

SEP 16 2005

**CONSOLIDATED SERVICE PLAN
FOR**

**M.V. PERRY
CLERK OF COURT**

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 4
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 6
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 7**

CITY OF COLORADO SPRINGS, COLORADO

Prepared for:

The Banning Lewis Ranch Company, LLC, a Delaware limited liability company

by

Grimshaw & Harring, P.C.

September 6, 2005

SEP 16 2005

TABLE OF CONTENTS

**M.V. PERRY
CLERK OF COURT**

I.	INTRODUCTION	1
A.	Purpose and Intent.....	1
B.	Need for the Districts.....	1
C.	Objective of the City Regarding Districts' Service Plans.....	1
II.	DEFINITIONS.....	2
III.	BOUNDARIES.....	5
IV.	PROPOSED LAND USEASSESSED VALUATION	5
V.	DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES.....	5
A.	Powers of the Districts and Service Plan Amendment.....	5
	1. Operations and Maintenance Limitation.....	5
	2. Eminent Domain Limitation	6
	3. Construction Standards Limitation	6
	4. Privately Placed Debt Limitation.....	6
	5. Inclusion Limitation.....	7
	6. Initial Debt Limitation – District No. 2	7
	7. Debt Limitation – District Nos. 3 through 7.....	7
	8. Conservation Trust Funds	7
	9. Consolidation Limitation	7
	10. Bankruptcy Limitation.....	7
	11. Service Plan Amendment Requirement.....	8
B.	Preliminary Engineering Survey.....	8
C.	Multiple District Structure.....	8
VI.	FINANCIAL PLAN.....	9
A.	General.....	9
B.	Maximum Voted Interest Rate and Maximum Underwriting Discount.....	10
C.	Commercial Maximum Debt Mill Levy.....	10
D.	Residential Maximum Debt Mill Levy.....	10
E.	Maximum Debt Mill Levy Imposition Term.....	11
F.	Debt Repayment Sources.....	11
G.	Debt Instrument Disclosure Requirement.....	11
H.	Security for Debt.....	12
I.	Additional Bond Limitations.....	12
J.	Districts' Operating Costs and Maximum O&M Mill Levy.....	13
VII.	ANNUAL REPORT	14
A.	General.....	14
B.	Reporting of Significant Events.....	14

VIII. DISSOLUTION 15
IX. DISCLOSURE TO PROPERTY OWNERS WITHIN THE DISTRICTS 15
X. COMPLIANCE WITH CITY POLICIES 15
XI. CONCLUSION..... 20

LIST OF EXHIBITS

SEP 16 2005

M.V. PERRY
CLERK OF COURT

EXHIBIT A	Legal Descriptions
EXHIBIT B	Vicinity Map
EXHIBIT C-1	Initial Districts Boundary Maps
EXHIBIT C-2	Inclusion Area Boundary Map
EXHIBIT D	District No. 2 Financial Plan

SEP 1 3 2005

I. INTRODUCTION

A. Purpose and Intent.

M.V. PERRY
CLERK OF COURT

The Districts are independent units of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Service Plan, their activities are subject to review by the City only insofar as they may deviate in a material matter from the requirements of the Service Plan. It is intended that the Districts will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction, and in some cases the operation and maintenance of these Public Improvements. Despite anything in the Service Plan to the contrary and in the absence of an agreement with the City, the Service Plan shall not be construed to grant, to any of the Districts, the power or authority to plan, design, acquire, construct, install, relocate, redevelop, or maintain Shared Infrastructure or Public Improvements where such power or authority is reserved by or granted to the City by the City Code, City rules and regulations, City standards, City policies and procedures, by contract, or by the Annexation Agreement.

B. Need for the Districts.

There currently are no other governmental entities, including the City, located in the immediate vicinity of the Districts that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of the Public Improvements needed for the Project. Formation of the Districts is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

C. Objective of the City Regarding Districts' Service Plans.

The City's objective in approving the Service Plan for the Districts is to authorize the Districts to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the Districts. All Debt is expected to be repaid by taxes imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term for residential properties and at a tax mill levy no higher than the Residential Maximum Debt Mill Levy for residential properties and the Commercial Maximum Debt Mill Levy for commercial properties. Debt which is issued within these parameters, and as further described in the Financial Plan, will insulate property owners from excessive tax burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

This Service Plan is intended to establish a limited purpose for the Districts and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with development.

It is the intent of the Districts to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt. However if any District has authorized operating functions it will continue in existence

for the purpose of continuing those functions and may impose and collect taxes or fees to pay for those costs.

It is intended that all property classified as "residential" shall be located in one of the Residential Districts as defined below, and that all property classified as "commercial" shall be located within the boundaries of District No. 7. For purposes of this distinction "commercial property" shall mean all property other than "residential real property" as that term is defined in Article X, Section 3(1)(b) of the Colorado Constitution. There are two goals of this distinction: (1) to have similarly situated properties governed by common interests, and (2) to apply a lower maximum tax burden on residential owners.

The Districts shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from tax revenues collected from a mill levy which shall not exceed: (1) the Commercial Maximum Debt Mill Levy on commercial properties; or (2) the Residential Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term on residential properties. It is the intent of this Service Plan to assure to the extent possible that no commercial or residential property bear an economic burden that is greater in amount than that associated with the Commercial Maximum Debt Mill Levy or the Residential Maximum Debt Mill Levy, as applicable, and that no property developed for a residential use bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy Imposition Term in duration even under bankruptcy or other unusual situations. Generally, the cost of Public Improvements that cannot be funded within these parameters are not costs that will be paid by the Districts.

II. DEFINITIONS

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

Annexation Agreement: means that certain Annexation Agreement dated September 23, 1988, and recorded in the real property records of El Paso County, Colorado at Reception No. 01749337.

Approved Development Plan: means a master plan and other more detailed land use approval established by the City for identifying, among other things, Public Improvements necessary for facilitating development for property within the Service Area as approved by the City pursuant to the City Code and as amended pursuant to the City Code from time to time.

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

Bond, Bonds or Debt: means bonds or other obligations for the payment of which any District has promised to impose an *ad valorem* property tax mill levy.

City: means the City of Colorado Springs, Colorado.

City Code: means the Municipal Code of the City of Colorado Springs, Colorado, as the same may be amended from time to time.

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

Commercial District: means the Banning Lewis Ranch Metropolitan District No. 7

Commercial Maximum Debt Mill Levy: means the maximum mill levy the Commercial District is permitted to impose for payment of Debt as set forth in Section VI.C. below.

District: means any one of the Banning Lewis Ranch Metropolitan District No. 1 through No. 7.

District No. 1: means the Banning Lewis Ranch Metropolitan District No. 1.

District No. 2: means the Banning Lewis Ranch Metropolitan District No. 2.

District No. 3: means the Banning Lewis Ranch Metropolitan District No. 3

District No. 4: means the Banning Lewis Ranch Metropolitan District No. 4.

District No. 5: means the Banning Lewis Ranch Metropolitan District No. 5.

District No. 6: means the Banning Lewis Ranch Metropolitan District No. 6.

District No. 7: means the Banning Lewis Ranch Metropolitan District No. 7.

Districts: means District No. 1 and District Nos. 2, 3, 4, 5, 6 and 7, collectively.

External Financial Advisor: means a consultant that: (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (iii) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Financial Plan: means the Financial Plan described in Section VI which describes (i) how the Public Improvements are to be financed; (ii) how the Debt is expected to be incurred; and (iii) the estimated operating revenue derived from property taxes for the first budget year.

Inclusion Area Boundaries: means the boundaries of the area described in the Inclusion Area Boundary Map.

Inclusion Area Boundary Map: means the map attached hereto as **Exhibit C-2**, describing the property proposed for inclusion within one, but not any more than one, of the boundaries of the Districts.

Initial District Boundaries: means the boundaries of the area described in the Initial District Boundary Map.

Initial District Boundary Map: means the map attached hereto as **Exhibit C-1**, describing the initial boundaries of the Districts.

Maximum Debt Mill Levy Imposition Term: means the maximum term for imposition of a mill levy on a particular property developed for residential uses as set forth in Section VI.E below.

Maximum Operations and Maintenance Mill Levy or Maximum O&M Mill Levy: means a maximum mill levy of ten (10) mills which a District is permitted to impose upon taxable property within such District to fund operation and maintenance of the Public Improvements within the District or services provided by a District to the District's taxpayers and/or service users, as set forth in Section VI.J. below.

Operating District: means District No. 1.

Project: means the development or property commonly referred to as the Banning Lewis Ranch.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act, except as specifically limited in Section V below or by the City's then-current policies relating to Title 32 special districts, if any, to serve the future taxpayers and inhabitants of the Service Area as determined by the Board of one or more of the Districts, as applicable.

Residential District: means any one of the Banning Lewis Ranch Metropolitan District Nos. 2 through 6.

Residential Districts: means District Nos. 2, 3, 4, 5 and 6, collectively.

Residential Maximum Debt Mill Levy: means the maximum mill levy any of the Residential Districts is permitted to impose for payment of Debt as set forth in Section VI.D. below.

Service Area: means the property within the Initial District Boundary Map and the Inclusion Area Boundary Map.

Service Plan: means this service plan for the Districts approved by City Council.

Service Plan Amendment: means an amendment to the Service Plan approved by City Council in accordance with the City's ordinance and the applicable state law.

Shared Infrastructure: means that certain infrastructure, public improvements, oversizing and similar obligations required to be constructed under the Annexation Agreement. As

used herein, the term Shared Infrastructure shall have the same meaning as is assigned to that term in that certain court-approved Settlement Agreement in Case No. 01CV0566.

Special District Act: means Section 32-1-101, et seq., of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

Taxing District: means District Nos. 2, 3, 4, 5, 6 and 7.

III. BOUNDARIES

The area of the Initial District Boundaries includes approximately 2,931.18 acres and the total area included in the Inclusion Area Boundaries is approximately 18,508.82 acres. A legal description of the Initial District Boundaries and the Inclusion Area Boundaries is attached hereto as **Exhibit A**. As more fully and accurately shown in **Exhibit A**, the area of the Initial District Boundaries consists of the following acreage:

Initial District Boundaries	
District No.	Initial Land Area (Acres)
1	72.26
2	2662.81
3	39.88
4	37.97
5	39.14
6	39.01
7	40.11
Total:	2931.18

A vicinity map is attached hereto as **Exhibit B**. A map of the Initial District Boundaries is attached hereto as **Exhibit C-1**, and a map of the Inclusion Area Boundaries is attached hereto as **Exhibit C-2**. It is anticipated that the boundaries of the Districts may change from time to time as the Project is developed and as the Districts undergo inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Article V below.

IV. PROPOSED LAND USE/ASSESSED VALUATION

The Service Area consists of approximately 21,440 acres of land. The current assessed valuation of the Service Area is assumed to be \$0.00 for purposes of this Service Plan and, at build-out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan.

Approval of this Service Plan by the City does not imply approval of the development of a specific area within the Districts, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings which may be identified in this Service Plan or any of the exhibits attached thereto, unless the same is contained within an Approved Development Plan.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the Districts and Service Plan Amendment.

The Districts shall have the power and authority to provide the Public Improvements and related operation and maintenance services within and without the boundaries of the Districts as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein.

1. Operations and Maintenance Limitation. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The Districts shall dedicate the Public Improvements to the City or other appropriate jurisdiction or owners' association in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code.

The Districts shall operate and maintain park, recreation, common areas, landscape, street trees and streetscape improvements, provided that any fee imposed by the Districts for access to park and recreation improvements, shall not result in Non-District City residents paying a user fee that is greater than, or otherwise disproportionate to, similar fees and taxes paid by owners of property or residents of the Districts. However, the Districts shall be entitled to impose an administrative fee on Non-District City residents and out of City residents, as necessary to cover additional expenses associated with Non-District City residents to ensure that such costs are not the responsibility of residents. All such fees shall be based upon the Districts' determination that such fees do not exceed reasonable annual market fees for users of such facilities. Notwithstanding the foregoing, all parks and trails shall be open to the general public and Non-District City residents free of charge.

2. Eminent Domain Limitation. The Districts shall not exercise eminent domain and dominant eminent domain powers without prior City Council approval, except pursuant to an intergovernmental agreement with the City.

3. Construction Standards Limitation. The Districts will ensure that the Public Improvements are designed and constructed in accordance with the applicable standards and specifications of the City, of other governmental entities having proper jurisdiction, and of those special districts that qualify as "interested parties" under Section 32-1-204(1), C.R.S., as applicable. The Districts will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

4. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the Consolidated Service Plan for Banning Lewis Ranch Metropolitan District Nos. 1-7.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

5. Inclusion Limitation. The Districts shall not include within any of their boundaries any property outside the Service Area without the prior written consent of the City Council.

6. Initial Debt Limitation – District No. 2. On or before the effective date of approval by the City of an Approved Development Plan for property located within the initial boundaries of District No. 2, District No. 2 shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the debt service fund; nor (c) impose and collect any fees used for the purpose of repayment of Debt.

7. Debt Limitation – District Nos. 3 through 7. A completed service plan required by the then-current City policy applicable to Title 32 metropolitan districts must be submitted for District Nos. 3-7 for City Council approval and each of the District Nos. 3 through 7 shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or transfer of funds from the operating fund to the debt service fund; nor (c) impose and collect any fees used for the purpose of repayment of Debt, until such time as:

A. An Approved Development Plan has been approved for the Taxing District seeking to issue Debt; and

B. The Taxing District seeking to issue Debt has complied with applicable City regulations pertaining to the issuance of Bonds; and

C. The preliminary engineering cost studies required for purposes of determining Shared Infrastructure costs have been completed.

8. Conservation Trust Funds. The Districts shall not apply for or accept Conservation Trust Funds for which the City is eligible to apply, except pursuant to an intergovernmental agreement with the City.

9. Consolidation Limitation. The Districts shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City.

10. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Commercial Maximum Debt Mill Levy, the Residential Maximum Debt Mill Levy, and the Maximum Debt Mill Levy Imposition Term have been established under the authority of the City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) are, together with all other requirements of Colorado law, included in the "political or governmental powers" reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the "regulatory or electoral approval necessary under applicable nonbankruptcy law" as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Commercial Maximum Debt Mill Levy, the Residential Maximum Debt Mill Levy, or the Maximum Debt Mill Levy Imposition Term, as applicable, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment.

11. Service Plan Amendment Requirement. This Service Plan is general in nature and does not include specific detail in some instances because Approved Development Plans have not been finalized for all property within the Service Area. The Service Plan has been designed with sufficient flexibility to enable the Districts to provide required services and facilities under evolving circumstances without the need for numerous amendments. Modification of the general types of services and facilities making up the Public Improvements, and changes in proposed configurations, locations or dimensions of the Public Improvements shall be permitted to accommodate development needs consistent with the then-current Approved Development Plan(s) for the Project. The Districts are independent units of local government, separate and distinct from the City, and their activities are subject to review by the City only insofar as they may deviate in a material manner from the requirements of this Service Plan. Any District may amend this Service Plan without the permission or consent of the remaining Districts, to the extent that the Service Plan amendment affects only that District initiating the statutory amendment process. Actions of the Districts which violate the limitations set forth in Sections V.A.1-10 above or in Section VI.B-J shall be deemed to be material modifications to this Service Plan and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the Districts.

B. Preliminary Engineering Survey.

The Districts shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance and financing of the Public Improvements within and without the boundaries of the Districts, to be more specifically defined in the Approved Development Plan(s). An estimate of the costs of the Public Improvements within District No. 2 which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed was prepared based upon a preliminary engineering survey and estimates derived from the Approved Development Plan for the property within District No. 2, and totals approximately \$82,377,536.

All of the Public Improvements within District No. 2 will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the City and shall be in accordance with the requirements of the Approved Development Plan.

C. Multiple District Structure.

It is anticipated that the Districts, collectively, will undertake the financing and construction of the Public Improvements. The nature of the functions and services to be provided by each District shall be clarified in an intergovernmental agreement or agreements between and among the Districts. All such agreements will be designed to help assure the orderly development of the Public Improvements and essential services in accordance with the requirements of this Service Plan. Implementation of such intergovernmental agreements is essential to the orderly implementation of this Service Plan. Accordingly, any determination of any Board to set aside an intergovernmental agreement without the consent of all of the Districts shall be a material modification of the Service Plan. Such intergovernmental agreements may be amended by mutual agreement of the Districts without the need to amend this Service Plan.

VI. FINANCIAL PLAN

A. General.

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from their revenues and by and through the proceeds of Debt to be issued by the Districts. The Financial Plan for the Districts shall be to issue such Debt as the Districts can reasonably pay from revenues derived from the Residential Maximum Debt Mill Levy, the Commercial Maximum Debt Mill Levy, and other legally available revenues. The Districts shall be permitted to issue such Debt on a schedule and in such year or years as the Districts determine shall meet the needs of the Financial Plan referenced above and shall be phased to serve development as it occurs. All Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, including general *ad valorem* taxes to be imposed upon all taxable property within the Districts. The Districts will also 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 from time to time.

The total Debt that District No. 2 shall be permitted to issue shall not exceed \$84,500,000 and shall be permitted to be issued on a schedule and in such year or years as the progression of the development may require, provided that District No. 2 receives City approval in accordance with the procedure set forth in Section VI.I. of the Service Plan. The \$84,500,000 that District No. 2 shall be permitted to issue is supported by the *Banning Lewis Ranch Metropolitan District #2 Projected Statement of Sources and Uses of Cash* prepared by J.W. Simmons & Associates, P.C., a copy of which is attached hereto as **Exhibit D**. The proponent of the Districts is not seeking reimbursement for Shared Infrastructure costs, if any, that will be constructed within the boundaries of District No. 2.

Subject to the limitation set forth in Section V.A.7., District Nos. 3 through 7 shall be permitted to issue such Debt as may be supported and timely retired through the

imposition of the Residential Maximum Debt Mill Levy or the Commercial Maximum Debt Mill Levy, as applicable. **No Taxing District shall issue Debt in any form that would require that District to certify debt service mill levies in excess of the applicable Maximum Debt Mill Levy.**

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. In the event of a default, the proposed maximum interest rate on any Debt is not expected to exceed twelve percent (12%). The proposed maximum underwriting discount will not exceed four percent (4%). Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and federal law as then applicable to the issuance of public securities.

C. Commercial Maximum Debt Mill Levy.

The "Commercial Maximum Debt Mill Levy" shall be the maximum mill levy the Commercial District is permitted to impose upon the taxable property within the Commercial District for payment of Debt, and shall be determined as follows:

1. The Commercial Maximum Debt Mill Levy shall be fifty (50) mills; provided that if, on or after January 1, 2005, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2005, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

2. All Debt issued by the Commercial District must be issued in compliance with the Service Plan, the requirements of Section 32-1-1101, C.R.S., and all other requirements of State law.

