE OF THE DISTRICT; DESCRIPTION OF AND NEED FOR SERVICES; INTERGOVERNMENTAL AGREEMENTS	4
IV.	SCOPE OF DISTRICT POWERS	5
V.	FINANCIAL PLAN; VALUATION ESTIMATE	6
VI.	GENERAL DESCRIPTION OF FACILITIES; PRELIMINARY SERVICES	9
VII.	GENERAL DESCRIPTION OF ORGANIZATIONAL COSTS	11
VIII.	CONCLUSIONS	12

EXHIBITS

- Exhibit 1 - Map of Proposed District
- Exhibit 2 - Legal Description of Proposed District Boundaries
- Exhibit 3 - Development Agreement with Willowbrook Water and Sanitation District
- Exhibit 4 - Financial Plan (Mill Levy Analysis)
- Exhibit 5 - Preliminary Engineering Survey of Road Improvements to be Constructed Within the District
- Exhibit 6 - Preliminary Engineering Survey of Water and Sewer Facilities to be Constructed Within the District
- Exhibit 7 - Engineer's Opinion of Cost for Metropolitan District Capital Improvements
- Exhibit 8 - Data Regarding Home Value Estimates and Other Financial Assumptions

CHIMNEY ROCK METROPOLITAN DISTRICT

SERVICE PLAN

I. INTRODUCTION.

A. General Overview. This Service Plan (the "Service Plan") sets forth a proposal for the organization of a metropolitan district to be named Chimney Rock Metropolitan District (the "District"), the boundaries of which encompass approximately 136 acres in unincorporated Jefferson County, Colorado (the "County"). The District is being organized to service the needs of a residential and mixed use project known as "Willow Springs Filing No. 11" (the "Development" or the "Project"), for which a proposed amended development plan has been submitted to Jefferson County for approval.

The District is being formed primarily to finance, construct or acquire certain public infrastructure improvements associated with the Development. These improvements will be funded by the issuance of long-term debt in the form of limited tax obligation bonds, payable solely from ad valorem property tax revenues of the District, and any capital recovery fee imposed for improvements which do not serve all of the District. The mill levy rate imposed by the District for debt service will not exceed 30 mills (adjusted to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation). The capital recovery fee will not exceed \$300 per annum (which may be adjusted annually based upon the Consumer Price Index (CPI-U) for the Denver-Boulder Metropolitan Area as published by the U.S. Department of Labor, Bureau of Labor Statistics) for any home.

B. Overview of the Service Plan. The primary purpose of the Service Plan is to produce satisfactory evidence to the County that the following requirements of §32-1-203(2) and 32-1-203(2.5), 13 C.R.S. (1994 Cum. Supp.) have been met:

§32-1-203(2):

- (a) That there is sufficient existing and projected need for organized service in the area to be served by the proposed special district;
- (b) That the existing service in the area to be served by the proposed special district is inadequate for present and projected needs;
- (c) That the proposed special district is capable of providing economical and sufficient service to the area within its proposed boundary; and
- (d) That the area to be included in the proposed special district has, or will have, the financial ability to discharge proposed indebtedness on a reasonable basis.

§32-1-203(2.5):

- (a) That adequate service is not, or will not be, available to the area through the County or other existing municipal or quasi-municipal corporations including special districts, within a reasonable time and on a comparable basis;
- (b) That the facility and service standards of the proposed District are compatible with the facility and service standards of the County and of each municipality which is an interested party under §32-1-204(1);
- (c) That the proposal is in substantial compliance with the County master plan;
- (d) That the proposal is in compliance with any duly adopted County, regional or state long-range water quality management plan for the area; and

- (e) That the creation of the proposed District will be in the best interest of the area proposed to be served.

The Service Plan is submitted in accordance with the requirements of Title 32, Article 1 of the Colorado Revised Statutes, as amended (the "Special District Act"), and contains the requirements specified in Section 32-1-202(2) of the Special District Act.

This Service Plan has been prepared by the following persons:

1. The original Service Plan was prepared by Brownstein Hyatt Farber & Strickland, P.C., a professional corporation, 410 Seventeenth Street, 22nd Floor, Denver, Colorado 80202, attention: Thomas J. Mancuso, Esq. and Carrie A. Mineart, Esq.
2. The original and the Modified Service Plan were prepared by Chimney Rock Limited Liability Company, a Wyoming limited liability company, 8000 East Prentice Avenue, Suite B6, Englewood, Colorado 80111, attention: William J. Klaess.
3. The Modified Service Plan was prepared by McGeady Sisneros, P.C., 1675 Broadway, Suite 2100, Denver, CO 80202. Attention: MaryAnn McGeady, Esq. and Darlene Sisneros, Esq.

