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**OFFICIAL
CONSOLIDATED
SERVICE PLAN**

SEPTEMBER 30, 2004

**MESA RIDGE METROPOLITAN DISTRICT NO. 1
MESA RIDGE METROPOLITAN DISTRICT NO. 2**

EL PASO COUNTY, COLORADO

**CONSOLIDATED
SERVICE PLANS**

FOR

**MESA RIDGE METROPOLITAN DISTRICT NO. 1
MESA RIDGE METROPOLITAN DISTRICT NO. 2**

Prepared by:

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June 30, 2004

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TABLE OF CONTENTS

	Page
SUMMARY	1
A. INTRODUCTION	3
B. DEVELOPMENT ANALYSIS	7
C. FINANCIAL PLAN ANALYSIS	7
D. INFRASTRUCTURE ANALYSIS	10
E. INTERGOVERNMENTAL AGREEMENT	13
F. MISCELLANEOUS	13
G. COMPLIANCE	14
H. CONCLUSION	14

LIST OF EXHIBITS

1. District Maps
2. Legal Descriptions
3. Infrastructure Capital Costs
4. Marketing Plan
5. Sketch Plan
6. Financial Plan
7. Proof of Taxes
8. Intergovernmental Agreement

SUMMARY

The following is a summary of general information regarding the proposed District provided for the convenience of the reviewers of this Service Plan. Please note that the following information is subject in all respects to the more complete descriptions contained elsewhere in this Service Plan.

Proposed Districts:	Mesa Ridge Metropolitan District No. 1 ("District No. 1") Mesa Ridge Metropolitan District No. 2 ("District No. 2") (collectively the "Districts").
Property Owner/Developer	Mesa Ridge Joint Venture, LLC.
Development:	Residential and commercial project on approximately 531 acres of real property north of Fountain, Colorado in El Paso County, Colorado.
Proposed Improvements:	Water, wastewater, street improvements and safety protection, park and recreation, drainage, landscaping, mosquito control, transportation, and television relay.
Infrastructure Capital Costs:	\$23,000,000
Debt Authorization:	\$35,000,000 Limited Tax Obligation Bonds
Proposed Mill Levy:	30 Mills for Debt Service 7 Mills for Operations and Maintenance
Proposed M/L Cap	50 Mills Total
Proposed Development Facility Fee	\$1500 per SFE, \$500 per multi-family, and \$.25 per square foot of improvements for commercial/industrial
Functions of the Owner/Developer:	The Owner/Developer will initially meet the obligations of operations, maintenance, and funding of organizational costs subject to reimbursement as provided by law.

Functions of the
Districts:

Mesa Ridge Metropolitan District No. 1 will see that all infrastructure is designed and constructed to appropriate local and state standards. District No. 1 will maintain all infrastructure with the exception of roads and associated drainage pipes which will be conveyed to the County. The Developer may provide financial assistance for construction and maintenance.

Mesa Ridge Metropolitan District No. 2 shall provide financing for public facilities, services, and programs benefiting the future residents and landowners of the community.

Material Modifications:

Modification to this Service Plan shall be required if there is a change in the mill levy cap or a change in the basic services provided by the Districts, including the addition of any types of services provided and for any other matter described as a material modification by state law.

Current Population:

0

Current Valuation
for Assessment of
both Districts

\$64,694-District No. 2

A. INTRODUCTION

Necessary public facilities, services, and programs will be provided to the 531 acres at Mesa Ridge development by two metropolitan districts which will be created pursuant to Title 32 Colorado Revised Statutes. The two districts will be named Mesa Ridge Metropolitan District No. 1 ("District No. 1") and Mesa Ridge Metropolitan District No. 2 ("District No. 2"). The Districts will coordinate their efforts to provide public services in the most efficient manner possible.

District No. 1 will be responsible for managing the design, construction, and operation of the public facilities and improvements and for providing funding to support the necessary costs and services and as such, will be deemed to be a "Managing District".

Mesa Ridge No. 2 will be responsible for providing funding to support costs related to services and improvements utilizing the tax base, fees, and charges and will be deemed to be the "Financing District" in order to generate the necessary revenues.

An intergovernmental agreement (Exhibit 8) will clarify the nature of the functions and services that each District will provide and will set forth the arrangements for the financing, construction and operations of the improvements.

There is the potential that Mesa Ridge may be annexed into the City of Fountain hereinafter referred to as (the "Annexation"). If such Annexation occurs, then notwithstanding any other provision contained in this Service Plan to the contrary:

i) the Fountain City Council shall become the Approving Authority under Part ii of the Special District Act for any approvals required under the Act for either District from and after the date of Annexation; and

ii) the City of Fountain shall have the option of acquiring for future operation and maintenance purposes, any District constructed or financed public improvement located within the City of Fountain and which in the absence of Annexation would have been transferred by the District to the County other public entity for operation and maintenance purposes; and

iii) unless otherwise provided in the Annexation Agreement with the City of Fountain the installation and construction of all facilities and the provision of all services by both Districts shall at all times be subject to and comply with all applicable city standards, requirements and regulations, including but not limited to, all City conveyance, acceptance, and warranty

requirements; and

iv) any attempt to over-rule or exempt either one or both of the Districts from the City of Fountain's zoning regulations through any statutory location and extent process shall be deemed a material modification of this Service Plan.

In addition the Districts may enter into an agreement with a non-profit development corporation for the purposes of providing coordinated maintenance, administration, and other services and the imposition of fees on certain land sales which fees would be committed to servicing debt. The Districts may impose other fees, rates, tolls, and charges as allowed by Colorado statutes.

This dual district structure is proposed to provide the following benefits: (1) services and improvements can be financed in the most favorable and efficient manner; (2) services will be available when needed through a managed and phased development; and, (3) there will be a capped mill levy and reasonable tax burden as a result of managed financing and coordinated completion of infrastructure. Financing will be phased to avoid long term carrying costs that could occur if improvements are constructed too early.

It is proposed that the Districts provide the following municipal services, both within and without the boundaries of the Districts as may be necessary:

WATER – Design and construction, of a complete potable and non-potable water supply system, including, but not limited to, storage, transmission, and distribution system, consisting of, but not limited to, transmission lines, distribution mains, laterals, storage facilities, pumping facilities, and easements and appurtenant facilities. Potable water will be provided by either Widefield Water and Sanitation District or the City of Fountain. All water improvements shall be dedicated to the appropriate governmental entity.

WASTEWATER – Design and construction of a complete sanitary sewage and storm drainage collection and transmission system, consisting of, but not limited to, collection mains, laterals, transmission lines, and pumping facilities and all necessary, incidental and appurtenant facilities, land and easements. Wastewater services will be provided by Fountain Sanitation District and the wastewater improvements shall be dedicated to Fountain Sanitation District for ownership and maintenance.

STREET IMPROVEMENTS AND SAFETY PROTECTION – Design, acquire, and construct arterial and collector street improvements and related safety protection devices including, but not limited to, bridges, fencing, trails, lighting, landscaping, traffic and safety controls and devices. Streets are to be dedicated to the County or the City of Fountain, should Annexation occur, for ownership and permanent maintenance. Any street related medians and

landscaping will be owned and maintained by the District. The County or the City of Fountain, will only maintain those improvements located within public right of way that have been accepted by the County or the City of Fountain, as the case may be.

PARK AND RECREATION – Design, acquire, construct, operate and maintain recreational facilities including, but not limited to, active parks, pocket parks, open spaces, trails, fencing and landscaping. In the event of Annexation the District's public parks may be dedicated to the City of Fountain upon request and upon satisfaction of all customary conveyance and acceptance procedures and requirements and subject to all applicable warranties.

MOSQUITO CONTROL - Provide for the eradication and control of mosquitoes, including but not limited to, elimination or treatment of breeding grounds and purchase, lease, contracting or other use of equipment or supplies for mosquito control.

TELEVISION RELAY AND TRANSLATION – Provide for the design, acquisition, construction, completion, installation, operation and maintenance of television relay and translation facilities, cable and communication facilities, fiber optic conduit network, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities.

TRANSPORTATION – Design, acquire, construct, install, and/or operate and maintain transportation system improvements, including, but not limited to, transportation equipment, park and ride facilities and public parking lots, structures, roofs, covers and facilities, together with all necessary incidental and appurtenant facilities, land and easements together with extensions of and improvements to said facilities within and without the boundaries of the Districts; provided however, that the design, acquisition, construction, installation, and/or operation and maintenance of public transportation improvements shall, where applicable, be subject to entry into authorizing contracts pursuant to the provisions of Part 2, Article 1 of Title 29, Colorado Revised Statutes.

DRAINAGE – Design, acquire, and construct all necessary drainage facilities including, but not limited to, detention ponds, culverts, pipes, channels, swales, and weirs in accordance with an approved regional drainage plan and in conjunction with adjoining drainage features.

OTHER POWERS – In addition to the above-enumerated powers, the Districts shall have the authority (1) to amend this Service Plan as needed, with the approval by the Approving Authority subject to appropriate statutory procedures; (2) without amending this Service Plan, to defer, forego, reschedule or restructure the financing and construction of certain improvements and facilities, to better accommodate the pace of growth, resources availability, and potential inclusions

of property within the Districts with the County being notified if any of these actions take place; and, (3) to provide such additional services and exercise such powers as are expressly or impliedly granted by Colorado law.

(1) A map of the proposed Districts and a legal description of their boundaries are found at Exhibits 1 and 2.

(2) The creation of the Districts will be in the best interests of the property proposed to be served. The Districts will have the flexibility and statutory powers to provide long-term services to the residents and property owners. New districts have numerous advantages over other vehicles which could be utilized to supply services to this area.

While a Homeowners Association might be set up to provide these services by way of covenants imposed on the real property, an Association may lack both the financing ability, the flexibility and the longevity that would be provided by the Districts. Additionally, an Association would not possess certain of the statutory powers that are allowed to the Districts.

(3) Adequate municipal services for the development are not expected to be made available through any other county, municipality or quasi-municipal corporation. The Owners have also explored the possibility of annexation into the Cross Creek Metropolitan District.

(4) Insofar as the development consists of proposed municipal-type residential and commercial densities within its boundaries, Districts, as entities which are separate from the developer, can provide these services on a long term basis. A publicly controlled district with an elected board of directors, versus a Homeowners Association or any private Utility Company, would be the most capable of providing these municipal services.

(5) Although there is municipal debt to be authorized, the Owner, if necessary, may supply the credit enhancements needed for the initial debt. Limited tax general obligation debt will be issued from time to time depending on the current market conditions, success of development and pace of development as determined by the Districts. In addition there will be a mill levy cap not to exceed 50 mills.

The market analysis shows several scenarios of proposed build-out that are conservative and demonstrate that taking into account the fees and charges for municipal services together with the overlapping mill levy from other governmental entities, that Mesa Ridge will be competitive in the market place. A Market Analysis is included at Exhibit 4. This Market Analysis shows both the likely scenario for build-out and also the "worst case" scenario.

(6) The proposed Districts will be in compliance with the approved Sketch Plan, which has

recently been filed and is pending. The approval of the Sketch Plan, as one of its conditions, may authorize the formation of a district that will be responsible for the provision of municipal services.

B. DEVELOPMENT ANALYSIS

1. Attached as Exhibit 3 is an analysis of the Infrastructure Capital Costs for the water system, the wastewater system, the street improvements, parks and recreation, drainage, and engineering and surveying for the public improvements. The Districts will only construct and finance public improvements. Exhibit 3 is a summary of the anticipated costs with a breakdown of the unit costs. It is estimated that the total infrastructure for the entire District will take approximately seven years to construct. Exhibit 5 shows the Sketch Plan.

The properties to be initially included within the Districts are owned free and clear by the Owner.

2. At complete build-out, the Districts are planned to consist of 1,580 single family units, 340 multi-family units and 30 acres of commercial property and the overall density will be approximately 3.7 units per acre. There will be a ten acre school site and a ten acre park site together with trails and open spaces.

(a) Attached as Exhibit 4 is a Market Analysis of this project. This Analysis is conservative in nature and shows a worst-case scenario. It projects that between 2006 and 2008 there will be the addition of 230-920 residential units and starting in 2009 until 2012 there will be 0 to 240,000 square feet of commercial space constructed. The Districts' Financing Plan, attached as Exhibit 6, projects absorption within the Market Analysis range.

(b) The absorption and market share of development to be captured by the Districts represents about 11% of the Competitive Market Share projected for this part of El Paso County. The Market Analysis has taken into account the impacts of competitive developments that are located in this part of El Paso County or may be proposed in the near future.

(c) Because of the use of two districts, the limited mill levy, and the phased development, the financial risks will be assumed by the Owner/Developer and or the bond holder. Future bonded indebtedness will only be done as accepted by the market conditions at the time of issuance of limited tax general obligation bonds.

C. FINANCIAL PLAN ANALYSIS

If necessary, the Owner/Developer may arrange for the credit enhancements needed for the initial debt to be issued by the Districts and are financially capable of owning bonds. Limited tax general

obligation debt will be issued by District No. 2 as accepted by the market. It is anticipated that the debt service mill levy will be 30 mills and the operations/maintenance mill levy would be 7 mills. The maximum mill levy for both debt service and operations is 50 mills provided that if, on or before January 1, 2004, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy limitations described herein may be increased or decreased to reflect such changes, such increases or decreases, to be determined by the Districts in good faith (such determinations to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes. The mill levy cap will insure future residents that property taxes will not become excessive even if development plans are not met. The 50 mill cap will not only be set forth in this Service Plan, but will also be a contractual part of the IGA and will be described in the debt issues which will be a part of the ballot for the organizational election.

1. Attached as Exhibit 6 is a Financial Plan projecting finances over the next thirty four (34) year period of time. This Plan shows the number of units projected to come on line each year and then depicts the income to be derived from the mill levy of 37 mills and the development Facility Fee. The Plan also estimates the annual operating costs of the Districts and for the maintenance of park, recreation and storm water detention facilities. The maximum term of bonds may be forty (40) years.

It is proposed that the Districts will be authorized to issue indebtedness up to 35 million dollars (limited tax general obligation bonds, 2004 equivalency) in principal although it is anticipated that this entire authorization will not be needed. The mill levy will be capped at 50 mills total although it is anticipated that any debt will be satisfied with a mill levy of 30 mills per year. Before the amount of the District's outstanding debt in whatever form, be it GO debt or some other form of multiple fiscal year financial obligation, exceeds in aggregate \$28,000,000, the District shall first obtain permission from the Approving Authority.

At the time of the election forming the Districts, it is proposed that there also be a ballot question authorizing up to 35 million dollars in debt (limited tax) plus interest and issuance costs for purposes of meeting the obligations of the cost of capital infrastructure. In addition, the election will authorize the Districts to pay operation and maintenance expenses. Refunding, re-issuance or restructuring of debt shall not count against this debt limit, and obligations of the Districts in their intergovernmental agreement shall not count against the debt limit.

There are no land acquisition costs reflected in this project as all land is owned free and clear and the Owner will give land or interests in land, as reasonably needed and mutually agreed, to the Districts without charge. The Infrastructure Capital Costs (Exhibit 3) depicts the estimated costs of infrastructure capital costs, including engineering, for the entire development as well as for the

Districts' share.

- (a) The Districts may issue revenue bonds necessary for the initial improvements and this shall not constitute debt or indebtedness within the meaning of any provision or limitation of the laws of Colorado or the State Constitution. The exact interest rates, discounts, and their form will be determined at the time of issuance and will reflect market conditions at the time. The primary source of revenues will be mill levies by District No. 2 pursuant to the intergovernmental agreement. The bonds may be credit enhanced by the Owner if necessary.
- (b) Subject to the assessed valuation, market conditions, and development needs, District No. 2, pursuant to the Intergovernmental Agreement (IGA, Exhibit 8), will issue limited tax general obligation debt in order to pay for necessary infrastructure and/or to refinance the earlier debt issues. Any debt that is issued will be in compliance with state law.
- (c) The Infrastructure Capital Costs (Exhibit 3) consist of a breakdown of all development costs contemplated which are identified by type of service and further identified by the year in which the installations will occur.
- (d) All major infrastructure capital improvements together with the necessary easements will be assigned and deeded to the El Paso County or the appropriate service provider such as Fountain Sanitation District or Widefield Water and Sanitation District or the City of Fountain.
- (e) The Owner consists of two financially successful entities which are capable of meeting any necessary financial obligations.
- (f) As reflected in the Marketing Plan (Exhibit 4), these Districts should be capable of providing economical service within the boundaries.
- (g) If development does not occur as projected then there will be a delay in the addition of infrastructure and the incurring of additional debt.
- (h) It is anticipated that in the formative years the Districts will have revenue shortfalls to meet monthly operations and maintenance expenses. The Owner is prepared to assume these obligations for the development of the initially included property within the Districts subject to reimbursement.

- (i) All taxes have been paid and are current. See Exhibit 7.
- (j) It is not anticipated that there would be any financial difficulties that could affect the performance of the proposed Districts under this Service Plan due to the fact that there is a cap on the mill levy and the development occurs in phases.
- (k) It is anticipated that all improvements will be constructed to the standards imposed by El Paso County, its Department of Transportation, or if applicable, the City of Fountain, or any district provider of services, such as Widefield Water and Sanitation District, and the State Health Department.
- (l) In addition to property taxes, the District may also rely upon other revenue sources authorized by law and this Service Plan to offset the expenses of capital construction and District management, operations and maintenance. These will include the power to assess fees, rates, tolls, penalties, and charges as provided in Title 32, CRS, as amended.
- (m) Reimbursements to the Developer/ shall be paid only from limited tax General Obligation Bond proceeds and the interest rate on any financial obligations owed by the District to the developer shall be fair and reasonable and in no event shall the rate exceed ten percent.
- (n) At the request of the Approving Authority, bond documents may be reviewed and commented upon in advance.

D. INFRASTRUCTURE ANALYSIS

A general description of the facilities to be constructed and the standards of such construction showing that they are compatible with the facilities and standards of El Paso County follows:

ARTERIAL AND COLLECTOR STREET IMPROVEMENTS & SAFETY PROTECTION

By the IGA, District No. 1 intends to provide for the acquisition, construction, completion, installation and/or operation and maintenance of street improvements, both on-site and off-site, including curbs, gutters, sidewalks, bridges, overpasses, bike paths and pedestrian ways, irrigation, landscape, streetscape and entryways, parking lots and structures, and a system of traffic and safety controls and devices on streets and highways, including signalization, together with all necessary, incidental, and appurtenant facilities, right-of-ways, land and easements, together with extensions of and improvements to said facilities within and without the boundaries of the Districts. The Districts will only provide for the arterial and collector roads and streets that serve the entire

development.

All streets and safety protection facilities will be constructed in accordance with engineering and design requirements appropriate for the surrounding terrain, and shall be compatible with the standards of the County of El Paso, the Colorado Department of Highways, and other local public entities as may be appropriate.

The Districts recognize that they may be required to make a fair contribution to offsite road improvements needed for C & S Road.

An extensive Traffic Impact Study is on file with El Paso County as part of the sketch plan.

DRAINAGE

All storm sewers and facilities will be constructed in accordance with the standards and specifications of the Colorado Department of Highways, the County of El Paso, and any other local jurisdiction as appropriate. Again, the drainage improvements would be phased along with other capital construction improvements; however, if drainage improvements are required to be up-fronted or constructed in advance of a normal schedule, the Owner will be entitled to reimbursement. The drainage improvements would consist of detention/retention ponds, roadway swales and piping. Drainage improvements that are an integral part of the street and roadway system will be maintained by El Paso County along with routine street maintenance. Detention ponds will be maintained by District No. 1.

WATER DISTRIBUTION AND STORAGE

The water distribution and storage system will consist of, but not be limited to, pipes, fire hydrants, storage facilities, pumping stations, controls, and related equipment. The water system will be coordinated with the Security Fire Protection District, or the City of Fountain in the event of Annexation, in order to meet their requirements with regard to fire flows. Water quality will meet all standards as set by the State Department of Health or other applicable laws and regulations. The water system shall comply with all federal, state, and county requirements, including any requirements from Widefield Water and/or the City of Fountain..

In the event of annexation, the annexed territory will not object to exclusion from the Security Fire Protection District and fire protection services will be provided by the City of Fountain.

The total water distribution and storage system will again be phased along with other capital

improvements. See Exhibit 3.

SANITARY SEWER SYSTEM

The wastewater treatment and/or collection facilities will be designed, constructed and maintained in accordance with the standards of the Colorado Department of Health and the County of El Paso, and Fountain Sanitation District. The sanitary sewer system would consist of a complete collection system with forced main sewage lift stations.

PARK AND RECREATION

Park and recreation facilities of the District would consist of undisturbed open space, improved park areas, recreation centers, and trails. Again, these improvements would be phased along with the rest of the development. See Exhibit 3. The proposed Districts will cooperate with the recreational and trail plans of the Fountain Mutual Metropolitan District, and, in the event of Annexation, the City of Fountain. Mosquito control as required will also be provided.

TELEVISION RELAY AND TRANSLATION/CABLE TELEVISION

The Districts may design, acquire, construct, complete, install, operate and maintain television relay and translation facilities, cable and communication facilities, fiber optic conduit network, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities.

Exhibit 3 does not detail the Capital Infrastructure Costs for the installation of cable as it is presently unknown whether the cable operation will be retained and owned by the District or whether services will be provided by an outside entity.

OPERATION, MAINTENANCE AND ADMINISTRATION

The proposed District No. 1 would operate and maintain the public facilities that are not conveyed to and accepted by the County and/or the City of Fountain. Estimated cost for such operations, maintenance and administration are shown in the Financial Plan at Exhibit 6 and do not include those costs associated with the marketing and development which are not the responsibility of the Districts.

- (a) District No. 1 will cause improvements to be designed and constructed according to County and other local and state specifications as appropriate.
- (b) The Districts understand that other agencies may be involved due to the type of

infrastructure.

E. INTERGOVERNMENTAL AGREEMENTS

Exhibit 10 sets forth a draft of a proposed intergovernmental agreement ("IGA") to be entered into between the two Districts. The final IGA will set forth the terms for facilities funding, construction, and operation. The IGA recognizes the voter approved debt and requires District No. 2 to issue this debt when and as it is needed. The IGA further provides the guidelines for construction management and operations by District No. 1.

F. MISCELLANEOUS

The following is additional information to further explain the functions of the Districts:

- (a) The contemplated municipal services are under the jurisdiction of the Special District Control Act and not the Public Utilities Commission.
- (b) The Owner intends to meet all requirements of the El Paso County Land Development Code as may be required.
- (c) At this time there are no plans to exercise the power of eminent domain within or without the Districts' boundaries; however, the power shall be available for use by the Districts as allowed by law.
- (d) It is contemplated that should Boards of Directors so desire, after all debt has been retired, the two Districts may be consolidated or District No. 1 may be dissolved and its functions taken over by District No. 2.
- (e) In the eventuality of annexation into the City of Fountain, the City of Fountain will then become the Approving Authority pursuant to CRS 32-1-204.7.
- (f) The Developer/Owner shall not be reimbursed for any land, easements, licenses, water, water rights or other property that the Developer/Owner would be required to dedicate.
- (g) The Districts shall not exercise the power of eminent domain without the consent of the Approving Authority.
- (h) Except for inclusions and exclusions of land between the two Districts, the Districts

will not change their territorial boundaries without the consent of the Approving Authority.

- (i) Except as between the two Districts, the Districts shall not consolidate with any other district without the consent of the approving authority.

G. COMPLIANCE

The Districts agree that:

1. An annual report will be required and submitted as described in C.R.S. 32-1-207(3)(d) by April 1 of each year;
2. The Districts may be dissolved in accordance with statutory procedures in the event development activity permanently ceases and the Districts are failing to provide any services; and
3. Should material modifications occur as described in C.R.S. 32-1-207(2), the Districts shall apply for approval of such modifications to the Board of County Commissioners or the City of Fountain whichever is the Approving Authority, in advance of the modification occurring.

H. CONCLUSION

To meet the long term public improvement and service needs of the future residents of Mesa Ridge it is proposed that the Mesa Ridge Metropolitan District No. 1 and Mesa Ridge Metropolitan District No. 2 perform the municipal functions that are described in this Service Plan.

It is submitted that this Consolidated Service Plan for the proposed Districts establishes that:

- (a) There is sufficient existing and projected need for organized service in the area to be serviced by the proposed Districts;
- (b) The existing service in the area to be served by the proposed Districts is inadequate for present and projected needs;
- (c) The proposed Districts are capable of providing economical and sufficient service to the Development;
- (d) The area to be included in the proposed Districts does have, and will have, the

financial ability to discharge the proposed indebtedness on a reasonable basis;

(e) Adequate service is not, and will not be, available to the area through the County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

(f) The facility and service standards of the proposed District are compatible with the facility and service standards of the County within which the proposed special district is to be located and each municipality which is an interested party under Section 32-1-204(I), Colorado Revised Statutes;

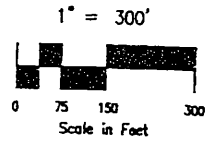
(g) The proposal is in substantial compliance with a master plan adopted pursuant to Section 30-28-106, CRS; and,

(h) The proposal is in compliance with any duly adopted County, regional, or state long-range water quality management plan for the area; and,

(i) The creation of the proposed Districts is in the best interests of the area proposed to be served.

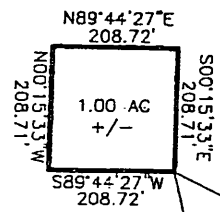
Susemihl, McDermott & Cowan , P.C.

Map: District No. 1



N 00°18'33"E
East line of the Southwest Quarter of the Southeast Quarter
N 00°18'33"E 30.00'

SE 1/4 SEC 28



MARKSHEFFEL ROAD

Northerly right-of-way line of C & S Road

S14°23'17"E 257.80'

N89°44'27"E 1490.44'

POC
S 1/4 COR SEC 28

C & S ROAD

N 96°44'

Ref: G:\04004\1AcTrtLegal.dcc
FILE: 04004jk.dwg
DATE: 4/30/04

JOB NO. 04-004

ROCKWELL CONSULTING, Inc.
ENGINEERING - SURVEYING
1955 N. UNION BLVD., SUITE 200
COLORADO SPRINGS, CO 80909
(719) 475-2575 • FAX (719) 475-3223

SNEFFELS

MESA RIDGE
PKWY
(180' R.O.W.)

522.74 ACRES

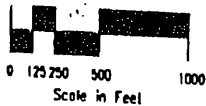
1.0 ACRE PARCEL

MARKSHEFFEL ROAD

C & S ROAD (R.O.W. VARIES)

Map: District No. 2

1" = 1000'



JOB NO. 04-004

FILE: 04004ACRES.DWG
DATE: 6/2/04

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ENGINEERING • SURVEYING
1955 N. UNION BLVD., SUITE 200
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(719) 475-2575 • FAX (719) 475-9223

LEGAL DESCRIPTION One Acre Tract:

That portion of the Southeast Quarter of Section 28, Township 15 South, Range 65 West of the 6th P.M., El Paso County, Colorado, more particularly described as follows:

Commencing at the South Quarter corner of said Section 28; thence N 00°18'33"E (all bearings used in this description are relative to the West line of the Southwest quarter of said Section 28, as monumented by a 3" dia. Alum. surveyor's cap marked PLS 17654, at the Southwest corner of said Section 28 and a 3" dia. Alum. surveyor's cap marked PLS 14611 at the west Quarter corner of said Section 28, and was assumed to be N 00°28'06"E) on the East line of the Southwest quarter the Southeast Quarter of said Section 28, 30.00 feet to a point on the northerly right-of-way line of C & S Road; thence N 89°44'27"E on said northerly right-of-way line, 1490.44 feet to a point of intersection with the northwesterly right-of-way line of Marksheffel Road; thence N14°23'17"W, 257.80 feet to the point of beginning of the tract to be described herein; thence S89°44'27"W, 250.00 feet north of, as measured at right angles, and parallel with the aforementioned northerly right-of-way line of C & S Road, 208.72 feet; thence N00°15'33"W, 208.71 feet; thence N89°44'27"E, parallel with the aforementioned northerly right-of-way line of C & S Road, 208.72 feet; thence S00°15'33"E, 208.71 feet to the point of beginning; said described tract contains 1.00 acre, more or less.

LEGAL DESCRIPTION:

Legal Description: District No. 2

That portion of Sections 27, 28, and 29, Township 15 South, Range 65 West of the 6th P.M., and of Tracts 1 and 2, in SUBDIVISION NO. 1 OF THE FOUNTAIN SUBURBAN HOMES CORPORATION, El Paso County, Colorado, according to the plat thereof as recorded in Plat Book L at Page 44, El Paso County, Colorado, more particularly described as follows:

Commencing at the Southeast corner of said Section 29; thence N00°28'06"E (all bearings used in this description are relative to the East line of the Southeast quarter of said Section 29, which was assumed to be N00°28'06"E) on the East line of the Southeast quarter of said section, 1320.15 feet to a point on the North line of the South half of the Southwest quarter of said Section 28 and the POINT OF BEGINNING; thence continue N00°28'06"E on said East line, 180.02 feet; thence N89°31'54"W, 177.27 feet; thence N44°06'10"W, 338.98 feet; thence N09°07'50"W, 546.02 feet; thence N04°31'14"E, 206.93 feet; thence on the arc of a curve to the left whose chord bears S83°19'07"W, having a central angle of 21°04'17", a radius of 1460.00 feet and an arc length of 536.93 feet, more or less, to a point on the easterly line of the City of Fountain, El Paso County, Colorado as shown on the Annexation Plat of North Fountain Addition No. 15 as recorded in Plat Book D-4 at Page 62 of the records of said El Paso County, Colorado; thence N00°22'20"E, on said easterly line of the aforementioned Annexation Plat of North Fountain Addition, 1154.97 feet, more or less, to a point on the northwesterly right-of-way line of Mesa Ridge Parkway, as recorded in Book 6788 at Page 538 of the records of said El Paso County Colorado; the following two (2) courses are on the aforementioned northwesterly right-of-way line of Mesa Ridge Parkway; (1) thence N50°45'14"E, 999.09 feet; (2) thence on a curve to the left whose chord bears N46°35'57"E, having a central angle of 8°18'34", a radius of 1096.98 feet and an arc length of 159.09 feet to a point on the southerly boundary of the Main Canal of the Fountain Mutual Irrigation Company as described in Book 5506 at Page 1290 of said records; thence easterly on said southerly line for the following five (5) courses: (1) thence S84°13'08"E, 92.09 feet; (2) thence on the arc of a curve to the right having a central angle of 90°54'00", a radius of 23.00 feet and an arc length of 36.49 feet; (3) thence S06°40'52"W, 209.80 feet; (4) thence on the arc of a curve to the left having a central angle of 32°12'44", a radius of 152.00 feet and an arc length of 85.46 feet; (5) thence N64°28'08"E, 10.00 feet to a point on the southerly line of said Main Canal as described in said Book 5992 at Page 1279; thence easterly on said southerly line for the following forty-three (43) courses: (1) thence on the arc of a curve to the left whose chord bears S26°15'44"E, having a central angle of 01°27'44", a radius of 142.00 feet and an arc length of 3.62 feet; (2) thence S26°59'36"E, 16.67 feet; (3) thence on the arc of a curve to the left having a central angle of 31°18'30", a radius of 108.00 feet and an arc length of 59.01 feet; (4) thence S58°18'06"E, 16.12 feet; (5) thence on the arc of a curve to the left having a central angle of 49°09'42", a radius of 100.00 feet and an arc length of 85.80 feet; (6) thence N72°32'12"E, 75.82 feet; (7) thence on the arc of a curve to the left having a central angle of 49°24'15", a radius of 119.00 feet and an arc length of 102.61 feet; (8) thence N23°07'57"E, 36.72 feet; (9) thence on the arc of a curve to the left having a central angle of 16°41'49", a radius of 217.00 feet and an arc length of 63.24 feet; (10) thence N06°26'08"E, 203.01 feet; (11) thence N14°22'23"E, 139.91 feet; (12) thence N01°10'48"W, 93.63 feet; (13) thence on the arc of a curve to the right having a central angle of 17°42'33", a radius of 136.00 feet and an arc length of 42.04 feet; (14) thence N16°31'45"E, 102.28 feet; (15) thence on the arc of a curve to the right having a central angle of 25°16'31", a radius of 10.00 feet and an arc length of 4.41 feet; (16) thence N41°48'16"E, 123.05 feet; (17) thence S51°05'39"E, 110.92 feet; (18) thence on the arc of a curve to the right having a central angle of 36°52'30", a radius of 44.00 feet and an arc length of 28.32 feet; (19) thence S14°13'09"E, 45.30 feet; (20) thence on the arc of a curve to the left having a central angle of 13°34'00", a radius of 172.00 feet and an arc length of 40.73 feet; (21) thence S27°47'09"E, 319.85 feet; (22) thence S41°09'52"E, 48.94 feet; (23) thence on the arc of a curve to the left having a central angle of 28°52'45", a radius of 153.00 feet and an arc length of 77.12 feet; (24) thence S 70°02'37"E, 94.36 feet; (25) thence S 74°54'11"E, 80.06 feet; (26) thence on the arc of a curve to the right having a central angle of 25°13'15", a radius of 51.00 feet and an arc length of 22.45 feet; (27) thence S49°40'56"E, 523.46 feet; (28) thence on the arc of a curve to the left having a central angle of 29°38'12", a radius of 175.00 feet and an arc

length of 90.52 feet; (29) thence S79°19'08"E, 312.08 feet; (30) thence on the arc of a curve to the right having a central angle of 37°39'42", a radius of 58.00 feet and an arc length of 38.12 feet; (31) thence S41°39'26"E, 256.99 feet; (32) thence on the arc of a curve to the right having a central angle of 34°30'25", a radius of 55.00 feet and an arc length of 33.12 feet; (33) thence S07°09'01"E, 147.36 feet; (34) thence on the arc of a curve to the left having a central angle of 77°34'32", a radius of 142.00 feet and an arc length of 192.26 feet; (35) thence S84°43'33"E, 42.45 feet; (36) thence on the arc of a curve to the right having a central angle of 14°06'03", a radius of 233.00 feet and an arc length of 57.34 feet; (37) thence S70°37'30"E, 42.79 feet; (38) thence on the arc of a curve to the left having a central angle of 89°02'05", a radius of 91.00 feet and an arc length of 141.41 feet; (39) thence N20°20'25"E, 404.62 feet; (40) thence N24°23'23"E, 214.77 feet; (41) thence on the arc of a curve to the right having a central angle of 40°00'00", a radius of 75.00 feet and an arc length of 52.36 feet; (42) thence N64°23'23"E, 154.90 feet; (43) thence on the arc of a curve to the left having a central angle of 17°58'41", a radius of 250.00 feet and an arc length of 78.44 feet to a point on the North line of the South half of the Northeast quarter of said Section 28; thence N 89°44'40"E on said North line, 2366.24 feet to a point on the North line of the South half of the Northwest quarter of said Section 27; thence N89°55'36"E on said North line, 2118.62 feet to a point on the northwesterly right-of-way line of Marksheffel Road; thence southwesterly on said northwesterly right-of-way line for the following three (3) courses: (1) thence S 33°56'45"W, 1429.37 feet; (2) thence on the arc of a curve to the right having a central angle of 09°16'28", a radius of 5699.98 feet and an arc length of 922.65 feet; (3) thence S43°13'13"W, 2787.86 feet to a point on the northerly right-of-way line of C & S Road; thence S89°44'27"W on said northerly right-of-way line, 1490.44 feet; thence N 00°18'33"E, 1290.05 feet to the northeast corner of Tract 1 of Subdivision No. 1 of The Fountain Suburban Homes Corporation as recorded in Plat Book L at Page 44 of said records, said point also being on the North line of the South half of the Southwest quarter of said Section 28; thence S 89°44'31"W on said North line, 1075.05 feet to a point on a line being 1565.00 feet East of and parallel with the West line of said Section 28; thence S 00°28'06"W on said parallel line, 1290.11 feet to a point on the northerly right-of-way line of said C & S Road; thence S 89°44'27"W on said northerly right-of-way line, 400.00 feet to a point on a line being 1165.00 feet easterly of and parallel with the West line of said Section 28; thence N 00°28'06"E on said parallel line, 1290.12 feet to a point on the North line of the South half of the Southwest quarter of said Section 28; thence S 89°44'31"W on said North line, 400.00 feet to a point on the West line of the easterly 200.00 feet of the westerly 965.00 feet of Tract 2 in Subdivision No. 1 of the Fountain Suburban Homes Corporation; thence S 00°28'06"W on said West line, 1290.13 feet to a point on the northerly right-of-way line of said C & S Road; thence S 89°44'27"W on said northerly right-of-way line, 600.00 feet to a point on the East line of the westerly 165.00 feet of said Tract 2; thence N 00°28'06"E on said East line, 1290.14 feet to a point on the North line of the South half of the Southwest quarter of said Section 28; thence S 89°44'31"W on said North line, 165.00 feet to the Point of Beginning; EXCEPTING therefrom that portion thereof included within said Mesa Ridge Parkway; said described tract contains 522.74 acres, more or less which includes Mesa Ridge Parkway.

**Cross Creek Preliminary Cost Estimates - Cross Creek
El Paso County**

Parameters

ROW Width	80 Feet	Length	4000 Feet		
Roadway Widths	80 Feet	Grading			
Turn Lanes	Yes	Gas Main Relocation	No		
# of Intersections	3	Area of Turn Lanes/Int	2400 S.Y.		
Asphalt Section	7 Inches	WJC Bridge Fee/Ac	\$ 2,096.00	JC Bridge Fee/Ac	\$ 305.00
Curb and Gutter	Yes	WJC Drainage Fee/Ac	\$ 7,633.78	JC Drainage Fee/Ac	\$ 8,411.00
Sidewalk	5 Feet	Asphalt	\$ 2.30 /S.Y-Inch		
Trail	No	Acreage	7.35 Acres		

Street Improvements

Item	Quantity	Unit Cost		Ext. Cost	
1 C & G	8,000	\$ 8.00 /L.F.		\$ 64,000.00	
2 Asphalt	24,889	\$ 16.10 /S.Y.		\$ 400,711.11	
3 Sidewalk	40,000	\$ 3.00 /S.F.		\$ 120,000.00	
4 Curb Prep	8,000	\$ 1.50 /L.F.		\$ 12,000.00	
5 Subgrd Prel	24,889	\$ 0.75 /S.Y.		\$ 18,666.67	
6 Cross Pans		\$ 4.50 /S.F.		\$ -	
7 Square Reums	12	\$ 750.00 /Ea		\$ 9,000.00	
8 Handicap Ramps	1,560	\$ 4.00 /S.F.		\$ 6,240.00	
9 Turn Lanes	7,200	\$ 16.85 /S.Y.		\$ 121,320.00	Add'l Ashpait & Sub Prep Only
Sub-Total				\$ 751,937.78	\$ 187.98 /ft

Water System - Major System RequirementsW

Item	Quantity	Unit Cost		Ext. Cost	
1 12" PVC	4,000	\$ 25.00 /L.F.		\$ 100,000.00	
2 16" PVC	0	\$ 48.50 /L.F.		\$ -	
3 24" PVC	0	\$ 66.50 /L.F.		\$ -	
4 Hydrants	4	\$ 2,800.00 /Ea.		\$ 11,200.00	
5 12"x12" Cross	3	\$ 1,200.00 /Ea.		\$ 3,600.00	
6 12" Valves	19	\$ 1,600.00 /Ea.		\$ 30,400.00	
Sub-Total				\$ 145,200.00	\$ 36.30 /ft

Sanitary Sewer System - Major System Requirements

Item	Quantity	Unit Cost		Ext. Cost	
1 8" PVC	4,000	\$ 20.00 /L.F.		\$ 80,000.00	
2 12" PVC	0	\$ 25.00 /L.F.		\$ -	
2a 12" PVC	0	\$ 45.00 /L.F.		\$ -	Deep Portions>20'
3 Manholes	10	\$ 2,500.00 /Ea.		\$ 25,000.00	
3a Deep Manholes	0	\$ 3,800.00 /Ea.		\$ -	Deep Manholes>20
4 Underdrain	4,000	\$ 4.00 /L.F.		\$ 16,000.00	
5 Bedding	4,000	\$ 5.00 /L.F.		\$ 20,000.00	
Sub-Total				\$ 141,000.00	\$ 35.25 /ft

	Quantity	Unit Cost		Ext. Cost	
WJC Bridge Fee/Ac	7.35	\$ 2,096.00 /Ac.		\$ 15,397.81	
WJC Drainage Fee/Ac	7.35	\$ 7,633.78 /Ac.		\$ 56,079.19	
JC Bridge Fee/Ac	0.00	\$ 305.00 /Ac.		\$ -	
JC Drainage Fee/Ac	0.00	\$ 8,411.00 /Ac.		\$ -	
Landscaping	4,000	\$ 50.00 /L.F.		\$ 200,000.00	
Telephone		/L.F.		\$ -	
Gas		\$ 10.00 /L.F.		\$ -	
Electric		\$ 10.00 /L.F.		\$ -	
Grading		/C.Y.		\$ -	
Total				\$1,309,814.58	
15% Engineering & Contingency				\$ 196,442.19	
Total				\$1,506,056.77	\$ 376.51 /ft

**Cross Creek Preliminary Cost Estimates - N-S Collector
El Paso County.**

Parameters

ROW Width	80 Feet	Length	3600 Feet		
Roadway Widths	80 Feet	Grading			
Turn Lanes	Yes	Gas Main Relocation	No		
# of Intersections	2	Area of Turn Lanes/Int	2400 S.Y.		
Asphalt Section	6 Inches	WJC Bridge Fee/Ac	\$ 2,096.00	JC Bridge Fee/Ac	\$ 305.00
Curb and Gutter	Yes	WJC Drainage Fee/Ac	\$ 7,633.78	JC Drainage Fee/Ac	\$ 8,411.00
Sidewalk	5 Feet	Asphalt	\$ 2.30 /S.Y-Inch		
Trail	No	Acreeage	6.61 Acres		

Street Improvements

Item	Quantity	Unit Cost		Ext. Cost	
1 C & G	7,200	\$ 8.00 /L.F.		\$ 57,800.00	
2 Asphalt	22,400	\$ 13.80 /S.Y.		\$ 309,120.00	
3 Sidewalk	38,000	\$ 3.00 /S.F.		\$ 108,000.00	
4 Curb Prep	7,200	\$ 1.50 /L.F.		\$ 10,800.00	
5 Subgrd Prel	22,400	\$ 0.75 /S.Y.		\$ 16,800.00	
6 Cross Pans		\$ 4.50 /S.F.		\$ -	
7 Square Reurns	12	\$ 750.00 /Ea		\$ 9,000.00	
8 Handicap Ramps	1,040	\$ 4.00 /S.F.		\$ 4,160.00	
9 Turn Lanes	4,800	\$ 14.55 /S.Y.		\$ 69,840.00	Add'l Asphalt & Sub Prep Only
Sub-Total				\$ 585,320.00	\$ 162.59 /ft

Water System - Major System RequirementsW

Item	Quantity	Unit Cost		Ext. Cost	
1 12" PVC	3,600	\$ 25.00 /L.F.		\$ 90,000.00	
2 16" PVC	0	\$ 48.50 /L.F.		\$ -	
3 24" PVC	0	\$ 66.50 /L.F.		\$ -	
4 Hydrants	4	\$ 2,800.00 /Ea.		\$ 11,200.00	
5 12"x12" Cross	2	\$ 1,200.00 /Ea.		\$ 2,400.00	
6 12" Valves	14	\$ 1,600.00 /Ea.		\$ 22,400.00	
Sub-Total				\$ 126,000.00	\$ 35.00 /ft

Sanitary Sewer System - Major System Requirements

Item	Quantity	Unit Cost		Ext. Cost	
1 8" PVC	3,600	\$ 20.00 L.F.		\$ 72,000.00	
2 12" PVC	0	\$ 25.00 /L.F.		\$ -	
2a 12" PVC	0	\$ 45.00 /L.F.		\$ -	Deep Portions>20'
3 Manholes	10	\$ 2,500.00 /Ea.		\$ 25,000.00	
3a Deep Manholes	0	\$ 3,800.00 /Ea.		\$ -	Deep Manholes>20
4 Underdrain	3,600	\$ 4.00 /L.F.		\$ 14,400.00	
5 Bedding	3,600	\$ 5.00 /L.F.		\$ 18,000.00	
Sub-Total				\$ 129,400.00	\$ 35.94 /ft

