

COPY

AMENDED CONSOLIDATED SERVICE PLAN
FOR
CRYSTAL VALLEY METROPOLITAN DISTRICT NO. 1
and
CRYSTAL VALLEY METROPOLITAN DISTRICT NO. 2

Revised November 21, 2001

Castle Rock, Colorado

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I. INTRODUCTION

A. General Overview

1. Consolidated Plan. This is an amended and consolidated service plan for Crystal Valley Metropolitan Districts Nos. 1 and 2 (referred to herein as the "Districts" or "District"), submitted pursuant to Chapter 11 of the Town of Castle Rock Municipal Code and Title 32 of the Colorado Revised Statutes. The general boundaries of the Districts are Lake Gulch Road to the East, Douglas Lane and Plum Creek Boulevard to the West, Douglas County agricultural land to the South and the Plum Creek P.U.D. to the North. The Districts were originally organized pursuant to two service plans (the "Original Service Plans") approved by the Town Council of the Town of Castle Rock (the "Town") in August of 1986. It was originally anticipated that development of the area comprising the Districts would proceed in phases roughly coinciding with the boundaries of each respective District. However, shortly after organization of the Districts, the owner of the property determined to postpone development. Development in the Districts has been inactive since that time. Neither one of the Districts has constructed any facilities.

This Service Plan (hereinafter defined as the "Amended Service Plan") for the Districts amends and replaces the Original Service Plans, and is submitted pursuant to the requirements of Sections 11.02.080 and 11.02.150 of the Castle Rock Municipal Code, to more accurately describe the nature of the functions and activities the Districts currently expect to undertake.

Submitted herewith is a "Petition for Amendment of Service Plan for Crystal Valley Metropolitan District No. 1 and Crystal Valley Metropolitan District No. 2" in the general form required by Section 11.02.080 of the Castle Rock Municipal Code. The Districts have included within this Amended Service Plan the information required in Section 11.02.080 as well as the information described in Section 11.02.150.

The land within the Districts currently contains no residential units. The service area of the Districts will include approximately 1,455 acres. At build-out, it is anticipated that the Districts will contain a mix of approximately 2,233 single family detached units, 1,242 townhomes, condos and apartment units, open space, entry ornamentation, landscaping, a golf course and park amenities. The population of the Crystal Valley area, with a density of 3.2 people per unit, is 11,120 persons. The build-out projections are shown in Exhibit G. Implementation of the concepts set forth in this Amended Service Plan will require considerable financial involvement by the developers of the Crystal Valley area. Significant development risk will be borne by the developers of the Crystal Valley community until enough assessed valuation has been produced to enable the Districts to become self-sufficient. This Amended Service Plan demonstrates the Districts, with the developers' assistance, will be financially viable and able to provide the services and facilities described herein on an economic basis.

Improvements to be furnished by the Districts, and a demonstration of how the Districts will best provide the necessary public improvements in a cost effective manner from available resources and by coordination with the Town, are also described herein.

2. Improvement Costs. Approximately \$40,000,000 of public improvements will be

constructed to provide the required water, wastewater, streets and other improvements needed for the area. This Amended Service Plan addresses the improvements which will be provided by the Districts and demonstrates how the two Districts will work together to provide the necessary public improvements. All "Exhibits" referred to herein are attached to the end of this Amended Service Plan. The balance of this Amended Service Plan addresses the statutory requirements for approval of this document.

3. Financing Plan. The "Financing Plan" discussed in Section V refers to a consolidated financial plan for the Districts. Various agreements will be executed by the Districts clarifying the nature of the functions and services to be provided by each District. The agreements will be designed to help assure the orderly development of essential services and facilities in the Districts resulting in a community that will be both an aesthetic and economic asset to the Town. The financial structure of the Districts has been modified in this Amended Service Plan to address and avoid the financial difficulties that have occurred with respect to other special districts within the Town. The Financing Plan places the risk of development on the developer until such time as the Districts have the financial ability to discharge their indebtedness on a reasonable basis without burdening future residents with high mill levies. So long as the Districts certify the agreed upon mill levy, and otherwise comply with the terms for issuance of bonds set forth in bond documents, the bondholders will not be able to seek additional payment from the Districts.

Allocation of the responsibility for paying debt for capital improvements will be managed through development of a unified financing plan for those improvements. Low-density areas will not bear a disproportionate burden of debt and operating costs, nor will high valued areas bear disproportionate burdens. Intergovernmental agreements between the Districts will assure that mill levies remain reasonably uniform throughout the Districts. Due to the credit enhancement and other support expected to be received from the developers, the Financing Plan demonstrates that the cost of infrastructure described herein can be provided with reasonable mill levies.

4. Multiple Districts. As presently planned, development within the Districts will proceed in several phases, each of which will require the extension of public services and facilities. The multiple district structure will assure that the construction and operation of each phase of public facilities will be primarily administered by a single board of directors consistent with a long-term construction and operations program. Use of the Districts will facilitate a well-planned financing effort through all phases of construction and will assist in assuring coordinated extension of services to all areas within the Districts. The multiple district structure allows the Districts to coordinate the timing and issuance of bonds in such a way as to assure that required improvements are constructed at the time and in the manner necessary. The combination of appropriate management and control of the timing of financing, and the ability of the Districts to obtain attractive interest rates will benefit residents and property owners. Consequently, the multiple district structure is less risky and will allow bonds to be issued to finance public improvements at lower rates than if a single special district is organized.

The multiple district structure will also help assure that facilities and services needed for future build-out of the area will be provided when they are needed, and not sooner. Absent an appropriate mechanism to assure timely completion of future improvements, the developers might be influenced to cause improvements to be completed well before they are needed to assure that

they can be provided with tax exempt financing. Appropriate development agreements between the Districts and the developers will allow the postponement of financing for improvements which are not needed until well into the future thereby helping residents avoid the long-term carrying costs associated with financing improvements too early. This, in turn, allows the full costs of public improvements to be allocated over the full build-out of the Crystal Valley area and helps avoid disproportionate cost burdens on the early phases of development.

5. Development Area. In order to implement the dual district structure, the boundaries of the Districts are carefully configured. The property within the Districts is currently undeveloped. A map showing the boundaries of the Districts is provided in Exhibit A. Legal descriptions of the property within the boundaries of the Districts are attached to the end of this Amended Service Plan as Exhibit B. The development plan approved by the Town for Crystal Valley is attached as Exhibit C.

6. Long-Term District Plan. After all bonds have been issued by the Districts and adequate provision has been made for payment of all debt, the electorate of the Districts will have the opportunity to consider the dissolution of the Districts in accordance with state law. The Districts will consider dissolution at the time each District's debt has been paid and adequate provision has been made for operation of all facilities. Ultimately, control of this decision will rest with the electorate in each District.

7. Existing Services and Districts. There are currently no other entities in existence in the area, which have the ability and/or desire to undertake the design, financing and construction of improvements needed for the community. It is also the Districts' understanding that the Town does not consider it feasible or practicable for the Town to provide the necessary services and facilities to Crystal Valley. Consequently, the powers and authorities requested under this Amended Service Plan are deemed necessary for the provision of adequate public improvements within the Districts' boundaries.

8. Existing Financial Information. The 2000 estimated certified assessed valuation of all taxable property within the boundaries of the Districts is approximately \$108,000. The anticipated cost of improvements necessary to provide essential services within the Districts currently and in the future are substantial and are estimated in Exhibit E. The financial forecasts for the Districts are contained in Exhibit G to this Amended Service Plan. The "Financing Plan" demonstrates one method which might be used by the Districts to finance the cost of infrastructure.

9. Contents of Amended Service Plan. This Amended Service Plan consists of a financial analysis and preliminary engineering plan showing how the facilities and services for Crystal Valley can be provided and financed by the Districts. Numerous items are included in this Amended Service Plan in order to satisfy the requirements of law for formation of special districts. Those items are listed in Exhibit D attached hereto. Exhibit H contains the requirements of Section 11.02.150 of the Castle Rock Municipal Code that are not otherwise contained herein. Each of the requirements of law are satisfied by this Amended Service Plan.

The assumptions contained within this Amended Service Plan were derived from a variety of sources. Information regarding the present status of property within the Districts, as well as the

current status and projected future level of similar services was obtained from the developer. Construction cost estimates were assembled by Rocky Mountain Consultants, Inc., which has experience in the costing and construction of similar facilities. Legal advice in the preparation of this Amended Service Plan was provided by White and Associates Professional Corporation, the Districts' general counsel, who represents numerous special districts. Financial recommendations and advice in the preparation of the Amended Service Plan were provided by Wells Fargo.

10. Modification of Amended Service Plan. This Amended Service Plan has been designed with sufficient flexibility to enable the Districts to provide required services and facilities for Crystal Valley under evolving circumstances without the need for numerous amendments. While the assumptions upon which this Amended Service Plan are generally based are reflective of current zoning for the property within the Town, the cost estimates and Financing Plan are sufficiently flexible to enable the Districts to provide necessary services and facilities under evolving circumstances without the need to amend this Amended Service Plan. Modification of the general types of services and facilities, and changes in proposed configurations, locations, or dimensions of various facilities and improvements shall be permitted to accommodate development needs consistent with then-current zoning for the property and the development plan in Exhibit C.

11. Inclusions and Exclusions to Districts. Inclusions or exclusions of property within the Districts will be determined by the Board of Directors of each District at the time of consideration. Consistent with the terms of an Intergovernmental Agreement with the Town in the form prescribed by the Town. The Boards of Directors will have discretion to permit inclusions and exclusions within the boundaries of the Crystal Valley Ranch PD without seeking approval from the Town. The Boards of Directors will also have discretion to include property outside the district, the total of which shall not exceed 10% of the total area within the district in any year.

II. NEED FOR DISTRICTS AND BROADENED GENERAL POWERS

A. Need for the Districts

There are currently no other entities in existence in the Crystal Valley area, which have the ability and/or desire to undertake the design, financing and construction of improvements needed for the community. It is also the Districts' understanding that the Town does not consider it feasible for the Town to provide the necessary services and facilities. Consequently, the Districts need to be used for the provision of public improvements in Crystal Valley. Operations and maintenance of water, sewer, and street improvements will be the responsibility of the Town after water and sewer improvements are conveyed to the Town by the Districts. The timing for conveyance of improvements to the Town and for operation of other improvements will be set forth in an agreement between the Districts and the Town.

At present there are no viable alternatives to the Districts if the amendment of this Service Plan is not approved.

B. General Powers of Each District

Both Districts will have power and authority to provide the services and facilities described in this Section both within and outside its boundaries in accordance with law. All facilities and improvements will be designed, constructed and maintained in accordance with the standards of Colorado law, the Town, and any other jurisdiction, as applicable. The Districts' powers and functions shall be limited to construction and financing of the improvements described below, and any other services that may be provided by a metropolitan district within and without the District's boundaries as will be determined by the District's Board of Directors to be in the best interest of the District. However, upon mutual agreement with Town, the Districts may retain ownership in facilities and/or retain responsibilities for operations and maintenance.

1. Water. The design, acquisition, installation, construction, operation, and maintenance of a complete water and irrigation water system, including but not limited to, water rights, water supply, treatment, storage, transmission and distribution systems for domestic and other public or private purposes, together with all necessary and proper reservoirs, treatment works and facilities, wells, water rights, equipment and appurtenances incident thereto which may include, but shall not be limited to, transmission lines, distribution mains and laterals, storage facilities, land and easements, together with extensions of and improvements to said systems.

2. Sanitation. The design, acquisition, installation, construction, operation and maintenance of storm or sanitary sewers, or both, flood and surface drainage, treatment and disposal works and facilities, and all necessary or proper equipment and appurtenances incident thereto, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems.

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

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

5. Television Relay and Translator. The acquisition, construction, completion, installation and/or operation and maintenance of television relay and translator facilities, including but not limited to fiber optic cable, cable television, other expanding or evolving comparable

technologies and other communication facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities.

6. Parks and Recreation. The design, acquisition, installation, construction, operation and maintenance of public park and recreation facilities or programs including, but not limited to, swimming pools and spas, tennis courts, golf courses, exercise facilities, bike paths, hiking trails, snowshoe trails, pedestrian trails, pedestrian bridges, pedestrian malls, public fountains and sculpture, art, and botanical gardens, equestrian trails and centers, picnic areas, skating areas and facilities, common area landscaping and weed control, outdoor lighting of all types, community events, and other facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems.

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

8. Transportation. The design, acquisition, installation, construction, operation and maintenance of public transportation system improvements, including transportation equipment, park and ride facilities and parking lots, parking structures, roofs, covers, and facilities, including structures for repair, operations and maintenance of such facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems.

9. Fire Protection & Emergency Medical Services. The design, construction, completion, and installation of facilities and/or services for protection against fire, including, but not limited to; fire stations, fire protection and fire fighting equipment, and such ambulance, medical, and rescue units as are deemed necessary for proper firefighting and suppression services, as well as all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said system.

10. Legal Powers. The powers of the Districts will be exercised by their boards of directors to the extent necessary to provide the services contemplated in this Amended Service Plan. The foregoing improvements and services, along with all other activities permitted by law, will be undertaken in accordance with, and pursuant to, the procedures and conditions contained in the Special District Act, the Castle Rock Municipal Code, other applicable statutes, and this Amended Service Plan, as any or all of the same may be amended from time to time.

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

a. To amend this Amended Service Plan as needed, subject to the appropriate statutory procedures and the Castle Rock Municipal Code. Each District shall have the right to amend this Amended Service Plan independent of participation of the other District provided that neither District shall be permitted to amend those portions of this Amended Service Plan which effect, impair, or impinge upon the rights or powers of the other District

without such District's consent; and

b. To forego, reschedule, or restructure the financing and construction of certain improvements and facilities, in order to better accommodate the pace of growth; and

c. To provide all such additional services and exercise all such powers as are expressly or impliedly granted by Colorado law, and which the Districts are required to provide or exercise or, in their discretion, choose to provide or exercise; and

d. To exercise all necessary and implied powers under Title 32, C.R.S. in the reasonable discretion of the boards of directors of the Districts.

III. DESCRIPTION OF FACILITIES AND IMPROVEMENTS

The Districts will provide the facilities and improvements contemplated in the development plan attached hereto as Exhibit F, together with such other facilities and improvements as are determined to be necessary from time to time subject to the limits of Section II above. Improvements not specifically described herein shall be permitted as long as they are generally contemplated in Section II hereof, and subject to the Districts' financial ability to provide such improvements. Should the types of improvements change from what is stated in Section II of this Amended Service Plan, it shall be considered to be a material modification of this Amended Service Plan.

The Districts shall ensure that any proposed improvements set forth in this Section III will be designed and constructed in accordance with the standards and specifications set forth by the Town. It is anticipated that the design and construction of all improvements within the Districts will be conducted by the Districts.

IV. PROPOSED AND EXISTING INTERGOVERNMENTAL AGREEMENTS

A. General

The Districts may enter into intergovernmental and private agreements to better ensure long-term provision of the improvements and services authorized by this Amended Service Plan, and effective management. Agreements may be also be executed with property owner associations and other service providers. All such agreements are authorized to be provided by each, pursuant to Colorado Constitution, Article XIV, Section 18(2)(a) and Section 29-1-201, et seq., Colorado Revised Statutes.

B. Town IGA

It is expected that the Town and the Districts will enter into an intergovernmental agreement, in a form prescribed by the Town (the "Town IGA") after approval of this Amended Service Plan regarding the nature of the relationship between the Districts and the Town, and

setting forth various procedures and agreements regarding the construction, ownership, operation and maintenance of improvements constructed by the Districts. The Town IGA will also address the allocation of development fees between the Districts and the Town. The Districts are expected to convey operable sections of all facilities to the Town as soon as residential units are connected to water and wastewater facilities. Operating subsidies may be provided to the Town to offset the costs of operations in the early stages of development.