II. DISTRICT BOUNDARIES; MAP.

The area of the proposed District is generally located to the south of the intersection of State Highway 285 and State Highway 8, west of Fox Hills Road, and north and west of the existing Willow Springs subdivision. A map of the proposed District and a legal description of its boundaries are attached hereto as Exhibits 1 and 2, respectively. The District boundaries exclude certain parcels, such as proposed relocated portions of the Red Rocks Country Club golf course, and related facilities, and certain existing homes. The property within the District is all

currently owned, or will be obtained by Willow Spring Development Company, Ltd., or related entities, upon approval of the site development plan amendment by Jefferson County.

III. PURPOSE OF THE DISTRICT; DESCRIPTION OF AND NEED FOR SERVICES;
INTERGOVERNMENTAL AGREEMENTS.

The primary purpose of the District is to finance, construct or acquire certain road improvements and water and sewer facilities within the District. The District will not be responsible for ongoing operations and maintenance of these facilities once they have been constructed and accepted. The District will, however, incur expenses related to its ongoing administrative expenses.

The road improvements to be financed, constructed or acquired by the District include the extension and realignment of Belleview Avenue from Willow Springs Road to Turkey Creek, and construction of a bridge at Turkey Creek. These improvements are necessary for improved traffic flow and development within the District, as well as in surrounding areas. Once constructed, these improvements will become the property of Jefferson County, and will subsequently be maintained by the County.

The Willow Springs Development Company, Ltd., and Willowbrook Water and Sanitation District (the "Willowbrook District") have entered into a Development Agreement, dated May 11, 1995 (the "Development Agreement"), attached hereto as Exhibit 3.

The Development Agreement provides for 1) inclusion of the District within the Willowbrook District service area; 2) provision of sanitation services to the District; and 3) construction of certain sanitation facilities to be owned by the Willowbrook District. Once constructed, the water and sewer improvements will be deeded to Willowbrook District in accordance with the existing transfer procedures of Willowbrook District.

Existing Belleview Avenue will not adequately serve the properties within the District once they are developed, due to Belleview's current alignment and access points. Jefferson County has stated that it does not have adequate funds to address this issue. Water and sewer services are not available to this area at the present time. The Willowbrook District has stated that it will only provide ongoing services to the area within the District if the capital improvements set forth in this Service Plan are installed and deeded to the District. As a result, without these improvements, future service would not be available, and thus would not be adequate to support the proposed development, or any level of development, within the District. There are no other entities in existence in the area that are able and willing to undertake these improvements; as a result, the District is being organized to fund, construct or acquire the needed improvements.

The development of the property within the District is consistent with the County master plan and compatible and surrounding land uses. Further, wastewater from the Proposed Development will be delivered by the Willowbrook Water and Sanitation District to the Denver Metropolitan Wastewater Reclamation District's (the "Metro Wastewater District's") Regional Treatment Facility at 58th and York. This is consistent with the Metro Wastewater District's approved "208 plan" for the area encompassing the District. That study includes the District property within the area to be served by the Regional Wastewater Treatment Facility.

IV. SCOPE OF DISTRICT POWERS.

The powers of the District will be exercised to the extent necessary to finance, construct or acquire road improvements and to finance, construct or acquire special facilities for water and sewer service in accordance with the Development Agreement. The District's powers include those described in §32-1-1001 and 32-1-1006, C.R.S. to the extent reasonably necessary to fulfill the purposes set forth in this Service Plan.

V. FINANCIAL PLAN; VALUATION ESTIMATE.

The Financial Plan assumes the District will incur approximately Forty Thousand Dollars (\$40,000) per year in administrative expenses. In years 1998 through 2017, the Financial Plan projects that a levy of five (5) mills would be sufficient to meet these expenses, together with contributions or loans from the Developer. If necessary, however, the proposed District reserves the right to supplement these revenues with additional revenue sources as permitted by law.

The construction or acquisition of road and water and sanitation improvements for the District is to be financed through the issuance of limited tax obligation bonds, to be paid for over a term of twenty years through the ad valorem property tax revenues received by the District. The District will also be empowered to collect a capital recovery fee (the "Capital Recovery Fee"), not to exceed \$300 per year (which may be adjusted based upon the percentage change from the base year of 1995 to the date of calculation in the Consumer Price Index (CPI-U) for the Denver-Boulder Metropolitan Area as published by the U.S. Department of Labor, Bureau of Labor Statistics, all items, all urban consumers), against those property owners serviced by a sewage treatment lift station and specially benefited by such improvement. The mill levy for debt service will not exceed 30 mills (adjusted to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation). Therefore, the 30 mill levy limitation may be increased or decreased to reflect such changes, so that to the extent possible, the actual tax revenues generated from each property by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such a determination. In order to assure that the mill levy is adjusted properly, any adjustment shall be made consistent with the following:

Definitions:

Mill Levy Cap: 30

Base Assessment Ratio: The assessment ratio for residential property set forth in the Colorado Revised Statutes as of June 1995.