	Quantity	Unit Cost		Ext. Cost	
WJC Bridge Fee/Ac	6.61	\$ 2,096.00 /Ac.		\$ 13,857.85	
WJC Drainage Fee/Ac	6.61	\$ 7,633.78 /Ac.		\$ 50,471.27	
JC Bridge Fee/Ac	0.00	\$ 305.00 /Ac.		\$ -	
JC Drainage Fee/Ac	0.00	\$ 8,411.00 /Ac.		\$ -	
Landscaping	3,500	\$50.00 /L.F.		\$ 180,000.00	
Telephone		/L.F.		\$ -	
Gas		\$ 10.00 /L.F.		\$ -	
Electric		\$ 10.00 /L.F.		\$ -	
Grading		/C.Y.		\$ -	
Total				\$1,085,049.12	
15% Engineering & Contingency				\$ 162,757.37	
Total				\$1,247,806.49	\$ 346.61 /ft

**Cross Creek Preliminary Cost Estimates - Cross Hill
El Paso County**

Parameters

ROW Width	80 Feet	Length	2000 Feet		
Roadway Widths	80 Feet	Grading			
Turn Lanes	Yes	Gas Main Relocation	No		
# of Intersections	1	Area of Turn Lanes/Int	2400 S.Y.		
Asphalt Section	8 Inches	WJC Bridge Fee/Ac	\$ 2,096.00	JC Bridge Fee/Ac	\$ 305.00
Curb and Gutter	Yes	WJC Drainage Fee/Ac	\$ 7,633.78	JC Drainage Fee/Ac	\$ 8,411.00
Sidewalk	5 Feet	Asphalt	\$ 2.30 /S.Y.-Inch		
Trail	No	Acreeage	3.67 Acres		

Street Improvements

Item	Quantity	Unit Cost		Ext. Cost	
1 C & G	4,000	\$ 8.00 /L.F.		\$ 32,000.00	
2 Asphalt	12,444	\$ 13.80 /S.Y.		\$ 171,733.33	
3 Sidewalk	20,000	\$ 3.00 /S.F.		\$ 60,000.00	
4 Curb Prep	4,000	\$ 1.50 /L.F.		\$ 6,000.00	
5 Subgrd Prel	12,444	\$ 0.75 /S.Y.		\$ 9,333.33	
6 Cross Pans		\$ 4.50 /S.F.		\$ -	
7 Square Reurns	4	\$ 750.00 /Ea		\$ 3,000.00	
8 Handicap Ramps	520	\$ 4.00 /S.F.		\$ 2,080.00	
9 Turn Lanes	2,400	\$ 14.55 /S.Y.		\$ 34,920.00	Add'l Ashpalt & Sub Prep Only
Sub-Total				\$ 319,066.67	\$ 159.53 /ft

Water System - Major System RequirementsW

Item	Quantity	Unit Cost		Ext. Cost	
1 12" PVC	2,000	\$ 25.00 /L.F.		\$ 50,000.00	
2 16" PVC	0	\$ 48.50 /L.F.		\$ -	
3 24" PVC	0	\$ 66.50 /L.F.		\$ -	
4 Hydrants	3	\$ 2,800.00 /Ea.		\$ 8,400.00	
5 12"x12" Cross	1	\$ 1,200.00 /Ea.		\$ 1,200.00	
6 12" Valves	8	\$ 1,600.00 /Ea.		\$ 12,800.00	
Sub-Total				\$ 72,400.00	\$ 36.20 /ft

Sanitary Sewer System - Major System Requirements

Item	Quantity	Unit Cost		Ext. Cost	
1 8" PVC	2,000	\$ 20.00 L.F.		\$ 40,000.00	
2 12" PVC	0	\$ 25.00 /L.F.		\$ -	
2a 12" PVC	0	\$ 45.00 /L.F.		\$ -	Deep Portions>20'
3 Manholes	5	\$ 2,500.00 /Ea.		\$ 12,500.00	
3a Deep Manholes	0	\$ 3,800.00 /Ea.		\$ -	Deep Manholes>20
4 Underdrain	2,000	\$ 4.00 /L.F.		\$ 8,000.00	
5 Bedding	2,000	\$ 5.00 /L.F.		\$ 10,000.00	
Sub-Total				\$ 70,500.00	\$ 35.25 /ft

	Quantity	Unit Cost		Ext. Cost	
WJC Bridge Fee/Ac	3.67	\$ 2,096.00 /Ac.		\$ 7,698.81	
WJC Drainage Fee/Ac	3.67	\$ 7,633.78 /Ac.		\$ 28,039.60	
JC Bridge Fee/Ac	0.00	\$ 305.00 /Ac.		\$ -	
JC Drainage Fee/Ac	0.00	\$ 8,411.00 /Ac.		\$ -	
Landscaping	2,000	\$50.00 /L.F.		\$ 100,000.00	
Telephone		/L.F.		\$ -	
Gas		\$ 10.00 /L.F.		\$ -	
Electric		\$ 10.00 /L.F.		\$ -	
Grading		/C.Y.		\$ -	
Total				\$ 597,705.07	
15% Engineering & Contingency				\$ 89,655.76	
Total				\$ 687,360.83	\$ 343.68 /ft

**Cross Creek Preliminary Cost Estimates - Link Road
El Paso County**

Parameters

ROW Width	60 Feet	Length	1300 Feet		
Roadway Widths	44 Feet	Grading			
Turn Lanes	Yes	Gas Main Relocation	No		
# of Intersections	1	Area of Turn Lanes/Int	2400 S.Y.		
Asphalt Section	8 inches	WJC Bridge Fee/Ac	\$ 2,096.00	JC Bridge Fee/Ac	\$ 305.00
Curb and Gutter	Yes	WJC Drainage Fee/Ac	\$ 7,633.78	JC Drainage Fee/Ac	\$ 8,411.00
Sidewalk	5 Feet	Asphalt	\$ 2.30 /S.Y-Inch		
Trail	No	Acreeage	1.79 Acres		

Street Improvements

Item	Quantity	Unit Cost	Ext. Cost	
1 C & G	2,600	\$ 8.00 /L.F.	\$ 20,800.00	
2 Asphalt	5,778	\$ 13.80 /S.Y.	\$ 79,733.33	
3 Sidewalk	13,000	\$ 3.00 /S.F.	\$ 39,000.00	
4 Curb Prep	2,600	\$ 1.50 /L.F.	\$ 3,900.00	
5 Subgrd Prel	5,778	\$ 0.75 /S.Y.	\$ 4,333.33	
6 Cross Pans		\$ 4.50 /S.F.	\$ -	
7 Square Reums	4	\$ 750.00 /Ea	\$ 3,000.00	
8 Handicap Ramps	520	\$ 4.00 /S.F.	\$ 2,080.00	
9 Turn Lanes	2,400	\$ 14.55 /S.Y.	\$ 34,920.00	Add'l Asphalt & Sub Prep Only
Sub-Total			\$ 187,766.67	\$ 144.44 /ft

Water System - Major System RequirementsW

Item	Quantity	Unit Cost	Ext. Cost	
1 12" PVC	1,300	\$ 25.00 /L.F.	\$ 32,500.00	
2 16" PVC	0	\$ 48.50 /L.F.	\$ -	
3 24" PVC	0	\$ 66.50 /L.F.	\$ -	
4 Hydrants	2	\$ 2,800.00 /Ea.	\$ 5,600.00	
5 12"x12" Cross	1	\$ 1,200.00 /Ea.	\$ 1,200.00	
6 12" Valves	6	\$ 1,600.00 /Ea.	\$ 9,600.00	
Sub-Total			\$ 48,900.00	\$ 37.62 /ft

Sanitary Sewer System - Major System Requirements

Item	Quantity	Unit Cost	Ext. Cost	
1 8" PVC	1,300	\$ 20.00 L.F.	\$ 26,000.00	
2 12" PVC	0	\$ 25.00 /L.F.	\$ -	
2a 12" PVC	0	\$ 45.00 /L.F.	\$ -	Deep Portions>20'
3 Manholes	4	\$ 2,500.00 /Ea.	\$ 10,000.00	
3a Deep Manholes	0	\$ 3,800.00 /Ea.	\$ -	Deep Manholes>20
4 Underdrain	1,300	\$ 4.00 /L.F.	\$ 5,200.00	
5 Bedding	1,300	\$ 5.00 /L.F.	\$ 6,500.00	
Sub-Total			\$ 47,700.00	\$ 36.69 /ft

	Quantity	Unit Cost	Ext. Cost	
WJC Bridge Fee/Ac	1.79	\$ 2,096.00 /Ac.	\$ 3,753.17	
WJC Drainage Fee/Ac	1.79	\$ 7,633.78 /Ac.	\$ 13,669.30	
JC Bridge Fee/Ac	0.00	\$ 305.00 /Ac.	\$ -	
JC Drainage Fee/Ac	0.00	\$ 8,411.00 /Ac.	\$ -	
Landscaping	1,300	\$50.00 /L.F.	\$ 65,000.00	
Telephone		/L.F.	\$ -	
Gas		\$ 10.00 /L.F.	\$ -	
Electric		\$ 10.00 /L.F.	\$ -	
Grading		/C.Y.	\$ -	
Total			\$ 366,789.14	
15% Engineering & Contingency			\$ 55,018.37	
Total			\$ 421,807.51	\$ 324.47 /ft

**Cross Creek Preliminary Cost Estimates - Valley Ranch
El Paso County**

Parameters

ROW Width	60 Feet	Length	2100 Feet		
Roadway Widths	44 Feet	Grading			
Turn Lanes	Yes	Gas Main Relocation	No		
# of Intersections	1	Area of Turn Lanes/Int	2400 S.Y.		
Asphalt Section	8 Inches	WJC Bridge Fee/Ac	\$ 2,096.00	JC Bridge Fee/Ac	\$ 305.00
Curb and Gutter	Yes	WJC Drainage Fee/Ac	\$ 7,633.78	JC Drainage Fee/Ac	\$ 8,411.00
Sidewalk	5 Feet	Asphalt	\$ 2.30 /S.Y-Inch		
Trail	No	Acraege	2.89 Acres		

Street Improvements

Item	Quantity	Unit Cost		Ext. Cost	
1 C & G	4,200	\$ 8.00 /L.F.		\$ 33,600.00	
2 Asphalt	9,333	\$ 13.80 /S.Y.		\$ 128,800.00	
3 Sidewalk	21,000	\$ 3.00 /S.F.		\$ 63,000.00	
4 Curb Prep	4,200	\$ 1.50 /L.F.		\$ 6,300.00	
5 Subgrd Prel	9,333	\$ 0.75 /S.Y.		\$ 7,000.00	
6 Cross Pans	480	\$ 4.50 /S.F.		\$ 2,160.00	
7 Square Reums	4	\$ 750.00 /Ea		\$ 3,000.00	
8 Handicap Ramps	520	\$ 4.00 /S.F.		\$ 2,080.00	
9 Turn Lanes	2,400	\$ 14.55 /S.Y.		\$ 34,920.00	Add'l Ashpalt & Sub Prep Only
Sub-Total				\$ 280,860.00	\$ 133.74 /ft

Water System - Major System RequirementsW

Item	Quantity	Unit Cost		Ext. Cost	
1 12" PVC	2,100	\$ 25.00 /L.F.		\$ 52,500.00	
2 16" PVC	0	\$ 48.50 /L.F.		\$ -	
3 24" PVC	0	\$ 66.50 /L.F.		\$ -	
4 Hydrants	3	\$ 2,800.00 /Ea.		\$ 8,400.00	
5 12"x12" Cross	1	\$ 1,200.00 /Ea.		\$ 1,200.00	
6 12" Valves	8	\$ 1,600.00 /Ea.		\$ 12,800.00	
Sub-Total				\$ 74,900.00	\$ 35.87 /ft

Sanitary Sewer System - Major System Requirements

Item	Quantity	Unit Cost		Ext. Cost	
1 8" PVC	2,100	\$ 20.00 /L.F.		\$ 42,000.00	
2 12" PVC	0	\$ 25.00 /L.F.		\$ -	
2a 12" PVC	0	\$ 45.00 /L.F.		\$ -	Deep Portions>20'
3 Manholes	6	\$ 2,500.00 /Ea.		\$ 15,000.00	
3a Deep Manholes	0	\$ 3,800.00 /Ea.		\$ -	Deep Manholes>20'
4 Underdrain	2,100	\$ 4.00 /L.F.		\$ 8,400.00	
5 Bedding	2,100	\$ 5.00 /L.F.		\$ 10,500.00	
Sub-Total				\$ 75,900.00	\$ 36.14 /ft

	Quantity	Unit Cost		Ext. Cost	
WJC Bridge Fee/Ac	2.89	\$ 2,096.00 /Ac.		\$ 6,062.81	
WJC Drainage Fee/Ac	2.89	\$ 7,633.78 /Ac.		\$ 22,081.18	
JC Bridge Fee/Ac	0.00	\$ 305.00 /Ac.		\$ -	
JC Drainage Fee/Ac	0.00	\$ 8,411.00 /Ac.		\$ -	
Landscaping	2,100	\$50.00 /L.F.		\$ 105,000.00	
Telephone		/L.F.		\$ -	
Gas		\$ 10.00 /L.F.		\$ -	
Electric		\$ 10.00 /L.F.		\$ -	
Grading		/C.Y.		\$ -	
Total				\$ 564,803.99	
15% Engineering & Contingency				\$ 84,720.60	
Tctai				\$ 649,524.59	\$ 309.30 /ft

**Cross Creek Preliminary Cost Estimates - Sneffels
El Paso County**

Parameters

ROW Width	60 Feet	Length	700 Feet		
Roadway Widths	44 Feet	Grading			
Turn Lanes	Yes	Gas Main Relocation	No		
# of Intersections	0	Area of Turn Lanes/Int	2400 S.Y.		
Asphalt Section	8 Inches	WJC Bridge Fee/Ac	\$ 2,096.00	JC Bridge Fee/Ac	\$ 305.00
Curb and Gutter	Yes	WJC Drainage Fee/Ac	\$ 7,633.78	JC Drainage Fee/Ac	\$ 8,411.00
Sidewalk	5 Feet	Asphalt	\$ 2.30 /S.Y-Inch		
Trail	No	Acraege	0.98 Acres		

Street Improvements

Item	Quantity	Unit Cost	Ext. Cost	
1 C & G	1,400	\$ 8.00 /L.F.	\$ 11,200.00	
2 Asphalt	3,111	\$ 13.80 /S.Y.	\$ 42,933.33	
3 Sidewalk	7,000	\$ 3.00 /S.F.	\$ 21,000.00	
4 Curb Prep	1,400	\$ 1.50 /L.F.	\$ 2,100.00	
5 Subgrd Prel	3,111	\$ 0.75 /S.Y.	\$ 2,333.33	
6 Cross Pans	480	\$ 4.50 /S.F.	\$ 2,160.00	
7 Square Reurns	4	\$ 750.00 /Ea	\$ 3,000.00	
8 Handicap Ramps	0	\$ 4.00 /S.F.	\$ -	
9 Turn Lanes	0	\$ 14.55 /S.Y.	\$ -	Add'l Asphalt & Sub Prep Only
Sub-Total			\$ 84,726.67	\$ 121.04 /ft.

Water System - Major System Requirements

Item	Quantity	Unit Cost	Ext. Cost	
1 12" PVC	700	\$ 25.00 /L.F.	\$ 17,500.00	
2 16" PVC	0	\$ 48.50 /L.F.	\$ -	
3 24" PVC	0	\$ 66.50 /L.F.	\$ -	
4 Hydrants	1	\$ 2,800.00 /Ea	\$ 2,800.00	
5 12"x12" Cross	0	\$ 1,200.00 /Ea	\$ -	
6 12" Valves	0	\$ 1,600.00 /Ea	\$ -	
Sub-Total			\$ 20,300.00	\$ 29.00 /ft

Sanitary Sewer System - Major System Requirements

Item	Quantity	Unit Cost	Ext. Cost	
1 8" PVC	700	\$ 20.00 /L.F.	\$ 14,000.00	
2 12" PVC	0	\$ 25.00 /L.F.	\$ -	
2a 12" PVC	0	\$ 45.00 /L.F.	\$ -	Deep Portions>20'
3 Manholes	2	\$ 2,500.00 /Ea	\$ 5,000.00	
3a Deep Manholes	0	\$ 3,800.00 /Ea	\$ -	Deep Manholes>20
4 Underdrain	700	\$ 4.00 /L.F.	\$ 2,800.00	
5 Bedding	700	\$ 5.00 /L.F.	\$ 3,500.00	
Sub-Total			\$ 25,300.00	\$ 36.14 /ft

	Quantity	Unit Cost	Ext. Cost	
WJC Bridge Fee/Ac	0.96	\$ 2,096.00 /Ac.	\$ 2,020.94	
WJC Drainage Fee/Ac	0.96	\$ 7,633.78 /Ac.	\$ 7,360.39	
JC Bridge Fee/Ac	0.00	\$ 305.00 /Ac.	\$ -	
JC Drainage Fee/Ac	0.00	\$ 8,411.00 /Ac.	\$ -	
Landscaping	700	\$50.00 /L.F.	\$ 35,000.00	
Telephone		/L.F.	\$ -	
Gas		\$ 10.00 /L.F.	\$ -	
Electric		\$ 10.00 /L.F.	\$ -	
Grading		/C.Y.	\$ -	
Total			\$ 174,708.00	
15% Engineering & Contingency			\$ 26,206.20	
Total			\$ 200,914.20	\$ 287.02 /ft

Cross Creek Preliminary Cost Estimates - Drainage Facilities
El Paso County

Earthwork

Phase I	1,700,000.00 C.Y.	\$1.25 /C.Y..	\$ 2,125,000.00	
Phase II	1,000,000.00 C.Y.	\$1.25 /C.Y..	\$ 1,250,000.00	
Phase III	500,000.00 C.Y.	\$1.25 /C.Y..	\$ 625,000.00	
Sub-Total			\$ 4,000,000.00	
Over Excavation	4,824,512.00 C.Y.	\$1.30 /C.Y..	\$ 6,271,865.60	70% of 60% of Acreage
Total Earthwork			\$ 10,271,865.60	186.9 Acres 16 Ft Deep
Total Acreage	529			
Over Ex. Exclusions	Streets 50			
	Park 8			
	Powers 26			
	445			

Drainage Facilities

Item	Quantity	Unit Cost	Extended Cost	
Non-Reimbursable				
1 12' x 6' Box Culvert w/Wingwalls	120 L.F.	\$550.00 /L.F.	\$ 66,000.00	Cross Creek
2 4' x 5' Box Culvert w/Wingwalls	100 L.F.	\$300.00 /L.F.	\$ 30,000.00	Sneffels
3 4' x 6' Box Culvert w/Wingwalls	200 L.F.	\$350.00 /L.F.	\$ 70,000.00	Powers/Assume by CDOT
4 10' x 5' Box Culvert w/Wingwalls	120 L.F.	\$500.00 /L.F.	\$ 60,000.00	Cross Creek
5 36" RCP	100 L.F.	\$60.00 /L.F.	\$ 6,000.00	Cross Creek
6 48" RCP	200 L.F.	\$85.00	\$ 17,000.00	Powers/Assume by CDOT
7 4' x 6' Box Culvert w/Wingwalls	120 L.F.	\$350.00 /L.F.	\$ 42,000.00	Cross Creek
8 36" RCP	80 L.F.	\$60.00 /L.F.	\$ 4,800.00	Link Road
9 4' x 5' Box Culvert w/Wingwalls	100 L.F.	\$300.00 /L.F.	\$ 30,000.00	Cross Hill
10 4' x 5' Box Culvert w/Wingwalls	100 L.F.	\$300.00 /L.F.	\$ 30,000.00	NS Collector
11 48" RCP	100 L.F.	\$85.00 /L.F.	\$ 8,500.00	Powers/Assume by CDOT
12 Bridge @ Marksheffel	6000 S.F.	\$140.00 /S.F.	\$ 840,000.00	80x75'
13 Detention Basin A, B, F	73.4 Ac-Ft	\$15,000.00 /Ac-Ft	\$ 1,101,000.00	
Sub-Total Non-Reimbursable			\$ 2,305,300.00	
Reimbursable				
14 Rip Rap and Grade Check	4200 L.F.	\$225.00 /L.F.	\$ 945,000.00	
15 Bridge @ Mesa Ridge Pkwy	5600 S.F.	\$150.00 /S.F.	\$ 840,000.00	80x70'
16 5.5' x 15' Box Culvert	100 L.F.	\$625.00	\$ 62,500.00	
17 Detention Basin C	20 Ac-Ft	\$15,000.00 /Ac-Ft	\$ 300,000.00	
Su Total Storm Sewer			\$ 2,147,500.00	
Total Drainage			\$ 4,452,800.00	

Drainage Fees & Bridge Fees

Jimmy Camp Drainage	329 Acres	\$ 8,411.00 /Ac.	\$ 2,767,219.00
Jimmy Camp Bridge	329 Acres	\$ 305.00 /Ac.	\$ 100,345.00
West Jimmy Camp Drainage	200 Acres	\$ 7,633.78 /Ac.	\$ 1,526,756.00
West Jimmy Camp Bridge	200 Acres	\$ 2,096.00 /Ac.	\$ 419,200.00
Total Drainage Fees			\$ 4,293,975.00
Total Bridge Fees			\$ 519,545.00

**Cross Creek Preliminary Cost Estimates - Misc. Item
El Paso County**

ITEM	Quantity	Unit Cost	Extended Cost
Powers Buffer	5,200.00 L.F.	\$50.00 /L.F.	\$260,000.00
Pedestrian Bridge	300.00 L.F.	\$960.00 /L.F.	\$288,000.00
Fountain Mutual Ditch Mitigation	L.F.	/L.F.	\$0.00
Lot/Soil Mitigation	L.F.	/L.F.	\$0.00
Fencing/Entrances	14,000.00 L.F.	\$30.00 /L.F.	\$420,000.00
Trails	10,500.00 L.F.	\$24.00 /L.F.	\$252,000.00
Gas Main Relocation	1,800.00 L.F.	100.00 /L.F.	\$180,000.00
Wetland Mitigation	4.00 Acres	25,000.00 /Ac.	\$100,000.00
Park	8.00 Acres	\$40,000.00 /Ac:	\$320,000.00
Water Line Lowerings	8.00 Ea.	\$10,000.00 /Ea.	<u>\$80,000.00</u>
Total Misc. Items			\$1,900,000.00
Minus Powers Boulevard			\$260,000.00
Total Misc Items			<u>\$1,640,000.00</u>

Half of the Major Arterials
8' Wide-2 Miles

**Cross Creek Preliminary Cost Estimates - Marksheffel
El Paso County**

Parameters

ROW Width	120 Feet	Length	4500 Feet		
Roadway Widths	70 Feet	Grading			
Turn Lanes	Yes	Gas Main Relocation	No		
# of Intersections	3	Area of Turn Lanes/Int	4000 S.Y.		
Asphalt Section	8 Inches	WJC Bridge Fee/Ac	\$ 2,098.00	JC Bridge Fee/Ac	\$ 305.00
Curb and Gutter	No	WJC Drainage Fee/Ac	\$ 7,633.78	JC Drainage Fee/Ac	\$ 8,411.00
Sidewalk	5 Feet	Asphalt	\$ 2.30 /S.Y.-Inch		
Trail	No	Acres	12.40 Acres		

Street Improvements

Item	Quantity	Unit Cost	Ext. Cost	
1 C & G	0	\$ 8.00 /L.F.	\$ -	
2 Asphalt	33,000	\$ 18.40 /S.Y.	\$ 607,200.00	
3 Sidewalk	45,000	\$ 3.00 /S.F.	\$ 135,000.00	
4 Curb Prep	0	\$ 1.50 /L.F.	\$ -	
5 Subgrd Prel	33,000	\$ 0.75 /S.Y.	\$ 24,750.00	
6 Cross Pans		\$ 4.50 /S.F.	\$ -	
7 Square Reums	8	\$ 750.00 /Ea	\$ 8,000.00	
8 Handicap Ramps	1,560	\$ 4.00 /S.F.	\$ 6,240.00	
9 Turn Lanes	12,000	\$ 19.15 /S.Y.	\$ 229,800.00	
Sub-Total			\$ 1,008,990.00	Add'l Asphalt & Sub Prep Only
				\$ 224.22 /ft

Water System - Major System RequirementsW

Item	Quantity	Unit Cost	Ext. Cost	
1 12" PVC	4,500	\$ 25.00 /L.F.	\$ 112,500.00	
2 16" PVC	0	\$ 48.50 /L.F.	\$ -	
3 24" PVC	0	\$ 68.50 /L.F.	\$ -	
4 Hydrants	5	\$ 2,800.00 /Ea.	\$ 14,000.00	
5 12"x12" Cross	3	\$ 1,200.00 /Ea.	\$ 3,600.00	
6 12" Valves	18	\$ 1,600.00 /Ea.	\$ 28,800.00	
Sub-Total			\$ 158,900.00	\$ 35.31 /ft

Sanitary Sewer System - Major System Requirements

Item	Quantity	Unit Cost	Ext. Cost	
1 8" PVC	0	\$ 20.00 /L.F.	\$ -	
2 12" PVC	4,500	\$ 25.00 /L.F.	\$ 112,500.00	
2a 12" PVC	0	\$ 45.00 /L.F.	\$ -	Deep Portions>20'
3 Manholes	12	\$ 2,500.00 /Ea.	\$ 30,000.00	
3a Deep Manholes	0	\$ 3,800.00 /Ea.	\$ -	Deep Manholes>20
4 Underdrain	4,500	\$ 4.00 /L.F.	\$ 18,000.00	
5 Bedding	4,500	\$ 5.00 /L.F.	\$ 22,500.00	
Sub-Total			\$ 183,000.00	\$ 40.67 /ft

	Quantity	Unit Cost	Ext. Cost	
WJC Bridge Fee/Ac	0	\$ 2,098.00 /Ac.	\$ -	
WJC Drainage Fee/Ac	0	\$ 7,633.78 /Ac.	\$ -	
JC Bridge Fee/Ac	12.40	\$ 305.00 /Ac.	\$ 3,780.99	
JC Drainage Fee/Ac	12.40	\$ 8,411.00 /Ac.	\$ 104,268.80	
Landscaping	4,500	\$ 60.00 /L.F.	\$ 270,000.00	
Telephone		/L.F.	\$ -	
Gas		\$ 10.00 /L.F.	\$ -	
Electric		\$ 10.00 /L.F.	\$ -	
Grading		/C.Y.	\$ -	
Total			\$ 1,728,939.59	
15% Engineering & Contingency			\$ 259,340.94	
Total			\$ 1,988,280.52	\$ 441.84 /ft

Market Analysis
and
Build-out Projections
Mesa Ridge
El Paso County, Colorado

Prepared by
David Bamberger & Associates

Prepared for
Lennar Communities Colorado

May 5, 2004

Final Report

GENERAL LIMITING CONDITIONS

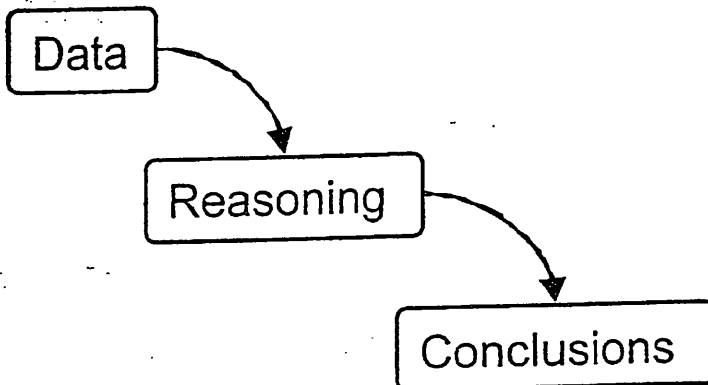
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TABLE OF CONTENTS

INTRODUCTION	1
Purpose	1
Description of Mesa Ridge	1
Report Organization	1
Summary of Projections	1
Methodology and Data Sources	2
Key Assumptions	3
 RESIDENTIAL AND SHOPPING CENTER MARKET FINDINGS	5
Residential Construction in El Paso County	5
Residential Construction in the Powers Corridor	5
Residential Construction in the Competitive Market Area	6
Build-out Potential in the Competitive Market Area	7
Residential Construction Projections for El Paso County	8
Residential Construction Projections for the Competitive Market Area	9
Residential Construction Projections for Mesa Ridge	10
Shopping Center Market Findings	11
 ATTACHMENTS	13
ATTACHMENT 1	
ATTACHMENT 2	
ATTACHMENT 3	
ATTACHMENT 4	
ATTACHMENT 5	
ATTACHMENT 6	
ATTACHMENT 7	

INTRODUCTION

Purpose

This report presents build-out projections for the planned Mesa Ridge development. The projections were prepared in support of the preparation of a Service Plan for a proposed Mesa Ridge Metropolitan District 1 and 2. The projections include residential units, shopping center square feet, average prices of homes sold and the market value of shopping center buildings constructed. Two sets of projections were prepared: a "normal case" and a "worst case". The projections cover the period 2006 to 2013.

Description of Mesa Ridge

Mesa Ridge is a part of a larger land holding assembled by the Nearon Company starting in the early 1980s. The Mesa Ridge plan includes a total of 534 acres. The project is located at Mesa Ridge Parkway and Powers Boulevard (extended) in the unincorporated part of El Paso County. The project is planned to have a mix of uses including 1,933 dwelling units and 28.1 acres of commercial and shopping center uses. Plans call for forming the Metropolitan District during 2004, developing land in 2005 and delivering finished homes and a shopping center and commercial site to the market beginning in 2006. (Attachment 1)

Report Organization

This report is organized into three sections. This section outlines the purpose, presents a summary of projections, and provides a discussion of methodology, and key assumptions. The second section presents a detailed discussion of our market research findings and our projections. The third section presents a series of attachments documenting our data and calculations.

Summary of Projections

Projections of Mesa Ridge residential and shopping center build-out under normal case assumptions are as follows:

PROJECTED TOTAL CONSTRUCTION OF
RESIDENTIAL UNITS AND COMMERCIAL SQUARE FEET
MESA RIDGE

<u>YEAR</u>	<u>RESIDENTIAL UNITS</u>	<u>SHOPPING CENTER SQUARE FEET</u>
2006-2008	920	0
2009-2012	1,010	240,000

(Note: Mesa Ridge residential is projected to be built out by early 2012)

The projections assume that normal building cycle market fluctuations will take place over the projection time frame. The average price for a new home is projected to be \$180,000 (2004 dollars). The average value of shopping center construction is projected to be \$130 per square foot including land (2004 dollars).

Projections of Mesa Ridge residential and shopping center build-out under worst case assumptions are as follows:

**WORST CASE PROJECTED TOTAL CONSTRUCTION OF
SINGLE FAMILY UNITS AND COMMERCIAL SQUARE FEET
MESA RIDGE**

<u>YEAR</u>	<u>RESIDENTIAL UNITS</u>	<u>SHOPPING CENTER SQUARE FEET</u>
2006-2008	230	0
2009-2013	250	0

The worst case is based on the assumptions of (1) a 50% drop from the normal case in countywide total residential and commercial space construction and, (2) a 50% drop in Mesa Ridge's capture of competitive market area construction. The worst case projections imply a rate of build out for Mesa Ridge that would take the project out past 20 years for completion.

Methodology and Data Sources

The methodology we used to prepare the estimates of residential absorption is as follows:

1. Projections of total El Paso County residential construction were prepared.
2. Countywide residential construction was allocated to the Mesa Ridge Competitive Market Area (CMA) and the Powers corridor based on each area's share of market over the past three years.
3. Powers corridor residential construction was satisfied until the supply of lots was depleted, then 50 percent of its demand was shifted to the CMA area.
4. Residential construction was allocated to the Mesa Ridge project based on its adjusted "fair share" of active and planned total residential development capacity in the CMA.
5. A worst-case projection was prepared to illustrate the downside impact of a significantly slower and a much more competitive market. Worst case is assumed to be a 50% drop in El Paso County new home construction combined with a 50% drop in Mesa Ridge's share of the CMA's market.

Data used in the preparation of the residential projections and their sources include:

1. Residential construction permits data for El Paso County for 1960-2003 from the Regional Building Department.
2. Residential construction permits data by zip code for El Paso County for 1996-2004 (1st Qtr) from the Regional Building Department.
3. A survey of residential projects in the CMA area and the Powers Boulevard corridor conducted by the Meyers Group in February 2004.
4. An inventory of remaining development capacity in the major projects located in the CMA was compiled by David Bamberger & Associates.

The methodology we used to prepare the estimates of shopping center absorption is as follows.

1. Data on site characteristics, traffic counts, existing competitive shopping centers and current and future demographics and retail spending were compiled.
2. Shopping center site selection factors were weighed against Mesa Ridge shopping center site demand factors and an assessment of the type and timing of shopping center development potential was prepared.

Data used in the preparation of the shopping center projections and their sources include:

1. Trade area demographics and retail spending were obtained from Claritas.
2. Information on site selection criteria is from the International Council of Shopping Centers.
3. Information on competitive shopping centers was compiled by David Bamberger & Associates in a field survey of the CMA.

Key Assumptions

The following are a set of key assumptions behind the build-out projections presented in this report. It is assumed that all of the elements necessary to support urban density development will continue to be put in place in the Mesa Ridge area in the future.

1. Water, sewer, electric and gas service is available to support urban density development during the full duration of build-out.

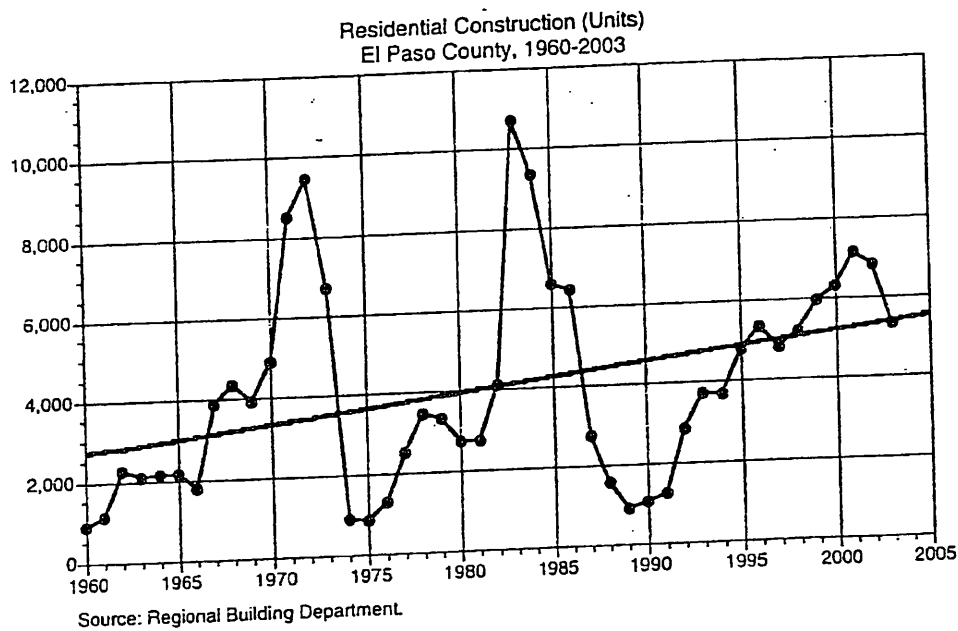
2. At least four high volume production homebuilders build and sell homes in the development.
3. Builders use high saturation mass media to market their product.
4. Land development is financially feasible.
5. The developer delivers superpads or finished lots to builders in a timely manner.
6. Lots and superpads in the development are priced such that entry-level and first-time move-up homes can be built and sold for prices that are competitive with other residential and shopping center projects in El Paso County.
7. Property taxes and utility rates are competitive with other areas in El Paso County.
8. School facilities including elementary, middle and high schools are available in the area.
9. Adequate job opportunities continue to be available within a normal commute distance from the development.
10. Planning, entitlement and building permit approvals are given in a timely manner so as not to interrupt or slow build-out.
11. Improvements to Powers Boulevard and Marksheffel Road will be made in a timely fashion as planned.
12. Construction of a shopping center and related commercial activities in Mesa Ridge is premised on the construction of Powers Boulevard through the property.

RESIDENTIAL AND SHOPPING CENTER MARKET FINDINGS

Residential Construction in El Paso County

Residential construction in El Paso County over the long term has been very strong, but cyclical. Since 1960 183,000 new homes have been built. Peaks in annual production have totaled about 10,000 units and troughs have totaled about 900 units.

There is some evidence to suggest that a big drop in housing production will not occur in the current cycle because apartment construction has remained close to demand-driven levels and is not overbuilt as in past cycles. (Attachment 2)



Residential Construction in the Powers Corridor

The Powers corridor includes the area east of Powers Boulevard, north of Constitution Avenue, south of Woodmen Road and west of Marksheffel Road. The boundaries of the corridor are approximately the boundaries of zip code 80922. Most of the Powers corridor is in the Colorado Springs city limits.

The Powers corridor has been a big player in the Colorado Springs residential market for the past 20 years. Major active developments include Stetson Hills, Springs Ranch, Ridgeview, Indigo Ranch, and Pronghorn Meadows.

At the present time there are 34 active builder projects in the corridor. Product being built and sold includes single family detached, townhomes and patio homes. Sizes of homes range from about 1,000 to 2,800 square feet. Prices of new homes range from about \$150,000 to \$300,000, with an average of about

\$186,000. Target buyers cover the full spectrum, ranging from first-time to third-time move-up.

New residential construction activity in the Powers corridor has been very strong. Builder's sales in the 34 projects currently average 4.3 sales per month, or a total of almost 1,800 units sold at an annual rate. New residential construction has totaled over 7,000 units since the start of 1998. Over the past three years the Powers corridor has captured 26.8% of total El Paso county residential construction activity.

Residential Construction (Units)
Powers Corridor, 1998 - 2004 (1st Qtr)

Year	Powers Corridor	El Paso County	Powers Corridor Share
1998	613	5,214	11.8%
1999	856	5,941	14.4%
2000	1,045	6,286	16.6%
2001	1,103	7,111	15.5%
2002	1,699	6,813	24.9%
2003	1,472	5,302	27.8%
2004 (1st Qtr)	446	1,378	32.4%
Total	7,234	38,045	19.0%
Total / Average 2002 - 2004 YTD			26.8%

Source: Regional Building Department and David Bamberger & Associates

Note: Powers Corridor Includes zip 80922

The Powers corridor is almost completely built out. We estimate there are about 1,700 platted lots remaining in the active builder projects and another 3,000 masterplanned lots that have not been platted. Thus, remaining development capacity totals about 4,700 units. Based on current market activity, the corridor will be completely built out in about three years. (Attachment 3)

Residential Construction in the Competitive Market Area

The Competitive Market Area (CMA) area includes the southeast part of Colorado Springs, the Security / Widefield area and the Town of Fountain. The CMA covers zips 80817, 80911, 80916 and 80925 and roughly includes the area east of I-25, south of the Colorado Springs airport and north of the southern boundary of the Town of Fountain.

Our research identified 22 active new home projects in the CMA. Projects include Cottonwood Meadows, Millers Crossing, Cross Creek, the Glen at Widefield, Countryside, Heritage, Country Crossing, Sand Creek, Windmill and Soaring Eagles. Product being built and sold includes single family detached and town-homes. Sizes of homes range from about 1,000 to 1,800 square feet. Prices of new homes range from about \$150,000 to \$200,000, with an average of about

\$169,000. Target buyers include first-time buyers, first-time move-up and second-time move-up buyers.

New residential construction activity in the CMA has been strong. Builder's sales in the 22 projects currently average 2.7 sales per month, or a total of over 700 units sold at an annual rate. New residential construction has totaled almost 5,000 units since the start of 1998. Over the past three years the CMA has captured 15.0% of total El Paso county residential construction activity. (Attachment 4)

Residential Construction (Units)
Competitive Market Area (CMA), 1998-2004 (1st Qtr)

Year	Total CMA	Total El Paso County	CMA Share
1998	672	5,214	12.9%
1999	667	5,941	11.2%
2000	692	6,286	11.0%
2001	930	7,111	13.1%
2002	1,084	6,813	15.9%
2003	785	5,302	14.8%
2004 (1stQ)	154	1,378	11.2%
Total	4,984	38,045	13.1%
Total / Average for 2002-2004 YTD			15.0%

Source: Regional Building Department and David Bamberger & Associates

Note: CMA includes Zips 80817, 80911, 80916, 80925, (SE Colorado Springs and the Fountain Valley)

Build-out Potential in the Competitive Market Area

Our research found a significant amount of capacity for additional residential development in the CMA. The 22 active builder projects have a total of 770 homes left to build on current finished lot inventory. There are an estimated 12,420 lots remaining in active planned projects, which include the Glen at Widefield, Cross Creek and Mesa Ridge. We also identified a total of over 14,000 lots in inactive planned projects, including an estimated 10,000 lots in the southern part of the Banning-Lewis Ranch.

All of these active and planned developments will likely offer some measure of competition to Mesa Ridge. However, we have observed over the years that the supply of developed lots has closely paced new home construction. Thus, we do not expect a dramatic over-supply of developed lots emerging even though the planned capacity might range as high as 27,000 potential lots.

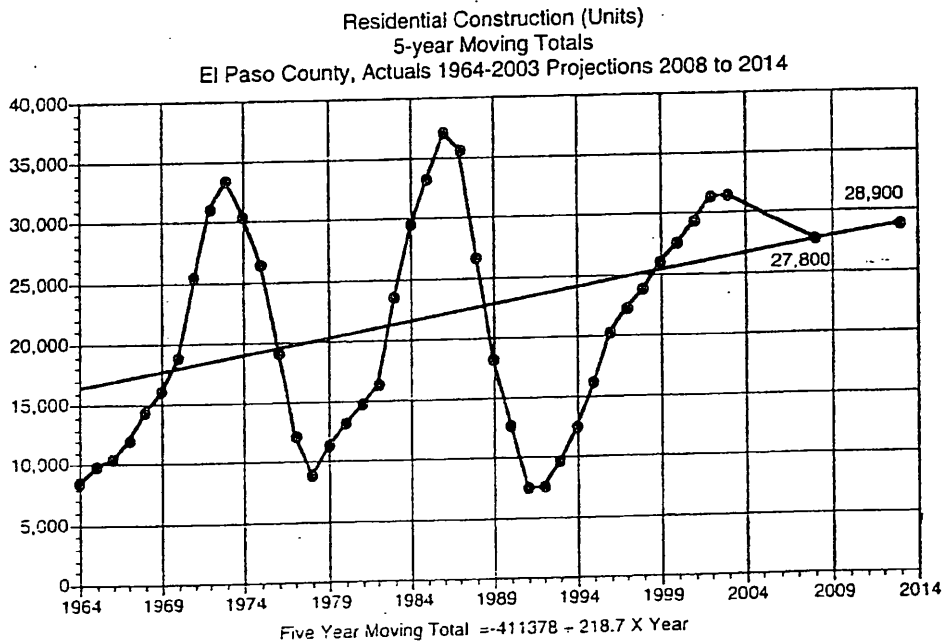
**Current and Planned Lot Supply
Competitive Market Area, 2004**

	Active Current Projects	Active Planned Projects	Total Active	Active Percent Share	Inactive Planned Projects	Total Active and Inactive	Total Percent Share
Miscellaneous Projects	350	1,200	1,550	12%	1,600	3,150	12%
Cross Creek	310	300	610	5%	0	610	2%
Mesa Ridge	0	2,950	2,950	24%	0	2,950	11%
Glen at Widefield	110	1,200	1,310	11%	0	1,310	5%
Banning-Lewis Ranch (Est.)	0	0	0	0%	10,000	10,000	37%
Water View	0	0	0	0%	1,700	1,700	6%
Crescent Heights	0	0	0	0%	1,140	1,140	4%
Lorson Ranch	0	6,000	6,000	48%	0	6,000	22%
Total	770	11,650	12,420	100%	14,440	26,860	100%

Source: David Bamberger & Associates, City of Fountain and the Meyers Group

Residential Construction Projections for El Paso County

Total construction of new single family homes is expected to vary over the business cycle in the future. In the past the peak to trough variation has ranged from an annual figure of about 900 to over 10,000 units. We expect swings to be much less severe in the future than in the past. Real estate markets appear to not be as prone to overbuilding as they were in the 1970s and 1980s.