V. FINANCING PLAN

A. General Provisions

The Districts shall comply with Chapter 11.02 of the Castle Rock Municipal Code, including but not limited to the requirements for filing annual reports and obtaining timely service plan amendments when material modifications occur as contemplated in Section 11.02.060 of the "special district oversight ordinance" of the Town.

Attached to this Amended Service Plan as Exhibit G is a consolidated Financing Plan that shows how the proposed services and facilities are expected to be financed by the Districts. The Financing Plan includes the proposed operating revenue derived from *ad valorem* property taxes for the first budget year following approval of this Amended Service Plan. The Districts anticipate borrowing their initial operating funds from private entities until such time as they are able to generate operating revenues.

The Financing Plan identifies the proposed debt issuance schedules for the Districts and shows how the financial operations of the Districts will be coordinated. The Districts are expected to issue both revenue bonds and general obligation debt as described in the Financing Plan. Bondholders will be advised that so long as the Districts are certifying the required mill levy, no other remedy will be available to bondholders to obtain payment for their bonds. This mechanism will help assure (i) that such bonds cannot default as long as the mill levy cap is being certified; (ii) that property owners will pay only the required mill levy; and, (iii) that the developers bear the risk of development until assessed valuation is developed. The Districts shall be entitled to modify the proposed structure of the Financing Plan as contemplated in Section C below. Subject to the limitations in Section B below, the refunding of credit enhanced debt to term bonds as set forth in the Financing Plan shall not require Town approval.

The numerical information contained in this section of this Amended Service Plan is preliminary in nature. All dollars are stated in 2001, uninflated dollars. Upon approval of this Amended Service Plan, the Districts will continue to develop and refine cost estimates contained herein and prepare for bond issues. All cost estimates will be inflated to current dollars at the time of bond issuance and construction. Engineering and other contingencies, as well as capitalized interest and other costs of financing will be added. All construction cost estimates assume construction to applicable local, state or federal requirements.

The maximum general obligation bonded indebtedness for the Districts is not expected to exceed \$45,000,000 for the Districts (in 2001 dollars), exclusive of costs of issuance, organization

costs, inflation, contingencies and other similar costs. Subject to the foregoing general obligation debt limitations, the Districts will have authority to construct all facilities contemplated herein without the need to seek approval of any modification of this Amended Service Plan; provided, however, that the Districts shall not issue any debt or revenue obligations if the Districts are out of compliance with either the Special District Act or the Castle Rock Municipal Code. The Districts will also be permitted to seek debt authorization from their electorates in excess of this amount to account for contingencies. Reasonable modifications of facilities and cost estimates will likewise be permitted. Final determination of the amount of debt for which approval will be sought from each District's electorate from time to time will be made by the board of directors of each District based on then-current estimates of construction costs, issuance costs, and contingencies. Authorization to issue bonds and enter into various agreements described herein has been obtained from each District's electorate pursuant to the terms of the Special District Act, and the Colorado Constitution as amended from time to time.

In addition to *ad valorem* property taxes, and in order to offset the expenses of the anticipated construction costs, the Districts will rely upon various other revenue sources authorized by law. These will include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended. The Financing Plans assume various sources of revenue, including *ad valorem* property taxes, specific ownership taxes, tap fees, and user charges, together with interest earnings on retained amounts.

The estimated costs of the facilities and improvements to be constructed and installed by the Districts, including the costs of acquisition of land, and engineering services, legal services, administrative services, initial proposed indebtedness, and other major expenses related to the facilities and improvements to be constructed and installed, are set forth in Exhibit E of this Amended Service Plan, and are not expected to exceed \$100,000 initially. Reorganization costs will be reimbursed to the developer by the Districts out of their initial revenue sources including bond issue proceeds.

The maximum voted interest rate for bonds will be 18%. The proposed maximum underwriting discount will be 5%. It is estimated that the general obligation bonds, when issued, will mature not more than thirty (30) years from date of issuance.

When the issuance of bonds by the Districts entails pledging fee revenue derived from the payment of fees pursuant to an agreement with the owners of property within the Districts as security for such obligation, the Districts' obligation to the bondholders shall be to fully enforce the terms of said agreement, including the pursuit of foreclosure proceedings on the pledged property; however, the Districts shall not have the right to accelerate the payment of fees and any foreclosure shall be only as to the amounts currently owing under the agreement.

The Financing Plan demonstrates that each District will have the financial capability to discharge the proposed indebtedness in accordance with the terms set forth herein with reasonable mill levies assuming reasonable increases in assessed valuation and assuming the rate of build-out estimated in the Financing Plan. This structure places the risk of development on the developer.

B. Bond Issues

The Districts may authorize, issue, sell and deliver such bonds, notes, contracts, or other obligations evidencing a borrowing (collectively, "Bonds") as are permitted by law, subject to the following limitations:

1. If the Districts promise to impose an *ad valorem* property tax for the payment of the Bonds ("General Obligation Bonds"), the maximum permissible mill levy which the Districts may covenant to impose for the payment of all such General Obligation Bonds (together with the mill levy pledge on any other general obligation bonds of the District) will be limited to 40 mills for 2001 (a mill being equal to 1/10 of 1¢ per annum) provided that, the General Obligation Bonds may also provide that in the event the method of calculating assessed valuation is changed after the date of approval of this Amended Service Plan by any change in law, change in method of calculation, or change in the percentage of actual valuation used to determine assessed valuation, the 40 mill levy limitation herein provided may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Boards in good faith so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such determination.

2. The principal amount of any issue of General Obligation Bonds, together with any other outstanding issue of General Obligation Bonds of the Districts, may not at the time of issuance exceed the greater of \$2 million or 50% of the valuation for assessment of the taxable property in the Districts as certified by the assessor, except that the foregoing shall not apply to any of the following issues:

a. An issue of General Obligation Bonds that is rated in one of its four highest rating categories by one or more nationally recognized organizations which regularly rate such obligations;

b. An issue of General Obligation Bonds secured as to the payment of the principal and interest by an irrevocable and unconditional letter of credit, line of credit, or other credit enhancement issued by a depository institution qualified as defined in Section 11-59-110(1)(e), C.R.S.;

c. An issue of General Obligation Bonds insured as to payment of the principal and interest by a policy of insurance issued by an insurance company qualified as defined in Section 11-59-110(1)(f), C.R.S.;

d. An issue of General Obligation Bonds not involving a public offering made exclusively to "accredited investors" as defined under Regulation D promulgated by the Federal Securities and Exchange Commission;

e. An issue of General Obligation Bonds made pursuant to an order of a court of competent jurisdiction;

f. An issue of General Obligation Bonds issued to the Colorado Water

Resources and Power Development Authority which evidences a loan from said authority to the District; or

g. An issue of General Obligation Bonds which are originally issued in denominations of not less than \$500,000 each, in integral multiples above \$500,000 of not less than \$1,000 each.

C. Modification of Financing Plan

Notwithstanding the foregoing, in the event the Districts determine that their assessed valuation has reached a level sufficient to enable the Districts to discharge their indebtedness with reasonable mill levies, they shall be entitled to seek approval from the Town to issue, refund, and/or otherwise restructure their outstanding indebtedness to eliminate the mill levy cap set forth above. Elimination of the mill levy cap will be allowed so long as the modified financing plan demonstrates that the *ad valorem* property tax revenue received by the Districts in the preceding fiscal year, if collected in at least the same amount in subsequent years, would be sufficient to make all scheduled outstanding and proposed District general obligation bond payments. Approval for such activities shall be evidenced by adoption of a resolution by the Town approving a financing plan to be submitted by the Districts for review by the Town. The process for and the standard of review for such requests shall be as provided in Section 32-1-207, C.R.S., as amended from time to time, and the Castle Rock Municipal Code, as amended from time to time. No such request submitted by the Districts shall be considered a material modification of the Service Plan as such term is used in Colorado law, but shall be in furtherance of the Districts' purposes and authority set forth in this Amended Service Plan as a means by which this Amended Service Plan is implemented by the Districts for the benefit of the residents and property owners of the Districts.

Prior to the submission of any request for approval of a modified financing plan as contemplated herein, the Districts shall undertake reasonable efforts to notify residents and property owners of the Districts of the proposed modification. Publication of a notice in the Douglas County News-Press or similar newspaper generally circulated within the boundaries of the Districts shall constitute sufficient notice provided that said notice is published on two occasions at least one week apart indicating that the Districts will hold a board meeting to consider the modification of its financing plan to eliminate the cap on mill levies for their indebtedness. No other notice shall be required of the Districts or by the Town.

D. Elections; Other Requirements

All elections will be conducted as provided by the Uniform Election Code of 1992 (as substantially amended by House Bill 93-1255), and the TABOR Amendment. The election questions may include TABOR Amendment ballot questions. Thus, the ballot may deal with the following topics (in several questions, but not necessarily using the exact divisions shown here):

1. Approval of new taxes;
2. Approval of maximum operational mill levies;

3. Approval of bond and other indebtedness limits;
4. Approval of an initial property tax revenue limit;
5. Approval of an initial total revenue limit;
6. Approval of an initial fiscal year spending limit; and
7. Approval of a four-year delay in voting on ballot issues.

Ballot issues may be consolidated as approved in Court orders. The Town should be assured that the Districts intend to follow both the letter and the spirit of the Special District Act, the Uniform Election Code, and the TABOR Amendment. Future elections to comply with the TABOR Amendment are anticipated, and may be held as determined by the elected boards of directors of the Districts.

The Districts are additionally subject to the following requirements:

1. Submission of annual reports as described in Section 32-1-207(3), C.R.S., in the form prescribed by the Town and the Castle Rock Municipal Code by September 1st of each year. The report shall reflect activity and financial events through the preceding December 31st, and shall include the information required by Section 11.02.040 of the Castle Rock Municipal Code.
2. At such time as the Districts cease to operate public facilities, have no outstanding debt, and are subject to administrative dissolution pursuant to then applicable Colorado law, such Districts shall be subject to dissolution.
3. Material modifications of this Amended Service Plan, except as contemplated herein, shall be subject to approval by the Town in accordance with the provisions of Section 32-1-207, C.R.S.
4. A written notice of every regular or special meeting of the Districts will be delivered to the Town Clerk at least three days prior to such meeting.

VI. CONCLUSIONS

It is submitted that this Amended Service Plan for the Crystal Valley Metropolitan Districts Nos. 1 and 2 as required by Section 32-1-203(2), C.R.S., has established that:

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

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

D. The area included in the 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 Town, 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 Districts are compatible with the facility and service standards of the Town within which the Districts are to be located and each municipality which is an interested party under Section 32-1-204(1), C.R.S.;

G. The proposal is in substantial compliance with a master plan adopted pursuant to Section 30-28-108, C.R.S.;

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 ongoing existence of the Districts is in the best interests of the area proposed to be served.

Therefore, it is requested that the Board of Trustees of the Town of Castle Rock, Colorado, which has jurisdiction to approve this Amended Service Plan by virtue of Sections 32-1-207, C.R.S., et seq., as amended, adopt a resolution which approves this Amended Consolidated Service Plan for Crystal Valley Metropolitan Districts Nos. 1 and 2 as submitted.

Respectfully submitted,

WHITE AND ASSOCIATES
Professional Corporation

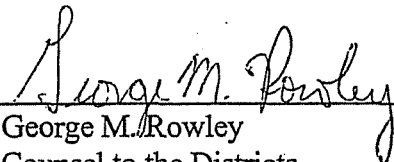
By: 
George M. Rowley
Counsel to the Districts

EXHIBIT A
Map of Districts

EXHIBIT B
Legal Description of Boundaries

Legal Description:

A parcel of land located in Section 25, Township 8 South, Range 67 West of the Sixth Principal Meridian, and the West half of Section 30, Township 8 South, Range 66 West of the Sixth Principal Meridian, Town of Castle Rock, County of Douglas, State of Colorado, being more particularly described as follows:

Commencing at the Northwest Corner of said Section 25 ; thence North 89°08'09" East a distance of 1380.05 feet to the Northwest corner of the Northeast Quarter of the Northwest Quarter of said Section 25 ; said point also being the True Point of Beginning ; thence along the North line of the Northeast Quarter of the Northwest Quarter of said Section 25 North 89°08'09" East a distance of 1380.05 feet to the North Quarter Corner of said Section 25 ; thence along the North line of the Northeast Quarter of said Section 25 North 89°22'10" East a distance of 2576.70 feet to the Northwest Corner of said Section 30 ; thence along the North line of the Northwest Quarter of said Section 30, South 90°00'00" East a distance of 852.17 feet ; thence South 21°49'55" East a distance of 165.93 feet ; thence South 38°45'38" East a distance of 1458.92 feet ; thence South 89°16'46" West a distance of 764.19 feet ; thence South 01°50'39" East a distance of 1237.19 feet ; thence South 89°22'24" West a distance of 740.07 feet ; thence South 01°51'46" East a distance of 80.11 feet ; thence South 46°04'32" East a distance of 564.19 feet ; thence South 89°25'03" east a distance of 346.38 feet ; thence South 01°50'49" East a distance of 2270.83 feet to a point on the South line of the Southwest Quarter of said Section 30 ; thence along the South line of the Southwest Quarter of said Section 30, South 89°06'38" West a distance of 1132.78 feet to the Southeast Corner of Said Section 25 ; thence along the South line of the Southeast Quarter of said Section 25, South 89°14'28" West a distance of 2656.80 feet to the South Quarter Corner of said Section 25 ; thence along the South line of the Southwest Quarter of said Section 25, South 89°14'58" West a distance of 2656.45 feet to the Southwest Corner of said Section 25 ; thence along the West line of the Southwest Quarter of said Section 25, North 00°52'28" West a distance of 2651.12 feet to the West Quarter Corner of said Section 25 ; thence along the West line of the Southwest Quarter of the Northwest Quarter of said Section 25, North 00°54'16" West a distance of 1325.30 feet to the Northwest Corner of the Southwest Quarter of the Northwest Quarter of said Section 25 ; thence along the North line of the Southwest Quarter of the Northwest Quarter of said Section 25, North 89°47'24" East a distance of 1366.96 feet to the Southwest Corner of the Northeast Quarter of the Northwest Quarter of said Section 25 ; thence along the West line of the Northeast Quarter of the Northwest Quarter of said Section 25, North 00°20'17" East a distance of 1324.02 feet to the True Point of Beginning , said parcel containing 739.290 acres more or less.

Bearings are based on the South line of the Southeast Quarter of Section 23, Township 8 South, Range 67 West of the Sixth Principal Meridian, which bears South 89°47'24" West.