New Assessment Ratio: The assessment ratio for residential property set forth in the Colorado Revised Statutes or Colorado Constitution as of the date of the calculation.

Adjusted Mill Levy: That number generated by the following formula -

$$(\text{Mill Levy Cap}) \times (\text{Base Assessment Ratio}) \text{ divided by } (\text{New Assessment Ratio})$$

The following examples are for illustration purposes only:

Mill Levy	Actual Value	Residential Assessment Ratio	Assessed Value	Proof of Tax Revenue Generated
30.000	200,000.00	10.36%	20,720.00	621.60
3.108	200,000.00	100.00%	200,000.00	621.60
44.400	200,000.00	7.0%	14,000.00	621.60
31.910	200,000.00	9.74%	19,480.00	621.60

An increase in mill levy beyond 30 mills (adjusted to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation) or increase of the Capital Recovery Fee above \$300 per annum per home, adjusted as allowed herein, without the County's prior written consent will constitute a major modification, which will require County approval pursuant to Colorado statute. The limited tax obligation bonds will by their terms specify that the obligations of the District with respect thereto are limited to amounts actually received by the District from the limited mill levy and Capital Recovery Fees. As limited obligation bonds, a failure by the District to make payments because revenues are

insufficient therefor shall not constitute a default for which bondholders have a remedy, and bondholders may not seek an increase in tax rates or Capital Recovery Fees.

The bonds will be structured such that the payments due to bondholders for a given period will be entirely dependent upon the tax proceeds that have been received, within the approved mill levy limitation, and, to the extent received, the Capital Recovery Fee. Moreover, each property owner within the District shall be responsible only for the taxes and Capital Recovery Fee imposed on his or her property and not for the taxes or Capital Recovery Fee imposed on any other property within the District. As a result, property owners within the District do not bear financial risk relating to the success of the District, and they can be assured that only the current mill levy rate, not to exceed the maximum approved rate, as applied to their own properties for a given tax year, will determine the maximum amount of tax for which they will be liable.

The enclosed Financial Plan, attached as Exhibit 4, demonstrates that the District is capable of providing the proposed improvements economically, and demonstrates that the proposed bond financing will be based on reasonable estimates of the tax revenues available to support the bonds the District is expected to issue. The Financial Plan demonstrates that the projected revenues will allow payment to bondholders of interest at an annualized rate of 9% at a mill levy rate of 30 mills. To the extent principal and/or interest remains unpaid upon final maturity of the Bonds, such principal and/or interest will be discharged.

It is not anticipated that the District shall incur any indebtedness other than the bond debt discussed above to fund the planned improvements. Of course, the owners of lots within the District shall be responsible for paying normal water and sewer service charges, which shall be billed by and paid to the Willowbrook District in accordance with existing Willowbrook District procedures.

None of the land within the District is currently developed. The proposed subdivision plat, which is pending approval from the County, provides for construction of 260 homes over a

period of six to eight years. It is estimated that at build-out, the total population within the District will be approximately 800 people and the total valuation for assessment purposes will be approximately \$ 10 million.

The 1994 appraised value of all taxable property within the District is approximately \$375,000.

The estimated values for homes to be developed in the District, and the rate of build-out, are considered conservative by the builders and those familiar with development in this area. Exhibit 8 provides additional information in support of the assumptions on which the Financial Plan is based. The three types of homes to be developed are expected to have a value at sale of \$250,000, \$325,000 and \$400,000. As shown in Exhibit 8, these home values compare well to the values of existing homes in the general vicinity of the proposed District. A five-year average home value increase at the rate of 10.00%, or an annual rate of approximately 2%, has also been included. This figure is extremely conservative based on the development patterns in the area, and is based not only on historical trends, but also on the appreciation that takes place as a development matures and infrastructure grows to meet that development.

Because the bonds issued by the District will be "cash flow" bonds, and the proceeds from those bonds at a given time will be entirely dependent upon the tax revenues and Capital Recovery Fees received by the District, they will be initially placed with the Developer and any principal and/or interest remaining unpaid upon final maturity of the Bonds will be discharged.

The project is being developed in phases. The bonds will not be issued until the final plat for the initial phase of Development has been recorded.

VI. GENERAL DESCRIPTION OF FACILITIES; PRELIMINARY SERVICES.

A preliminary engineering survey of the road improvements to be constructed or acquired by the District are depicted in Exhibit 5. These improvements include rock excavation,

earthwork and paving, and installation of storm drainage facilities for a new Belleview Avenue alignment west of its current location. In addition, a bridge will be constructed over Turkey Creek for the realigned Belleview Avenue.

The improvements will be completed in accordance with applicable County standards. Upon satisfactory completion of these road improvements, the new road and bridge facilities shall be conveyed to Jefferson County. Thereafter, the County shall have the obligation for the inspection, maintenance, repair and replacement of such road and bridge facilities.

