RESOLUTION #R-9-2002

A RESOLUTION OF THE LOVELAND CITY COUNCIL APPROVING THE CONSOLIDATED SERVICE PLAN FOR VDW METROPOLITAN DISTRICTS NOS. 1, 2 AND 3, LARIMER COUNTY, COLORADO

WHEREAS, pursuant to Section 32-1-204.5, C.R.S., as amended, the Consolidated Service Plan for VDW Metropolitan District Nos. 1, 2 AND 3, Larimer County, Colorado (collectively the "Districts") has been submitted to the City Council (the "City Council") of the City of Loveland, Colorado (the "City"); and

WHEREAS, a copy of said Service Plan is attached as Exhibit "A" and incorporated herein by reference ("the Service Plan"); and

WHEREAS, the boundaries of the proposed Districts are wholly contained within the boundaries of the City; and

WHEREAS, notice of the hearing before the City Council for its consideration of the Service Plan was duly published in the *Loveland Reporter-Herald* on February 14, 2002, as required by law, as evidenced by the "Affidavit of Publication" attached as Exhibit "B" and incorporated herein by reference; and

WHEREAS, notice of the hearing before the City Council was also duly mailed by first class mail, on February 20, 2002, to interested persons, defined as follows: (1) the owners of record of all property within the proposed Districts as such owners of record are listed on the records of the Larimer County Assessor; (2) the division of local government; (3) the governing body of any municipality or special district which has levied an ad valorem tax within the next preceding tax year, and which has boundaries within a radius of three (3) miles of the proposed district's boundaries, as evidenced by the "Certificate of Mailing" attached hereto as Exhibit "C" and incorporated herein by reference; and

WHEREAS, pursuant to the provisions of Title 32, Article 1, C.R.S., as amended, the City Council held a public hearing on the Service Plan for the proposed Districts on March 19, 2002; and

WHEREAS, the City Council has considered the Service Plan, and all other testimony and evidence presented at the hearing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLOARDO:

1. That the hearing before the City Council was open to the public; that all interested parties were heard or had the opportunity to be heard; and that all relevant testimony and evidence submitted to the City Council was considered .

2. That evidence satisfactory to the City Council for finding each of the following was presented at the hearing:

a. there is sufficient existing and projected need for organized service in the area to be served by the proposed Districts;

b. the existing service in the area to be served by the proposed Districts is inadequate for present and projected needs;

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

d. the area to be included within the proposed Districts has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;

e. adequate service is not or will not be available to the area through the City or other existing municipal or quasi-municipal corporations within a reasonable time and on a comparable basis;

f. the facility and service standards of the proposed Districts are compatible with the facility and service standards of the City;

g. the proposal is in substantial compliance with any Master Plan adopted by the City pursuant to Section 31-23-206 C.R.S., as amended;

h. the proposal is in compliance with any duly adopted City, County, regional and State long-range water quality management plans for the area; and

i. the creation of the proposed Districts will be in the best interests of the area proposed to be served.

3. That the City Council hereby determines that the requirements of Sections 32-1-202 (1), (2) and (3), C.R.S., relating to the filing of the Service Plan for the Districts, and the requirements of Sections 32-1-204 (1) and (1.5), C.R.S., relating to notice of the hearing by the City Council, and the requirements of Section 32-1-204.5, relating to the approval by the City Council have been fulfilled in a timely manner.

4. That the City Council does hereby approve the Service Plan for the Districts as submitted.

5. That a certified copy of this Resolution shall be filed in the records of the City and the Larimer County Clerk and Recorder, and submitted to the petitioners under the Service Plan for the purpose of filing in the District Court of Larimer County.

6. That the City Council's findings in this Resolution and its approval of the Service Plan are conditioned upon the proponents of the Service Plan having paid to the City a fee of $5,000 for the review of the Service Plan by its staff and upon the proponents reimbursing the City for all the charges and fees it has incurred with its bond counsel, public finance consultant and real estate absorption consultant relating to the Service Plan and creation of the Districts.

7. That this approval of the Service Plan shall be further conditioned upon the owner of the property providing to the Loveland City Attorney a mill levy disclosure statement for the Districts signed by the owner of the property and in a form acceptable to the City Attorney, which statement shall be recorded with the Larimer County Clerk and Recorder.

8. That this Resolution shall go into effect as of the date and time of its approval by the Council.

Adopted this 20 day of March, 2002.

CITY OF LOVELAND SEAL COLORADO

Kathleen R. Gilliland
Mayor

ATTEST:

Donna Visconti
City Clerk

APPROVED AS TO FORM:

City Attorney

CONSOLIDATED SERVICE PLAN

FOR

VDW METROPOLITAN DISTRICT NOS. 1, 2 and 3

LARIMER COUNTY, COLORADO

Prepared by

WHITE AND ASSOCIATES PROFESSIONAL CORPORATION

8005 S. Chester Street, Suite 125

Englewood, Colorado

As submitted to the City of Loveland on February 15, 2002

LIST OF EXHIBITS

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I. INTRODUCTION

A. General Overview

1. Scope of Service Plan. This consolidated service plan ("Service Plan") for VDW Metropolitan District Nos. 1, 2 and 3, Larimer County, Colorado, (the "Districts") constitutes a combined Service Plan for three special districts proposed for organization to serve the needs of a new community in the City of Loveland, Colorado (the "City") in Larimer County (the "County"). The Districts are generally located south of U.S. Highway 34, north of East First Street and one half mile east of Denver Avenue. They consist of approximately 333.39 total acres for residential and commercial development. Construction is scheduled over the next one to fifteen years with build-out expected to occur within the next eight to fifteen years. Exhibit A contains a map of the Districts. Exhibit B contains legal descriptions for each District. All "Exhibits" referred to herein are attached to the end of this Service Plan.

Considerable public infrastructure will be constructed to provide the required water, wastewater, streets and other improvements needed for the area. This Service Plan addresses the improvements which will be provided by the Districts and demonstrates how the three special districts proposed to serve the development will work in tandem to provide the necessary public improvements.

2. Multiple District Structure. This Service Plan is submitted in accordance with Part 2 of the Special District Act (§ 32-1-201, et seq., C.R.S.). It defines the powers and authorities of, as well as the limitations and restrictions on, the Districts. The use of a consolidated Service Plan for the Districts will help assure proper coordination of the powers and authorities of the independent Districts and will help avoid confusion regarding the separate, but coordinated, purposes of the Districts which could arise if separate service plans were used. Unless otherwise specifically noted herein, general provisions of this Service Plan apply to all Districts. Where possible, however, specific reference is made to an individual District to help distinguish the powers and authorities of each District. The "Financing Plan" discussed in Section VII refers to a consolidated preliminary financial plan for the Districts which may be used for public improvements for the Districts. VDW Metropolitan District No. 1 shall be referred to as the "Service District," and VDW Metropolitan District Nos. 2 and 3 shall be referred to as the "Financing Districts." The Service District and the Financing Districts are sometimes collectively referred to as the "Districts" and individually as "District."

The Service District will be responsible for managing the construction and operation of facilities and improvements needed for the development until such time as any such facilities may be required to be conveyed to the City pursuant to Section III.C of this Service Plan. Exhibits depicting those improvements that are intended to be provided by the Districts are attached hereto as Exhibit C. The Districts will be responsible for providing the funding and tax base needed to support the Financing Plan for capital improvements and for operations.

Various agreements are expected to be executed by the Districts clarifying the nature of the functions and services to be provided by each District. The agreements will be designed to help assure the orderly development of essential services and facilities resulting in a community which will be both an aesthetic and economic asset to the City.

The establishment of VDW Metropolitan District No. 1 as the Service District which will initially own and operate the public facilities throughout the development, and the establishment of VDW Metropolitan District Nos. 2 and 3 as the Financing Districts which will generate the majority of the tax revenue sufficient to pay the costs of the capital improvements, will create several benefits for the inhabitants of the community, the City and for other affected municipalities. In general, those benefits are: (a) coordinated administration of construction and operation of public improvements, and delivery of those improvements in a timely manner; (b) maintenance of reasonably uniform mill levies and reasonable tax burdens on all areas of the Districts through proper management of the financing and operation of public improvements; and (c) assurance that improvements required by the City are constructed in a timely and cost effective manner by which to protect residents, bondholders, and the City from the risk of development. Each of these concepts is addressed in greater detail in the following paragraphs.

3. <u>Benefits of Multiple District Structure</u>.

a. <u>Coordinated Services</u>. As presently planned, development of the Districts will proceed in phases, each of which will require the extension of public services and facilities. The multiple district structure will assure that the construction and operation of each phase of public facilities will be primarily administered by a single board of directors consistent with a long-term construction and operations program. Use of the Service District as the entity responsible for construction of each phase of improvements and for management of operations will facilitate a well-planned financing effort through all phases of construction and will assist in assuring coordinated extension of services.

The multiple district structure will also help assure that facilities and services needed for future build-out of the development will be provided when they are needed, and not sooner. Absent an appropriate mechanism to assure timely completion of future improvements, the developer might be influenced to cause improvements to be completed well before they are needed simply to assure that they can be provided with tax exempt financing. Appropriate development agreements between the Service District and the developer will allow the postponement of financing for improvements which are not needed until well into the future, thereby helping residents avoid the long term carrying costs associated with financing improvements too early. This, in turn, allows the full costs of public improvements to be allocated over the full build-out of the Districts and helps avoid disproportionate cost burdens being imposed on the early phases of development.

b. <u>Uniform Mill Levy</u>. Allocation of the responsibility for paying debt for capital improvements will be managed through development of a unified financing plan for those improvements and through development of an integrated operating plan for long-term operations and maintenance. Use of the Service District to manage these functions will help assure that no area within the development becomes obligated for more than its share of the costs of capital improvements and operations. Low-density areas will not bear a disproportionate burden of debt and operating costs, nor will high valued areas bear disproportionate burdens. Intergovernmental agreements between the Districts will assure that mill levies remain reasonably uniform throughout the Districts.

c. Bond Interest Rates. The use of the Service District and the Financing Districts in tandem to issue bonds to provide for the cost of infrastructure in the Districts will allow for the issuance of bonds at competitive interest rates. The multiple district structure allows the Service District to coordinate the timing and issuance of bonds in such a way as to assure that improvements required by the City are constructed in conformance with the time and in the manner desired by the City. The combination of appropriate management and control of the timing of financing, and the ability of the Districts to obtain attractive interest rates, will benefit residents and the City. Consequently, the multiple district structure is less risky and will allow bonds to be issued to finance public improvements at lower rates than if a single special district is organized.