PREPARED BY:



DUWAYNE M. [Signature] PLS 9329
 FOR AND ON BEHALF OF
 ROCKY MOUNTAIN CONSULTANTS, INC.
 8301 E. PRENTICE AVE. #101
 GREENWOOD VILLAGE 80111
 (303) 741-6000

DATE: 11/2/00

Sec25,30 legal
 Nov.20,2000
 Rmc Job # 22-3384-
 P:\Projects\Ingram\3384009\sec25,30\Sec25-30.wpd

Legal Description:

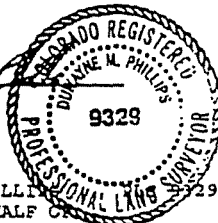
A Parcel of land located in the East One Half of Section 23, Section 24, and the Northwest Quarter of the Northwest Quarter of Section 25, Township 8 South, Range 67 West, of the Sixth Principal Meridian, and Section 19, Township 8 South, Range 66 West of the Sixth Principal Meridian, Town of Castle Rock, County of Douglas, State of Colorado being more particularly described as follows:

Beginning at the South Quarter Corner of said Section 23 ;Thence along the West line of the Southeast Quarter of said Section 23 North 00°15'45" West a distance of 2655.64 feet to the Center Quarter Corner of said Section 23; thence along the West line of the Northwest Quarter of said Section 23 North 00°14'37" West a distance of 567.38 feet; thence North 78°29'09" East a distance of 209.95 feet; thence North 32°20'59" East a distance of 379.72 feet; thence North 00°22'59" East a distance of 400.22 feet to a point on the north line of the South half of the Northeast Quarter of said Section 23; thence along said North line North 89°36'47" East a distance of 190.02 feet ; thence North 89°31'00" East a distance of 719.21 feet; thence North 89°55'24" East a distance of 1313.54 feet to the Northwest Corner of the South half of the North half of said Section 24; thence along said North line North 89°32'49" East a distance 1464.22 feet; thence North 89°31'57" East a distance of 1169.12 feet; thence South 01°38'19" East a distance of 1326.47 feet; thence North 89°22'14" East a distance of 1314.95 feet; thence North 01°15'27" West a distance of 1323.69 feet to a point on the North line of the South half of the Northeast Quarter of said Section 24; thence along said North line North 89°30'45" East a distance of 408.02 feet; thence South 05°33'33" East a distance of 114.57 feet; thence South 20°33'52" East a distance of 113.99 feet; thence South 27°51'12" East a distance of 922.34 feet; thence South 26°12'54" East a distance of 152.60 feet; thence South 24°46'44" East a distance of 1862.22 feet; thence South 23°51'53" East a distance of 560.47 feet; thence South 08°28'28" East a distance of 156.98 feet; thence North 89°36'30" East a distance of 87.57 feet; thence South 21°49'55" East a distance of 453.24 feet to a point on the South line of the Southwest Quarter of said Section 19; thence along said South line North 90°00'00" West a distance of 852.17 feet to the Southwest Corner of said Section 24; thence along the South line Southeast Quarter of said Section 24 South 89°22'10" West a distance of 2576.70 feet to the South Quarter Corner of said Section 24; thence along the South line of the Southwest Quarter of said Section 24 South 89°08'09" West a distance of 1380.05 feet to the Southwest Corner of said Section 24, said point also being the North Quarter Corner of said Section 25; thence along the East line of the Northwest Quarter of the Northwest Quarter of said Section 25 South 00°20'17" East a distance of 1324.02 feet; thence along the South line of the Northwest Quarter of the Northwest Quarter of said Section 25 South 89°04'49" West a distance of 1366.96 feet to a point on the West line of the Northwest Quarter of said Section 25; thence along said West line North 00°54'16" West a distance of 1325.30 feet to the Northwest Corner of said Section 25, said point also being the Southeast Corner of said Section 23; Thence along the South line of the Southeast Quarter of said Section 23 South 89°47'24" West a distance of 2626.92 feet to the **Point of Beginning**, said parcel contains 716.345 acres more or less.

Bearings are based on the South line of the Southeast Quarter of said Section 23 being South 89°47'24" West.

PREPARED BY:

Duwayne M. Phillips



DUWAYNE M. PHILLIPS
 FOR AND ON BEHALF OF
 ROCKY MOUNTAIN CONSULTANTS, INC.
 8301 E. PRENTICE AVE. #101
 ENGLEWOOD, CO 80111
 (303) 741-6000

DATE: 11/7/00

EXHIBIT C
Crystal Valley Development Plan

EXHIBIT D

Statutory and Town Requirements Contained in this Amended Service Plan

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

5. That adequate service is not, or will not be available to the area through Douglas County, the Town of Castle Rock other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

6. That the facility and service standards of the Districts are compatible with the facility and service standards of Douglas County and the Town of Castle Rock within which District are to be located and each municipality which is an interested party under Section 32-1-204(1), C.R.S.;

7. The proposal is in substantial compliance with any master plan adopted pursuant to Section 30-28-106, C.R.S.;

8. That the proposal is in compliance with any duly adopted city, county, regional, or state long-range water quality management plan for the area; and

9. That the organization of the Districts will be in the best interests of the area proposed to be served.

I. An itemization of any costs which Petitioners expect to be assumed by the Town for the construction of public improvements; and

J. An identification, by name, address, and phone number, of those persons who are the current Board of Directors; and

K. Proof of ownership of all properties within the Districts; and

L. A copy of any and all proposed enabling, controlling, contractual, and/or operational documents which would affect or be executed by the Districts, including the form of any intergovernmental agreement between the Districts and the Town.

M. A capital plan which includes the following:

1. a description of the type of capital facilities to be developed by the Districts; and

2. an estimate of the cost of the proposed facilities; and

3. a pro forma capital expenditure plan correlating expenditures with development.

N. A financial plan which includes the following:

1. the total amount of debt issuance planned for the five-year period commencing with the approval of the Service Plan;
2. all proposed sources of revenue and projected District expenses, as well as the assumptions upon which they are based, for at least a ten-year period from the date of the approval of the Service Plan;
3. the dollar amount of any anticipated financing, including capitalized interest, costs of issuance, estimated maximum rates and discounts, and any expenses related to the organization and initial operation of the Districts;
4. a detailed repayment plan covering the life of any financing, including the frequency and amounts expected to be collected from all sources;
5. the amount of any reserve fund and the expected level of annual debt service coverage which will be maintained for any financing;
6. the total authorized debt for the Districts;
7. the provisions regarding any credit enhancement, if any, for the proposed financing, including but not limited to, letters of credit and insurance; and
8. a list and written explanation of potential risks of the financing.

Page 3 Group	Page 3 Description	Page 3 Amount	Page 3 Date	Page 3 Status	Page 3 Location	Page 3 Category	Page 3 Sub-Category	Page 3 Unit	Page 3 Quantity	Page 3 Price	Page 3 Total	Page 3 Tax	Page 3 Net Total	Page 3 Remarks
RT-2	Real Estate Long Term Lease													
RT-3	Designated Lease for the													
RT-4	Lease for the													
RT-5	Lease for the													
RT-6	Lease for the													
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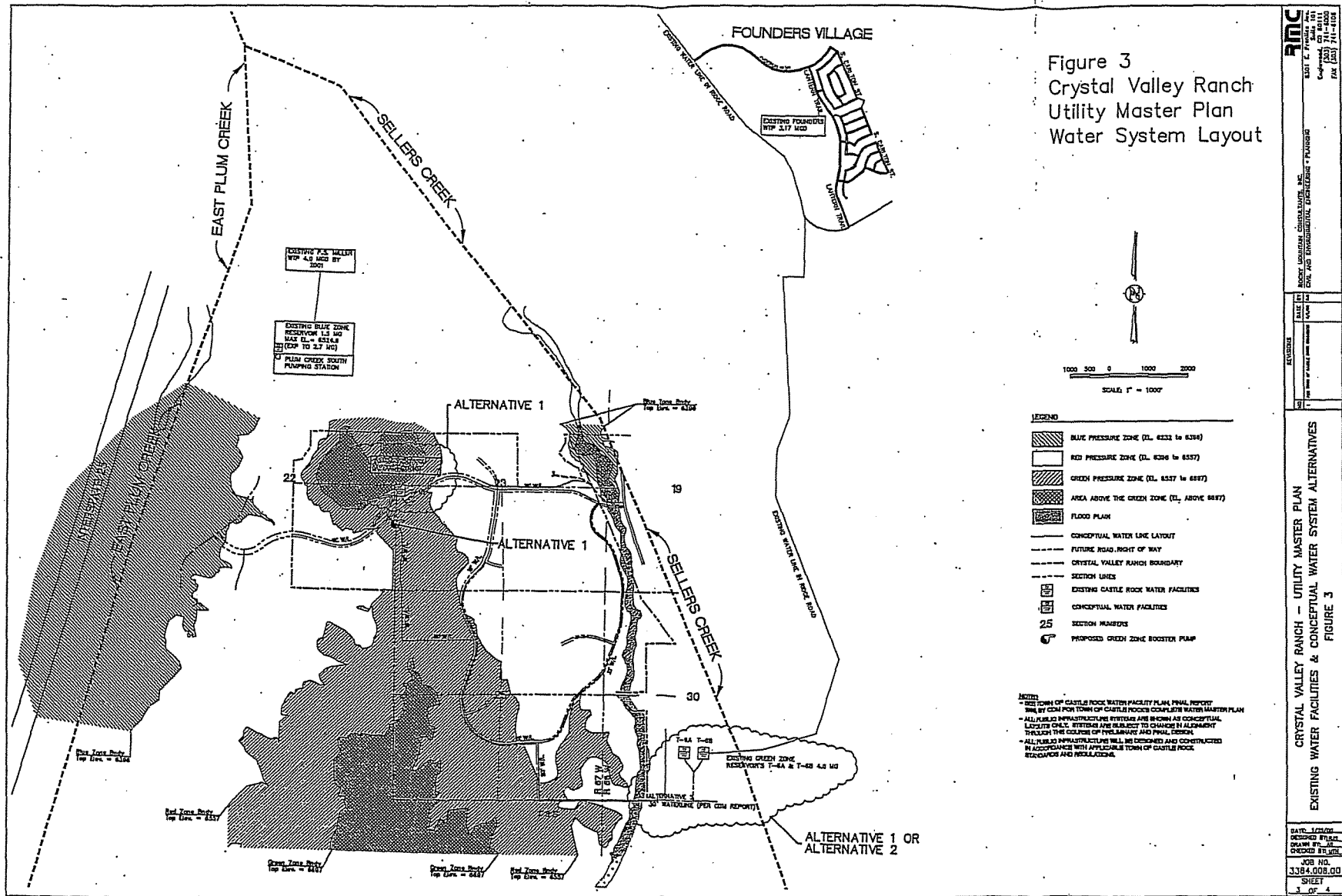


Figure 3
Crystal Valley Ranch
Utility Master Plan
Water System Layout

RMC
 EAST W. FRANKLIN AVE.
 SUITE 100
 CASTLE ROCK, CO 80109
 PHONE (303) 741-1100
 FAX (303) 741-1100

BOB LANGRISH, CONSULTANT, P.E.
 BOB AND ENVIRONMENTAL ENGINEERING + PLANNING

DATE: 11/11/09
 TIME: 10:00 AM
 DRAWN BY: BOB LANGRISH
 CHECKED BY: BOB LANGRISH

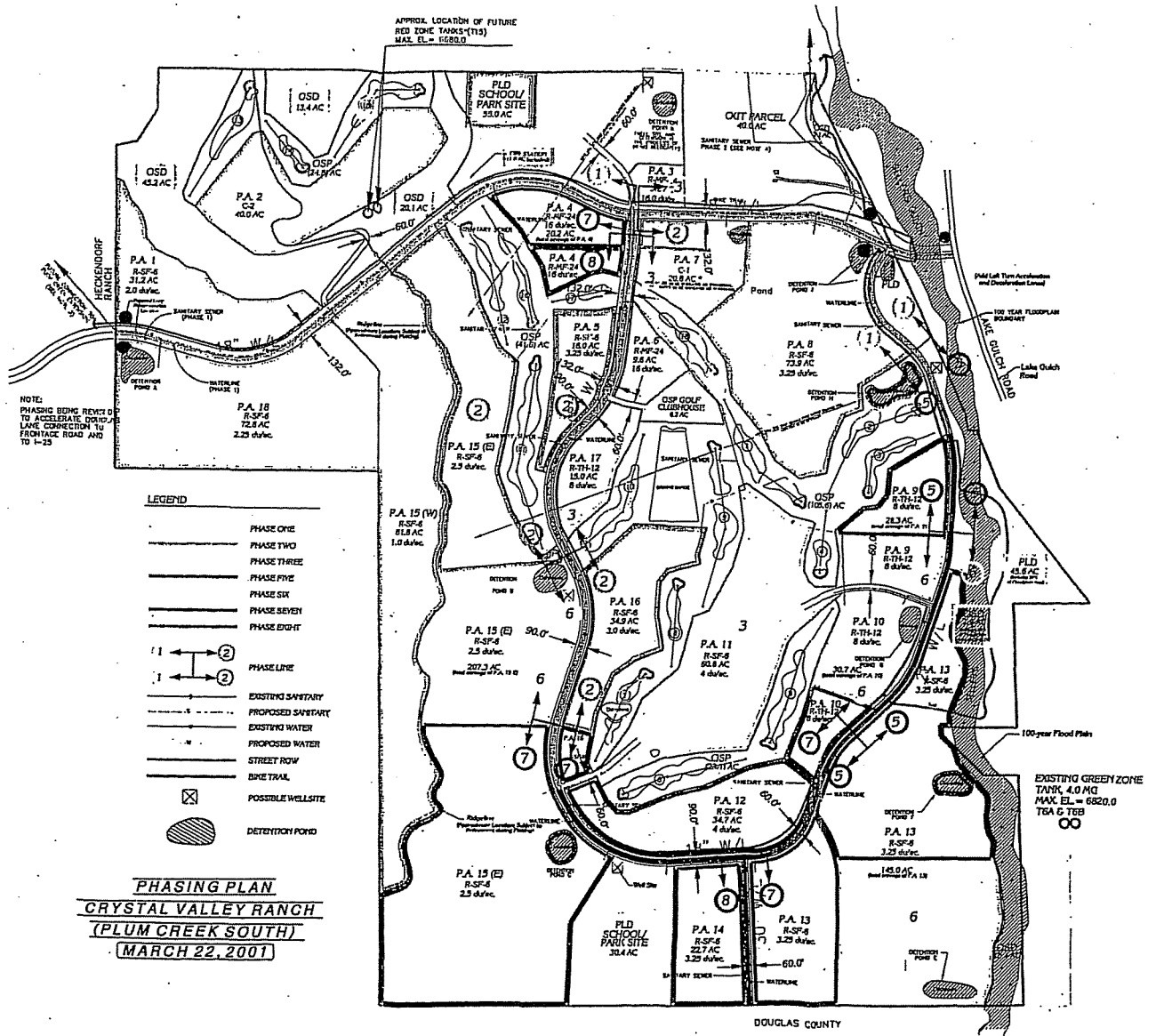
REVISIONS:

NO. 1
 DATE: 11/11/09
 DESCRIPTION: INITIAL DESIGN

CRYSTAL VALLEY RANCH - UTILITY MASTER PLAN
 EXISTING WATER FACILITIES & CONCEPTUAL WATER SYSTEM ALTERNATIVES
 FIGURE 3

DATE: 11/11/09
 DESIGNED BY: BOB LANGRISH
 DRAWN BY: BOB LANGRISH
 CHECKED BY: BOB LANGRISH
 JOB NO. 3384.008.00
 SHEET 1 OF 4