A preliminary engineering survey of the water and sanitation facilities to be constructed or acquired by the District is attached as Exhibit 6. The District will construct or acquire a sanitary sewer lift station, to be centrally located along the northern edge of the District, and accompanying sewer main, and force main installation. The District will also construct or acquire a 0.75 million gallon reservoir, and related facilities, to be located south of the southwestern corner of the District, outside of the District boundaries. In addition, the Willowbrook District has required that a fund in the amount of one hundred and fifty thousand dollars (\$150,000) be established to cover anticipated costs of replacement of the Lift Station (the "Capital Replacement Fund"). After the lift station has been deeded to Willowbrook District, any replacement shortfalls will be billed by Willowbrook District to users of the lift station.

The water and sanitation facilities to be constructed or acquired are necessary to address special needs of the water and sanitation service area within the District, provision of sanitation facilities is required by the Development Agreement under which the Willowbrook District has agreed to provide sanitation service to the area. The facilities are compatible with existing facilities and service standards within the County and the Willowbrook District.

The estimated total cost to construct the proposed improvements, including 6% for engineering costs and 10% for contingencies, is \$2,065,000. A detailed analysis of these estimated costs is attached hereto as Exhibit 7. Thus, the total cost of the District's

improvements, including the Capital Replacement Fund, will be approximately \$2.1 million. Prior to the issuance of Bonds, the construction costs for necessary Improvements may be advanced by the Developers subject to subsequent acquisition by the proposed District of completed Improvements and reimbursement to the Developer of such advanced construction costs.

The District will have no ongoing operations or maintenance responsibilities for the improvements constructed, however, the District will have ongoing administrative expenses.

VII. GENERAL DESCRIPTION OF ORGANIZATIONAL COSTS.

No costs for land acquisition, engineering services, legal or administrative services or any initial or proposed indebtedness will be assigned to the District by those seeking to organize it, except for the obligations to construct or acquire the improvements described in this Service Plan. The costs of initial organization of the District will be funded through contributions from Chimney Rock, L.L.C., until such time as the District collects tax revenues adequate to cover its administrative costs. The District will repay the Developer for advances for operations and maintenance expenses after the District is able to pay its annual operations and maintenance expenses and only to the extent funds are available after payment of annual debt service on the bonds and annual operations and maintenance expenses.

VIII. CONCLUSIONS.

The Service Plan for the Chimney Rock Metropolitan District meets the requirements of the Special District Act, and specifically, §32-1-202(2), and presents satisfactory evidence of the criteria identified in §32-1-203(2) and 32-1-203(2.5). The following conclusions can be made with regard to the proposed District:

* There is sufficient projected need for organized service in the area to be served by the District.

* The existing service in the area to be served by the District is inadequate for present projected needs.

* The District is capable of providing economical and sufficient service to the area within its boundaries.

* The area to be included in the District will have the financial ability to discharge the proposed indebtedness on a reasonable basis.

* Adequate service will not otherwise be available to the District within a reasonable time and on a comparable basis.

* The facility and service standards are compatible with those of the County and any municipality which is an interested party under §32-1-204(1).

* The proposal is in substantial compliance with the County master plan.

* The proposal is in compliance with the regional 208 plan for the area to be served.

* The creation of the District will be in the best interest of the area to be served.

THEREFORE, it is requested that the Board of County Commissioners of Jefferson County, Colorado, which has jurisdiction to approve the Service Plan by virtue of §32-1-204, adopt a resolution approving this Service Plan for Chimney Rock Metropolitan District as submitted.

C3\CleanServicePlan.wpd

Exhibit 1

Map of Proposed District

NO CHANGE FROM ORIGINAL SERVICE PLAN

Exhibit 2

Legal Description of Proposed District Boundaries

NO CHANGE FROM ORIGINAL SERVICE PLAN

Exhibit 3

Development Agreement with Willowbrook Water and Sanitation District

NO CHANGE FROM ORIGINAL SERVICE PLAN

Exhibit 4

Financial Plan (Mill Levy Analysis)

SEE EXHIBIT C

Exhibit 5

Preliminary Engineering Survey of Road Improvements to be Constructed Within the District

NO CHANGE FROM ORIGINAL SERVICE PLAN

Exhibit 6

Preliminary Engineering Survey of Water and Sewer Facilities to be Constructed Within the

NO CHANGE FROM ORIGINAL SERVICE PLAN

Exhibit 7

Engineer's Opinion of Cost for Metropolitan District Capital Improvements

SEE EXHIBIT D

EXHIBIT C

FINANCIAL PLAN

Chimney Rock Metropolitan District

**Forecasted Statement of Sources
and Uses of Cash**

**For the Years Ending
December 31, 1997 through 2017**



Board of Directors
Chimney Rock Metropolitan District

We have compiled the accompanying forecasted statements of sources and uses of cash of the Chimney Rock Metropolitan District (Schedule 1), the related projected debt service schedule (Schedule 2), the schedule of absorption (Schedule 3) and the schedule of forecasted construction costs (Schedule 4) for the years ending December 31, 1997 through 2017, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying statements or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