4. Configuration of Districts. In order to implement the multiple district structure, the boundaries of the Service District and the Financing Districts need to be carefully configured. The Service District will contain approximately 8.48 acres, and the Financing Districts will contain approximately 324.89 acres and may consist of separate areas for commercial development and residential development. The area for residential development may include a park site between 70-100 acres. Housing types within the residential development will include single-family and some multi-family dwellings, with average prices from the upper-$100,000s to the mid-$300,000s, and are expected to total approximately 830 units. The estimated projected population of the Districts at full build-out is approximately 2,075 persons. The commercial portion of the development will include a retail center with approximately 375,000 square-feet of space. Development of the retail center will take place at a pace consistent with the demand for such retail services as the residential property is developed. The Service District will contain open space. Legal descriptions and maps of the property within the boundaries of the Financing and Service Districts are attached to the end of this Service Plan as Exhibits A and B.

The "service area" (the area legally permitted to be served) for the Service District will consist of the entire area of the development community, including the property within the Financing Districts' boundaries. The Service District will have power to impose taxes only within its legal boundaries, but will be permitted to provide public services to the entire community as well as to property or individuals outside of the development. The Districts will have power to assess taxes and other charges permitted by law.

It is possible that in the future additional property may be included in the Districts. Under Colorado law, the fee owner or owners of one hundred percent of any property proposed for inclusion may petition the boards of directors of the Districts for inclusion, or annexation, of property into the Districts. Additionally, less than one hundred percent of the owners of an area may petition the Districts for inclusion, or the boards may adopt a resolution calling for an election on inclusion of the property. Boundary adjustments which add to, or subtract from, the total acreage of the Districts, as referenced in Exhibits A and B shall be considered a material modification of this Service Plan and shall require the approval of the City Council.

5. Long-Term District Plan. After all bonds or other debt instruments have been issued by the Districts and adequate provision has been made for payment of all debt of the

Service District and the Financing Districts, the electorate of the Districts will have the opportunity to consider either the consolidation of the Service District and the Financing Districts into a single entity, or the dissolution of the Service District and/or the Financing Districts in accordance with state law. The Service District and the Financing Districts will consider consolidation and/or dissolution at the time each District's debt has been paid and adequate provision has been made for operation of all the Service District facilities. Additionally, the City may request, and the Districts shall undertake upon such request, initiation of consolidation proceedings in accordance with Title 32, Section 1, Part 6 of Colorado Revised Statutes. Ultimately, control of these decisions will rest with the electorate in each District. At any time after the Districts' debt obligations have been fully discharged, the City may file an application with the District Board pursuant to § 32-1-701(3) C.R.S., and the Districts shall thereupon dissolve in a prompt and orderly manner. In such event, the authorized purposes and powers of the Districts shall automatically be curtailed and expressly limited to taking actions reasonably necessary to dissolve, and the Board of Directors of the Districts will be deemed to have agreed with the City to dissolve without election pursuant to § 32-1-704(3)(b) C.R.S., and the Districts shall thereupon dissolve.

6. Existing Services and Districts. There are currently no other entities in existence in the development which have the ability and/or desire to undertake the design, financing, construction, operation and maintenance of the improvements designated herein which are needed for the community. It is also the developer's understanding that the City does not consider it feasible or practicable to provide the necessary services and facilities for the development, as further described herein. Consequently, use of the Districts is deemed necessary for the provision of public improvements in the development.

In order to minimize the proliferation of new governmental structures and personnel, the Service District intends to utilize existing entities, as much as possible for operations and maintenance of public improvements. Consequently, while the Districts will finance capital improvements and coordinate the provision of services, they are expected to utilize existing entities and personnel as much as possible. Double taxation will be avoided by the Districts undertaking the necessary capital financing with debt levies, and existing service providers furnishing day-to-day operations and maintenance with service charges and operating levies. Improvements, including wastewater and water improvements, storm drainage, street and traffic safety and associated landscaping improvements, will be conveyed to the City by the Service District and subsequent operations and maintenance of these improvements shall rest with the City. Park and recreation improvements may be conveyed to the City or may be owned, operated and maintained by the Service District. The timing for conveyance of the improvements will be developed by mutual agreement between the Service District and the appropriate party as generally described above and in Section V hereof.

7. Property Owner Associations. Certain services may be provided within the Districts by one or more property owner associations expected to be organized as Colorado non-profit, private membership organizations comprised of all property owners in the Districts. The associations may provide architectural control services, community organizations, community events and activities, community marketing, animal control, security, common area maintenance, and other programs which may be beyond the scope of the Districts.

B. General Financial Information and Assumptions

The 2001 certified assessed valuation of all taxable property within the boundaries of the Districts was approximately $99,730.00. The initial assessed valuation of property within the Service District is expected to be approximately $2,537.00, and the initial assessed valuation within the Financing Districts is expected to be approximately $97,193.00.

The anticipated cost of improvements necessary to provide access to and appropriate services within the Districts are estimated in Exhibit D. Costs are shown for each category of improvements and the time at which they are anticipated to be constructed by the Districts. The Districts may obtain financing for the capital improvements needed for the development through the issuance of general obligation bonds or other debt instruments by the Financing Districts and from revenue bonds or other instruments issued by the Service District. General obligation debt will be payable from revenues derived from ad valorem property taxes and from other sources. The preliminary financial forecasts ("Financing Plan") for the Districts are contained in Exhibit E to this Service Plan. The Financing Plan demonstrates one method which might be used by the Districts to finance the cost of infrastructure. At the time bonds or other debt instruments are proposed to be issued, alternative financing plans may be employed and be utilized by the Districts as long as such alternative financing plan does not result in any material economic deviation or a change in the risk to property owners.

The Financing Plan demonstrates that the cost of infrastructure described herein can be provided with reasonable mill levies. The figures contained herein depicting costs of infrastructure and operations shall not constitute legal limits on the financial powers of the Districts; provided, however, that the Districts shall not be permitted to issue bonds which are not in compliance with the bond registration and issuance requirements of Colorado law.

C. Contents of Service Plan

This Service Plan consists of a preliminary financial analysis and preliminary engineering plan showing how the facilities and services for the Districts can be provided and financed by the Districts. Numerous items are included in this Service Plan in order to satisfy the requirements of law for formation of special districts. Those items are listed in Exhibit F attached hereto. Each of the requirements of law is satisfied by this Service Plan.

The assumptions contained within this Service Plan were derived from a variety of sources. Information regarding the present status of property within the Districts, as well as the current status and projected future level of similar services was obtained from the developer. Construction cost estimates were assembled by TST, Inc., which has experience in the costing and construction of similar facilities. Legal advice in the preparation of this Service Plan was provided by White and Associates Professional Corporation and Kutak Rock which represent numerous special districts. Preparation of the Financing Plan was provided by A.G. Edwards & Sons, Inc.. The Owner of the real property comprising the Districts is McWhinney Holding Company, LLLP, a Colorado Limited Liability Limited Partnership. The Developer of the real property in the Districts is McWhinney Enterprises (the "Developer"), a real estate development company with experience in residential and commercial development in Southern California and Northern Colorado. McWhinney Enterprises is the developer of Centerra, a local mixed-use development with office, retail, dining and entertainment components, as well as multi-family residential units.

D. Modification of Service Plan

This 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. While the assumptions upon which this Service Plan are generally based are reflective of current zoning for the property within the Districts, the cost estimates and financing plan are sufficiently flexible to enable the Districts to provide necessary services and facilities without the need to amend this Service Plan as zoning changes. Modification of the general types of services and facilities, and changes in proposed configurations, locations, or dimensions of various facilities and improvements shall be permitted to accommodate development needs consistent with then current zoning for the property. Boundary changes which do not add or subtract from the property originally comprising the Districts shall not be considered a material modification of this Service Plan, nor shall such boundary changes require the approval of the City.

II. NEED FOR NEW DISTRICTS AND GENERAL POWERS

A. Need for Metropolitan Districts

The property in the Districts is currently undeveloped. No other entities exist which will finance the construction of the facilities needed for the Districts. The intergovernmental agreements referred to in Section V hereof will address and define the activities to be undertaken by various entities with regard to public improvements. In order to make the most efficient utilization of existing governmental entities, the Districts may enter into cost share agreements for the financing and construction of certain improvements and for operations and maintenance of certain improvements.

B. General Powers of Districts

Each District will have power and authority to provide the services and facilities described in this Section both within and outside their boundaries in accordance with law. The powers and authorities of each District will be allocated and further refined in an intergovernmental agreement ("Master IGA") between the Districts which may be voted upon and approved by their respective electorates. For purposes of the Special District Control Act, the Master IGA shall not constitute an amendment of this Service Plan. It will, however, constitute a binding agreement among the Districts regarding implementation of the powers contained in this Service Plan.

The Districts shall have authority to provide the services and facilities listed below, all of which shall be in conformance with City standards and specifications or those of other entities which may operate and maintain the completed improvements. The District will obtain City approval of civil engineering plans and a permit from the City for construction and installation of all improvements. The Districts shall pay the City's fees associated with any and all such review and permit approval.