CRYSTAL VALLEY RANCH



APPROX. LOCATION OF FUTURE
RED ZONE TANKS-(T13)
MAX. EL. = 6680.0

NOTE:
PHASING BEING REVISED
TO ACCELERATE DRAINAGE
LANE CORRECTION TO
FRONTAGE ROAD AND
TO I-25

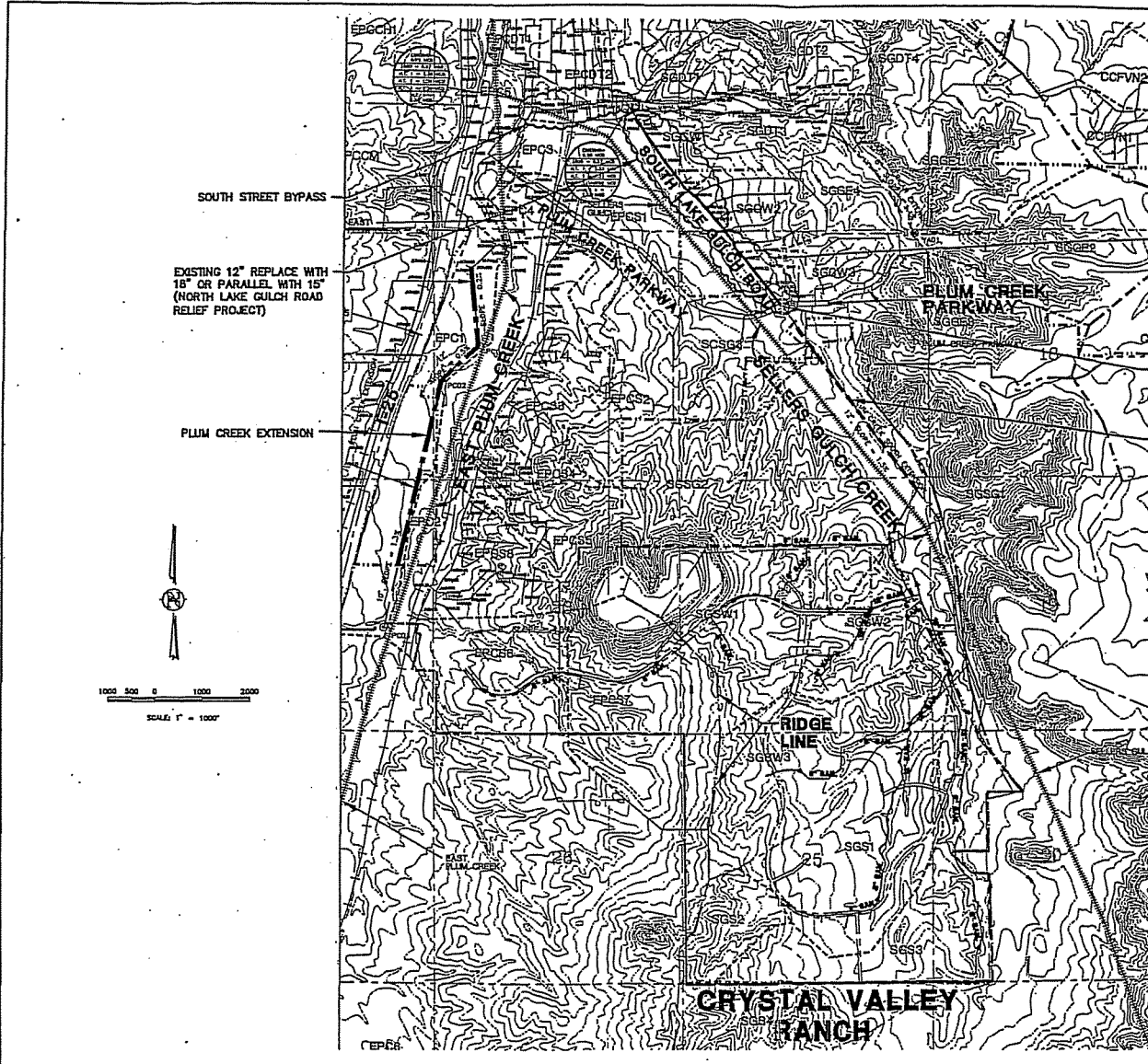
- LEGEND**
- PHASE ONE
 - PHASE TWO
 - PHASE THREE
 - PHASE FIVE
 - PHASE SIX
 - PHASE SEVEN
 - PHASE EIGHT
 - PHASE LINE
 - EXISTING SANITARY
 - PROPOSED SANITARY
 - EXISTING WATER
 - PROPOSED WATER
 - STREET ROW
 - BIKE TRAIL
 - POSSIBLE WELLSITE
 - DETECTION POND

PHASING PLAN
CRYSTAL VALLEY RANCH
(PLUM CREEK SOUTH)
MARCH 22, 2001

DOUGLAS COUNTY

EXISTING GREEN ZONE
TANK, 4.0 MG
MAX. EL. = 6620.0
T6A & T6B

Figure 4
Crystal Valley Ranch
Utility Master Plan
Sanitary System Layout



SOUTH STREET BYPASS

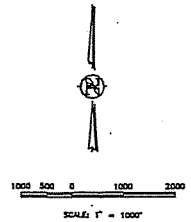
EXISTING 12" REPLACE WITH 18" OR PARALLEL WITH 15" (NORTH LAKE GULCH ROAD RELIEF PROJECT)

PLUM CREEK EXTENSION

EXISTING 8" AND 10" REPLACE WITH 15" OR PARALLEL WITH 12" (SOUTH LAKE GULCH ROAD RELIEF PROJECT)

INTERSECTION OF PLUM CREEK PARKWAY AND SOUTH LAKE GULCH ROAD

PLUM CREEK SOUTH EXTENSION



- LEGEND**
- LAKE GULCH ROAD INTERCEPTOR AND FUTURE NORTH AND SOUTH LAKE GULCH ROAD RELIEF SEWER IMPROVEMENTS
 - PLUM CREEK EXTENSION
 - PLUM CREEK SOUTH EXTENSION
 - CONCEPTUAL SANITARY LINES
 - CONCEPTUAL SANITARY LINES (RESIDE DEVELOPMENT)
 - CRYSTAL VALLEY RANCH BOUNDARY
 - - - - - BASIN BOUNDARIES
 - ##### EXISTING CREEKS
 - - - - - BASIN BOUNDARIES

NOTES:

- * SEE TOWN OF CASTLE ROCK SANITARY SEWER FACILITY PLAN, FINAL REPORT JULY 2014, BY HSR ENGINEERING FOR COMPLETE SANITARY SEWER MASTER PLAN
- * ALL FIELD INFRASTRUCTURE SYSTEMS ARE SHOWN AS CONCEPTUAL LAYOUTS ONLY. SYSTEMS ARE SUBJECT TO CHANGE IN ALIGNMENT THROUGH THE COURSE OF PRELIMINARY AND FINAL DESIGN.
- * ALL FIELD INFRASTRUCTURE WILL BE DESIGNED AND CONSTRUCTED IN ACCORDANCE WITH APPLICABLE TOWN OF CASTLE ROCK STANDARDS AND REGULATIONS.

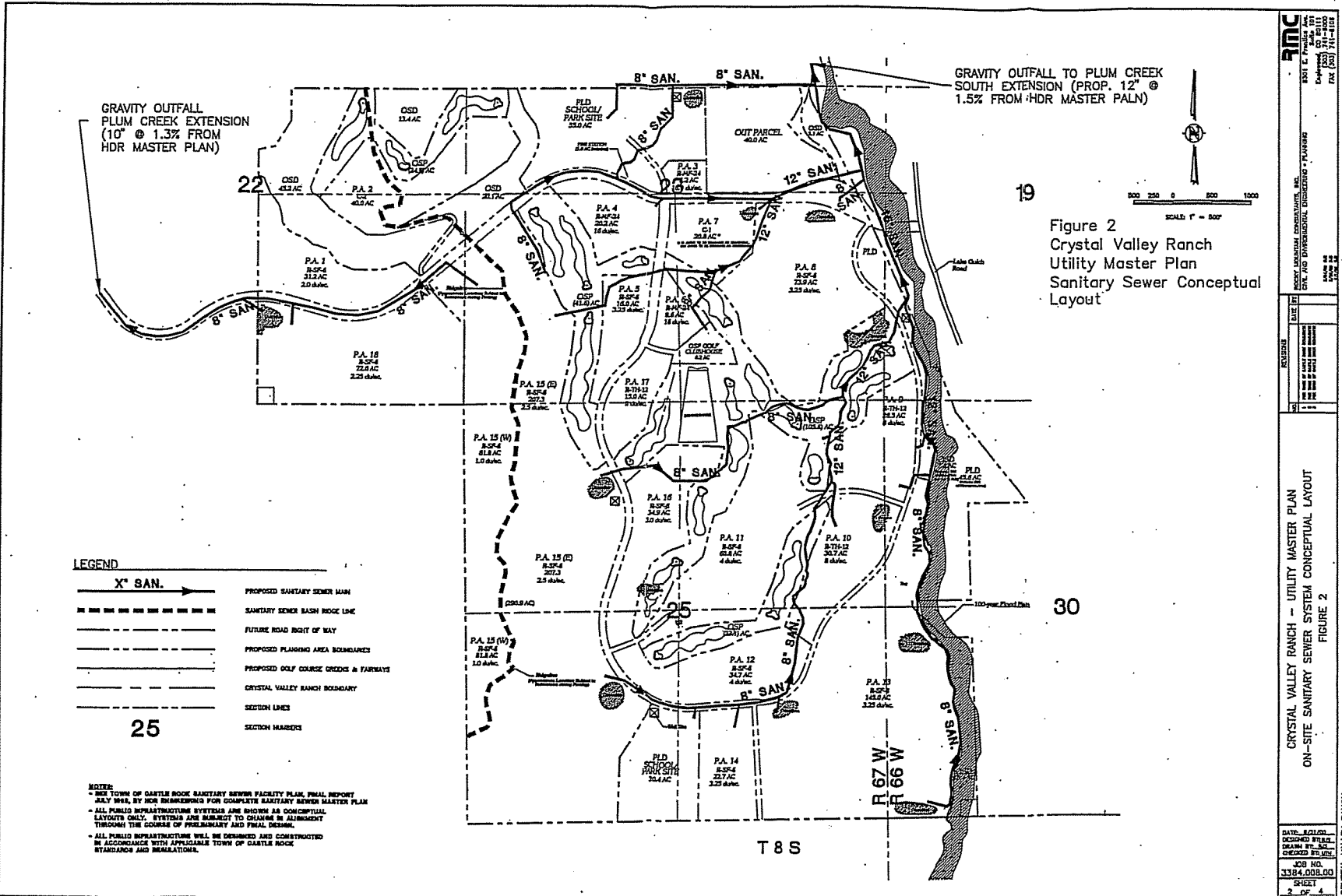
RMC
RICK MONTGOMERY CONSULTANTS, INC.
3801 E. PAVAN AVE.
DENVER, CO 80231
Engineering • Planning
Fax: (303) 741-8100

CRYSTAL VALLEY RANCH — UTILITY MASTER PLAN
EXISTING SANITARY SEWER FACILITIES & CONCEPTUAL LAYOUT

FIGURE 4

DATE: 8/20/20
DESIGNED BY: JLS
DRAWN BY: JLS
CHECKED BY: JLS
JOB NO.
1384.008.00
SHEET
4 OF 4

CRYSTAL VALLEY RANCH



GRAVITY OUTFALL
PLUM CREEK EXTENSION
(10' @ 1.3% FROM
HDR MASTER PLAN)

GRAVITY OUTFALL TO PLUM CREEK
SOUTH EXTENSION (PROP. 12' @
1.5% FROM HDR MASTER PLAN)

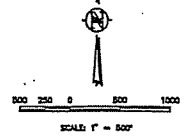


Figure 2
Crystal Valley Ranch
Utility Master Plan
Sanitary Sewer Conceptual
Layout

LEGEND

- X" SAN. PROPOSED SANITARY SEWER MAIN
- SANITARY SEWER BASH ROGE LINE
- FUTURE ROAD RIGHT OF WAY
- PROPOSED PLANNING AREA BOUNDARIES
- PROPOSED GOLF COURSE CREEKS & FARMSWAYS
- CRYSTAL VALLEY RANCH BOUNDARY
- SECTION LINES
- SECTION MARKERS

NOTES
 - SEE TOWN OF CASTLE ROCK SANITARY SEWER FACILITY PLAN, FINAL REPORT
 JULY 1982, BY HDR ENGINEERING FOR COMPLETE SANITARY SEWER MASTER PLAN
 - ALL PUBLIC INFRASTRUCTURE SYSTEMS ARE SHOWN AS CONCEPTUAL
 LAYOUTS ONLY. SYSTEMS ARE SUBJECT TO CHANGES IN ALIGNMENT
 THROUGH THE COURSE OF PRELIMINARY AND FINAL DESIGN.
 - ALL PUBLIC INFRASTRUCTURE WILL BE DESIGNED AND CONSTRUCTED
 IN ACCORDANCE WITH APPLICABLE TOWN OF CASTLE ROCK
 STANDARDS AND REGULATIONS.

RMC
 ERIC C. PAVELAK, INC.
 CIVIL AND INSTRUMENTAL ENGINEERING & PLANNING
 1000 N. 10TH AVENUE, SUITE 100
 DENVER, CO 80202
 PHONE: (303) 733-1100
 FAX: (303) 733-1101

DATE: 02/10/00
 DRAWN BY: JLS
 CHECKED BY: JLS

PROJECT: CRYSTAL VALLEY RANCH - UTILITY MASTER PLAN
 ON-SITE SANITARY SEWER SYSTEM CONCEPTUAL LAYOUT

FIGURE 2

CRYSTAL VALLEY RANCH

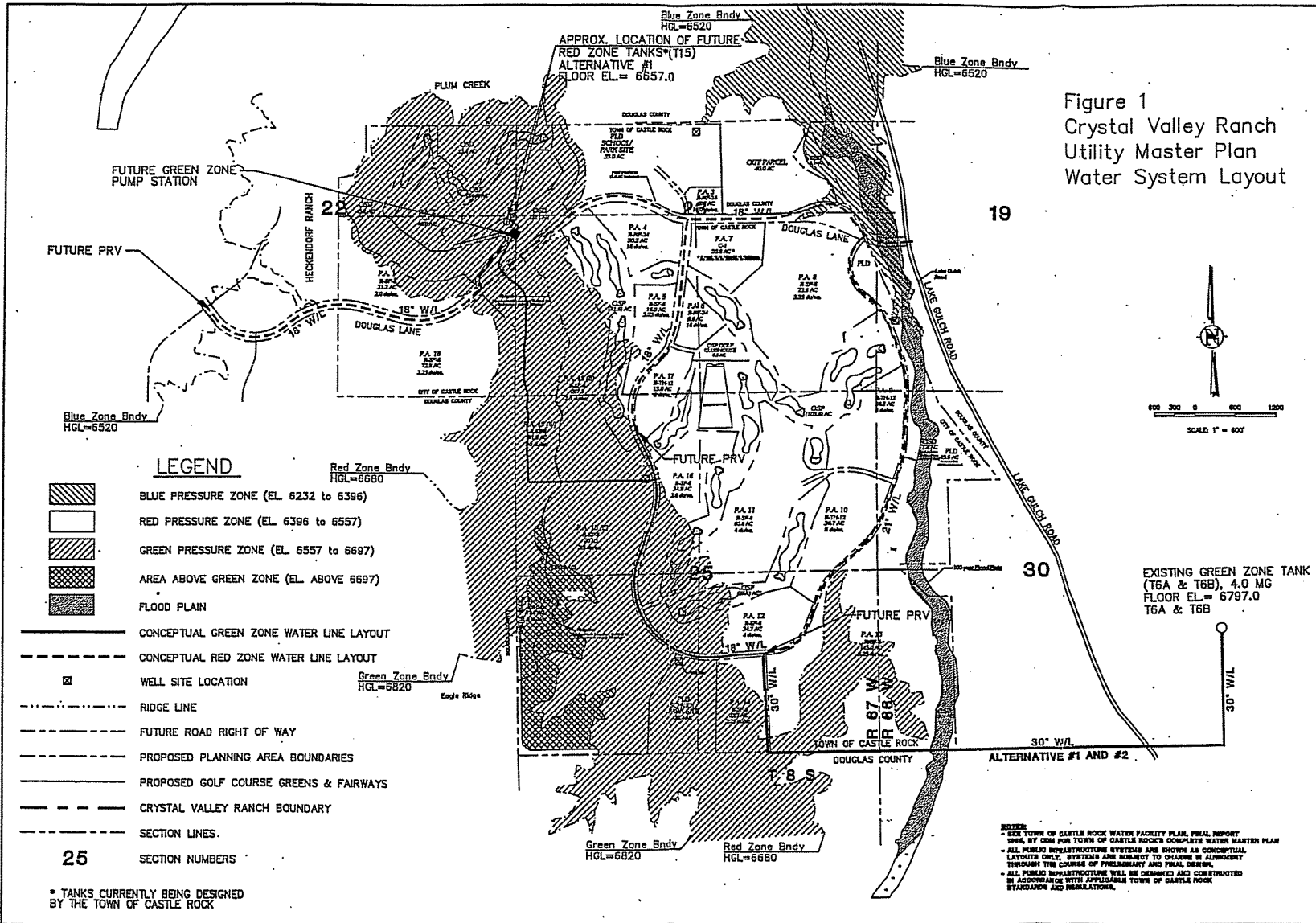


Figure 1
Crystal Valley Ranch
Utility Master Plan
Water System Layout

AVC
 AVIC ENGINEERING CONSULTANTS, INC.
 CIVIL AND ENVIRONMENTAL ENGINEERING - PLANNERS
 10100 E. 15th Ave., Suite 100
 Denver, CO 80231
 Phone: (303) 751-2500
 Fax: (303) 751-1018