October 13, 1997

Schedule I

Chimney Rock Metropolitan District
Sources and Uses of Cash
For the Years Ended December 31, 1997 through 2017

	1987	1988	1989	2000	2001	2002	2003	2004	2005	2008
General Fund:										
Beginning cash available	0	0	0	0	(0)	(0)	(0)	(0)	(0)	0
Revenues:										
Property taxes	837,886	0	0	2,784	10,562	21,454	34,707	42,588	47,210	47,210
Specific ownership taxes	50,282	0	0	168	634	1,287	2,082	2,558	2,833	2,833
Developer advances	216,028	41,200	42,438	40,789	33,883	12,359	5,258	0	0	0
Total revenues	1,103,882	41,200	42,438	43,751	45,179	35,100	42,048	45,154	50,043	50,043
Expenditures:										
Tax collection fees	12,565	0	0	42	158	322	521	838	708	708
Repay developer advances	71,916							1,742	6,278	3,857
Operating and Admin expenses	1,019,501	41,200	42,438	43,709	45,020	34,778	41,527	42,773	44,056	45,378
Total expenditures	1,103,881	41,200	42,438	43,751	45,179	35,100	42,048	45,154	50,042	50,043
Ending cash available	0	0	0	(0)	(0)	(0)	(0)	(0)	0	0
M&M Levy	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000

Debt Service/Capital Project Fund:

	1987	1988	1989	2000	2001	2002	2003	2004	2005	2008
Beginning cash available	0	0	0	0	0	1	0	1	1	0
Revenues:										
Property taxes	5,028,187	0	0	16,786	83,372	128,722	208,242	255,586	283,281	283,281
Specific ownership taxes	301,570	0	0	1,008	3,802	7,723	12,495	16,335	18,888	18,888
Capital Recovery fees	782,700	0	0	6,100	28,500	42,600	47,100	47,100	47,100	47,100
Bond proceeds	2,105,000	840,000	800,000	315,000						
Reimbursements	0	0	0	0	0	0	0	0	0	0
Interest income	0	0	0	0	0	0	0	0	0	0
Total revenues	8,215,437	840,000	600,000	337,871	95,874	179,045	287,837	318,021	347,357	347,357
Expenditures:										
Debt service	4,857,650	0	0	22,818	84,723	177,115	284,713	314,187	343,108	343,108
Insurance costs	40,000	0	0							
Construction	2,085,000	800,000	600,000	315,000						
Tax collection fees	75,283	0	0	261	951	1,931	3,124	3,834	4,249	4,249
Total expenditures	7,038,043	840,000	600,000	337,870	95,874	179,048	287,837	318,021	347,357	347,357
Ending cash available	1,177,395	0	0	0	1	0	1	1	0	(0)
M&M Levy	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Assessed value (000's) Summary										
Beginning	8,640	0	0	559	34	2,112	4,291	8,941	8,520	9,442
Inflation on existing homes							257	1,578	611	
Increase for home starts				559	1,520	2,178	2,393	1,578	411	0
Ending	8,640	0	0	559	2,112	4,291	8,941	8,520	9,442	9,442

See Summary of Significant Assumptions and Accounting Policies

Chimney Rock Metropolitan District
Sources and Uses of Cash
For the Years Ended December 31, 1997 through 2017