Source: Regional Building Department. Projections from David Bamberger & Associates.

PROJECTED TOTAL RESIDENTIAL CONSTRUCTION
EL PASO COUNTY

<u>YEARS</u>	<u>UNITS</u>
2004-2008	27,800
2009-2013	28,900

Our projections of countywide residential construction recognize that there will be cyclical influences. Residential construction totaled almost 38,000 units during the past five years. Our projections for residential construction for El Paso County show totals for each future five-year period to be lower than the past five year peak. We should note, however, that any given year construction could be higher, or lower than the straight-line projection because of building cycle fluctuations. (Attachment 5)

Residential Construction Projections for the Competitive Market Area

Discussions with developers and builders active in the Powers corridor indicate that they believe the Falcon area north of the Powers corridor and the Fountain Valley area (the CMA) south of the Powers corridor will begin to take up an increasing share of the new residential construction when the Powers corridor builds out. When the corridor does build out construction of about 1,500 units per year will have to go somewhere.

A major uncertainty is the Banning-Lewis Ranch, which could emerge as a competitor for the CMA, if the developer moves forward and starts delivering residential lots. At the present time, it is not clear when Banning-Lewis will start. Their current plans call for starting on the northern part of their property near Woodmen Road and / or Dublin Road and Marksheffel Road. And it is likely they will start there sometime within the next five years.

However, for the purpose of our analysis we assume that the southern part of the Banning Lewis Ranch will not be a competitor in the CMA over the next 10 to 15 years. This assumption is based on the significant cost to the developer of building a major wastewater treatment facility and wastewater collection system in Jimmy Camp Creek basin necessary to serve the southern part of the Banning-Lewis property.

The CMA is expected to capture an increasing share of the El Paso County housing market in the future. The CMA will likely see a jump in share when the Powers corridor builds out the remaining 4,700 lots in about 2006. Share in the CMA area is expected to increase from its current 15% to 25% when the Powers corridor runs out of lots.

**PROJECTED TOTAL RESIDENTIAL CONSTRUCTION
COMPETITIVE MARKET AREA**

<u>YEARS</u>	<u>UNITS</u>
2004-2008	6,950
2009-2013	7,230

Residential Construction Projections for Mesa Ridge

Residential construction in Mesa Ridge is planned to start in 2006. The project's capture of the CMA area is expected to average 22%. This capture rate is based on adjusted "fair share" of the market, which is based on total lot supply in the CMA area.

A total of 1,930 units (rounded from 1,933) are projected to be built in Mesa Ridge between 2006 and 2012, an average of a little over 300 units per year. Mesa Ridge residential will be built out in early 2012. (Attachment 6)

**PROJECTED TOTAL CONSTRUCTION OF SINGLE FAMILY UNITS
MESA RIDGE**

<u>YEARS</u>	<u>UNITS</u>
2006-2008	920
2009-2012	1,010

(Note: Mesa Ridge residential is projected to be built out by early 2012)

The projections assume that there will be at least four major production builders in the project offering a variety of product and at least two price points, with one targeting entry-level and one targeting first time move-up markets. This strategy will insure there is a significant amount of market power, including advertising dollars, model homes and on-site sales staff to maximize build-out potential. Our research shows that builder projects can expect sales from three to seven units per month per project.

Estimates of the price of homes to be built in Mesa Ridge are based on an average of the base prices of projects in the Powers corridor and the CMA. We estimate prices for homes in Mesa Ridge will average about \$180,000 (2004 dollars).

We have prepared estimates of a worst-case build-out scenario. The worst case is based on the assumption that countywide single family production would drop by 50% and Mesa Ridge's market share would drop by 50% from the normal case projections. The worst case projections imply a rate of build out for Mesa Ridge that would take the project out past 20 years for completion.

**WORST-CASE SCENARIO
PROJECTED RESIDENTIAL CONSTRUCTION
MESA RIDGE**

<u>YEARS</u>	<u>UNITS</u>
2004-2008	230
2009-2013	250

The decline in total units and market capture are assumed to run for the full duration of build-out. The scenario makes no assumptions about the timing or severity of any market cycle downturn or the timing of any shift in market capture by the project. As history shows, a market cycle induced worst case could be more severe, but not last over the full 15 year forecast horizon.

However, competition-induced worst case could affect market share for the full term of the projection period. Our generic worst case averages the downside over the whole projection horizon and includes assumed impacts from a market cycle disturbance and from assumed increased competition for market. In effect it is the "worst" of the worst cases.

Shopping Center Market Findings and Projections

The Mesa Ridge shopping center and commercial site is located on the east side of future Powers Boulevard just south of Mesa Ridge Parkway. The parcel is 28.1 acres in size.

At a floor area ratio of 20% the 28.1 acres will accommodate about 240,000 square feet of space. This is the size of a neighborhood shopping center and surrounding related commercial uses. A supermarket and a drug store typically anchor neighborhood shopping centers. They generally serve a three-mile trade area with a population of about 25,000 to 35,000. (Attachment 7)

Our research into the shopping center market included conducting a survey of shopping centers in the Mesa Ridge 3-mile trade area. There is a small convenience store on Fontaine and Fountain Mesa. The Markets at Mesa Ridge shopping center located at Mesa Ridge Parkway and Fountain Mesa Road is just on the edge of the 3-mile trade area.

The Markets at Mesa Ridge is a neighborhood center targeting the convenience shopping needs for residents of the Fountain Valley area. The center was built over the past three years and some more build-out is expected in the future. A 58,000 square foot Safeway supermarket and a 3,040 square foot 7-11 conven-

ience store anchor the Markets at Mesa Ridge. The center has a total of 34,200 square feet of in line space and a 15,600 square foot medical building. An estimated 10,000 square feet of in-line space in the center is currently vacant. A 20,000 square foot Walgreen store recently finished construction.

The 3-mile Mesa Ridge trade area has an estimated 2004 population of about 25,600. Most of this population is located northwest in Widefield and southwest in Fountain. With significant residential construction expected in neighboring subdivisions, such as the Glen at Widefield, Lorson Ranch and in Mesa Ridge, we believe the market base to support a shopping center will emerge in the future. Projections of residential construction indicate that population in the trade area will total about 41,200 in approximately 10 years. We believe that when this population threshold is reached, a center will become feasible.

PROJECTED CONSTRUCTION OF SHOPPING CENTER SPACE
MESA RIDGE

<u>YEARS</u>	<u>SQUARE FEET</u>
2004-2008	0
2009-2013	240,000

Value per square foot for shopping center and commercial development is estimated to be about \$130 per finished square foot including land. This figure is based on construction costs for similar projects built in El Paso County over the past several years.

We have also prepared a worst-case projection for shopping center build-out. It is based on the same assumptions used for the worst case residential build-out projection of a 50% drop in new home construction and a 50% drop in Mesa Ridge market capture.

WORST-CASE SCENARIO
PROJECTED CONSTRUCTION OF SHOPPING CENTER SPACE
MESA RIDGE

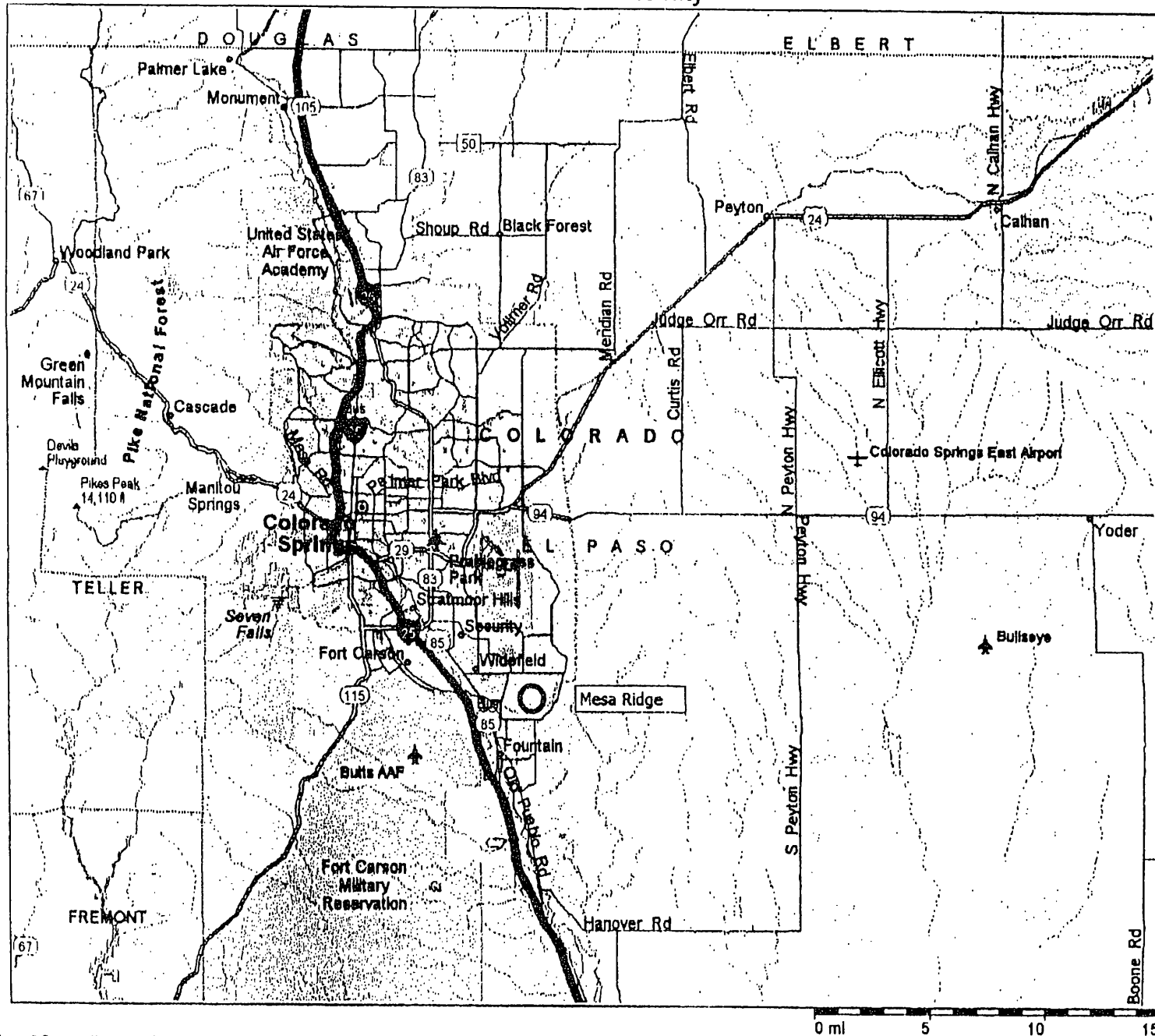
<u>YEARS</u>	<u>SQUARE FEET</u>
2004-2008	0
2009-2013	0

Because of very slow residential construction, the worst case shows no construction of shopping center or commercial space over the next 20 years.

ATTACHMENTS

Attachment 1

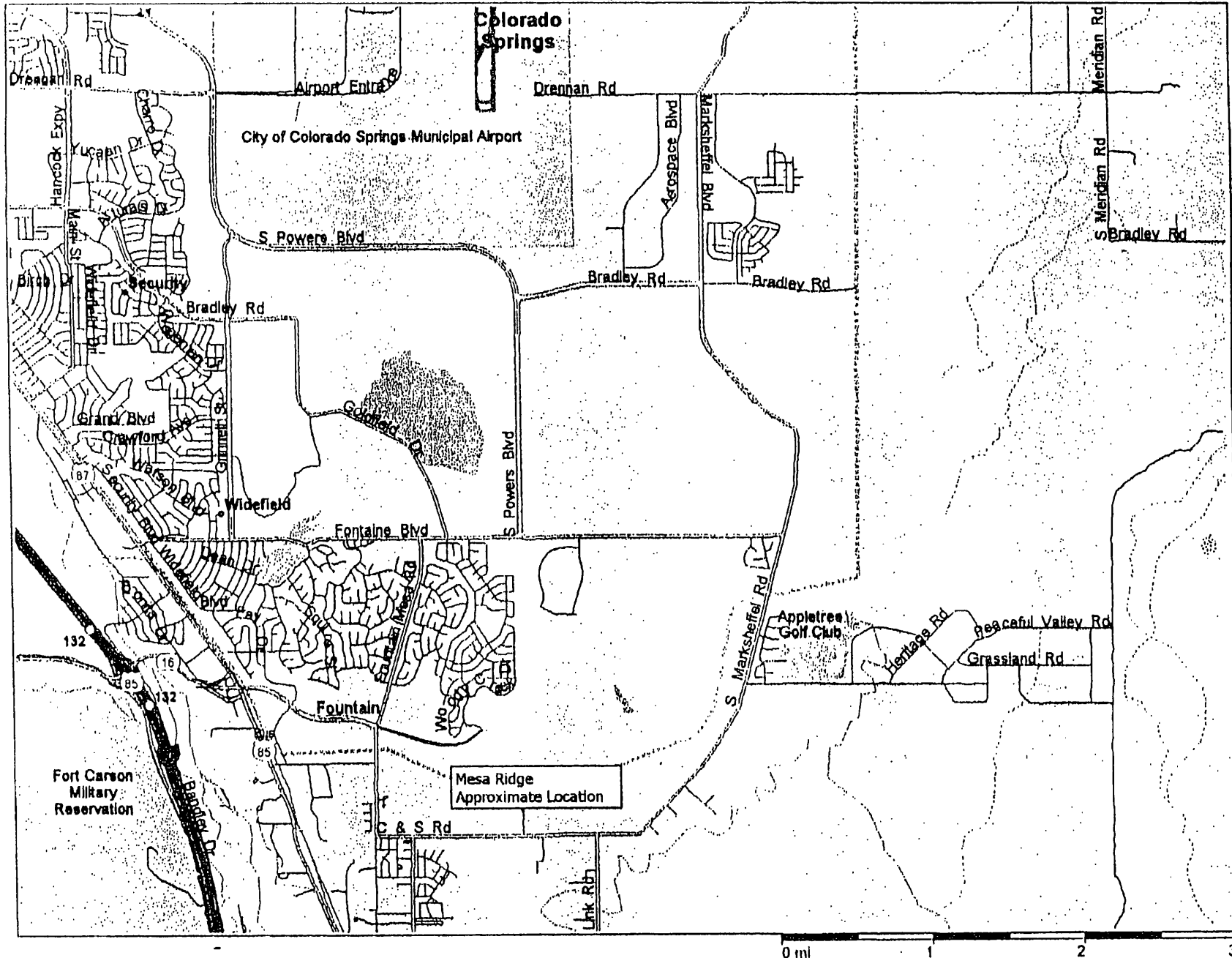
Mesa R Vicinity



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Mesa Ridge Location



MESA RIDGE

SKETCH PLAN

EL PASO COUNTY, COLORADO

NOV 19 1998
NORTH PLAIN
PLANNING DEPARTMENT

Planning
Landscape Architecture

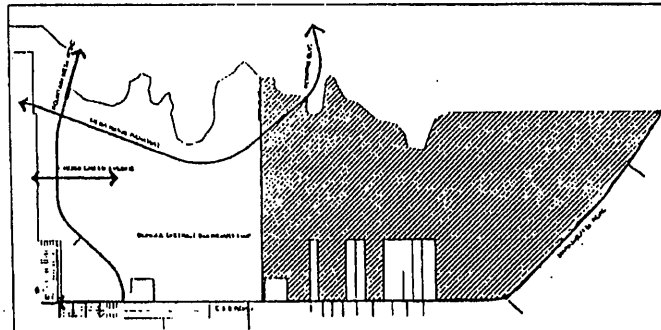
10 West Office
10 West Office
10 West Office

LEGAL DESCRIPTION

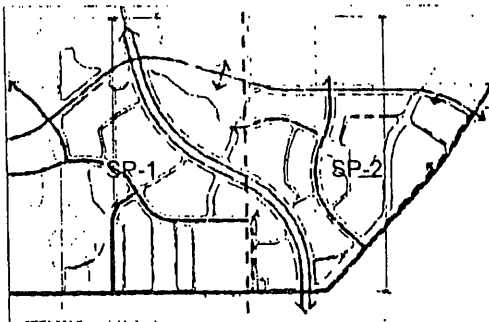
That portion of Sections 27, 28, and 29, Township 15 South, Range 65 West of the 6th P.M., and of Tracts 1 and 2, in SUBDIVISION NO. 1 OF THE FOUNTAIN SUBURBAN HOMES CORPORATION, El Paso County, Colorado, according to the plat thereof as recorded in Plat Book L at Page 44, El Paso County, Colorado, more particularly described as follows:

Commencing at the Southeast corner of said Section 28, thence N 00°28'06"E (all bearings used in this description are relative to the East line of the Southwest quarter of said Section 28, which was assumed to be N 00°28'06"E) on the East line of the Southwest quarter of said section, 1320.15 feet to a point on the North line of the South half of the Southeast quarter of said Section 28 and the POINT OF BEGINNING, thence continue N 00°28'06"E on said East line, 180.02 feet, thence N 83°33'54"W, 177.27 feet, thence N 44°06'10"W, 336.98 feet, thence N 09°07'50"W, 546.02 feet, thence N 04°13'14"E, 206.83 feet, thence on the arc of a curve to the left whose chord bears S 83°10'07"W, having a central angle of 21°04'11", a radius of 1460.00 feet and an arc length of 526.93 feet, thence to a point on the easterly line of the City of Fountain, El Paso County, Colorado, as shown on the Amusement Plat of North Fountain Addition No. 15 as recorded in Plat Book D at Page 67 of the records of said El Paso County, Colorado, thence N 00°22'20"E, on said easterly line of the aforementioned Amusement Plat of North Fountain Addition, 2085.90 feet, more or less, to a point on the westerly boundary of the Main Canal of the Fountain Municipal Irrigation Company as described in Book 3586 at Page 1240 of said records, thence westerly on said boundary line for the following fourteen (14) courses: (1) thence on the arc of a curve to the left having a central angle of 38°50'05", a radius of 270.60 feet and an arc length of 149.11 feet, more or less; (2) thence N 177°54'26"E, 93.79 feet; (3) thence on the arc of a curve to the right having a central angle of 160°24'22", a radius of 55.60 feet and an arc length of 66.36 feet; (4) thence S 01°41'12"E, 137.18 feet; (5) thence on the arc of a curve to the left having a central angle of 46°29'23", a radius of 88.00 feet and an arc length of 71.40 feet; (6) thence S 48°10'35"E, 126.77 feet; (7) thence on the arc of a curve to the left having a central angle of 40°56'06", a radius of 220.00 feet and an arc length of 157.18 feet; (8) thence S 89°16'41"E, 124.69 feet; (9) thence on the arc of a curve to the right having a central angle of 04°53'33", a radius of 460.00 feet and an arc length of 39.28 feet; (10) thence S 84°13'08"E, 236.97 feet; (11) thence on the arc of a curve to the right having a central angle of 80°54'00", a radius of 73.00 feet and an arc length of 38.48 feet; (12) thence S 08°40'57"W, 209.80 feet; (13) thence on the arc of a curve to the left having a central angle of 32°12'44", a radius of 152.00 feet and an arc length of 85.46 feet; (14) thence N 84°28'08"E, 10.00 feet to a point on the southerly line of said Main Canal as described in said Book 3587 at Page 1270, thence easterly on said southerly line for the following forty-three (43) courses: (1) thence on the arc of a curve to the left whose chord bears S 28°15'44"E, having a central angle of 01°27'44", a radius of 142.00 feet and an arc length of 3.62 feet; (2) thence S 26°59'36"E, 18.67 feet; (3) thence on the arc of a curve to the left having a central angle of 31°18'30", a radius of 108.00 feet and an arc length of 59.01 feet; (4) thence S 58°18'06"E, 16.12 feet; (5) thence on the arc of a curve to the left having a central angle of 48°09'47", a radius of 100.00 feet and an arc length of 85.80 feet; (6) thence N 72°32'12"E, 75.82 feet; (7) thence on the arc of a curve to the left having a central angle of 49°24'15", a radius of 119.60 feet and an arc length of 107.61 feet; (8) thence N 23°07'57"E, 36.72 feet; (9) thence on the arc of a curve to the left having a central angle of 16°41'49", a radius of 217.00 feet and an arc length of 83.24 feet; (10) thence N 08°26'08"E, 203.01 feet; (11) thence N 14°22'23"E, 139.91 feet; (12) thence N 01°10'48"W, 93.83 feet; (13) thence on the arc of a curve to the right having a central angle of 17°42'33", a radius of 136.00 feet and an arc length of 42.04 feet; (14) thence N 16°31'45"E, 102.28 feet; (15) thence on the arc of a curve to the right having a central angle of 25°16'31", a radius of 100.00 feet and an arc length of 4.41 feet; (16) thence N 41°48'16"E, 123.05 feet; (17) thence S 51°05'59"E, 110.92 feet; (18) thence on the arc of a curve to the right having a central angle of 35°52'30", a radius of 44.00 feet and an arc length of 26.32 feet; (19) thence S 14°13'09"E, 45.30 feet; (20) thence on the arc of a curve to the left having a central angle of 13°34'00", a radius of 172.00 feet and an arc length of 41.73 feet; (21) thence S 27°47'09"E, 319.85 feet; (22) thence S 41°09'52"E, 48.94 feet; (23) thence on the arc of a curve to the left having a central angle of 28°52'45", a radius of 153.00 feet and an arc length of 77.12 feet; (24) thence S 70°02'37"E, 94.38 feet; (25) thence S 74°54'11"E, 80.06 feet; (26) thence on the arc of a curve to the right having a central angle of 25°13'15", a radius of 51.00 feet and an arc length of 22.45 feet; (27) thence S 49°40'56"E, 523.45 feet; (28) thence on the arc of a curve to the left having a central angle of 29°38'12", a radius of 175.00 feet and an arc length of 90.52 feet; (29) thence S 79°19'08"E, 312.08 feet; (30) thence on the arc of a curve to the right having a central angle of 37°30'47", a radius of 58.00 feet and an arc length of 38.12 feet; (31) thence S 41°39'26"E, 256.99 feet; (32) thence on the arc of a curve to the right having a central angle of 34°30'25", a radius of 55.00 feet and an arc length of 33.12 feet; (33) thence S 07°09'01"E, 147.36 feet; (34) thence on the arc of a curve to the left having a central angle of 77°34'32", a radius of 142.00 feet and an arc length of 192.26 feet; (35) thence S 84°43'33"E, 42.45 feet; (36) thence on the arc of a curve to the right having a central angle of 14°06'03", a radius of 233.00 feet and an arc length of 57.34 feet; (37) thence S 70°37'30"E, 42.79 feet; (38) thence on the arc of a curve to the left having a central angle of 89°02'05", a radius of 91.00 feet and an arc length of 141.41 feet; (39) thence N 20°20'25"E, 404.62 feet; (40) thence N 24°23'23"E, 214.77 feet; (41) thence on the arc of a curve to the right having a central angle of 40°00'00", a radius of 75.00 feet and an arc length of 52.36 feet; (42) thence N 64°23'23"E, 154.90 feet; (43) thence on the arc of a curve to the left having a central angle of 17°58'41", a radius of 250.00 feet and an arc length of 78.44 feet to a point on the North line of the South half of the Northeast quarter of said Section 28; thence N 89°44'40"E on said North line, 2366.24 feet to a point on the North line of the South half of the Northwest quarter of said Section 27; thence N 89°55'36"E on said North line, 2118.62 feet to a point on the northeasterly right-of-way line of Marshallfield Road; thence southeasterly on said northeasterly right-of-way line for the following three (3) courses: (1) thence S 33°56'45"W, 1429.37 feet; (2) thence on the arc of a curve to the right having a central angle of 09°16'28", a radius of 3699.98 feet and an arc length of 822.65 feet; (3) thence S 43°13'13"W, 2787.66 feet to a point on the northerly right-of-way line of C & S Road; thence S 89°44'27"W on said northerly right-of-way line, 1480.44 feet; thence N 00°18'33"E, 1290.05 feet to the northeast corner of Tract 1 of Subdivision No. 1 of The Fountain Suburban Homes Corporation as recorded in Plat Book L at Page 44 of said records, said point also being on the North line of the South half of the Southwest quarter of said Section 28; thence S 89°44'31"W on said North line, 1075.05 feet to a point on a line being 1565.00 feet East of and parallel with the West line of said Section 28; thence S 00°28'06"W on said parallel line, 1290.12 feet to a point on the northerly right-of-way line of said C & S Road; thence S 89°44'27"W on said northerly right-of-way line, 400.00 feet to a point on a line being 1165.00 feet easterly of and parallel with the West line of said Section 28; thence N 00°28'06"E on said parallel line, 1290.12 feet to a point on the North line of the South half of the Southwest quarter of said Section 28; thence S 89°44'31"W on said North line, 400.00 feet to a point on the West line of the easterly 200.00 feet of the westerly 965.00 feet of Tract 2 in Subdivision No. 1 of the Fountain Suburban Homes Corporation; thence S 00°28'06"E on said West line, 1290.12 feet to a point on the northerly right-of-way line of said C & S Road; thence S 89°44'27"W on said northerly right-of-way line, 600.00 feet to a point on the East line of the westerly 165.00 feet of said Tract 2; thence N 00°28'06"E on said East line, 1290.14 feet to a point on the North line of the South half of the Southwest quarter of said Section 28; thence S 89°44'31"W on said North line, 165.00 feet to the Point of Beginning, EXCEPTING therefrom that portion thereof included within said Mesa Ridge Parkway, containing approximately 576.33 acres

VICINITY MAP



KEY MAP



NOTES

1. ADJACENT PROPERTY OWNER NAMES BASED ON THE EL PASO COUNTY ASSESSORS WEBSITE INFORMATION AS OF 4/27/04
2. THE SCHOOL DISTRICT BOUNDARY AS SHOWN WILL BE SHIFTED AT TIME OF FINAL PLAN TO RUN ON PUBLIC LAND (ROAD NOW OR PARKS/OPEN SPACE) ELIMINATING THE POSSIBILITY OF DIVIDING A PRIVATE LOT OR STRUCTURE
3. PARKS, OPEN SPACE, COMMON AREAS AND OTHER PUBLIC AREAS WILL BE OWNED AND MAINTAINED BY THE METRO DISTRICT

LAND USE CHART

MESA RIDGE
SKETCH PLAN
EL PASO COUNTY, COLORADO
NOV 19 1998

Drawn:
Checked:
Date:
Scale:
Author:

Date:

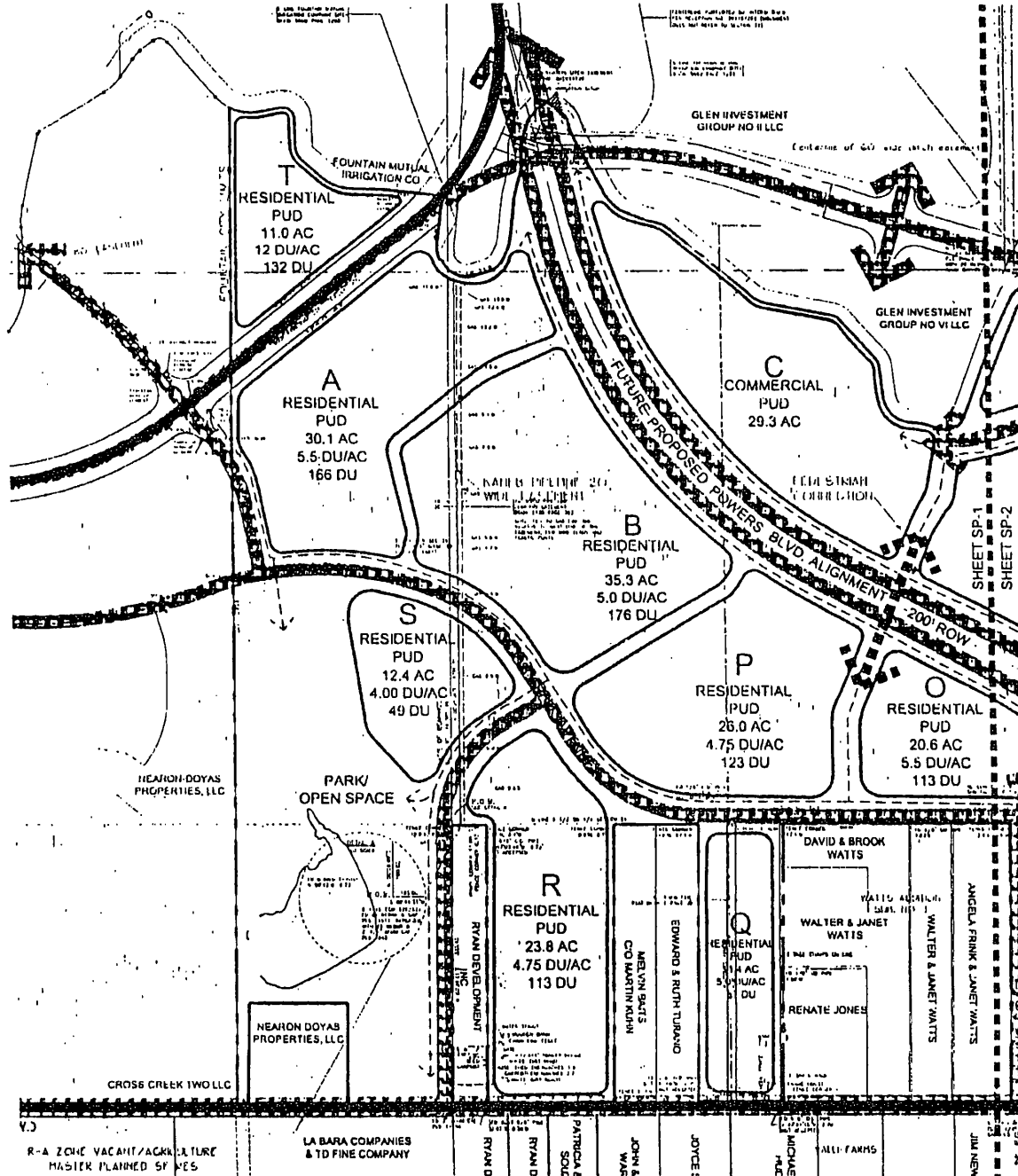
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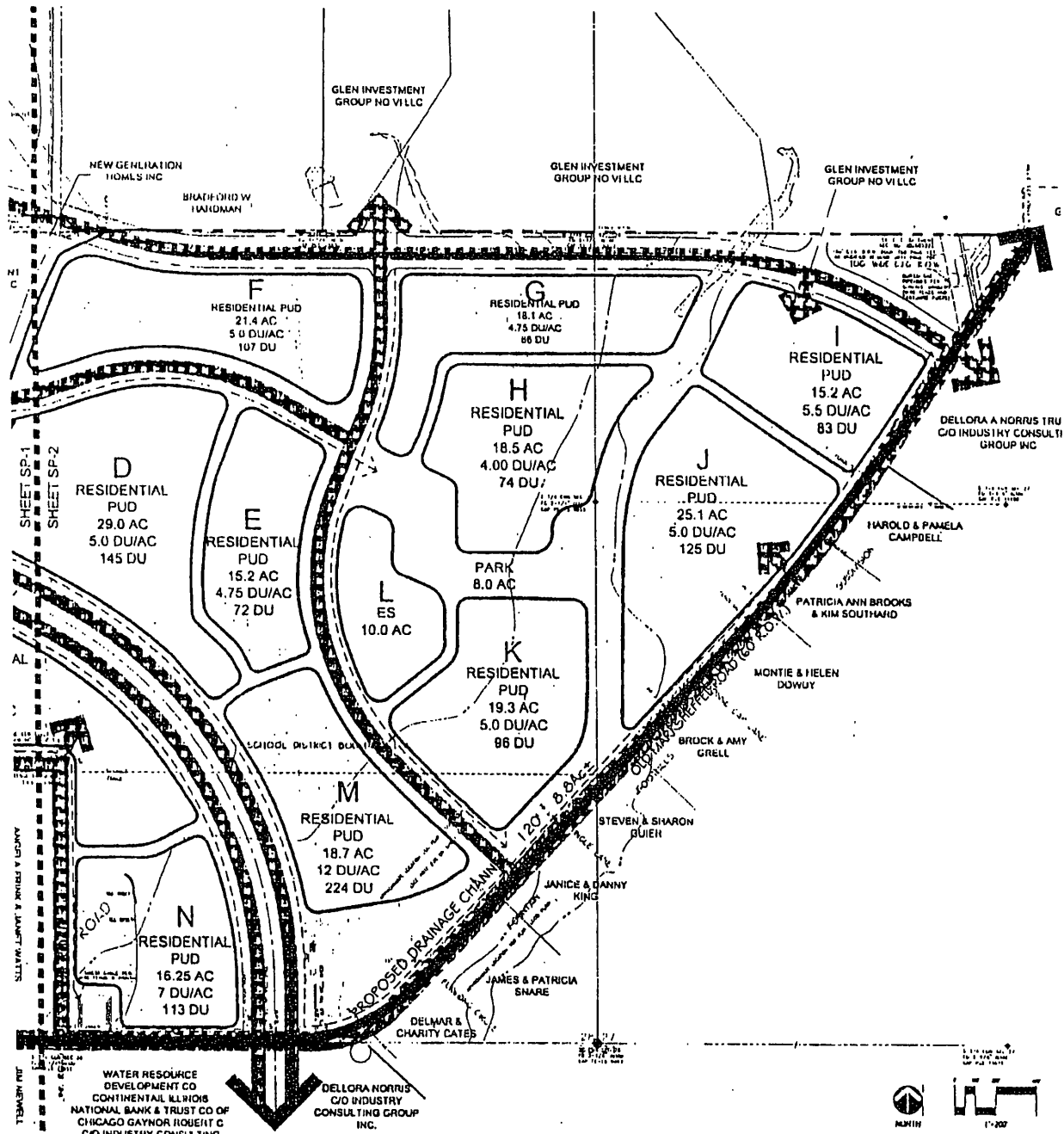
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Issue Date	11.20.09
Revision Date	
Issue No.	
Issue Title	
Issue Description	
Issue Author	
Issue Checker	
Issue Date	
Issue Title	
Issue Description	
Issue Author	
Issue Checker	
Issue Date	
Issue Title	
Issue Description	
Issue Author	
Issue Checker	





NOVUS DALLAS
 Planning
 Architecture
 7500 Lyndon B. Johnson Fwy
 Suite 2000 Dallas, TX 75243
 Phone 214 353 1100

MESA RIDGE
 SKETCH PLAN
 11/10/07

Scale:
 1" = 100' (Horizontal)
 1" = 40' (Vertical)

Issue Date	11/10/07
Issue No	SP-1
Revision Date	
Revision No	
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Issue No	
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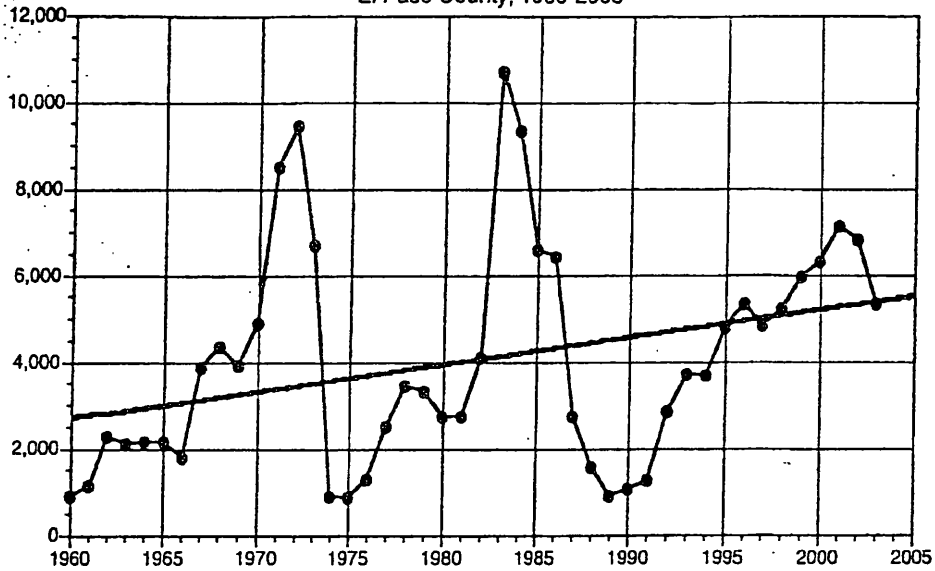
Mesa Ridge Residential and Commercial Land Use

Land Use	Acres	Housing Units per Acre	Total Housing Units
Residential Low / Medium	321.4	5.0	1,580
Residential Medium/High	36.1	9.8	353
Total / Average	357.5	5.4	1,933
Land Use	Acres	Floor Area Ratio	Total Floor Area (Sq. Ft.)
Commercial	28.1	0.2	244,807

Source: Lennar Communities Colorado

Attachment 2

Residential Construction (Units)
El Paso County, 1960-2003



Source: Regional Building Department.

Residential Construction (Units)
El Paso County, 1960 - 2023

Year	Total Residential Units	Year	Total Residential Units
1960	894	1982	4,084
1961	1,137	1983	10,676
1962	2,249	1984	9,304
1963	2,085	1985	6,562
1964	2,158	1986	6,429
1965	2,159	1987	2,745
1966	1,803	1988	1,568
1967	3,881	1989	877
1968	4,321	1990	1,049
1969	3,897	1991	1,232
1970	4,904	1992	2,855
1971	8,481	1993	3,710
1972	9,448	1994	3,655
1973	6,685	1995	4,758
1974	876	1996	5,326
1975	847	1997	4,807
1976	1,275	1998	5,214
1977	2,479	1999	5,941
1978	3,449	2000	6,286
1979	3,326	2001	7,111
1980	2,716	2002	6,813
1981	2,737	2003	5,302

Source: Regional Building Department 1960-2003.
Projections for 2004-2023 are from David Bamberger & Associates

Attachment 3

**Residential Construction (Units)
Powers Corridor, 1998 - 2004 (1st Qtr)**

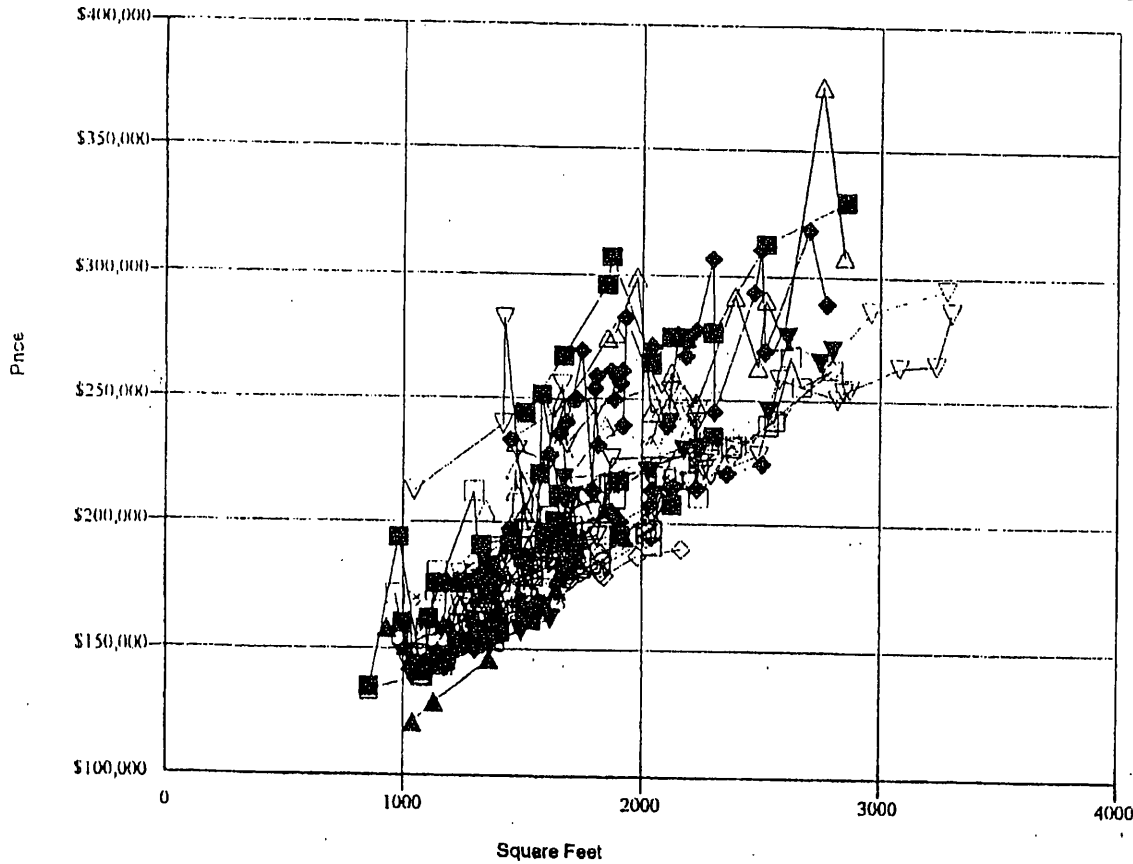
Single Family Units			
Year	El Paso County	Powers Corridor Zip 80922	Powers Corridor Share
1998	4,016	613	15.3%
1999	4,366	760	17.4%
2000	4,675	870	18.6%
2001	4,925	922	18.7%
2002	4,466	1,182	26.5%
2003	4,356	1,324	30.4%
2004 (1st Qtr)	1,158	412	35.6%
Total	27,962	6,083	21.8%

Multi-Family Units			
Year	El Paso County	Powers Corridor Zip 80922	Powers Corridor Share
1998	1,198	0	0.0%
1999	1,575	96	6.1%
2000	1,611	175	10.9%
2001	2,186	181	8.3%
2002	2,347	517	22.0%
2003	946	148	15.6%
2004 (1st Qtr)	220	34	15.5%
Total	10,083	1,151	11.4%

Total Residential Units			
Year	El Paso County	Powers Corridor Zip 80922	Powers Corridor Share
1998	5,214	613	11.8%
1999	5,941	856	14.4%
2000	6,286	1,045	16.6%
2001	7,111	1,103	15.5%
2002	6,813	1,699	24.9%
2003	5,302	1,472	27.8%
2004 (1st Qtr)	1,378	446	32.4%
Total	38,045	7,234	19.0%

Source: Regional Building Department and David Bamberger & Associates

Pricing - Active Residential Projects - Powers Corridor



- BLUFFS AT SPRING CREEK (T
- HEIGHTS (THEY/KELLER HOME
- HEIGHTS (THEY/RICHMOND AM
- ◆ INDIGO RANCH/RIDGEVIEW
- ◇ INDIGO RANCH/STETSON RIDG
- ◇ PRONGHORN MEADOWS
- ◇ PRONGHORN
- ◇ MEADOWS/CAMPBEL
- ◇ RIDGEVIEW NORTH AT STETSO
- ◇ RIDGEVIEW/CANTERBURY SERI
- RIDGEVIEW/MAYFAIR/NEWTOWN
- RIDGEVIEW/MAYFAIR/TAPESTR
- ◆ RIDGEVIEW/TOWNHOMES/CANTE
- ◇ SPRINGS RANCH/GOLF COURSE
- ◇ SPRINGS RANCH/GOLF COURSE
- ◇ SPRINGS RANCH/HIGH MEADOW
- ◇ SPRINGS RANCH/HIGH MEADOW
- SPRINGS RANCH/NORTH RANGE
- SPRINGS RANCH/THE CASCADE
- SPRINGS RANCH/THE ISLAND/
- ◇ SPRINGS RANCH/THE KNOLLS/
- ◇ SPRINGS RANCH/THE KNOLLS/
- ◇ STETSON HILLS/ANNIVERSARY
- ◇ STETSON HILLS/FESTIVAL &
- ◇ STETSON HILLS/NAUGURAL
- STETSON HILLS/RIDGEVIEW/W/C
- STETSON HILLS/RIDGEVIEW/W/C
- STETSON HILLS/RIDGEVIEW/W/I
- STETSON HILLS/RIDGEVIEW/W/I
- ◇ STETSON HILLS/WILLOWIND/F
- ◇ STETSON HILLS/WILLOWIND/G
- ◇ STETSON/WILLOWIND/HOWARD
- ▲ STONESTHROW AT SPRINGS RA