DATE: 11/11/03
 DRAWN BY: J. B. BROWN
 CHECKED BY: J. B. BROWN
 SCALE: AS SHOWN
 SHEET NO. 4 OF 4

CRYSTAL VALLEY RANCH - UTILITY MASTER PLAN
 WATER SYSTEM LAYOUT
 FIGURE 1

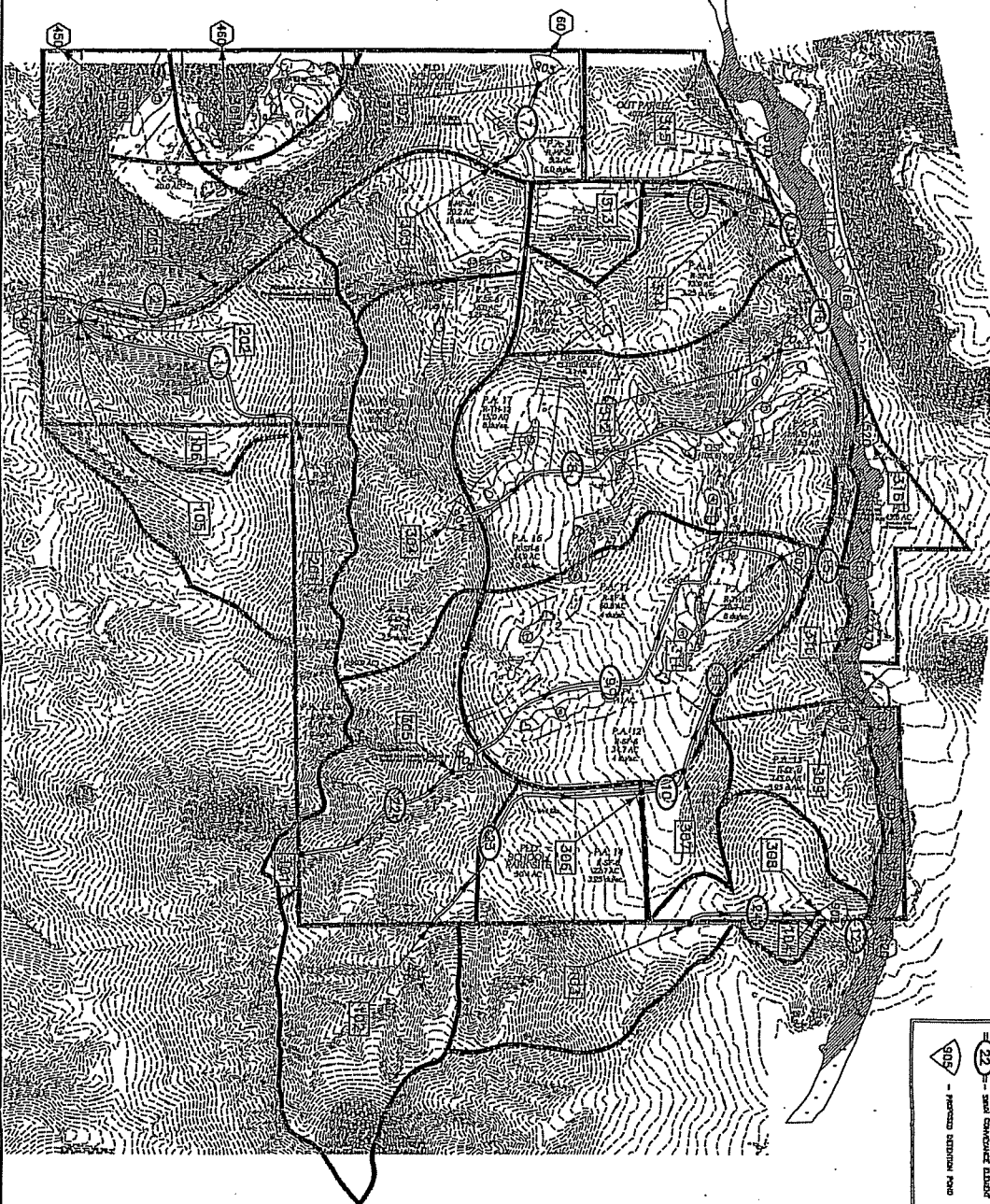
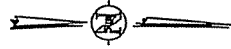
DATE: 8/11/03
 DRAWING NO.: 3384-008.00
 SHEET: 4
 OF: 4

CRYSTAL VALLEY RANCH

NOTES:
 - SEE TOWN OF CASTLE ROCK WATER FACILITY PLAN, FINAL REPORT
 PREP. BY COM FOR TOWN OF CASTLE ROCK'S COMPLETE WATER MASTER PLAN
 - ALL PUBLIC INFRASTRUCTURE SYSTEMS ARE SHOWN AS CONCEPTUAL
 LAYOUTS ONLY. SYSTEMS ARE SUBJECT TO CHANGE IN ALIGNMENT
 THROUGH THE COURSE OF PRELIMINARY AND FINAL DESIGN.
 - ALL PUBLIC INFRASTRUCTURE WILL BE DEMONSTRATED AND CONSTRUCTED
 IN ACCORDANCE WITH APPLICABLE TOWN OF CASTLE ROCK
 STANDARDS AND REGULATIONS.

* TANKS CURRENTLY BEING DESIGNED
 BY THE TOWN OF CASTLE ROCK

NOT TO SCALE



CRYSTAL VALLEY RANCH

SHEET 4 OF 4

LEGEND

- [101] - CUP PLAN SUBSECTION
- (22) - SWM CONDUIT ELEVATION
- 905 - PROPOSED DETENTION POND
- 104 - SWM "TRAP" ELEVATION
- - DETENTION CONSTRUCTION POINT

<p>CRYSTAL VALLEY RANCH CUHP AND SWMM SCHEMATIC PLAN</p>		<p>REVISIONS</p> <table border="1"> <thead> <tr> <th>NO.</th> <th>DATE</th> <th>BY</th> <th>DESCRIPTION</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	NO.	DATE	BY	DESCRIPTION									<p>ROCKY MOUNTAIN CONSULTANTS, INC. CIVIL AND ENVIRONMENTAL ENGINEERING - PLANNING</p>	<p>RMC 8301 E. Prelicker Ave. Suite 101 Denver, CO 80231 TEL: (303) 741-8900 FAX: (303) 741-8100</p>
NO.	DATE	BY	DESCRIPTION													

EXHIBIT G
Financing Plan
And
Build Out Projections

Crystal Valley Metropolitan District Nos. 1 & 2
Pro Forma Assumptions

- Housing Units

- The model assumes construction of 3475 housing units over a fifteen year period
- Assumptions as to unit mix, values & timing of construction provided by The Crystal Valley Ranch Development Company
- Units are assumed to be completed in the year after the land is sold
- Units are assumed to be assessed in the year after construction is completed

- Commercial Construction

- a total of 41 acres is developed commercially over 11 years
- base land value is \$583,268/acre, escalating 2% annually

- Assessments

- Rates of assessment are assumed at .0915 for residential and .29 for commercial properties
- Assessed valuations are assumed to produce income on a one year lag following construction
- Assessed property increases in value at 2% per year

- Revenue

- Revenue to service bond debt is produced from the following sources-
 - Residential includes single family, townhouse and multi family construction
 - Commercial includes all Commercial property to be built
 - permit fees
 - Water facilities recapture fees
- Transportation fees initially fund an escrow for the construction of the I-25 overpass.
 - Fees in excess of I-25 costs become general district revenue to service bond debt.

- Expenses

- District operating and maintenance expenses are assumed at \$35,000/yr and escalate at 5% annually

- Floating Rate Credit Enhanced Bonds

- Issued to pay costs of infrastructure construction at project inception
- Subsequently issued if additional infrastructure must be constructed and sufficient assessed valuation does not yet exist.
- assumed to be "AA-" rated, weekly floaters, backed with bank LOC
- assumed at 4.00% interest. interest only until third year, 30 year amortization thereafter

- Fixed Rate General Obligation Bonds

- Maximum allowable debt is 50% of total assessed valuation at any point in time?
- initially Issued to repay Floating Rate Bonds when sufficient Assessed valuation is developed
- Assumed to be "AAA" rated, 30 year fixed rate obligations
- Subsequently issued to repay additional Floating Rate debt, then to retire District notes
- assumed at 5.50% interest for assessment bonds, 5.75% interest for water revenue bonds, 30 year amortization

- Infrastructure construction

- costs provided by The Crystal Valley Ranch Development Company
- costs are linked to a construction schedule, not to residential land sales.

- Sale of Water Rights

- Water rights are sold by CVRDC to the district in an amount equivalent to 1795 units at \$2750/unit
- District will repay CVRDC via note accruing at 9.375% annually
- note is repaid with excess district cash flow, then by issuance of GO Bonds after Floating Rate debt is retired
- additional water rights are sold in 2010 after initial water bank is exhausted

- Water District facilities construction

- CVRDC funds construction of \$3.7mm water facilities
- Water facilities recapture fees become revenue to district in 2003-2004
- District issued note to CVRDC, repaid with GO Bonds after Floating Rate debt is retired
- Note - Water facilities recapture fee amounts are not linked to unit construction timing

- I-25 interchange construction

- Transportation fees fund construction escrow account
- Initial costs 2002-2006
- Interchange construction assumed in 2007-2008
- Transportation fee income after interchange construction becomes District Revenue

- Fiber Optic construction

- Capital costs assumed at \$250,000/yr for two years
- Installation costs assumed at \$2,000/ SF and \$1,000/ MF unit
- Revenue assumed at \$600/yr/unit with 50% participation rate

Sources

Floating Rate Bond Proceeds

#####

Total Sources #####

Uses

Underwriter's Discount 209,000
Costs of Issuance 50,000
Bank LOC Cost 209,000

1st Year Project Costs

Sanitary Sewer Trunk Lines 214,064
Storm Sewer Detention & Trnk Lines 259,289
Transportation (Streets) 3,000,000
Fire Station & Equipment 100,000
North End Park Grading 50,000
Park Maintenance Building 50,000
Bridges over RR tracks & Plum Crk 400,000
Pedrestrian Bridge over Douglas 150,000
Contingency 211,168

2nd Year Project Costs

Storm Sewer Detention & Trnk Lines 250,000
Portion of Transportation (Streets) (Plug) 643,142
Fire Station & Equipment 1,200,000
North End Park Grading 200,000
Park Maintenance Building 200,000
Bridges over RR tracks & Plum Crk 2,500,000
Pedrestrian Bridge over Douglas 450,000
Contingency 312,337

Transportation Funding Escrow Needs 25,000
District Expenses 40,000

Miscellaneous (273,000) *

Total Uses #####

* Funded out of second year revenues

Crystal Valley Metropolitan District Nos. 1 & 2
 Financing Plan & Capital Improvement Schedule
 11-Dec-01
 Revenue & Expense Statement

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenue										
Residential Income	0	0	0	306,000	736,000	1,213,600	1,460,100	1,848,900	2,244,200	2,581,300
Commercial Income	0	0	0	0	2,333	2,333	4,666	9,332	84,457	89,123
Permit Fee Income										
Fire Station	0	48,300	69,300	79,200	63,300	92,400	93,000	87,000	83,700	75,300
Transportation Fee Income	0	0	0	0	0	0	0	476,325	473,525	428,250
Interest Income										
Earnings from Contingency	0	0	0	0	0	0	0	0	0	0
Earnings from cash balance	0	0	0	0	0	0	0	0	0	0
Other Revenue A	0	0	0	0	0	0	0	0	0	0
Total Revenue	0	48,300	69,300	385,200	801,633	1,308,333	1,557,766	2,421,557	2,885,882	3,173,973
Expenses										
Operations and Maintenance	40,000	42,000	44,100	46,305	48,620	51,051	53,604	56,284	59,098	62,053
Other Items A	0	0	0	0	0	0	0	0	0	0
Total Expenses	40,000	42,000	44,100	46,305	48,620	51,051	53,604	56,284	59,098	62,053
Net Revenue Available for D/S	(40,000)	6,300	25,200	338,895	753,013	1,257,282	1,504,162	2,365,273	2,826,784	3,111,920
G.O. Debt										
G.O. Series 2001	0	0	0	0	690,600	689,300	692,650	690,300	692,600	694,200
G.O. Series 2005	0	0	0	0	0	0	0	1,086,850	1,086,700	1,085,850
G.O. Series 2010	0	0	0	0	0	0	0	0	0	875,638
Total Debt Service Pmts	0	0	0	0	690,600	689,300	692,650	1,777,150	1,779,300	2,655,688
Net Revenue Less D/S Pmts	(40,000)	6,300	25,200	338,895	62,413	567,982	811,512	588,123	1,047,484	456,233
Floating Rate Debt Service Pmts										
Floating Rate Series 1	0	0	0	0	0	0	0	0	0	0
Floating Rate Series 2	0	0	0	0	0	0	0	0	0	0
Floating Rate Series 3	0	0	0	0	0	0	0	0	0	0
Total Floating Rate	0	0	0	0	0	0	0	0	0	0

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
2,923,300	3,223,940	3,554,940	3,918,840	4,133,240	4,334,840	4,472,400	4,472,400	4,472,400	4,472,400	50,368,800
91,456	91,456	95,889	95,889	95,889	95,889	95,889	95,889	95,889	95,889	1,142,272
80,100	108,300	55,500	72,000	35,100	0	0	0	0	0	1,042,500
453,400	551,635	304,125	343,200	192,150	0	0	0	0	0	3,222,610
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
3,548,256	3,975,331	4,010,454	4,429,929	4,456,379	4,430,729	4,568,289	4,568,289	4,568,289	4,568,289	55,776,182
65,156	68,414	71,835	75,427	79,198	83,158	87,316	91,682	96,266	101,079	1,322,646
0	0	0	0	0	0	0	0	0	0	0
65,156	68,414	71,835	75,427	79,198	83,158	87,316	91,682	96,266	101,079	1,322,646
3,483,100	3,906,917	3,938,619	4,354,502	4,377,181	4,347,571	4,480,973	4,476,607	4,472,023	4,467,210	54,453,536
690,100	690,650	690,500	689,650	693,100	690,500	692,200	692,850	692,450	691,000	11,062,650
1,084,300	1,082,050	1,084,100	1,085,100	1,085,050	1,083,950	1,081,800	1,083,600	1,084,000	1,083,000	14,096,350
880,575	729,650	751,775	877,463	875,675	878,313	880,088	876,000	876,338	875,813	9,377,325
2,654,975	2,502,350	2,526,375	2,652,213	2,653,825	2,652,763	2,654,088	2,652,450	2,652,788	2,649,813	34,536,325
828,125	1,404,567	1,412,244	1,702,290	1,723,356	1,694,809	1,826,886	1,824,157	1,819,236	1,817,398	19,917,211
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0