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:											
Beginning cash available	0	0	0	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Revenues:											
Property taxes	60,043	60,043	63,045	63,045	68,228	68,228	68,602	69,602	63,178	63,178	68,868
Specific ownership taxes	3,003	3,003	3,183	3,183	3,374	3,374	3,578	3,578	3,791	3,791	4,018
Developer advances											
Total revenues	63,046	63,046	66,228	66,228	69,602	69,602	63,178	63,178	66,968	66,968	70,887
Expenditures:											
Tax collection fees	761	761	798	798	843	843	894	894	948	948	1,005
Repay developer advances	6,658	4,163	6,847	4,360	6,163	4,576	6,475	4,801	8,813	6,037	7,168
Operating and Admin expenses	46,739	48,141	49,685	61,073	62,605	64,183	65,809	67,483	69,208	60,984	62,813
Total expenditures	53,046	53,046	58,228	58,228	69,602	69,602	63,178	63,178	68,968	68,968	70,888
Ending cash available	0	0	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0
Mil Levy	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
Debt Service/Capital Project Fund:											
Beginning cash available	(0)	48,841	180,868	278,103	381,247	488,697	581,447	672,460	781,452	841,777	1,081,802
Revenues:											
Property taxes	300,267	300,267	318,272	318,272	337,368	337,368	367,810	367,810	378,067	378,067	401,811
Specific ownership taxes	18,016	18,016	19,098	19,098	20,242	20,242	21,467	21,457	22,744	22,744	24,109
Capital Recovery Fees	47,100	47,100	47,100	47,100	47,100	47,100	47,100	47,100	47,100	47,100	47,100
Bond proceeds											
Reimbursements											
Interest income	0	0	0	0	0	0	0	0	0	0	0
Total revenues	365,372	365,372	384,468	384,468	404,710	404,710	428,187	428,187	448,911	448,911	473,020
Expenditures:											
Debt service	312,027	248,760	261,650	277,650	291,300	327,800	308,800	301,800	282,900	293,100	381,600
Issuance costs											
Construction											
Tax collection fees	4,604	4,604	4,774	4,774	6,081	6,081	6,384	6,384	6,688	6,688	8,027
Total expenditures	318,531	253,254	268,324	282,324	298,381	332,881	315,184	307,184	298,588	298,788	387,627
Ending cash available	48,841	180,868	278,103	381,247	488,697	581,447	672,460	781,452	841,777	1,081,902	1,177,396
Mil Levy	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000
Assessed valuation (000's) Summary											
Beginning	8,442	10,008	10,008	10,608	10,809	11,248	11,248	11,820	11,820	12,638	12,638
Inflation on existing homes	667		601		637		876		715		758
Increase for home starts	0	0	0	0	0	0	0	0	0	0	0
Ending	10,009	10,009	10,609	10,609	11,248	11,248	11,820	11,820	12,638	12,638	13,394

See Summary of Significant Assumptions and Accounting Policies

Chimney Rock Metropolitan District
 Projected Debt Service Schedule
 For the Years Ended December 31, 1997 through 2017

Year	Accrued Interest	Interest Paid	Principal Paid	Total Paid	Principal Outstanding	Unpaid Interest Outstanding
1997						
1997					840,000	
1998	37,800	0		0	840,000	37,800
1998	37,800	0		0	1,190,000	75,600
1999	53,550	0		0	1,190,000	129,150
1999	53,550	0		0	1,790,000	182,700
2000	80,550	0		0	1,790,000	263,250
2000	80,550	17,619	5,000	22,619	2,100,000	326,181
2001	94,500	47,362		47,362	2,100,000	373,320
2001	94,500	42,362	5,000	47,362	2,095,000	425,458
2002	94,275	88,558		88,558	2,095,000	431,176
2002	94,275	83,558	5,000	88,558	2,090,000	441,893
2003	94,050	132,357		132,357	2,090,000	403,587
2003	94,050	127,357	5,000	132,357	2,085,000	370,280
2004	93,825	157,094		157,094	2,085,000	307,012
2004	93,825	147,094	10,000	157,094	2,075,000	253,743
2005	93,375	171,554		171,554	2,075,000	175,564
2005	93,375	121,554	50,000	171,554	2,025,000	147,385
2006	91,125	171,554		171,554	2,025,000	66,956
2006	91,125	96,554	75,000	171,554	1,950,000	61,527
2007	87,750	149,277		149,277	1,950,000	0
2007	87,750	87,750	75,000	162,750	1,875,000	0
2008	84,375	84,375		84,375	1,875,000	0
2008	84,375	84,375	80,000	164,375	1,795,000	0
2009	80,775	80,775		80,775	1,795,000	0
2009	80,775	80,775	100,000	180,775	1,695,000	0
2010	76,275	76,275		76,275	1,695,000	0
2010	76,275	76,275	125,000	201,275	1,570,000	0
2011	70,650	70,650		70,650	1,570,000	0
2011	70,650	70,650	150,000	220,650	1,420,000	0
2012	63,900	63,900		63,900	1,420,000	0
2012	63,900	63,900	200,000	263,900	1,220,000	0
2013	54,900	54,900		54,900	1,220,000	0
2013	54,900	54,900	200,000	254,900	1,020,000	0
2014	45,900	45,900		45,900	1,020,000	0
2014	45,900	45,900	210,000	255,900	810,000	0
2015	38,450	36,450		36,450	810,000	0
2015	36,450	36,450	220,000	256,450	590,000	0
2016	26,550	26,550		26,550	590,000	0
2016	26,550	26,550	240,000	266,550	350,000	0
2017	15,750	15,750		15,750	350,000	0
2017	15,750	15,750	350,000	365,750	0	0
	<u>2,752,650</u>	<u>2,752,650</u>	<u>2,105,000</u>	<u>4,857,650</u>		

See Summary of Significant Assumptions and Accounting Policies

Chimney Rock Metropolitan District
Absorption Schedule
For the Years Ended December 31, 1997 through 2003