Active Residential Projects

**Powers
Corridor,
February
2004**

MASTER PLAN/PUD	PROJECT NAME	BUILDER	OPEN DATE	PROJ TYPE	UNITS PLND	YTD/PTD SOLD	YTD/PTD SALES RATE	PRICE RANGE	SQFT RANGE	PR/SQFT RANGE	MIN LOT SIZE
INDIGO RANCH	INDIGO RANCH/RIDGEVIEW	Classic Homes	04/15/2002	Detached	133	7 / 74	3.50 / 3.28	\$213,000 - \$336,000	1,610 - 3,169	\$79.20 - \$154.26	7,549
INDIGO RANCH	INDIGO RANCH/STETSON RIDGE	Classic Homes	02/15/2002	Detached	202	15 / 176	7.50 / 7.18	\$133,500 - \$230,500	855 - 2,302	\$90.79 - \$156.14	5,207
		INDIGO RANCH II - Summary			335	22 / 250	5.50 / 5.32	\$208,182	1,895	\$114.02	6,378
NO	BLUFFS AT SPRING CREEK (THE)	Pulte Homes	01/17/2004	Attached	360	5 / 5	3.37 / 3.37	\$120,995 - \$145,995	1,040 - 1,360	\$107.35 - \$116.34	0
NO	PRONGHORN MEADOWS	Hallmark Building Company	06/01/2003	Detached	48	5 / 12	2.50 / 1.33	\$155,450 - \$233,950	968 - 2,394	\$96.89 - \$176.60	6,700
NO	STETSON HILLS/WILLOWIND/GENDRON	Gendron Homes	05/15/2001	Detached	75	2 / 71	1.00 / 2.12	\$147,000 - \$240,995	1,005 - 2,228	\$102.02 - \$146.27	5,500
NO	STETSON/WILLOWIND/HOWARD	Howard & Company	08/15/2001	Detached	55	3 / 45	1.50 / 1.47	\$165,000 - \$194,500	1,035 - 1,780	\$109.27 - \$162.32	6,000
		NO - Summary			538	15 / 133	2.00 / 1.78	\$165,162	1,366	\$122.33	4,550
PRONGHORN MEADOWS	PRONGHORN MEADOWS/CAMPBELL	Campbell Companies Ltd	10/01/2003	Detached	105	3 / 5	1.50 / 1.00	\$212,375 - \$281,895	1,048 - 2,115	\$120.04 - \$202.65	6,600
		PRONGHORN MEADOWS -			105	3 / 5	1.50 / 1.00	\$255,808	2,091	\$122.35	6,600
RIDGEVIEW	RIDGEVIEW/TOWNHOMES/CANTERBURY SERIES	Pulte Homes	02/26/2002	Attached	310	4 / 135	2.00 / 5.60	\$142,995 - \$167,995	1,173 - 1,564	\$106.13 - \$121.91	1,600
RIDGEVIEW	RIDGEVIEW NORTH AT STETSON HILLS	Richmond American Homes	07/15/2001	Detached	151	5 / 122	2.50 / 3.87	\$141,995 - \$194,995	1,083 - 2,040	\$95.59 - \$131.11	4,000
RIDGEVIEW	RIDGEVIEW/CANTERBURY SERIES	Pulte Homes	06/01/2002	Detached	420	53 / 396	26.50 / 18.86	\$144,995 - \$179,995	1,029 - 1,403	\$124.19 - \$147.47	4,500
RIDGEVIEW	RIDGEVIEW/MAYFAIR/NEWTOWN COLLECTION	John Laing Homes	07/07/2002	Detached	137	13 / 114	6.50 / 5.76	\$190,990 - \$216,990	1,328 - 1,903	\$114.03 - \$143.82	4,200
RIDGEVIEW	RIDGEVIEW/MAYFAIR/TAPESTRY COLLECTION	John Laing Homes	07/07/2002	Detached	86	7 / 74	3.50 / 3.74	\$217,990 - \$229,990	1,673 - 2,175	\$105.74 - \$130.30	5,300

Active Residential Projects

**Powers
Corridor,
February
2004**

STERPLAN/PUD	PROJECT NAME	BUILDER	OPEN DATE	PROJ TYPE	UNITS PLND	YTD/PTD SOLD	YTD/PTD SALES RATE	PRICE RANGE	SQFT RANGE	PR/SQFT RANGE	MIN LOT SIZE
IDGEVIEW	STETSON HILLS/RIDGEVIEW/CELEBRATION	Melody Homes, Inc.	09/15/2001	Detached	171	7 / 150	3.50 / 5.08	\$159,950 - \$207,950	997 - 2,125	\$97.86 - \$160.43	5,250
IDGEVIEW	STETSON HILLS/RIDGEVIEW/COTTAGE	Melody Homes, Inc.	04/15/2002	Detached	187	31 / 154	15.50 / 6.83	\$143,450 - \$157,450	1,080 - 1,491	\$105.60 - \$132.82	3,000
IDGEVIEW	STETSON HILLS/RIDGEVIEW/HERITAGE/FIL	Melody Homes, Inc.	03/15/2002	Detached	209	17 / 119	8.50 / 5.05	\$196,950 - \$224,450	1,449 - 2,505	\$89.60 - \$136.27	6,600
IDGEVIEW	STETSON HILLS/RIDGEVIEW/PREMIER	Pulte Homes	01/15/2002	Detached	150	6 / 106	3.00 / 4.15	\$183,995 - \$212,995	1,403 - 2,096	\$101.35 - \$131.14	6,000
RIDGEVIEW - Summary					1,821	143 / 1370	7.94 / 6.30	\$175,260	1,438	\$124.53	4,494
RINGS RANCH	STONESTHROW AT SPRINGS RANCH	Yellico-Leach Co. Inc.	03/15/2002	Attached	34	0 / 15	0.00 / 0.64	\$158,600 - \$193,400	1,194 - 1,750	\$107.23 - \$132.83	7,000
RINGS RANCH	HEIGHTS (THE)/KELLER HOMES	Keller Homes	01/15/2004	Detached	23	7 / 7	4.52 / 4.52	\$244,200 - \$330,400	1,509 - 2,855	\$115.73 - \$164.30	6,901
RINGS RANCH	HEIGHTS (THE)/RICHMOND AMERICAN	Richmond American Homes	01/01/2004	Detached	24	6 / 6	3.00 / 3.00	\$210,995 - \$275,995	1,713 - 2,798	\$96.85 - \$123.17	7,700
RINGS RANCH	SPRINGS RANCH/GOLF COURSE HEIGHTS/KELLER	Keller Homes	04/15/2001	Detached	60	2 / 60	1.02 / 1.74	\$204,200 - \$375,800	1,471 - 2,848	\$105.94 - \$157.92	6,573
RINGS RANCH	SPRINGS RANCH/GOLF COURSE HEIGHTS/RICHMN	Richmond American Homes	06/15/2000	Detached	50	0 / 50	0.00 / 1.12	\$187,995 - \$267,995	1,828 - 2,798	\$93.99 - \$102.84	6,600
RINGS RANCH	SPRINGS RANCH/HIGH MEADOWS/ENGLE	Engle Homes	06/21/2003	Detached	27	5 / 18	2.50 / 2.16	\$178,950 - \$294,950	1,238 - 3,281	\$89.90 - \$144.55	6,297
RINGS RANCH	SPRINGS RANCH/HIGH MEADOWS/RICHMOND	Richmond American Homes	10/15/2002	Detached	48	4 / 44	2.00 / 2.66	\$140,995 - \$262,995	1,107 - 2,798	\$93.99 - \$132.25	6,700
RINGS RANCH	SPRINGS RANCH/NORTH RANGE	Richmond American Homes	07/01/2001	Detached	163	10 / 161	5.00 / 5.03	\$143,995 - \$172,995	1,083 - 1,643	\$105.29 - \$132.96	5,000
RINGS RANCH	SPRINGS RANCH/NORTH RANGE & KNOLLS/6&7	Classic Homes	08/15/2001	Detached	251	7 / 187	3.50 / 6.12	\$135,000 - \$251,815	855 - 2,299	\$102.47 - \$197.30	5,497
RINGS RANCH	SPRINGS RANCH/THE CASCADES	Richmond American Homes	09/15/2000	Detached	103	0 / 103	0.00 / 2.67	\$138,995 - \$161,995	1,037 - 1,617	\$100.18 - \$134.04	3,055
RINGS RANCH	SPRINGS RANCH/THE ISLAND/FILING 3	Campbell Companies Ltd	04/15/2001	Detached	29	0 / 20	0.00 / 0.58	\$233,195 - \$271,620	1,450 - 2,040	\$132.76 - \$160.82	6,573
RINGS RANCH	SPRINGS RANCH/THE KNOLLS/KELLER	Keller Homes	04/15/2001	Detached	63	2 / 60	1.00 / 1.74	\$205,000 - \$254,800	1,348 - 2,296	\$108.08 - \$152.08	5,392

Active Residential Projects

**Powers
Corridor,
February
2004**

ASTER/PLAN/PUD	PROJECT NAME	BUILDER	OPEN DATE	PROJ TYPE	UNITS PLND	YTD/PTD SOLD	YTD/PTD SALES RATE	PRICE RANGE	SQFT RANGE	PR/SQFT RANGE	MIN LOT SIZE
SPRINGS RANCH	SPRINGS RANCH/THE KNOLLS/RICHMOND	Richmond American Homes	10/15/2000	Detached	92	1 / 89	0.50 / 2.19	\$138,995 - \$231,995	1,083 - 2,377	\$93.63 - \$157.20	5,467
		SPRINGS RANCH - Summary			967	44 / 820	1.80 / 2.40	\$216,070	1,866	\$119.12	6,058
STETSON HILLS	STETSON HILLS/ANNIVERSARY & RHAPSODY	U.S. Home Corporation	08/15/1994	Detached	383	9 / 275	4.50 / 2.40	\$205,950 - \$285,950	1,665 - 3,300	\$81.88 - \$124.29	5,500
STETSON HILLS	STETSON HILLS/FESTIVAL & SERENDIPITY	U.S. Home Corporation	08/15/1994	Detached	956	7 / 886	3.50 / 7.73	\$176,950 - \$189,950	1,540 - 2,165	\$87.74 - \$115.55	5,500
STETSON HILLS	STETSON HILLS/INAUGURAL	U.S. Home Corporation	09/15/1994	Detached	956	19 / 783	9.50 / 6.90	\$150,950 - \$167,950	930 - 1,595	\$105.30 - \$169.84	5,500
STETSON HILLS	STETSON HILLS/WILLOWIND/FILINGS 1 & 2	Harmony Homes	04/01/2002	Detached	21	0 / 19	0.00 / 0.83	\$172,100 - \$209,950	1,139 - 1,890	\$110.10 - \$151.10	5,100
		STETSON HILLS - Summary			2,316	35 / 1963	4.38 / 5.37	\$183,407	1,702	\$111.34	5,400
TOTALS/AVERAGES: Number of Projects: 33 / Number of Plans: 356					6,082	262 / 4,541	4.10 / 4.32	\$186,311	1,587	\$120.82	5,405

Search Parameters:

Home Geography: Colorado Springs, CO;

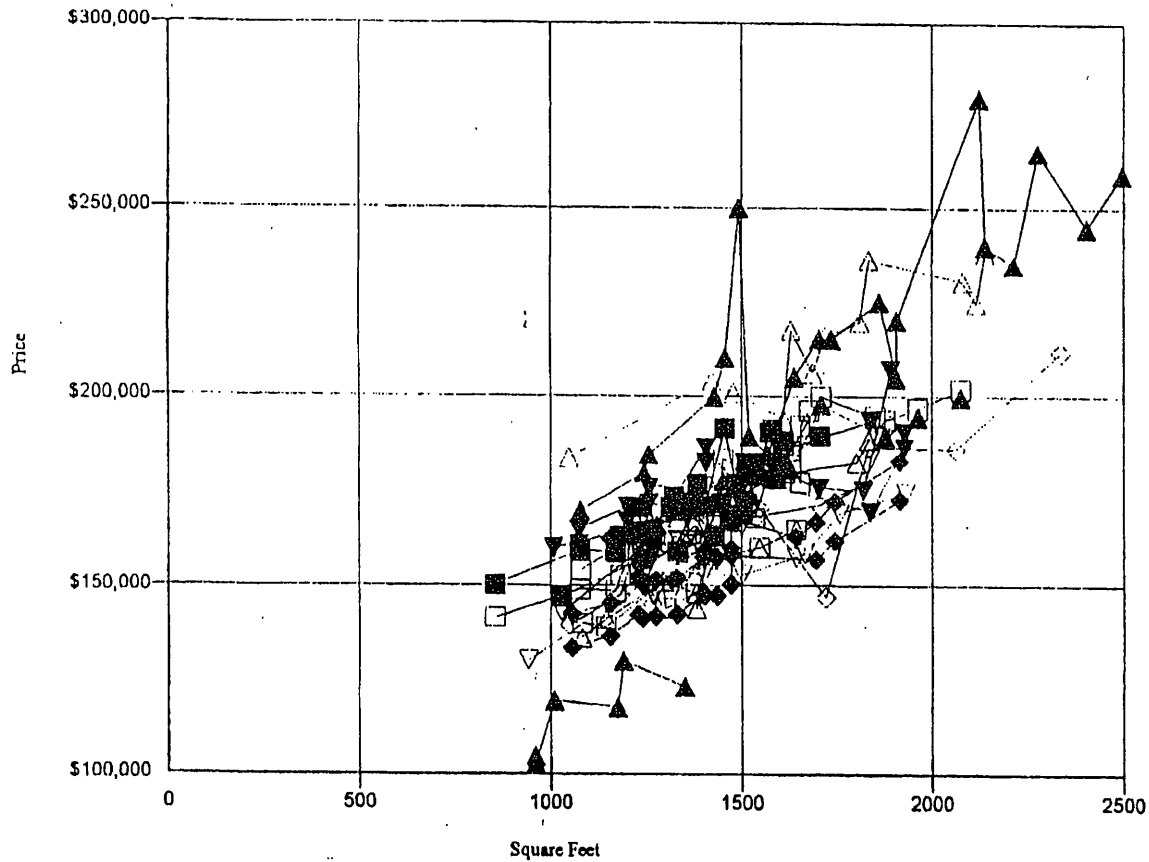
Attachment 4

Residential Construction (Units)
Competitive Market Area (CMA) Share of El Paso County Market, 1998-2004 (1st Qtr)

Single Family Units							
Year	Competitive Market Area				Total CMA	El Paso County	CMA Share
	80916	80925	80817	80911			
1998	131	119	197	167	614	4,016	15.3%
1999	109	56	274	214	653	4,366	15.0%
2000	88	69	258	242	657	4,675	14.1%
2001	208	19	339	297	863	4,925	17.5%
2002	203	99	308	148	758	4,466	17.0%
2003	133	115	332	62	642	4,356	14.7%
2004 (1stQ)	33	38	57	9	137	1,158	11.8%
Total	872	477	1,708	1,130	4,324	27,962	15.5%
Multi-Family Units							
Year	Competitive Market Area				Total CMA	El Paso County	CMA Share
	80916	80925	80817	80911			
1998	9	11	37	1	58	1,198	4.8%
1999	14	0	0	0	14	1,575	0.9%
2000	29	0	6	0	35	1,611	2.2%
2001	60	0	4	3	67	2,186	3.1%
2002	295	15	8	8	326	2,347	13.9%
2003	41	0	96	6	143	946	15.1%
2004 (1stQ)	3	0	12	2	17	220	7.7%
Total	448	26	151	18	660	10,083	6.5%
Total Residential Units							
Year	Competitive Market Area				Total CMA	El Paso County	CMA Share
	80916	80925	80817	80911			
1998	140	130	234	168	672	5,214	12.9%
1999	123	56	274	214	667	5,941	11.2%
2000	117	69	264	242	692	6,286	11.0%
2001	268	19	343	300	930	7,111	13.1%
2002	498	114	316	156	1,084	6,813	15.9%
2003	174	115	428	68	785	5,302	14.8%
2004 (1stQ)	36	38	69	11	154	1,378	11.2%
Total	1,320	503	1,859	1,148	4,984	38,045	13.1%

Source: Regional Building Department and David Bamberger & Associates

Pricing - Active Residential Projects - Competitive Market Area



- ▲ COTTONWOOD MEADOWS/GOLD &
- COUNTRY CROSSING AT THE P
- ◆ COUNTRYSIDE WEST/LEGENDAR
- ◆ COUNTRYSIDE WEST/MANOR &
- ◆ COUNTRYSIDE WEST/SEASONS
- ◻ CROSS CREEK/ENGLE HOMES
- ◻ CROSS CREEK/PULTE HOMES
- ◻ GLEN AT WIDEFIELD, THE
- ◻ HERITAGE
- ◻ HERITAGE HILLS/TILING #12
- ◻ HERITAGE/SAGE MEADOW
- ◆ HERITAGE/SAGE MEADOW/MANO
- ◻ HERITAGE/SAGE MEADOW/SUND
- ◻ HERITAGE/SEASONS & FREDO
- ◻ MILLERS CROSSING/CHARTERC
- ◻ MILLERS CROSSING/HARMONY
- ◆ SAND CREEK COMMONS/PHASE
- ◆ SOARING EAGLES/CLASSIC 110
- ◆ SUNRISE TERRACE/FILING #2
- ◆ WINDMILL CREEK
- ◻ WINDMILL MESA
- ◻ WINDMILL MESA/CLASSIC 110M

New Home Masterplan / PUD Report

04/06/2004

MASTERPLAN/PUD	PROJECT NAME	BUILDER	OPEN DATE	PROJ TYPE	UNITS PLND	YTD/PTD SOLD	YTD/PTD SALES RATE	PRICE RANGE	SOFT RANGE	PR/SOFT RANGE	MIN LOT SIZE
COUNTRYSIDE WEST	COUNTRYSIDE WEST/LEGENDARY HOMES	Legendary Homes	01/01/2003	Detached	105	3 / 58	1.50 / 4.14	\$158,900 - \$186,900	1,075 - 1,926	\$92.37 - \$149.67	6,000
COUNTRYSIDE WEST	COUNTRYSIDE WEST/MANOR & CASTLE SERIES	Today's Homes	11/01/2001	Detached	126	16 / 123	8.00 / 4.39	\$133,400 - \$172,900	1,056 - 1,914	\$90.33 - \$126.33	6,000
COUNTRYSIDE WEST	COUNTRYSIDE WEST/SEASONS & FREEDOM	Richmond American Homes	05/15/2001	Detached	75	1 / 74	0.50 / 2.21	\$135,995 - \$164,995	1,083 - 1,643	\$100.42 - \$125.57	5,009
	COUNTRYSIDE WEST -				306	20 / 255	3.33 / 3.38	\$155,755	1,452	\$108.77	5,670
CROSS CREEK	CROSS CREEK/PULTE HOMES	Pulte Homes	11/15/2003	Detached	76	11 / 14	5.50 / 3.96	\$142,995 - \$169,995	1,029 - 1,500	\$110.66 - \$138.97	5,000
	CROSS CREEK - Summary				76	11 / 14	5.50 / 3.96	\$158,722	1,294	\$123.57	5,000
GLEN (THE)	GLEN AT WIDFIELD, THE	New Generation Homes	04/15/2002	Detached	227	20 / 119	10.00 / 5.28	\$139,400 - \$211,500	1,049 - 2,336	\$85.47 - \$132.89	6,500
	GLEN (THE) - Summary				227	20 / 119	10.00 / 5.28	\$155,195	1,332	\$118.38	6,500
HERITAGE	HERITAGE	Engle Homes	04/26/2003	Detached	15	2 / 14	1.00 / 1.38	\$165,950 - \$199,950	1,278 - 2,075	\$96.36 - \$129.85	5,000
HERITAGE	HERITAGE HILLS/FILING #12	Pulte Homes	03/14/2003	Detached	60	4 / 59	2.00 / 5.09	\$146,995 - \$168,995	1,029 - 1,500	\$112.66 - \$142.85	5,000
HERITAGE	HERITAGE/SAGE MEADOW	Harmony Homes	02/01/2002	Detached	42	3 / 38	1.50 / 1.52	\$159,995 - \$206,950	1,008 - 1,890	\$96.48 - \$158.73	5,100
HERITAGE	HERITAGE/SAGE MEADOW/MANOR & CASTLE	Today's Homes	03/17/2002	Detached	165	3 / 78	1.50 / 3.32	\$142,400 - \$183,400	1,056 - 1,914	\$95.82 - \$134.85	5,500
HERITAGE	HERITAGE/SAGE MEADOW/SUNDANCE & NEW	John Laing Homes	05/15/2002	Detached	45	1 / 45	0.50 / 2.09	\$172,990 - \$188,990	1,328 - 1,833	\$101.60 - \$130.26	5,400
HERITAGE	HERITAGE/SEASONS & FREEDOM	Richmond American Homes	12/15/2002	Detached	50	4 / 22	2.00 / 1.51	\$138,995 - \$164,995	1,083 - 1,643	\$100.42 - \$129.27	5,000
	HERITAGE - Summary				377	17 / 256	1.42 / 2.41	\$168,705	1,507	\$112.81	5,167
MILLER'S CROSSING	MILLERS CROSSING/CHARTERCRAFT	Chartercraft Homes	04/15/2002	Detached	29	1 / 29	0.51 / 1.29	\$130,000 - \$174,800	942 - 1,930	\$90.57 - \$138.00	4,800

New Home Masterplan / PUD Report

04/06/2004

MASTERPLAN/PUD PROJECT NAME	BUILDER	OPEN DATE	PROJ TYPE	UNITS PLND	YTD/PTD SOLD	YTD/PTD SALES RATE	PRICE RANGE	SQFT RANGE	PR/SQFT RANGE	MIN LOT SIZE
MILLER'S CROSSING MILLERS CROSSING/HARMONY HOMES	Harmony Homes	03/15/2001	Detached	41	0 / 41	0.00 / 1.60	\$159,495 - \$192,950	1,357 - 1,890	\$97.58 - \$118.65	4,000
	MILLER'S CROSSING - Summary			70	1 / 70	0.34 / 1.46	\$157,500	1,643	\$95.86	4,400
WINDMILL CREEK	Sundance Builders	05/15/2002	Attached	30	1 / 18	0.50 / 0.84	\$160,800 - \$162,900	1,156 - 1,216	\$133.96 - \$140.48	3,000
COTTONWOOD MEADOWS/GOLD & SILVER	Creekstone Homes	09/30/2001	Detached	43	9 / 37	4.50 / 1.27	\$169,900 - \$279,995	1,078 - 2,930	\$94.88 - \$167.56	12,236
COUNTRY CROSSING AT THE POINTE	Capital Pacific Homes	01/01/2000	Detached	58	0 / 58	0.00 / 1.38	\$162,990 - \$189,990	1,260 - 1,706	\$111.37 - \$129.36	5,800
CROSS CREEK/ENGLE HOMES	Engle Homes	10/05/2003	Detached	250	2 / 4	1.00 / 0.82	\$153,950 - \$201,950	1,080 - 2,075	\$97.33 - \$142.55	5,100
WINDMILL MESA/CLASSIC HOMES	Classic Homes	01/15/2002	Detached	126	0 / 126	0.00 / 7.18	\$141,500 - \$202,500	855 - 2,299	\$88.08 - \$165.50	6,400
	NO - Summary			507	12 / 243	1.51 / 2.11	\$207,999	1,714	\$124.76	6,507
SAND CREEK COMMONS	Harmony Homes	09/15/1999	Attached	188	8 / 176	4.00 / 3.29	\$102,700 - \$129,846	960 - 1,350	\$91.12 - \$118.11	0
	SAND CREEK COMMONS -			188	8 / 176	4.00 / 3.29	\$125,902	1,206	\$104.58	0
SOARING EAGLES SOARING EAGLES/CLASSIC HOMES	Classic Homes	03/15/2001	Detached	352	18 / 239	9.00 / 6.72	\$150,250 - \$229,000	855 - 2,302	\$93.51 - \$175.73	5,500
	SOARING EAGLES - Summary			352	18 / 239	9.00 / 6.72	\$191,042	1,640	\$117.38	5,500
SUNRISE TERRACE SUNRISE TERRACE/FILING #2	Legendary Homes	09/15/2000	Detached	51	3 / 25	1.50 / 0.60	\$164,900 - \$193,900	1,075 - 1,926	\$99.12 - \$153.40	6,210
	SUNRISE TERRACE - Summary			51	3 / 25	1.50 / 0.60	\$174,233	1,318	\$133.25	6,210
WINDMILL MESA WINDMILL MESA	Campbell Companies Ltd	01/15/2001	Detached	75	3 / 68	1.50 / 1.81	\$184,115 - \$238,275	1,048 - 2,138	\$106.19 - \$175.68	6,000

New Home Masterplan / PUD Report

04/06/2004

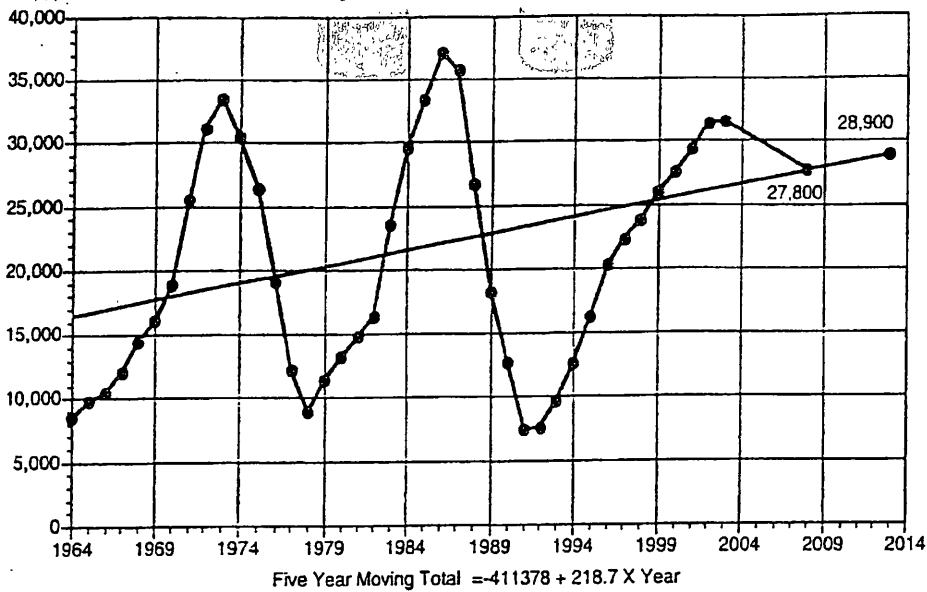
MASTERPLAN/PUD PROJECT NAME	BUILDER	OPEN DATE	PROJ TYPE	UNITS PLND	YTD/PTD SOLD	YTD/PTD SALES RATE	PRICE RANGE	SQFT RANGE	PR/SQFT RANGE	MIN LOT SIZE
	WINDMILL MESA - Summary			75	3 / 68	1.50 / 1.81	\$211,155	1,742	\$121.18	6,000
TOTALS/AVERAGES: Number of Projects: 22 / Number of Plans: 247				2,229	113 / 1,465	2.77 / 2.72	\$168,925	1,470	\$116.16	5,389

Search Parameters:

Location Geography: Colorado Springs, CO; ; Zip Code: 80817, 80911, 80916, 80925;

Attachment 5

**Residential Construction (Units)
5-year Moving Totals
El Paso County, Actuals 1964-2003 Projections 2008 to 2014**



Source: Regional Building Department. Projections from David Bamberger & Associates.

**Five-year Moving Totals
Residential Construction (Units)
El Paso County, 1960 - 2014**

Year	Total Residential Units	Year	Total Residential Units
1964	8,523	1985	33,363
1965	9,788	1986	37,055
1966	10,454	1987	35,716
1967	12,086	1988	26,608
1968	14,322	1989	18,181
1969	16,061	1990	12,668
1970	18,806	1991	7,471
1971	25,484	1992	7,581
1972	31,051	1993	9,723
1973	33,415	1994	12,501
1974	30,394	1995	16,210
1975	26,337	1996	20,304
1976	19,131	1997	22,256
1977	12,162	1998	23,760
1978	8,926	1999	26,046
1979	11,376	2000	27,574
1980	13,245	2001	29,359
1981	14,707	2002	31,365
1982	16,312	2003	31,453
1983	23,539	2004-2008	27,800
1984	29,517	2009-2013	28,900

Source: Regional Building Department 1960-2003.
Projections for 2004-2014 are from David Bamberger & Associates



Attachment 6



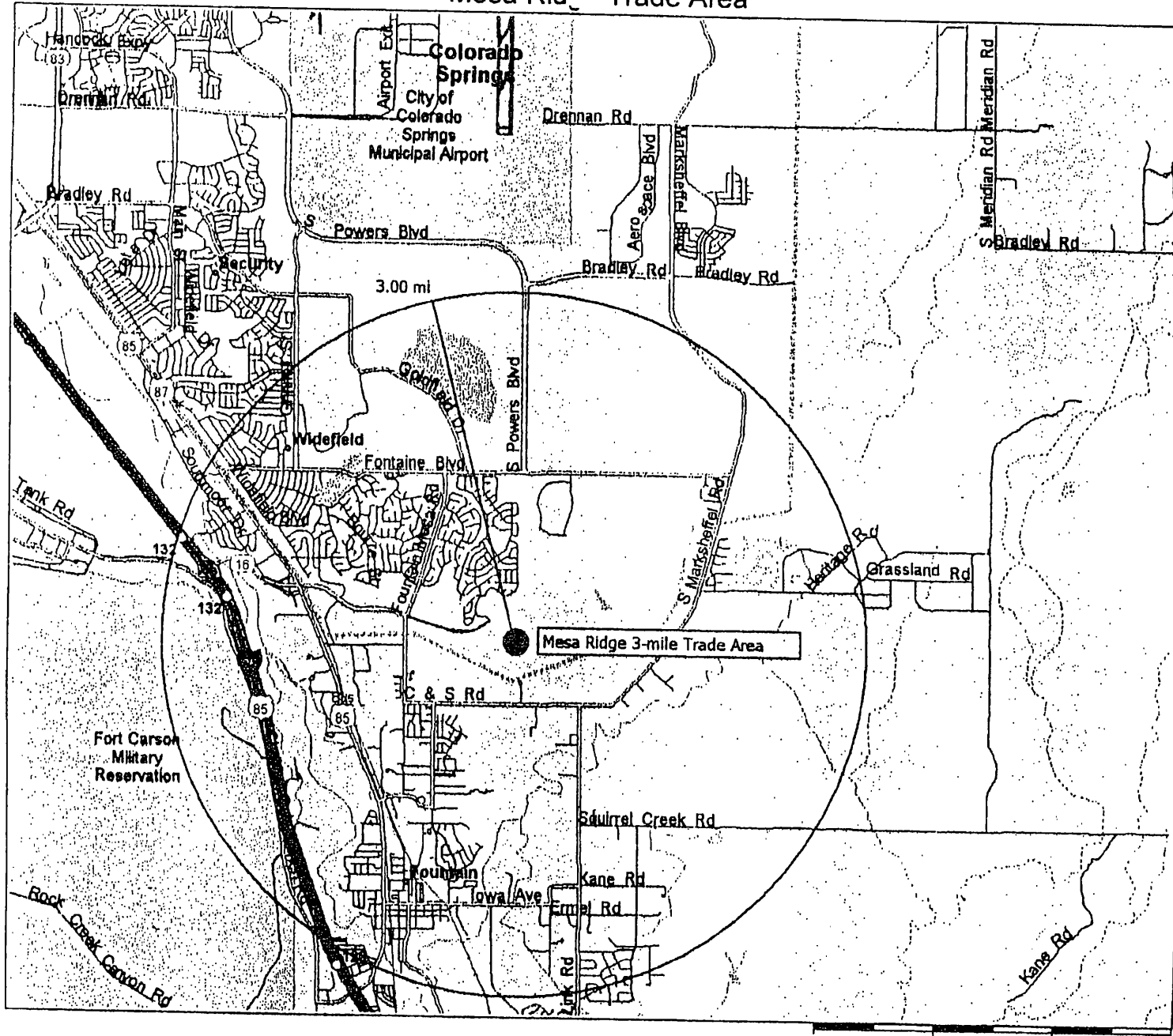
Attachment 7

Types and Sizes of Shopping Centers

Type Of Center	Store Mix	Trade Area	Population in Trade Area	Typical Size (Acres)	Typical Size (Sq. Ft.)
Convenience Center	Convenience store	2 miles + roadway traffic capture	5,000 + heavy roadway traffic	2	17,000
Neighborhood Center	Supermarket, drug store	3 miles	25,000	17	148,000
Community Center	Supermarket, drug store, general merchandise discount store	3 - 6 miles	40,000	40	348,000
Regional Center	Full-line department stores, Jr. department store general merchandise discount store	5 - 15 miles	150,000	92	802,000
Super Regional Center	Full-line department stores	5 - 25 miles	250,000	230	2,004,000
Lifestyle / Fashion / Specialty Center	Fashion / specialty stores	5 - 15 miles	250,000	29	253,000
Power Center	Category killer stores, warehouse club, general merchandise discount store	5 - 10 miles	150,000	80	697,000
Theme / Festival Center	Restaurants, specialty stores, entertainment	25 miles +	High tourist / visitor traffic	29	253,000
Outlet Center	Factory outlet stores	25 - 75 miles	500,000	46	401,000

Source: International Council of Shopping Centers and David Bamberger & Associates survey.

Mesa Ridge Trade Area

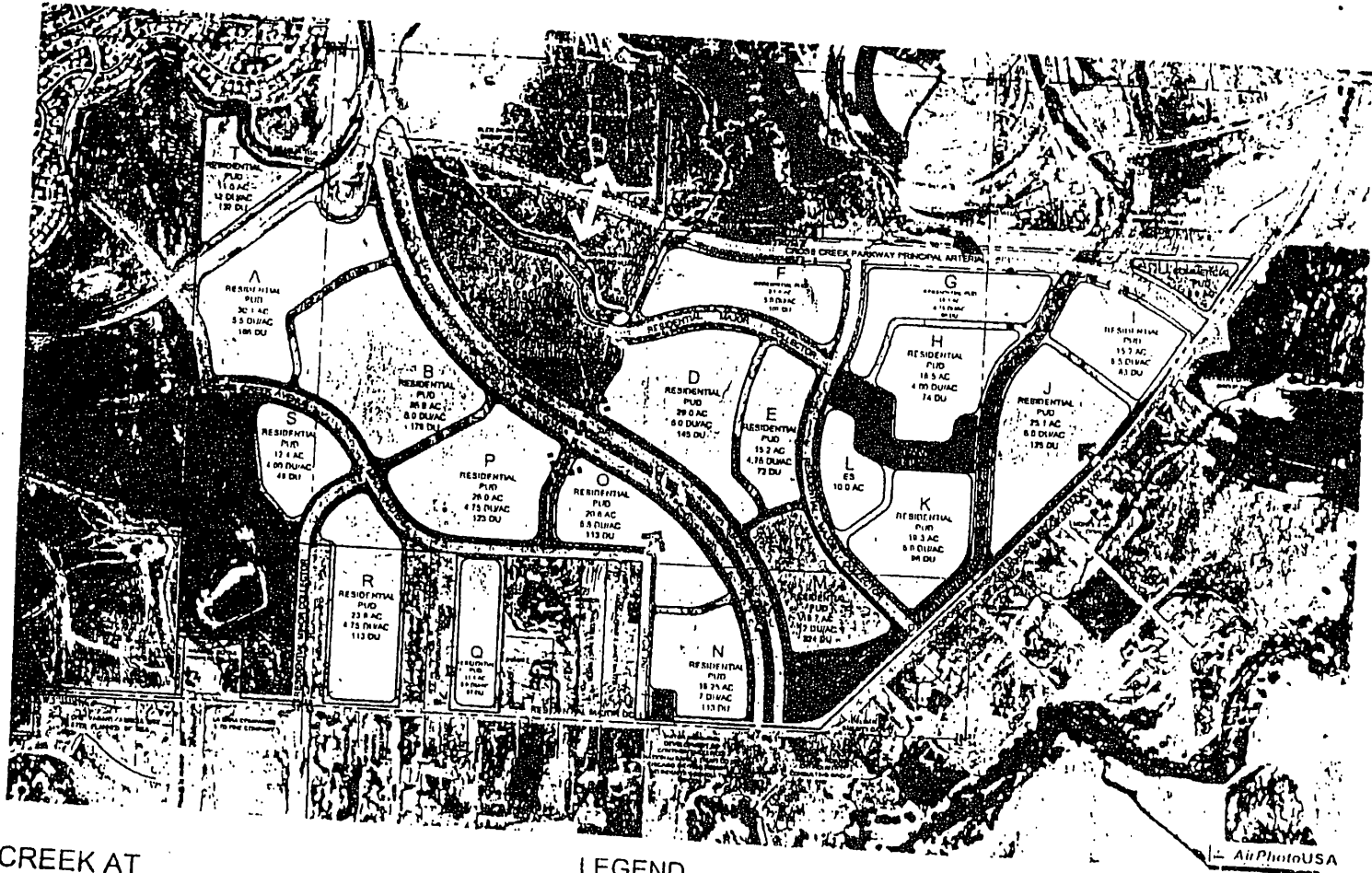


Mesa Ridge 3-mile Trade Area Neighborhood Shopping Center Needs Analysis

Year	2004	2008	2013
Population	25,624	33,900	41,200
Households	8,450	11,190	13,600
Per capita income	\$19,644	\$22,800	\$26,400
Total income	\$503,357,856	\$772,920,000	\$1,087,680,000
Convenience retail spending as a % of income	20%	20%	20%
Total retail spending	\$100,671,571	\$154,584,000	\$217,536,000
Neighborhood shopping center sales per square foot	\$300	\$331	\$331
Convenience retail square feet of space supported	335,600	466,700	656,800
Existing space in the trade area (estimated)	150,000	150,000	150,000
Net space needed	185,600	316,700	506,800
Potential capture at the site	0%	10%	50%
Total site capture square feet	0	31,700	253,400

Source: David Bamberger & Associates and Claritas

Note: Potential capture is based on the site's proximity to households and projected traffic counts on Powers Blvd. and Mesa Ridge Parkway.



CROSS CREEK AT MESA RIDGE

SKETCH PLAN

June 8, 2004

LEGEND

- | | |
|-----------------------|--------------------------|
| Multi-Family 12 du/ac | Elementary School |
| Duplex 7 du/ac | Parks/Open Space |
| 45x90' 5.5 du/ac | Collector/Arterial Roads |
| 50x100' 5 du/ac | Pedestrian Overpass |
| 55x110' 4.75 du/ac | |
| 60x110' 4 du/ac | |
| Commercial | |
- Parcel T is in El Paso County but not in the current project area

PREPARED FOR:
US HOME CORPORATION/NEARON
ENTERPRISES JOINT VENTURE

NORTHSTAR
10000 Northstar Blvd
Dallas, TX 75243
Phone: 972.444.1111
Fax: 972.444.1112

**Mesa Ridge Metropolitan Districts
Forecasted Statement of Sources
and Uses of Cash**

**For the Years Ending
December 31, 2005 through 2039**



J. W. Simmons & Associates, P. C.

Certified Public Accountants

To the Petitioners of the Proposed
Mesa Ridge Metropolitan Districts
Colorado Springs, Colorado

We have compiled the accompanying forecasted statements of sources and uses of cash of the proposed Mesa Ridge Metropolitan Districts (Exhibit I), the related projected debt service schedules (Exhibit II to IV) and the analysis of absorption and assessed values (Exhibit V) for the years ending December 31, 2005 through 2039, 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.

PRELIMINARY DRAFT.... SUBJECT TO CHANGE

June 17, 2004

Mesa Ridge Metropolitan Districts

Summary of Significant Assumptions and Accounting Policies December 31, 2005 through 2039

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 June 17, 2004. 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 the future construction of infrastructure within the Districts by the issuance of general obligation bonds and subordinate developer advances and the anticipated funds available for repayment of the bonds and advances.

Note 1: Ad Valorem Taxes

The primary source of revenue for the District will be the collection of ad valorem taxes. Residential property is forecasted to be assessed at 7.96% of market values. Market values for 1,817 residential homes are estimated to range from \$120,000 to \$200,000 as of 2005. 28 acres of commercial property is estimated to have a market value of \$130 per usable square foot. Commercial property is estimated to be assessed at 29% of market values. Market values are forecasted to inflate at 2% per year. All property is assumed to inflate at 2% biennially thereafter. Exhibit V details the forecasted absorption, market values and related assessed values.

Property is assumed to be assessed annually as of January 1st. Property included in this forecast is assumed to be assessed on the January 1st subsequent to completion. 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 10% of property taxes collected.

The mill levy imposed by the District is proposed to equal 7.000 mills for operations and 30.000 mills for debt service for a total mill levy of 37.000 mills.

Note 2: Interest Income

Interest income is assumed to be earned at 2.0% 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.

Mesa Ridge Metropolitan Districts

Summary of Significant Assumptions and Accounting Policies
December 31, 2005 through 2039

Note 3: Bond Assumptions

The Districts proposes the issuance of general obligation bonds totaling \$16,100,000 in 2005 and 2010. The bonds will have a maturity of 30 years from the date of issuance. The Series 2005 bonds are proposed to carry a coupon rate of 7.00% while the Series 2010 bonds are estimated to have a coupon of 6.50%. It is estimated that \$1,274,000 of the proceeds from the Series 2005 bonds will be available for capitalized interest. The Series 2005 bonds may be owned by the developer or entities affiliated with the developer and are estimated to be refunded at par with a 3% redemption premium in 2009 at a new rate of 6.5%. Exhibits II through IV reflect the proposed repayment schedule of these bonds. The Bonds are anticipated to be secured by a limited mill levy not to exceed 50.000 mills (adjusted for changes in the ratio of assessed values to market values). The bonds are anticipated to be further secured by a \$1,500 development fee imposed on residential lot and a \$2,500 fee on each acre of commercial property. Exhibit V reflects amounts anticipated to be collected per an anticipated agreement with the developer and the Districts. The following table reflects the proposed sources and uses of funds for each bond issue.

	<u>Series 2005</u>	<u>Series 2010</u>	<u>Series 2009</u>
Sources:			
Bond Proceeds	<u>\$9,100,000</u>	<u>\$7,000,000</u>	<u>\$9,270,000</u>
Uses:			
Issuance costs	90,000	175,000	231,750
Capitalized interest	1,274,000		
Available for improvements	7,736,000		
Refund Series 2005			9,040,000
Other funds			-1,750
Repay developer advances	-	<u>6,825,000</u>	
	<u>\$9,100,000</u>	<u>\$7,000,000</u>	<u>\$9,270,000</u>

Note 4: Construction Costs

Construction costs are forecasted to total \$22,654,000 and are forecasted to be paid from 2005 through 2010. A significant portion of the construction costs totaling \$7,944,000 are forecasted not to be supported by bonds or developer owned bonds or loans. It is forecasted that these amounts will be contributed to the Districts by the developer.

Mesa Ridge Metropolitan Districts

**Summary of Significant Assumptions and Accounting Policies
December 31, 2005 through 2039**

Note 5: Operating and Administrative Expenses

Administrative expenses for legal, accounting, audit, management, insurance and landscape maintenance are forecasted at \$50,000 in 2005, \$75,000 for 2006 through 2009 and \$200,000 thereafter. Inflation is provided for operating and administrative expenses at 2% per year commencing in 2006. Operating expenses incurred prior to the collection of ad-valorem taxes are expected to be funded by developer advances totaling \$375,966. The forecast reflects that developer advances can be repaid commencing in 2012 through 2018 without interest.