To the extent that the Commercial District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term "Commercial District" as used in this Section shall be deemed to refer to the Commercial District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

D. Residential Maximum Debt Mill Levy.

The "Residential Maximum Debt Mill Levy" shall be the maximum mill levy a Residential District is permitted to impose upon the taxable property within such Residential District for payment of Debt, and shall be determined as follows:

1. The Residential Maximum Debt Mill Levy shall be thirty (30) mills; provided that if, on or after January 1, 2005, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the

mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2005, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

2. All Debt issued by the Residential Districts must be issued in compliance with the requirements of the Service Plan, Section 32-1-1101, C.R.S., and all other requirements of State law.

To the extent that the Residential Districts are composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term "Residential District" as used in this Section shall be deemed to refer to the Residential District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

E. Maximum Debt Mill Levy Imposition Term.

The Residential Districts shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board of Directors of the Residential District imposing the mill levy are residents of such Residential District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101, C.R.S.; et seq.

F. Debt Repayment Sources.

Each of the Districts may impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance. The Districts also may rely upon various other revenue sources authorized by law. At the Districts' discretion, these may include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(l), C.R.S., as amended from time to time. In no event shall the debt service mill levy in any District exceed the Commercial Maximum Debt Mill Levy or the Residential Maximum Debt Mill Levy, as applicable, or the Maximum Debt Mill Levy Imposition Term for Residential Districts. The debt service mill levy imposed by the Districts shall only be used for general obligation debt publicly or privately placed or to support revenue obligations publicly or privately placed.

G. Debt Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting Debt, the District shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of

the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond and in the Service Plan for creation of the District.

Similar language describing the limitations in respect of the payment of the principal of and interest on Debt set forth in this Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, a developer of property within the boundaries of the Districts.

H. Security for Debt.

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

I. Additional Bond Limitations.

In addition to the limitations set forth in this Service Plan, all Bonds issued by the Districts shall also be subject to the limitations of state law. In the event of a conflict between the limitations of this Service Plan and state law, the more restrictive provision shall control.

Prior to issuing each series of Bonds, the District seeking to issue Debt will submit the following information to the City:

1. Current assessed value of taxable property in the District.
2. Current mill levy of the District.
3. Current overlapping mill levies of taxing entities.
4. Principal amount of current outstanding bonds of the District.
5. Principal amount of proposed bonds of the District.
6. A term sheet for the proposed District bonds that shows:

a. Present and future property owners within the District will not be burdened with debt service mill levies of the District higher than the Residential Maximum Debt Mill Levy or the Commercial Maximum Debt Mill Levy, as applicable.

b. If the bonds are not rated as investment grade, they will be issued in minimum denominations of \$100,000 and sold only to either accredited investors as defined in rule 501(a) promulgated under the Securities Act of 1933 or to the developer(s) of property within the District. The remarketing of any non-rated general obligation bonds or other Debt is prohibited until the assessed valuation of the District has grown to a level such that the

Residential Maximum Debt Mill Levy or the Commercial Maximum Debt Mill Levy, as applicable, is sufficient to pay the maximum annual debt service on the bonds.

c. The bonds or other debt instruments of the District will be limited to those that are payable either from *ad valorem* property taxes, assessments, permitted user fees, reimbursements and interest earnings of the District.

7. In addition to the information contained within the term sheet, the District shall furnish the City an opinion by the District's bond counsel stating that the issuance of the bonds described in the Term Sheet complies with the Service Plan.

The City shall review the information and, if the objective criteria in Section VI.I.6. above are satisfied, shall approve issuance of the proposed bonds. Failure of the City to respond within 15 business days of the submission shall be deemed approval.

If the City's review shows that the objective criteria in Section VI.I.6. are not met, then the City may issue a letter to the Board of Directors of the District, its general counsel and its bond counsel to enjoin the issuance of the proposed bonds based on the failure to meet the objective criteria, stating which criteria was not met, and how it was not met. The letter shall serve to enjoin the issuance of the bonds as authorized by §32-1-207(3)(a), C.R.S.

J. Districts' Operating Costs and Maximum O&M Mill Levy.

The estimated cost of engineering services, legal services and administrative services, together with the estimated costs of the Districts' organization and initial operations, are anticipated not to exceed \$1,000,000.00, which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the Districts will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained. The first year's operating budget is estimated not to exceed \$300,000.00, which is anticipated to be derived from property taxes and other revenues.

The Commercial Maximum Debt Mill Levy and the Residential Maximum Debt Mill Levy, as applicable, shall not apply to the Districts' ability to increase their mill levy as necessary for provision of operation and maintenance services to their taxpayers and/or service users, provided that at no time shall any such operation and maintenance mill levy exceed the Maximum O&M Mill Levy. To the extent that the cost of District operations and maintenance cannot be met from the revenues derived from the Maximum O&M Mill Levy, as determined by the Districts, the Operating District shall have the authority vested by this Service Plan, the intergovernmental agreements by and among the Districts, and Section 32-1-1001 of the Special District Act to fix and from time to time to increase or decrease fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the Districts. Until paid, all such fees, rates, tolls, penalties, or charges shall constitute a perpetual lien on and against the property served without regard to whether the property served lies within the boundaries of the Operating District, and any such lien may be foreclosed in the manner provided by the laws of the State of Colorado.

VII. ANNUAL REPORT

A. General.

Each of the Districts shall be responsible for submitting an annual report to the Deputy City Manager of the City (or any other official from time to time designated by the City) no later than August 1st of each year following the year in which the Order and Decree creating the District has been issued.

B. Reporting of Significant Events.

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

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.
2. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the prior year.
3. Copies of the Districts' rules and regulations, if any, as of December 31 of the prior year.
4. A summary of any litigation which involves the District's Public Improvements as of December 31 of the prior year.
5. Status of the District's construction of the Public Improvements as of December 31 of the prior year.
6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.
7. The assessed valuation of the District for the current year.
8. Current year budget, including a description of the Public Improvements to be constructed in such year.
9. Audit of the District's financial statements for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.
10. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.
11. Any inability of the Districts to pay their obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

VIII. DISSOLUTION

Upon an independent determination of the City Council that the purposes for which the Districts were created have been accomplished, the Districts agree to file petitions in the District Court for and in El Paso County, Colorado for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the Districts have paid or fully provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

IX. DISCLOSURE TO PROPERTY OWNERS WITHIN THE DISTRICTS

The Districts will use reasonable efforts to assure that all developers of the property located within the Districts provide written notice to all purchasers of property in the Districts regarding the Maximum O&M Mill Levy and the Residential Maximum Debt Mill Levy or the Commercial Maximum Debt Mill Levy, as applicable, as well as a general description of the applicable District's authority to impose and collect rates, fees, tolls and charges. The form of notice shall be filed with the City prior to the initial issuance of the Debt by the applicable District.

X. COMPLIANCE WITH CITY POLICIES

In accordance with the City Charter and relevant ordinances, the proponent of the Service Plan makes the following representations and requests with respect to the City's special district policy statement. Each policy statement is set forth below with responses italicized.

A. The purpose of Districts is limited to the finance and construction of capital improvements having a public purpose; and/or, the maintenance of special improvements and landscaping within the public right-of-way for which the City would not normally appropriate funds.

The Service Plan complies with the City policy.

The Service Plan anticipates that the Districts will finance all or a portion of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described herein and in the Special District Act for the use and benefit of all anticipated inhabitants and taxpayers of the Districts (the "Public Improvements"). The primary purpose of the Districts will be to finance the construction, and in some cases the operation and maintenance of the Public Improvements.

In accordance with Section V.A.7. of the Service Plan, each of the District Nos. 3-7 shall be required to submit a completed service plan to City Council prior to issuing any Debt.

B. In accordance with 7-100 of the City Charter, Districts shall not issue any debt instrument for any purpose other than construction of capital improvements with a public purpose necessary for development. Excepting the installation of landscaping and other appurtenances within the public right-of-way, Districts may be used to finance the construction of only those capital improvements for which the City has determined that the District has the financial and operating capacity to operate and maintain.

All issuances of Debt will comply with this policy. By approval of this Service Plan, the City has determined with respect to District Nos. 1 and 2 that they have the financial and operating capacity to operate and maintain the Public Improvements that they are expected to develop.

C. As set forth in 7-100 of the City Charter, the total debt of any proposed District shall not exceed 10 percent of the total assessed valuation of the taxable property within the District unless approved by at least a two-thirds vote of the entire City Council.

The proponent of the Service Plan is requesting a waiver of the City Charter provision referenced above. Significant off-site and on-site infrastructure is required to facilitate initial development within the Project, and it is submitted that the Residential Maximum Debt Mill Levy and the Commercial Maximum Debt Mill Levy set forth herein are an adequate control mechanism to assure that the Debt is self supporting and not subject to default.

D. Any proposed District must commit to the City that its mill levy dedicated to repaying any bonded debt, will not ever exceed the greater of either 20 mills, or 20 percent of the total combined mill levy of all government entities overlapping property within the District at the time of issuance of any District debt. This annual debt service mill levy cap can be increased only for adjustments to compensate for the effects of Gallagher Amendment assessed valuation ratio changes. The District's commitment must include evidence, satisfactory to the City, of mechanisms in its Service Plan and financing plans that insure that present and future property owners within the District will not be burdened with debt service mill levies higher than these limits.

The proponent of the Service Plan is requesting a waiver, in part, of the City Policy. The Service Plan establishes two maximum debt mill levies: the Residential Maximum Debt Mill Levy of thirty (30) mills within residential districts (District Nos. 2-6), and the Commercial Maximum Debt Mill Levy of fifty (50) mills within the commercial district (District No. 7). The respective maximum debt service mill levies may be increased only for adjustments to compensate for the effects of Gallagher Amendment or other legislative or constitutional changes in the method of calculating assessed values. Any Debt issued by the Districts shall include the aforementioned limitations.

Within the City, there has been precedent with residential districts being allowed to implement a thirty-five (35) mill rate, and commercial districts up to fifty (50) mills. Such limits are also consistent with, though more conservative than, limits approved in other front range counties and cities.

In addition, the Service Plan also contemplates a Maximum O&M Mill Levy of ten (10) mills that will be adjusted by the Districts as necessary to meet fluctuating operational and maintenance demands associated with the Project. The Maximum O&M Mill Levy is appropriate given that the City intends to require that the Districts operate and maintain significant park and recreation improvements and facilities. In addition, at this time it is anticipated that the Project will not have traditional homeowners' associations (HOAs). Rather, the Districts will provide services traditionally provided by HOAs, including but not limited to covenant control and enforcement services. The Maximum O&M Mill Levy proposed by the

Districts will allow the Districts to finance the cost of these traditional HOA services through ad valorem taxes, which will have the benefit of allowing homeowners within the Districts to deduct these ad valorem property taxes from federal income taxes. HOA fees, as traditionally imposed and collected, do not have a similar tax benefit.

E. It is preferred that any bonds or other debt instruments issued by a District be of sufficient credit quality that they are rated as investment grade by one or more nationally recognized organizations which regularly rate such obligations.

The proponent of the Service Plan agrees that it is generally preferable from an interest rate and taxpayer standpoint that Debt be rated, however is unlikely that the first issues of the Districts will be rated and therefore the Districts will comply with the other applicable City policies as described below.

F. Any proposed District general obligation bonds, if not rated as investment grade by one or more nationally recognized organizations which regularly rate such obligations, must be limited-tax general obligations bonds having a maximum mill levy equal to the greater of 20 mills or 20 percent of the total combined mill levy of all government entities overlapping property within the District at the time of issuance of any District debt.

The proponent of the Service Plan is requesting a waiver of the City Policy. See discussion under d) above and g) and h) below.

G. Limited tax general obligation bonds issued by a District will be structured and credit enhancements provided such that the bonds cannot default as long as the District is imposing the required maximum allowed mill levy.

All such Debt issued by the Districts will comply with this policy, provided that credit enhancements shall not be required.

H. All District bonds or other debt instruments, if not rated as investment grade, must be issued in minimum denominations of \$100,000 and sold only to either accredited investors as defined in rule 501(a) promulgated under the Securities Act of 1933 or to the developer(s) of property within the District. The remarketing of any non-rated general obligation bonds or other debt instrument is prohibited until the assessed valuation of the District has grown to a level such that a mill levy equal to the limit defined in (d) is sufficient to pay the maximum annual debt service on the bond.

All such Debt issued by the Districts will comply with this policy.

I. The bonds or other debt instruments of Districts will be limited to those that are payable either from ad valorem property taxes, assessments, permitted user fees, reimbursements and interest earnings of the District. No District will be allowed to impose a sales tax.

All such Debt issued by the Districts will comply with this policy. Neither the Service Plan nor State law permits the Districts to impose a sales tax.

J. The debt of any District will not constitute a debt or obligation of the City in any manner. The faith and credit of the City will not be pledged for the repayment of the debt of any District. This will be clearly stated on all offering circulars, prospectus, or disclosure statements associated with any securities issued by the District. Districts formed under title 32 C.R.S. shall not utilize the City of Colorado Springs' name neither in the name of the District nor in the offering of any securities.

All such Debt issued by the Districts will comply with this City policy.

K. The amount of bonded debt overlapping the City is a critical measure utilized by rating agencies in assessing and rating the debt of the City. The sum total general obligation debt of special districts (including limited tax general obligation bonds issued by District) overlapping the City shall not reach a level that adversely impacts the credit ratings of the City of Colorado Springs.

By its approval of this Service Plan, the City has determined that the sum total general obligation debt of the Districts disclosed in this Service Plan (that amount as may be supported by and timely retired through the imposition of the Residential Maximum Debt Mill Levy or the Commercial Maximum Debt Mill Levy, as applicable) shall not reach a level that adversely impacts the credit ratings of the City.

L. The issuance of all bonds or other debt instruments of Districts shall be subject to the approval of the City Council.

By its approval of this Service Plan, the City Council has approved of the issuance of Bonds by District No. 2, in an amount not to exceed \$84,500,000 provided that District No. 2 receives City approval in accordance with the procedure set forth in Section VI.I. of the Service Plan if required by then-current City policy applicable to Title 32 special districts. Any additional bonds or other debt instruments of the remaining Districts shall be subject to the approval of City Council via the procedure outlined in Section VI.I. if required by then-current City policy.

M. Proceeds from the sale of debt instruments and other revenues of Districts may not be used to pay landowners within the District for the acquisition of rights-of-way, easements, water rights, land for prudent line drainage, parkland, or open space.

The Service Plan hereby provides that the Districts agree to acquire, and cause the dedication to the City or other public entity as appropriate, all land required for construction of the Public Improvements being financed by the Districts. The Districts shall not pay owners of land within the District for any interest in land or water rights within the Districts or owned by the Developer, but may pay to obtain right-of-way needed for public improvements to be furnished by the District and located outside of the boundaries of the Districts that is not owned by the Developer.

N. Reimbursement and recovery agreements that Districts may enter into with the City and other governmental entities are not a predictable or absolute source of income. Nevertheless, any such reimbursements for public improvements installed or financed by a District will remain the property of the District and be applied towards the repayment of its

bonded debt, if any. Any reimbursement revenue not necessary to repay District bonded debt may be utilized to construct additional public improvements as approved by City Council.

The Service Plan hereby provides that any reimbursements for Public Improvements installed or financed by a District will remain the property of the District and be applied towards the repayment of its bonded debt, if any. Any reimbursement revenue not necessary to repay District bonded debt may be utilized to construct additional Public Improvements as approved by City Council.

O. The Service Plan of a proposed District will provide for the dissolution of the District if it has not issued any debt within three years of its formation, as applicable, or if the District has no debt outstanding and is deemed to be inactive as defined in 32-1-710 C.R.S.

The Service Plan complies with this policy because Debt of District No. 2 is expected to be issued in 2006. This policy shall not affect each of District Nos. 3-7, and the three year time requirement contained therein shall not be triggered, until such time as completed service plans are approved for each of District Nos. 3-7 by City Council in accordance with Section V.A.7. of this Service Plan.

P. The Service Plan of a proposed District will provide for the elimination of any authorized but unissued debt of the District remaining five years from the date of voter approval.

The Service Plan hereby provides that any authorized but unissued debt of the Districts remaining five years from the date of voter approval is eliminated; provided, that as long as the Districts are in compliance with this Service Plan the authorization to issue Debt shall be extended to ten years.

Q. The City shall not be bound to approve the formation of any District solely on the basis of a financially feasible plan for the issuance of any debt instruments.

The proponent of the Service Plan is not requesting a waiver of this City policy. Section 32-1-204.5(1), C.R.S., vests City Council with discretion to approve, disapprove, or conditionally approve the Service Plan.

R. Once a district is formed, the City will not have an automatic obligation to authorize the issuance of any bonds by the District, although the qualified electors of the District may have approved such issuance.

By its approval of this Service Plan, the City Council has approved of the issuance of Bonds by District No. 2 in an amount not to exceed \$84,500,00. Any additional bonds or other debt instruments of the remaining Districts shall be subject to approval of the City in accordance with Section VI.I. of the Service Plan, if then required by applicable City policy.

S. All public improvements financed through a district that will be dedicated to the City will be designed and constructed solely in accordance with the standards and specifications set forth by the City and in accordance with all provisions of the City Code.

The Districts shall dedicate all Public Improvements accepted by the City upon completion of construction and installation. The Districts shall obtain all necessary local, state, and federal permits for the construction and installation of the Public Improvements.

T. The service plans of Districts must be in substantial compliance with the City's Comprehensive Plan.

By approval of this Service Plan, the City finds that District Nos. 1 and 2 are in substantial compliance with the City's Comprehensive Plan. With respect to District Nos. 3-7, the determination of whether or not each of District Nos. 3-7 (separately) are in substantial compliance with the City's Comprehensive Plan will be made at such time as a completed service plan is submitted to the City in accordance with Section V.A.7. of this Service Plan.

U. The City will be reimbursed for all costs incurred in the review of proposals to form a District and/or to issue debt instruments. The organizers of the District shall pay such costs. Reimbursable costs may include, but are not limited to, cost of: review/analysis by City's financial advisor; review by City's bond counsel; review/analysis by the City Attorney; and City staff time and materials incurred in review, analysis, and implementation.

By approval of this Service Plan, the City finds that the proponent of the Service Plan has complied with this City policy.

V. Districts shall take all steps necessary to ensure adequate disclosure of the existence, financial condition and status of the District to all property owners within its boundaries. Specific written disclosure will be provided to all buyers of property within the District as required in 38-35.7-101 C.R.S. As required by 7-100 of the City Charter, the City will make available to the public all information regarding the financial condition and status of all General Improvement Districts within the City.

The Service Plan provides that the Districts will use reasonable efforts to assure that all developers of property located within the Districts provide written notice to all purchasers of property in the Districts regarding the Maximum O&M Mill Levy, the Residential Maximum Debt Mill Levy or the Commercial Maximum Debt Mill Levy, as applicable, as well as a general description of the authority of the applicable District to impose and collect rates, fees, tolls and charges. The Service Plan further provides that the form of notice shall be filed with the City prior to the initial issuance of Debt by the applicable District. The Service Plan complies with this City policy.