1. Sanitation. The design, acquisition, installation construction and operation and maintenance of storm or sanitary sewers, or both, flood and surface drainage improvements including but not limited to, culverts, dams, retaining walls, access ways inlets, detention ponds and paving, roadside swales and curb and gutter, wastewater lift stations, force mains and wetwell storage facilities, and all necessary or proper equipment and appurtenances incident thereto, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems. The Districts shall not design, acquire, install, construct, operate or maintain any sewer treatment or disposal works or facilities.

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

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

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

5. Parks and Recreation. The design, acquisition, installation, construction, operation and maintenance of public park and recreation facilities or programs including, but not limited to, grading, soil preparation, sprinkler systems, playgrounds, playfields, bike and hiking trails, pedestrian trails, pedestrian bridges, picnic areas, common area landscaping and weed control, outdoor lighting of all types, community events, and other facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems.

6. Transportation. The design, acquisition, installation, construction, operation and maintenance of public transportation system improvements, including

transportation equipment, park and ride facilities and parking lots, parking structures, roofs, covers, and facilities, including structures for repair, operations and maintenance of such facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems.

7. Television Relay and Translator. The acquisition, construction, completion, installation and/or operation and maintenance of television relay and translator facilities, including but not limited to cable television and communication facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities.

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

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

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

a. To amend this Service Plan as needed, subject to the appropriate statutory procedures, provided that any material modification of this Service Plan shall be made only with the approval of the City Council in accordance with § 32-1-207, C.R.S. The Districts shall have the right to amend this Service Plan independent of participation of the other District or Districts; provided, that a District shall not be permitted to amend those portions of this Service Plan which affect, impair, or impinge upon the rights or powers of another District without such other District's consent; and

b. To forego, reschedule, or restructure the financing and construction of certain improvements and facilities, in order to better accommodate the pace of growth, resource availability, and potential inclusions of property within the Districts, or if the development of the improvements and facilities would best be performed by another entity; and

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

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

III. DESCRIPTION OF FACILITIES AND IMPROVEMENTS

The Service District and the Financing Districts will be permitted to exercise their statutory powers and their respective authority as set forth herein to finance, construct, acquire, operate and maintain the public facilities and improvements described in Section II of this Service Plan either directly or by contract. Where appropriate, the Districts will contract with various public and/or private entities to undertake such functions. The Districts may also petition existing governmental entities for inclusion of part or all of the property within the Districts into an existing service area. There are currently no other entities in the vicinity of the proposed Districts providing the following services, nor shall the service provided by the Districts duplicate or interfere with those services provided by the City. Improvements which are to be dedicated to the City shall be designed and constructed in accordance with City and applicable State and Federal laws, regulations and standards.

The diagrams contained in this Section show the conceptual layouts of the public facilities and improvements described in Section II hereof. Detailed information for each type of improvements needed for the Districts is set forth in the following pages. It is important to note that the preliminary layouts contained in this Section are conceptual in nature only, and that modifications to the type, configuration, and location of improvements will be necessary as development proceeds. The Districts may build the arterial roads and main water and sewer improvements necessary to serve the Project. All local and lateral improvements are expected to be handled by the Developer or individual builders, as appropriate. All facilities will be designed in such a way as to assure that the facility and service standards will be compatible with those of the City, and of other municipalities and special districts which may be affected thereby. The Districts shall not be required to issue letters of credit to the City to provide security for public improvements to be constructed by the Districts, except as required by City ordinances, regulations and standards.

The following sections contain general descriptions of the contemplated facilities and improvements which will be financed by the Districts.

A. General

Construction of all planned facilities and improvements will be scheduled to allow for proper sizing and phasing to keep pace with the need for service. All descriptions of the specific facilities and improvements to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, requirements of the City, and construction design or scheduling may require. As depicted herein, the majority of capital improvements to be constructed by the Districts are necessary in the initial years of development. A general phasing plan is described in Exhibit C-1.

B. General Design Standards

Improvements within the Districts, including without limitation, those specifically listed herein, will be designed and installed by the Service District in conformance with current standards adopted by the Service District and the City. Designs and contract documents prepared for improvements must be reviewed and approved by the Service District and the City with payment by the District of associated costs of review, and must be in accordance with the applicable standards and specifications as set forth herein. Again, the Master IGA described in Section V hereof describes the procedures which will be followed to assure compliance with the requirements of this Service Plan.

1. Wastewater System. The sanitary sewer lines will be designed and installed to conform to the current standards and recommendations of the Colorado Department of Health, the City, and Rules and Regulations adopted by the Districts or other affected municipalities and sound engineering judgment.

All major elements of the sanitary sewer lines required for proper operation will be designed, and installed by the Service District. Operations and maintenance of all wastewater facilities will be provided by the Service District, until such facilities are dedicated to the City in accordance with Section III.C of this Service Plan. The development plan for the proposed sanitary sewer lines is described in Exhibit C-2.

2. Storm Drainage.

a. Generally. The Service District plans to install the necessary storm drainage system to serve the development. The proposed elements of the storm drainage system will provide a network of culverts, roadside swales, pipes detention and water quality ponds, inlet and outlet structures, and curb and gutter designed and installed in accordance with applicable City standards and sound engineering judgment. The Service District will design and install all storm drainage improvements except for specific improvements within individual development parcels which will be designed and installed by individual developers.

All major storm drainage facilities will be designed to conform to the standards and recommendations for drainage improvements pursuant to City design criteria, the Rules and Regulations of the Districts and standards of other affected municipalities. The development plan for the proposed storm drainage system within the project is more specifically described in Exhibit C-3.

b. Culverts. Culverts will be installed under all roadways that intersect storm drainage channels. Culverts will be designed to pass flows as required by City standards, and may include headwalls, wing walls, inlet and outlet structures, and riprap protection to enhance their hydraulic capacity and reduce bank or channel erosion.

An overall drainage plan will be developed that will identify the major facilities necessary to convey the storm runoff from the Districts. This plan will include all infrastructure required to convey the flows generated within the Districts. This plan must maintain the flexibility to modify the major drainage facilities as more detailed information is generated during the design of the individual phases. The overall drainage plan will include the utilization of storm sewers, drainage channels, streets, gutters, culverts and ponds.

3. Water System.

a. Overall Plan. The water system will be comprised of a water distribution system consisting of buried water mains, fire hydrants, and related appurtenances located predominately within the Districts' boundaries. The final configuration of the internal water system is yet to be designed. When design and construction are finalized, the system will serve each development tract from adjacent streets and roads. All major elements of the water facilities will be designed, and installed by the Service District. Operations and maintenance of all water facilities will be provided by the Service District , until such facilities are dedicated to the City in accordance with Section III.C of this Service Plan.

b. Design Criteria. The proposed domestic potable water distribution system is expected to include pressurized water mains with multiple pressure zones. Water system components will be installed in accordance with the applicable standards of all entities with jurisdiction over the Districts. The proposed water system shall be constructed in compliance with City standards. The water system will also be designed based on applicable fire protection requirements. The development plan for the proposed water system is more specifically described in Exhibit C-4.

4. Street System and Traffic Safety

a. General. The Service District proposes to construct a collector street system to serve the development. The existing and proposed elements of the street system will provide a network of rural collector or local streets to serve the flow of traffic within the Districts. All facilities will be designed and installed in accordance with applicable City regulatory standards and sound engineering judgment. The development plan for the proposed street system is more specifically described in Exhibit C-5.

b. Streets. Public streets will be designed, located and installed to conform to the standards and recommendations of Colorado Department of Transportation (where applicable), City standards and specifications and the Rules and Regulations adopted by the Districts.

Traffic controls and signage may be provided along streets to enhance the flow of traffic within the project. Street lights may be installed by the Service District along collector roadways. Lighting of local roadways will be the responsibility of the individual developers of the residential parcels.

c. Landscaping. Landscaping may be installed by the Service District along the roadway rights-of-way and trail easements in accordance with City standards. The Service District may also install and maintain landscaped highlights along the internal streets and entry features at major entrances. Additional features may be installed and maintained by the developers of the individual parcels.

d. Signals and Signage. Signals and signage may be installed by the Service District as required by traffic studies, the Service District's Rules and Regulations, the City and the Colorado Department of Transportation. Additional signage may be installed as needed to accommodate development.

5. Park and Recreation

Any park and recreational facilities and/or services that the Service District determines to undertake will be constructed in accordance with plans and specifications approved by the City. All park and recreational facilities will be constructed in accordance with engineering and design requirements appropriate for the surrounding terrain, and shall be compatible with the City's standards or the standards of other local public entities, as appropriate.

C. Dedication of Improvements. The Districts shall dedicate the following public improvements to the City upon completion of their construction and installation: public water and wastewater improvements, all public streets and those streets dedicated by plat, all public drainage facilities and all public sidewalks as well as all rights-of-way and easements necessary for access to facilities. The Districts shall, at their sole cost and expense, acquire all property required by the City for the construction of public improvements to be provided by the Districts pursuant to this Service Plan. All land and easements customarily dedicated by a developer to public entities such as the City, the County, school districts or other public entities will be dedicated by the Developer directly to such entities and will not be purchased by the District for dedication to such entities.

An initial acceptance letter shall be issued by the City specifying that the public improvements dedicated to the City shall be warranted for a period of two calendar years from the date of such dedication. Should the public improvements conform to the City's specifications and standards, the City shall issue a "Final Acceptance" form letter to the District at the completion of the warranty period. At the City's discretion, dedication may take place after the expiration of the two-year warranty period.

Failure of the Districts to comply with these dedication requirements shall be deemed to be a material departure from this Service Plan. Such dedication requirements shall not be amended without prior approval of the City Council.