**Mesa Ridge Metropolitan Districts
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2005 through 2039**

	Totals	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
						General Fund						
Beginning cash available	0	0	0	0	0	(0)	(0)	0	(0)	(0)	(0)	(0)
Revenues												
Property taxes	8,079,905	0	0	7,606	25,807	62,515	107,615	153,281	208,082	252,095	260,302	265,508
Specific ownership taxes	807,991	0	0	761	2,581	6,251	10,762	15,328	20,808	25,209	26,030	26,551
Developer advances	375,966	50,000	75,000	68,248	50,029	11,762	83,238	37,689				
	9,263,862	50,000	75,000	76,614	78,417	80,528	201,615	206,299	228,890	277,304	286,332	292,058
Expenditures												
County treasurer fees	121,199	0	0	114	387	938	1,614	2,299	3,121	3,781	3,905	3,983
Repay developer advances	375,966			0					17,689	61,281	65,941	67,259
Operating expenses	8,472,736	50,000	75,000	76,500	78,030	79,591	200,000	204,000	208,080	212,242	216,486	220,816
	8,969,901	50,000	75,000	76,614	78,417	80,528	201,614	206,299	228,890	277,304	286,332	292,058
Ending cash available	293,961	0	0	0	(0)	(0)	0	(0)	(0)	(0)	(0)	0
Mill levy		0.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000
						Capital Projects Fund						
Beginning cash available	0	0	3,922,000	1,318,000	0	0	0	0	0	0	0	0
Revenues	13,670,000											
Bond proceeds	16,100,000	9,100,000					7,000,000	0				
Developer advances	5,726,000			5,542,000	184,000						0	
Developer contributions	7,944,000				3,397,000	4,547,000						
Interest income	150,000	80,000	60,000									
	29,920,000	9,190,000	60,000	5,542,000	3,581,000	4,547,000	7,000,000	0	0	0	0	0
Expenditures												
Issuance costs	266,000	91,000										
Transfer to Debt Service Fund	1,274,000	1,274,000					175,000	0			0	0
Repay developer advances	5,726,000						5,726,000					
District improvements	22,654,000	3,903,000	2,664,000	6,860,000	3,581,000	4,547,000	1,099,000					
	29,920,000	5,268,000	2,664,000	6,860,000	3,581,000	4,547,000	7,000,000	0	0	0	0	0
Ending cash available	0	3,922,000	1,318,000	0	0	0	0	0	0	0	0	0

**Mesa Ridge Metropolitan Districts
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2005 through 2039**

	Totals	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
						Debt Service Fund						
Beginning cash available	0	0	1,081,500	716,604	546,345	545,973	347,615	513,336	396,514	170,980	94,553	50,828
Revenues												
Property taxes	32,894,497	0	0	32,596	110,601	267,919	461,209	656,920	891,781	1,080,405	1,115,578	1,137,890
Specific ownership taxes	3,289,450	0	0	3,260	11,060	26,792	46,121	65,692	89,178	108,041	111,558	113,789
Development fees	2,795,500	126,000	274,500	449,000	544,500	415,500	599,500	332,000	54,500	0		
Refunding bonds	9,270,000					9,270,000						
Transfer from Capital Project Fund	1,274,000	1,274,000	0	0	0							
Interest income	546,703		7,604	1,674	25		10,859	13,494	14,334	13,984	13,247	12,938
	50,070,150	1,400,000	282,104	486,530	666,187	9,980,211	1,117,689	1,068,106	1,049,783	1,202,430	1,240,383	1,264,618
Expenditures												
Debt service - GO Debt Series 2005	11,959,500	318,500	647,000	656,300	664,900	9,672,800	0	0	0			
Debt service - GO Debt Series 2009	20,803,275						717,550	720,075	716,950	718,500	719,400	718,650
Debt service - GO Debt Series 2010	16,213,425						227,500	455,000	545,000	544,150	547,975	546,150
Bond premium - early redemption	270,000					270,000						
Issuance costs	231,750					231,750						
County treasurer fees	493,417	0	0	489	1,659	4,019	6,918	9,854	13,377	16,206	16,734	17,068
	49,971,367	318,500	647,000	656,789	666,559	10,178,569	951,968	1,184,929	1,275,327	1,278,856	1,284,109	1,282,868
Ending cash available	98,783	1,081,500	716,604	546,345	545,973	347,615	513,336	396,514	170,980	94,553	50,828	32,576
Mill levy		0.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000
Total Mill Levy		0.000	37.000	37.000	37.000	37.000	37.000	37.000	37.000	37.000	37.000	37.000
Assessed valuation (000's)												
Beginning	0	0	0	0	1,087	3,687	8,931	15,374	21,897	29,726	36,014	37,186
New construction	36,210			1,087	2,600	5,170	6,443	6,216	7,829	5,693	1,172	0
Inflation (1.0% per annum)	11,894					74		307		595		744
Ending	48,104	0	0	1,087	3,687	8,931	15,374	21,897	29,726	36,014	37,186	37,930

**Mesa Ridge Metropolitan Districts
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2005 through 2039**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	General Fund											
Beginning cash available	0	0	(0)	22,653	61,941	96,448	131,645	161,868	192,697	218,350	244,517	265,300
Revenues												
Property taxes	265,508	270,818	270,818	256,503	256,503	261,633	261,633	266,866	266,866	272,203	272,203	277,647
Specific ownership taxes	26,551	27,082	27,082	25,650	25,650	26,163	26,163	26,687	26,687	27,220	27,220	27,765
Developer advances												
	292,058	297,900	297,900	282,153	282,153	287,797	287,797	293,552	293,552	299,424	299,424	305,412
Expenditures												
County treasurer fees	3,983	4,062	4,062	3,848	3,848	3,924	3,924	4,003	4,003	4,083	4,083	4,165
Repay developer advances	62,843	64,101	36,852	0								
Operating expenses	225,232	229,737	234,332	239,019	243,799	248,675	253,648	258,721	263,866	269,174	274,557	280,048
	292,058	297,900	275,246	242,866	247,646	252,599	257,573	262,724	267,899	273,257	278,640	284,213
Ending cash available	0	(0)	22,653	61,941	96,448	131,645	161,868	192,697	218,350	244,517	265,300	286,499
Mill levy	7.000	7.000	7.000	6.500	6.500	6.500	6.500	6.500	6.500	6.500	6.500	6.500
	Capital Projects Fund											
Beginning cash available	0	0	0	0	0	0	0	0	0	0	0	0
Revenues												
Bond proceeds												
Developer advances												
Developer contributions												
Interest income												
	0	0	0	0	0	0	0	0	0	0	0	0
Expenditures												
Issuance costs												
Transfer to Debt Service Fund												
Repay developer advances												
District improvements												
	0	0	0	0	0	0	0	0	0	0	0	0
Ending cash available	0	0	0	0	0	0	0	0	0	0	0	0

**Mesa Ridge Metropolitan Districts
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2005 through 2039**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
						Debt Service Fund						
Beginning cash available	32,576	16,593	23,934	31,197	65,404	97,620	160,584	225,006	314,212	403,846	523,166	642,370
Revenues												
Property taxes	1,137,890	1,160,648	1,160,648	1,183,861	1,183,861	1,207,538	1,207,538	1,231,689	1,231,689	1,256,322	1,256,322	1,153,304
Specific ownership taxes	113,789	116,065	116,065	118,386	118,386	120,754	120,754	123,169	123,169	125,632	125,632	115,330
Development fees												
Refunding bonds												
Transfer from Capital Project Fund												
Interest income	12,656	12,764	12,860	13,494	14,076	15,085	16,194	17,799	19,302	21,385	23,444	23,562
	1,264,335	1,289,476	1,289,572	1,315,740	1,316,323	1,343,377	1,344,486	1,372,656	1,374,159	1,403,340	1,405,399	1,282,196
Expenditures												
Debt service - GO Debt Series 2005												
Debt service - GO Debt Series 2009	719,250	718,200	716,500	719,150	720,825	716,525	716,575	720,650	718,425	720,225	720,725	719,925
Debt service - GO Debt Series 2010	544,000	546,525	548,400	544,625	545,525	545,775	545,375	544,325	547,625	544,850	546,625	547,325
Bond premium - early redemption												
Issuance costs												
County treasurer fees	17,068	17,410	17,410	17,758	17,758	18,113	18,113	18,475	18,475	18,845	18,845	17,300
	1,280,318	1,282,135	1,282,310	1,281,533	1,284,108	1,280,413	1,280,063	1,283,450	1,284,525	1,284,020	1,286,195	1,284,550
Ending cash available	16,593	23,934	31,197	65,404	97,620	160,584	225,006	314,212	403,846	523,166	642,370	650,017
Mill levy	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	27.000
Total Mill Levy	37.000	37.000	37.000	36.500	36.500	36.500	36.500	36.500	36.500	36.500	36.500	33.500
Assessed valuation (000's)												
Beginning	37,930	37,930	38,688	38,688	39,462	39,462	40,251	40,251	41,056	41,056	41,877	41,877
New construction												
Inflation (1.0% per annum)		759		774		789		805		821		838
Ending	37,930	38,688	38,688	39,462	39,462	40,251	40,251	41,056	41,056	41,877	41,877	42,715

**Mesa Ridge Metropolitan Districts
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2005 through 2039**

	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
	General Fund											
Beginning cash available	286,499	302,097	318,007	328,090	338,375	342,596	346,902	344,901	342,860	334,258	325,480	309,876
Revenues												
Property taxes	277,647	283,200	283,200	288,864	288,864	294,641	294,641	300,534	300,534	306,545	306,545	312,676
Specific ownership taxes	27,765	28,320	28,320	28,886	28,886	29,464	29,464	30,053	30,053	30,655	30,655	31,268
Developer advances												
	305,412	311,520	311,520	317,751	317,751	324,106	324,106	330,588	330,588	337,200	337,200	343,943
Expenditures												
County treasurer fees	4,165	4,248	4,248	4,333	4,333	4,420	4,420	4,508	4,508	4,598	4,598	4,690
Repay developer advances												
Operating expenses	285,649	291,362	297,189	303,133	309,196	315,380	321,687	328,121	334,684	341,377	348,205	355,169
	289,814	295,610	301,437	307,466	313,529	319,799	326,107	332,629	339,192	345,975	352,803	359,859
Ending cash available	302,097	318,007	328,090	338,375	342,596	346,902	344,901	342,860	334,258	325,480	309,876	293,961
Mill levy	6.500	6.500	6.500	6.500	6.500	6.500	6.500	6.500	6.500	6.500	6.500	6.500
	Capital Projects Fund											
Beginning cash available	0	0	0	0	0	0	0	0	0	0	0	0
Revenues												
Bond proceeds												
Developer advances												
Developer contributions												
Interest income												
	0	0	0	0	0	0	0	0	0	0	0	0
Expenditures												
Issuance costs												
Transfer to Debt Service Fund												
Repay developer advances												
District improvements												
	0	0	0	0	0	0	0	0	0	0	0	0
Ending cash available	0	0	0	0	0	0	0	0	0	0	0	0

**Mesa Ridge Metropolitan Districts
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2005 through 2039**

	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
	Debt Service Fund											
Beginning cash available	650,017	660,177	695,651	728,948	794,038	858,033	750,508	640,326	554,150	467,892	398,871	368,580
Revenues												
Property taxes	1,153,304	1,176,370	1,176,370	1,199,897	1,199,897	1,042,578	1,042,578	1,063,429	1,063,429	1,084,698	1,084,698	481,040
Specific ownership taxes	115,330	117,637	117,637	119,990	119,990	104,258	104,258	106,343	106,343	108,470	108,470	48,104
Development fees												
Refunding bonds												
Transfer from Capital Project Fund												
Interest income	23,700	24,338	24,910	26,001	27,132	25,278	23,346	21,879	20,371	19,207	18,062	1,699
	1,202,335	1,318,345	1,318,817	1,345,888	1,347,019	1,172,114	1,170,181	1,191,651	1,190,143	1,212,374	1,211,230	530,843
Expenditures												
Debt service - GO Debt Series 2005												
Debt service - GO Debt Series 2009	717,825	719,425	719,400	717,750	719,475	719,250	717,075	717,950	716,550	717,875	681,600	
Debt service - GO Debt Series 2010	547,050	545,800	548,575	545,050	545,550	544,750	547,650	543,925	543,900	547,250	543,650	793,425
Bond premium - early redemption												
Issuance costs												
County treasurer fees	17,300	17,646	17,646	17,998	17,998	15,639	15,639	15,951	15,951	16,270	16,270	7,216
	1,282,175	1,282,871	1,285,621	1,280,798	1,283,023	1,279,639	1,280,364	1,277,826	1,276,401	1,281,395	1,241,520	800,641
Ending cash available	660,177	695,651	728,948	794,038	858,033	750,508	640,326	554,150	467,892	398,871	368,580	98,783
Mill levy	27.000	27.000	27.000	27.000	27.000	23.000	23.000	23.000	23.000	23.000	23.000	10.000
Total Mill Levy	33.500	33.500	33.500	33.500	33.500	29.500	29.500	29.500	29.500	29.500	29.500	16.500
Assessed valuation (000's)												
Beginning	42,715	42,715	43,569	43,569	44,441	44,441	45,329	45,329	46,236	46,236	47,161	47,161
New construction				0	0	0	0	0	0	0	0	0
Inflation (1.0% per annum)		854		871		880		907		925		943
Ending	42,715	43,569	43,569	44,441	44,441	45,329	45,329	46,236	46,236	47,161	47,161	48,104

Mesa Ridge Metropolitan Districts
Schedule of General Obligation Debt - Series 2005
For the Years Ended December 31, 2005 to 2009

Year	Principal	Coupon	Interest	Annual Total	Balance
2005			318,500	318,500	9,100,000
2006			318,500		9,100,000
2006	10,000	7.00%	318,500	647,000	9,090,000
2007			318,150		9,090,000
2007	20,000	7.00%	318,150	656,300	9,070,000
2008			317,450		9,070,000
2008	30,000	7.00%	317,450	664,900	9,040,000
2009			316,400		9,040,000
2009	9,040,000	7.00%	316,400	9,672,800	0
2010			0		0
2010		7.00%	0	0	0
2011			0		0
2011		7.00%	0	0	0
2012			0		0
2012		7.00%	0	0	0
2013			0		0
2013		7.00%	0	0	0
2014			0		0
2014		7.00%	0	0	0
2015			0		0
2015		7.00%	0	0	0
2016			0		0
2016		7.00%	0	0	0
2017			0		0
2017		7.00%	0	0	0
2018			0		0
2018		7.00%	0	0	0
2019			0		0
2019		7.00%	0	0	0
2020			0		0
2020		7.00%	0	0	0
2021			0		0
2021		7.00%	0	0	0
2022			0		0
2022		7.00%	0	0	0
2023			0		0
2023		7.00%	0	0	0
2024			0		0
2024		7.00%	0	0	0
2025			0		0
2025		7.00%	0	0	0
2026			0		0
2026		7.00%	0	0	0
2027			0		0
2027		7.00%	0	0	0
2028			0		0
2028		7.00%	0	0	0
2029			0		0
2029		7.00%	0	0	0
2030			0		0
2030		7.00%	0	0	0
2031			0		0
2031		7.00%	0	0	0
2032			0		0
2032		7.00%	0	0	0
2033			0		0
2033		7.00%	0	0	0
2034			0		0
2034		7.00%	0	0	0
2035			0		0
2035		7.00%	0	0	0
	<u>9,100,000</u>		<u>2,859,500</u>	<u>11,959,500</u>	

Mesa Ridge Metropolitan Districts
Schedule of General Obligation Debt - Series 2009
For the Years Ended December 31, 2009 to 2038

Year	Principal	Coupon	Interest	Annual Total	Balance
2010			301,275		9,270,000
2010	115,000	6.50%	301,275	717,550	9,270,000
2011			297,538		9,155,000
2011	125,000	6.50%	297,538	720,075	9,030,000
2012			293,475		9,030,000
2012	130,000	6.50%	293,475	716,950	8,900,000
2013			289,250		8,900,000
2013	140,000	6.50%	289,250	718,500	8,760,000
2014			284,700		8,760,000
2014	150,000	6.50%	284,700	719,400	8,610,000
2015			279,825		8,610,000
2015	160,000	6.50%	279,825	719,650	8,450,000
2016			274,625		8,450,000
2016	170,000	6.50%	274,625	719,250	8,280,000
2017			269,100		8,280,000
2017	180,000	6.50%	269,100	718,200	8,100,000
2018			263,250		8,100,000
2018	190,000	6.50%	263,250	716,500	7,910,000
2019			257,075		7,910,000
2019	205,000	6.50%	257,075	719,150	7,705,000
2020			250,413		7,705,000
2020	220,000	6.50%	250,413	720,825	7,485,000
2021			243,263		7,485,000
2021	230,000	6.50%	243,263	716,525	7,255,000
2022			235,788		7,255,000
2022	245,000	6.50%	235,788	716,575	7,010,000
2023			227,825		7,010,000
2023	265,000	6.50%	227,825	720,650	6,745,000
2024			219,213		6,745,000
2024	280,000	6.50%	219,213	718,425	6,465,000
2025			210,113		6,465,000
2025	300,000	6.50%	210,113	720,225	6,165,000
2026			200,363		6,165,000
2026	320,000	6.50%	200,363	720,725	5,845,000
2027			189,963		5,845,000
2027	340,000	6.50%	189,963	719,925	5,505,000
2028			178,913		5,505,000
2028	360,000	6.50%	178,913	717,825	5,145,000
2029			167,213		5,145,000
2029	385,000	6.50%	167,213	719,425	4,760,000
2030			154,700		4,760,000
2030	410,000	6.50%	154,700	719,400	4,350,000
2031			141,375		4,350,000
2031	435,000	6.50%	141,375	717,750	3,915,000
2032			127,238		3,915,000
2032	465,000	6.50%	127,238	719,475	3,450,000
2033			112,125		3,450,000
2033	495,000	6.50%	112,125	719,250	2,955,000
2034			96,038		2,955,000
2034	525,000	6.50%	96,038	717,075	2,430,000
2035			78,975		2,430,000
2035	560,000	6.50%	78,975	717,950	1,870,000
2036			60,775		1,870,000
2036	595,000	6.50%	60,775	716,550	1,275,000
2037			41,438		1,275,000
2037	635,000	6.50%	41,438	717,875	640,000
2038			20,300		640,000
2038	640,000	6.50%	20,300	681,600	0
	9,270,000		11,533,275	20,803,275	

Mesa Ridge Metropolitan Districts
Schedule of General Obligation Debt - Series 2010
For the Years Ended December 31, 2010 to 2039

Year	Principal	Coupon	Interest	Annual Total	
2010			227,500	227,500	7,000,000
2011			227,500		7,000,000
2011			227,500	455,000	7,000,000
2012			227,500		7,000,000
2012	90,000	6.50%	227,500	545,000	6,910,000
2013			224,575		6,910,000
2013	95,000	6.50%	224,575	544,150	6,815,000
2014			221,488		6,815,000
2014	105,000	6.50%	221,488	547,975	6,710,000
2015			218,075		6,710,000
2015	110,000	6.50%	218,075	546,150	6,600,000
2016			214,500		6,600,000
2016	115,000	6.50%	214,500	544,000	6,485,000
2017			210,763		6,485,000
2017	125,000	6.50%	210,763	546,525	6,360,000
2018			206,700		6,360,000
2018	135,000	6.50%	206,700	548,400	6,225,000
2019			202,313		6,225,000
2019	140,000	6.50%	202,313	544,625	6,085,000
2020			197,763		6,085,000
2020	150,000	6.50%	197,763	545,525	5,935,000
2021			192,888		5,935,000
2021	160,000	6.50%	192,888	545,775	5,775,000
2022			187,688		5,775,000
2022	170,000	6.50%	187,688	545,375	5,605,000
2023			182,163		5,605,000
2023	180,000	6.50%	182,163	544,325	5,425,000
2024			176,313		5,425,000
2024	195,000	6.50%	176,313	547,625	5,230,000
2025			169,975		5,230,000
2025	205,000	6.50%	169,975	544,950	5,025,000
2026			163,313		5,025,000
2026	220,000	6.50%	163,313	546,625	4,805,000
2027			156,163		4,805,000
2027	235,000	6.50%	156,163	547,325	4,570,000
2028			148,525		4,570,000
2028	250,000	6.50%	148,525	547,050	4,320,000
2029			140,400		4,320,000
2029	265,000	6.50%	140,400	545,800	4,055,000
2030			131,788		4,055,000
2030	285,000	6.50%	131,788	548,575	3,770,000
2031			122,525		3,770,000
2031	300,000	6.50%	122,525	545,050	3,470,000
2032			112,775		3,470,000
2032	320,000	6.50%	112,775	545,550	3,150,000
2033			102,375		3,150,000
2033	340,000	6.50%	102,375	544,750	2,810,000
2034			91,325		2,810,000
2034	365,000	6.50%	91,325	547,650	2,445,000
2035			79,463		2,445,000
2035	385,000	6.50%	79,463	543,925	2,060,000
2036			66,950		2,060,000
2036	410,000	6.50%	66,950	543,900	1,650,000
2037			53,625		1,650,000
2037	440,000	6.50%	53,625	547,250	1,210,000
2038			39,325		1,210,000
2038	465,000	6.50%	39,325	543,650	745,000
2039			24,213		745,000
2039	745,000	6.50%	24,213	793,425	0
	<u>7,000,000</u>		<u>9,213,425</u>	<u>16,213,425</u>	

Mesa Ridge Metropolitan Districts
Forecasted Schedules of Absorption, Market Values and Assessed Values
For the Years Ended December 31, 2005 through 2015

Property description	Single Family Equivalent	Schedule of Absorption											Total		
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015			
Single Family 45 foot lot	100.00%	84	56	9	64	43	63	37	6						
Single Family 50 foot lot	100.00%		89	158	154	129	108	44	6						382
Single Family 55 foot lot	100.00%			69	109	90	82	37	6						898
Single Family 60 foot lot	100.00%		28	60	31	5									393
Multi Family	100.00%														124
Commercial - Acreage	500.00%						135	90	15						240
Commercial - Usable Sq Ft FAR	22.00%			2	3	6	7	8	2						28
				18,166	28,750	57,408	67,082	76,666	18,166						
															1845

Property description	Fee	Schedule of Development Fees											Total		
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015			
Residential	1,500	126,000	274,500	444,000	537,000	400,500	582,000	312,000	49,500	0	0	0	0	0	2,725,500
Commercial	2,500		0	5,000	7,500	15,000	17,500	20,000	5,000	0	0	0	0	0	70,000
Total		126,000	274,500	449,000	544,500	415,500	599,500	332,000	54,500	0	0	0	0	0	2,795,500

Property description	Market Value	Schedule of Market Values											Total		
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015			
Single Family 45 foot lot	162,500	13,650,000	9,282,000	1,521,585	11,036,563	7,563,495	11,303,027	6,771,052	1,119,969	0	0	0	0	0	62,247,690
Single Family 50 foot lot	175,000		17,671,500	28,767,060	28,599,556	24,435,906	20,867,127	8,671,451	1,208,120	0	0	0	0	0	130,218,719
Single Family 55 foot lot	182,500		0	13,101,237	21,110,080	17,778,948	16,522,569	7,604,412	1,257,811	0	0	0	0	0	77,375,057
Single Family 60 foot lot	200,000		5,712,000	12,484,800	6,579,480	1,082,432	0	0	0	0	0	0	0	0	25,858,722
Multi Family	120,000		0	0	0	0	17,886,109	12,162,554	2,087,634	0	0	0	0	0	32,116,297
Commercial - Usable Sq Ft FAR	130	0	0	2,481,632	3,737,448	7,474,896	8,720,712	9,966,528	2,481,632	0	0	0	0	0	34,882,848
Totals		13,650,000	32,665,500	58,366,314	71,063,137	58,335,677	75,299,545	45,175,996	8,143,165	0	0	0	0	0	354,556,168

Property description	Market Ratio	Schedule of Assessed Valuation											Total		
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015			
Residential	7.86%	1,086,540	2,600,174	4,447,625	5,359,125	4,048,518	5,299,675	2,802,674	448,862	0	0	0	0	0	26,094,182
Commercial	2.9%	0	0	722,573	1,083,860	2,167,720	2,529,006	2,880,293	722,573	0	0	0	0	0	10,116,026
Totals		1,086,540	2,600,174	5,170,198	6,442,985	6,216,238	7,828,682	5,692,967	1,172,435	0	0	0	0	0	36,210,218
Cumulative		1,086,540	3,688,714	8,858,912	15,298,896	21,516,135	29,344,816	35,037,783	36,210,218	36,210,218	36,210,218	36,210,218	36,210,218	36,210,218	36,210,218
Collection Yr		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017			

**CERTIFICATE AD VALOREM PROPERTY TAXES
COUNTY OF EL PASO, STATE OF COLORADO**

I, the undersigned, County Treasurer, certify that there are no unpaid property taxes or other assessments collectable by my office on the following described property, except as disclosed this date. This does not include assessments not of record this date.

Schedule (Account) No: 55280-01-013

2003 TAXES PAYABLE 2004

Owner Per Tax Record: NEARON-DOYAS PROPERTIES LLC

Property Type: Real
 Property Location: C & S RD
 Property Description: TRACT 2 EX WLY 1165.0 FT, WLY 30.0 FT OF
 TRACT 1 SUB 1 OF FOUNTAIN SUBURBAN HOMES
 CORP EX SLY 30.0 FT TO RD

Alerts:

<u>Assessed Value</u>	
Land \$	14300
Imp. \$	0
Other \$	0
TOTAL \$	14300

<u>Tax District:</u>	<u>Tax Rate</u>	<u>Tax Amount</u>
EL PASO COUNTY	0.006365	91.02
EPC ROAD & BRIDGE (UNSHARED)	0.001582	22.62
FTN./FT. CARSON SCHOOL NO. 8	0.027697	396.07
PIKES PEAK LIBRARY	0.003434	49.11
* FOUNTAIN SANITATION DISTRICT	0.005254	75.13
SOUTHEASTERN COLO WTR CONSERVANCY	0.000947	13.54
*TEMPORARY TAX RATE REDUCTION/TAX CREDIT		
	TOTAL 0.045279	647.49

Information regarding special taxing districts and the boundaries of such districts may be on file or deposit with the Board of County Commissioners, the Clerk to the Board, or the County Assessor.

Balance due on 2003 taxes:

0.00

Amount due valid through JUNE 30th, 2004:

\$ 0.00

IN WITNESS WHEREOF, I hereunto set my hand and seal this 9th day of JUNE A.D. 2004

Issued to: LENNAR COMMUNITIES COLORADO

Sandra J. Damron
Treasurer, El Paso County

Fee for issuing this certificate \$10.00

CFC - 20040610 4187888

By: *Sandra J. Damron*

**CERTIFICATE AD VALOREM PROPERTY TAXES
COUNTY OF EL PASO, STATE OF COLORADO**

I, the undersigned, County Treasurer, certify that there are no unpaid property taxes or other assessments collectable by my office on the following described property, except as disclosed this date. This does not include assessments not of record this date.

Schedule (Account) No: 55280-01-005

2003 TAXES PAYABLE 2004

Owner Per Tax Record: NEARON-DOYAS PROPERTIES LLC

Property Type: Real
 Property Location: 8070 C & S RD
 Property Description: THAT PART OF TRACT 1 IN FOUNTAIN SUBURBAN HOMES CORP SUB 1 AS FOLS, COM AT SW COR OF SEC 28-15-65, RUN ELY ON S SEC LN
 >> SEE REVERSE FOR SUPP. INFORMATION <<

Alerts:

Assessed Value		
Land	\$	4250
Imp.	\$	8340
Other	\$	0
TOTAL	\$	12590

<u>Tax District:</u>	<u>Tax Rate</u>	<u>Tax Amount</u>
EB3		
EL PASO COUNTY	0.006365	80.14
EPC ROAD & BRIDGE (UNSHARED)	0.001582	19.92
FTN./FT. CARSON SCHOOL NO. 8	0.027697	348.71
PIKES PEAK LIBRARY	0.003434	43.23
* FOUNTAIN SANITATION DISTRICT	0.005254	66.15
SOUTHEASTERN COLO WTR CONSERVANCY	0.000947	11.92
*TEMPORARY TAX RATE REDUCTION/TAX CREDIT		
	TOTAL 0.045279	570.07

Information regarding special taxing districts and the boundaries of such districts may be on file or deposit with the Board of County Commissioners, the Clerk to the Board, or the County Assessor.

Balance due on 2003 taxes: 0.00

Amount due valid through JUNE 30th, 2004: \$ 0.00

IN WITNESS WHEREOF, I hereunto set my hand and seal this 9th day of JUNE A.D. 2004

Sued to: LENNAR COMMUNITIES COLORADO

Sandra J. Damron
 Treasurer, El Paso County

Fee for issuing this certificate \$10.00

CFC - 20040610 4187783

By: *Sandra J. Damron*

**CERTIFICATE OF VALOREM PROPERTY TAXES
COUNTY OF EL PASO, STATE OF COLORADO**

I, the undersigned, County Treasurer, certify that there are no unpaid property taxes or other assessments collectable by my office on the following described property, except as disclosed this date. This does not include assessments not of record this date.

Schedule (Account) No: 55000-00-212

2003 TAXES PAYABLE 2004

Owner Per Tax Record: NEARON-DOYAS PROPERTIES LLC

Property Type: Real
 Property Location: 27-15-65
 Property Description: PART NW4SW4, S2NW4 LYING N & W OF D & N O
 R/W SEC 27-15-65 S2NE4, N2SE4 SEC
 28-15-65 N2SW4, PART NW4 LY S OF MAIN
 >> SEE REVERSE FOR SUPP. INFORMATION <<

Alerts:

<u>Assessed Value</u>	
Land \$	4530
Imp. \$	0
Other \$	0
TOTAL \$	4530

<u>Tax District:</u>	<u>Tax Rate</u>	<u>Tax Amount</u>
DDH		
EL PASO COUNTY	0.006365	28.83
EPC ROAD & BRIDGE (UNSHARED)	0.001582	7.17
WIDEFIELD SCHOOL NO. 3 - GEN	0.040090	181.60
WIDEFIELD SCHOOL NO. 3 - BOND	0.005410	24.51
SD 3 WIDEFIELD COMMUNITY CENTER	0.005723	25.93
SD 3 SECURITY PUBLIC LIBRARY	0.001973	8.94
* FOUNTAIN SANITATION DISTRICT	0.005254	23.80
SOUTHEASTERN COLO WTR CONSERVANCY	0.000947	4.29
*TEMPORARY TAX RATE REDUCTION/TAX CREDIT		
TOTAL	0.067344	305.07

Information regarding special taxing districts and the boundaries of such districts may be on file or deposit with the Board of County Commissioners, the Clerk to the Board, or the County Assessor.

Balance due on 2003 taxes: 0.00

Amount due valid through JUNE 30th, 2004: \$ 0.00

IN WITNESS WHEREOF, I hereonto set my hand and seal this 9th day of JUNE A.D. 2004

Issued to: LENNAR COMMUNITIES COLORADO
 Sandra J. Damron
 Treasurer, El Paso County

Fee for issuing this certificate \$10.00 CFC - 20040610 4187638 By: Sandra J. Damron

**CERTIFICATE OF VALOREM PROPERTY TAXES
COUNTY OF EL PASO, STATE OF COLORADO**

I, the undersigned, County Treasurer, certify that there are no unpaid property taxes or other assessments collectable by my office on the following described property, except as disclosed this date. This does not include assessments not of record this date.

Schedule (Account) No: 55280-01-011

2003 TAXES PAYABLE 2004

Owner Per Tax Record: NEARON-DOYAS PROPERTIES LLC

Property Type: Real
 Property Location: 7850 C & S RD
 Property Description: THAT PART OF TRACT .2 SUB 1 FOUNTAIN SUB
 HOME CORP AS FOLS, COM AT SW COR OF SEC
 28-15-65, TH ELY ON S LN THEREOF 165.00
 >> SEE REVERSE FOR SUPP. INFORMATION <<

Alerts:

Assessed Value	
Land \$	30950
Imp. \$	200
Other \$	0
TOTAL \$	31150

<u>Tax District:</u>	<u>Tax Rate</u>	<u>Tax Amount</u>
EB3		
EL PASO COUNTY	0.006365	198.27
EPC ROAD & BRIDGE (UNSHARED)	0.001582	49.28
FTN./FT. CARSON SCHOOL NO. 8	0.027697	862.76
PIKES PEAK LIBRARY	0.003434	106.97
* FOUNTAIN SANITATION DISTRICT	0.005254	163.66
SOUTHEASTERN COLO WTR CONSERVANCY	0.000947	29.50
*TEMPORARY TAX RATE REDUCTION/TAX CREDIT		
	TOTAL 0.045279	1410.44

Information regarding special taxing districts and the boundaries of such districts may be on file or deposit with the Board of County Commissioners, the Clerk to the Board, or the County Assessor.

Balance due on 2003 taxes: 0.00

Amount due valid through JUNE 30th, 2004: \$ 0.00

IN WITNESS WHEREOF, I hereunto set my hand and seal this 9th day of JUNE A.D. 2004

Sandra J. Damron

Treasurer, El Paso County

Issued to: LENNAR COMMUNITIES COLORADO

By: *Sandra J. Damron*

Fee for issuing this certificate \$10.00

CFC - 20040610 4187509

**CERTIFICATE OF VALOREM PROPERTY TAXES
COUNTY OF EL PASO, STATE OF COLORADO**

I, the undersigned, County Treasurer, certify that there are no unpaid property taxes or other assessments collectable by my office on the following described property, except as disclosed this date. This does not include assessments not of record this date.

Schedule (Account) No: 55000-00-033

2003 TAXES PAYABLE 2004

Owner Per Tax Record: NEARON-DOYAS PROPERTIES LLC

Property Type: Real
 Property Location: 8570 MARKSHEFFEL RD
 Property Description: SW4SE4, PART SE4SE4 LY N + W OF D + N O
 R/W W/MR SEC-28-15-65

Alerts:

<u>Assessed Value</u>	
Land \$	2560
Imp. \$	6720
Other \$	0
TOTAL \$	9280

<u>Tax District:</u>	<u>Tax Rate</u>	<u>Tax Amount</u>
EB3	0.006365	59.07
EL PASO COUNTY	0.001582	14.68
EPC ROAD & BRIDGE (UNSHARED)	0.027697	257.03
FTN./FT. CARSON SCHOOL NO. 8	0.003434	31.87
PIKES PEAK LIBRARY	0.005254	48.76
* FOUNTAIN SANITATION DISTRICT	0.000947	8.79
SOUTHEASTERN COLO WTR CONSERVANCY		
*TEMPORARY TAX RATE REDUCTION/TAX CREDIT		
TOTAL	0.045279	420.20

Information regarding special taxing districts and the boundaries of such districts may be on file or deposit with the Board of County Commissioners, the Clerk to the Board, or the County Assessor.

Balance due on 2003 taxes: 0.00

Amount due valid through JUNE 30th, 2004: \$ 0.00

IN WITNESS WHEREOF, I hereunto set my hand and seal this 9th day of JUNE A.D. 2004

Issued to: LENNAR COMMUNITIES COLORADO

Sandra J. Damron
Treasurer, El Paso County

Fee for issuing this certificate \$10.00

CFC - 20040610 4187311

By: *Sandra J. Damron*

INTERGOVERNMENTAL AGREEMENT

THIS INTERGOVERNMENTAL AGREEMENT is made and entered into and dated as of November 1, 2004, by and between Mesa Ridge Metropolitan District No. 1 ("District No. 1") and Mesa Ridge Metropolitan District No. 2 ("District No. 2"), both quasi-municipal corporations and political subdivisions of the State of Colorado.

RECITALS

A. Pursuant to the Colorado Constitution, Article XIV, Section 18(2)(a) and Section 29-1-203, C.R.S., metropolitan districts may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each, and any such contract may provide for the sharing of costs, the imposition of taxes, and the incurring of debt.

B. Consolidated Service Plans, which are incorporated herein by reference, have been prepared for the Districts, pursuant to Sections 32-1-201, *et seq.* C.R.S., and have received all required governmental approvals.

C. The purposes for which each District was formed are the provision of water, street, safety, television relay and translation, transportation, drainage, park and recreation, sanitation, and mosquito control facilities, programs, and services, all in accordance with the Consolidated Service Plans.

D. The Consolidated Service Plans disclose and establish the necessity for, and desirability of, intergovernmental agreements between the Districts concerning the financing, construction, operation and maintenance of facilities contemplated in the Consolidated Service Plans and concerning the provision of essential services in the community to be served by the Districts.

E. Each District was organized with the approval of the County of El Paso, State of Colorado, and with the approval of its respective electors, fully contemplating cooperation between the Districts as provided herein and in the Consolidated Service Plans.

F. At the organizational election of the eligible electors of District No. 2 duly called and held on November 2, 2004 in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at such election voted in favor of District No. 2 incurring indebtedness by entering into and performing under this Agreement.

G. The Consolidated Service Plans describe certain facilities to be financed in accordance with general plans of finance described or permitted therein, from either (1) the proceeds of general obligation indebtedness to be issued by District No. 2 and/or the pledge of ad valorem tax revenues from District No. 2 and/or from other funds held or obtained by District No. 2 and to be made available for the purposes of fulfilling District No. 2's commitments hereunder; or (2) Facility Fees revenue derived by District No. 1.

H. The Districts agree that the facilities described in the Consolidated Service Plans are needed by the Districts and that such facilities will benefit the residents and property owners in both Districts in terms of cost, quality, and level of service.

I. Each District has agreed, and the Consolidated Service Plans provide, that District No. 1 will own (subject to potential transfer to other governmental entities or authorities), operate, maintain, finance and construct facilities benefitting both Districts, and that District No. 2 will contribute to the costs of construction, operation, and maintenance of such facilities.

J. The Districts desire to set forth their agreement regarding the implementation of principles and objectives set forth in the Consolidated Service Plans for the financing and construction of the facilities described therein.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants herein, the Districts agree as follows:

ARTICLE I - GENERAL PROVISIONS

1.1 Interpretation. This Agreement shall be subject to the following rules of interpretation:

a. The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar term, refer to this Agreement as a whole and not to any particular article, section, or subdivision hereof; the term "heretofore" means before the date of execution of this Agreement and the term "hereafter" means after the date of execution of this Agreement.

b. All definitions, terms, and words shall include both the singular and the plural, and all capitalized words or terms shall have the definitions set forth in Section 2.1 hereof.

c. Words of the masculine gender include correlative words of the feminine and neuter genders, and words importing the singular number include the plural number and vice versa.

d. The captions or headings of this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provision, article, or section of this Agreement.

e. All schedules, exhibits, and addenda referred to herein are incorporated herein by this reference.

1.2 Effective Date and Term. This Agreement shall be effective as of the date first set forth above and shall continue to be in full force and effect until all of the terms and conditions hereof have been performed in their entirety.

1.3 Purpose and Scope of Agreement. This Agreement shall be governed, in general, by the following provisions in this Section 1.3. The Districts agree that the statements of intention set forth in this Section 1.3 are essential to the proper interpretation of this Agreement and are intended to clarify the general intent of specific provisions contained herein. The following statements are illustrative of the Districts' intentions and while they are to be used to construe and govern this

Agreement, they are not intended to constitute an all-inclusive statement of the intentions of the Districts. Reference shall also be made to the Consolidated Service Plans for purposes of construing this Agreement.

a. The Consolidated Service Plans state that District No. 1 will be responsible for managing the construction, operation and maintenance of Facilities for the benefit of District No. 1 and District No. 2. The Consolidated Service Plans describe the nature of the relationship between the Districts and contemplate that this Agreement, among others, would be executed by the Districts to effectuate that relationship.

b. The Consolidated Service Plans state that District No. 1 will have little or no assessed valuation within its boundaries from which limited tax general obligation bonds could be paid, and consequently contemplate that District No. 1 will issue revenue bonds. The Consolidated Service Plans contemplate that virtually all assessed valuation of property to be developed within the Districts will be located within District No. 2's boundaries and that District No. 2 will either issue limited tax general obligation bonds at various points in time described herein, and use proceeds thereof to pay its obligations hereunder to District No. 1 or will pledge its ad valorem tax revenues in order to meet its obligations pursuant to this Agreement. Proceeds from District No. 1 revenue bonds and Facility Fees may also be used by District No. 1 to construct Facilities for District No. 2 as described in the Consolidated Service Plans. District No. 2's funding commitment hereunder to District No. 1 is intended to result in an equitable allocation of the cost of Facilities to all properties within District No. 2 which are benefited by those Facilities.

c. The Districts recognize that amendments and adjustments to this Agreement may be necessary over time and that any increase in the monetary amount of the obligations of District No. 2 to make payments to District No. 1 or any increase in the maximum annual tax increase or the total repayment cost of the debt evidenced by this Agreement may require additional voter authorization.

d. Both Districts acknowledge that performance of this Agreement for the full term hereof is key to full implementation of the Consolidated Service Plans by the Districts and that any material departure herefrom by either District, or any attempt by either District to terminate this Agreement or materially alter its terms except in accordance herewith, by judicial action or otherwise, are acknowledged to be and shall constitute "material modifications" from the Consolidated Service Plans. In addition to all other remedies set forth herein, the aggrieved District shall be entitled to seek to enjoin any such "material modifications," in accordance with Section 32-1-207, C.R.S., as amended from time to time.

e. The Districts agree that District No. 1 is not and shall not be considered or deemed in the future a service company, or a public utility as defined in Section 40-1-103(1)(a), C.R.S., or as such terms are defined in any constitutional provision, statute, or law of the State of Colorado. The Districts further agree that in the event District No. 1 is ever determined by a third party to be a public utility as defined in Section 40-1-103(1)(a), C.R.S., District No. 1 shall be exempt from any regulation by the Public Utilities Commission or any other special commission, pursuant to the Colorado Constitution, Article XXV, and Article V Section 35, and Sections 32-1-1001(1) and (k), C.R.S.

f. It is not the intention of District No. 1 to offer or provide service to members of the general public outside of the Districts; rather, it is District No. 1's intention to offer and provide certain services to District No. 2, District No. 1 and other governments by contract.

g. It is expressly agreed by the Districts that no person or entity other than District No. 2 shall obtain hereby any enforceable rights to service from District No. 1. It is expressly declared by the Districts that no person or entity shall be construed as a third party beneficiary of this Agreement.

h. The Districts acknowledge that District No. 1's fee and rate structure has been or shall be developed based on the actual costs to provide service. Therefore, the Districts agree not to undertake any effort to request supervision, control, or regulation of this Agreement, of either District, or of the property of either District, by the Public Utilities Commission of the State of Colorado, or any other regulatory authority claiming jurisdiction of the subject matter hereof.