Crystal Valley Metropolitan District Nos. 1 & 2
 Financing Plan & Capital Improvement Schedule
 11-Dec-01
 Calculation of Water Fees

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	
Water Purchase Calculations:																						
Residential Billing Schedule																						
Single Family	0	161	231	254	104	220	193	165	170	161	163	158	100	60	63	0	0	0	0	0	2,233	
Condo / Townhouse	0	0	0	0	107	88	117	125	109	90	104	203	85	180	54	0	0	0	0	0	1,242	
Total	0	161	231	254	211	308	310	290	279	251	267	361	185	240	117	0	0	0	0	0	3,475	
Cumulative Total	0	161	392	656	867	1,175	1,485	1,775	2,054	2,305	2,572	2,933	3,118	3,358	3,475	3,475	3,475	3,475	3,475	3,475	3,475	
Residential Bank Requirements (units)	1795	0	0	0	0	0	0	0	1,680	0	0	0	0	0	0	0	0	0	0	0	3,475	
Composition of Banked Balance																						
Single Family	1,350	1,189	958	694	590	370	177	12	725	564	491	243	143	63	0	0	0	0	0	0	0	
Condo / Townhouse	445	445	445	445	318	250	133	8	698	608	502	299	214	54	0	0	0	0	0	0	0	
Total	1,795	1,634	1,403	1,139	928	620	310	20	1,421	1,170	993	542	357	117	0	0	0	0	0	0	0	
Cost of Residential Banked Water Requirement																						
Cost / Unit																						
Single Family	2,750								2,844,461												7,760,731	
Condo / Townhouse	1,650								1,541,151												1,541,151	
Total	4,400								4,385,612												9,301,882	
Developer payment to district	\$ 3,700,000																					
Build water facilities	\$ (3,700,000)																					
Water facilities re: square feet		\$ 1,494,195	\$ 2,702,438																			
G/C Bonds Issued to Defuse Water Note									11,327,500	4,137,000	4,432,500	0	0	0	0	0	0	0	0	0	0	
Excess Cash Applied to Water Note									0	11,327,500	4,137,000	4,432,500	0	(295,109)	0	0	0	0	0	0	0	
Total Water Note Defiance																					400,000	600,000
Water facilities note	0.375%	\$ 4,016,875	\$ 4,426,270	\$ 4,841,232	\$ 5,295,098	\$ 5,701,513	\$ 6,334,468	\$ 6,928,324	\$ 7,577,854	\$ 8,281,134	\$ 8,879,553	\$ 9,373,261	\$ 9,870,755	\$ 7,824,941	\$ 8,667,904	\$ 9,480,520	\$ 10,369,319	\$ 11,341,443	\$ 12,004,703	\$ 12,530,144		
Water bank note	0.375%	\$ 3,329,023	\$ 3,905,182	\$ 4,656,793	\$ 5,064,305	\$ 5,776,583	\$ 6,450,950	\$ 7,243,227	\$ 8,149,512	\$ 9,215,135	\$ 10,373,261	\$ 11,633,261	\$ 12,997,755	\$ 7,824,941	\$ 8,667,904	\$ 9,480,520	\$ 10,369,319	\$ 11,341,443	\$ 12,004,703	\$ 12,530,144		
Total accrued notes		\$ 7,345,898	\$ 8,331,452	\$ 9,500,025	\$ 10,359,402	\$ 11,478,096	\$ 12,785,418	\$ 14,171,551	\$ 15,727,366	\$ 17,496,269	\$ 19,252,814	\$ 21,006,522	\$ 22,868,510	\$ 15,649,882	\$ 17,335,808	\$ 18,961,040	\$ 20,738,638	\$ 22,691,152	\$ 24,346,146	\$ 25,530,288	\$ 26,530,288	

Crystal Valley Metropolitan District Nos. 1 & 2
 Financing Plan & Capital Improvement Schedule
 3/2/16

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	
Cash Needs																						
Cash Needs / Offsets (External)																						
Sewer Trunk Lines	214,064																				214,064	
Sewer Detention & Tank Lines	259,289	250,000	250,000	400,000	454,852	231,963	400,000	487,387	127,281	176,556											3,936,526	
Transportation (Streets)	3,000,000	1,446,738	2,266,444	2,754,798	3,785,424		1,454,801															14,658,205
Fire Station & Equipment	100,000	1,200,000																				1,300,000
North End Park Grading	50,000	200,000																				250,000
Park Maintenance Building	50,000	200,000																				250,000
Bridges over RR tracks & Plum Crk	400,000	2,500,000			1,600,000																	4,500,000
Pedestrian Bridge over Douglas	150,000	450,000	500,000																			1,100,000
Contingency 5%	211,168	312,337	603,289	830,960	1,183,895	46,383	370,850	87,477	25,456	35,311											3,497,248	
Total Cash Needs - Offsets	4,434,521	6,559,076	3,619,733	3,785,758	6,983,371	278,356	2,225,761	584,864	152,737	211,867	0	0	0	0	0	0	0	0	0	0	28,830,044	
Cash Needs																						
Transportation Funding Needs	25,000	0	0	0	0	959,325	2,478,835	0	0	0	0	0	0	0	0	0	0	0	0	0	3,461,160	
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total All Needs	4,459,521	6,559,076	3,619,733	3,785,758	6,983,371	1,237,681	4,702,596	584,864	152,737	211,867	0	0	0	0	0	0	0	0	0	0	32,291,204	
Cash Sources																						
Fire Station Income	0	48,300	69,300	78,200	63,300	92,400	93,000	87,000	83,700	75,300	80,100	108,300	55,500	72,000	35,100	0	0	0	0	0	0	1,042,500
Floating Rate Bond Issue Proceeds	7,500,000	0	7,295,000	0	10,790,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25,585,000
Total	7,500,000	48,300	7,364,300	78,200	10,853,300	92,400	93,000	87,000	83,700	75,300	80,100	108,300	55,500	72,000	35,100	0	0	0	0	0	0	26,627,500
Net Cash Surplus / (Needs)	3,040,479	(6,510,776)	3,744,567	(3,708,558)	3,869,929	(1,145,281)	(4,609,596)	(497,864)	(69,037)	(136,567)	80,100	108,300	55,500	72,000	35,100	0	0	0	0	0	0	(5,668,704)

Transportation Fee Finance 1-23 Interchange

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	
Transportation Fee (Single Family)	2,000	0	322,000	462,000	528,000	208,000	440,000	368,000	330,000	340,000	322,000	326,000	316,000	200,000	160,000	126,000	0	0	0	0	0	4,466,000
Transportation (Townhouse)	1,235	0	0	0	0	36,750	0	49,000	49,000	133,525	49,000	127,400	49,000	104,125	66,150	0	0	0	0	0	0	663,950
Transportation (Condo/Apt)	1,145	0	0	0	88,165	100,760	88,165	97,325	0	57,250	0	185,835	0	183,200	0	0	0	0	0	0	0	621,500
Total	0	322,000	462,000	528,000	332,915	540,760	523,165	476,325	473,525	428,250	453,400	551,835	304,125	343,200	192,150	0	0	0	0	0	0	5,931,450
Interchange in 1-23 @ Douglas Lane	25,000	50,000	50,000	10,000	10,000	3,000,000	3,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,145,000
Escrow Account Funding Need	-25,000	247,000	659,000	1,177,000	1,458,915	0	0	476,325	918,850	1,378,100	1,831,500	2,363,135	2,687,260	3,050,460	3,222,610	3,222,610	3,222,610	3,222,610	3,222,610	3,222,610	3,222,610	3,222,610

Date Transfer Area from DataInput tab:

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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Crystal Valley Metropolitan District Nos. 1 & 2
 Financing Plan & Capital Improvement Schedule
 11-Dec-01
 Overall Sources and Uses of Funds

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Unit Sales / Valuation										
Total Units	0	161	231	264	211	308	310	290	279	251
Total Residential Market Value	\$0	\$0	\$76,500,000	\$107,500,000	\$119,400,000	\$61,625,000	\$97,200,000	\$98,825,000	\$84,275,000	\$85,500,000
Cumulative Residential Market Value	0	0	76,500,000	184,000,000	303,400,000	365,025,000	462,225,000	561,050,000	645,325,000	730,825,000
Total Commercial Market Value	n.a.	0	0	583,268	0	583,268	1,166,536	18,781,230	1,166,536	583,268
Cumulative Commercial Market Value	0	0	0	583,268	583,268	1,166,536	2,333,072	21,114,302	22,280,838	22,864,106
Total Valuation	0	0	6,999,750	17,005,148	27,930,248	33,738,083	42,970,178	57,459,222	65,508,680	73,501,070
GO Debt Cap	0	0	3,499,875	8,502,574	13,965,124	16,869,041	21,485,089	28,729,611	32,754,340	36,750,530
G.O. / Floating Debt										
GO Bonds Outstanding	0	0	0	8,500,000	8,410,000	16,815,000	20,870,000	26,120,000	25,790,000	36,935,000
Floating Rate Net Debt Outstanding	10,450,000	10,450,000	11,950,000	7,800,000	15,300,000	11,500,000	8,850,000	7,400,000	7,050,000	6,650,000
Water Facilities:										
Water Note Balances	0	9,445,898	10,331,451	11,300,025	12,359,402	13,518,096	14,785,418	16,171,551	22,073,266	12,815,135
Payment of water notes									0	11,327,500
Cash Needs / Funding Sources:										
Annual Cash Needs	(4,434,521)	(6,559,076)	(3,619,733)	(3,785,758)	(6,983,371)	(278,356)	(2,225,761)	(584,864)	(152,737)	(211,867)
Transportation Funding Escrow Needs	(25,000)	0	0	0	0	(959,325)	(2,476,835)	0	0	0
Total Cash Needs	(4,459,521)	(6,559,076)	(3,619,733)	(3,785,758)	(6,983,371)	(1,237,681)	(4,702,596)	(584,864)	(152,737)	(211,867)
Water Facilities Recapture Fees	0	1,494,195	2,702,438							
Fire Station Income	0	48,300	69,300	79,200	63,300	92,400	93,000	87,000	83,700	75,300
G.O. Bond Proceeds				8,372,500	0	8,372,500	4,186,250	5,417,500	0	0
Floating Rate Proceeds	10,084,250	0	1,447,500	0	7,430,500	0	0	0	0	0
Total Cash Surplus / (Needs)	5,624,729	(5,016,581)	599,505	4,665,942	510,429	7,227,219	(423,346)	4,919,636	(69,037)	(136,567)
Revenue vs Debt Service Pmts:										
Property Tax Revenue	0	48,300	69,300	385,200	801,633	1,308,333	1,557,766	2,421,557	2,885,882	3,173,973
District Expenses	(40,000)	(42,000)	(44,100)	(46,305)	(48,620)	(51,051)	(53,604)	(56,284)	(59,098)	(62,053)
Net Revenue before debt	(40,000)	6,300	25,200	338,895	753,013	1,257,282	1,504,162	2,365,273	2,826,784	3,111,920
Debt Service Payments										
Floating Rate D/S Pmts	0	(535,563)	(535,563)	(4,762,438)	(599,750)	(4,584,125)	(3,239,375)	(1,903,563)	(729,250)	(761,313)
G.O. D/S Payments	0	0	0	0	(685,000)	(683,700)	(1,372,050)	(1,710,900)	(2,158,400)	(2,160,300)
Net Revenue after debt	(40,000)	(529,263)	(510,363)	(4,423,543)	(531,737)	(4,010,543)	(3,107,263)	(1,249,189)	(60,866)	190,308
District Cash Balance	5,584,729	38,886	128,029	370,429	349,120	3,565,797	35,188	3,705,634	3,575,731	3,629,472

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Totals
267	361	185	240	117	0	0	0	0	0	3,475
\$75,160,000	\$82,750,000	\$90,975,000	\$53,600,000	\$50,400,000	\$34,390,000	\$0	\$0	\$0	\$0	\$1,118,100,000
805,985,000	888,735,000	979,710,000	1,033,310,000	1,083,710,000	1,118,100,000	1,118,100,000	1,118,100,000	1,118,100,000	1,118,100,000	23,972,315
0	1,108,209	0	0	0	0	0	0	0	0	
22,864,106	23,972,315	23,972,315	23,972,315	23,972,315	23,972,315	23,972,315	23,972,315	23,972,315	23,972,315	
80,378,218	88,271,224	96,595,436	101,499,836	106,111,436	109,258,121	109,258,121	109,258,121	109,258,121	109,258,121	
40,189,109	44,135,612	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	
40,640,000	44,565,000	43,905,000	43,195,000	42,440,000	41,625,000	40,750,000	39,820,000	38,815,000	37,745,000	
6,175,000	0	0	0	0	0	0	0	0	0	
9,879,553	6,373,261	6,970,755	7,924,941	8,667,904	9,480,520	10,369,319	11,341,443	12,004,703	12,530,144	
4,137,000	4,432,500	0	(295,109)	0	0	0	0	400,000	600,000	20,601,891
0	0	0	0	0	0	0	0	0	0	(28,836,044)
0	0	0	0	0	0	0	0	0	0	(3,461,160)
0	0	0	0	0	0	0	0	0	0	(32,297,204)
80,100	108,300	55,500	72,000	35,100	0	0	0	0	0	4,196,633
0	0	0	295,109	0	0	0	0	(400,000)	(600,000)	1,042,500
0	0	0	0	0	0	0	0	0	0	18,962,250
80,100	108,300	55,500	367,109	35,100	0	0	0	(400,000)	(600,000)	(8,095,821)
3,548,256	3,975,331	4,010,454	4,429,929	4,456,379	4,430,729	4,568,289	4,568,289	4,568,289	4,568,289	55,776,182
(65,156)	(68,414)	(71,835)	(75,427)	(79,198)	(83,158)	(87,316)	(91,682)	(96,266)	(101,079)	(1,322,646)
3,483,100	3,906,917	3,938,619	4,354,502	4,377,181	4,347,571	4,480,973	4,476,607	4,472,023	4,467,210	54,453,536
(815,813)	(866,469)	(888,281)	(907,531)	(924,219)	(938,344)	(1,374,906)	(1,487,125)	(315,375)	0	(26,169,000)
(3,080,450)	(3,419,800)	(3,779,550)	(3,783,350)	(3,778,650)	(3,785,800)	(3,788,750)	(3,782,500)	(3,792,400)	(3,787,050)	(45,548,650)
(413,162)	(379,351)	(729,212)	(336,379)	(325,688)	(376,573)	(682,683)	(793,018)	364,248	680,160	126,171,186
3,296,410	3,025,358	2,351,646	2,382,376	2,091,789	1,715,216	1,032,533	239,516	203,764	283,924	