XI. CONCLUSION

It is submitted that this Service Plan for the Districts, as required by Section 32-1-204.5(1), C.R.S., and Section 32-1-203(2), C.R.S., establishes that:

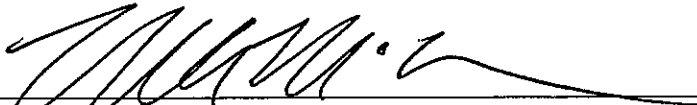
1. There is sufficient existing and projected need for organized service in the area to be serviced by the Districts;
2. The existing service in the area to be served by the Districts is inadequate for present and projected needs;

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

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

Respectfully submitted this 6th day of September, 2005.

By:



Matthew R. Dalton

Marcus A. McAskin

GRIMSHAW & HARRING, P.C.

Attorneys for Proponent of the Districts

EXHIBIT A
Legal Descriptions



SURVCON INC.
PROFESSIONAL SURVEYORS

7800 E. DORADO PLACE
SUITE 101
GREENWOOD VILLAGE, CO 80111
TELEPHONE: 303/858-0404
FACSIMILE: 303/858-0606

LEGAL DESCRIPTION - SPECIAL DISTRICT 1

A PORTION OF THE SOUTHEAST ONE-QUARTER OF SECTION 12, TOWNSHIP 13 SOUTH, RANGE 65 WEST, 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF THE SOUTHEAST ONE-QUARTER OF SECTION 34, TOWNSHIP 13 SOUTH, RANGE 65 WEST, 6TH P.M., BEING MONUMENTED AS SHOWN HEREON, BEARING N 01°13'51" E, 2,648.58'.

COMMENCING AT THE EAST ONE-QUARTER CORNER OF SAID SECTION 34; THENCE N 29°51'40" E A DISTANCE OF 21,367.81 FEET TO THE NORTH RIGHT-OF-WAY LINE OF FALCON HIGHWAY (RIGHT-OF-WAY VARIES) FROM WHENCE THE SOUTHEAST CORNER OF SAID SECTION 12 BEARS S 44°09'22" E A DISTANCE OF 42.32 FEET, AND THE POINT OF BEGINNING;

THENCE N 89°18'23" W ALONG SAID NORTH RIGHT-OF-WAY LINE AND 30 FEET NORTH OF AND PARALLEL TO (AS MEASURED AT RIGHT ANGLES) THE SOUTH LINE OF SAID SOUTHEAST ONE-QUARTER OF SECTION 12 A DISTANCE OF 2,659.99 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY 24 (RIGHT-OF-WAY VARIES);

THENCE THE FOLLOWING SEVEN (7) COURSES AND DISTANCES ALONG THE EASTERLY AND SOUTHERLY LINES OF SAID U.S. HIGHWAY 24:

1. N 28°27'37" E A DISTANCE OF 4.40 FEET;
2. N 26°55'23" W A DISTANCE OF 102.86 FEET;
3. N 28°28'37" E A DISTANCE OF 13.87 FEET TO A POINT OF CURVATURE;
4. ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 2815.00, A CENTRAL ANGLE OF 13°15'24" AND AN ARC LENGTH OF 651.31 FEET;
5. N 50°06'15" E A DISTANCE OF 1,078.12 FEET;
6. N 89°23'58" W A DISTANCE OF 46.15 FEET;
7. N 50°06'21" E A DISTANCE OF 851.34 FEET;

THENCE S 39°53'39" E ALONG THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF 8TH STREET (60 FOOT RIGHT-OF-WAY) A DISTANCE OF 1,030.76 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 1,560.00 FEET, A CENTRAL ANGLE OF 08°56'40" AND AN ARC LENGTH OF 243.53 FEET TO THE WEST RIGHT-OF-WAY LINE OF MERIDIAN ROAD (RIGHT-OF-WAY VARIES);


THENCE S 05°26'23" E ALONG SAID WEST RIGHT-OF-WAY LINE A DISTANCE OF 924.71 FEET TO THE POINT OF BEGINNING.

CONTAINING 72.26 ACRES.

EXHIBIT ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF.

LEGAL DESCRIPTION STATEMENT

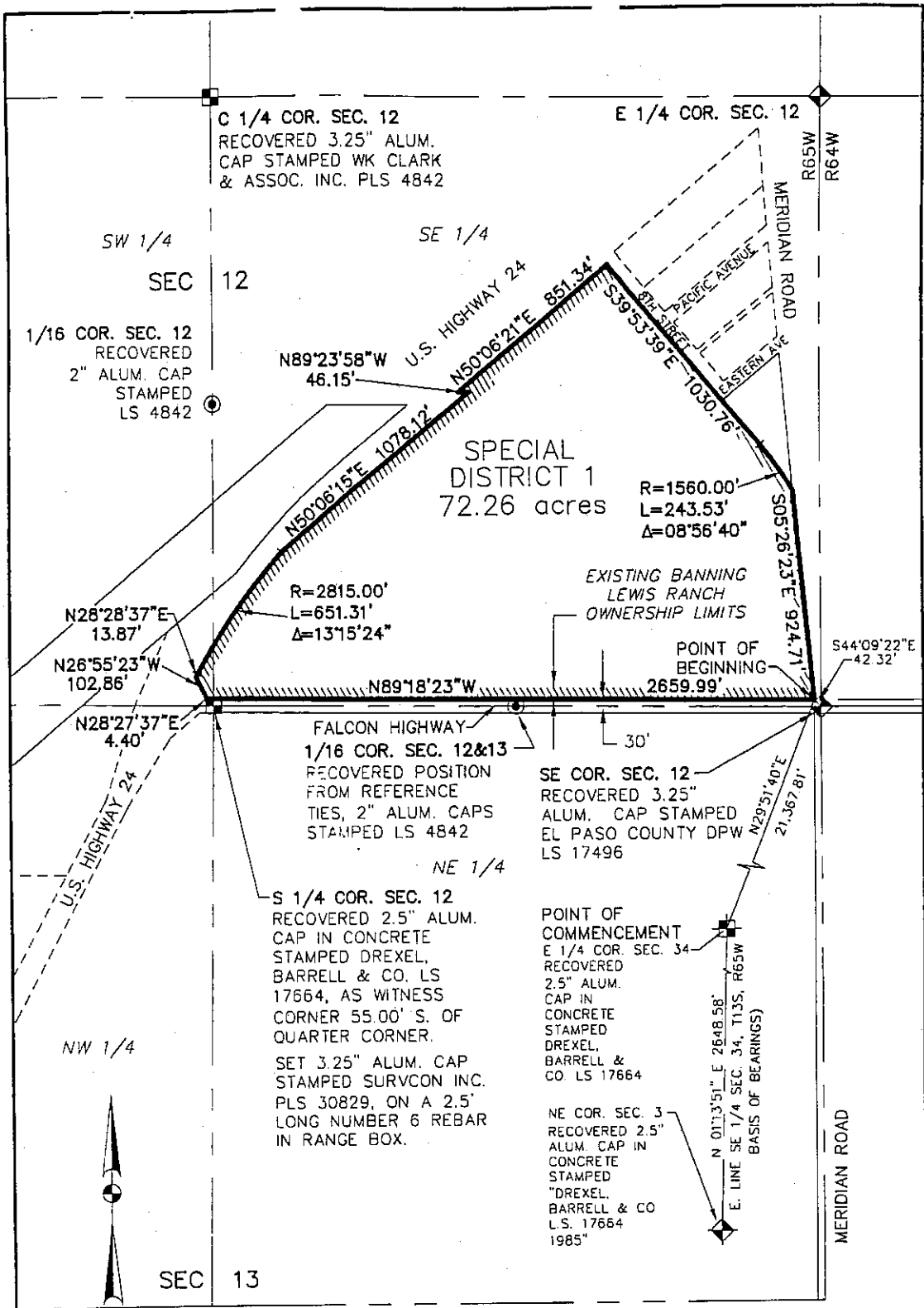
I, JEFFREY E. KISTNER, A PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION AND EXHIBIT WERE PREPARED UNDER MY RESPONSIBLE CHARGE, AND ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF, ARE CORRECT.



Jeffrey E. Kistner

JEFFREY E. KISTNER, PROFESSIONAL LAND SURVEYOR
COLORADO NO. 30829
FOR AND ON BEHALF OF SURVCON INC.
7800 E. DORADO PL., STE. 101
GREENWOOD VILLAGE, CO 80111

10-18-2004
DATE




GRAPHIC SCALE



(IN FEET)
1 inch = 500 ft.

NOTE: THIS EXHIBIT DOES NOT REPRESENT A MONUMENTED SURVEY. IT IS INTENDED ONLY TO DEPICT THE ATTACHED DESCRIPTION.

EXHIBIT

 <p>SURVCON INC. PROFESSIONAL SURVEYORS 7800 E. DORADO PL., STE. 101 GREENWOOD VILLAGE, CO 80111 PH. (303) 858-0404</p>		SCALE: 1" = 500'	JOB NO. 110-054
		DATE: 09-02-2004	DRAFTING\Metro Districts\BoseMap
DRAWN BY: CB	SHEET 3 OF 3		

LEGAL DESCRIPTION DISTRICT NO. 2

PARCEL 1:

A PORTION OF THE SECTION 9, TOWNSHIP 13 SOUTH, RANGE 65 WEST, 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF THE SOUTHEAST ONE-QUARTER OF SECTION 34, TOWNSHIP 13 SOUTH, RANGE 65 WEST, 6TH P.M., BEING MONUMENTED AS SHOWN HEREON, BEARING N 01°13'51" E, 2,648.58'.

COMMENCING AT THE EAST ONE-QUARTER CORNER OF SAID SECTION 34; THENCE N 25°21'09" W A DISTANCE OF 24,950.47 FEET TO THE 1/16TH CORNER OF SAID SECTIONS 8 AND 9 AND THE POINT OF BEGINNING;

THENCE N 89°51'40" E ALONG THE NORTH LINE OF THE SOUTH ONE-HALF OF THE NORTHWEST ONE-QUARTER OF SAID SECTION 9 A DISTANCE OF 286.50 FEET TO THE WESTERLY RIGHT-OF-WAY OF MARKSHEFFEL ROAD OF RECORD IN BOOK 2896 AT PAGE 769;

THENCE LEAVING SAID NORTH LINE THE FOLLOWING TWO (2) COURSES ALONG SAID WESTERLY RIGHT-OF-WAY:

1. S 32°25'14" W A DISTANCE OF 161.04 FEET TO A POINT OF CURVATURE;
2. ALONG THE ARC OF A TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 1697.02 FEET, A CENTRAL ANGLE OF 16°54'02" AND AN ARC LENGTH OF 500.57 FEET TO THE WEST LINE OF SAID SOUTH ONE-HALF OF THE NORTHWEST ONE-QUARTER OF SECTION 9;

THENCE N 00°14'20" E ALONG SAID WEST LINE A DISTANCE OF 591.00 FEET TO THE POINT OF BEGINNING;

CONTAINING 72,625 SQUARE FEET (1.667 ACRES)

PARCEL 2:

A PORTION OF THE SECTION 9, TOWNSHIP 13 SOUTH, RANGE 65 WEST, 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF THE SOUTHEAST ONE-QUARTER OF SECTION 34, TOWNSHIP 13 SOUTH, RANGE 65 WEST, 6TH P.M., BEING MONUMENTED AS SHOWN HEREON, BEARING N 01°13'51" E, 2,648.58'.

COMMENCING AT THE EAST ONE-QUARTER CORNER OF SAID SECTION 34; THENCE N 25°21'09" W A DISTANCE OF 24,950.47 FEET TO THE 1/16TH CORNER OF SAID SECTIONS 8 AND 9; THENCE N 89°51'40" E ALONG THE NORTH LINE OF THE SOUTH ONE-HALF OF THE NORTHWEST ONE-QUARTER OF SAID SECTION 9 A DISTANCE OF 428.88 FEET TO THE EASTERLY RIGHT-OF-WAY OF MARKSHEFFEL ROAD OF RECORD IN BOOK 2896 AT PAGE 769 AND THE POINT OF BEGINNING;

N 89°51'40" E CONTINUING ALONG SAID NORTH LINE A DISTANCE OF 412.43 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF MARKSHEFFEL ROAD OF RECORD IN COURT STIPULATION AS TO POSSESSION AND USE OF REAL PROPERTY, COURT CASE NUMBER 03CV2630 ;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING TWO (2) COURSES:

1. S 48°58'34" W A DISTANCE OF 718.88 FEET TO A POINT OF CURVATURE;
2. ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT WHOSE RADIUS POINT BEARS S 41°01'27" E, HAVING A RADIUS OF 1060.00 FEET, A CENTRAL ANGLE OF 17°33'06" AND AN ARC LENGTH OF 324.71 FEET TO A POINT OF COMPOUND CURVATURE ON THE EASTERLY LINE OF MARKSHEFFEL ROAD OF RECORD IN BOOK 2896 AT PAGE 769;

THENCE THE FOLLOWING TWO (2) COURSES ALONG SAID EASTERLY LINE:

1. ALONG THE ARC OF A CURVE TO THE RIGHT WHOSE RADIUS POINT BEARS S 77°59'16" E, HAVING A RADIUS OF 1577.02 FEET, A CENTRAL ANGLE OF 20°24'29" AND AN ARC LENGTH OF 561.71 FEET;
2. N 32°25'14" E A DISTANCE OF 237.68 FEET TO THE POINT OF BEGINNING;

CONTAINING 148,524 SQUARE FEET (3.410 ACRES)

PARCEL 3:

A PORTION OF THE SECTIONS 9, 10, 11, 13, 14, 15, 16 AND 22, TOWNSHIP 13 SOUTH, RANGE 65 WEST, 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF THE SOUTHEAST ONE-QUARTER OF SECTION 34, TOWNSHIP 13 SOUTH, RANGE 65 WEST, 6TH P.M., BEING MONUMENTED AS SHOWN HEREON, BEARING N 01°13'51" E, 2,648.58'.

COMMENCING AT THE EAST ONE-QUARTER CORNER OF SAID SECTION 34; THENCE N 25°21'09" W A DISTANCE OF 24,950.47 FEET TO THE 1/16TH CORNER OF SAID SECTIONS 8 AND 9; THENCE N 89°51'40" E ALONG THE NORTH LINE OF THE SOUTH ONE-HALF OF THE NORTHWEST ONE-QUARTER OF SAID SECTION 9 A DISTANCE OF 1,019.43 FEET TO THE EASTERLY RIGHT-OF-WAY OF MARKSHEFFEL ROAD OF RECORD IN COURT STIPULATION AS TO POSSESSION AND USE OF REAL PROPERTY, COURT CASE NUMBER 03CV2630 AND THE POINT OF BEGINNING;

THENCE THE FOLLOWING EIGHT (8) COURSES THROUGH SAID SECTIONS 9, 10 AND 11:

1. N 89°51'40" E ALONG THE NORTH LINE OF THE SOUTH ONE-HALF OF THE NORTHWEST ONE-QUARTER OF SAID SECTION 9 A DISTANCE OF 1,638.57 FEET TO THE NORTHEAST CORNER OF SAID SOUTH ONE-HALF OF THE NORTHWEST ONE-QUARTER OF SECTION 9;
2. N 89°53'40" E ALONG THE NORTH LINE OF THE SOUTH ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 9 A DISTANCE OF 2,652.62 FEET TO THE NORTHEAST CORNER OF SAID SOUTH ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SECTION 9;
3. N 89°57'52" E ALONG THE NORTH LINE OF THE SOUTH ONE-HALF OF THE NORTH ONE-HALF OF SAID SECTION 10 A DISTANCE OF 1,453.38 FEET;
4. S 00°13'26" E A DISTANCE OF 394.31 FEET;
5. N 89°51'27" E A DISTANCE OF 3,954.65 FEET;
6. S 89°08'12" E A DISTANCE OF 3,884.02 FEET;
7. S 00°08'13" W A DISTANCE OF 145.14 FEET;
8. S 89°08'14" E A DISTANCE OF 1,119.97 FEET TO THE WESTERLY LINE OF THE PUBLIC SERVICE COMPANY OF COLORADO PARCEL OF RECORD IN BOOK 2194 AT PAGE 154;

THENCE THE FOLLOWING FIVE (5) COURSES ALONG THE WESTERLY LINE, SOUTHERLY AND EASTERLY LINES OF SAID PUBLIC SERVICE COMPANY OF COLORADO PARCEL:

1. S 00°08'13" W A DISTANCE OF 761.74 FEET;
2. S 00°08'29" W A DISTANCE OF 2,627.56 FEET;
3. S 00°06'57" W A DISTANCE OF 1,692.62 FEET TO A POINT OF CURVATURE;
4. ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT WHOSE RADIUS POINT BEARS N 31°29'52" W, HAVING A RADIUS OF 5679.64 FEET, A CENTRAL ANGLE OF 02°42'21" AND AN ARC LENGTH OF 268.22 FEET;
5. N 00°06'57" E A DISTANCE OF 1546.09 FEET TO THE NORTH LINE OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 14;

THENCE N 89°49'47" E ALONG SAID NORTH LINE OF THE NORTHEAST ONE-QUARTER OF SECTION 14 A DISTANCE OF 100.00 FEET TO THE NORTHEAST CORNER OF SAID SECTION 14;

THENCE S 89°18'34" E ALONG THE NORTH LINE OF THE NORTHWEST ONE-QUARTER OF SAID SECTION 13 A DISTANCE OF 1,328.02 FEET;

THENCE S 00°07'50" W A DISTANCE OF 1,342.80 FEET;

THENCE S 89°34'42" E A DISTANCE OF 350.20 FEET TO THE NORTHWESTERLY RIGHT-OF-WAY OF U.S. HIGHWAY 24 (RIGHT-OF-WAY VARIES);

THENCE S 28°28'31" W ALONG SAID NORTHWESTERLY RIGHT-OF-WAY A DISTANCE OF 3,744.50 FEET TO THE INTERSECTION OF SAID NORTHWESTERLY RIGHT-OF-WAY AND THE EASTERLY LINE OF SAID PUBLIC SERVICE COMPANY OF COLORADO PARCEL OF RECORD IN BOOK 2194 AT PAGE 154;

THENCE THE FOLLOWING FIVE (5) COURSES ALONG THE EASTERLY, NORTHERLY AND WESTERLY LINES OF SAID PUBLIC SERVICE COMPANY OF COLORADO PARCEL OF RECORD IN BOOK 2194 AT PAGE 154;

1. N 00°08'25" E A DISTANCE OF 1955.02 FEET;
2. N 00°06'57" E A DISTANCE OF 1030.90 FEET TO A POINT OF CURVATURE;
3. ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT WHOSE RADIUS POINT BEARS N 33°31'46" W, HAVING A RADIUS OF 5779.64 FEET, A CENTRAL ANGLE OF 02°38'23" AND AN ARC LENGTH OF 266.28 FEET;
4. S 00°06'57" W A DISTANCE OF 888.48 FEET;
5. S 00°08'25" W A DISTANCE OF 2213.90 FEET TO THE NORTHWESTERLY RIGHT-OF-WAY OF U.S. HIGHWAY 24 (RIGHT-OF-WAY VARIES) OF RECORD IN THE PETITION IN CONDEMNATION IN COURT CASE NUMBER 02CV3978;