ARTICLE II - DEFINITIONS

2.1 Definitions. As used herein, unless the context expressly indicates otherwise, the words described below and capitalized throughout the text of this Agreement shall have the respective meanings set forth:

a. **"Actual Capital Costs"** shall mean those costs which are to be incurred by District No. 1 for the purpose of planning, designing, constructing, financing and acquiring the Facilities including, but not limited to:

(1) All costs of labor and materials attributable to the actual construction or acquisition of Facilities, including all costs incurred to acquire Facilities from third Persons and all related components and materials used therein, all costs of organization of the Districts, and all other costs or fees due or paid under cost recovery or other agreements with third Persons, together with all costs incurred to obtain financing for Facilities;

(2) All costs incurred for the acquisition of water rights;

(3) All costs attributable to the construction or acquisition of Facilities or any part or component thereof incurred as a result of change orders approved in accordance with any construction contract;

(4) All costs incurred for survey, design, engineering, construction, management, landscape architecture and engineering, soil testing and inspection, environmental study and mitigation and line and systems testing and inspection attributable to Facilities;

(5) Site, permit and right-of-way or easement acquisition costs, including legal fees;

(6) All legal, bond issuance, accounting and interest costs incurred in connection

with the financing, construction or acquisition of Facilities;

(7) All costs for construction administration, financial, inspection and other professional fees;

(8) Any other costs, expenses or expenditures associated with the construction or acquisition of the Facilities; and

(9) Any funds retained for payments accrued and owing by District No. 1 for construction completed but not yet paid for during the Budget Year.

b. **"Actual Operations and Maintenance Costs"** shall mean those costs which are to be incurred by District No. 1 for the purpose of administering the Districts as governments and operating and maintaining the Facilities.

c. **"Administrative Services"** shall mean those services provided to District No. 2 by District No. 1 pursuant to Article IV(A) hereof.

d. **"Agreement"** shall mean this agreement and any amendment hereto made in accordance herewith.

e. **"Board" or "Boards"** shall mean the lawfully organized Board or Boards of Directors of the District(s).

f. **"Budget Year"** shall mean the year (immediately following the applicable Planning Year) during which Actual Operations and Maintenance Costs and Actual Capital Costs are to be incurred.

g. **"Capital Budget Elements"** shall mean the specific elements of District No. 1's budget documents setting forth the anticipated costs of the provision of Facilities proposed to be constructed during the Budget Year.

h. **"Consolidated Service Plan"** shall mean the Consolidated Service Plans for District No. 1 and No. 2, as approved by the El Paso County Board of County Commissioners, and as the same may be amended from time to time.

i. **"Construction"** shall include, but not be limited to, construction, expansion, acquisition, maintenance, repair, and replacement of Facilities.

j. **"Construction Schedule"** shall mean the schedule showing the Facilities planned for Construction during the Budget Year.

k. **"Districts"** shall mean District No. 1 and District No. 2 collectively.

l. **"Event of Default"** shall mean one of the events or the existence of one of

the conditions set forth in Article VIII hereof.

m. **"Facilities"** shall mean the public facilities and improvements to serve the Districts generally described in the Consolidated Service Plans, subject to modification as contemplated by the Consolidated Service Plans.

n. **"Facilities Funding Account"** shall mean the account owned and established by District No. 1 into which District No. 2 shall deposit revenue for the Actual Capital Costs.

o. **"Final Budget"** shall mean the final budget established by the Districts for the Construction of Facilities and Operations and Maintenance of Facilities pursuant to the provisions of Article V.

p. **"Limited Tax General Obligation Bond Criteria"** shall mean any point in time when the aggregate amount of District No. 2's then-outstanding and then proposed for issuance limited tax general obligation bonds does not exceed fifty percent (50%) of the assessed value of all taxable property located within District No. 2's boundaries.

q. **"Limited Tax General Obligation Bonds"** shall mean limited tax general obligation bonds issued by District No. 2 for the purpose of funding Actual Capital Costs and/or refunding all or a portion of District No. 1's outstanding revenue bonds limited to a 50 mill cap (2001 equivalency).

r. **"Operation and Maintenance"** shall mean, whether such terms are used together or separately, the provision by District No. 1 of services as are necessary to assure the orderly and proper function of the Districts as governments and all Facilities in order to provide public services as contemplated herein.

s. **"Operation and Maintenance Account"** shall mean the account owned and established by District No. 1 into which District No. 2 shall deposit revenue for the cost of operations and maintenance.

t. **"Operation and Maintenance Budget Elements"** shall mean the specific elements of District No. 1's budget documents setting forth the anticipated operations and maintenance costs for the Districts and Facilities during the Budget Year.

u. **"Person"** shall mean any individual, corporation, joint venture, estate, trust, partnership, association, or other legal entity including governmental entities, other than the Districts.

v. **"Planning Year"** shall mean the year immediately preceding the corresponding Budget Year.

w. **"Plans"** shall mean the plans, documents, drawings, and other specifications prepared by or for District No. 1 for the Construction of any Facilities.

x. **"Preliminary Budget Documents"** shall mean those documents prepared by District No. 1 for submission to District No. 2 pursuant to the provisions of Article V hereof.

y. **"System Development Fees"** shall mean the fees imposed and collected by District No. 1 to support the costs incurred to provide certain portions of the Facilities.

z. **"Total District No. 2 Capital Costs"** shall mean an amount not to exceed \$23,000,000.00 together with interest which is District No. 2's share of the total actual capital costs for the Facilities.

aa. **"Total District No. 2 Operations and Maintenance Costs"** shall mean an amount which is District No. 2's proportionate share of the total operations and maintenance costs associated with the Facilities over the life of the Agreement.

bb. **"Users"** shall mean the Persons served by or receiving service from the Facilities.

cc. **"User Fees"** shall mean the periodic fees imposed and collected by District No. 1 from Users for services, facilities, and programs furnished by District No. 1.

ARTICLE III - FINANCING OF FACILITIES AND PAYMENT OF OPERATIONS AND MAINTENANCE DEBT SERVICE - COSTS

3.1 Electoral Approval. The authorization for issuance of debt, fiscal year spending, multi-fiscal year financial obligations, revenue collections and other constitutional matters requiring voter approval for purposes of this Agreement, as well as the construction of Facilities pursuant to the terms hereof, were approved at elections held for the Districts on November 2, 2004, in accordance with law and pursuant to due notice. To the extent changes in the law or interpretation thereof require additional or new voter authorization in order for the obligations hereunder to be enforceable, the parties agree to submit the necessary questions to their electorate.

3.2 District No. 2 Bond Issuance. Debt or Multi-Fiscal Year Financial Incurrence. District No. 2 shall use its best efforts to issue limited tax general obligation bonds or, if bonds are not issued, District No. 2 has, by the provisions hereof, pledged its ad valorem tax revenue at the times and in the amounts required to meet its obligations hereunder subject to a 50 mill cap (2004 equivalency). If bonds are issued, District No. 2 shall, except as otherwise provided herein or in the Consolidated Service Plans, pay the proceeds thereof to District No. 1. All District No. 2 bond proceeds received by District No. 1 shall either be applied to the payment of Actual Capital Costs or utilized to pay all or a portion of District No. 1's outstanding bonds pursuant to Section 5.7 herein.

3.3 Facilities Funding Account.

a. Prior to or upon the execution of this Agreement, District No. 1 will establish the Facilities Funding Account.

b. The total cumulative deposits into the Facilities Funding Account by District No. 2 over the life of this Agreement to cover Actual Capital Costs shall not exceed the maximum amount of Total District No. 2 Capital Costs.

c. District No. 1 shall, as contemplated in the Consolidated Service Plans and pursuant to the respective Final Budgets, deposit the required portion of the funds received into the Facilities Funding Account.

d. The Districts acknowledge that District No. 1 may borrow funds for deposit into the Facilities Funding Account in reliance on District No. 2's covenants to comply with the requirements of this Agreement.

3.4 Operations and Maintenance Account.

a. Prior to or upon the execution of this Agreement, District No. 1 will establish an Operations and Maintenance Account.

b. Initially, District No. 2 shall not be required to make any deposits into the Operations and Maintenance Account.

c. District No. 1 shall, as contemplated in the Consolidated Service Plans and pursuant to the Final Budget, deposit the required portion of revenues from User Fees and/or System Development Fees into the Operations and Maintenance Account.

3.5 Disbursements of Funds. District No. 1 shall have the sole authority to withdraw monies from the Facilities Funding Account and the Operations and Maintenance Account and shall account to District No. 2 for the funds withdrawn and payments made from such accounts. Funds received by District No. 1 from District No. 2 for payment of Actual Capital Costs and Actual Operations and Maintenance Costs shall be deposited into the Facilities Funding Account and Operations and Maintenance Account, as appropriate. Such funds together with interest earned thereon, shall be used only to pay Actual Capital Costs and Actual Operations and Maintenance Costs incurred by District No. 1 pursuant to this Agreement. District No. 1 covenants not to undertake any act or commit any omission with respect to the Facilities Funding Account, the moneys therein, or the Facilities, to adversely affect the tax-exempt status of the interest paid on any tax-exempt bonds issued by District No. 2 for the purpose of funding the Facilities Funding Account, constructing or acquiring Facilities or paying District No. 1 bonds. Moneys received from District No. 2 for payment of Actual Operations and Maintenance Costs, together with interest earned thereon, shall be used only to pay Actual Operations and Maintenance Costs incurred by District No. 1 pursuant to this Agreement.

3.6 Capital Costs Carry-Forward. Except as set forth herein or unless specifically agreed otherwise by the Districts, the portion of the Total District No. 2 Capital Costs requested by District No. 1 to be funded in any given Budget Year which exceeds the limits described in Section 3.7 and 5.4 hereof in any Budget Year and accordingly cannot be paid by District No. 2 in such Budget Year, shall automatically carry forward to become due from District No. 2 during the next Budget Year. Such carry forwards shall continue to occur, and carry forward amounts shall continue to accrue, from year to year until all of the Total District No. 2 Capital Costs are paid in full to District No. 1.

3.7 Pledge of Payment. The financial obligations of District No. 2 to fund the Actual Capital Costs hereunder shall be limited tax general obligations (limited to 50 mills, 2004 equivalency) of District No. 2 payable from ad valorem property taxes generated as a result of the certification by District No. 2 of a debt service mill levy. The full faith and credit of District No. 2, as limited hereby, is hereby pledged to the punctual payment of all amounts to be paid hereunder. Such amounts shall, to the extent necessary, be paid out of the general revenues of District No. 2 or out of any funds available for that purpose. For the purpose of raising such general revenues, and for the purpose of providing the necessary funds to make payments hereunder as the same become due, the Board of District No. 2 shall annually determine, fix and certify a rate of levy for ad valorem property taxes to the Board of County Commissioners of El Paso County, Colorado, which when levied on all of the taxable property in District No. 2, shall raise direct ad valorem property tax revenues which, when added to other funds of District No. 2 legally available therefor, will be sufficient to promptly and fully pay the amounts to be paid for Actual Capital Costs hereunder, as well as all other general obligation indebtedness of District No. 2, as the same become due. Except as limited herein, District No. 2 covenants to levy such mills which are from time to time lawful, and as necessary, together with other moneys of District No. 2, to pay the amounts to be paid hereunder along with all other general obligation indebtedness of District No. 2.

Notwithstanding anything to the contrary set forth herein, unless and until the Limited Tax General Obligation Bond Criteria is satisfied, District No. 2 shall only be required to fund, on an annual basis, that amount of Actual Capital Costs that District No. 2 would be capable of funding through tax revenues resulting from the imposition of not more than 50 mills against the assessed value of the taxable property lying within the boundaries of District No. 2. It is anticipated that the initial mill levy will be 35 mills. To the extent there is no conflict with 32-1-1101(6)(b), C.R.S., or other law restricting the adjustment of the mill levy, the foregoing limitation shall be subject to automatic adjustment in the event Colorado law regarding the assessment of property changes.

The mill levy described above will be automatically adjusted upwards by the same proportion as any decrease by the State of Colorado of the ratio for assessment of commercial or residential property from the present ratios of 29% and 7.96%, respectively, in order to produce the same revenues as would have been produced had the valuation of property not been changed as a result of changes in Colorado law.

If pursuant to Section 5.7 herein, District No. 1 has determined that the Limited Tax General Obligation Bond Criteria has been satisfied and if District No. 2 has determined it is in the best interests and is allowed by law, District No. 2 may issue limited tax general obligation bonds to fund Actual Capital Costs for all or part of the total District No. 2 Capital Costs or pay all or a portion of District No. 1's outstanding bonds.

3.8 Effectuation of Pledge. Appropriation. Regulatory Amendment. Except as limited hereby, the amounts to be paid hereunder are hereby appropriated for that purpose, and said amounts shall be included in the annual budget and the appropriation resolution or measures to be adopted or passed by the Board of District No. 2 in each year this Agreement remains in effect. No provisions of any constitution, statute, resolution or other measure enacted after the execution of this Agreement shall in any manner be construed as limiting or impairing the obligation of District No. 2 to levy,

administer, enforce and collect the ad valorem property taxes required for the payment of its obligations hereunder.

It shall be the duty of the Board of District No. 2 annually, at the time and in the manner provided by law for the levying of District No. 2 taxes, to ratify and carry out the provisions hereof regarding the levy and collection of the ad valorem property taxes herein specified, and to require the officers of District No. 2 to cause the appropriate officials of El Paso County, Colorado, to levy, extend and collect said taxes in the manner provided by law. Said taxes, when collected, shall be applied only to the payment of the amounts to be paid hereunder, to other general obligation indebtedness of District No. 2 and to other purposes of District No. 2, as herein specified or permitted.

The Districts acknowledge that this Agreement was prepared and voted upon by their respective electorates prior to submission, if any, of this Agreement to the State Securities Commission (or other regulatory body with jurisdiction) for the State of Colorado, and/or to other regulatory authorities to obtain required authorizations for this Agreement to be executed. The Districts anticipated at the time of preparation of this Agreement that changes or modifications to this Agreement might be made necessary to comply with regulatory requirements. This Agreement may be modified, and shall be deemed to be modified, as necessary to obtain the initial or continuing authorization of any applicable regulatory authorities. This statement of permitted modification shall supersede any contrary provision contained herein, if any, but shall not be deemed to limit the rights or powers of the Districts to modify or amend this Agreement as otherwise permitted herein or in the Consolidated Service Plans.

3.9 District No. 1 Reliance: Funding Obligations pending dispute resolution. District No. 2 agrees that, except as to Administrative Services its obligations hereunder are absolute, irrevocable, unconditional and irrevocable within the meaning of Article XI, Section 4 of the Colorado Constitution. The parties agree that their authority to modify this Agreement pursuant to Section 10.4 is limited so as not to amount to a repeal of the obligations hereunder. The Districts agree not to amend this Agreement unless they first obtain an opinion from a bond attorney with a nationally-recognized expertise in the area of municipal bonds demonstrating that such amendment will not adversely impact the tax-exempt status of any of the Districts' outstanding bonds. District No. 2 agrees that notwithstanding any fact, circumstance, dispute, or any other matter, it will not take or fail to take any action which would delay a payment to District No. 1 or impair District No. 1's ability to receive payments due hereunder. District No. 2 acknowledges that District No. 1 intends to issue bonds and that District No. 1 may obtain financial commitments and security for its bonds from third parties, all of whom shall be relying on performance of the payment obligations of District No. 2 hereunder. The purpose of this Section 3.9 is to ensure that District No. 1 receives all payments due herein in a timely manner in order to enable District No. 1 to pay debt service on its bonds and pay its ongoing Operations and Maintenance expenses. Notwithstanding that the bondholders are not in any manner third party beneficiaries of this Agreement and do not have any rights in or rights to enforce, or consent to amendments of, this Agreement. District No. 2 agrees that during the pendency of any litigation which may arise hereunder, all payments shall be made by District No. 2 for the purpose of enabling District No. 1 to make payments on its bonds until such claims have been adjudicated. In the event District No. 2 believes it has valid defenses, setoffs, counterclaims, or other claims, it shall nonetheless make all payments to District No. 1 as described herein and attempt or

seek to recover such payments by actions at law or in equity for damages or specific performance.

ARTICLE IV - OPERATIONS AND MAINTENANCE SERVICES

4.1 Facilities. District No. 1 shall own the Facilities and shall be responsible for the Operations and Maintenance of all Facilities.

4.2 District No. 1 Discretion. Notwithstanding any provision hereof to the contrary, in the event that District No. 1 reasonably determines it is in the best interests of the Districts to sell, transfer, lease, dedicate or otherwise convey any Facilities to another governmental, quasi-governmental or private utility service provider, District No. 1 may do so upon such reasonable terms as are determined by District No. 1 consistent with the Consolidated Service Plans and provided that tax-exempt bonds of the Districts are not negatively affected, as opined by a bond attorney with nationally recognized expertise in the area of municipal bonds. The Districts acknowledge that the Consolidated Service Plans contemplate that certain Facilities may be transferred or leased to other governmental entities for operations and maintenance purposes, and that such entities shall have the right to impose and collect service charges for services they provide. In addition, the Districts acknowledge that the Consolidated Service Plans contemplate the coordination of various services within District No. 1 and No. 2. Nothing contained herein shall constrain the ability of District No. 1 to enter into and perform agreements for coordinated provision of services among various governments.

4.3 Facilities Operations and Maintenance Services. District No. 1 shall perform or cause to be performed all Operations and Maintenance services for the Facilities, including, but not limited to, the following:

- a. Draft proposals, bidding, contract and construction administration and supervision of contractors;
- b. Establish and maintain a system for selling and recording water and sewer taps, including an inventory management;
- c. Supervise and ensure contract compliance of all service contractors, including the establishment and maintenance of preventive maintenance programs;
- d. Procure all inventory, chemicals, parts, tools, equipment and other supplies necessary to perform the services required;
- e. Provide operators, which operators shall perform duties including, but not limited to, the following:
 - (1) Operations and Maintenance of Facilities;
 - (2) Cooperation with State, county and federal authorities in providing such tests as are necessary to maintain compliance with appropriate governmental standards;

- (3) Permitting and supervision of the connection of lines to private developments;
- (4) Coordinate construction with various utility companies to ensure minimum interference with Facilities;
- (5) Perform normal maintenance and normal repairs necessary to continue the efficient operation of Facilities;
- (6) Provide for the services of subcontractors necessary to maintain and continue the efficient operation of Facilities;
- (7) Provide for emergency preparedness, consisting of a centralized telephone number maintained to provide adequate response to emergencies, including, but not limited to, interruption of service because of line breaks, freeze-up or other mechanical problems.

f. Perform and/or provide other service with respect to the Operations and Maintenance of Facilities as may be deemed necessary.

4.4 Administration Services. Unless terminated pursuant to Section 4.5 herein, District No. 1 shall perform the following Administration Services for District No. 2:

- a. Serve as the "official custodian" and repository for District No. 2 records, file space, incidental office supplies and photocopying, meeting facilities and reception services.
- b. Coordination of all Board meetings, to include:
 - (1) Preparation and distribution of agenda and information packets;
 - (2) Preparation and distribution of meeting minutes;
 - (3) Attendance at Board meetings;
 - (4) Preparation, filing and posting of legal notices required in conjunction with the meeting; and
 - (5) Other details incidental to meeting preparation and follow-up.
- c. Ongoing maintenance of an accessible, secure, organized and complete filing system for the District No. 2 official records.
- d. Monthly preparation of checks and coordination of postings with an accounting firm.

e. Periodic coordination with an accounting firm for financial report preparation and review of financial reports.

f. Insurance administration, including evaluating risks, comparing coverage, notifying carriers of claims, completing applications, monitoring expiration dates, processing routine written and telephone correspondence, etc. Ensure that all contractors and subcontractors maintain required coverage for District No. 2's benefit.

g. Election administration, including preparation of election materials, publications, legal notices, pleadings, conducting training sessions for election judges and generally assisting in conducting the election.

h. Budget preparation, including preparation of a proposed budget in coordination with an accounting firm, preparation of required and necessary publications, legal notices, resolutions, certifications, notifications and correspondence associated with the adoption of the annual budget and certification of the tax levy.

i. Response to inquiries, questions and requests for information from District No. 2 property owners and residents and others.

j. Drafting proposals, bidding, contract and construction administration and supervision of contractors.

k. Analysis of financial condition and alternative financial approaches and coordination of bond issue preparation.

l. Oversee investment of District funds based on investment policies established by the Board in accordance with state law.

m. Provide liaison and coordination with other governments.

n. Coordinate activities and provide information as requested to an external auditor engaged by the Board.

o. Coordinate legal, accounting, engineering and other professional services to District No. 2.

p. Perform all services needed for District No. 2 to perform its duties and responsibilities under this Agreement.

q. Perform other services with respect to the operation and management of District No. 2 as requested by its Board.

In addition to these services, when other services are necessary in the professional opinion of District No. 1, District No. 1 may, with the approval of District No. 2, provide professional services and operation and maintenance services to District No. 2 in lieu of retaining consultants or

contractors to provide those services.

4.5 Termination of Administration Services. On an annual basis, District No. 2 shall have the right to review the Administrative Services provided by District No. 1 for the benefit of District No. 2's constituents. District No. 2 shall have the right to supplement the Administration Services provided by District No. 1 or to terminate its contractual relationship with District No. 1 with regard to the Administration Services. In order to supplement or terminate, District No. 2 shall give District No. 1 written notice specifying whether it will be supplementing or terminating. The written notice shall be given by August 15th of any year and shall be effective for the next fiscal year.

If District No. 2 terminates the Administrative Services portion of this Agreement, District No. 1 shall be entitled to reduce any of its fees or service charges to address any cost savings.

4.6 Cost of Administration Services. District No. 1 shall include the costs of Administration Services in the budget documents prepared pursuant to Article V hereof. District No. 2 shall pay such costs as reasonably requested by District No. 1.

ARTICLE V - FINANCING OF FACILITIES AND DEBT SERVICE; ANNUAL CONSTRUCTION AND DEBT SERVICE BUDGET; CONSTRUCTION OF FACILITIES; PAYMENT OF OPERATIONS AND MAINTENANCE COSTS

5.1 Preliminary Budget Process. During each Planning Year, District No. 1 shall consult with District No. 2 regarding the Districts' construction, Operations and Maintenance, Administrative Services, and debt service budgets for the forthcoming Budget Year. Such consultation shall occur early enough in the Planning Year to allow District No. 1 to produce and deliver to District No. 2 a set of Preliminary Budget Documents for the forthcoming Budget Year on or before September 15 of each Planning Year. The Preliminary Budget Documents shall address all funding issues regarding construction of Facilities, Administration Services, Operation and Maintenance of Facilities, debt service on District No. 1's revenue bonds and debt service on District No. 2's bonds. At a minimum, the Preliminary Budget Documents shall include:

a. a proposed schedule for deposits into the Facilities Funding Account and Operations and Maintenance Account by District No. 1 and District No. 2, considering the expected timing for receipt of funds generated from (i) District No. 2's ad valorem taxes (ii) issuance of bonds by District No. 1 (iii) issuance of limited tax general obligation bonds by District No. 2, (iv) User Fees, (v) and System Development Fees:

b. an estimate of Operations and Maintenance Costs for the Budget Year in accordance with generally accepted accounting principles;

c. a proposed Construction Schedule for the Budget Year, considering the funding expected to be available for Facility construction and the pace and location of development in the Districts:

d. a schedule for payments to be made on account of issued and/or to be issued bonds of District No. 1 and/or limited tax general obligation bonds of District No. 2;

e. a schedule for bond issuances by District No. 1 (and any attendant pledges of ad valorem tax revenues) required of District No. 2 to effect such issuances), if any;

f. a schedule for limited tax general obligation bond issuances by District No. 2, if any;

g. an estimate of Actual Capital Costs for the Budget Year in accordance with generally accepted accounting principles.

5.2 Budget Review and Approval. On or before November 1 of each Planning Year, District No. 2 shall either: (a) approve the Preliminary Budget Documents (in which case the Preliminary Budget Documents shall become the Final Budget for the Budget Year), or (b) propose in writing to District No. 1 additions to and/or deletions from the Preliminary Budget Documents. District No. 2 may propose additions to and/or deletions from only those portions of the Preliminary Budget Documents which directly obligate District No. 2 to appropriate and expend funds during the Budget Year. District No. 2 shall have no right or authority to object to or propose additions to and/or deletions from any other portions of the Preliminary Budget Documents. The Final Budget, when prepared, shall have final versions of the proposed schedules described in Section 5.1 hereof.

5.3 Failure to Agree. The Districts shall discuss and attempt to reach an agreement with respect to the Preliminary Budget Documents. In the event District No. 1 and District No. 2 cannot agree on the Preliminary Budget Documents, the Preliminary Budget Documents shall become the Final Budget.

5.4 Voluntary Adjustment of Annual Payments. District No. 2 may waive the limitation on maximum payments to District No. 1 set forth in Section 3.7 hereof and unilaterally decide to make larger payments than are required for the applicable Budget Year. District No. 1 acknowledges that District No. 2 is not obligated to make larger payments and a waiver for a particular Budget Year shall not be construed as a waiver of the limitation set forth in Section 3.7 hereof for any subsequent Budget Years.

5.5 Deposit and Funding of Actual Capital Costs. Subject to the limitations herein set forth, District No. 2 shall remit to District No. 1 property tax revenue and/or general obligation bond proceeds for deposit into the Facilities Funding Account in each Budget Year in accordance with the Final Budget.

5.6 Deposit and Funding of Operations and Maintenance Costs. Subject to the limitations herein set forth, upon delivery from El Paso County, District No. 2 shall remit to District No. 1 property tax revenue pledged to District No. 1 for deposit into the Operations and Maintenance Account in each Budget Year in accordance with the Final Budget.

5.7 Funding of Debt Service: Bond Issuance. Pledge Priority.

a. District No. 2 will (i) make payments on its outstanding limited tax general obligation bonds as the same become due and payable, (ii) upon delivery from El Paso County,

transfer ad valorem tax revenues pledged to District No. 1 to fund Actual Capital Costs and Actual Operations and Maintenance Costs, and (iii) may issue limited tax general obligation bonds and deliver the proceeds thereof to District No. 1 in any applicable Budget Year, in accordance with the requirements of the applicable Final Budget; provided that, District No. 2 shall not be requested to issue limited tax general obligation bonds unless and until District No. 1 has determined that the Limited Tax General Obligation Bond Criteria has been met.

b. Notwithstanding anything to the contrary set forth herein, all ad valorem tax revenues derived from the debt service mill levy on taxable property located within District No. 2's boundaries shall only be applied to the following financial obligations in the following order of priority:

- (1) First, to the holders of any limited tax general obligation bonds issued by District No. 2.
- (2) Second, to the holders of any general obligation bonds issued by District No. 2 for ~~Actual~~ Capital Cost.

c. All ad valorem tax revenues derived from the operations and maintenance mill levy on taxable property located within District No. 2's boundaries shall be only applied to District No. 1 to fund Actual Operations and Maintenance Costs unless District No. 2 has determined to undertake Administrative Services.

5.8 Limitation of Authorization. In no event shall any commitment, covenant, promise, or other obligation under this Agreement require the issuance or incurring of indebtedness by the Districts in excess of their respective voted indebtedness authorizations.

5.9 District No. 1 to Construct and Acquire Improvements. District No. 1 will, on behalf of District No. 2, contract for and supervise the construction and acquisition of Facilities for each Budget Year in such manner as District No. 1 shall reasonably determine to be in the best interests of both Districts. District No. 1 shall schedule, phase, and configure Facilities to accurately and adequately provide for the needs of the Districts' residents and property owners as reflected in development plans for the community, as the same may be revised officially from time to time, and as development demands require. District No. 1 shall obtain all necessary governmental approvals, and exercise its best efforts to comply and cause its designated contractors to comply with Colorado and other applicable rules, laws, regulations and orders.

5.10 Final Plans and Specifications.

a. Prior to the construction and/or acquisition of any specific Facilities, District No. 1 shall prepare and submit Plans for such Facilities to District No. 2. If no objection to the Plans is received by District No. 1 within forty-five (45) days from the date of submittal, District No. 2 shall be deemed to have approved such Plans. If, within said 45 day period, District No. 2 provides written notice to District No. 1 of objections to such Plans, District No. 1 and District No. 2 shall meet to resolve the issues raised by the objections. Objections to such Plans may only be raised by District No. 2 based on one or more of the following criteria:

(1) Such Plans are not in substantial compliance with generally accepted architectural and/or engineering standards.

(2) Such Plans are not in substantial compliance with any final plat as approved by the El Paso County Board of County Commissioners or other regulatory agency having jurisdiction.

(3) Such Plans are not in substantial compliance with design standards of El Paso County or any other regulatory agency having jurisdiction.

If an agreement is not reached between District No. 1 and District No. 2 within fifteen (15) days from the date of notice of objection as provided herein, the matter shall be submitted to an appropriate engineering professional as may be agreed upon by the Districts, who shall, at the joint expense of the Districts, review such Plans in light of the above, and whose decision regarding the Plans shall be final. If the engineer finds that the Plans as proposed are acceptable, District No. 1 may commence Construction. In the event adjustments are needed to overcome valid objections, District No. 1 may make such adjustments and thereafter commence construction. If District No. 1 reasonably disagrees with the suggested adjustments, District No. 1 may either (a) elect not to build the subject Facilities at that time, or (b) prepare alternate Plans and submit them to District No. 2 for approval as herein provided, or (c) consult with the engineer to reach alternatives acceptable to District No. 1 and the engineer, and revise the Plans accordingly. If the engineer approves the revised Plans, District No. 1 may proceed to construct the subject Facilities.

5.11 Construction Contracts. District No. 1 shall cause Construction of Facilities to be commenced on a timely basis, subject to receipt of all necessary governmental approvals and the terms of this Agreement. District No. 1 shall deliver to District No. 2 copies of any and all construction contracts and related documents concerning Facilities. District No. 1 shall diligently and continuously prosecute to completion the construction of Facilities. Approval of any change orders for which funds are or may be made available hereunder shall be in the reasonable discretion of District No. 1. District No. 2 must approve in advance any and all proposed change orders that will increase Actual Capital Costs for the Budget Year to be paid by District No. 2 over those reflected in the Final Budget. No change order or change orders shall increase the total District No. 2 capital costs without an amendment to this Agreement and such voter approval as may be required. District No. 2 shall not direct any construction activities. District No. 1 shall comply with all applicable statutory requirements governing governmental contracts, including, but not limited to, the public bidding laws.

5.12 Completion of Construction. Prior to the final acceptance of any Facilities by District No. 1 and prior to issuing a final certificate of payment under any construction contract, District No. 1 shall consider opinions expressed by District No. 2 regarding the subject Facilities, if any. District No. 1 shall approve final payment and issue a final certificate of payment only when District No. 1 believes in good faith, and pursuant to generally accepted standards of engineering and construction review, that construction has been accomplished in compliance with the conditions and terms of the applicable construction contract.

5.13 Construction Claims. District No. 1 shall, to the extent it is practical and cost-effective, as reasonably determined by District No. 1 after notice to and consultation with District No. 2, assert against any contractor constructing Facilities any claim that District No. 1 may have against the contractor under any construction contract and/or guarantee and/or warranty. In any event, District No. 1 will give written notice to District No. 2 of each and every known material breach of construction contracts, guarantees or warranties.

ARTICLE VI - SPECIAL PROVISIONS

6.1 Rights of District No. 1. District No. 2 grants to District No. 1 the right to construct, own, use, connect, disconnect, modify, renew, extend, enlarge, replace, convey, abandon or otherwise dispose of any and all of the real property, improvements thereto, Facilities or appurtenances thereto, and any and all other interests in property, real, personal or otherwise within District No. 2's control to enable District No. 1 to construct or cause construction of the Facilities and to provide Operations and Maintenance Services. District No. 2 grants to District No. 1 the right to occupy any place, public or private, which District No. 2 might occupy for the purpose of fulfilling the obligations of District No. 1 herein. To implement the foregoing, District No. 2 agrees to exercise such authority, to do such acts, and to grant such easements as may reasonably be requested by District No. 1; provided that, any legal, engineering, technical or other Services required, or costs incurred, for the performance of this obligation shall be performed by a Person in the employment of or under contract with, and paid by, District No. 1.

6.2 Fees. District No. 1 may establish, revise, impose and collect (or assign collection of) all fees, rates, tolls and charges permitted by Colorado law for payment of debt service on its revenue bonds, Facilities and/or Operations and Maintenance Services provided within District No. 2 by District No. 1, either directly or by contract through other entities, including surcharges. In addition, District No. 1 may at any time impose, set or change the rate of, and/or waive or discontinue, system development charges, tap fees, participation charges, and such other rates, fees, tolls, charges, penalties, or combinations thereof, which are utilized for any purpose, and may waive any such fees or charges for classes of Users. Fees shall be uniform among members of each class of Users within District No. 2's boundaries. District No. 2 shall not permit any connection to or use of Facilities by any Person without District No. 1's written consent.

6.3 Right to Provide Facilities and Services. District No. 2 agrees that, except in the event of a default hereunder by District No. 1, and except as provided in Section 4.5, it shall not attempt to: (i) provide Facilities of any kind to its residents and property owners without first offering District No. 1 the opportunity to provide such Facilities, (ii) provide Facilities which are intended under the Consolidated Service Plans to be provided by District No. 1, (iii) provide Operations and Maintenance Service of any kind to its residents and property owners without first offering District No. 1 the opportunity to provide such services, or (iv) provide Operations and Maintenance Services which are intended under the Consolidated Service Plans to be provided by District No. 1.

6.4 Suspension of New Facilities. In order to reduce the likelihood of the limitation of delivery of services to Users, District No. 1 may suspend the construction of Facilities. District No. 1 agrees to give six (6) month's written notice to District No. 2 of such suspension, unless District No. 1 reasonably determines that circumstances require a shorter period of notice.

6.5 Limitation of Services. In order to comply with any applicable law, rule, directive or order, and to enable District No. 1 to provide adequate service to both District No. 2 and District No. 1, in times of shortage or other practical or legal limitations on the ability of District No. 1 to provide service as contemplated herein, District No. 1 may limit the delivery of service.

ARTICLE VII - REPRESENTATIONS AND WARRANTIES

7.1 General Representations. In addition to the other representations, warranties and covenants made by the Districts herein, the Districts make the following representations, warranties and covenants to each other:

a. Each District has the full right, power and authority to enter into, perform and observe this Agreement.

b. Neither the execution of this Agreement, the consummation of the transactions contemplated hereunder, nor the compliance with the terms and conditions of this Agreement by either District will conflict with or result in a breach of any terms, conditions, or provisions of, or constitute a default under any agreement, instrument, indenture, judgment, order, or decree to which either District is a party or by which either District is bound.

c. This Agreement is the valid and binding obligation of each of the Districts and is enforceable in accordance with its terms.

d. The Districts shall keep and perform all of the covenants and agreements contained herein and shall take no action which could have the effect of rendering this Agreement unenforceable in any manner.

ARTICLE VIII - DEFAULT, REMEDIES AND ENFORCEMENT; TERMINATION

8.1 Events of Default. The occurrence of any one or more of the following events, and/or the existence of any one or more of the following conditions shall constitute an Event of Default under this Agreement:

a. The failure of either District to make any payment when the same shall become due and payable as provided herein; and to cure such failure within ten (10) business days of receipt of notice from the other District of such failure;

b. The failure to perform or observe any other material covenants, agreements, or conditions in this Agreement on the part of either District and to cure such failure within ten (10) days of receipt of notice from the other District of such failure;

c. The filing of a voluntary petition under federal or state bankruptcy or insolvency laws by either District or the appointment of a receiver for any of either District's assets which is not dismissed within thirty (30) days of such filing or appointment;

- d. The dissolution, insolvency, or liquidation of either District.

8.2 Remedies on Occurrence of Events of Default.

Upon the occurrence of an Event of Default, the Districts shall have the following rights and remedies:

a. Either District may ask a court of competent jurisdiction to enter a writ of mandamus to compel the Board of the defaulting District to perform its duties under this Agreement, and/or to issue temporary and/or permanent restraining orders, or orders of specific performance, to compel the defaulting District to perform in accordance with this Agreement.

b. The Districts may protect and enforce their rights under this Agreement by such suits, actions, or special proceedings as they shall deem appropriate, including without limitation any proceedings for the specific performance of any covenant or agreement contained herein, for the enforcement of any other appropriate legal or equitable remedy, or for the recovery of damages, including attorneys' fees and all other costs and expenses incurred in enforcing this Agreement. If, at any time, there shall cease to be electors in District No. 1, or if no electors of District No. 1 are willing to act as directors of District No. 1, District No. 2 may ask the Board of County Commissioners or a court of competent jurisdiction to designate the proper persons to assume control of District No. 1 to cause the performance of District No. 1's obligations under this Agreement.

c. In any action brought under this section, the Court shall award attorney's fees and costs to the prevailing party.

d. To foreclose any and all liens in the manner specified by law.

8.3 General.

a. Delay or Omission No Waiver. No delay or omission of either District to exercise any right or power accruing upon any Event of Default shall exhaust or impair any such right or power or be construed as a waiver of any such Event of Default.

b. No Waiver of One Default to Affect Another: All Remedies Cumulative. No waiver of any Event of Default by either District shall extend to or affect any subsequent or other Event of Default. All rights and remedies of the Districts provided herein may be exercised with or without notice, shall be cumulative, may be exercised separately, concurrently, or repeatedly, and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

8.4 Termination. Subject to Section 3.9 herein, this Agreement may be terminated by either District upon the provision of one (1) year's written notice to the other District, subject to the following conditions:

- a. As a condition precedent to termination by District No. 2 and in recognition

of the need for the continued funding of the Facilities and the continued funding of District No. 1's bond obligations, the Districts agree that prior to the time of termination, provision for payment of the Total District No. 2 Capital Costs must be made. The Districts agree to negotiate in good faith to reach resolution of such funding issues.

b. As a condition precedent to termination by District No. 1 and in recognition of the need on the part of District No. 2 for the continued availability of the Facilities, District No. 1 shall either (1) transfer to District No. 2 in its entirety, its interest in the Facilities and the water rights, contracts, leases, easements, properties held in fee, and any other personal, real or intangible property then held or owned by District No. 1 and necessary for continuing the services provided by the Facilities, or (2) make said transfer to another governmental entity or entities pursuant to such terms and conditions as may be satisfactory to the Board of District No. 2 or, in the event said transfer is to be made pursuant to a plan for dissolution of District No. 1, in accordance with Colorado law.

ARTICLE IX - INSURANCE

9.1 Insurance. The Districts shall, to the extent the same are reasonably and commercially available, maintain the following insurance coverages with companies and in amounts acceptable to each District's respective Board:

a. General liability coverage protecting the Districts and their officers, directors, and employees against any loss, liability, or expense whatsoever from personal injury, death, property damage, or otherwise, arising from or in any way connected with management, administration, or operations.

b. Directors and officers liability coverage (errors and omissions) protecting the Districts and their directors and officers against any loss, liability, or expense whatsoever arising from the actions and/or inactions of the Districts and their directors and officers in the performance of their duties.

c. Operations coverage designed to insure against injury to third parties or the property of third parties.

9.2 Workers' Compensation. District No. 1 shall make provision for workers' compensation insurance, social security employment insurance and unemployment compensation for its employees, if any, performing this Agreement, as required by any law of the State of Colorado or the federal government.

9.3 Certificates. Upon written request, each District shall furnish to the other certificates of insurance showing compliance with the foregoing requirements. Said certificates shall state that the policy or policies evidenced thereby will not be canceled or altered without at least thirty (30) days prior written notice to each District.

ARTICLE X- MISCELLANEOUS

10.1 Relationship of Parties. This Agreement does not and shall not be construed as creating a relationship of joint venturers, partners, or employer-employee between the Districts. The Districts intend that this Agreement be interpreted as creating an independent contractor relationship. District No. 1 shall exercise reasonable discretion in the performance of its duties under this Agreement. Neither District shall, with respect to any activity, be considered an agent or employee of the other District.

10.2 Assignment; Delegation. Except as set forth herein or as contemplated in the Consolidated Service Plans, neither this Agreement, nor any of either District's rights, obligations, duties or authority hereunder may be assigned or delegated in whole or in part by either District without the prior written consent of the other District, which consent shall not be unreasonably withheld. Any attempted assignment or delegation in violation of the foregoing shall be deemed void. Consent to one assignment or delegation shall not be deemed to be consent to any subsequent assignment or delegation, nor the waiver of any right to consent to such subsequent assignment or delegation.

10.3 Modification. Subject to the requirements set forth in Sections 3.8 and 3.9 hereof, this Agreement may be modified or amended only by an agreement in writing duly authorized and executed by both Districts. No consent of any third party shall be required for the negotiation and execution of any such agreement.

10.4 Integration. Subject to the provisions of the Consolidated Service Plans, this Agreement contains the entire agreement between the Districts with respect to the subject matter hereof.

10.5 Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Colorado.

10.6 Headings for Convenience Only. The headings, captions and titles contained herein are intended for convenience of reference only.

10.7 Unenforceability. If any provision hereof is declared void or unenforceable by a court of competent jurisdiction, the District involved in such violation shall, to the extent possible, perform such tasks as may be necessary to cure such violation, including but not limited to obtaining any necessary voter approvals.

10.8 Time of the Essence. Time is of the essence hereof.

10.9 Notices. All notices or demands required or permitted to be given under this Agreement shall be in writing and shall be hand delivered or sent by certified mail, return receipt requested, or overnight courier, to the following addresses:

District No. 1 Mailing Address:

Mesa Ridge Metropolitan District No. 1
% Mesa Ridge JV, LLC
7222 Commerce City Drive
Suite 107

Colorado Springs, CO 80919

District No. 2 Mailing address:

Mesa Ridge Metropolitan District No. 2
% % Mesa Ridge JV, LLC
7222 Commerce City Drive
Suite 107
Colorado Springs, CO 80919

All notices or demands shall be deemed given and received upon delivery if sent by messenger or overnight courier or three (3) days after mailing. Either District by written notice so provided may change the address to which future notices shall be sent.

10.10 District Records. The Districts shall have the right to access and review each others' records and accounts, during the Districts' regular office hours, for purposes of determining compliance by the Districts with the terms of this Agreement.

10.11 Further Assurances. The Districts each covenant that they will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and documents as may reasonably be required for the performance of their obligations hereunder.

10.12 Severability of Provision. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

IN WITNESS WHEREOF, the Districts have executed this Agreement as of the day and year first above written.

(SIGNATURE AND VERIFICATION PAGES FOLLOW)

MESA RIDGE METROPOLITAN DISTRICT NO. 1

By: _____

Attest:

By: _____

MESA RIDGE METROPOLITAN DISTRICT NO. 2

By: _____

Attest:

By: _____

STATE OF COLORADO }

COUNTY OF EL PASO }

ss:

The foregoing instrument was acknowledged before me this ___ day of _____, 2004, by _____ as _____ and by _____ as _____ of Mesa Ridge Metropolitan District No. 1.

Witness my hand and official seal.

My commission expires: _____

[SEAL]

Notary Public

STATE OF COLORADO }

COUNTY OF EL PASO }

ss:

The foregoing instrument was acknowledged before me this ___ day of _____, 2004, by _____ as _____ and by _____ as _____ of Mesa Ridge Metropolitan District No. 2.

Witness my hand and official seal.

My commission expires: _____

[SEAL]

Notary Public

Peter Susemihl

From: Kevin.Walker@lennar.com
Sent: Wednesday, June 23, 2004 11:22 AM
To: Peter Susemihl
Subject: Fw: Conf call - mesa ridge



pic26924.jpg (10
KB)

Kevin J. Walker
Senior Vice President/Project Manager
Lennar Communities Colorado / US Home

Please excuse misspellings, I'm lost without spell check
Sent from my BlackBerry Wireless Handheld

From: Esther Morse
Sent: 06/23/2004 09:22 AM
To: Creig Veldhuizen
Cc: Kevin Walker
Subject: Conf call - mesa ridge

Conference call scheduled for 3pm today, Wednesday 6/23/04.

Please dial in to:
966-718-4181

Participants use code:
385786

Participants will be on musack until Kevin dials in.

(Embedded image moved to file: pic26924.jpg)

Peter Susemihl

To: Kevin.Walker@lennar.com

Subject: RE: Mesa Ridge

The initial forecast sent to me by Simmons calls for 7 mills for operations.

Here is the list of items we need to discuss at 3:00 today:

1. Mill levies at 30 and 7 with an overall cap of 50.
2. Legals and maps for each of the two districts
3. Verify fees: \$1500 single family, \$500 MF, and \$.75 per square foot.
4. Buildout: 6 years?
5. Sketch Plan?
7. Financing Plan?
8. 34 year bond issue?
9. financial summary of the owner
10. proof of taxes paid

-----Original Message-----

From: Kevin.Walker@lennar.com [mailto:Kevin.Walker@lennar.com]

Sent: Wednesday, June 23, 2004 9:10 AM

To: psusemihl@smmclaw.com

Subject: Fw: Mesa Ridge

Pete, can we do a more than 5 mill levy for the maintenance? Or should we just match the cost to the 5 mills?

Kevin Walker
Sr. Vice President, Project Manager
Lennar Communities Colorado
719-593-8583
719-593-2975 fax
Kevin.Walker@Lennar.com

--- Forwarded by Kevin Walker/COLORADOSPRINGS/CENT/Lennar on 06/23/2004 09:06 AM ---

"John Simmons" <john@jwsimmons.com>

To <psusemihl@smmclaw.com>, "Walker Kevin" <kevin.walker@lennar.cc

"Veldhuizen Creg" <creig.veldhuizen@lennar.com>

06/13/2004 09:11 AM

.cc

Subject Mesa Ridge

Enclosed is a draft of the financing plan for Mesa Ridge.

I increased the Series 2010 issue to \$7,000,000 from Creig's \$3,800,000

Also Kevin you wanted to support approximately \$250,000 of operating costs.

7 mills will not support that amount so we need to (1) increase the operating mill levy, (2) come up with another revenue to pay for those costs or (3) run the costs through the HOA.

Please provide any other comments.

John Simmons

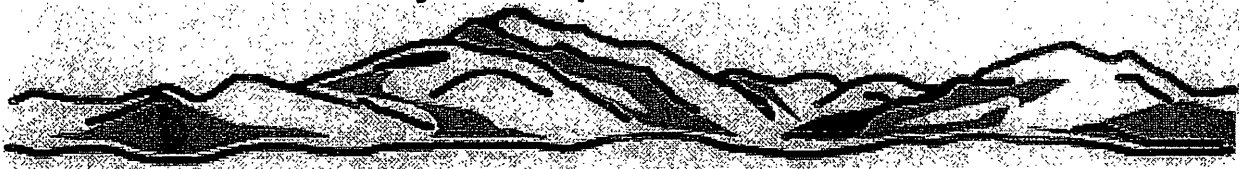
J W Simmons & Associates, P.C.