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Sales Projections / Units													
S F - Golf View (1 year build out)	0	40	60	60	60	0	60	60	60	60	58	0	0
S F - Golf View (2 year build out)	0	0	0	0	0	0	0	0	0	0	0	0	0
S F - Non-golf Mtn View (1 yr. Build out)	81	111	72	44	0	83	0	0	0	0	0	0	0
S F - Non-golf Mtn View (2 yr. Build out)	0	0	0	0	0	0	0	0	0	0	0	0	0
S F - Non-golf (1 yr. Build out)	0	0	0	0	70	70	40	70	61	60	40	60	40
S F - Non-golf (2 yr. Build out)	0	0	0	0	0	0	0	0	0	0	0	0	0
S F - Golf (1 yr. Build out)	80	80	132	0	90	40	65	40	40	43	60	40	40
S F - Golf (2 yr. Build out)	0	0	0	0	0	0	0	0	0	0	0	0	0
Townhouse - Golf (1 yr. Build out)	0	0	0	30	0	40	40	109	40	104	40	85	0
Townhouse - Golf (2 yr. Build out)	0	0	0	0	0	0	0	0	0	0	0	0	0
Condos/Apartments (1 yr. Build out)	0	0	0	77	88	77	85	0	50	0	163	0	160
Condos/Apartments (2 yr. Build out)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Units	161	231	264	211	308	310	290	279	251	267	361	185	240

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Crystal Valley Bond Pmt Income													
Residential Mil Levy Income													
Build Projections / Units													
Single Family - Golf View	0	0	40	60	60	60	0	60	60	60	60	58	0
Single Family - Non-golf Mtn View	0	81	111	72	44	0	83	0	0	0	0	0	0
Single Family - Non-golf	0	0	0	0	0	70	70	40	70	61	60	40	60
Single Family - Golf	0	80	80	132	0	90	40	65	40	40	43	60	40
Townhouse - Golf	0	0	0	0	30	0	40	40	109	40	104	40	85
Condos/Apartments	0	0	0	0	77	88	77	85	0	50	0	163	0
Total Units	0	161	231	264	211	308	310	290	279	251	267	361	185

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Residential Market Values													
Single Family - Golf View	400,000	n.a.	0	16,000,000	24,000,000	24,000,000	24,000,000	0	24,000,000	24,000,000	24,000,000	24,000,000	23,200,000
Single Family - Non-golf Mtn View	500,000	n.a.	0	55,500,000	36,000,000	22,000,000	0	41,500,000	0	0	0	0	0
Single Family - Non-golf	310,000	n.a.	0	0	0	0	21,700,000	21,700,000	12,400,000	21,700,000	18,910,000	18,600,000	12,400,000
Single Family - Golf	450,000	n.a.	0	36,000,000	59,400,000	0	40,500,000	18,000,000	29,250,000	18,000,000	18,000,000	19,350,000	27,000,000
Townhouse - Golf	200,000	n.a.	0	0	0	6,000,000	0	8,000,000	8,000,000	21,800,000	8,000,000	20,800,000	8,000,000
Condos/Apartments	125,000	n.a.	0	0	0	9,625,000	11,000,000	9,625,000	10,625,000	0	6,250,000	0	20,375,000
Total Residential Mkt Value / Year			76,500,000	107,500,000	119,400,000	61,625,000	97,200,000	98,825,000	84,275,000	85,500,000	75,160,000	82,750,000	90,975,000
Cumulative Residential Market Value			76,500,000	184,000,000	303,400,000	365,025,000	462,225,000	561,050,000	645,325,000	730,825,000	805,985,000	888,735,000	979,710,000
Residential Income for Bond Pmts													
9.15% Mil Levy =	0.00400	0	0	306,000	736,000	1,213,600	1,460,100	1,848,900	2,244,200	2,581,300	2,923,300	3,223,940	3,554,940

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Commercial Mil Levy Income													
Commercial Sales Projections / Acres													
Commercial Market Values 2000\$	583,268	n.a.	0	583,268	0	583,268	1,166,536	18,781,230	1,166,536	583,268	0	1,108,209	0
Total Commercial Mkt Value by Year			0	583,268	583,268	1,166,536	2,333,072	21,114,302	22,280,838	22,864,106	22,864,106	23,972,315	23,972,315
Cumulative Commercial Mkt Value			0	583,268	583,268	1,166,536	2,333,072	21,114,302	22,280,838	22,864,106	22,864,106	23,972,315	23,972,315
Commercial Income for Bond Pmts													
Mil Levy = A.V. = 0.290	0.00400	0	0	0	2,333	2,333	4,666	9,332	84,457	89,123	91,456	91,456	95,889

Fire Station Recapture Fees	300	0	48,300	69,300	79,200	63,300	92,400	93,000	87,000	83,700	75,300	80,100	108,300	55,500
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Property Value Escalation Factors:		Growth Factors												
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Residential Property	Growth Factors	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Commercial Property	Growth Factors	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Calculated Property Values:														
Residential Property	Base Value / Unit													
Single Family - Golf View	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Single Family - Non-golf Mtn. View	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Single Family - Non-golf	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000
Single Family - Golf	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Townhouse - Golf	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Condos/Apartments	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Commercial Property	583,268	583,268	583,268	583,268	583,268	583,268	583,268	583,268	583,268	583,268	583,268	583,268	583,268	583,268

2015	2016	2017	2018	2019	2020	2021	Total
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	518
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	391
0	0	0	0	0	0	0	0
34	0	0	0	0	0	0	545
0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	779
0	0	0	0	0	0	0	0
54	0	0	0	0	0	0	542
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	700
0	0	0	0	0	0	0	0
117	0	0	0	0	0	0	3475

2015	2016	2017	2018	2019	2020	2021	Total
0	0	0	0	0	0	0	518
0	0	0	0	0	0	0	391
40	34	0	0	0	0	0	545
40	29	0	0	0	0	0	779
0	54	0	0	0	0	0	542
160	0	0	0	0	0	0	700
240	117	0	0	0	0	0	3,475

0	0	0	0	0	0	0	207,200,000
0	0	0	0	0	0	0	195,500,000
18,600,000	12,400,000	10,540,000	0	0	0	0	168,950,000
18,000,000	18,000,000	13,050,000	0	0	0	0	350,550,000
17,000,000	0	10,800,000	0	0	0	0	108,400,000
0	20,000,000	0	0	0	0	0	87,500,000
53,600,000	50,400,000	34,390,000	0	0	0	0	1,118,100,000

1,033,310,000	1,033,710,000	1,118,100,000	1,118,100,000	1,118,100,000	1,118,100,000	1,118,100,000	
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3,918,840	4,133,240	4,334,840	4,472,400	4,472,400	4,472,400	4,472,400	50,368,800
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0	0	0	0	0	0	0	41
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0	0	0	0	0	0	0	23,972,315
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23,972,315	23,972,315	23,972,315	23,972,315	23,972,315	23,972,315	23,972,315	
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95,889	95,889	95,889	95,889	95,889	95,889	95,889	1,142,272
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72,000	35,100	0	0	0	0	0	1,042,500
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	Growth Factors						
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
400,000	400,000	400,000	400,000	400,000	400,000	400,000	
500,000	500,000	500,000	500,000	500,000	500,000	500,000	
310,000	310,000	310,000	310,000	310,000	310,000	310,000	
450,000	450,000	450,000	450,000	450,000	450,000	450,000	
200,000	200,000	200,000	200,000	200,000	200,000	200,000	
125,000	125,000	125,000	125,000	125,000	125,000	125,000	
583,268	583,268	583,268	583,268	583,268	583,268	583,268	

Crystal Valley Metropolitan District Nos. 1 & 2
 Financing Plan & Capital Improvement Schedule
 11-Dec-01

Detail Expense Summary

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Operations & Maintenance	40,000	42,000	44,100	46,305	48,620	51,051	53,604	56,284	59,098	62,053	65,156	68,414	71,835	75,427	79,198	83,158	87,318	91,682	96,266	101,079	1,322,848

Growth Factors	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Operations & Maintenance		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

Crystal Valley Metropolitan District Nos. 1 & 2
Financing Plan & Capital Improvement Schedule
11-Dec-01
Calculation of Assessed Value & Maximum Allowable Debt

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Calculation of Assessed Valuation									
Residential Cumm Mkt Value		0	76,500,000	184,000,000	303,400,000	365,025,000	462,225,000	561,050,000	645,325,000
Commercial Cumm Mkt Value		0	0	583,268	583,268	1,166,536	2,333,072	21,114,302	22,280,838
Assessed Valuation Residential	0.0915	0	6,999,750	16,836,000	27,761,100	33,399,788	42,293,588	51,336,075	59,047,238
Assessed Valuation Commercial	0.2900	0	0	169,148	169,148	338,295	676,591	6,123,147	6,461,443
Total Valuation		0	6,999,750	17,005,148	27,930,248	33,738,083	42,970,178	57,459,222	65,508,680
Calculation of Maximum Allowable Debt									
Total Assessed Valuation (Combined)		0	6,999,750	17,005,148	27,930,248	33,738,083	42,970,178	57,459,222	65,508,680
G.O. Debt Cap Allowed @	50.00%	0	3,499,875	8,502,574	13,965,124	16,869,041	21,485,089	28,729,611	32,754,340
Estimated Debt Outstanding									
Floating Rate Issues (principal)		0	0	0	0	0	0	0	0
G.O. Principal Outstd (Cummulative)		0	0	8,580,000	8,490,000	8,395,000	21,745,000	21,490,000	33,400,000
Total Debt (principal)		0	0	8,580,000	8,490,000	8,395,000	21,745,000	21,490,000	33,400,000
Lower of Cap or G.O. Debt Outstanding		0	0	8,502,574	8,490,000	8,395,000	21,485,089	21,490,000	32,754,340
Excess G.O. Debt cap			3,499,875	(77,426)	5,475,124	8,474,041	(259,911)	7,239,611	(645,660)
Use excess to pay down Water Notes									

FOR DISCUSSION PURPOSES ONLY

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
730,825,000	805,985,000	888,735,000	979,710,000	1,033,310,000	1,083,710,000	1,118,100,000	1,118,100,000	1,118,100,000	1,118,100,000	1,118,100,000	1,118,100,000
22,864,106	22,864,106	23,972,315	23,972,315	23,972,315	23,972,315	23,972,315	23,972,315	23,972,315	23,972,315	23,972,315	23,972,315
66,870,488	73,747,628	81,319,253	89,643,465	94,547,865	99,159,465	102,306,150	102,306,150	102,306,150	102,306,150	102,306,150	102,306,150
6,630,591	6,630,591	6,951,971	6,951,971	6,951,971	6,951,971	6,951,971	6,951,971	6,951,971	6,951,971	6,951,971	6,951,971
73,501,078	80,378,218	88,271,224	96,595,436	101,499,836	106,111,436	109,258,121	109,258,121	109,258,121	109,258,121	109,258,121	109,258,121
73,501,078	80,378,218	88,271,224	96,595,436	101,499,836	106,111,436	109,258,121	109,258,121	109,258,121	109,258,121	109,258,121	109,258,121
36,750,539	40,189,109	44,135,612	48,297,718	50,749,918	53,055,718	54,629,061	54,629,061	54,629,061	54,629,061	54,629,061	54,629,061
0	0	0	0	0	0	0	0	0	0	0	0
42,575,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000
42,575,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000
36,750,539	40,189,109	44,135,612	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000
(5,824,461)	(4,810,891)	(864,388)	3,297,718	5,749,918	8,055,718	9,629,061	9,629,061	9,629,061	9,629,061	9,629,061	9,629,061

EXHIBIT H
Section 11.02.150 Requirements

DRAFT 9/24/01

**MASTER
INTERGOVERNMENTAL
AGREEMENT**

**TOWN OF CASTLE ROCK
AND
CRYSTAL VALLEY RANCH
METROPOLITAN DISTRICT**

NOS. 1 AND 2

October 25, 2001

**TOWN OF CASTLE ROCK/CRYSTAL VALLEY RANCH
METROPOLITAN DISTRICT NOS. 1 & 2
MASTER INTERGOVERNMENTAL AGREEMENT**

DATE: October 25, 2001.

PARTIES: **TOWN OF CASTLE ROCK** (Town), a home rule municipal corporation, 100 Wilcox Street, Castle Rock, Colorado 80104.

CRYSTAL VALLEY RANCH METROPOLITAN DISTRICT NOS. 1 AND 2, (Districts) quasi-municipal corporations and political subdivisions of the State of Colorado c/o White and Associates, P.C., 8005 S. Chester Street, Suite 125, Englewood, Colorado 80112.

RECITALS:

A. The Districts were organized by order and decree of the Douglas County District Court for the purpose of developing infrastructure to support the extension of urban services to the property now known as the Crystal Valley Ranch PD (CVR). Town and Districts entered into Intergovernmental Agreements dated March 3, 1987 (collectively, Prior IGA) for the purpose of defining the respective obligations of Town and Districts for infrastructure development and the provision of services to CVR.

CVR is located within the collective boundaries of the Districts, which lie entirely within the corporate limits of the Town.

B. As part of the organization of the Districts, the Districts submitted and the Town approved separate Service Plans for each District (Original Service Plans). Contrary to the projections in the Original Service Plans, no development within the Districts has taken place and therefore the Districts have not constructed development infrastructure. The CVR development plan approved by the Town on _____ is a significant modification to the previous zoning, resulting in a reduction in densities and other changes to the development plan.

C. As required by the Special District Act and Chapter 11.02 of the Castle Rock Municipal Code, the Districts have submitted an Amended Consolidated Service Plan which was approved by Resolution No. 2001-___ of the Castle Rock Town Council on _____, 2001 (Service Plan). The Service Plan reflects current capital development and financial projections for the Districts on a consolidated basis. The Council's approval of the Service Plan was conditioned on the Districts entering into this Master Intergovernmental Agreement, which sets forth, among other things, the parameters of the Districts' authority to finance and construct public improvements.

D. The constitution and laws of the State of Colorado permit and encourage cooperative efforts by local governmental entities to make the most efficient and effective use of their powers, responsibilities and resources. Due to the fact that the Districts' boundaries are entirely located within the Town limits, and the Town provides municipal services within the Districts' boundaries, the limitations and restrictions on the exercise by the Districts of the powers and duties granted it under the Special District Act are appropriate and necessary to protect the health, safety and welfare of the residents and citizens of the Town, including the current and future residents of the CVR.

COVENANTS:

THEREFORE, in consideration of these mutual promises, the parties agree and covenant as follows:

**ARTICLE I
DEFINITIONS**

1.01 Defined Terms. Unless the context expressly indicates to the contrary, the following words when capitalized in the text shall have the meanings indicated:

Agreement: this Master Intergovernmental Agreement and any amendments and supplements to this Agreement.

Authority: the Plum Creek Wastewater Authority.

Availability of Service or Facilities Charges: those charges permitted to be assessed by the Districts pursuant to §32-1-1006(1)(h), C.R.S., as amended from time to time.

Bonds: bonds, refunding bonds, notes, certificates, debentures, contracts or other evidence of indebtedness or borrowing issued or incurred by the Districts pursuant to law.

Charter: the Home Rule Charter of the Town, as amended.

Code: the Castle Rock Municipal Code, as amended.

C.R.S.: the Colorado Revised Statutes, as amended.

Development Agreement: the Crystal Valley Ranch Development Agreement dated _____, between the Town and landowner, recorded on _____, at Reception No. _____ of the public records of Douglas County, Colorado.

Development Exactions: the fees and charges imposed by Town under the Town Regulations

on development, including per unit charges for capital plant investment, such as System Development Fees.

Districts: The Crystal Valley Ranch Metropolitan District Nos.1 & 2, the legal boundaries of which are described in the attached *Exhibit 1*.

Facilities: the infrastructure prescribed by Town Regulations necessary to furnish Municipal Services to CVR, as further identified in the Service Plan.

Facilities Development Fees: those fees to be imposed and collected by the Districts for connection to Facilities constructed by the Districts, and for the right to use other Facilities of the Districts.