D. Services of Districts. The Service District will require operating funds to plan and cause the facilities contemplated herein to be completed. Such costs are expected to include reimbursement of organizational costs, legal, engineering, accounting, bond issuance costs and compliance with state reporting and other administrative requirements. The first year's operating budget is estimated to be approximately $75,000. An overall Financing Plan showing the anticipated operating costs for the first budget year and thereafter, phasing of bond issues, and related matters is attached as Exhibit E. Operating costs may increase depending upon the entity designated responsible for operations and maintenance of the facilities as set for in Section. Notwithstanding the projections set forth in the financing plan such amounts are therefore subject to increase and may be paid from any legally available revenues including but not limited to fees or charges legally imposed by the Districts. Organizational costs and capital costs expended for public infrastructure prior to the date of organization, if any, will be reimbursed to the Developer by the Districts out of their initial revenue sources including bond issue proceeds. The Service District may acquire completed improvements from the Developer with bond proceeds. Certain of those improvements will then be conveyed by the Service District to the City.

As discussed herein, it is anticipated that the Districts will enter into a Master IGA which is expected to provide that the obligation of the Financing Districts to pay the Service District for operating expenses incurred for the provision of services shall constitute "debt" of the Financing Districts. Accordingly, mill levies certified to make necessary payments to the Service District will be characterized as debt service mill levies notwithstanding that they are imposed to pay contractual obligations for operations and maintenance services provided by the Service District. The Service District anticipates borrowing its initial service funds from private entities until such time as it is able to generate operating revenues from the Districts.

E. Estimated Cost of Facilities

The estimated cost of the facilities to be constructed, installed and/or acquired by the Service District are shown in Exhibit D and include contingencies, supervision for the administrative oversight process including necessary approvals and construction management for onsite management of ongoing capital construction. The estimated costs do not include the costs of acquisition of any land or easements necessary for right-of-ways, however, the District shall have the ability to finance such acquisitions.

IV. DEVELOPMENT PROJECTIONS

The property comprising the Districts was annexed into the City of Loveland as part of the "Millenium Annexation and General Development Plan" ("GDP"). The total Millenium GDP comprises an area approximately 1,800 acres, of which the VDW property makes up more than 330 acres. The Millenium GDP calls for an expedited review of development proposed for property within its boundaries. The Developer is in the final stages of having the infrastructure plans for the proposed development approved by the City and anticipates that construction may commence as early as Spring 2002.

McWhinney Enterprises has been in active negotiations with local homebuilders and will obtain a substantial commitment from one or more homebuilders and/or commercial tenants before commencing the improvements contemplated by this Service Plan. McWhinney Enterprises has thoroughly studied the local development market and has been an active participant in the development community. While it is impossible to be certain, the Developer is confident that the pace of development will match its expectations of the growth potential in this particular community. Attached as Exhibit G is an absorption study conducted by a local real estate professional. The Developer has based the absorption projections in the Financing Plan attached hereto as Exhibit E on the absorption rates proposed in the study.

V. PROPOSED AND EXISTING AGREEMENTS

A. Master Intergovernmental Agreement

As noted in this Service Plan, a Master Intergovernmental Agreement ("Master IGA") shall be entered between the Districts which shall facilitate ensuring that the improvements described within this Service Plan are constructed in the manner and at the time contemplated herein. The relationship between the Service District and the Financing Districts, including the means for approving, financing, constructing, and operating the public services and improvements needed to serve the development, will be established by means of the Master IGA. The Master IGA will establish procedures and standards for the approval of the design of facilities, transfer of funds between the Districts, and operation and maintenance of the facilities. The Master IGA will also provide for coordinated administration of management services for the Districts. In the event of any inconsistencies between the provisions of the Service Plan and the provisions of the Master IGA, the provisions of the Service Plan shall control.

B. Other Agreements/Authority

To the extent practicable, the Service District may enter into additional intergovernmental and private agreements to better ensure long-term provision of the improvements and services and effective management. Agreements may be also be executed with property owner associations and other service providers. All such agreements are authorized to be provided by each, pursuant to Colorado Constitution, Article XIV, Section 18 (2)(a) and § 29-1-201, et seq., C.R.S.

VI. OPERATION AND MAINTENANCE COSTS

Estimated costs for operation and maintenance functions are presented in the Financing Plan at Exhibit E.

VII. FINANCIAL PLAN

A. Debt Limitation. Pursuant to the Master IGA contemplated herein, the Service District shall be responsible for construction of the facilities described herein to the extent the Service District has borrowed funds from private entities as previously discussed or to the extent the Districts have the financial resources to provide funding to the Service District for construction of such facilities. The total estimated costs of the facilities is approximately $14,131,291 in 2002 dollars that are exclusive of costs of issuance, organizational costs, inflation and other similar costs, but inclusive of contingencies, engineering and construction management. The total combined new money general obligation bond debt limit ("Debt Limit") for the Districts shall be $16,000,000 inclusive of costs of issuance, organizational costs, inflation, and other similar costs. Debt may be restructured to accomplish a refunding or reissuance, provided the principal amount of debt does not exceed the Debt Limit set forth above. Refundings and bonds payable solely from sources other than ad valorem property taxes, shall not count against the Debt Limit. Obligations of the Districts in the Master IGA discussed herein will not count against the Debt Limit. The Debt Limit shall not be increased unless approved by the City and as permitted by statute. Any change in Debt Limit shall be considered a material modification of the Service Plan.

B. Approval of Debt Issuance. It is currently anticipated that the Financing Districts will issue general obligation bonds and pay the proceeds to the Service District under the Master IGA in amounts sufficient to permit the Service District to construct all or a portion of the needed facilities. The Financing Districts anticipate they will issue debt in the approximate amount of $14,000,000. The timing of issuance of bonds may be adjusted from time to time to meet development requirements, however, the Districts may not issue any bonds after July 1, 2012, except with the prior approval of the City Council as evidenced by a resolution after a public hearing thereon, and any attempted issuance in violation of this provision shall be deemed to be a material departure from the Service Plan. The Financing Districts will be seeking initial voter approval for general obligation debt issuance in the approximate amount of $16,222,226,. Despite the amount of voted authorization, the above Service Plan Debt Limit serves as the ultimate cap for the general obligation debt the Districts shall incur. The general form of questions authorizing the issuance of debt and the levying of taxes proposed to be submitted by the Districts to their voters are attached hereto as Exhibit H which may be modified as deemed reasonably necessary by the Districts' bond counsel. A copy of any such changes shall be sent to the City's legal department for its files. Prior to the issuance of any bonds or the incurrence of any other financial obligations evidencing a borrowing, the District must provide the City Attorney with an opinion prepared by nationally recognized bond counsel evidencing that the District has complied with all Service Plan requirements relating to such bonds or such other financial obligations.

C. Identification of District Revenue. All bonds 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; subject to the following limitations:

1. The maximum mill levy the Districts may impose for the payment of general obligation debt and for operations and maintenance shall be 40 mills ("the "Mill Levy Cap"). The Mill Levy Cap shall be subject to adjustment if the laws of the State change with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation changes, or other similar changes occur. In any of these events, the Mill Levy Cap shall be automatically adjusted so that the tax liability of individual property owners neither increases nor decreases as a result of any such changes, thereby maintaining a constant level of tax receipts of the Districts and overall tax payments from property owners. The Districts shall not impose or attempt to impose a mill levy on any of the property conveyed or dedicated to the City as provided in this Service Plan.

2. Any debt issued by the Districts must be issued in compliance with the requirements of § 32-1-1101(6) C.R.S. as amended and must be exempt from registration under §11-59-110 C.R.S. as amended. The Districts anticipate issuing debt that is exempt from

registration by virtue of being credit enhanced or issued exclusively to "accredited investors" as such term is defined under Sections 3(b) and (4)(2) of the Federal Securities Act of 1933. This will ensure that appropriate development risk associated with current and future development within VDW remains with the Developer until such time as the assessed valuation within the Districts is sufficient to support the debt service requirements of the Districts with the imposition of the maximum allowable Mill Levy Cap. It is anticipated that the initial funding for both capital and ongoing administrative requirements of the Districts will be provided by the Developer in the form of advances in exchange for bonds or for promissory notes, short-term reimbursement agreements or other acceptable agreements, which will provide for repayment to the Developer from general obligation bond proceeds or other legally available sources of revenue, and refinancing of the same shall not require prior City approval, except that prior to the issuance of any such bonds, the City Attorney shall receive the opinion of nationally recognized bond counsel required by Section VII.B hereof. Interest shall not be allowed on such repayment obligation to the Developer unless the assessed valuation in the Districts generates sufficient cash flow to pay all such interest annually. Such interest may not compound. The initial debt of the District shall be borne by the Developer until one of the following events occurs:

(i) the debt is publicly remarketed to third parties with sufficient credit enhancement by the Developer to ensure that debt service requirements will be met;
(ii) the debt is remarketed to third-party accredited investors willing to accept the risk of development associated with the debt;
(iii) the debt is publicly marketed (or bonds are issued) at such time as the assessed valuation within the Financing District has reached a level that, with the imposition of the Mill Levy Cap, is sufficient to generate revenues which fully cover the Districts' debt service obligations.

The District shall not accelerate payment of the principal of any bonds or other financial obligations of the District, except the District is authorized to accelerate payment of credit enhanced bonds or obligations, provided that the credit-enhancer shall be responsible for payment on such accelerated bonds or obligations.

In addition to revenues from the Districts' mill levy, the Districts may receive revenue from specific ownership taxes, Developer advances, interest income, oversizing and reimbursement agreements with the City, and other sources. The Districts shall have the authority to use all available revenues in any legally permissible manner.

D. Security for Debt. The Districts shall not pledge any revenue or property or other assets of the City as security for the indebtedness set forth in the Financial Plan of the proposed Districts.