9155 E Nichols Ave #330

Centennial, CO 80112

Carl F. Schueler
 Planning Division Manager

El Paso County Development Services Department



September 1, 2004

Mesa Ridge JV, LLC
 7222 Commerce City Drive
 Suite 107
 Colorado Springs, Colorado 80919

RE: Consolidated Special District Service Plan – Mesa Ridge Metropolitan Districts (ID-04-006)

This is to inform you that the above-referenced request for approval of a Consolidated Service Plan precedent to formation of two (2) Title 32 Metropolitan Districts was heard by the El Paso County Planning Commission on August 17, 2004, at which time a recommendation for approval was made. The arrangement would consist of one (1) management district and one (1) financing district. The Districts would comprise a total of approximately 531 acres within the proposed Mesa Ridge Sketch Plan area and would provide a range of facilities and some services including water, sewer, roads and drainage facilities. The property (Assessor's Tax Schedule numbers 55280-01-005, 011, 013; 55000-00-033, 212) is located northeast of the City of Fountain, north of C & S Road and west of Marksheffel Road and is located in the proposed Fountain Valley Planning Area.

This recommendation for approval is subject to the following:

CONDITIONS

1. Prior to hearing this item before the Board of County Commissioners, staff and the applicants shall comprehensively address the August 16, 2004, comments provided on behalf of the City of Fountain, and shall recommend appropriate conditions or modifications to the Service Plan as may be applicable, and shall also make modifications to the Service Plan clarifying responsibility for water and sanitation services including provisions for dedication of facilities.
2. The combined general obligation debt service mill levy on any property in these districts shall not exceed fifty (50) mills with adjustments allowed for the effects of the Gallagher Amendment. This limit is irrespective of the assessed valuation of the districts but may be reviewed by subsequent action by the Board of County Commissioners if the ratio of assessed valuation to outstanding general obligation debt rises above the thresholds established by State Statute at the time of the request.
3. These two (2) districts shall be prohibited from issuing any debt, certifying a mill levy, exercising any condemnation authority or constructing any capital improvements until such time as a Sketch Plan generally comparable with the assumptions contained in the Service Plan is approved by the Board of County Commissioners.

4. In the event a Sketch Plan is not approved by the Board of County Commissioners on or before June 30, 2005, the applicants agree to either dissolve these districts or consent to schedule this Service Plan or an amendment thereof for further consideration by the Board of County Commissioners on or before December 31, 2005.
4. Any future annexation of territory by either of these two (2) districts which encompasses any territory more than five (5) miles from any of the currently proposed District boundary lines shall be considered a material modification of the Service Plans and shall require prior Board of County Commissioners' approval.
5. These Districts shall not have the authority to apply for or utilize any Conservation Trust ("Lottery") funds without the express prior consent of both the Board of County Commissioners and the Widefield School District. The Districts shall have the authority to apply for and use any other grant funds including, but not limited to, Great Outdoors Colorado (GOCO) discretionary grants.
6. The Districts shall agree to formation of a Board of County Commissioners-approved Citizens' Advisory Council to be comprised of five (5) property owners within the service area of the Mesa Ridge Metropolitan District No. 2. Council membership shall be open to otherwise qualifying directors of Metropolitan Districts No. 2. Meetings will be held at times and locations convenient to the property owners. The elected Chair of the Council will be given an *ex officio* seat on the Board of Directors of District No. 1 during their tenure as Chair.

Formation of the Council shall not occur until there are at least fifty (50) dwelling units constructed within the Districts. The Mesa Ridge Metropolitan District No. 1 shall be responsible for supporting the function of the Council. Creation and continuance of the Council shall be at the sole discretion of the County Commissioners, and Council may be disbanded if there is insufficient interest on the part of area residents.

7. After legal formation and prior to final platting of any properties within any of the proposed Districts, the applicants shall prepare a notice acceptable to Development Services Department staff informing all purchasers of property within the Districts of the non-traditional nature of this District arrangement and the consequent limitations on future representative participation. Such notice shall be recorded in the public record against all properties to be included in any of these districts.
8. Prior to hearing this item before the Board of County Commissioners the applicant shall make the following modifications to the Service Plan:

- a. Add mill levy cap to identified material modifications on page 2.
- b. Revise paragraph (d) on page 8 to address deeding of facilities to entities other than El Paso County or the Districts (namely Fountain Sanitation District and Widefield Water and Sanitation District).
- c. Modify all applicable references in the development analysis to address the most up-to-date proposed development plans for the area.
- d. Modify language in the Service Plan to clarify that El Paso County will only maintain improvements that are located in public right-of-way and have been accepted by the County.
- e. Address El Paso County Department of Transportation concern with timing of payment of drainage fees.
- f. Address the trail-related concerns of the Fountain Mutual Irrigation Metropolitan District.
- g. Modify C.1. (k) on page 9 to change "Public Works" to "Transportation" and add a reference to the Widefield Water and Sanitation District.
- h. Modify the last sentence on page 9 to insert the following language after "for" – "certain facilities which may include. . ."
- i. Correct the name of the Security Fire Prevention District and the Fountain Sanitation District on page 10.
- j. Discuss relationship to Widefield School District under Park and Recreation on page 10.
- k. Modify G.3. on page 12 to note the District will apply for approval of material modifications in advance of them occurring.

NOTATIONS

1. In the event revenues or reserves are insufficient to meet scheduled bond payments, unpaid interest may be carried forward as a subsequent year obligation. This may have the effect of extending the schedule of required bond payments.
2. The applicants are put on notice that the creation of parcels for the purpose of qualifying electors for Districts 1 and 2 does not create a separate interest in the land pursuant to subdivision under C.R.S. 30-28-101 *et. seq.*

Mesa Ridge JV, LLC
September 1, 2004
Page 4

3. Approval of this Service Plan should in no way be construed to imply an obligation to approve any particular land use plan for the subject property.

The Planning Commission is advisory to the Board of County Commissioners. This request, as you know, has been tentatively scheduled to be heard by the Commissioners on September 30, 2004.

Should you have any questions, or if I can be of further assistance, please contact me at 719-520-6300.

Sincerely,

A handwritten signature in black ink, appearing to read 'Carl F. Schueler', with a long horizontal flourish extending to the right.

Carl F. Schueler, Planning Division Manager

cc: Peter Susemihl, Attorney
Susemihl, McDermott & Cowan, P.C.
660 Southpointe Court, Suite 210
Colorado Springs, Colorado 80906

File: ID-04-006

September 30, 2004, BOCC Meeting
Item No. 11
Exhibit No. A

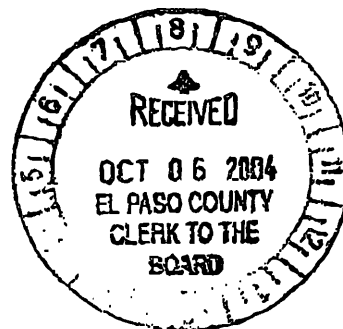
THE EL PASO COUNTY ADVERTISER AND NEWS,
FOUNTAIN, COLORADO 80817
STATE OF COLORADO

ss.

COUNTY OF EL PASO

I, Patricia L. St. Louis, do solemnly swear that I am Managing Editor of the El Paso County Advertiser and News, that the same is a weekly newspaper printed, in whole or in part, and published in the County of El Paso, state of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said county of El Paso for a period of more than 52 weeks next prior to the first publication of the annexed notice and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That copies of each number of said paper in which said notice and list were published were delivered by carriers or transmitted by mail to each of the subscribers of said paper for a period of 1 consecutive insertions, once each week, and on the same day of each week; and that first publication of said notice was in the issue of said newspaper dated September 8, A.D. 20 04 and that the last publication of said notice was in the issue of said newspaper dated September 8, A.D. 20 04



[Signature]

Patricia L. St. Louis
Managing Editor

Subscribed and sworn to before me, a notary public in and for the County of El Paso, State of Colorado, this 8th of September, A.D. 20 04.

[Signature]
Karen M. Johnson
Notary Public
My Commission Expires December 18, 2005

KAREN M. JOHNSON
NOTARY PUBLIC
STATE OF COLORADO

EL PASO COUNTY PUBLIC NOTICE
PROPOSED TITLE 32, MESA RIDGE METROPOLITAN DISTRICT NOS. 1 & 2
CONSOLIDATED SERVICE PLAN

Pursuant to Section 32-1-202, C.R.S., notice is hereby given that a Consolidated Service Plan and related documents have been filed with the El Paso County Clerk and Recorder for the proposed Mesa Ridge Metropolitan District Nos. 1 & 2.

A public hearing on said Consolidated Service Plan and related documents will be held by the El Paso County Board of County Commissioners on September 30, 2004, at 8:00 a.m., soon thereafter as the Board may hear such matter, in the County Office Building Third Floor Hearing Room, 27 E. Vermijo, Colorado Springs, Colorado 80903.

The purpose of the hearing shall be to consider the Consolidated Service Plan and to form a basis for adopting a Resolution approving, conditionally approving, or disapproving the Consolidated Service Plan.

The area consists of approximately 531 acres proposed for a variety of urban density land uses and is located northeast of the City of Fountain. The property is generally bounded by C&S Road to the south and Marketfield Road to the east.

The Consolidated Service Plan and related documents, including a description of the property within the proposed Districts, is available for public inspection at the Office of the Clerk to the Board, 200 South Cascade Avenue, Colorado Springs, Colorado, 80903.

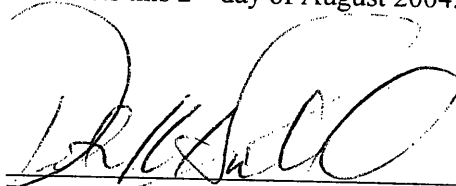
In accordance with Section 32-1-203(8.5), C.R.S., any person owning property in the proposed special districts may request that his property be excluded from the proposed special districts. The property owner shall submit such request for exclusion to the Clerk to the Board no later than ten days prior to the September 30, 2004, public hearing.

COUNTY COMMISSIONERS
BY ORDER OF THE EL PASO BOARD OF COUNTY
/s/ Chuck Brown, Chairman

Published in the El Paso County Advertiser and News
Publication date: September 8, 2004

CERTIFICATE OF MAILING

I hereby certify that on behalf of Eileen Gilbert, Deputy Clerk to the to the Board of County Commissioners, that I have mailed a true and correct copy of the attached NOTICE OF THE PROPOSED MESA RIDGE METROPOLITAN DISTRICT NO. 1 AND PROPOSED MESA RIDGE METROPOLITAN DISTRICT NO. 2 COMBINED SERVICE PLANS by U.S. Mail postage prepaid to all parties on the attached lists this 2nd day of August 2004.



Peter M. Susemihl
Attorney for the Proposed Districts

**EL PASO COUNTY COMBINED PUBLIC NOTICE
PROPOSED MESA RIDGE METROPOLITAN DISTRICT NO. 1
PROPOSED MESA RIDGE METROPOLITAN DISTRICT NO. 2
SERVICE PLAN**

Pursuant to Section 32-1-202, C.R.S., notice is hereby given that Combined Service Plans and related documents have been filed with the El Paso County Clerk and Recorder for the proposed Mesa Ridge Metropolitan District No. 1 and Mesa Ridge Metropolitan District No. 2.

A public hearing on said Combined Service Plans will be held by the El Paso County Planning Commission on Tuesday, August 17, 2004 at 9:00 a.m., or as soon thereafter as the Commission may hear such matter at 27 East Vermijo, Third Floor, Colorado Springs, Colorado 80903 or at such other place as may be designated by said Planning Commission.

A public hearing on said Combined Service Plans and related documents will be held by the El Paso County Board of County Commissioners, on Thursday, September 30, 2004 at 9:00 a.m., or as soon thereafter as the Board may hear such matter, at 27 East Vermijo, Third Floor, Colorado Springs, Colorado 80903 or at such other place as may be designated by said Board of County Commissioners.

The purpose of the hearing shall be to consider the Combined Service Plans and to form a basis for adopting a Resolution approving, conditionally approving, or disapproving the Combined Service Plans.

The proposed district boundaries are generally described as follows:

MESA RIDGE METROPOLITAN DISTRICT NO. 1:

MESA RIDGE METROPOLITAN DISTRICT NO. 2:

The Combined Service Plans and related documents, including a description of the property within the proposed districts are available for public inspection at the Office of the Deputy Clerk to the Board, 200 South Cascade Avenue, Colorado Springs, Colorado 80903.

In accordance with Section 32-1-203(3.5), C.R.S., any person owning property in the proposed special districts may request that his property be excluded from the proposed special district. The property owner shall submit such request for exclusion to the Deputy Clerk to the Board no later than ten (10) days prior to the September 2, 2004 Board of County Commissioners public hearing.

BY ORDER OF THE EL PASO COUNTY
BOARD OF COUNTY COMMISSIONERS

**TAXING ENTITIES LOCATED WITHIN THREE MILES OF THE PROPOSED MESA
RIDGE METROPOLITAN DISTRICTS NO. 1 AND 2**

City of Colorado Springs
Att: Steve Hilfer
City Administration Building
P.O. Box 1575 Mail Code 1544
Colorado Springs, CO 80901

Cross Creek Metropolitan District
545 East Pikes Peak Avenue
Suite 207
Colorado Springs, CO 80903

El Paso County
Board of County Commissioners
27 East Vermijo
Colorado Springs, Colorado 80903

Fountain Sanitation District
901 South Santa Fe Avenue
Fountain, Colorado 80817

City of Fountain
116 South Main Street
Fountain, Colorado 80817

Pikes Peak Regional Library District
P.O. Box 1579
Colorado Springs, CO 80901

Security Water and Sanitation Districts
P.O. Box 5156
Colorado Springs, CO 80931

School District 3
1820 Main Street
Colorado Springs, Colorado 80911

School District 8
400 West Alabama Avenue
Fountain, Colorado 80817

Southeastern Colorado Water Conservancy District
31717 United Avenue

Pueblo, Colorado 81001

Southwestern/Highway 115 Fire Protection District
P.O. Box 13459
Fort Carson, Colorado 80913

Security Village Fire Protection District
400 Security Boulevard
Colorado Springs, Colorado 80911

Widefield Water and Sanitation District
3 Widefield Boulevard
Colorado Springs, Colorado 80911

Law Offices of

Susemihl, McDermott & Cowan, P.C.

Peter M. Susemihl
psusemihl@smmclaw.com

660 Southpointe Court
Suite 210
Colorado Springs, Colorado 80906

719.579.6500
719.579.9339 fax
www.smmclaw.com

April 14, 2004

El Paso County Special District Review Committee
Att: Carl Schueler
El Paso County Office Building
Fifth Floor
27 East Vermijo
Colorado Springs, CO 80903

**RE: Letter of Intent
Mesa Ridge Metropolitan Districts**

Dear Carl,

This correspondence is to serve as a letter of intent for the formation of two metropolitan districts to serve the Mesa Ridge Development consisting of approximately 531 acres. We submit ten copies of this letter of intent together with a map showing the geographical boundaries of the District and a legal description. The first district will be a management district consisting of a minimal number of acres. The second district would encompass the residential and commercial properties and will consist of all land that is being developed.

a. Initial Property Owner:

Nearon Doyas Properties, LLC
500 LaGonda Way
Suite 210
Danville, CA 94526

Contract Purchaser: Norwood LTD, Incorporated
4065 North Sinton Road
Suite 200
Colorado Springs, CO 80907
(719) 593-2600

b. Consultants:

Peter M. Susemihl-Counsel for District
Susemihl, McDermott & Cowan, P.C.
660 Southpointe Suite 210
Colorado Springs, CO 80906
(O) 719-579-6500
(F) 719-579-9339

Brownstein, Hyatt and Farber-Bond Counsel
Kent C. Veio
410 Seventeenth Street
22nd Floor
Denver, CO 80202
(O) 303-223-1100

Preger, Sealy, & Co.-Underwriter
P.O. Box 375
9907 Georgetown Pike
Suite 300
Great Falls, VA 22066
(703) 757-6155

David Bamberger & Associates-Marketing
Au: David Bamberger
5431 Majestic Drive
Colorado Springs, COP 80919
(O) 719-522-0776
(F) 719-592-1126

Norris Dullea-Planner
710 West Colfax Avenue
Denver, CO 80204
(303) 892-1166

SAS Consulting, LLC-Planner/Engineer
545 East Pikes Peak Avenue
Suite 207
Colorado Springs, CO 80903
(719) 630-2165

Rockwell Consulting, Inc.-Engineer
1955 Union Blvd.
Suite 200
Colorado Springs, CO 80918
(719) 475-2575

LSC Transportation Consultants, Inc.-Traffic
516 North Tejon
Colorado Springs, CO 80903
(719) 633-2865

c. Type and Level of Services:

The proposal is to have a managing metropolitan district called Mesa Ridge Metropolitan District No. 1 and then a taxing districts called Mesa Ridge Metropolitan District No. 2 with all of the authority granted by Title 32, Colorado Revised Statutes:

- Water
- Sanitation
- Street Improvements
- Drainage and Landscaping
- Park and Recreation
- Mosquito Control
- Safety Protection
- Television Relay and Translator

Mesa Ridge consists of approximately 531 acres. The Proposed Sketch Plan provides for Mesa Ridge to be developed into 1580 single family dwelling units, 240 multi-family units and approximately thirty acres of commercial property in addition to parks, open space and trails. There will be a ten acre park site and a ten acre elementary school site.

This District shall act design, construct, and finance the municipal infrastructure which will consist of the main arterials and collectors together with the municipal water system and primary sewer and water distribution lines. Drainage, traffic safety devices, and landscaping will also be included.

c. Overview of the Financing and Construction Plans:

The intent is that the Districts will provide for all necessary municipal infrastructure. A municipal water system will be developed connecting to Widefield Water which will provide a municipal water supply. Natural gas will be provided by the Peoples and electricity will be provided by Mountain View Electric. Sanitation will be provided by Fountain Sanitation District.

The District will provide and maintain trails and open spaces. Drainage improvements will be coordinated with the overall drainage basin study.

Roads will be designed and constructed to El Paso County standards with future maintenance to be performed by the County. Build-out is anticipated to take 7 years.

Financing initially will be provided by limited tax general obligation bonds with a capped mill levy. The owners/developers will own all or part of these bonds or will otherwise provide the necessary credit enhancements. There could also be traditional revenue bond financing through District "Enterprises". There will be safeguards in place to insure homeowner protection from excessive debt; i.e. a mill levy of 35 mills, capped at 50 mills. It is anticipated that the municipal

infrastructure will cost approximately \$23,000,000. Bonds will be issued in a series of 2-3 tranches.

d. Proposed Time Schedule:

April 15, 2004-Submit letter of Intent
April 19, 2004-Initial conference with Committee
April 19, 2004-Submit formal Service Plan
April 19-30, 2004-Meet with Committee to Review Service Plan
April 30, 2004-Sketch Plan Submittal
May 1, 2004-Submit redraft of Service Plan
May 15-June 15, 2004-Planning Commission
June 15-July 15, 2004-County Commissioners

July 15, 2004-Court Petition
August 15, 2004-Court ordered public hearing
November 2, 2004-General Election

e. Map and legal description (see attached). District boundaries are represented by the cross hatched area.

Sincerely,

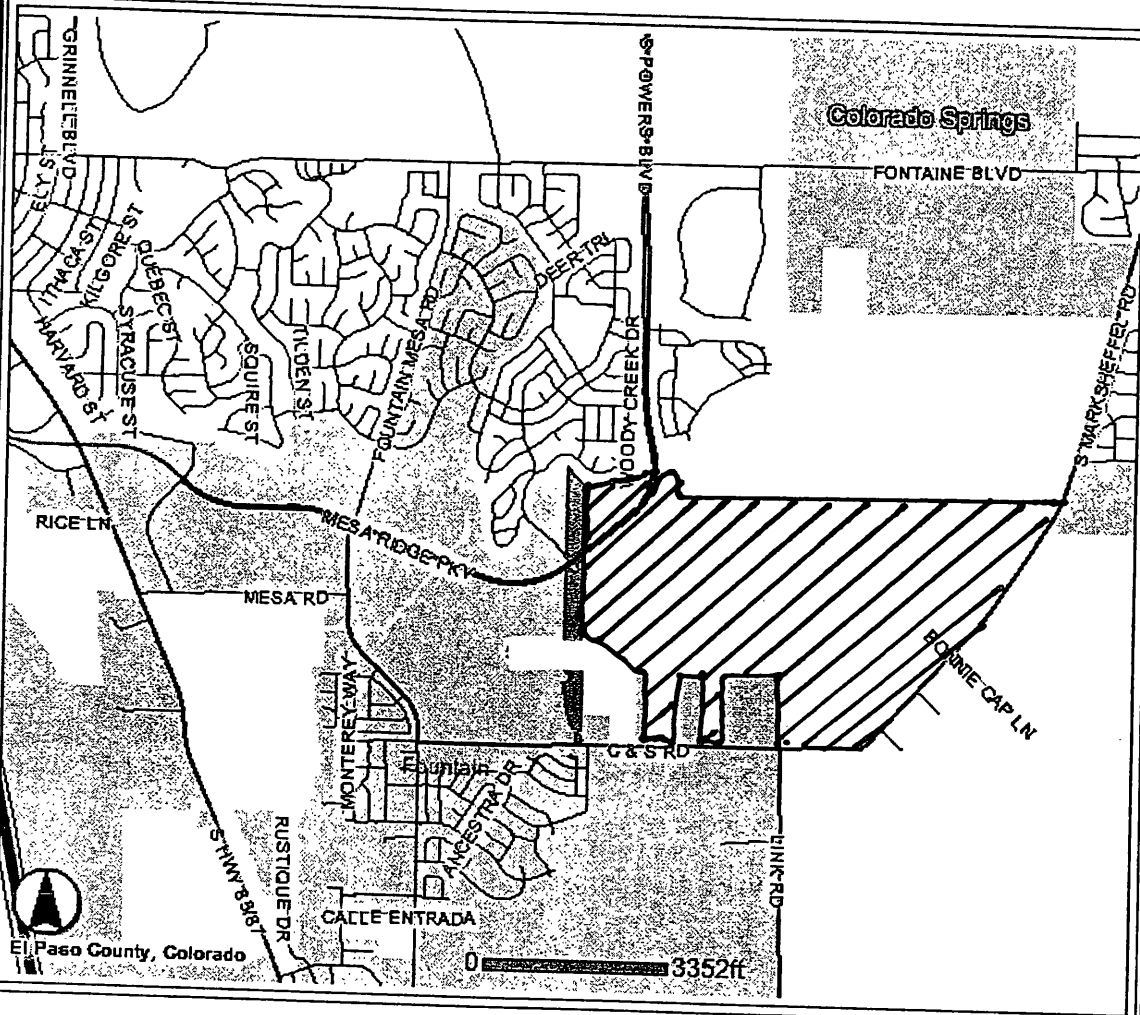
SUSEMIHL, MCDERMOTT & COWAN, P.C.



Peter M. Susemihl

El Paso County Schedule Information

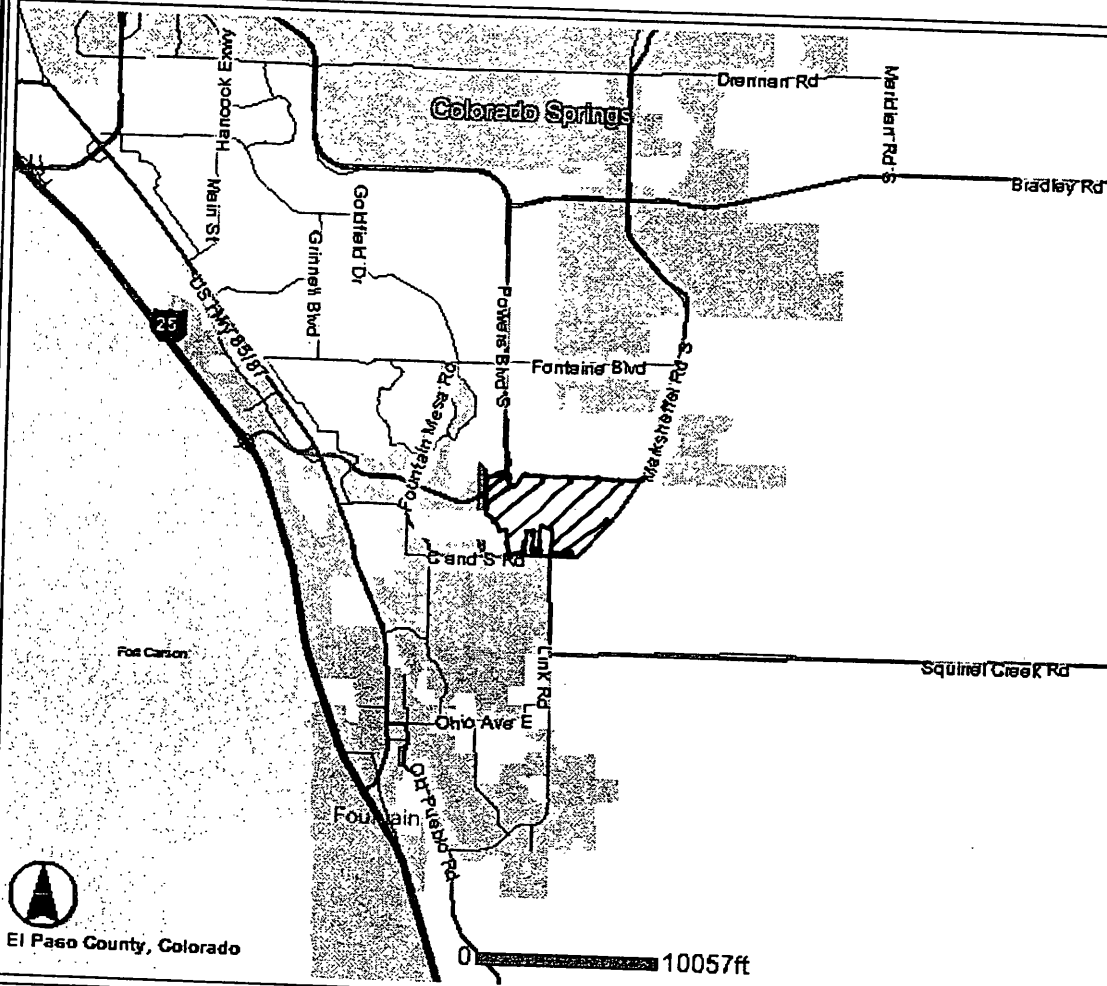
PROPOSED MESA RIDGE METROPOLITAN DISTRICT



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El Paso County Schedule Information

PROPOSED MESA RIDGE METROPOLITAN DISTRICT



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LEGAL DESCRIPTION

MESA RIDGE METRO DISTRICT

That portion of Sections 27, 28, 29 and 30, Township 15 South, Range 65 West of the 6th P.M., and of Tracts 1 and 2, in SUBDIVISION NO. 1 OF THE FOUNTAIN SUBURBAN HOMES CORPORATION, El Paso County, Colorado, according to the plat thereof recorded in Plat Book L at Page 44, El Paso County, Colorado, more particularly described as follows:

Commencing at the Southeast corner of said Section 29; thence N 00°28'06" E (all bearings used in this description are relative to the East line of the Southeast quarter of said Section 29, which was assumed to be N 00°28'06" E) on the East line of the Southeast quarter of said section, 1320.15 feet to a point on the North line of the South half of the Southwest quarter of said Section 28 and the POINT OF BEGINNING; thence continue N 00°28'06" E on said East line, 180.02 feet; thence N 89°31'54" W, 177.27 feet; thence N 44°06'10" W, 338.98 feet; thence N 09°07'50" W, 546.02 feet; thence N 04°31'14" E, 206.93 feet; thence on the arc of a curve to the left whose chord bears S 82°57'02" W, having a central angle of 21°48'26", a radius of 1460.00 feet and an arc length of 555.69 feet; thence S 72°02'49" W, 317.16 feet; thence N 17°57'11" W, 80.00 feet; thence on the arc of a curve to the right whose chord bears N 88°28'40" W, having a central angle of 38°57'01", a radius of 1960.00 feet and an arc length of 1332.43 feet; thence N 69°00'10" W, 196.95 feet; thence on the arc of a curve to the left having a central angle of 20°39'29", a radius of 2540.00 feet and an arc length of 915.80 feet; thence N 89°39'39" W, 276.84 feet to a point on the Northerly right-of-way line of Cross Creek Avenue as platted in Markets at Mesa Ridge Filing No. 3 as recorded under Reception No. 201084494 of the records of said El Paso County; thence continue N 89°39'39" W on said Northerly right-of-way line, 38.83 feet to the Southeasterly corner of Lot 11 in said Markets at Mesa Ridge Filing No. 3; thence N 39°45'21" E on the Easterly line of said Lot 11 and of Lot 9 in Markets at Mesa Ridge Filing No. 3A as recorded under Reception No. 203130818 of said records, 728.90 feet to a point on the Southerly right-of-way line of Mesa Ridge Parkway as described in Deed recorded in Book 6788 at Page 538 of said records; thence N 20°50'28" E, 160.00 feet to a point on the Northerly right-of-way line of said Mesa Ridge Parkway; thence N 69°09'32" W on said right-of-way line, 328.19 feet to the Southeasterly corner of Markets at Mesa Ridge Filing No. 1 as recorded under Reception No. 200014338; thence Northerly on the Easterly boundary of said Markets at Mesa Ridge Filing No. 1 for the following three (3) courses: (1) thence N 00°00'00" E, 150.94 feet; (2) thence N 25°00'00" E, 200.00 feet; (3) thence N 35°00'00" W, 375.00 feet to a point on the Southerly line of the Main Canal of the Fountain Mutual Irrigation Company as described in Book 5992 at Page 1279 of the records of said El Paso County; thence Easterly on said Southerly line for the following twenty-three (23) courses: (1) thence N 50°23'25" E, 70.00 feet; (2) thence on the arc of a curve to the left having a central angle of 45°29'30", a radius of 505.00 feet and an arc length of 400.96 feet; (3) thence N 04°53'55" E, 95.20 feet; (4) thence on the arc of a curve to the right having a central angle of 57°18'00", a radius of 10.00 feet and an arc length of 10.00 feet; (5) thence N 62°11'55" E, 151.50 feet; (6) thence on the arc of a curve to the left having a central angle of 26°01'00", a radius of 180.00 feet and an arc length of 81.73 feet; (7) thence N 36°10'55" E, 31.90 feet; (8) thence on the arc of a curve to the right having a central angle of 80°05'00", a radius of 50.00 feet and an arc length of 69.89 feet; (9) thence S

Continued on next page

63°44'05" E, 167.90 feet; (10) thence on the arc of a curve to the right having a central angle of 68°01'00", a radius of 10.00 feet and an arc length of 11.87 feet; (11) thence S 04°16'55" W, 123.60 feet; (12) thence on the arc of a curve to the right having a central angle of 27°22'00", a radius of 175.00 feet and an arc length of 83.59 feet; (13) thence S 31°38'55" W, 7.60 feet; (14) thence on the arc of a curve to the left having a central angle of 50°24'30", a radius of 90.00 feet and an arc length of 79.18 feet; (15) thence S 18°45'35" E, 59.00 feet; (16) thence on the arc of a curve to the right having a central angle of 12°16'00", a radius of 200.00 feet and an arc length of 42.82 feet; (17) thence S 06°29'35" E, 98.10 feet; (18) thence on the arc of a curve to the left having a central angle of 138°32'00", a radius of 105.00 feet and an arc length of 253.88 feet; (19) thence N 34°58'25" E, 192.80 feet; (20) thence on the arc of a curve to the right having a central angle of 24°10'00", a radius of 30.00 feet and an arc length of 12.65 feet; (21) thence N 59°08'25" E, 90.40 feet; (22) thence on the arc of a curve to the right having a central angle of 111°37'39", a radius of 10.00 feet and an arc length of 19.48 feet; (23) thence S 09°13'56" E, 39.64 feet to a point on the Southerly boundary of said Main Canal as described in Book 5506 at Page 1290 of said records; thence Easterly on said Southerly line for the following forty (40) courses: (1) thence on the arc of a curve to the right whose chord bears S 53°29'41" W, having a central angle of 00°25'52", a radius of 1495.00 feet and an arc length of 11.25 feet; (2) thence S 09°13'56" E, 58.20 feet; (3) thence on the arc of a curve to the left having a central angle of 11°58'40", a radius of 390.00 feet and an arc length of 81.53 feet; (4) thence S 21°12'37" E, 101.95 feet; (5) thence on the arc of a curve to the right having a central angle of 47°26'19", a radius of 40.00 feet and an arc length of 33.12 feet; (6) thence S 26°13'42" W, 72.43 feet; (7) thence on the arc of a curve to the left having a central angle of 39°03'36", a radius of 120.00 feet and an arc length of 81.81 feet; (8) thence S 12°49'54" E, 450.75 feet; (9) thence on the arc of a curve to the left having a central angle of 40°28'01", a radius of 165.00 feet and an arc length of 116.54 feet; (10) thence S 53°17'56" E, 119.23 feet; (11) thence on the arc of a curve to the left having a central angle of 52°22'33", a radius of 150.00 feet and an arc length of 137.12 feet; (12) thence N 74°19'31" E, 175.64 feet; (13) thence on the arc of a curve to the left having a central angle of 38°21'19", a radius of 165.00 feet and an arc length of 110.46 feet; (14) thence N 35°58'13" E, 294.27 feet; (15) thence on the arc of a curve to the left having a central angle of 39°50'34", a radius of 420.00 feet and an arc length of 292.06 feet; (16) thence N 03°52'21" W, 230.04 feet; (17) thence on the arc of a curve to the right having a central angle of 16°17'03", a radius of 360.00 feet, and an arc length of 102.32 feet; (18) thence N 12°24'42" E, 351.27 feet; (19) thence on the arc of a curve to the right having a central angle of 46°10'51", a radius of 20.00 feet and an arc length of 16.12 feet; (20) thence N 58°35'33" E, 360.62 feet; (21) thence on the arc of a curve to the left having a central angle of 24°15'55", a radius of 260.00 feet and an arc length of 110.11 feet; (22) thence N 34°19'38" E, 103.21 feet; (23) thence on the arc of a curve to the right having a central angle of 17°50'17", a radius of 160.00 feet and an arc length of 49.81 feet; (24) thence N 52°09'55" E, 78.21 feet; (25) thence on the arc of a curve to the right having a central angle of 86°49'13", a radius of 50.00 feet and an arc length of 75.76 feet;

Continued on next page

(26) thence S 41°00'52" E, 343.09 feet; (27) thence on the arc of a curve to the left having a central angle of 61°04'42", a radius of 220.00 feet and an arc length of 234.52 feet; (28) thence N 77°54'26" E, 93.79 feet; (29) thence on the arc of a curve to the right having a central angle of 100°24'22", a radius of 55.00 feet and an arc length of 96.38 feet; (30) thence S 01°41'12" E, 137.18 feet; (31) thence on the arc of a curve to the left having a central angle of 46°29'23", a radius of 88.00 feet and an arc length of 71.40 feet; (32) thence S 48°10'35" E, 126.77 feet; (33) thence on the arc of a curve to the left having a central angle of 40°56'06", a radius of 220.00 feet and an arc length of 157.18 feet; (34) thence S 89°06'41" E, 124.09 feet; (35) thence on the arc of a curve to the right having a central angle of 04°53'33", a radius of 460.00 feet and an arc length of 39.28 feet; (36) thence S 84°13'08" E, 236.92 feet; (37) thence on the arc of a curve to the right having a central angle of 90°54'00", a radius of 23.00 feet and an arc length of 36.49 feet; (38) thence S 06°40'52" W, 209.80 feet; (39) thence on the arc of a curve to the left having a central angle of 32°12'44", a radius of 152.00 feet and an arc length of 85.46 feet; (40) thence N 64°28'08" E, 10.00 feet to a point on the Southerly line of said Main Canal as described in said Book 5992 at Page 1279: thence Easterly on said Southerly line for the following forty-three (43) courses: (1) thence on the arc of a curve to the left whose chord bears S 26°15'44" E, having a central angle of 01°27'44", a radius of 142.00 feet and an arc length of 3.62 feet; (2) thence S 26°59'36" E, 16.67 feet; (3) thence on the arc of a curve to the left having a central angle of 31°18'30", a radius of 108.00 feet and an arc length of 59.01 feet; (4) thence S 58°18'06" E, 16.12 feet; (5) thence on the arc of a curve to the left having a central angle of 49°09'42", a radius of 100.00 feet and an arc length of 85.80 feet; (6) thence N 72°32'12" E, 75.82 feet; (7) thence on the arc of a curve to the left having a central angle of 49°24'15", a radius of 119.00 feet and an arc length of 102.61 feet; (8) thence N 23°07'57" E, 36.72 feet; (9) thence on the arc of a curve to the left having a central angle of 16°41'49", a radius of 217.00 feet and an arc length of 63.24 feet; (10) thence N 06°26'08" E, 203.01 feet; (11) thence N 14°22'23" E, 139.91 feet; (12) thence N 01°10'48" W, 93.63 feet; (13) thence on the arc of a curve to the right having a central angle of 17°42'33", a radius of 136.00 feet and an arc length of 42.04 feet; (14) thence N 16°31'45" E, 102.28 feet; (15) thence on the arc of a curve to the right having a central angle of 25°16'31", a radius of 10.00 feet and an arc length of 4.41 feet; (16) thence N 41°48'16" E, 123.05 feet; (17) thence S 51°05'39" E, 110.92 feet; (18) thence on the arc of a curve to the right having a central angle of 36°52'30", a radius of 44.00 feet and an arc length of 28.32 feet; (19) thence S 14°13'09" E, 45.30 feet; (20) thence on the arc of a curve to the left having a central angle of 13°34'00", a radius of 172.00 feet and an arc length of 40.73 feet; (21) thence S 27°47'09" E, 319.85 feet; (22) thence S 41°09'52" E, 48.94 feet; (23) thence on the arc of a curve to the left having a central angle of 28°52'45", a radius of 153.00 feet and an arc length of 77.12 feet; (24) thence S 70°02'37" E, 94.36 feet; (25) thence S 74°54'11" E, 80.06 feet; (26) thence on the arc of a curve to the right having a central angle of 25°13'15", a radius of 51.00 feet and an arc length of 22.45 feet; (27) thence S 49°40'56" E, 523.46 feet; (28) thence on the arc of a curve to the left having a central angle of 29°38'12", a radius of 175.00 feet and an arc length

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of 90.52 feet; (29) thence S 79°19'08" E, 312.08 feet; (30) thence on the arc of a curve to the right having a central angle of 37°39'42", a radius of 58.00 feet and an arc length of 38.12 feet; (31) thence S 41°39'26" E, 256.99 feet; (32) thence on the arc of a curve to the right having a central angle of 34°30'25", a radius of 55.00 feet and an arc length of 33.12 feet; (33) thence S 07°09'01" E, 147.36 feet; (34) thence on the arc of a curve to the left having a central angle of 77°34'32", a radius of 142.00 feet and an arc length of 192.26 feet; (35) thence S 84°43'33" E, 42.45 feet; (36) thence on the arc of a curve to the right having a central angle of 14°06'03", a radius of 233.00 feet and an arc length of 57.34 feet; (37) thence S 70°37'30" E, 42.79 feet; (38) thence on the arc of a curve to the left having a central angle of 89°02'05", a radius of 91.00 feet and an arc length of 141.41 feet; (39) thence N 20°20'25" E, 404.62 feet; (40) thence N 242323 "E, 214.77 feet; (41) thence on the arc of a curve to the right having a central angle of 40°00'00", a radius of 75.00 feet and an arc length of 52.36 feet; (42) thence N 64°23'29" E, 154.90 feet; (43) thence on the arc of a curve to the left having a central angle of 17°58'41", a radius of 250.00 feet and an arc length of 78.44 feet to a point on the North line of the South half of the Northeast quarter of said Section 28; thence N 89°44'40" E on said North line, 2366.24 feet to a point on the North line of the South half of the Northwest quarter of said Section 27; thence N 89°55'36" E on said North line, 2118.62 feet to a point on the Northwesterly right-of-way line of Marksheffel Road; thence Southwesterly on said Northwesterly right-of-way line for the following three (3) courses: (1) thence S 33°56'45" W, 1429.37 feet; (2) thence on the arc of a curve to the right having a central angle of 09°16'28", a radius of 5699.98 feet and an arc length of 922.65 feet; (3) thence S 43°13'13" W, 2787.86 feet to a point on the Northerly right-of-way line of C & S Road; thence S 89°44'27" W on said Northerly right-of-way line, 1490.44 feet; thence N 00°18'33" E, 1290.05 feet to the Northeast corner of Tract 1 of Subdivision No. 1 of The Fountain Suburban Homes Corporation as recorded in Plat Book L at Page 44 of said records, said point also being on the North line of the South half of the Southwest quarter of said Section 28; thence S 89°44'31" W on said North line, 1075.05 feet to a point on a line being 1565.00 feet East of and parallel with the West line of said Section 28; thence S 00°28'06" W on said parallel line, 1290.11 feet to a point on the Northerly right-of-way line of said C & S Road; thence S 89°44'27" W on said Northerly right-of-way line, 400.00 feet to a point on a line being 1165.00 feet Easterly of and parallel with the West line of said Section 28; thence N 00°28'06" E on said parallel line, 1290.12 feet to a point on the North line of the South half of the Southwest quarter of said Section 28; thence S 89°44'31" W on said North line, 400.00 feet to a point on the West line of the Easterly 200.00 feet of the Westarly 965.00 feet of Tract 2 in Subdivision No. 1 of the Fountain Suburban Home Corporation; thence S 00°28'06" W on said West line, 1290.13 feet to a point on the Northerly right-of-way line of said C & S Road; thence S 89°44'27" W on said Northerly right-of-way line, 600.00 feet to a point on the East line of the Westarly 165.00 feet of said Tract 2; thence N 00°28'06" E on said East line, 1290.14 feet to a point on the North line of the South half of the Southwest quarter of said Section 28; thence S 89°44'31" W on said North line, 165.00 feet to the POINT OF BEGINNING; EXCEPTING therefrom that portion thereof included within

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said Mesa Ridge Parkway;

TOGETHER WITH that portion of the Southwest quarter of Section 29, Township 15 South, Range 65 West of the 6th P.M., El Paso County, Colorado more particularly described as follows:

Commencing at the Southeast corner of said Section 29; thence S 89°46'12" W (all bearings used in this description are relative to the East line of the Southeast quarter of said Section 29, which was assumed to be N 00°28'06" E) on the South line of the Southeast quarter of said section, 2634.71 feet; thence N 89°36'30" W on the South line of the Southwest quarter of said section, 2658.17 feet; thence N 00°20'21" E on the West line of the Southwest quarter of said section, 2000.64 feet to a point on the centerline of the Fountain Valley Conduit - Lateral as described in Deed recorded in Book 3324 at Page 784 of the records of said El Paso County; thence S 89°51'39" E on said centerline, 91.77 feet to a point on the Easterly right-of-way line of Fountain Mesa Road as platted in Markets at Mesa Ridge Filing No. 3 as recorded under Reception No. 201084494 of said records and the POINT OF BEGINNING; thence on the arc of a curve to the right on said Easterly right-of-way line whose chord bears N 11°40'16" W, having a central angle of 12°05'49", a radius of 927.14 feet and an arc length of 195.75 feet to a point of cusp; thence on the arc of a curve to the left whose chord bears S 52°39'48" E, having a central angle of 94°04'53", a radius of 28.00 feet and an arc length of 45.98 feet; thence N 80°17'46" E, 13.70 feet; thence on the arc of a curve to the right having a central angle of 10°02'35", a radius of 237.21 feet and an arc length of 41.58 feet; thence S 89°39'39" E, 336.92 feet; thence N 00°20'21" E, 280.00 feet; thence N 89°39'39" W, 84.81 feet; thence N 00°20'21" E, 143.00 feet to a point on the Southerly right-of-way line of Cross Creek Avenue as platted in said Markets at Mesa Ridge Filing No. 3; thence S 89°39'39" E on said right-of-way line, 773.51 feet to a point on the centerline of said Fountain Valley Conduit - Lateral; thence S 39°45'21" W on said centerline, 768.14 feet; thence N 89°51'39" W on said centerline, 584.82 feet to the POINT OF BEGINNING;

TOGETHER WITH that portion of the Southwest quarter of Section 29 and of the Southeast quarter of Section 30, Township 15 South, Range 65 West of the 6th P.M., El Paso County, Colorado more particularly described as follows:

Commencing at the Southeast corner of said Section 29; thence S 89°46'12" W (all bearings used in this description are relative to the East line of the Southeast quarter of said Section 29, which was assumed to be N 00°28'06" E) on the South line of the Southeast quarter of said section, 2634.71 feet; thence N 89°36'30" W on the South line of the Southwest quarter of said section, 2658.17 feet; thence N 00°20'21" E on the West line of the Southwest quarter of said section, 1318.22 feet to the Southeast corner of the Northeast quarter of the Southeast quarter of said Section 30 and the POINT OF BEGINNING; thence S 89°22'08" W on the Northerly boundary of Conley Subdivision Second filing as recorded in Plat Book G-3 at Page 52 of the records of said El Paso County, 412.93 feet to a point on the West line of the East 12.5 acres of the Northeast quarter of the Southeast quarter of said Section 30; thence N 00°20'21" E on

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said West line, 1294.41 feet to a point on the Southerly right-of-way line of Mesa Road as shown on Annexation Plat of Fountain Industrial Center Filing No. 1 to the City of Fountain as recorded in Plat Book B-3 at Page 5 of said records; thence N 89°32'06" E on said right-of-way line, 318.28 feet to a point on the Westerly right-of-way line of Fountain Mesa Road as platted in Markets at Mesa Ridge Filing No. 3 as recorded under Reception No. 201084494 of said records; thence Southerly on said right-of-way line and on the Westerly right-of-way line of said Fountain Mesa Road as platted in Country Crossing at the Pointe Filing No. 1 as recorded under Reception No. 200014344 of said records for the following six (6) courses: (1) thence S 00°24'39" E, 14.91 feet; (2) thence N 89°35'21" E, 9.91 feet; (3) thence on the arc of a curve to the right having a central angle of 90°45'01", a radius of 40.00 feet and an arc length of 63.36 feet; (4) thence S 00°20'21" W, 243.85 feet; (5) thence on the arc of a curve to the left having a central angle of 21°14'34", a radius of 1089.08 feet and an arc length of 403.79 feet to a point of compound curve; (6) thence on the arc of a curve to the left having a central angle of 04°31'18", a radius of 1030.21 feet and an arc length of 81.30 feet to the Northeasterly corner of Lot 1 in Country Crossing at the Pointe Filing No. 2B as recorded under Reception No. 200143676; thence Southerly on the Westerly boundary of said subdivision for the following five (5) courses: (1) thence N 89°39'39" W, 32.41 feet; (2) thence S 00°20'21" W, 188.48 feet; (3) thence on the arc of a curve to the left whose chord bears S 23°07'54" W, having a central angle of 134°24'55", a radius of 50.00 feet and an arc length of 117.30 feet to a point of reverse curve; (4) thence on the arc of a curve to the right having a central angle of 44°24'55", a radius of 20.00 feet and an arc length of 15.50 feet; (5) thence S 00°20'21" W, 236.65 feet to the POINT OF BEGINNING.