Financial Plan: the financing plan designated as Exhibit G to the Service Plan.

CVR: the real property zoned as the Crystal Valley Ranch Planned Development (PD).

Municipal Services: police and fire protection, water and wastewater, stormwater drainage and detention, parks and recreation, transportation and street maintenance, general administrative services including code enforcement and any other service provided by Town within the municipality under its police powers.

Phasing Plan: the Phasing Plan under Exhibit 3 to the Development Agreement

Plans: the plans, documents, drawings and specifications prepared by or for the Districts for construction, installation or acquisition of any of the Facilities.

Prior IGA: Intergovernmental Agreements between Town and Districts dated March 3, 1987.

Regional Plant: the Lower East Plum Creek Regional Wastewater Treatment Facility owned and operated by the Authority.

SDO: the Special District Oversight ordinance codified in Chapter 11.02 of the Code.

Service Charges: the periodic charges imposed by the Town pursuant to Town Regulations, and billed to ultimate consumers of service provided by the Town to cover the costs of providing such services.

Service Plan: the Amended Consolidated Service Plan for Districts 1 and 2, respectively dated _____, approved by Town Council Resolution No. 2001-____ on _____.

Special District Act: Article 1, Title 32, C.R.S.

System Development Fees: the charges imposed by Town under Town Regulations as a condition to the right to connect to the municipal water or wastewater system, for the purpose of recovering Town's pro rata capital cost of water or wastewater facilities dedicated to allow such connection, including the component charges currently imposed under 13.12.080 of the Code. A charge or fee imposed under the Town Regulations exclusively for the purpose of the acquisition or development of renewable water resources or a cash payment in lieu of water rights dedication is not considered a System Development Fee under this Agreement.

Town: the Town of Castle Rock, a home rule municipal corporation.

Town Regulations: the Charter, ordinances, resolutions, rules and regulations of the Town, including the Code and the provisions of all zoning, subdivision, public works and building codes, as the same may be amended from time to time, applied on a Town-wide basis. Reference to Town Regulations shall mean the Town Regulations in effect at the time of application.

Water and Wastewater Facilities: the facilities required to: (i) withdraw, treat and distribute potable water; (ii) store and reuse irrigation water; and (iii) collect and treat wastewater.

Certain other terms are defined in the text of the Agreement and shall have the meaning indicated.

1.02 Cross-Reference. Any reference to a section or article number, with or without further description, shall mean such section or article in this Agreement.

ARTICLE II FACILITIES DEVELOPMENT AND MAINTENANCE

2.01 Construction of Facilities. Districts have the authority to construct the Facilities for which the development obligation is assigned the developer under the Phasing Plan. The Districts have the authority to finance any of the Facilities, consistent with the Development Agreement and Service Plan. The Districts shall not have the authority to provide other infrastructure without the prior written consent of the Town. The Facilities shall be constructed pursuant to the standards and procedures set forth in the Service Plan, Development Agreement, and the Town Regulations.

2.02 Ownership and Maintenance. Except as provided in the Service Plan or as otherwise allowed by the Town, the Districts shall convey the Facilities to the Town upon completion in

accordance with Article VI of the Development Agreement.

2.03 Wastewater Treatment. Wastewater treatment facilities for the CVR will be provided by the Authority at the Regional Plant. The Town, as a member of the Authority, will use its best efforts to insure that the Authority will maintain sufficient capacities at the Regional Plant or other suitable locations for service to developers and homebuilders within the Districts who have paid or will pay the wastewater System Development Fee.

2.04 Maintenance. Upon acceptance of the Facilities, Town shall operate maintain, repair and/or replace the Facilities, in order to provide Municipal Services to the CVR. However, this Agreement shall not restrict or impair the Town from conveying Facilities to a regional authority or other governmental or quasi-governmental agency or authority, provided an equivalent level of maintenance and operation of such Facilities at an equivalent cost is guaranteed by Town, and the Town obtains an opinion of a bond attorney with a nationally-recognized expertise in the area of municipal bonds indicating that the conveyance will not adversely affect the tax-exempt status of any outstanding Bonds of the Districts.

2.05 Surety. In recognition of the quasi-municipal nature of the Districts and their financial and taxing powers, Districts may satisfy the requirements under the Town Regulations for posting of financial guarantees to assure the construction and warranty obligations for Facilities by establishing a cash escrow (the "Escrow") in accordance with the following:

- (a) the Escrow shall be established with a title insurance company or financial institution;
- (b) the construction Escrow deposit shall be in the amount prescribed by the Town Regulations;
- (c) District may make progress payments to its contractors from the Escrow construction deposit, provided Town approves the draw request, which approval shall not be unreasonably withheld;
- (d) the construction Escrow deposit may not be drawn down below the amount required for the warranty surety under the Town Regulations;
- (e) the Escrow agreement shall authorize the Town to access the Escrow deposit in the event of a default by Districts for the purpose of undertaking completion or remediation work on the Facilities as more specifically provided under the applicable SIA; and

- (f) the Escrow deposit remaining after expiration of the warranty period and application to remedy unmet warranty obligations, if any, shall be returned to Districts.

In the event that alternative surety arrangements are authorized in the Town Regulations, such provisions shall be available to Districts, notwithstanding the above requirements.

ARTICLE III DEVELOPMENT FEES

3.01 Town Fees. Town will impose and collect Development Exactions within the Districts in accordance with the Town Regulations, subject to the further provisions of Article VI of the Development Agreement, including the right of the Districts to recover the Fee Credit, on such terms and conditions as are specified in the Development Agreement.

3.02 Charges by Districts. Districts shall have the right to impose Availability of Service or Facility Charges and Facilities Development Fees (collectively, the "District Fees"), provided that the imposition of such fees shall not in any manner impair or limit the imposition or collection by Town of any Development Exactions, including System Development Fees, within the CVR. Districts shall collect District Fees directly from the builder or developer. Districts shall have no right or ability to impose any other Development Exactions, other than District Fees, unless otherwise provided in a subsequent agreement between Town and Districts. Districts shall have no right to impose any Service Charges within the CVR. Nothing in this section shall preclude or impair the Districts' ability to collect *ad valorem* property taxes, or to collect and impose any other rate, fee, tax, penalty or charge or other source of revenue, which is identified for utilization and application in the Financial Plan.

ARTICLE IV BOND ISSUANCE

4.01 Bonds. Districts shall not issue Bonds, except upon compliance with the following conditions:

- (a) the Bonds are issued in accordance with the applicable provisions and restrictions of the Service Plan, the Special District Act, and other applicable provisions of the laws of the State of Colorado; and

- (b) the Districts are not then required to obtain a Service Plan amendment under either the Special District Act or the SDO (i.e., as of the date of issuance there has not been a material modification to the Service Plan, as amended).

**ARTICLE V
SERVICE PLAN COMPLIANCE**

5.01 Generally. The Service Plan contains certain responsibilities, restrictions and limitations on the Districts which may not be separately set forth in this Agreement. Performance of the Service Plan by the Districts is an implied covenant of this Agreement, for which the default and remedies of section 8.05 shall be applicable in the same manner as if expressly set forth in this Agreement.

5.02 Service Plan Amendment. The authorization to the Districts under the terms of the Service Plan and this Agreement is given by Town on reliance upon certain development and financial assumptions and projections in the Service Plan. Although these projections and assumptions are based upon the best information available at this time, such assumptions and projections may prove to be materially inaccurate. Accordingly, a Service Plan amendment shall be submitted by Districts to Town for Town review and approval when required under the SDO and Special District Act.

5.03 Town Review. Annually, not later than the date Districts are required to submit the annual report under the SDO, the Districts shall furnish to Town an accounting of all actual revenues and expenses, and accumulated reserves for the preceding calendar year, in substantially the same format as the Financial Plan, such that Town can compare the experience of the Districts with the projections in the Financial Plan. Town shall have access to Districts' financial statements, accounting records and other supporting documentation, upon written demand, and at such reasonable times, for the purpose of auditing the financial reports submitted by Districts.

5.04 Statutory Review. The review of the Service Plan and the approval of this Agreement shall constitute the first quinquennial review of the Districts' reasonable diligence. The second statutory review of Districts' applications for the quinquennial finding of reasonable diligence under the Special District Act shall take place in 2006, to be completed not later than July 1, 2006.

**ARTICLE VI
LIMITATIONS ON DISTRICTS' POWERS**

6.01 Restrictions on Expansion of Districts' Powers. The parties acknowledge that the Districts were permitted by the Town to be organized solely for the purpose of providing, acquiring, constructing, installing and completing the Facilities and providing or causing to be provided the services authorized pursuant to this Agreement and described in the Service Plan, and for no other purpose. The Districts shall not engage in any activity, purpose, service or function except as stated in this Agreement and in the Service Plan or as reasonably required for the Districts to accomplish such purposes, responsibilities and obligations. Town shall not interfere with the exercise by Districts of any of their lawful powers except as the exercise thereof is specifically limited by this Agreement and the Service Plan.

6.02 Extraterritorial Authority. Districts will not engage in any service or activity outside its boundaries (as the same may be modified, from time to time, in accordance with the Service Plan), except as such Facility, service or activity is described in the Service Plan or is necessary to the provision of Facilities or services within its boundaries, or where the Districts have obtained the Town's prior approval.

6.03 Change of District Boundaries. The Districts shall neither cause any additional territory outside the boundaries of the CVR to be included within one or more of the Districts boundaries, nor permit any territory now included in the CVR to be excluded from the Districts, without first obtaining Town approval, or unless authorized in the Service.

**ARTICLE VII
TOWN RESERVED POWERS**

7.01 Generally. As a general purpose municipal corporation, the Town adopts and administers policies, rules and regulations, principally through the Town Regulations ("Town Policies"). The approval of the Service Plan or this Agreement shall in no manner restrict the Town Council from applying Town Policies within the CVR (even though Town Policy may have an effect of

limiting development or making development more costly to the landowner and/or Districts), provided the Town Policy is:

- (a) a lawful exercise of the Town's legislative, quasi-legislative, administrative and/or police powers; and
- (b) not in contravention of express covenants of the Development Agreement, the Service Plan or this Agreement.

7.02 No Claims. The Districts shall have no legal or equitable claim against Town as a result of the Town taking or imposing any of the following actions if otherwise a lawful exercise of the Town's powers:

- (a) imposing new Development Exactions or increasing (or decreasing) the levels of existing Development Exactions;
- (b) exercise of its right of eminent domain to acquire private properties in the Districts for public purposes upon the payment of just compensation therefore; and
- (c) acquisition of properties zoned for development in the Districts for park, recreation, open space or other public purpose, pursuant to agreement with the grantor.

ARTICLE VIII GENERAL PROVISIONS

8.01 Dissolution of Districts. At such time as all Facilities contemplated under this Agreement and the Service Plan have been acquired, constructed, installed and completed, and upon payment of all Bonds of the Districts, or provision having been made for such payment, the Districts shall, subject to applicable statutory provisions, be dissolved. At the time of such dissolution, all Facilities not previously conveyed to Town shall be so conveyed. Nothing contained in this section shall be deemed to specify an exclusive method for accomplishing dissolution.

8.02 Additional Warranties. The parties warrant that each has the full right, power and authority to enter into, perform, and observe this Agreement. Districts disavow as obligor or obligee, any provision or term of any contract or indenture between the Districts and any other special district, which is in contravention of the provision of this Agreement, and Districts stipulate that any such

intergovernmental agreement shall be subordinate and subject to the provisions of this Agreement.

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

8.04 Merger. This Agreement supersedes the Prior IGA in their entirety.

8.05 Default and Remedies. In the event either party alleges that the other is in default of this Agreement, the non-defaulting party shall first notify the defaulting party in writing of such default and specify the exact nature of the default in such notice. The defaulting party shall have twenty (20) working days from receipt of such notice within which to cure such default before the non-defaulting party may exercise any of its remedies hereunder; provided that:

- (a) such default is capable of being cured;
- (b) the defaulting party has commenced such cure within said 20-day period; and
- (c) the defaulting party diligently prosecutes such cure to completion.

If such default is not of a nature that can be cured in such twenty (20) day period, corrective action must be commenced within such period by the defaulting party and thereafter diligently pursued. In addition to specific remedies provided elsewhere in the Agreement, upon default, the non-defaulting party shall have the right to take whatever action at law or in equity appears necessary or desirable to enforce the performance and observation of any obligation, agreement or covenant of the defaulting party under this Agreement, or to collect the monies then due and thereafter to become due. In any such legal action, the prevailing party shall be entitled to recover its reasonable attorney's fees and litigation costs from the other party.

8.06 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, addressed as follows:

If to Town: Town of Castle Rock

Attn: Town Attorney
100 Wilcox Street
Castle Rock, CO 80104

If to Districts: Crystal Valley Ranch Metropolitan District Nos. 1 & 2
c/o White & Associates
8005 S. Chester Street, #125
Englewood, CO 80112

8.07 No Liability of Town. Town shall have no obligation whatsoever to repay any debt or liability of the Districts, including the Bonds.

8.08 Notice of Meetings. The Districts shall submit a copy of a written notice of every regular or special meeting of the Districts to the Town Clerk at least three days prior to such meeting.

8.09 Assignment. No transfer or assignment of this Agreement or of any rights hereunder shall be made by either party without the prior written consent of the other, which consent shall not be unreasonably withheld.

8.10 Amendments. This Agreement may be amended only in writing upon consent of the parties. Amendments shall be approved by resolution of the Town Council of the Town and ~~the~~ resolution of the Board of Directors of the Districts.

8.11 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

8.12 No Waiver. The waiver or delay of enforcement of one or more terms of this Agreement shall not constitute a waiver of the remaining terms. The waiver or delay in enforcement regarding any breach of this Agreement shall not constitute a waiver of any terms of the Agreement.

8.13 Entire Agreement. This Agreement contains the entire agreement of the parties concerning the subject matter and supersedes all prior conversations, proposals, negotiations, understandings, and agreements, whether written or oral.

8.14 No Third Party Beneficiary. This Agreement is made solely for the benefit of the parties and no other parties or persons are intended beneficiaries.

DRAFT 9/14/01

ATTEST:

TOWN OF CASTLE ROCK

Sally A. Misare, Town Clerk

Herb Teets, Mayor

Approved as to form:

Robert J. Slentz, Town Attorney

STATE OF COLORADO)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this ___ day of _____, 2001 by Sally A. Misare as Town Clerk and Herb Teets as Mayor of the Town of Castle Rock, Colorado.

Witness my official hand and seal.
My commission expires: _____.

(SEAL)

Notary Public

DRAFT 9/14/01

ATTEST:

CRYSTAL VALLEY RANCH
METROPOLITAN DISTRICT NOS. 1 & 2 -

By: _____

By: _____

Its: _____

Its: _____

DRAFT 9/14/01

STATE OF COLORADO)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this _____ day of _____,
2001 by _____ as _____ and _____ as _____ for
Crystal Valley Ranch Metropolitan District Nos. 1 & 2

Witness my official hand and seal.
My commission expires: _____.

(S E A L)

Notary Public

FAUSER\LEGAL\Crystal Valley Ranch\Master IGA.DOC

EXHIBIT I
Directors

Allan J. Block
409 S. Wilcox Street
Unit G
Castle Rock, CO 80104

Phone (303) 814-6862

Matthew D. Gordon
11001 E. Crestridge Cir.
Englewood, CO 80111

Phone (303) 770-0200

Paul Eakins
4345 S. Lake Gulch Road
Castle Rock, CO 80104

Phone (303) 688-0375

Gregory W. Brown
5827 S. Reed Way, #1524
Littleton, CO 80123

Phone (303) 870-6300