THENCE S 28°29'00" W ALONG SAID NORTHWESTERLY RIGHT-OF-WAY OF U.S. HIGHWAY 24 (RIGHT-OF-WAY VARIES) OF RECORD IN THE PETITION IN CONDEMNATION IN COURT CASE NUMBER 02CV3978 A DISTANCE OF 468.54 FEET TO THE INTERSECTION OF SAID NORTHWESTERLY RIGHT-OF-WAY OF U.S. HIGHWAY 24 AND THE SOUTHERLY RIGHT-OF-WAY LINE OF PROPOSED STETSON HILLS BOULEVARD (RIGHT-OF-WAY VARIES);

THENCE THE FOLLOWING FORTY-TWO (42) COURSES ALONG SAID SOUTHERLY RIGHT-OF-WAY OF PROPOSED STETSON HILLS BOULEVARD:

1. N 61°30'03" W A DISTANCE OF 829.01 FEET TO A POINT OF CURVATURE;
2. THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT WHOSE RADIUS POINT BEARS S 28°30'41" W, HAVING A RADIUS OF 1917.00 FEET, A CENTRAL ANGLE OF 26°59'07" AND AN ARC LENGTH OF 902.87 FEET;
3. S 45°27'20" W A DISTANCE OF 42.01 FEET;
4. S 00°07'17" E A DISTANCE OF 10.81 FEET;
5. S 89°52'43" W A DISTANCE OF 99.00 FEET;
6. N 45°07'17" W A DISTANCE OF 42.43 FEET;
7. S 89°52'43" W A DISTANCE OF 224.09 FEET;
8. N 86°37'40" W A DISTANCE OF 180.51 FEET;
9. S 89°52'43" W A DISTANCE OF 171.65 FEET;

10. S 89°44'56" W A DISTANCE OF 1731.79 FEET;
11. S 44°46'18" W A DISTANCE OF 42.44 FEET;
12. S 00°13'00" E A DISTANCE OF 11.04 FEET;
13. S 89°47'00" W A DISTANCE OF 123.00 FEET;
14. N 45°13'00" W A DISTANCE OF 42.43 FEET;
15. S 89°47'00" W A DISTANCE OF 232.95 FEET;
16. N 86°43'11" W A DISTANCE OF 180.34 FEET;
17. S 89°47'00" W A DISTANCE OF 796.16 FEET;
18. THENCE ALONG THE ARC OF A TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 1917.00 FEET, A CENTRAL ANGLE OF 37°00'00" AND AN ARC LENGTH OF 1237.94 FEET;
19. S 52°47'00" W A DISTANCE OF 79.00 FEET;
20. S 07°47'00" W A DISTANCE OF 42.43 FEET;
21. S 37°13'00" E A DISTANCE OF 11.00 FEET;
22. S 52°47'00" W A DISTANCE OF 96.00 FEET;
23. N 82°13'00" W A DISTANCE OF 42.43 FEET;
24. S 52°47'00" W A DISTANCE OF 240.76 FEET;
25. S 56°16'37" W A DISTANCE OF 180.52 FEET;
26. S 52°47'00" W A DISTANCE OF 150.01 FEET TO A POINT OF CURVATURE;
27. THENCE ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 1083.00 FEET, A CENTRAL ANGLE OF 20°27'04" AND AN ARC LENGTH OF 386.57 FEET;
28. S 73°14'04" W A DISTANCE OF 88.44 FEET TO A POINT OF CURVATURE;
29. THENCE ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 733.00 FEET, A CENTRAL ANGLE OF 14°10'50" AND AN ARC LENGTH OF 181.42 FEET TO A POINT OF COMPOUND CURVATURE;
30. ALONG THE ARC OF A CURVE TO THE RIGHT WHOSE RADIUS POINT BEARS N 02°35'06" W, HAVING A RADIUS OF 1094.00 FEET, A CENTRAL ANGLE OF 10°09'56" AND AN ARC LENGTH OF 194.10 FEET;
31. N 82°25'09" W A DISTANCE OF 322.65 FEET;
32. S 58°55'15" W A DISTANCE OF 38.42 FEET;
33. N 82°25'09" W A DISTANCE OF 811.86 FEET;
34. N 35°40'25" W A DISTANCE OF 32.95 FEET;
35. N 82°25'09" W A DISTANCE OF 201.09 FEET;
36. N 78°25'01" W A DISTANCE OF 301.09 FEET;
37. N 82°26'11" W A DISTANCE OF 48.63 FEET;
38. S 52°11'00" W A DISTANCE OF 42.02 FEET;
39. S 06°47'10" W A DISTANCE OF 5.08 FEET;
40. N 82°25'19" W A DISTANCE OF 117.05 FEET;
41. N 37°48'47" W A DISTANCE OF 32.75 FEET;
42. N 82°25'09" W A DISTANCE OF 236.64 FEET TO THE WEST LINE OF THE NORTHWEST ONE-QUARTER OF SECTION 22;

THENCE N 00°14'02" E ALONG SAID WEST LINE OF THE NORTHWEST ONE-QUARTER A DISTANCE OF 235.83 FEET TO THE NORTHWEST CORNER OF SAID SECTION 22;

THENCE N 00°20'14" E ALONG THE WEST LINE OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 15 A DISTANCE OF 2,646.65 FEET TO THE WEST ONE-QUARTER CORNER OF SAID SECTION 15;

THENCE N 00°20'14" E ALONG THE WEST LINE OF THE NORTHWEST ONE-QUARTER OF SAID SECTION 15 A DISTANCE OF 2,646.40 FEET TO THE NORTHWEST CORNER OF SAID SECTION 15;

THENCE N 89°55'08" W ALONG THE SOUTH LINE OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 9 A DISTANCE OF 2,680.60 FEET TO THE SOUTH ONE-QUARTER CORNER OF SAID SECTION 9;

THENCE S 00°15'04" W ALONG THE EAST LINE OF THE NORTHWEST ONE-QUARTER OF SAID SECTION 16 A DISTANCE OF 30.00 FEET;

THENCE S 89°40'52" W ALONG A LINE 30 FEET SOUTH OF AND PARALLEL TO (AS MEASURED AT RIGHT ANGLES) THE NORTH LINE OF THE NORTHWEST ONE-QUARTER OF SAID SECTION 16 A DISTANCE OF 2,620.32 FEET TO THE EASTERLY RIGHT-OF-WAY OF MARKSHEFFEL ROAD (RIGHT-OF-WAY VARIES);

THENCE THE FOLLOWING THREE (3) COURSES ALONG SAID EASTERLY RIGHT-OF-WAY OF MARKSHEFFEL ROAD:

1. N 00°10'42" E ALONG A LINE 60 FEET EAST OF AND PARALLEL TO (AS MEASURED AT RIGHT ANGLES) THE WEST LINE OF SAID NORTHWEST ONE-QUARTER OF SECTION 16 A DISTANCE OF 30.00 FEET TO THE NORTH LINE OF SAID NORTHWEST ONE-QUARTER OF SECTION 16;
2. N 00°14'20" E ALONG A LINE 60 FEET EAST OF AND PARALLEL TO (AS MEASURED AT RIGHT ANGLES) THE WEST LINE OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 9 A DISTANCE OF 2,654.91 FEET TO THE NORTH LINE OF SAID SOUTHWEST ONE-QUARTER OF SECTION 9;
3. N 00°14'20" E ALONG A LINE 60 FEET EAST OF AND PARALLEL TO (AS MEASURED AT RIGHT ANGLES) THE WEST LINE OF THE NORTHWEST ONE-QUARTER OF SAID SECTION 9 A DISTANCE OF 61.84 FEET TO A POINT OF CURVATURE AT THE SOUTHEAST CORNER OF SAID MARKSHEFFEL ROAD RIGHT-OF-WAY OF RECORD IN COURT STIPULATION AS TO POSSESSION AND USE OF REAL PROPERTY, COURT CASE NUMBER 03CV2630;

THENCE CONTINUING ALONG SAID EASTERLY RIGHT-OF-WAY OF MARKSHEFFEL ROAD AND ALONG SAID EASTERLY RIGHT-OF-WAY OF RECORD IN COURT STIPULATION AS TO POSSESSION AND USE OF REAL PROPERTY, COURT CASE NUMBER 03CV2630 THE FOLLOWING THREE (3) COURSES:

1. ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 940.00 FEET, A CENTRAL ANGLE OF 48°44'14" AND AN ARC LENGTH OF 799.59 FEET;
2. N 48°58'33" E A DISTANCE OF 768.54 FEET TO A POINT OF CURVATURE;
3. ALONG THE ARC OF A TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 1060.00 FEET, A CENTRAL ANGLE OF 04°35'57" AND AN ARC LENGTH OF 85.09 FEET TO THE POINT OF BEGINNING;

CONTAINING 115,991,979 SQUARE FEET (2,662.809 ACRES).

EXHIBIT ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF.

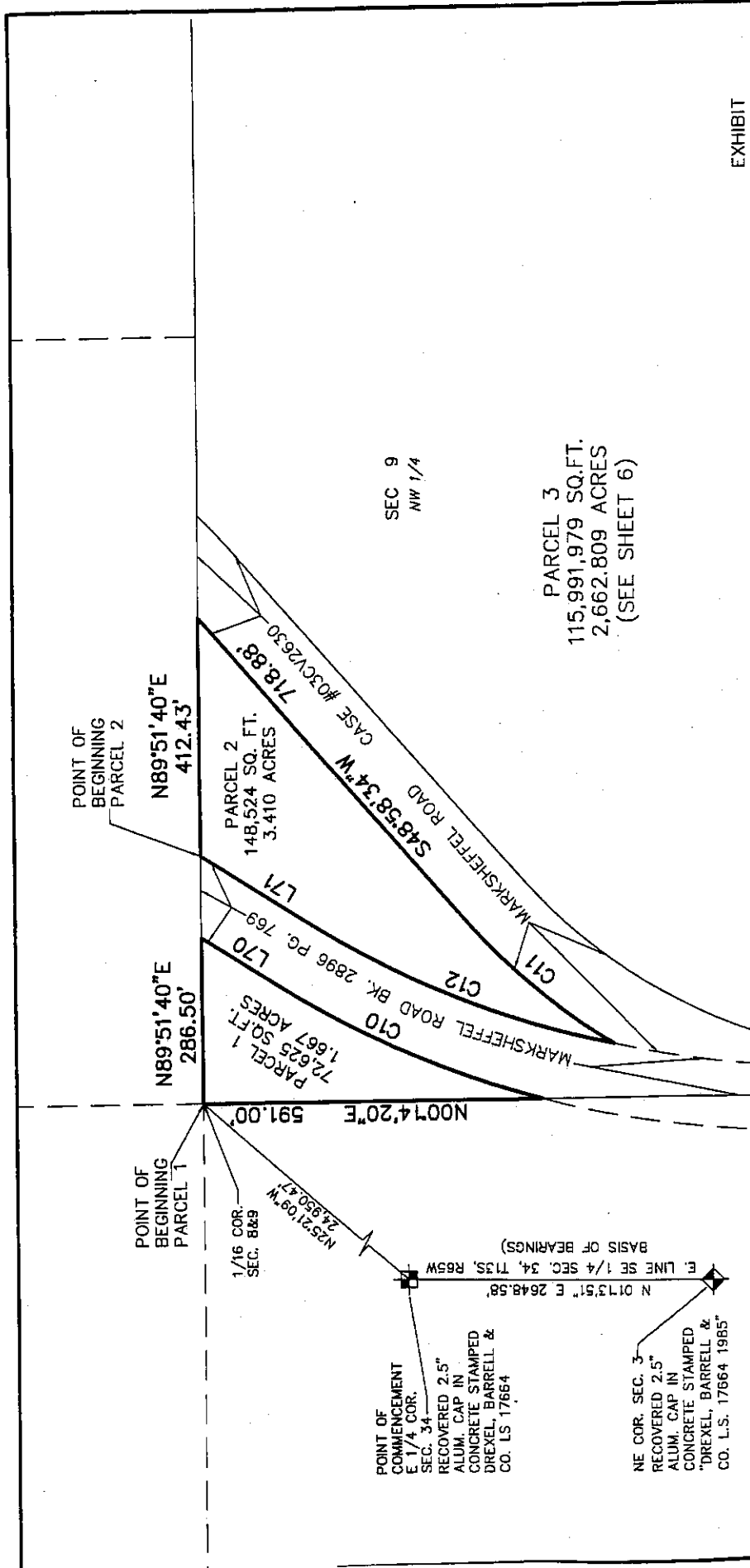
LEGAL DESCRIPTION STATEMENT

I, JEFFREY E. KISTNER, A PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION AND EXHIBIT WERE PREPARED UNDER MY RESPONSIBLE CHARGE, AND ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF, ARE CORRECT.



JEFFREY E. KISTNER, PROFESSIONAL LAND SURVEYOR
COLORADO NO. 30829
FOR AND ON BEHALF OF SURVCON INC.
7800 E. DORADO PL., STE. 101
GREENWOOD VILLAGE, CO 80111

5-2-2005
DATE



EXHIBIT

SURVCON INC.
PROFESSIONAL SURVEYORS
7800 E. DORADO PL., STE. 101
GREENWOOD VILLAGE, CO 80111
PH. (303) 858-0404



SCALE:	1" = 200'	JOB NO.	110-054
DATE:	03-17-2005	Metro Districts/Metro District 2	REV 2
DRAWN BY:	CB	SHEET	7 OF 8



GRAPHIC SCALE



(IN FEET)
1 inch = 200 ft.

NOTE: THIS EXHIBIT DOES NOT REPRESENT A MONUMENTED SURVEY. IT IS INTENDED ONLY TO DEPICT THE ATTACHED DESCRIPTION.

LINE AND CURVE TABLE

LINE TABLE:

Line 1:	N 89°51'40"	E	1,638.57'
Line 2:	N 89°53'40"	E	2,652.62'
Line 3:	N 89°57'52"	E	1,453.38'
Line 4:	S 00°13'26"	E	394.31'
Line 5:	N 89°51'27"	E	3,954.65'
Line 6:	S 89°08'12"	E	3,884.02'
Line 7:	S 00°08'13"	W	145.14'
Line 8:	S 89°08'14"	E	1,119.97'
Line 9:	S 00°08'13"	W	761.74'
Line 10:	S 00°08'29"	W	2,627.56'
Line 11:	S 00°06'57"	W	1,692.62'
Line 12:	N 00°06'57"	E	1,546.09'
Line 13:	N 89°49'47"	E	100.00'
Line 14:	S 89°18'34"	E	1,328.02'
Line 15:	S 00°07'50"	W	1,342.80'
Line 16:	S 89°34'42"	E	350.20'
Line 17:	S 28°28'31"	W	3,744.50'
Line 18:	N 00°08'25"	E	1,955.02'
Line 19:	N 00°06'57"	E	1,030.90'
Line 20:	S 00°06'57"	W	888.48'
Line 21:	S 00°08'25"	W	2,213.90'
Line 22:	S 28°29'00"	W	468.54'
Line 23:	N 61°30'03"	W	829.01'
Line 24:	S 45°27'20"	W	42.01'
Line 25:	S 00°07'17"	E	10.81'
Line 26:	S 89°52'43"	W	99.00'
Line 27:	N 45°07'17"	W	42.43'
Line 28:	S 89°52'43"	W	224.09'
Line 29:	N 86°37'40"	W	180.51'
Line 30:	S 89°52'43"	W	171.65'
Line 31:	S 89°44'56"	W	1,731.79'
Line 32:	S 44°46'18"	W	42.44'
Line 33:	S 00°13'00"	E	11.04'
Line 34:	S 89°47'00"	W	123.00'
Line 35:	N 45°13'00"	W	42.43'
Line 36:	S 89°47'00"	W	232.95'
Line 37:	N 86°43'11"	W	180.34'
Line 38:	S 89°47'00"	W	796.16'

LINE TABLE:

Line 39:	S 52°47'00"	W	79.00'
Line 40:	S 07°47'00"	W	42.43'
Line 41:	S 37°13'00"	E	11.00'
Line 42:	S 52°47'00"	W	96.00'
Line 43:	N 82°13'00"	W	42.43'
Line 44:	S 52°47'00"	W	240.76'
Line 45:	S 56°16'37"	W	180.52'
Line 46:	S 52°47'00"	W	150.01'
Line 47:	S 73°14'04"	W	88.44'
Line 48:	N 82°25'09"	W	322.65'
Line 49:	S 58°55'15"	W	38.42'
Line 50:	N 82°25'09"	W	811.86'
Line 51:	N 35°40'25"	W	32.95'
Line 52:	N 82°25'09"	W	201.09'
Line 53:	N 78°25'01"	W	301.09'
Line 54:	N 82°26'11"	W	48.63'
Line 55:	S 52°11'00"	W	42.02'
Line 56:	S 06°47'10"	W	5.08'
Line 57:	N 82°25'19"	W	117.05'
Line 58:	N 37°48'47"	W	32.75'
Line 59:	N 82°25'09"	W	236.64'
Line 60:	N 00°14'02"	E	235.83'
Line 61:	N 00°20'14"	E	2,646.65'
Line 62:	N 00°20'14"	E	2,646.40'
Line 63:	N 89°55'08"	W	2,680.60'
Line 64:	S 00°15'04"	W	30.00'
Line 65:	S 89°40'52"	W	2,620.32'
Line 66:	N 00°10'42"	E	30.00'
Line 67:	N 00°14'20"	E	2,654.91'
Line 68:	N 00°14'20"	E	61.84'
Line 69:	N 48°58'33"	E	768.54'
Line 70:	S 32°25'14"	W	161.04'
Line 71:	N 32°25'14"	E	237.68'

CURVE TABLE:

C1:	Length: 268.22' Radius: 5,679.64' Delta: 02°42'21"
C2:	Length: 266.28' Radius: 5,779.64' Delta: 02°38'23"
C3:	Length: 902.87' Radius: 1,917.00' Delta: 26°59'07"
C4:	Length: 1,237.94' Radius: 1,917.00' Delta: 37°00'00"
C5:	Length: 386.57' Radius: 1,083.00' Delta: 20°27'04"
C6:	Length: 181.42' Radius: 733.00' Delta: 14°10'50"
C7:	Length: 194.10' Radius: 1,094.00' Delta: 10°09'56"
C8:	Length: 799.59' Radius: 940.00' Delta: 48°44'14"
C9:	Length: 85.09' Radius: 1,060.00' Delta: 04°35'57"

CURVE TABLE:

C10:	Length: 500.57' Radius: 1,697.02' Delta: 16°54'02"
C11:	Length: 324.71' Radius: 1,060.00' Delta: 17°33'06"
C12:	Length: 561.71' Radius: 1,577.02' Delta: 20°24'29"

EXHIBIT



SURVCON INC.
PROFESSIONAL SURVEYORS
7800 E. DORADO PL., STE. 101
GREENWOOD VILLAGE, CO 80111
P.L. (303) 858-0404

SCALE:	NTS	JOB NO.	110-054
DATE:	03-17-2005	Metro Districts/Metro District 2 REV 2	
DRAWN BY:	CB	SHEET	8 OF 8



SURVCON INC.
PROFESSIONAL SURVEYORS

7800 E. DORADO PLACE
SUITE 101
GREENWOOD VILLAGE, CO 80111
TELEPHONE: 303/858-0404
FACSIMILE: 303/858-0606

LEGAL DESCRIPTION – SPECIAL DISTRICT 3

A PORTION OF SECTION 25, TOWNSHIP 13 SOUTH, RANGE 65 WEST, 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF THE SOUTHEAST ONE-QUARTER OF SECTION 34, TOWNSHIP 13 SOUTH, RANGE 65 WEST, 6TH P.M., BEING MONUMENTED AT THE SOUTHEAST CORNER OF SAID SECTION 34 BY A RECOVERED AND ACCEPTED 2.5 INCH ALUMINUM CAP STAMPED "DREXEL, BARRELL & CO., L.S. 17664, 1985" IN CONCRETE AND AT THE EAST ONE-QUARTER CORNER OF SAID SECTION 34 BY A RECOVERED AND ACCEPTED 2.5 INCH ALUMINUM CAP STAMPED "DREXEL, BARRELL & CO., L.S. 17664" IN CONCRETE, BEARING N 01°13'51" E, 2,648.58'.