E. Refinancing of District Debt. Notwithstanding any provision of state statute to the contrary, the Districts shall not extend the final maturity or increase the total debt service of any District debt through refinancing or any other method without the prior approval of the City Council, following a public hearing thereon. Notwithstanding the foregoing, such prior approval need not be obtained where the refunding or restructuring of general obligation debt of the

Districts is being undertaken for the purpose of preventing or averting default or terminating a condition of default.

F. Filings with City and Quinquennial Review.

(i) The Districts shall file with the City the following information and documents promptly after they become available in their final, executed form:

(a) Audited financial statements of the District;
(b) Annual Budget of the District;
(c) Construction Contracts;
(d) Intergovernmental Agreements;
(e) Resolutions regarding issuance of bonds or other financial obligations, including relevant financing documents, credit agreements and official statements.

(ii) Pursuant to § 32-1-1101.5, at the City's request, the Districts shall submit application for a quinquennial finding of reasonable diligence in every fifth calendar year after the calendar year in which the Districts' ballot issue to incur general obligation indebtedness was approved by its electors. In the event that the City determines that a public hearing is necessary on such application, such hearing shall be held in accordance with § 32-1-1101.5(2)(a) and a determination for continuation of the authority of the boards of the Districts to issue any remaining authorized general obligation debt shall be made at that time. At the City's sole discretion, the Districts shall pay an administrative fee for any review required by City under this Section.

The Financing Plan demonstrates one method that might be used by the Districts to finance the cost of infrastructure. Due to the support expected to be received from the Developer, the Financing Plan demonstrates that the cost of infrastructure described herein can be provided with reasonable mill levies assuming reasonable increases in assessed valuation and assuming the rate of build-out estimated in the Financing Plan.

G. Other Financial Information

The balance of the information contained in this Article VII is preliminary in nature. Upon approval of this Service Plan, the Districts will continue to develop and refine cost estimates contained herein and prepare for bond issues. All cost estimates will be inflated to then-current dollars at the time of bond issuance and construction. All construction cost estimates assume construction to applicable local, state or federal requirements.

In addition to ad valorem property taxes, and in order to offset the expenses of the anticipated construction as well as operations and maintenance, 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 § 32-1-1001(l), C.R.S., as amended from time to time. It is anticipated that a system of user charges may also be established for any recreation improvements and other improvements not owned and operated by the City.

The Financing Plan does not project any significant accumulation of fund balances which might represent receipt of revenues in excess of expenditures under the TABOR Amendment. To the extent annual District revenues exceed expenditures in this manner, the Districts will comply with the provisions of TABOR and either refund the excess or obtain voter approval to retain such amounts. Initial spending and revenue limits of the Districts, as well as mill levies, will be established by elections which satisfy TABOR requirements. In the discretion of the boards of directors, the Districts may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the Districts will remain under the control of its boards of directors.

The estimated costs of the facilities and improvements to be constructed and installed by the Districts, including the costs of engineering services, legal services, administrative services, initial proposed indebtedness, and other major expenses related to the facilities and improvements to be constructed and installed, are set forth in Exhibit D of this Service Plan. The maximum net effective interest rate on bonds shall be twelve (12%) percent. The proposed maximum underwriting discount shall be five percent (5%). The general obligation bonds, when issued, shall mature not more than thirty (30) years from date of issuance, and the first maturity shall be not later than three (3) years from the date of its issuance, as required by statute. The estimated costs of the organization and initial operation of the Districts through December 31, 2002 including legal, engineering, administrative and financial services, are expected to be approximately $75,000. Organizational costs will be reimbursed to the Developer by the Districts out of their initial revenue sources including bond issue proceeds. The timing of issuance of bonds, as set forth in Exhibit E hereto, may be adjusted from time to time except that the Districts may not issue any bonds after July 1, 2012 except with the prior approval of the City Council as evidenced by a resolution after a public hearing thereon, and any attempted issuance in violation of this provision shall be deemed a material departure from the Service Plan.

H. Enterprises. The Districts' Boards of Directors may not set up enterprises to manage, fund and operate such facilities, services and programs as may qualify for enterprise status using the procedures and criteria provided by Article X , Section 20, Colorado State Constitution without the prior written consent of the City. To the extent provided by law, any enterprise created by the Districts will remain under the control of the Boards of Directors of the Districts. Additionally, the Districts and the Boards may not establish 63-20 Corporations without the prior written consent of the City.

I. Conservation Trust Fund. The District shall claim no entitlement to funds from the Conservation Trust Fund, the Great Outdoor Colorado Fund or any other grant moneys for which the City may be eligible, without the prior written consent of the City.

J. Elections; Other Requirements

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

1. Approval of new taxes,

2. Approval of maximum operational mill levies,

3. Approval of bond and other indebtedness limits,

4. Approval of property tax revenue limitations,

5. Approval of total revenue limits, and

6. Approval of a four-year delay in voting on ballot issues.

Ballot issues may be consolidated as approved in Court orders. The City should be assured that the Districts intend to follow both the letter and the spirit of the Special District Act, the Uniform Election Code of 1992, and the TABOR Amendment and any City requirements. Future elections to comply with the TABOR Amendment are anticipated, and may be held as determined by the elected boards of directors of the Districts.

VIII. CONCLUSIONS

It is submitted that this Service Plan for VDW Metropolitan District Nos. 1, 2 and 3 as required by § 32-1-203(2), C.R.S., has established that:

1. There is sufficient existing and projected need for organized service in the area to be served 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 their boundaries;

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

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

6. The facility and service standards of the Districts are compatible with the facility and service standards of the City within which the Districts are to be located;

7. The proposal is in substantial compliance with a master plan adopted by the City pursuant to § 31-23-206, C.R.S.;

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

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

Therefore, it is requested that the City Council of the City, which has jurisdiction to approve this Service Plan by virtue of § 32-1-204.5, et seq., C.R.S., as amended, adopt a resolution which approves this "Consolidated Service Plan for VDW Metropolitan District Nos. 1, 2 and 3, Larimer County, Colorado" as submitted.

Respectfully submitted,

By: ______________________________
Alysse A. Emery
White and Associates Professional Corporation
Counsel to Proponents of the Districts

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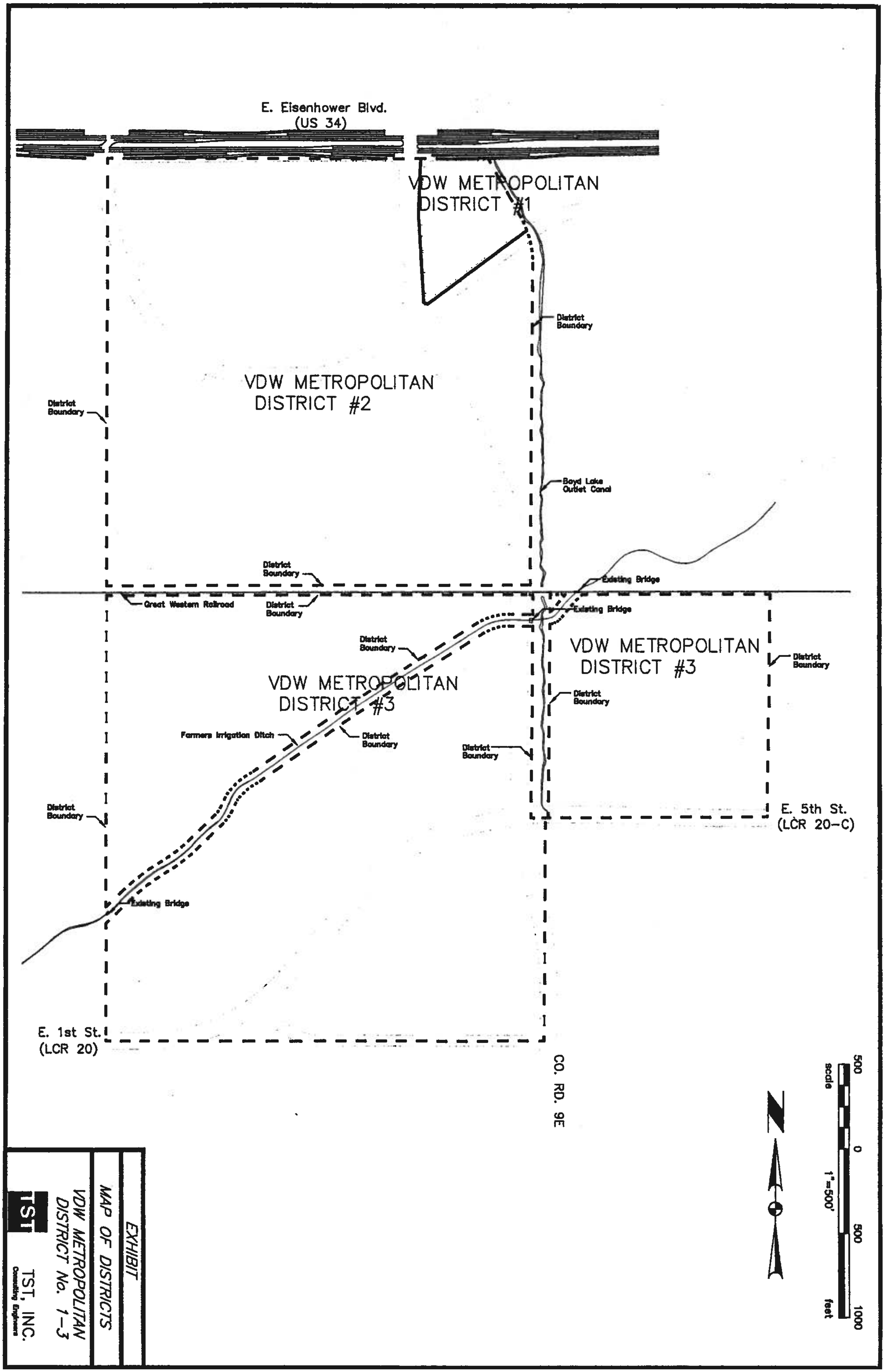