EXCEPTING therefrom all the above land that has been previously annexed to the City of Fountain.

920/600

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District Court, El Paso County, State of Colorado 20 E. Vermijo Colorado Springs, CO 80903	
IN THE MATTER OF THE ORGANIZATION OF THE MESA RIDGE METROPOLITAN DISTRICT NO. 1 AND THE MESA RIDGE METROPOLITAN DISTRICT NO. 2	
Peter M. Susemihl (#494) Susemihl, McDermott & Cowan, P.C. 660 Southpointe Court, Suite 210 Colorado Springs, CO 80906 Phone Number: (719) 579-6500 FAX Number: (719) 579-9339 E-mail: PSusemihl@SMMCLAW.com	<p style="text-align: center;">▲ COURT USE ONLY ▲</p> <hr/> Case Number: 04CV3800 3804 Div.:5 Ctrm:
Petition for the Organization of the Mesa Ridge Metropolitan District No. 1 and Mesa Ridge Metropolitan District No. 2	

TO THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT SITTING IN AND FOR THE COUNTY OF EL PASO:

COMES NOW the Petitioners below named, by and through their attorneys, SUSEMIHL, MCDERMOTT & COWAN, P.C., and being desirous that Metropolitan Districts should be organized, embracing the territory hereinafter described, in accordance with the terms and provisions of the laws of Colorado, would respectfully represent and show on to this Honorable Court as follows:

1. The name of the proposed Districts shall be Mesa Ridge Metropolitan District No. 1 and Mesa Ridge Metropolitan District No. 2 located in El Paso County, Colorado.
2. The type of services to be provided by the proposed District are as follows:
 - (a) street improvements, drainage, and safety protection;
 - (b) sanitation and storm sewer;
 - (c) parks and recreation;

- (d) water; and
- (e) mosquito control;

3. This Petition is signed and consented to by Creig Veldhuizen, Dean Wieseler, Kevin Walker, Kent Petre, and David Jenkins who represent not less than thirty percent (30%) of the qualified electors of the proposed Districts and who are also the petitioners.

4. A general description of the facilities and improvements that will be constructed, installed, purchased or otherwise acquired by the District are as follows:

- (a) Water and sewer lines
- (b) Roads
- (c) Park and Recreation Facilities
- (d) Trails
- (e) Drainage Improvements
- (f) Landscaping
- (g) Traffic safety devices

5. The proposed Mesa Ridge Metropolitan District No. 1 and Mesa Ridge Metropolitan District No. 2 lie on the northern edge of the Town of Fountain in the unincorporated portion of El Paso County and are also included in School District 8, and the Security Village Fire Protection District.

6. The estimated cost of the proposed facilities and improvements to be paid by the proposed District in the first ten years after its organization will be \$23,000,000.

7. The proposed District will derive its revenue from a mill levy not to exceed thirty mills for debt service and seven mills for operations/maintenance with the total mill levy capped at 50 mills, Gallagher adjusted.

8. The proposed Mesa Ridge Metropolitan District No. 1 consists of 1 acre and Mesa Ridge Metropolitan District No. 2 consist of approximately 523 acres located between Mesa Ridge Parkway and Marksheffel Road. Attached hereto and incorporated by reference is a Vicinity Map of the proposed Districts with an attached legal description of the real property to be included within said Districts.

9. The Petitioners are not proposing to have election wards within the proposed District.

10. Petitioners request that the Mesa Ridge Metropolitan District No. 1 and Mesa Ridge Metropolitan District No. 2 be organized pursuant to the statutes of the State of Colorado as a metropolitan special district.

11. The County Commissioners of El Paso County met in regular session on Thursday, September 30, 2004, and conducted a hearing on the proposed Mesa Ridge Metropolitan District No. 1 and Mesa Ridge Metropolitan District No. 2 and adopted a resolution approving the Service Plan as required by C.R.S. 32-1-205. A copy of said Resolution is attached hereto and incorporated by reference.

12. There are other districts within a three (3) mile radius of the proposed Mesa Ridge Metropolitan District No. 1 and Mesa Ridge Metropolitan District No. 2 all of which shall be given notice of this Petition.

13. Tendered herewith the Petitioners file a cash deposit in lieu of bond in the amount of One Hundred Dollars (\$100.00) to pay all expenses connected with these proceedings in the case the organization of the special districts is not effected as required by C.R.S. 32-1-302. The Petitioners understand that at anytime during the proceedings, if the Court is not satisfied that the cash deposit is sufficient, the Court may require the execution of an additional bond or the deposit of additional cash.

WHEREFORE, Petitioners pray that the Mesa Ridge Metropolitan District No. 1 and Mesa Ridge Metropolitan District No. 2 be organized including the described territory and that this Court shall by Order fix a time and place of hearing on this Petition and for such other and further procedure and relief as to the Court may seem proper in the premises.

Respectfully submitted,

SUSEMIHL, McDERMOTT & COWAN, P.C.

BY: 

Peter M. Susemihl (#494)

NA.

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Respectfully submitted,

SUSEMIHL, McDERMOTT & COWAN, P.C.

BY: _____
Peter M. Susemihl (#494)

PETITIONERS:


Creig Veldhuizen

Dean Wieseler

Kevin Walker

Kent Petre

David Jenkins

STATE OF COLORADO)
) ss:
COUNTY OF Douglas)

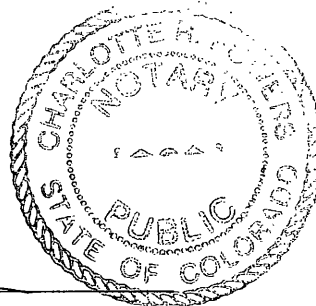
Creig Veldhuizen, being first sworn upon his oath, deposes and says: That he has read the above and foregoing Petition for Organization of Mesa Ridge Metropolitan District No. 1 and Mesa Ridge Metropolitan District No. 2, knows the contents thereof, and that same are true of his own knowledge.

Creig Veldhuizen

Subscribed and sworn to before me this 17th day of September 2004, by the above named Petitioner.

Witness my hand and official seal.

My commission expires: Feb. 24, 2007.



Charlotte H. Peters
Notary Public


STATE OF COLORADO)
) ss:
COUNTY OF EL PASO)

Dean Wieseler, being first sworn upon his oath, deposes and says: That he has read the above and foregoing Petition for Organization of Mesa Ridge Metropolitan District No. 1 and Mesa Ridge Metropolitan District No. 2, knows the contents thereof, and that same are true of his own knowledge.


PETITIONERS:

Creig Veldhuizen


Dean Wieseler



Kevin Walker



Kent Petre



David Jenkins

STATE OF COLORADO)
) ss:
COUNTY OF _____)

Creig Veldhuizen, being first sworn upon his oath, deposes and says: That he has read the above and foregoing Petition for Organization of Mesa Ridge Metropolitan District No. 1 and Mesa Ridge Metropolitan District No. 2, knows the contents thereof, and that same are true of his own knowledge.

Creig Veldhuizen

Subscribed and sworn to before me this _____ day of _____ 2004, by the above named Petitioner.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

PETITIONERS:

Creig Veldhuizen

Dean Wieseler

Dean Wieseler

Kevin Walker

Kent Petre

David Jenkins

STATE OF COLORADO)
) ss:
COUNTY OF _____)

Creig Veldhuizen, being first sworn upon his oath, deposes and says: That he has read the above and foregoing Petition for Organization of Mesa Ridge Metropolitan District No. 1 and Mesa Ridge Metropolitan District No. 2, knows the contents thereof, and that same are true of his own knowledge.

Creig Veldhuizen

Subscribed and sworn to before me this ____ day of _____ 2004, by the above named Petitioner.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

STATE OF COLORADO)
) ss:
COUNTY OF ~~EL PASO~~)
 Douglas)
 cp

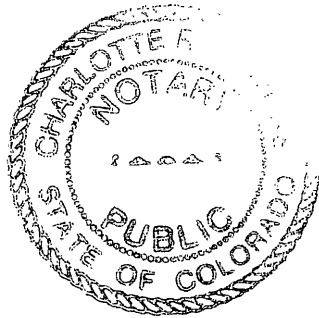
Dean Wieseler, being first sworn upon his oath, deposes and says: That he has read the above and foregoing Petition for Organization of Mesa Ridge Metropolitan District No. 1 and Mesa Ridge Metropolitan District No. 2, knows the contents thereof, and that same are true of his own knowledge.

Dean L. Wieseler
Dean Wieseler

Subscribed and sworn to before me this 20th day of September 2004, by the above named Petitioner.

Witness my hand and official seal.

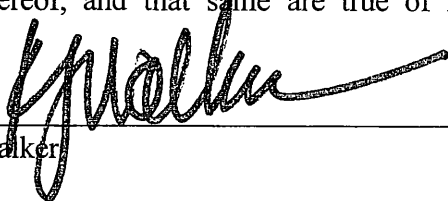
My commission expires: Feb. 24, 2007



Charlotte R. [Name]
Notary Public

STATE OF COLORADO)
) ss:
COUNTY OF EL PASO)

Kevin Walker, being first sworn upon his oath, deposes and says: That he has read the above and foregoing Petition for Organization of Mesa Ridge Metropolitan District No. 1 and Mesa Ridge Metropolitan District No. 2, knows the contents thereof, and that same are true of his own knowledge.

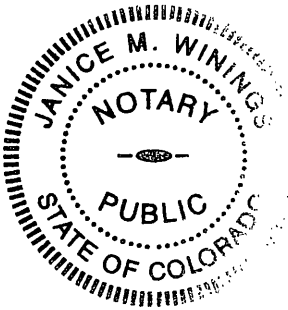


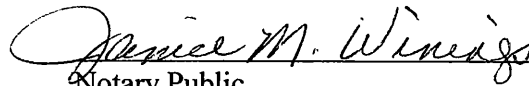
Kevin Walker

Subscribed and sworn to before me this 17th day of September 2004, by the above named Petitioner.

Witness my hand and official seal.

My commission expires: 6/7/05.





Notary Public

STATE OF COLORADO)
) ss:
COUNTY OF El Paso)

Kent Petre, being first sworn upon his oath, deposes and says: That he has read the above and foregoing Petition for Organization of Mesa Ridge Metropolitan District No. 1 and Mesa Ridge Metropolitan District No. 2, knows the contents thereof, and that same are true of his own knowledge.

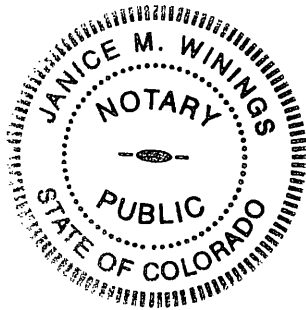



Kent Petre

Subscribed and sworn to before me this 20th day of September 2004, by the above named Petitioner.

Witness my hand and official seal.

My commission expires: 6/7/05.






Notary Public

STATE OF COLORADO)
) ss:
COUNTY OF EL PASO)

David Jenkins, being first sworn upon his oath, deposes and says: That he has read the above and foregoing Petition for Organization of Mesa Ridge Metropolitan District No. 1 and Mesa Ridge Metropolitan District No. 2, knows the contents thereof, and that same are true of his own knowledge.

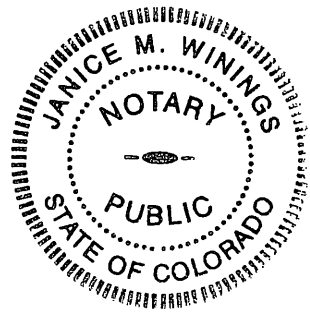


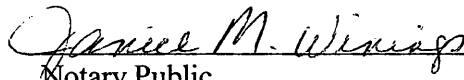
David Jenkins

Subscribed and sworn to before me this 20th day of September 2004, by the above named Petitioner.

Witness my hand and official seal.

My commission expires: 6/7/05.





Notary Public

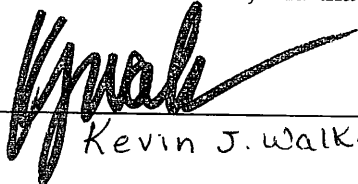
CONSENT OF THE PROPERTY OWNERS:

MESA RIDGE JOINT VENTURE LLC, a Colorado
Limited liability company

By: 
Its Manager

STATE OF COLORADO)
) ss:
COUNTY OF EL PASO)

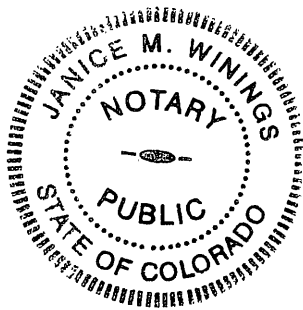
Kevin J. Walker, being first sworn upon his oath, deposes and says: That he has read the above and foregoing Petition for Organization of Mesa Ridge Metropolitan District No. 1 and Mesa Ridge Metropolitan District No. 2, knows the contents thereof, and that same are true of his own knowledge.

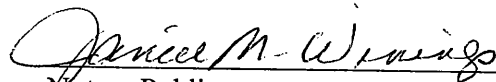

Kevin J. Walker

Subscribed and sworn to before me this 20th day of September 2004, by Kevin J. Walker as Manager of Mesa Ridge Joint Venture, LLC.

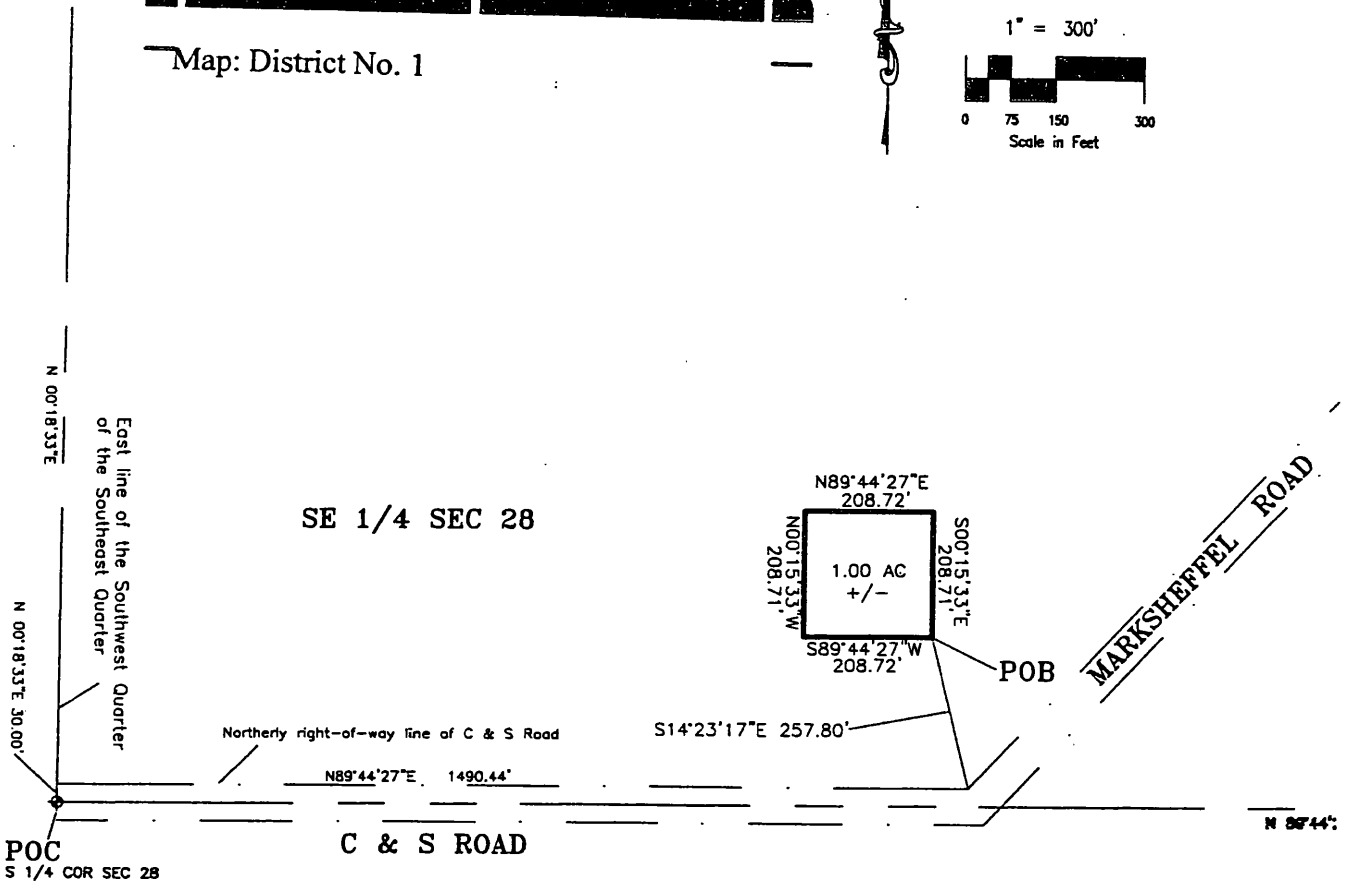
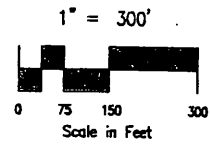
Witness my hand and official seal.

My commission expires: 6/7/05.




Notary Public

Map: District No. 1

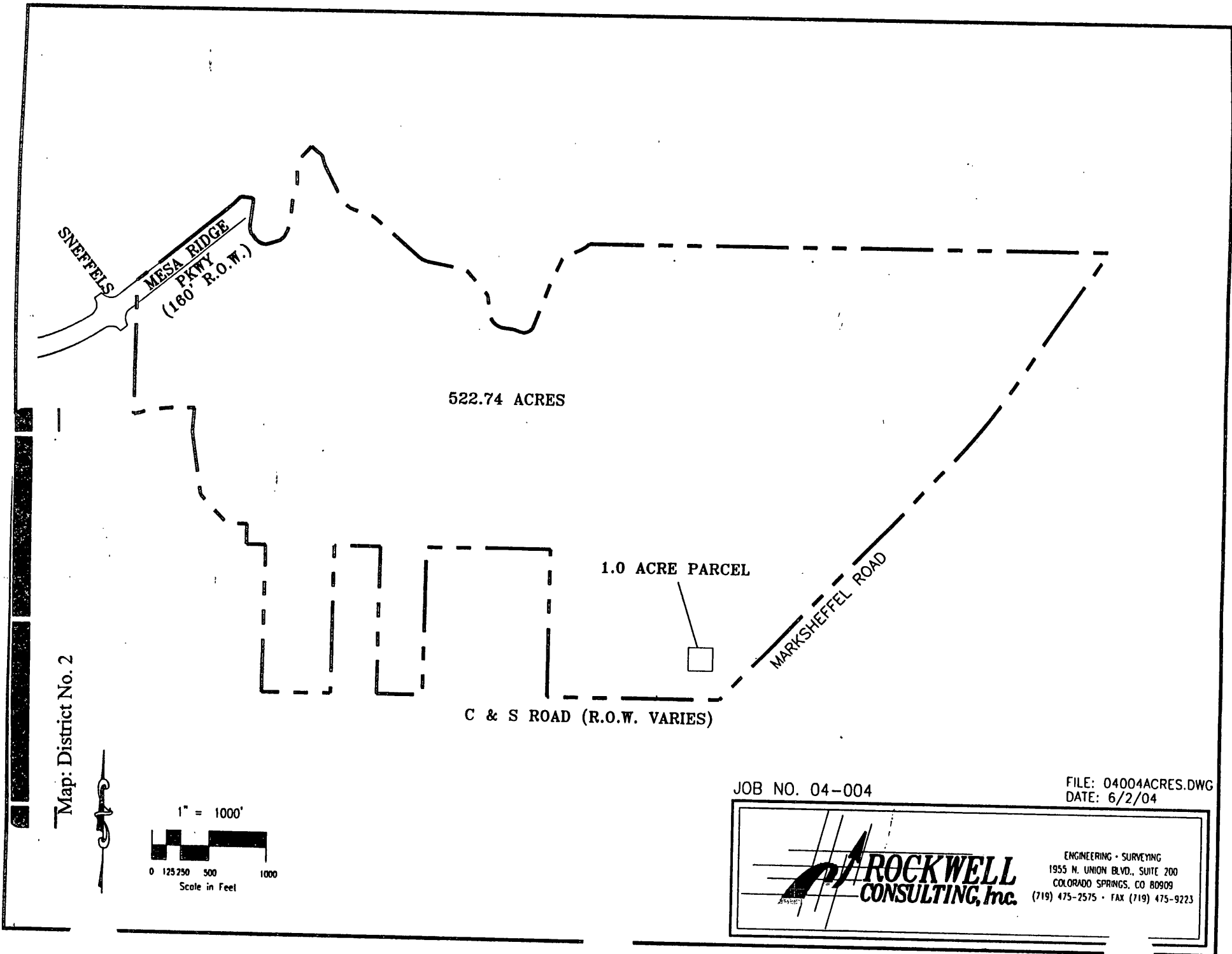


Ref: G:\04004\1AcTrtLegal.dcc
FILE: 04004jk.dwg
DATE: 4/30/04

JOB NO. 04-004

ROCKWELL
CONSULTING, Inc.

ENGINEERING - SURVEYING
1955 N. UNION BLVD., SUITE 200
COLORADO SPRINGS, CO 80909
(719) 475-2575 - FAX (719) 475-3223



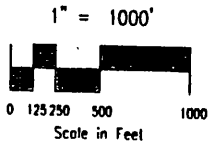
522.74 ACRES

1.0 ACRE PARCEL

C & S ROAD (R.O.W. VARIES)

MARKSHEFFEL ROAD

Map: District No. 2



1" = 1000'

JOB NO. 04-004

FILE: 04004ACRES.DWG
DATE: 6/2/04



**ROCKWELL
CONSULTING, Inc.**

ENGINEERING - SURVEYING
1955 N. UNION BLVD., SUITE 200
COLORADO SPRINGS, CO 80909
(719) 475-2575 • FAX (719) 475-9223

LEGAL DESCRIPTION One Acre Tract:

That portion of the Southeast Quarter of Section 28, Township 15 South, Range 65 West of the 6th P.M., El Paso County, Colorado, more particularly described as follows:

Commencing at the South Quarter corner of said Section 28; thence N 00°18'33"E (all bearings used in this description are relative to the West line of the Southwest quarter of said Section 28, as monumented by a 3" dia. Alum. surveyor's cap marked PLS 17654, at the Southwest corner of said Section 28 and a 3" dia. Alum. surveyor's cap marked PLS 14611 at the west Quarter corner of said Section 28, and was assumed to be N 00°28'06"E) on the East line of the Southwest quarter the Southeast Quarter of said Section 28, 30.00 feet to a point on the northerly right-of-way line of C & S Road; thence N 89°44'27"E on said northerly right-of-way line, 1490.44 feet to a point of intersection with the northwesterly right-of-way line of Marksheffel Road; thence N14°23'17"W, 257.80 feet to the point of beginning of the tract to be described herein; thence S89°44'27"W, 250.00 feet north of, as measured at right angles, and parallel with the aforementioned northerly right-of-way line of C & S Road, 208.72 feet; thence N00°15'33"W, 208.71 feet; thence N89°44'27"E, parallel with the aforementioned northerly right-of-way line of C & S Road, 208.72 feet; thence S00°15'33"E, 208.71 feet to the point of beginning; said described tract contains 1.00 acre, more or less.

Resolution No. 04-421

BOARD OF COUNTY COMMISSIONERS
COUNTY OF EL PASO, STATE OF COLORADO

Commissioner Howells moved adoption of the following Resolution:

WHEREAS, Peter M. Susemihl did file an application with the Planning Department of El Paso County, Colorado, pursuant to §32-1-204(2), C.R.S., for the review of the Combined Service Plans for the Mesa Ridge Metropolitan District No. 1 ("District No. 1) and Mesa Ridge Metropolitan District No. 2 ("District No. 2"); and

WHEREAS, a public hearing was held by the El Paso County Planning Commission on August 17, 2004, upon which date the Planning Commission did by formal resolution recommend approval of the subject Combined Service Plans; and

WHEREAS, a public hearing was held by this Board on Thursday, September 30, 2004; and

WHEREAS, based on the evidence, testimony, exhibits, study of the master plan for the unincorporated area of the County, study of the proposed service plan, recommendations of the El Paso County Planning Commission, comments of the El Paso County Planning Department, comments of public officials and agencies, and comments from all interested parties, this Board finds as follows:

1. That proper publication and public notice were provided as required by law for the hearings before the Planning Commission and the Board of County Commissioners of El Paso County.
2. That the hearings before the Planning Commission and the Board of County Commissioners of El Paso County were extensive and complete, that all pertinent facts, matters and issues were submitted and that all interested parties were heard at those hearings.
3. There is sufficient existing and projected need for organized service in the area to be served by the proposed Special District.
4. Existing service in the area to be served by the proposed Special District is inadequate for present and projected needs.
5. The proposed Special District is capable of providing economical and sufficient service to the area within the proposed boundaries.
6. The area to be included in the proposed Special District has or will have the financial ability to discharge the proposed indebtedness on a reasonable basis.

ROBERT C. "BOB" BALINK El Paso County, CO

09/30/2004 12:13:27

Doc \$0.00 Page

Rec \$0.00 1 of 8



204165044

Office of County Clerk and Recorder
El Paso County, State of Colorado
Certified to be a full, true and Correct
Copy of record in my Office.

204165044 Book Page

Date 09/30/04

Robert C. Balink

County Clerk & Recorder
El Paso County, Colorado

By Michelle Lane Deputy



7. Adequate service is not or will not be available to the area through the County, other existing municipal or quasi-municipal corporations, including existing Special Districts, within a reasonable time and on a comparable basis.
8. The facility and service standards of the proposed Special District are compatible with the facility and service standards of each county within which the proposed Special District is to be located and each municipality which is an interested party.
9. The proposal is in substantial compliance with a Master Plan adopted pursuant to C.R.S. §30-28-106.
10. The proposal is in compliance with any duly adopted county, regional or state long-range water quality management plan for the area.
11. The creation of the proposed Special Districts will be in the best interests of the area proposed to be served.

NOW, THEREFORE, BE IT RESOLVED the Board of County Commissioners of El Paso County, Colorado, hereby approves the Service Plans submitted by Peter M. Susemihl for the Mesa Ridge Metropolitan District No. 1 and Mesa Ridge Metropolitan District No. 2, Title 32 Metropolitan Districts, for property more particularly described in the attached Exhibits for each District which are attached hereto and incorporated by reference.

AND BE IT FURTHER RESOLVED that the following conditions shall be placed upon this approval:

1. The combined general obligation debt service mill levy on any property in these districts shall not exceed fifty (50) mills with adjustments allowed for the effects of the Gallagher Amendment. This limit is irrespective of the assessed valuation of the districts but may be reviewed by subsequent action by the Board of County Commissioners if the ratio of assessed valuation to outstanding general obligation debt rises above the thresholds established by State Statute at the time of the request.

Formation of the Council shall not occur until there are at least fifty (50) dwelling units constructed within the Districts. The Mesa Ridge Metropolitan District No. 1 shall be responsible for supporting the function of the Council. Creation and continuance of the Council shall be at the sole discretion of the County Commissioners, and Council may be disbanded if there is insufficient interest on the part of area residents.

If the City of Fountain becomes the approving authority pursuant to the Service Plan, Fountain would assume the authority of the County pursuant to this Condition No. 6.

7. After legal formation and prior to final platting of any properties within any of the proposed Districts, the applicants shall prepare a notice acceptable to Development Services Department staff informing all purchasers of property within the Districts of the non-traditional nature of this District arrangement and the consequent limitations on future representative participation. Such notice shall be recorded in the public record against all properties to be included in any of these districts.
8. In the event these Districts may be used to finance Local Public Improvements which are tied to the subdivision process, any Service Plans and/or subdivision agreements shall be structured in order to prevent a loss of use tax revenue to the County or other local government entities.

AND BE IT FURTHER RESOLVED that the following notations shall be placed upon this approval:

1. In the event revenues or reserves are insufficient to meet scheduled bond payments, unpaid interest may be carried forward as a subsequent year obligation. This may have the effect of extending the schedule of required bond payments.
2. The applicants are put on notice that the creation of parcels for the purpose of qualifying electors for Districts 1 and 2 does not create a separate interest in the land pursuant to subdivision under CR5. 30-28-101 *et. seq.*
3. Approval of this Service Plan should in no way be construed to imply an obligation to approval any particular land use plan for the subject property.

DONE THIS 30th day of September, 2004, at Colorado Springs, Colorado.

BOARD OF COUNTY COMMISSIONERS
EL PASO COUNTY, COLORADO

By: *Alfred B...*
Chairman

ATTEST:

[Signature]
Deputy County Clerk

Commissioner Williams seconded the adoption of the foregoing Resolution. The roll having been called, all five Commissioners present voted "aye," and the Resolution was unanimously adopted by the Board of County Commissioners of the County of El Paso, State of Colorado.

LEGAL DESCRIPTION One Acre Tract:

That portion of the Southeast Quarter of Section 28, Township 15 South, Range 65 West of the 6th P.M., El Paso County, Colorado, more particularly described as follows:

Commencing at the South Quarter corner of said Section 28; thence N 00°18'33"E (all bearings used in this description are relative to the West line of the Southwest quarter of said Section 28, as monumented by a 3" dia. Alum. surveyor's cap marked PLS 17654, at the Southwest corner of said Section 28 and a 3" dia. Alum. surveyor's cap marked PLS 14611 at the west Quarter corner of said Section 28, and was assumed to be N 00°28'06"E) on the East line of the Southwest quarter the Southeast Quarter of said Section 28, 30.00 feet to a point on the northerly right-of-way line of C & S Road; thence N 89°44'27"E on said northerly right-of-way line, 1490.44 feet to a point of intersection with the northwesterly right-of-way line of Marksheffel Road; thence N14°23'17"W, 257.80 feet to the point of beginning of the tract to be described herein; thence S89°44'27"W, 250.00 feet north of, as measured at right angles, and parallel with the aforementioned northerly right-of-way line of C & S Road, 208.72 feet; thence N00°15'33"W, 208.71 feet; thence N89°44'27"E, parallel with the aforementioned northerly right-of-way line of C & S Road, 208.72 feet; thence S00°15'33"E, 208.71 feet to the point of beginning; said described tract contains 1.00 acre, more or less.

LEGAL DESCRIPTION:

That portion of Sections 27, 28, and 29, Township 15 South, Range 65 West of the 6th P.M., and of Tracts 1 and 2, in SUBDIVISION NO. 1 OF THE FOUNTAIN SUBURBAN HOMES CORPORATION, El Paso County, Colorado, according to the plat thereof as recorded in Plat Book L at Page 44, El Paso County, Colorado, more particularly described as follows:

Commencing at the Southeast corner of said Section 29; thence N00°28'06"E (all bearings used in this description are relative to the East line of the Southeast quarter of said Section 29, which was assumed to be N00°28'06"E) on the East line of the Southeast quarter of said section, 1320.15 feet to a point on the North line of the South half of the Southwest quarter of said Section 28 and the POINT OF BEGINNING; thence continue N00°28'06"E on said East line, 180.02 feet; thence N89°31'54"W, 177.27 feet; thence N44°06'10"W, 338.98 feet; thence N09°07'50"W, 546.02 feet; thence N04°31'14"E, 206.93 feet; thence on the arc of a curve to the left whose chord bears S83°19'07"W, having a central angle of 21°04'17", a radius of 1460.00 feet and an arc length of 536.93 feet, more or less, to a point on the easterly line of the City of Fountain, El Paso County, Colorado as shown on the Annexation Plat of North Fountain Addition No. 15 as recorded in Plat Book D-4 at Page 62 of the records of said El Paso County, Colorado; thence N00°22'20"E, on said easterly line of the aforementioned Annexation Plat of North Fountain Addition, 1154.97 feet, more or less, to a point on the northwesterly right-of-way line of Mesa Ridge Parkway, as recorded in Book 6788 at Page 538 of the records of said El Paso County Colorado; the following two (2) courses are on the aforementioned northwesterly right-of-way line of Mesa Ridge Parkway; (1) thence N50°45'14"E, 999.09 feet; (2) thence on a curve to the left whose chord bears N46°35'57"E, having a central angle of 8°18'34", a radius of 1096.98 feet and an arc length of 159.09 feet to a point on the southerly boundary of the Main Canal of the Fountain Mutual Irrigation Company as described in Book 5506 at Page 1290 of said records; thence easterly on said southerly line for the following five (5) courses: (1) thence S84°13'08"E, 92.09 feet; (2) thence on the arc of a curve to the right having a central angle of 90°54'00", a radius of 23.00 feet and an arc length of 36.49 feet; (3) thence S06°40'52"W, 209.80 feet; (4) thence on the arc of a curve to the left having a central angle of 32°12'44", a radius of 152.00 feet and an arc length of 85.46 feet; (5) thence N64°28'08"E, 10.00 feet to a point on the southerly line of said Main Canal as described in said Book 5992 at Page 1279; thence easterly on said southerly line for the following forty-three (43) courses: (1) thence on the arc of a curve to the left whose chord bears S26°15'44"E, having a central angle of 01°27'44", a radius of 142.00 feet and an arc length of 3.62 feet; (2) thence S26°59'36"E, 16.67 feet; (3) thence on the arc of a curve to the left having a central angle of 31°18'30", a radius of 108.00 feet and an arc length of 59.01 feet; (4) thence S58°18'06"E, 16.12 feet; (5) thence on the arc of a curve to the left having a central angle of 49°09'42", a radius of 100.00 feet and an arc length of 85.80 feet; (6) thence N72°32'12"E, 75.82 feet; (7) thence on the arc of a curve to the left having a central angle of 49°24'15", a radius of 119.00 feet and an arc length of 102.61 feet; (8) thence N23°07'57"E, 36.72 feet; (9) thence on the arc of a curve to the left having a central angle of 16°41'49", a radius of 217.00 feet and an arc length of 63.24 feet; (10) thence N06°26'08"E, 203.01 feet; (11) thence N14°22'23"E, 139.91 feet; (12) thence N01°10'48"W, 93.63 feet; (13) thence on the arc of a curve to the right having a central angle of 17°42'33", a radius of 136.00 feet and an arc length of 42.04 feet; (14) thence N16°31'45"E, 102.28 feet; (15) thence on the arc of a curve to the right having a central angle of 25°16'31", a radius of 10.00 feet and an arc length of 4.41 feet; (16) thence N41°48'16"E, 123.05 feet; (17) thence S51°05'39"E, 110.92 feet; (18) thence on the arc of a curve to the right having a central angle of 36°52'30", a radius of 44.00 feet and an arc length of 28.32 feet; (19) thence S14°13'09"E, 45.30 feet; (20) thence on the arc of a curve to the left having a central angle of 13°34'00", a radius of 172.00 feet and an arc length of 40.73 feet; (21) thence S27°47'09"E, 319.85 feet; (22) thence S41°09'52"E, 48.94 feet; (23) thence on the arc of a curve to the left having a central angle of 28°52'45", a radius of 153.00 feet and an arc length of 77.12 feet; (24) thence S 70°02'37"E, 94.36 feet; (25) thence S 74°54'11"E, 80.06 feet; (26) thence on the arc of a curve to the right having a central angle of 25°13'15", a radius of 51.00 feet and an arc length of 22.45 feet; (27) thence S49°40'56"E, 523.46 feet; (28) thence on the arc of a curve to the left having a central angle of 29°38'12", a radius of 175.00 feet and an arc

2. These two (2) districts shall be prohibited from issuing any debt, certifying a mill levy, exercising any condemnation authority or constructing any capital improvements until such time as a Sketch Plan generally comparable with the assumptions contained in the Service Plan is approved by the Board of County Commissioners or the property is annexed into the City of Fountain and that entity authorizes these activities.
3. In the event a Sketch Plan generally conforming to the financial assumptions of the Service Plan is not approved by the Board of County Commissioners on or before June 30, 2005 or the property is not annexed by the City of Fountain, the applicants agree to either dissolve these districts or consent to schedule this Service Plan or an amendment thereof for further consideration by the Board of County Commissioners on or before December 31, 2005.
4. Any future annexation of territory by either of these two (2) districts which encompasses any territory more than five (5) miles from any of the currently proposed District boundary lines shall be considered a material modification of the Service Plans and shall require prior Board of County Commissioners' approval if the Board of County Commissioners is the approval authority at the time.
5. These Districts shall not have the authority to apply for or utilize any Conservation Trust (Lottery") funds without the express prior consent of both the Board of County Commissioners and the Widefield School District. The Districts shall have the authority to apply for and use any other grant funds including, but not limited to, Great Outdoors Colorado (GOCO) discretionary grants.
6. The Districts shall agree to formation of a Board of County Commissioners-approved Citizens' Advisory Council to be comprised of five (5) property owners within the service area of the Mesa Ridge Metropolitan District No. 2. Council membership shall be open to otherwise qualifying directors of Metropolitan Districts No. 2. Meetings will be held at times and locations convenient to the property owners. The elected Chair of the Council will be given an *ex officio* seat on the Board of Directors of District No. 1 during their tenure as Chair.

length of 90.52 feet; (29) thence $S79^{\circ}19'08''E$, 312.08 feet; (30) thence on the arc of a curve to the right having a central angle of $37^{\circ}39'42''$, a radius of 58.00 feet and an arc length of 38.12 feet; (31) thence $S41^{\circ}39'26''E$, 256.99 feet; (32) thence on the arc of a curve to the right having a central angle of $34^{\circ}30'25''$, a radius of 55.00 feet and an arc length of 33.12 feet; (33) thence $S07^{\circ}09'01''E$, 147.36 feet; (34) thence on the arc of a curve to the left having a central angle of $77^{\circ}34'32''$, a radius of 142.00 feet and an arc length of 192.26 feet; (35) thence $S84^{\circ}43'33''E$, 42.45 feet; (36) thence on the arc of a curve to the right having a central angle of $14^{\circ}06'03''$, a radius of 233.00 feet and an arc length of 57.34 feet; (37) thence $S70^{\circ}37'30''E$, 42.79 feet; (38) thence on the arc of a curve to the left having a central angle of $89^{\circ}02'05''$, a radius of 91.00 feet and an arc length of 141.41 feet; (39) thence $N20^{\circ}20'25''E$, 404.62 feet; (40) thence $N24^{\circ}23'23''E$, 214.77 feet; (41) thence on the arc of a curve to the right having a central angle of $40^{\circ}00'00''$, a radius of 75.00 feet and an arc length of 52.36 feet; (42) thence $N64^{\circ}23'23''E$, 154.90 feet; (43) thence on the arc of a curve to the left having a central angle of $17^{\circ}58'41''$, a radius of 250.00 feet and an arc length of 78.44 feet to a point on the North line of the South half of the Northeast quarter of said Section 28; thence $N89^{\circ}44'40''E$ on said North line, 2366.24 feet to a point on the North line of the South half of the Northwest quarter of said Section 27; thence $N89^{\circ}55'36''E$ on said North line, 2118.62 feet to a point on the northwesterly right-of-way line of Marksheffel Road; thence southwesterly on said northwesterly right-of-way line for the following three (3) courses: (1) thence $S33^{\circ}56'45''W$, 1429.37 feet; (2) thence on the arc of a curve to the right having a central angle of $09^{\circ}16'28''$, a radius of 5699.98 feet and an arc length of 922.65 feet; (3) thence $S43^{\circ}13'13''W$, 2787.86 feet to a point on the northerly right-of-way line of C & S Road; thence $S89^{\circ}44'27''W$ on said northerly right-of-way line, 1490.44 feet; thence $N00^{\circ}18'33''E$, 1290.05 feet to the northeast corner of Tract 1 of Subdivision No. 1 of The Fountain Suburban Homes Corporation as recorded in Plat Book L at Page 44 of said records, said point also being on the North line of the South half of the Southwest quarter of said Section 28; thence $S89^{\circ}44'31''W$ on said North line, 1075.05 feet to a point on a line being 1565.00 feet East of and parallel with the West line of said Section 28; thence $S00^{\circ}28'06''W$ on said parallel line, 1290.11 feet to a point on the northerly right-of-way line of said C & S Road; thence $S89^{\circ}44'27''W$ on said northerly right-of-way line, 400.00 feet to a point on a line being 1165.00 feet easterly of and parallel with the West line of said Section 28; thence $N00^{\circ}28'06''E$ on said parallel line, 1290.12 feet to a point on the North line of the South half of the Southwest quarter of said Section 28; thence $S89^{\circ}44'31''W$ on said North line, 400.00 feet to a point on the West line of the easterly 200.00 feet of the westerly 965.00 feet of Tract 2 in Subdivision No. 1 of the Fountain Suburban Homes Corporation; thence $S00^{\circ}28'06''W$ on said West line, 1290.13 feet to a point on the northerly right-of-way line of said C & S Road; thence $S89^{\circ}44'27''W$ on said northerly right-of-way line, 600.00 feet to a point on the East line of the westerly 165.00 feet of said Tract 2; thence $N00^{\circ}28'06''E$ on said East line, 1290.14 feet to a point on the North line of the South half of the Southwest quarter of said Section 28; thence $S89^{\circ}44'31''W$ on said North line, 165.00 feet to the Point of Beginning; EXCEPTING therefrom that portion thereof included within said Mesa Ridge Parkway; said described tract contains 522.74 acres, more or less which includes Mesa Ridge Parkway.