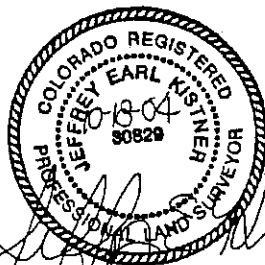
THE SOUTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER OF SECTION 25, TOWNSHIP 13 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN.

CONTAINING 39.88 ACRES, MORE OR LESS.

EXHIBIT ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF.

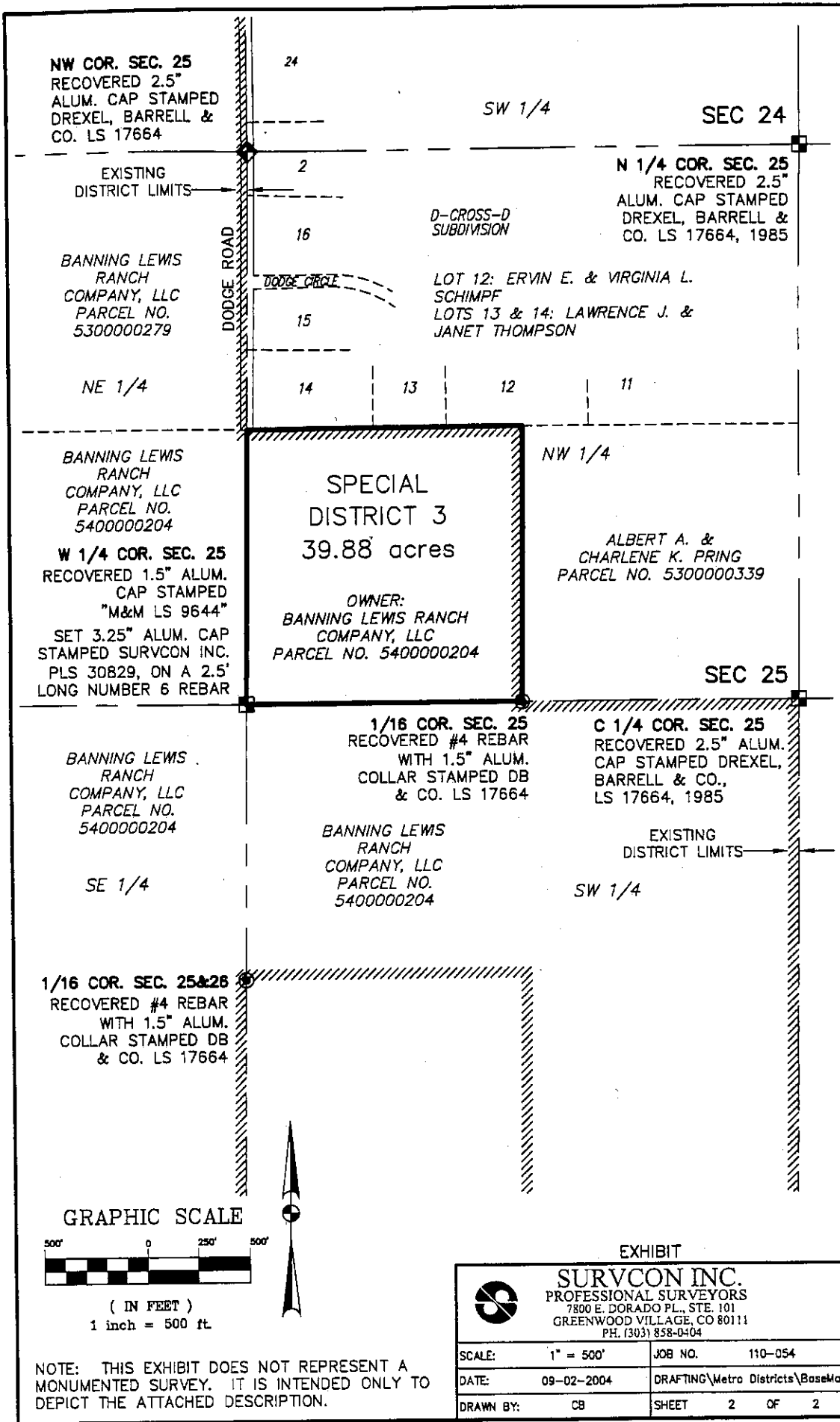
LEGAL DESCRIPTION STATEMENT

I, JEFFREY E. KISTNER, A PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION AND EXHIBIT WERE PREPARED UNDER MY RESPONSIBLE CHARGE, AND ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF, ARE CORRECT.



JEFFREY E. KISTNER, PROFESSIONAL LAND SURVEYOR
COLORADO NO. 30829
FOR AND ON BEHALF OF SURVCON INC.
7800 E. DORADO PL., STE. 101
GREENWOOD VILLAGE, CO 80111

10-18-2007
DATE



NW COR. SEC. 25
 RECOVERED 2.5"
 ALUM. CAP STAMPED
 DREXEL, BARRELL &
 CO. LS 17664

SW 1/4

SEC 24

EXISTING
 DISTRICT LIMITS

N 1/4 COR. SEC. 25
 RECOVERED 2.5"
 ALUM. CAP STAMPED
 DREXEL, BARRELL &
 CO. LS 17664, 1985

BANNING LEWIS
 RANCH
 COMPANY, LLC
 PARCEL NO.
 5300000279

D-CROSS-D
 SUBDIVISION

LOT 12: ERVIN E. & VIRGINIA L.
 SCHIMPF
 LOTS 13 & 14: LAWRENCE J. &
 JANET THOMPSON

NE 1/4

BANNING LEWIS
 RANCH
 COMPANY, LLC
 PARCEL NO.
 5400000204

SPECIAL
 DISTRICT 3
 39.88 acres

NW 1/4

ALBERT A. &
 CHARLENE K. PRING
 PARCEL NO. 5300000339

W 1/4 COR. SEC. 25
 RECOVERED 1.5" ALUM.
 CAP STAMPED
 "M&M LS 9644"
 SET 3.25" ALUM. CAP
 STAMPED SURVCON INC.
 PLS 30829, ON A 2.5'
 LONG NUMBER 6 REBAR

OWNER:
 BANNING LEWIS RANCH
 COMPANY, LLC
 PARCEL NO. 5400000204

SEC 25

BANNING LEWIS
 RANCH
 COMPANY, LLC
 PARCEL NO.
 5400000204

1/16 COR. SEC. 25
 RECOVERED #4 REBAR
 WITH 1.5" ALUM.
 COLLAR STAMPED DB
 & CO. LS 17664

C 1/4 COR. SEC. 25
 RECOVERED 2.5" ALUM.
 CAP STAMPED DREXEL,
 BARRELL & CO.,
 LS 17664, 1985

BANNING LEWIS
 RANCH
 COMPANY, LLC
 PARCEL NO.
 5400000204

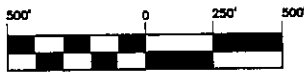
EXISTING
 DISTRICT LIMITS

SE 1/4

SW 1/4

1/16 COR. SEC. 25&26
 RECOVERED #4 REBAR
 WITH 1.5" ALUM.
 COLLAR STAMPED DB
 & CO. LS 17664


GRAPHIC SCALE



(IN FEET)
 1 inch = 500 ft.



EXHIBIT

 SURVCON INC. PROFESSIONAL SURVEYORS 7800 E. DORADO PL., STE. 101 GREENWOOD VILLAGE, CO 80111 PH. (303) 858-0404		
		SCALE: 1" = 500'
DATE: 09-02-2004	DRAFTING\Metro Districts\BoseMap	
DRAWN BY: CB	SHEET 2	OF 2

NOTE: THIS EXHIBIT DOES NOT REPRESENT A
 MONUMENTED SURVEY. IT IS INTENDED ONLY TO
 DEPICT THE ATTACHED DESCRIPTION.



SURVCON INC.
PROFESSIONAL SURVEYORS

7800 E. DORADO PLACE
SUITE 101
GREENWOOD VILLAGE, CO 80111
TELEPHONE: 303/858-0404
FACSIMILE: 303/858-0606

LEGAL DESCRIPTION - SPECIAL DISTRICT 4

A PORTION OF SECTION 7, TOWNSHIP 14 SOUTH, RANGE 64 WEST, 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF THE SOUTHEAST ONE-QUARTER OF SECTION 34, TOWNSHIP 13 SOUTH, RANGE 65 WEST, 6TH P.M., BEING MONUMENTED AT THE SOUTHEAST CORNER OF SAID SECTION 34 BY A RECOVERED AND ACCEPTED 2.5 INCH ALUMINUM CAP STAMPED "DREXEL, BARRELL & CO., L.S. 17664, 1985" IN CONCRETE AND AT THE EAST ONE-QUARTER CORNER OF SAID SECTION 34 BY A RECOVERED AND ACCEPTED 2.5 INCH ALUMINUM CAP STAMPED "DREXEL, BARRELL & CO., L.S. 17664" IN CONCRETE, BEARING N 01°13'51" E, 2,648.58'.

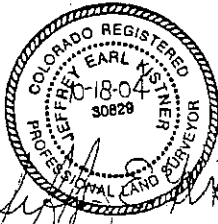
THE NORTHEAST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER OF SECTION 7, TOWNSHIP 14 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN.

CONTAINING 37.97 ACRES, MORE OR LESS.

EXHIBIT ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF.

LEGAL DESCRIPTION STATEMENT

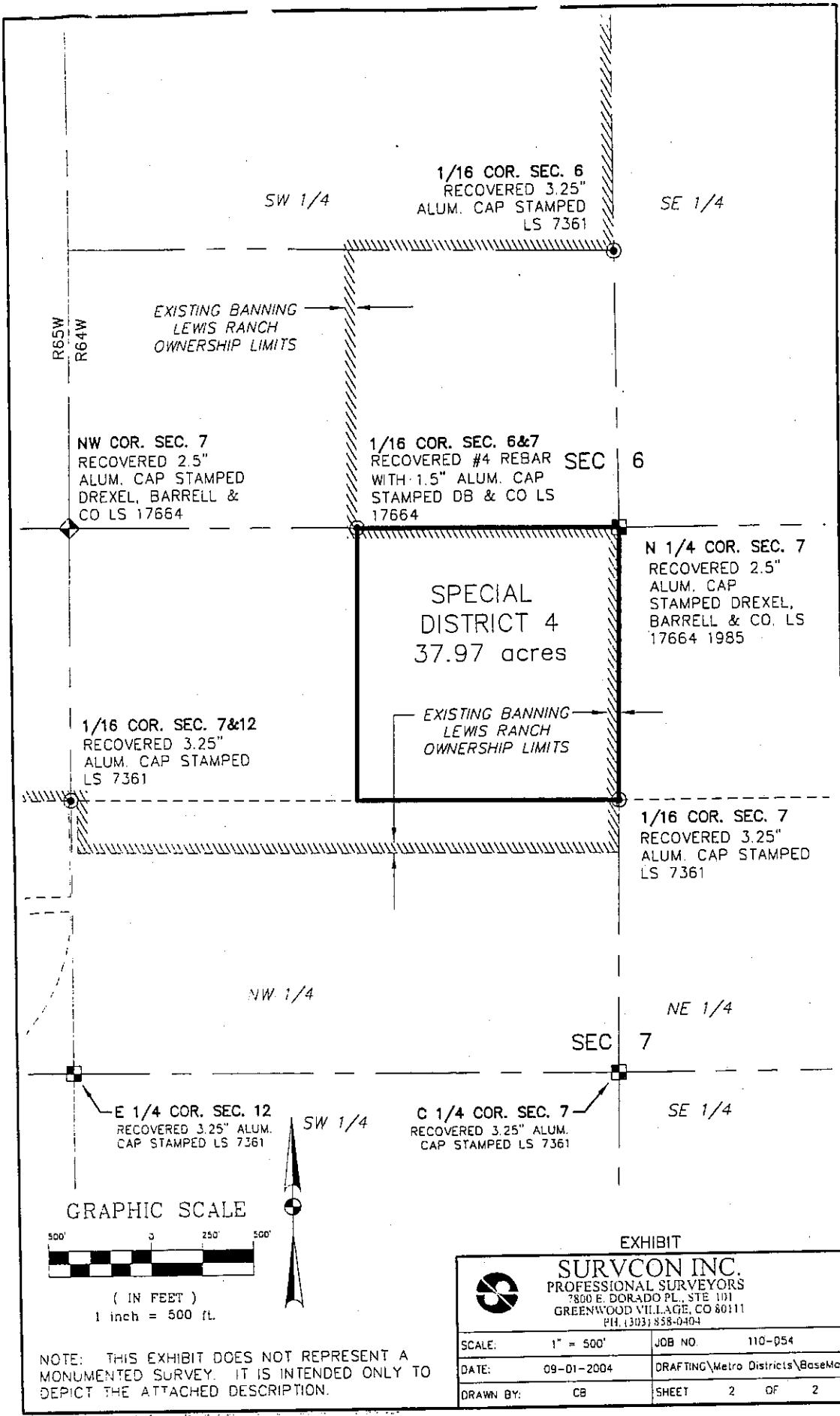
I, JEFFREY E. KISTNER, A PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION AND EXHIBIT WERE PREPARED UNDER MY RESPONSIBLE CHARGE, AND ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF, ARE CORRECT.




Jeffrey E. Kistner

JEFFREY E. KISTNER, PROFESSIONAL LAND SURVEYOR
COLORADO NO. 30829
FOR AND ON BEHALF OF SURVCON INC.
7800 E. DORADO PL., STE. 101
GREENWOOD VILLAGE, CO 80111

10-18-2004
DATE



NOTE: THIS EXHIBIT DOES NOT REPRESENT A MONUMENTED SURVEY. IT IS INTENDED ONLY TO DEPICT THE ATTACHED DESCRIPTION.

EXHIBIT	
 SURVCON INC. PROFESSIONAL SURVEYORS 7800 E. DORADO PL., STE 101 GREENWOOD VILLAGE, CO 80111 PH. (303) 858-0404	
SCALE: 1" = 500'	JOB NO. 110-054
DATE: 09-01-2004	DRAFTING\Metro Districts\BaseMap
DRAWN BY: CB	SHEET 2 OF 2



SURVCON INC.
PROFESSIONAL SURVEYORS

7800 E. DORADO PLACE
SUITE 101
GREENWOOD VILLAGE, CO 80111
TELEPHONE: 303/858-0404
FACSIMILE: 303/858-0606

LEGAL DESCRIPTION - SPECIAL DISTRICT 5

A PORTION OF SECTION 13, TOWNSHIP 14 SOUTH, RANGE 65 WEST, 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO. BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF THE SOUTHEAST ONE-QUARTER OF SECTION 34, TOWNSHIP 13 SOUTH, RANGE 65 WEST, 6TH P.M., BEING MONUMENTED AT THE SOUTHEAST CORNER OF SAID SECTION 34 BY A RECOVERED AND ACCEPTED 2.5 INCH ALUMINUM CAP STAMPED "DREXEL, BARRELL & CO., L.S. 17664, 1985" IN CONCRETE AND AT THE EAST ONE-QUARTER CORNER OF SAID SECTION 34 BY A RECOVERED AND ACCEPTED 2.5 INCH ALUMINUM CAP STAMPED "DREXEL, BARRELL & CO., L.S. 17664" IN CONCRETE, BEARING N 01°13'51" E, 2,648.58'.

THE SOUTHEAST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER OF SECTION 13, TOWNSHIP 14 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN.

CONTAINING 39.14 ACRES, MORE OR LESS.

EXHIBIT ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF.

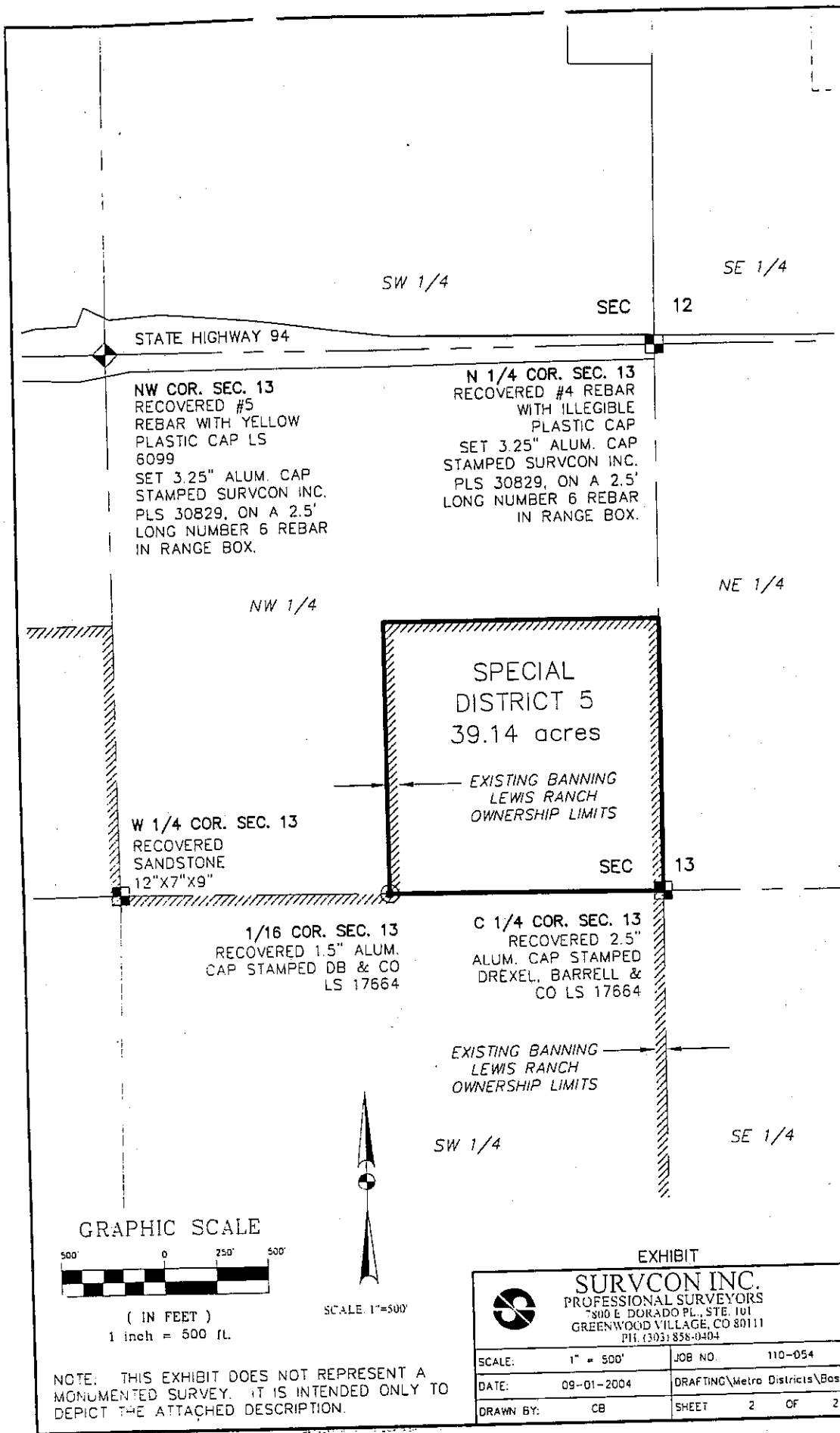
LEGAL DESCRIPTION STATEMENT

I, JEFFREY E. KISTNER, A PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION AND EXHIBIT WERE PREPARED UNDER MY RESPONSIBLE CHARGE, AND ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF, ARE CORRECT.