	Total	1997	1998	1999	2000	2001	2002	2003
Absorption single family units	98	0	10	20	28	28	12	
Average market value per unit		400,000	408,000	418,160	424,483	432,973	441,632	
Total market value	41,711,558	0	4,080,000	8,323,200	11,885,530	12,123,240	5,299,588	
Assessed Valuation	4,062,708	0	397,392	810,680	1,157,651	1,180,804	516,180	
Absorption lifestyle units	65	0	5	10	15	20	15	
Average market value per unit		325,000	331,500	338,130	344,893	351,790	358,826	
Total market value	22,630,392	0	1,657,500	3,381,300	5,173,389	7,035,809	5,382,394	
Assessed Valuation	2,204,200	0	161,441	329,339	503,888	685,288	524,245	
Absorption cluster units	90	0		15	20	20	20	15
Average market value per unit		250,000	255,000	260,100	265,302	270,608	276,020	281,541
Total market value	24,363,214	0	0	3,901,500	5,306,040	5,412,161	5,520,404	4,223,109
Assessed Valuation	2,372,977	0	0	380,006	516,808	527,144	537,687	411,331
Total Absorption All Units	253	0	15	45	63	68	47	15
Average market value per unit								
Total market value	88,705,163	0	5,737,500	15,606,000	22,384,959	24,571,210	16,202,386	4,223,109
Assessed Valuation	8,639,883	0	558,833	1,520,024	2,178,347	2,393,236	1,578,112	411,331
Units subject to Capital Recovery Fee	157				17	78	47	15
Cumulative					17	95	142	157

See Summary of Significant Assumptions and Accounting Policies

Chimney Rock Metropolitan District
Schedule of Forecasted Construction Costs
For the Years Ended December 31, 1997 through 2000

	Total	1997	1998	1999	2000
Construction Draw Requirements	<u>2,065,000</u>	<u>800,000</u>	<u>350,000</u>	<u>600,000</u>	<u>315,000</u>

See Summary of Significant Assumptions and Accounting Policies

Chimney Rock Metropolitan District

Summary of Significant Assumptions and Accounting Policies December 31, 1997 through 2017

The foregoing forecast presents, to the best of the Developer's knowledge and belief, the expected cash receipts and disbursements for the forecast period. Accordingly, the forecast reflects its judgement as of October 13, 1997. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The purpose of this forecast is to show the amount of funds available for District operations and debt retirement (Schedule 2) and capital construction (Schedule 4).

Note 1: Ad Valorem Taxes

The primary source of revenue for District #2 will be the collection of ad valorem taxes. Residential property is currently assessed at 9.74% of 1994 market values. Market values for residential homes are estimated to range from \$250,000 to \$400,000 as detailed in Schedule 3. It is assumed that new homes will inflate at 3% per annum. Existing homes inflate at 3% per annum every other year.

Property is assumed to be assessed annually as of January 1st. Homes are assumed to be assessed on the next January 1st. The forecast recognizes the related property taxes as revenue in the subsequent year.

The County Treasurer currently charges a 1.5% fee for the collection of property taxes. These charges are reflected in the accompanying forecast as tax collection fees.

The forecast assumes that Specific Ownership Taxes collected on motor vehicle registrations will be 6% of property taxes collected.

The mill levy imposed by the District is proposed to equal 35 mills for the forecast period, of which 5 mills will be set aside for operating funds and the balance of 30 mills (adjusted to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation) will be available for the debt service.

Note 2: Capital Recovery Fees

The forecast assumes that an annual capital recovery fee in the amount of \$300 which may be adjusted upon the Consumer Price Index for the Denver Metropolitan Area as published by the U.S. Department of Labor Bureau of Labor Statistics, will be collected on 157 of the lots. The forecast assumes no increases over the life of the forecast. The fees are pledged for the payment of debt service.

Chimney Rock Metropolitan District

Summary of Significant Assumptions and Accounting Policies
December 31, 1997 through 2017

Note 3: Interest Income

Interest income is assumed to be earned at 4.25% per annum. Interest income is based on the year's beginning cash balance and an estimate of the timing of the receipt of revenues and the outflow of disbursements during the course of the year.

Note 4: Bond Assumptions

The District proposes the issuance of \$2,105,000 of Limited General Obligation Bonds in 1997. The bonds will be issued in denominations of \$5,000 or multiples thereof and carry a coupon rate of 9% per annum. The bonds are cash flow bonds and as such, payments are made from available revenues. Unpaid interest does not accrue interest. Should interest and or principal remain unpaid upon the final maturity of the bonds, the unpaid interest and or principal will be discharged.

Note 5: Developer Advances

The developer will need to make advances to the District to fund operating expenses during the early years since ad-valorem tax revenue will be insufficient to cover such expenses. The developer advances are subordinate to the above bond issues and the ability of the District to repay the advances is subject to the availability of surplus funds. The developer advances accrue interest at 9% per annum.