E. Eisenhower Blvd.
(US 34)
VDW METROPOLITAN
DISTRICT #1
District Boundary
VDW METROPOLITAN
DISTRICT #2
District Boundary
Boyd Lake Outlet Canal
District Boundary
Existing Bridge
Great Western Railroad
District Boundary
Existing Bridge
District Boundary
VDW METROPOLITAN
DISTRICT #3
District Boundary
District Boundary
VDW METROPOLITAN
DISTRICT #3
Farmers Irrigation Ditch
District Boundary
District Boundary
District Boundary
E. 5th St.
(LCR 20-C)
Existing Bridge
E. 1st St.
(LCR 20)
CO. RD. 9E
scale
500 0 500 1000
1"=500'
feet
EXHIBIT
MAP OF DISTRICTS
VDW METROPOLITAN
DISTRICT No. 1-3
TST
TST, INC.
Consulting Engineers

EXHIBIT A
Map of Districts

EXHIBIT B
District Legal Descriptions

LEGAL DESCRIPTION-VAN DE WATER METRO DISTRICT 1

A TRACT OF LAND LOCATED IN THE NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 5 NORTH, RANGE 68 WEST, OF THE SIXTH PRINCIPAL MERIDIAN; CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH QUARTER CORNER OF SAID SECTION 17 AND CONSIDERING THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 17 TO HAVE AN ASSUMED BEARING OF S89°39'42"W WITH ALL OTHER BEARINGS RELATIVE THERETO;

THENCE S77°57'35"W, 300.04 FEET TO THE POINT OF BEGINNING;
THENCE S29°27'50"E, 422.20 FEET;
THENCE S53°24'40"W, 806.11 FEET;
THENCE N03°46'39"W, 458.90 FEET;
THENCE N02°43'50"E, 386.38 FEET;
THENCE N89°27'40"E, 451.42 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPT A 0.69 ACRE (30,148 S.F.) TRACT, BEING THAT PORTION OF PARCEL E-2 OF THE MILLENNIUM ADDITION AS SHOWN ON THE PLAT RECORDED OCTOBER 12, 2000 AT RECEPTION NO. 20000706I1, LYING WITHIN THE ABOVE DESCRIBED PARCEL.

SAID DESCRIBED LAND CONTAINS A TOTAL OF 7.79 ACRES (339,239 S.F.) MORE OR LESS, AND IS SUBJECT TO ALL EASEMENTS AND RIGHT-OF-WAYS ON RECORD OR THAT NOW EXIST ON THE GROUND.

LEGAL DESCRIPTION-VAN DE WATER METRO DISTRICT 3

A TRACT OF LAND LOCATED IN THE NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 5 NORTH, RANGE 68 WEST, OF THE SIXTH PRINCIPAL MERIDIAN; CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH QUARTER CORNER OF SAID SECTION 17 AND CONSIDERING THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 17 TO HAVE AN ASSUMED BEARING OF S89°39'42"W WITH ALL OTHER BEARINGS RELATIVE THERETO;

THENCE ALONG THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 17, S00°31'12"W, 572.82 FEET TO THE POINT OF BEGINNING;
THENCE CONTINUING ALONG SAID EAST LINE, S00°31'12"W, 2014.93 FEET;
THENCE S89°47'28"W, 2606.92 FEET TO A POINT ON THE WEST LINE OF SAID NORTHWEST QUARTER OF SECTION 17;
THENCE ALONG THE WEST LINE OF SAID NORTHWEST QUARTER OF SECTION 17, N00°05'34"E, 2531.65 FEET;
THENCE S89°51'21"E, 1596.16 FEET;
THENCE N89°27'40"E, 285.30 FEET;
THENCE S02°43'50"W, 386.38 FEET;
THENCE S03°46'39"E, 458.90 FEET;
THENCE N53°24'40"E, 806.11 FEET;
THENCE S29°27'50"E, 163.79 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPT A 4.90 ACRE (213,380 S.F.) TRACT, BEING THAT PORTION OF PARCEL E-2 OF THE MILLENNIUM ADDITION AS SHOWN ON THE PLAT RECORDED OCTOBER 12, 2000 AT RECEPTION NO. 20000706I1, LYING WITHIN THE ABOVE DESCRIBED PARCEL.

SAID DESCRIBED LAND CONTAINS A TOTAL OF 136.61 ACRES (5,950,803 S.F.) MORE OR LESS, AND IS SUBJECT TO ALL EASEMENTS AND RIGHT-OF-WAYS ON RECORD OR THAT NOW EXIST ON THE GROUND.

LEGAL DESCRIPTION-VAN DE WATER METRO DISTRICT 2

A TRACT OF LAND LOCATED IN THE SOUTH HALF OF SECTION 17, TOWNSHIP 5 NORTH, RANGE 68 WEST, OF THE SIXTH PRINCIPAL MERIDIAN; CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE WEST QUARTER CORNER OF SAID SECTION 17 AND CONSIDERING THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 17 TO HAVE AN ASSUMED BEARING OF S00°06'12"W WITH ALL OTHER BEARINGS RELATIVE THERETO;

THENCE ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 17, N89°47'28"E, 2606.50 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION 17;
THENCE ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 17, N89°47'28'E, 105.67 FEET TO A POINT ON THE NORTHWESTERLY EDGE OF A 70 FOOT WIDE FARMER'S IRRIGATION DITCH;
THENCE ALONG SAID NORTHWESTERLY EDGE OF FARMER'S IRRIGATION DITCH THE FOLLOWING EIGHTEEEN COURSES:

1. A NON-TANGENTCURVE TO THE LEFT HAVING A RADIUS OF 782.08 FEET, AN ARC LENGTH OF 65.76 FEET, A CENTRAL ANGLE OF 4°49'03", AND A CHORD WHICH BEARS S40°24'32"W, 65.74 FEET;
2. S38°00'01"W, 49.35 FEET;
3. A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 40.00 FEET, AN ARC LENGTH OF 25.99 FEET, A CENTRAL ANGLE OF 37°13'48", AND A CHORD WHICH BEARS S56°36'55"W, 25.54 FEET;
4. A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 449.89 FEET, AN ARC LENGTH OF 122.11 FEET, A CENTRAL ANGLE OF 15°33'07", AND A CHORD WHICH BEARS S83°00'22"W, 121.74 FEET;
5. N89°13'04"W, 111.68 FEET;
6. A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 350.00 FEET, AN ARC LENGTH OF 200.54 FEET, A CENTRAL ANGLE OF 32°49'46", AND A CHORD WHICH BEARS S74°22'03"W, 197.81 FEET;
7. S57°57'10"W, 386.13 FEET;
8. A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 13084.20 FEET, AN ARC LENGTH OF 580.48 FEET, A CENTRAL ANGLE OF 2°32'31", AND A CHORD WHICH BEARS S57°04'24"W, 580.43 FEET;
9. S54°50'43'W, 621.04 FEET;
10. A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 165.00 FEET, AN ARC LENGTH OF 18.77 FEET, A CENTRAL ANGLE OF 6°31'03", AND A CHORD WHICH BEARS S58°06'15"W, 18.76 FEET;
11. A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 423.41 FEET, AN ARC LENGTH OF 157.12 FEET, A CENTRAL ANGLE OF 21°15'40", AND A CHORD WHICH BEARS S50°43'56"W, 156.22 FEET;
12. A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 235.00 FEET, AN ARC LENGTH OF 58.98 FEET, A CENTRAL ANGLE OF 14°22'50"W, S32°54'41"W, 58.83 FEET;
13. S25°43'16"W, 62.77 FEET;
14. A TANGENT CURVE TO THE RIGHT HAVING RADIUS OF 165.00 FEET, AN ARC LENGTH OF 58.79 FEET, A CENTRAL ANGLE OF 20°24'52", AND A CHORD WHICH BEARS S35°55'41"W, 58.48 FEET;
15. S46°08'07"W, 211.50 FEET;
16. A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 975.00 FEET, AN ARC LENGTH OF 216.00 FEET, A CENTRAL ANGLE OF 12°41'36", AND A CHORD WHICH BEARS S52°28'55"W, 215.56 FEET;
17. A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 1260.00 FEET, AN ARC LENGTH OF 279.87 FEET, A CENTRAL ANGLE OF 12°43'35", AND A CHORD WHICH BEARS S52°27'56"W, 279.29 FEET;
18. S46°06'08"W, 139.61 FEET TO A POINT ON THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 17;

THENCE ALONG SAID WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 17 N00°06'12"E. 524.44 FEET TO THE SOUTH SIXTEENTH CORNER OF SECTIONS 17 AND 18;
THENCE CONTINUING ALONG SAID WEST LINE N00°06'12"E, 1320.12 FEET TO THE POINT OF BEGINNING.