Jeffrey E. Kistner

JEFFREY E. KISTNER, PROFESSIONAL LAND SURVEYOR
COLORADO NO. 30829
FOR AND ON BEHALF OF SURVCON INC.
7800 E. DORADO PL., STE. 101
GREENWOOD VILLAGE, CO 80111

10-18-2004
DATE



STATE HIGHWAY 94

SW 1/4

SE 1/4

SEC 12

NW COR. SEC. 13
RECOVERED #5
REBAR WITH YELLOW
PLASTIC CAP LS
6099
SET 3.25" ALUM. CAP
STAMPED SURVCON INC.
PLS 30829, ON A 2.5'
LONG NUMBER 6 REBAR
IN RANGE BOX.

N 1/4 COR. SEC. 13
RECOVERED #4 REBAR
WITH ILLEGIBLE
PLASTIC CAP
SET 3.25" ALUM. CAP
STAMPED SURVCON INC.
PLS 30829, ON A 2.5'
LONG NUMBER 6 REBAR
IN RANGE BOX.

NW 1/4

NE 1/4

SPECIAL
DISTRICT 5
39.14 acres

EXISTING BANNING
LEWIS RANCH
OWNERSHIP LIMITS

W 1/4 COR. SEC. 13
RECOVERED
SANDSTONE
12"x7"x9"

SEC 13

1/16 COR. SEC. 13
RECOVERED 1.5" ALUM.
CAP STAMPED DB & CO
LS 17664

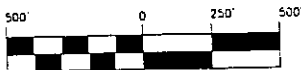
C 1/4 COR. SEC. 13
RECOVERED 2.5"
ALUM. CAP STAMPED
DREXEL, BARRELL &
CO LS 17664

EXISTING BANNING
LEWIS RANCH
OWNERSHIP LIMITS

SW 1/4

SE 1/4


GRAPHIC SCALE



(IN FEET)
1 inch = 500 ft.

SCALE 1"=500'

EXHIBIT

 SURVCON INC. PROFESSIONAL SURVEYORS 800 E. DORADO PL., STE. 101 GREENWOOD VILLAGE, CO 80111 PH. (303) 858-0404			
SCALE:	1" = 500'	JOB NO.	110-054
DATE:	09-01-2004	DRAFTING	Metro Districts\BoseMap
DRAWN BY:	CB	SHEET	2 OF 2

NOTE: THIS EXHIBIT DOES NOT REPRESENT A MONUMENTED SURVEY. IT IS INTENDED ONLY TO DEPICT THE ATTACHED DESCRIPTION.



SURVCON INC.
PROFESSIONAL SURVEYORS

7800 E. DORADO PLACE
SUITE 101
GREENWOOD VILLAGE, CO 80111
TELEPHONE: 303/858-0404
FACSIMILE: 303/858-0606

LEGAL DESCRIPTION - SPECIAL DISTRICT 6

A PORTION OF SECTION 36, TOWNSHIP 14 SOUTH, RANGE 65 WEST, 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF THE SOUTHEAST ONE-QUARTER OF SECTION 34, TOWNSHIP 13 SOUTH, RANGE 65 WEST, 6TH P.M., BEING MONUMENTED AT THE SOUTHEAST CORNER OF SAID SECTION 34 BY A RECOVERED AND ACCEPTED 2.5 INCH ALUMINUM CAP STAMPED "DREXEL, BARRELL & CO., L.S. 17664, 1985" IN CONCRETE AND AT THE EAST ONE-QUARTER CORNER OF SAID SECTION 34 BY A RECOVERED AND ACCEPTED 2.5 INCH ALUMINUM CAP STAMPED "DREXEL, BARRELL & CO., L.S. 17664" IN CONCRETE, BEARING N 01°13'51" E, 2,648.58'.

THE SOUTHEAST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER OF SECTION 36, TOWNSHIP 14 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, SAVE AND EXCEPT THE EASTERLY 30 FEET THEREOF AND THE SOUTHERLY 30 FEET THEREOF.

CONTAINING 39.01 ACRES NET, MORE OR LESS.

EXHIBIT ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF.

LEGAL DESCRIPTION STATEMENT

I, JEFFREY E. KISTNER, A PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION AND EXHIBIT WERE PREPARED UNDER MY RESPONSIBLE CHARGE, AND ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF, ARE CORRECT.



Jeffrey E. Kistner

JEFFREY E. KISTNER, PROFESSIONAL LAND SURVEYOR
COLORADO NO. 30829
FOR AND ON BEHALF OF SURVCON INC.
7800 E. DORADO PL., STE. 101
GREENWOOD VILLAGE, CO 80111

10-18-2004
DATE

NW 1/4

NE 1/4

CENTER
1/4 COR.
SEC. 36,
T14S, R65W

W 1/4 COR. SEC. 36
RECOVERED 2.5"
ALUMINUM CAP
STAMPED "DREXEL
BARRELL & CO., T14S,
R65W, 1/4, S35/S36,
1985, LS 17664"

SEC 36

SW 1/4

SE 1/4

EXISTING BANNING
LEWIS RANCH
OWNERSHIP LIMITS

30'

30'

SPECIAL DISTRICT 6
39.01 acres

MOCKINGBIRD
LANE

EXISTING BANNING
LEWIS RANCH
OWNERSHIP LIMITS

T 14 S

SOUTH
1/4 COR.
SEC. 36,
T14S, R65W

SW COR. SEC. 36
RECOVERED 3-1/4"
ALUMINUM CAP
STAMPED "EL PASO
COUNTY DPW, T14S,
R65W, S35/S36/S2,S1,
T15S, 1992, LS 17496"
IN RANGE BOX

T 15 S

DRENNAN ROAD
(60' R.O.W.)

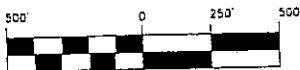
30'

30'

NW 1/4

SEC 1

GRAPHIC SCALE



(IN FEET)
1 inch = 500 ft.

SCALE 1"=500'



EXHIBIT



SURVCON INC.
PROFESSIONAL SURVEYORS
7800 E. DORADO PL., STE 101
GREENWOOD VILLAGE, CO 80111
PH (303) 858-0404

SCALE:	1" = 500'	JOB NO.	110-054
DATE:	09-01-2004	DRAFTING	Metra Districts\BoseMap
DRAWN BY:	CB	SHEET	2 OF 2

NOTE: THIS EXHIBIT DOES NOT REPRESENT A
MONUMENTED SURVEY. IT IS INTENDED ONLY TO
DEPICT THE ATTACHED DESCRIPTION.



SURVCON INC.
PROFESSIONAL SURVEYORS

7800 E. DORADO PLACE
SUITE 101
GREENWOOD VILLAGE, CO 80111
TELEPHONE: 303/858-0404
FACSIMILE: 303/858-0606

LEGAL DESCRIPTION - SPECIAL DISTRICT 7

A PORTION OF SECTION 13, TOWNSHIP 15 SOUTH, RANGE 65 WEST, 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS:

THE EAST LINE OF THE SOUTHEAST ONE-QUARTER OF SECTION 34, TOWNSHIP 13 SOUTH, RANGE 65 WEST, 6TH P.M., BEING MONUMENTED AT THE SOUTHEAST CORNER OF SAID SECTION 34 BY A RECOVERED AND ACCEPTED 2.5 INCH ALUMINUM CAP STAMPED "DREXEL, BARRELL & CO., L.S. 17664, 1985" IN CONCRETE AND AT THE EAST ONE-QUARTER CORNER OF SAID SECTION 34 BY A RECOVERED AND ACCEPTED 2.5 INCH ALUMINUM CAP STAMPED "DREXEL, BARRELL & CO., L.S. 17664" IN CONCRETE, BEARING N 01°13'51" E, 2,648.58'.

THE NORTHEAST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER OF SECTION 13, TOWNSHIP 15 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN.

CONTAINING 40.11 ACRES, MORE OR LESS.

EXHIBIT ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF.

LEGAL DESCRIPTION STATEMENT

I, JEFFREY E. KISTNER, A PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION AND EXHIBIT WERE PREPARED UNDER MY RESPONSIBLE CHARGE, AND ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF, ARE CORRECT.

JEFFREY E. KISTNER, PROFESSIONAL LAND SURVEYOR
COLORADO NO. 30829
FOR AND ON BEHALF OF SURVCON INC.
7800 E. DORADO PL., STE. 101
GREENWOOD VILLAGE, CO 80111

10-18-2004
DATE

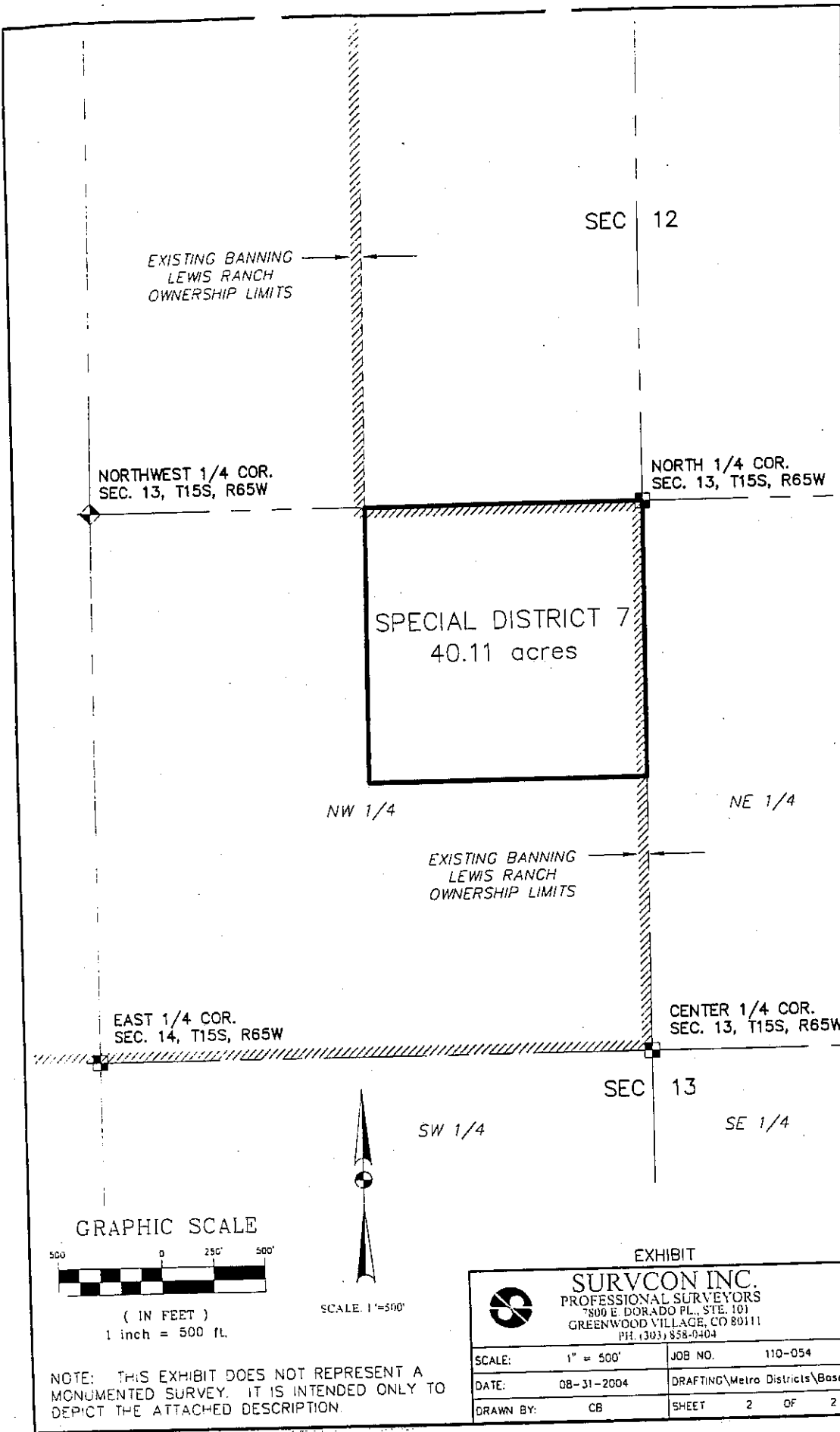
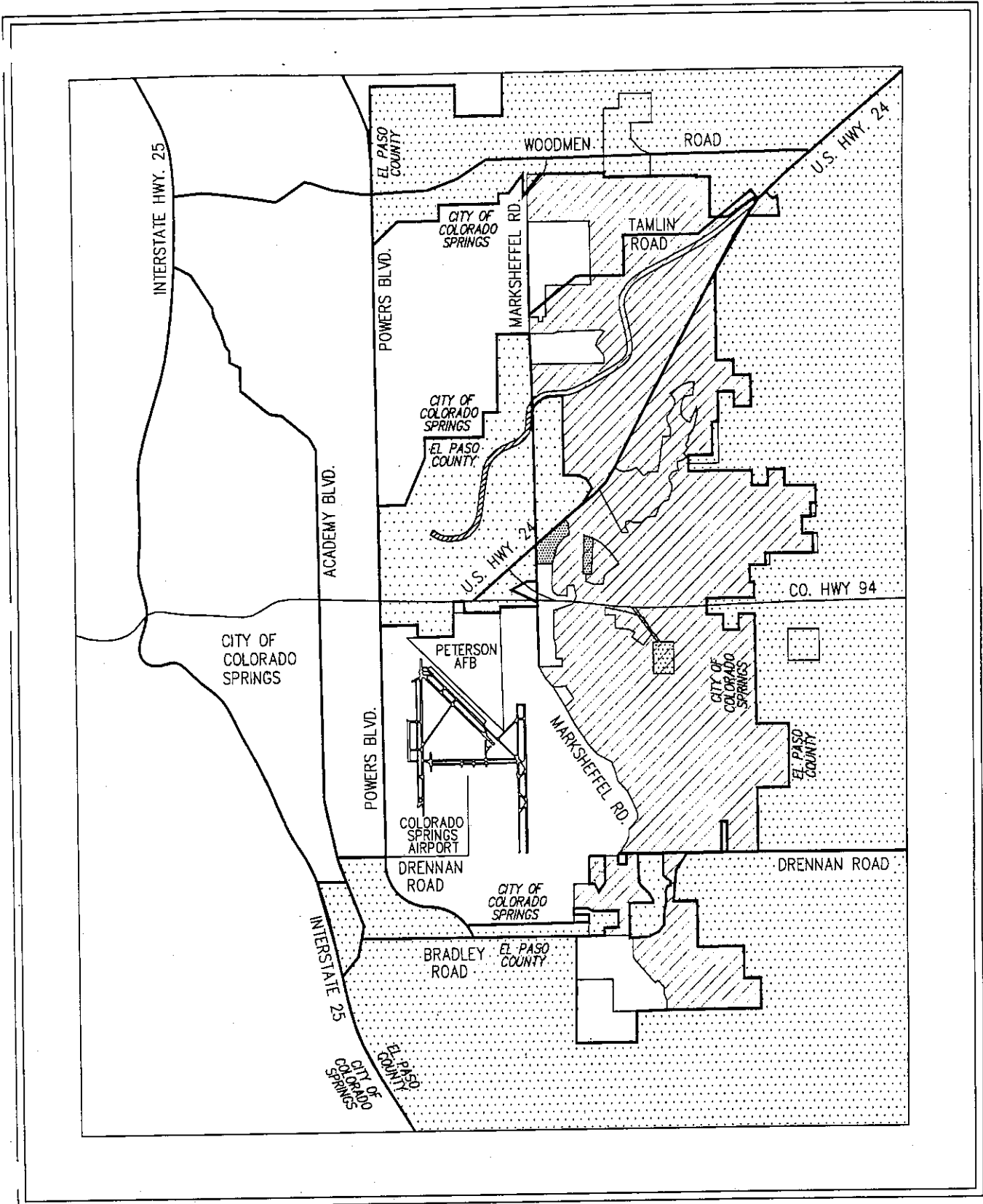