Note 6: Operating and Administrative Expenses

Administrative expenses for legal, accounting, audit, management and maintenance are forecasted to be \$40,000 per year during the construction phase and \$15,000 per year thereafter. Inflation is provided for operating and administrative expenses at 3% per annum.

Note 7: Construction Costs

Schedule 4 details the forecasted construction costs. No inflation is provided for construction costs.

EXHIBIT D

Engineer's Opinion of Costs for Metropolitan District Capital Improvements

Willow Springs					
Metro District Expenditures					
Description	Quantity	Units	Unit Price	Total Cost	Billed to Date
BELLEVIEW AVENEUE					
Earthwork/Paving					
Mobilization	1	LS	7,500.00	7,500.00	18,750.00
Erosion & Dust Control	1	LS	61,830.00	61,830.00	61,830.00
Traffic Control	1	LS	22,770.00	22,770.00	22,770.00
Traffic Signage	1	LS	7,920.00	7,920.00	7,920.00
Traffic Signage	1	LS	1,930.00	1,930.00	1,930.00
Subgrade Prep	14,400	SY	1.45	20,880.00	19,836.00
Shoulders - 4' Wide	8,050	LF	1.65	13,282.50	12,618.38
Drainage Swal Rip Rap	8,050	LF	4.63	37,271.50	23,150.00
Strip/Stockpile Topsoil	5,877	CY	1.10	6,464.70	6,464.70
Replace Topsoil	2,200	CY	1.30	2,860.00	2,860.00
Earthwork Cut/Fill	46,369	CY	1.47	68,162.43	68,162.43
Site Clear/Grub	1	LS	24,550.00	24,550.00	24,550.00
Remove Willow Springs Rd.	800	CY	12.20	9,760.00	9,760.00
Remove Recycled Asphalt	1	LS	6,300.00	6,300.00	6,300.00
Guard Rail	1	LS	24,000.00	24,000.00	24,000.00
7" Asphalt	14,400	SY	10.32	148,608.00	142,663.68
Temporary Gravel Road	3,828	TN	8.50	32,539.62	32,539.62
				496,628.75	486,104.81
Engineering 10%				49,663.00	49,663.00
				546,291.75	535,767.81

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Willow Springs					
Metro District Expenditures					
Description	Quantity	Units	Unit Price	Total Cost	Billed to Date
Fees & Testing					
Permit Fee	1	LS	8,930.00	8,930.00	8,930.00
Soils/Compaction Tests	1	LS	11,375.00	11,375.00	11,375.00
Survey	1	LS	17,800.00	17,800.00	17,800.00
Bond	1	LS	8,000.00	8,000.00	8,000.00
				46,105.00	46,105.00
Storm Drainage					
24" RCP	95	LF	30.54	2,901.30	0.00
24" FES	1	EA	410.96	410.96	0.00
36" RCP	293	LF	44.49	13,035.57	13,035.57
36" FES	4	EA	557.01	2,228.04	2,228.04
48" RCP	65	LF	60.74	3,948.10	3,948.10
5' DIA Manhole	1	EA	1,417.71	1,417.71	1,417.72
54" RCP	305	LF	109.00	33,245.00	33,245.00
54" RCP FES	2	EA	1,006.92	2,013.84	2,013.84
Headwall	4	EA	1,200.00	4,800.00	4,800.00
				64,000.52	60,688.27
Engineering 10%				6,400.00	6,400.00
				70,400.52	67,088.27
TOTAL BELLEVIEW				662,797.27	648,961.08

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Willow Springs					
Metro District Expenditures					
Description	Quantity	Units	Unit Price	Total Cost	Billed to Date
SANITARY LIFT STATION					
Lift Station	1	LS	120,000.00	120,000.00	0.00
Force Main	1,950	LF	18.00	35,100.00	0.00
Maintenance	1	LS	150,000.00	150,000.00	0.00
				305,100.00	0.00
Engineering 10%				30,510.00	30,510.00
				335,610.00	30,510.00
WATER TANK FACILITIES					
16" DIP To Tank	8,242	LF	54.00	445,068.00	113,058.00
Joint Restraint System	8,242	LF	28.16	232,094.72	0.00
Additional Fittings	8,242	LF	6.56	54,067.52	0.00
Water District Reimbursement	8,242	LF	-29.83	-245,858.86	0.00
16" DIP Net				485,371.38	113,058.00
.5 MG Tank	1	LS	325,000.00	325,000.00	0.00
Road to Tank	1	LS	50,000.00	50,000.00	0.00
				860,371.38	113,058.00
Engineering 10%				86,037.00	11,306.00
				946,408.38	124,364.00
BRIDGE					
Construction	1	LS	145,600.00	145,600.00	0.00
Engineering 10%				14,560.00	0.00
				160,160.00	0.00
		Total		2,104,975.65	803,835.08