ALSO: A TRACT OF LAND LOCATED IN THE SOUTH HALF OF SECTION 17, TOWNSHIP 5 NORTH, RANGE 68 WEST, OF THE SIXTH PRINCIPAL MERIDIAN; CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER QUARTER CORNER OF SAID SECTION 17 AND CONSIDERING THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 17 TO HAVE AN ASSUMED BEARING OF S89°47'28"W WITH ALL OTHER BEARINGS RELATIVE THERETO;

THENCE ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 17, N89°47'28"E, 205.93 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID NORTH LINE OF THE SOUTHEAST QUARTER OF SECTION 17, N89°47'28"E, 1111.96 FEET TO THE CENTER EAST SIXTEENTH CORNER OF SAID SECTION 17;
THENCE ALONG THE EAST LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 17, S00°42'06"W, 1319.30 FEET TO THE SOUTHEAST SIXTEENTH CORNER OF SAID SECTION 17;
THENCE ALONG THE SOUTH LINE OF SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 17, S89°38'56"W, 1313.75 FEET TO THE CENTER SOUTH SIXTEENTH CORNER OF SAID SECTION 17;
THENCE ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 17 S00°31'12"W, 1322.50 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 17;
THENCE ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 17, S89°55'16"W, 2587.24 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 17;
THENCE ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 17, N00°06'12"E, 697.08 FEET TO THE SOUTHEASTERLY EDGE OF THE 70 FOOT WIDE FARMER'S IRRIGATION DITCH;
THENCE ALONG SAID SOUTHEASTERLY EDGE OF THE FARMER'S IRRIGATION DITCH THE FOLLOWING EIGHTEEN COURSES:

1. N46°06'08"E, 207.21 FEET;
2. A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 1190.00 FEET, AN ARC LENGTH OF 264.32, A CENTRAL ANGLE OF 12°43'34", AND A CHORD WHICH BEARS N52°27'56"E, 263.77 FEET;
3. A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 1045.00 FEET, AN ARC LENGTH OF 231.51 FEET, A CENTRAL ANGLE OF 12°41'35", AND A CHORD WHICH BEARS N52°28'55"E, 231.03 FEET;
4. N46°08'07"E, 211.50 FEET;
5. A TANGENT CURVE WHICH BEARS TO THE LEFT HAVING A RADIUS OF 235.00 FEET, AN ARC LENGTH OF 83.73 FEET, A CENTRAL ANGLE OF 20°24'52", AND A CHORD WHICH BEARS N35°55'41"E, 83.29 FEET;
6. N25°43'16"E, 62.77 FEET;
7. A TANGENT CURVE WHICH BEARS RIGHT HAVING A RADIUS OF 165.00 FEET, AN ARC LENGTH OF 41.41 FEET, A CENTRAL ANGLE OF 14°22'51", AND A CHORD WHICH BEARS N32°54'41"E, 41.31 FEET;
8. A TANGENT CURVE WHICH BEARS RIGHT HAVING A RADIUS OF 353.41 FEET, AN ARC LENGTH OF 131.14 FEET, A CENTRAL ANGLE OF 21°15'40", AND A CHORD WHICH BEARS N50°43'56"E, 130.39 FEET;
9. A TANGENT CURVE WHICH BEARS LEFT HAVING A RADIUS OF 235.00 FEET, AN ARC LENGTH OF 26.73 FEET, A CENTRAL ANGLE OF 6°31'03", AND A CHORD WHICH BEARS N58°06'15"E, 26.72 FEET;
10. N54°50'43"E, 620.45 FEET;
11. A TANGENT CURVE WHICH BEARS RIGHT HAVING A RADIUS OF 13014.20 FEET, AN ARC LENGTH OF 577.06 FEET, A CENTRAL ANGLE OF 2°32'25", AND A CHORD WHICH BEARS N57°04'31"E, 576.98 FEET;
12. N57°57'10"E, 386.37 FEET;
13. A TANGENT CURVE WHICH BEARS RIGHT HAVING A RADIUS OF 280.00 FEET, AN ARC LENGTH OF 160.43 FEET, A CENTRAL ANGLE OF 32°49'46", AND A CHORD WHICH BEARS N74°22'03"E, 158.25 FEET;
14. S89°13'04"E, 111.68 FEET;
15. A TANGENT CURVE WHICH BEARS LEFT HAVING A RADIUS OF 519.89 FEET, AN ARC LENGTH OF 141.12 FEET, A CENTRAL ANGLE OF 15°33'07", AND A CHORD WHICH BEARS N83°00'22"E, 140.68 FEET;

16. A TANGENT CURVE WHICH BEARS LEFT HAVING A RADIUS OF 110.00 FEET, AN ARC LENGTH OF 71.48 FEET, A CENTRAL ANGLE OF 37°13'48", AND A CHORD WHICH BEARS N56°36'55"E, 70.23 FEET;
17. N38°00'01"E, 49.35 FEET;
18. A TANGENT CURVE WHICH BEARS RIGHT HAVING A RADIUS OF 712.08 FEET, AN ARC LENGTH OF 128.39 FEET, A CENTRAL ANGLE OF 10°19'50", AND A CHORD WHICH BEARS N43°09'56"E, 128.21 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPT A 0.255 ACRE (11,109 S.F.) PARCEL, BEING PARCEL F-2 OF THE MILLENNIUM ADDITION, RECORDED OCTOBER 12, 2000, AT RECEPTION NO. 2000070611, AND

LESS AND EXCEPT A 2.618 ACRE (114,041 S.F.) PARCEL, BEING PARCEL G-2 OF SAID MILLENNIUM ADDITION.

SAID DESCRIBED LAND CONTAINS A TOTAL OF 188.997 ACRES (8232,709 S.F.) MORE OR LESS, AND IS SUBJECT TO ALL EASEMENTS AND RIGHT-OF-WAYS ON RECORD OR THAT NOW EXIST ON THE GROUND.

EXHIBIT C
Facilities Diagrams

EXHIBIT C-1
Phasing Plan

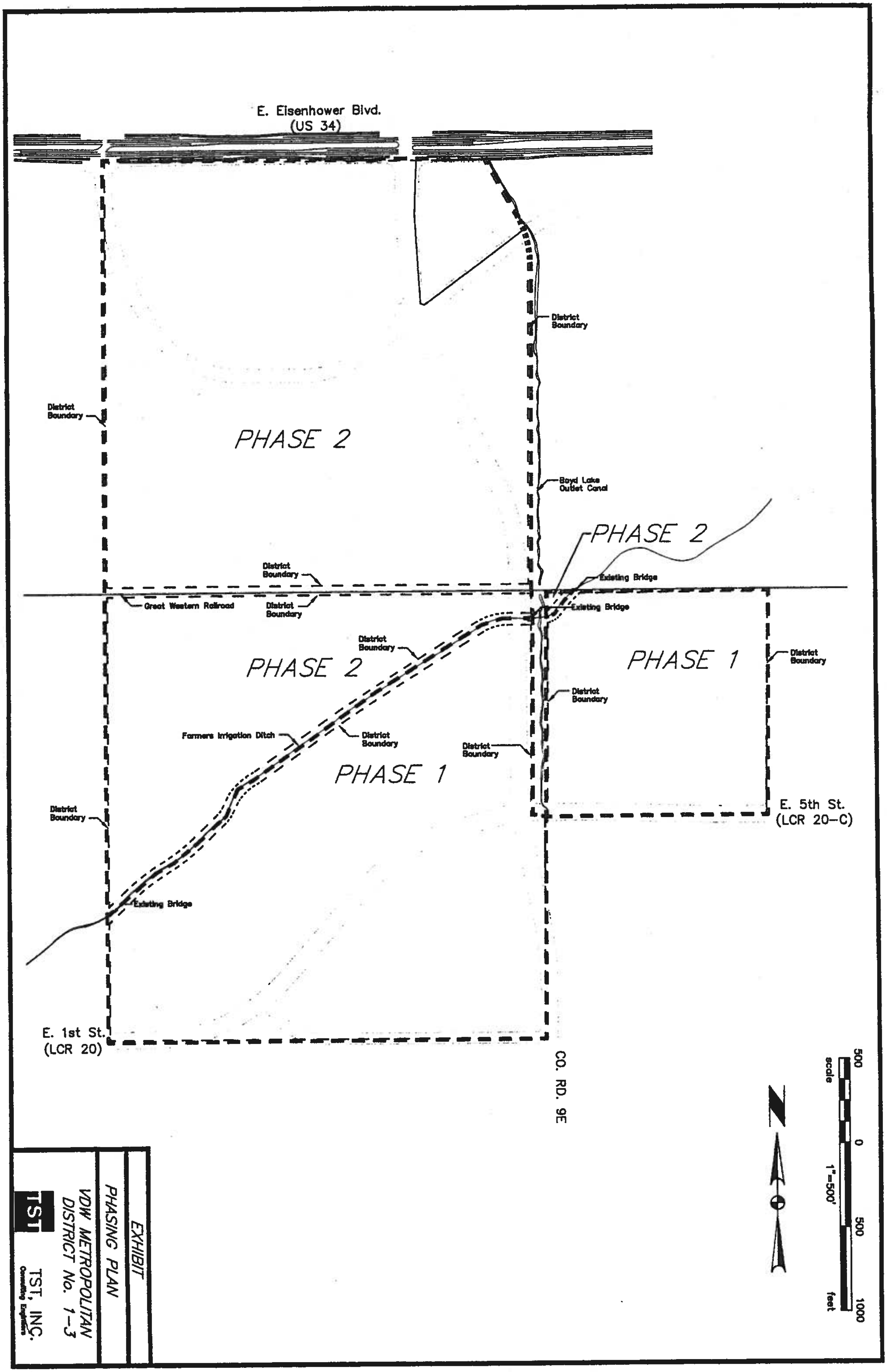

E. Eisenhower Blvd.
(US 34)
District Boundary
District Boundary
PHASE 2
Boyd Lake Outlet Canal
PHASE 2
Existing Bridge
District Boundary
Great Western Railroad
District Boundary
Existing Bridge
District Boundary
PHASE 2
PHASE 1
District Boundary
District Boundary
Farmers Irrigation Ditch
District Boundary
District Boundary
PHASE 1
District Boundary
E. 5th St.
(LCR 20-C)
Existing Bridge
E. 1st St.
(LCR 20)
CO. RD. 9E
scale
500
0
1"=500'
500
1000
feet
EXHIBIT
PHASING PLAN
VDW METROPOLITAN
DISTRICT No. 1-3
TST
TST, INC.
Consulting Engineers