EXHIBIT B

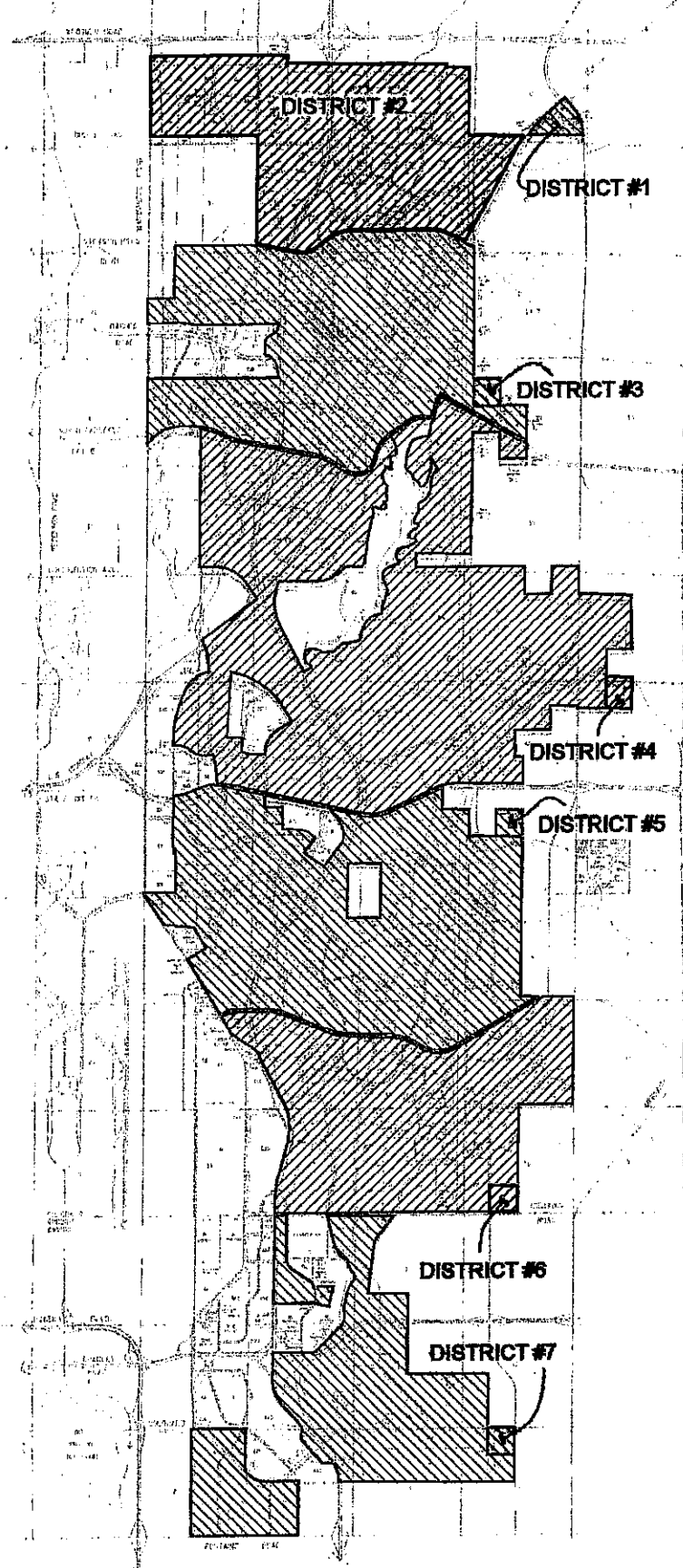
Vicinity Map



VICINITY MAP - NTS

EXHIBIT C-1

Initial Districts Boundary Maps



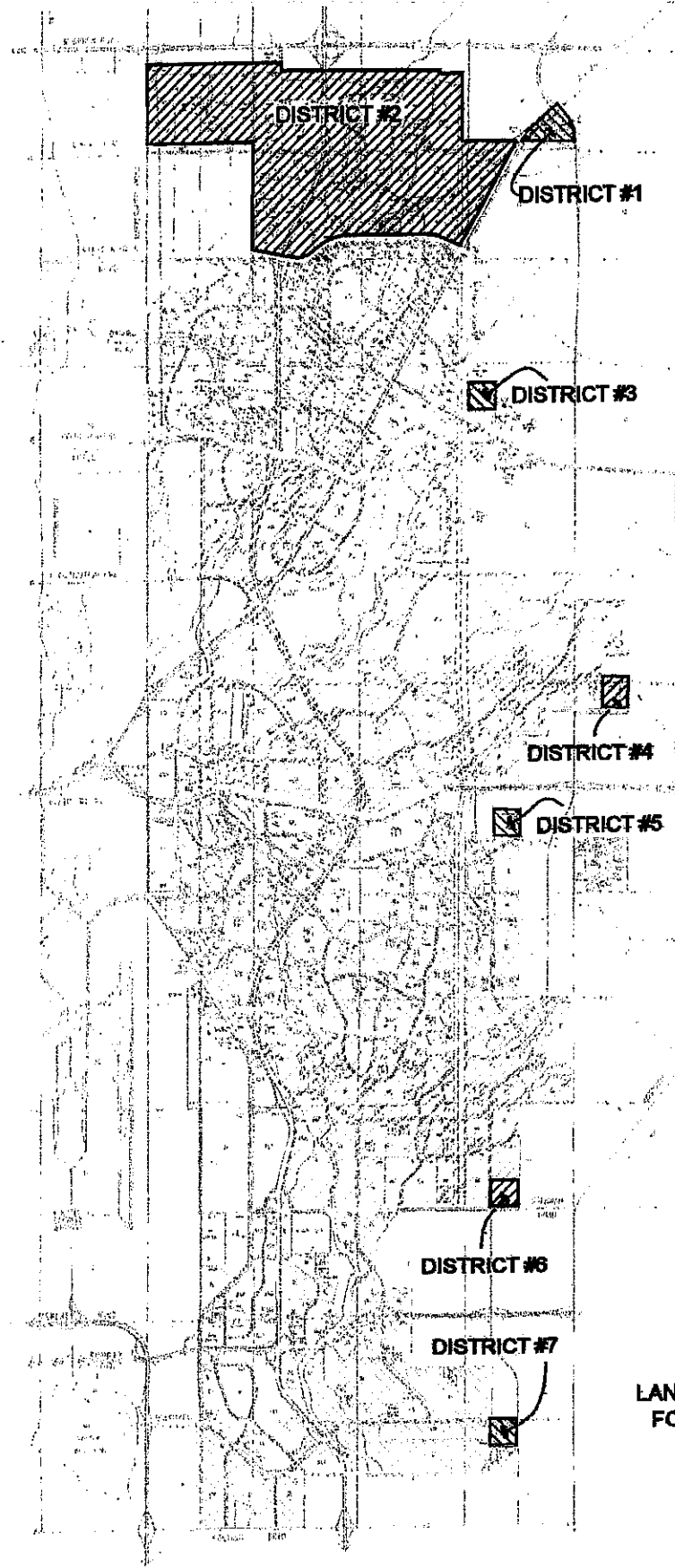
BANNING LEWIS RANCH
INITIAL DISTRICTS BOUNDARY MAP

DATE: MARCH, 2005



EXHIBIT C-2

Inclusion Area Boundary Map



LANDS PROPOSED
FOR INCLUSION

EXHIBIT D

District No. 2 Financial Plan

**Banning Lewis Ranch Metropolitan District #2
Forecasted Statement of Sources
and Uses of Cash**

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



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

Certified Public Accountants

To the Petitioners of the Proposed
Banning Lewis Ranch Metropolitan District #2
City of Colorado Springs, Colorado

We have compiled the accompanying forecasted statements of sources and uses of cash of the proposed Banning Lewis Ranch Metropolitan District #2 (Exhibit I), the related forecasted debt service schedules (Exhibit II to IV), the forecasted capital improvements (Exhibit V) and the analysis of absorption and assessed values (Exhibit VI) for the years ending December 31, 2005 through 2039, in accordance with standards established by the American Institute of Certified Public Accountants.

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

August 12, 2005

Banning Lewis Ranch Metropolitan District #2

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

The foregoing forecast presents, to the best of the Developer's knowledge and belief, the expected cash receipts and disbursements for the forecast period. Accordingly, the forecast reflects its judgement as of August 12, 2005. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The purpose of this forecast is to show the amount of funds available for the future construction of infrastructure within the District by the issuance of general obligation bonds and subordinate developer advances and the anticipated funds available for repayment of the bonds and advances.

Note 1: Ad Valorem Taxes

The primary source of revenue for the District will be the collection of ad valorem taxes. Residential property is projected to be assessed at 7.96% of market values. Market values for 8,000 single family detached residential homes are estimated to average \$225,000 as of 2005. Values for 2,000 single family attached residential homes are estimated to average \$150,000. Finished lots are forecasted at \$15,000 to \$22,500 per lot. Market values are projected to inflate at 2% per year. All property is assumed to inflate at 2% biennially thereafter. Exhibit VI details the forecasted absorption, market values and related assessed values.

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

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

The forecast assumes that Specific Ownership Taxes collected on motor vehicle registrations will be 8% of property taxes collected.

The mill levy imposed by the District is proposed to equal 20.000 mills for operations and 35.000 mills for debt service for a total mill levy of 55.000 mills.

Note 2: Interest Income

Interest income is assumed to be earned at 2.5% per annum. Interest income is based on the year's beginning cash balance and an estimate of the timing of the receipt of revenues and the outflow of disbursements during the course of the year.

Banning Lewis Ranch Metropolitan District #2

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

Note 3: Bond Assumptions

The District proposes the issuance of general obligation limited tax bonds totaling \$84,500,000 in 2005 and 2009. The bonds will have a maturity of 30 years from the date of issuance. The Series 2005 bonds are proposed to carry a coupon rate of 7.75% and the Series 2009 Bonds a coupon rate of 7.50%. It is estimated that \$8,990,000 of the bond proceeds will be used for capitalized interest and \$2,290,000 will be available for issuance costs. Exhibits II and III reflect the proposed repayment schedule of these bonds. The Bonds are anticipated to be secured by a limited mill levy not to exceed 35.000 mills (adjusted for changes in the ratio of assessed values to market values as described in Note 1) and development fees described in Note 4. The following table reflects the proposed sources and uses of funds for each bond issue.

	<u>Series 2005</u>	<u>Series 2009</u>
Sources:		
Bond Proceeds	<u>\$58,000,000</u>	<u>\$26,500,000</u>
Uses:		
Issuance costs	1,460,000	830,000
Capitalized Interest	8,990,000	-
Repay developer advances	20,398,814	25,670,000
Available for improvements	<u>27,151,186</u>	<u>-</u>
	<u>\$58,000,000</u>	<u>\$26,500,000</u>

The District also intends to issue \$43,683,375 of subordinate developer owned bonds from 2005 through 2007. The bonds will be available to fund District improvements. The bonds carry a coupon rate of 8% for 30 years and it is forecasted that the District will be repay the bonds from the above described Series 2005, Series 2009 bonds and surplus debt service fund revenues. Exhibit IV reflects the projected repayment of the principal and interest on the subordinate bonds.

Note 4: Development Fees

It is forecasted that the District will impose development fees of \$2,000 for each residential detached home and \$1,500 for each attached home. Exhibit VI details the collection of the above fees by year. It is anticipated that the development fees will be restricted for the payment of principal and interest on the bonds.

Note 5: Construction Costs

Construction costs are forecasted to total \$82,377,536 and are estimated to be paid from 2005 through 2007 as detailed in Exhibit V. A portion of the construction costs totaling \$11,542,975 are not anticipated to be funded by the limited tax general obligation bonds or the developer owned bonds or loans. This amount is forecasted to be contributed to the District by the developer.

Banning Lewis Ranch Metropolitan District #2
Summary of Significant Assumptions and Accounting Policies
December 31, 2005 through 2039

Note 6: Operating and Administrative Expenses

Administrative expenses for legal, accounting, audit, management, insurance and landscape maintenance are estimated at \$75,000 per year for 2005 and 2006. These costs are forecasted to increase to \$3,574,368 by 2012. For 2013 through 2039, operating and administrative expenses are forecasted to equal the net collected ad valorem taxes. Operating expenses incurred prior to the collection of ad-valorem taxes are expected to be funded by developer advances totaling \$259,682. The forecast reflects that developer advances can be repaid commencing in 2009 through 2012 without interest. In addition to the 20.000 mills for operations, the District may impose a monthly fee for recreation and landscape maintenance should the projected costs exceed the above projected costs. This forecast only reflects the amount of expenditures supported by 20.000 mills for operations.

The 20.000 mills for operations is included in this projection as the City intends to require that District #2 operate and maintain significant park and recreation improvements and facilities. In addition, it is anticipated that the Project will not have traditional homeowners' associations (HOAs). Rather, District #2 will provide services traditionally provided by HOAs, including but not limited to covenant control and enforcement services. The 20.000 mills shown in the General Fund will allow District #2 revenues for the cost of these traditional HOA services through ad valorem taxes, allowing homeowners within District #2 to deduct ad valorem taxes related to operation and maintenance activities of District #2 from their federal income tax returns. HOA fees, as traditionally imposed and collected, do not have a similar tax benefit to residents.

Banning Lewis Ranch Metropolitan District #2
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2005 through 2039

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Totals											
Beginning cash available	0	0	0	0	0	(0)	0	(0)	(0)	(0)	(0)
Revenues											
Property taxes	123,046,555		78,300	391,482	1,023,569	1,818,618	2,720,789	3,356,214	3,530,909	3,640,632	3,790,561
Specific ownership taxes	9,843,728		6,264	31,319	81,886	145,489	217,663	288,497	282,473	291,251	303,245
Developer advances	259,682	75,000	75,000	33,071	0						
	133,149,965	75,000	161,175	455,872	1,105,455	1,964,107	2,938,452	3,624,711	3,813,382	3,931,883	4,093,806
Expenditures											
County treasurer fees	1,845,688	0	1,175	5,872	15,354	27,279	40,812	50,343	52,964	54,609	56,858
Repay developer advances	259,682				90,101	136,828	32,753				
Operating expenses	131,044,585	75,000	160,000	450,000	1,000,000	1,800,000	2,864,888	3,574,368	3,760,418	3,877,274	4,036,948
	133,149,965	75,000	161,175	455,872	1,105,455	1,964,107	2,938,452	3,624,711	3,813,382	3,931,883	4,093,806
Ending cash available	(0)	0	0	(0)	(0)	0	(0)	(0)	(0)	(0)	(0)
Mill levy - General Fund		20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Capital Projects Fund											
Beginning cash available	0	0	27,151,186	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Revenues											
Bond proceeds	84,500,000	58,000,000			26,500,000						
Developer advances	43,683,375	19,740,788	12,313,484	11,629,103							
Developer contributions	11,542,975	0	11,542,975								
Interest income	0										
	139,726,350	77,740,788	12,313,484	23,172,078	0	26,500,000	0	0	0	0	0
Expenditures											
Issuance costs	2,290,000	1,460,000			830,000						
Transfer to Debt (Capitalized Interest)	8,990,000	8,990,000									
Repay developer advances	46,068,814	20,398,814			25,670,000						
Available for capital improvements	82,377,536	19,740,788	39,464,670	23,172,078							
	139,726,350	50,589,602	39,464,670	23,172,078	0	26,500,000	0	0	0	0	0
Ending cash available	(0)	27,151,186	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)

**Banning Lewis Ranch Metropolitan District #2
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2005 through 2039**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Totals	0	0	8,990,000	5,676,329	4,451,863	4,800,138	5,252,724	6,214,489	4,849,990	4,652,236	4,725,161	4,405,319
Beginning cash available												
Revenues												
Property taxes	206,918,612	0	137,025	885,094	1,791,245	3,182,581	4,761,380	5,873,374	6,179,091	6,371,105	6,633,482	6,633,482
Specific ownership taxes	16,553,489	0	10,962	54,807	143,300	254,607	380,910	468,870	494,327	509,688	530,679	530,679
Facility / development fees	19,000,000	0	3,000,000	4,000,000	4,600,000	4,600,000	600,000	600,000	600,000	0	0	0
Transfer from Capital Projects	8,990,000	8,990,000										
Interest income	3,900,278	183,329	126,502	115,650	125,661	143,340	138,306	118,778	117,217	114,131	109,587	109,587
	255,362,379	1,183,329	3,274,589	4,855,551	6,660,205	8,180,528	5,880,597	7,062,022	7,390,636	6,994,925	7,273,747	7,273,747
Expenditures												
Debt service - GO Debt Series 2005	153,648,950	4,495,000	4,495,000	4,495,000	5,185,000	5,181,525	5,184,175	5,182,175	5,185,525	5,183,450	5,185,950	5,185,950
Debt service - GO Debt Series 2009	80,506,750				993,750	1,987,500	1,987,500	1,987,500	2,037,500	2,033,750	2,030,000	2,030,000
Repay developer advances	18,040,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Trustee fees	60,000	0	0	10,276	26,869	47,739	71,421	88,101	92,686	95,567	99,502	99,502
County treasurer fees	3,103,778	0	0	0	0	0	0	0	0	0	0	0
	255,359,479	4,497,000	4,499,055	4,507,276	6,207,619	7,218,764	7,245,096	7,259,776	7,317,711	7,314,767	7,317,452	7,317,452
Ending cash available	2,900	8,990,000	5,676,329	4,451,863	4,800,138	5,252,724	6,214,489	4,849,990	4,652,236	4,725,161	4,405,319	4,361,614
Assessed valuation (000's)												
Beginning	180,321	0	0	3,915	19,574	51,178	90,931	136,039	167,811	176,545	182,032	182,032
New construction residential	60,046	0	3,915	15,659	31,213	39,752	43,290	31,771	5,379	5,486	3,856	3,856
Inflation (1% per annum)					391		1,819		3,356		3,641	3,641
Ending	240,367	0	3,915	19,574	51,178	90,931	136,039	167,811	176,545	182,032	189,528	189,528
Mill levy - Debt Service												
Total Mill levy		35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
		55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000

Banning Lewis Ranch Metropolitan District #2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2005 through 2039

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
General Fund												
Beginning cash available	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Revenues												
Property taxes	3,790,561	3,866,372	3,866,372	3,943,700	3,943,700	4,022,574	4,022,574	4,103,025	4,103,025	4,185,086	4,185,086	4,268,788
Specific ownership taxes	303,245	309,310	309,310	315,496	315,496	321,806	321,806	328,242	328,242	334,807	334,807	341,503
Developer advances												
	4,093,806	4,175,682	4,175,682	4,259,196	4,259,196	4,344,380	4,344,380	4,431,267	4,431,267	4,519,893	4,519,893	4,610,291
Expenditures												
County treasurer fees	56,858	57,996	57,996	59,156	59,156	60,339	60,339	61,545	61,545	62,776	62,776	64,032
Repay developer advances												
Operating expenses	4,036,948	4,117,686	4,117,686	4,200,041	4,200,041	4,284,041	4,284,041	4,369,722	4,369,722	4,457,117	4,457,117	4,546,259
	4,093,806	4,175,682	4,175,682	4,259,196	4,259,196	4,344,380	4,344,380	4,431,267	4,431,267	4,519,893	4,519,893	4,610,291
Ending cash available	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Mill levy - General Fund	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000
Capital Projects Fund												
Beginning cash available	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Revenues												
Bond proceeds												
Developer advances												
Developer contributions												
Interest income												
	0	0	0	0	0	0	0	0	0	0	0	0
Expenditures												
Issuance costs												
Transfer to Debt (Capitalized Interest)												
Repay developer advances												
Available for capital improvements												
	0	0	0	0	0	0	0	0	0	0	0	0
Ending cash available	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)

Banning Lewis Ranch Metropolitan District #2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2005 through 2039

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning cash available	4,361,614	4,324,347	4,427,851	4,534,989	4,794,579	5,001,893	5,004,115	5,002,052	5,001,434	5,004,370	5,001,143	5,002,708
Revenues												
Property taxes	6,633,482	6,766,152	6,766,152	6,901,475	6,901,475	7,039,504	7,039,504	7,180,294	7,180,294	7,323,900	7,323,900	7,470,378
Specific ownership taxes	530,679	541,292	541,292	552,118	552,118	563,160	563,160	574,424	574,424	585,912	585,912	597,630
Facility / development fees												
Transfer from Capital Projects												
Interest income	108,575	109,402	112,036	116,620	122,456	125,075	125,077	125,044	125,073	125,069	125,048	125,089
	7,272,735	7,416,846	7,419,479	7,570,212	7,576,049	7,727,740	7,727,742	7,879,762	7,879,791	8,034,881	8,034,860	8,193,098
Expenditures												
Debt service - GO Debt Series 2005	5,182,250	5,182,350	5,185,475	5,185,850	5,183,088	5,181,800	5,181,213	5,185,550	5,183,650	5,185,125	5,183,813	5,183,938
Debt service - GO Debt Series 2009	2,026,250	2,027,500	2,023,375	2,019,250	2,080,125	2,086,125	2,086,000	2,085,125	2,083,500	2,086,125	2,082,625	2,083,375
Repay developer advances						350,000	355,000	500,000	500,000	655,000	655,000	810,000
Trustee fees	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
County treasurer fees	99,502	101,492	101,492	103,522	103,522	105,593	105,593	107,704	107,704	109,859	109,859	112,056
	7,310,002	7,313,342	7,312,342	7,310,622	7,368,735	7,725,518	7,729,805	7,880,379	7,876,854	8,038,109	8,033,296	8,191,368
Ending cash available	4,324,347	4,427,851	4,534,989	4,794,579	5,001,893	5,004,115	5,002,052	5,001,434	5,004,370	5,001,143	5,002,708	5,004,437
Assessed valuation (000's)												
Beginning	189,528	189,528	193,319	193,319	197,185	197,185	201,129	201,129	205,151	205,151	209,254	209,254
New construction residential	0	0	0	0	0	0	0	0	0	0	0	0
Inflation (1% per annum)	0	3,791	3,866	3,866	3,944	3,944	4,023	4,023	4,103	4,103	4,185	4,185
Ending	189,528	193,319	193,319	197,185	197,185	201,129	201,129	205,151	205,151	209,254	209,254	213,439
Mill levy - Debt Service	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Total Mill levy	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000

**Banning Lewis Ranch Metropolitan District #2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2005 through 2039**

	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
General Fund												
Beginning cash available	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Revenues												
Property taxes	4,266,788	4,354,163	4,354,163	4,441,247	4,441,247	4,530,072	4,530,072	4,620,673	4,620,673	4,713,086	4,713,086	4,807,348
Specific ownership taxes	341,503	348,333	348,333	355,300	355,300	362,406	362,406	369,654	369,654	377,047	377,047	384,588
Developer advances												
	4,610,291	4,702,496	4,702,496	4,796,547	4,796,547	4,892,478	4,892,478	4,990,327	4,990,327	5,090,133	5,090,133	5,191,936
Expenditures												
County treasurer fees	64,032	65,312	65,312	66,619	66,619	67,951	67,951	69,310	69,310	70,696	70,696	72,110
Repay developer advances												
Operating expenses	4,546,259	4,637,184	4,637,184	4,729,928	4,729,928	4,824,527	4,824,527	4,921,017	4,921,017	5,019,437	5,019,437	5,119,826
	4,610,291	4,702,496	4,702,496	4,796,547	4,796,547	4,892,478	4,892,478	4,990,327	4,990,327	5,090,133	5,090,133	5,191,936
Ending cash available	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Mill levy - General Fund	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000
Capital Projects Fund												
Beginning cash available	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Revenues												
Bond proceeds												
Developer advances												
Developer contributions												
Interest income												
	0	0	0	0	0	0	0	0	0	0	0	0
Expenditures												
Issuance costs												
Transfer to Debt (Capitalized Interest)												
Repay developer advances												
Available for capital improvements												
	0	0	0	0	0	0	0	0	0	0	0	0
Ending cash available	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)

Banning Lewis Ranch Metropolitan District #2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2005 through 2039

	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	
Beginning cash available	5,004,437	5,001,122	5,003,907	5,001,864	5,001,864	5,001,593	5,002,480	5,002,893	5,002,000	5,000,308	2,003,004	2,001,702	2,900
Revenues													
Property taxes	7,470,378	7,619,786	7,619,786	7,772,182	7,772,182	7,927,625	7,927,625	8,086,178	8,086,178	8,247,901	8,247,901	8,247,901	0
Specific ownership taxes	597,630	609,583	609,583	621,775	621,775	634,210	634,210	646,894	646,894	659,832	659,832	659,832	0
Facility / development fees													
Transfer from Capital Projects													
Interest income	125,069	125,063	125,072	125,043	125,051	125,067	125,061	125,029	87,541	50,059	25,058		
	8,193,078	8,354,432	8,354,441	8,518,999	8,519,007	8,686,902	8,686,896	8,858,101	8,820,613	8,957,792	8,932,791		
Expenditures													
Debt service - GO Debt Series 2005	5,184,338	5,183,850	5,181,313	5,185,563	5,184,663	5,182,450	5,182,375	5,387,500					
Debt service - GO Debt Series 2009	2,083,000	2,081,500	2,078,875	2,080,125	2,079,875	2,083,125	2,084,500	2,084,000	8,641,625	8,670,375	8,712,875		
Repay developer advances	815,000	970,000	980,000	1,135,000	1,135,000	1,300,000	1,300,000	1,285,000	3,055,000	165,800	2,095,000		
Trustee fees	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000					
County treasurer fees	112,056	114,297	114,297	116,583	116,583	118,914	118,914	121,293	121,293	123,719	123,719		
	8,196,393	8,351,647	8,356,484	8,519,270	8,518,120	8,686,489	8,687,789	8,859,793	11,817,918	8,959,094	10,931,594		
Ending cash available	5,001,122	5,003,907	5,001,864	5,001,593	5,002,480	5,002,893	5,002,000	5,000,308	2,003,004	2,001,702	2,900	2,900	
Assessed valuation (000's)													
Beginning	213,439	213,439	217,708	217,708	222,062	222,062	226,504	226,504	231,034	231,034	235,654	235,654	
New construction residential													
Inflation (1% per annum)	4,269	4,269	4,354	4,441	4,441	4,530	4,621	4,713					
Ending	213,439	217,708	217,708	222,062	222,062	226,504	226,504	231,034	231,034	235,654	235,654	240,367	
Mill levy - Debt Service	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	0,000
Total Mill levy	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	20,000

Banning Lewis Ranch Metropolitan District #2
Schedule of General Obligation Debt - Series 2005
For the Years Ended December 31, 2005 to 2035

Year	Principal	Coupon	Interest	Annual Total	Balance
					58,000,000
2006			2,247,500		58,000,000
2006			2,247,500	4,495,000	58,000,000
2007			2,247,500		58,000,000
2007			2,247,500	4,495,000	58,000,000
2008			2,247,500		58,000,000
2008			2,247,500	4,495,000	58,000,000
2009			2,247,500		58,000,000
2009	690,000	7.75%	2,247,500	5,185,000	57,310,000
2010			2,220,763		57,310,000
2010	740,000	7.75%	2,220,763	5,181,525	56,570,000
2011			2,192,088		56,570,000
2011	800,000	7.75%	2,192,088	5,184,175	55,770,000
2012			2,161,088		55,770,000
2012	860,000	7.75%	2,161,088	5,182,175	54,910,000
2013			2,127,763		54,910,000
2013	930,000	7.75%	2,127,763	5,185,525	53,980,000
2014			2,091,725		53,980,000
2014	1,000,000	7.75%	2,091,725	5,183,450	52,980,000
2015			2,052,975		52,980,000
2015	1,080,000	7.75%	2,052,975	5,185,950	51,900,000
2016			2,011,125		51,900,000
2016	1,160,000	7.75%	2,011,125	5,182,250	50,740,000
2017			1,966,175		50,740,000
2017	1,250,000	7.75%	1,966,175	5,182,350	49,490,000
2018			1,917,738		49,490,000
2018	1,350,000	7.75%	1,917,738	5,185,475	48,140,000
2019			1,865,425		48,140,000
2019	1,455,000	7.75%	1,865,425	5,185,850	46,685,000
2020			1,809,044		46,685,000
2020	1,565,000	7.75%	1,809,044	5,183,088	45,120,000
2021			1,748,400		45,120,000
2021	1,685,000	7.75%	1,748,400	5,181,800	43,435,000
2022			1,683,106		43,435,000
2022	1,815,000	7.75%	1,683,106	5,181,213	41,620,000
2023			1,612,775		41,620,000
2023	1,960,000	7.75%	1,612,775	5,185,550	39,660,000
2024			1,536,825		39,660,000
2024	2,110,000	7.75%	1,536,825	5,183,650	37,550,000
2025			1,455,063		37,550,000
2025	2,275,000	7.75%	1,455,063	5,185,125	35,275,000
2026			1,366,906		35,275,000
2026	2,450,000	7.75%	1,366,906	5,183,813	32,825,000
2027			1,271,969		32,825,000
2027	2,640,000	7.75%	1,271,969	5,183,938	30,185,000
2028			1,169,669		30,185,000
2028	2,845,000	7.75%	1,169,669	5,184,338	27,340,000
2029			1,059,425		27,340,000
2029	3,065,000	7.75%	1,059,425	5,183,850	24,275,000
2030			940,656		24,275,000
2030	3,300,000	7.75%	940,656	5,181,313	20,975,000
2031			812,781		20,975,000
2031	3,560,000	7.75%	812,781	5,185,563	17,415,000
2032			674,831		17,415,000
2032	3,835,000	7.75%	674,831	5,184,663	13,580,000
2033			526,225		13,580,000
2033	4,130,000	7.75%	526,225	5,182,450	9,450,000
2034			366,188		9,450,000
2034	4,450,000	7.75%	366,188	5,182,375	5,000,000
2035			193,750		5,000,000
2035	5,000,000	7.75%	193,750	5,387,500	0
	<u>58,000,000</u>		<u>95,648,950</u>	<u>153,648,950</u>	

Banning Lewis Ranch Metropolitan District #2
Schedule of General Obligation Debt - Series 2009
For the Years Ended December 31, 2009 to 2038

Year	Principal	Coupon	Interest	Annual Total	Balance
2009			993,750	993,750	26,500,000
2010			993,750		26,500,000
2010		7.50%	993,750	1,987,500	26,500,000
2011			993,750		26,500,000
2011		7.50%	993,750	1,987,500	26,500,000
2012			993,750		26,500,000
2012		7.50%	993,750	1,987,500	26,500,000
2013			993,750		26,500,000
2013	50,000	7.50%	993,750	2,037,500	26,450,000
2014			991,875		26,450,000
2014	50,000	7.50%	991,875	2,033,750	26,400,000
2015			990,000		26,400,000
2015	50,000	7.50%	990,000	2,030,000	26,350,000
2016			988,125		26,350,000
2016	50,000	7.50%	988,125	2,026,250	26,300,000
2017			986,250		26,300,000
2017	55,000	7.50%	986,250	2,027,500	26,245,000
2018			984,188		26,245,000
2018	55,000	7.50%	984,188	2,023,375	26,190,000
2019			982,125		26,190,000
2019	55,000	7.50%	982,125	2,019,250	26,135,000
2020			980,063		26,135,000
2020	120,000	7.50%	980,063	2,080,125	26,015,000
2021			975,563		26,015,000
2021	135,000	7.50%	975,563	2,086,125	25,880,000
2022			970,500		25,880,000
2022	145,000	7.50%	970,500	2,086,000	25,735,000
2023			965,063		25,735,000
2023	155,000	7.50%	965,063	2,085,125	25,580,000
2024			959,250		25,580,000
2024	165,000	7.50%	959,250	2,083,500	25,415,000
2025			953,063		25,415,000
2025	180,000	7.50%	953,063	2,086,125	25,235,000
2026			946,313		25,235,000
2026	190,000	7.50%	946,313	2,082,625	25,045,000
2027			939,188		25,045,000
2027	205,000	7.50%	939,188	2,083,375	24,840,000
2028			931,500		24,840,000
2028	220,000	7.50%	931,500	2,083,000	24,620,000
2029			923,250		24,620,000
2029	235,000	7.50%	923,250	2,081,500	24,385,000
2030			914,438		24,385,000
2030	250,000	7.50%	914,438	2,078,875	24,135,000
2031			905,063		24,135,000
2031	270,000	7.50%	905,063	2,080,125	23,865,000
2032			894,938		23,865,000
2032	290,000	7.50%	894,938	2,079,875	23,575,000
2033			884,063		23,575,000
2033	315,000	7.50%	884,063	2,083,125	23,260,000
2034			872,250		23,260,000
2034	340,000	7.50%	872,250	2,084,500	22,920,000
2035			859,500		22,920,000
2035	365,000	7.50%	859,500	2,084,000	22,555,000
2036			845,813		22,555,000
2036	6,950,000	7.50%	845,813	8,641,625	15,605,000
2037			585,188		15,605,000
2037	7,500,000	7.50%	585,188	8,670,375	8,105,000
2038			303,938		8,105,000
2038	8,105,000	7.50%	303,938	8,712,875	0
	<u>26,500,000</u>		<u>54,006,750</u>	<u>80,506,750</u>	

Banning Lewis Ranch Metropolitan District #2
Forecasted Capital Improvement Costs
For the Years Ended December 31, 2005 through 2008

	<u>Total</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Streets					
Phase I	11,653,070	5,826,535	5,826,535		
Phase II	9,064,735		4,532,368	4,532,368	
Stetson Hills	1,200,000		600,000	600,000	
Banning Lewis Parkway	455,000			455,000	
	<u>22,372,805</u>	<u>5,826,535</u>	<u>10,958,903</u>	<u>5,587,368</u>	<u>0</u>
Water & Wastewater					
Segment 1 water	1,909,600	1,909,600			
Segment 2 water	745,700	372,850	372,850		
Marksheffel water	390,500	390,500			
Segment 1 wastewater	911,629	911,629			
Segment 3 water	1,272,600		1,272,600		
Segment 4 water	2,022,900		1,011,450	1,011,450	
Segment 4 wastewater	1,248,264		624,132	624,132	
Segment 6 wastewater	722,485		361,243	361,243	
Off-site Woodman Rd water	1,136,900	1,136,900			
Off-site Dublin Blvd water	323,300	323,300			
Off-site Stetson water	561,700		561,700		
Relocate Woodman Hills waterline	467,379	233,690	233,690		
Dublin Blvd wastewater	179,100	179,100			
Segment 5 wastewater	2,888,591	1,444,296	1,444,296		
Segment 3 wastewater	2,215,185	1,107,593	1,107,593		
Existing City upgrades	750,000	375,000	375,000		
	<u>17,745,833</u>	<u>8,384,457</u>	<u>7,364,552</u>	<u>1,996,825</u>	<u>0</u>
Channel Improvements					
Phase I					
On-site channels	4,344,381	2,172,191	2,172,191		
On-site detention basin	1,381,878	690,939	690,939		
Off-site channels	1,748,005		1,748,005		
Off-site detention basin	942,195		942,195		
Phase II					
On-site channels	13,365,705		6,682,853	6,682,853	
On-site detention basin	1,105,209		552,605	552,605	
Off-site channels	8,639,697		4,319,849	4,319,849	
Off-site detention basin	2,731,828		1,365,914	1,365,914	
	<u>34,258,898</u>	<u>2,863,130</u>	<u>18,474,549</u>	<u>12,921,220</u>	<u>0</u>
Parks and Recreation					
	<u>8,000,000</u>	<u>2,666,667</u>	<u>2,666,667</u>	<u>2,666,667</u>	
	<u>8,000,000</u>	<u>2,666,667</u>	<u>2,666,667</u>	<u>2,666,667</u>	<u>0</u>
Totals	<u><u>82,377,536</u></u>	<u><u>19,740,788</u></u>	<u><u>39,464,670</u></u>	<u><u>23,172,078</u></u>	<u><u>0</u></u>

Banning Lewis Ranch Metropolitan District #2
Forecasted Schedules of Absorption, Market Values and Assessed Values
For the Years Ended December 31, 2005 through 2016

Property description	Schedule of Absorption of Finished Homes												Total
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Single Family Equivalent													
100.00%	600	500	1,500	2,000	2,000	2,000	2,000	0	0	0	0	0	8,000
Multi Family													0
75.00%	600	1,500	2,000	2,000	400	400	400	400	400	0	0	0	2,000
Finished Lots - SF Sold to Builders													
Finished Lots - Converted to Homes		(500)	(1,500)	(2,000)	1,900	(2,000)	(2,000)	0	0				
Finished Lot Inventory - Increase (Decrease)	600	1,000	500	0	(100)	(2,000)	(2,000)	0	0	(400)			0
Finished Lots - MF		0	0	400	0	0	0	0	0				0

Schedule of Facilities Fees

Property description	Fee	Schedule of Market Values												Total
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Facility Fee - SF Homes	2,000	1,000,000	3,000,000	4,000,000	4,000,000	4,000,000	4,000,000	0	0	0	0	0	16,000,000	
Facility Fee - SF - Attached	1,500	0	0	0	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	3,000,000	
Total Facility Fees		1,000,000	3,000,000	4,000,000	4,600,000	4,600,000	4,600,000	600,000	600,000	600,000	600,000	600,000	19,000,000	

Schedule of Market Values

Property description	Market Value	Schedule of Assessed Valuation												Total
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Single Family - Detached	225,000	0	114,750,000	351,135,000	477,543,600	487,084,472	496,836,361	0	0	0	0	0	1,927,359,433	
Multi Family	150,000	0	0	0	64,945,930	66,244,848	67,569,745	68,921,140	70,299,563	0	0	0	337,981,226	
Finished Lot Inventory - Increase (Decrease)	22,500	13,500,000	22,500,000	11,250,000	0	(2,250,000)	(45,000,000)	0	0	0	0	0	0	
Finished Lots - MF	15,000	0	0	6,000,000	0	0	0	0	0	(6,000,000)	0	0	0	
Totals		13,500,000	137,250,000	362,385,000	483,543,600	549,790,402	518,081,210	67,569,745	69,921,140	64,299,563	0	0	2,265,340,659	

Schedule of Assessed Valuation

Assessment Ratio	Schedule of Assessed Valuation												Total
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
7.96%	0	9,134,100	27,950,346	38,012,471	43,942,416	44,821,264	5,378,552	5,486,123	5,595,845	0	0	0	180,321,116
29.00%	3,915,000	6,525,000	3,262,500	1,740,000	(652,500)	(13,050,000)	0	0	(1,740,000)	0	0	0	0
Totals	3,915,000	15,659,100	31,212,846	39,752,471	43,289,916	31,771,264	5,378,552	5,486,123	3,855,845	0	0	0	180,321,116
Cumulative	3,915,000	19,574,100	50,786,946	90,539,417	133,829,333	165,600,597	170,979,149	176,465,271	180,321,116	180,321,116	180,321,116	180,321,116	180,321,116
Collection Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2018		