EXHIBIT C-2
Sanitary Sewer Improvements

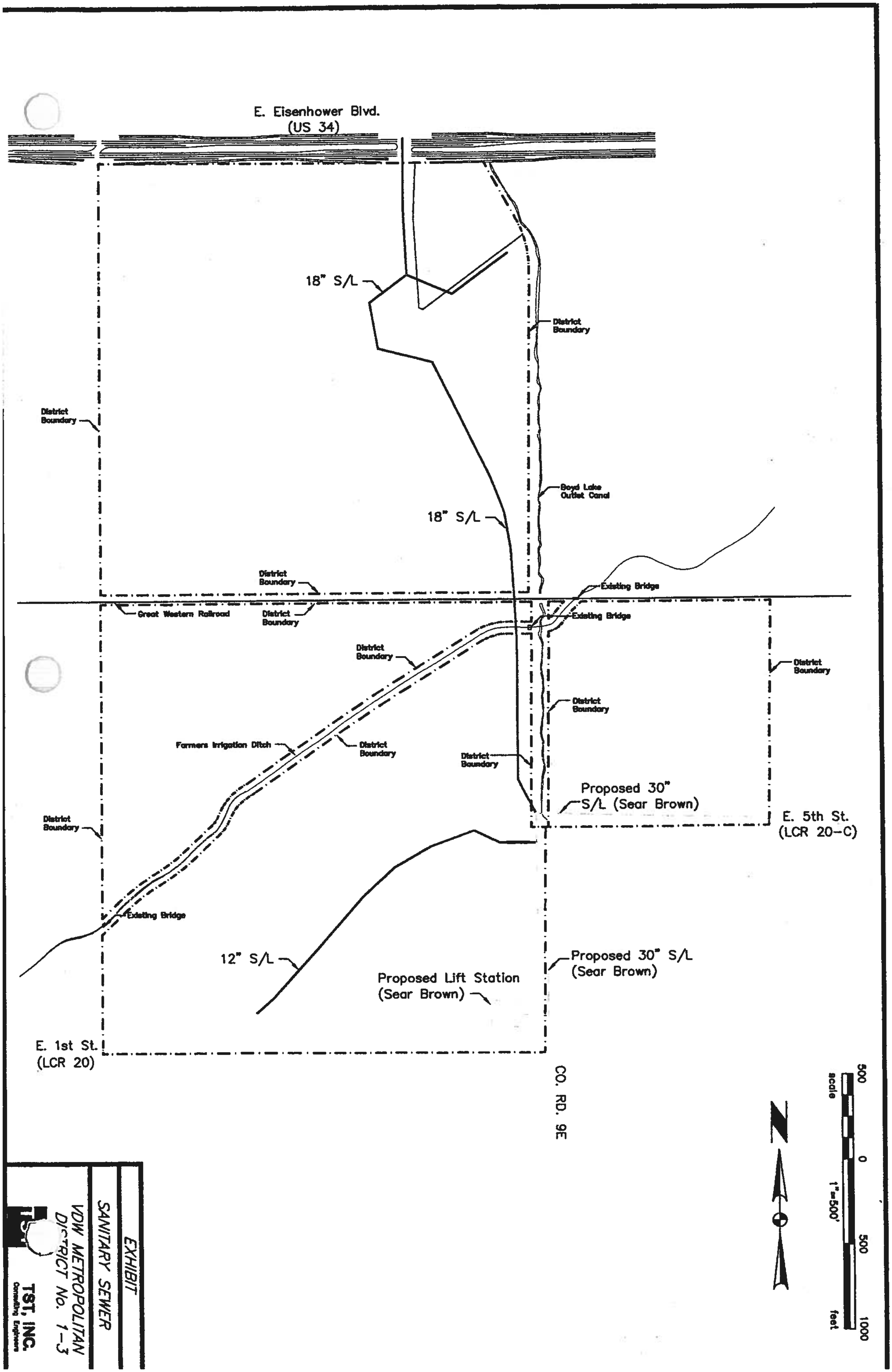
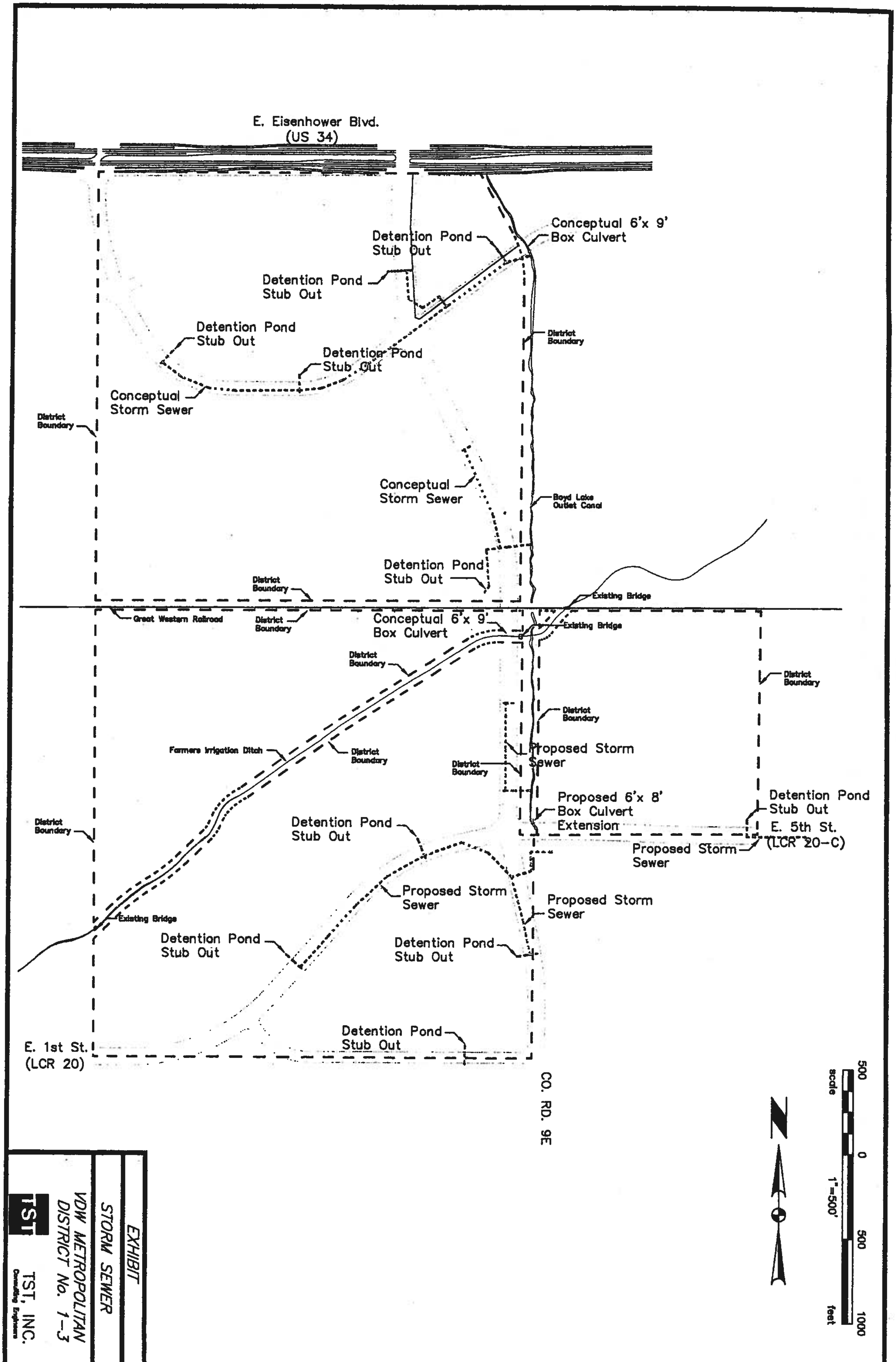

E. Eisenhower Blvd.
(US 34)
18" S/L
District Boundary
Boyd Lake Outlet Canal
18" S/L
District Boundary
Existing Bridge
Great Western Railroad
District Boundary
Existing Bridge
District Boundary
District Boundary
District Boundary
Farmers Irrigation Ditch
District Boundary
District Boundary
Proposed 30" S/L (Sear Brown)
E. 5th St.
(LCR 20-C)
District Boundary
Existing Bridge
12" S/L
Proposed 30" S/L
(Sear Brown)
Proposed Lift Station
(Sear Brown)
E. 1st St.
(LCR 20)
CO. RD. 9E
500
0
500
1000
scale
1"=500'
feet
N
EXHIBIT
SANITARY SEWER
VDW METROPOLITAN
DISTRICT No. 1-3
TST, INC.
Consulting Engineers

EXHIBIT C-3
Storm Drainage Improvements



E. Eisenhower Blvd.
(US 34)
Conceptual 6'x 9'
Box Culvert
Detention Pond
Stub Out
Detention Pond
Stub Out
District
Boundary
Detention Pond
Stub Out
Detention Pond
Stub Out
Conceptual
Storm Sewer
District
Boundary
Conceptual
Storm Sewer
Boyd Lake
Outlet Canal
Detention Pond
Stub Out
District
Boundary
Existing Bridge
Great Western Railroad
District
Boundary
Conceptual 6'x 9'
Box Culvert
Existing Bridge
District
Boundary
District
Boundary
District
Boundary
Farmers Irrigation Ditch
District
Boundary
Proposed Storm
Sewer
District
Boundary
District
Boundary
Proposed 6'x 8'
Box Culvert
Extension
Detention Pond
Stub Out
E. 5th St.
(LCR 20-C)
Detention Pond
Stub Out
Proposed Storm
Sewer
Proposed Storm
Sewer
Proposed Storm
Sewer
Existing Bridge
Detention Pond
Stub Out
Detention Pond
Stub Out
Detention Pond
Stub Out
E. 1st St.
(LCR 20)
CO. RD. 9E
scale 1"=500'
500 0 500 1000
feet
EXHIBIT
STORM SEWER
VDW METROPOLITAN
DISTRICT No. 1-3
TST
TST, INC.
Consulting Engineers

EXHIBIT C-4
Water Improvements

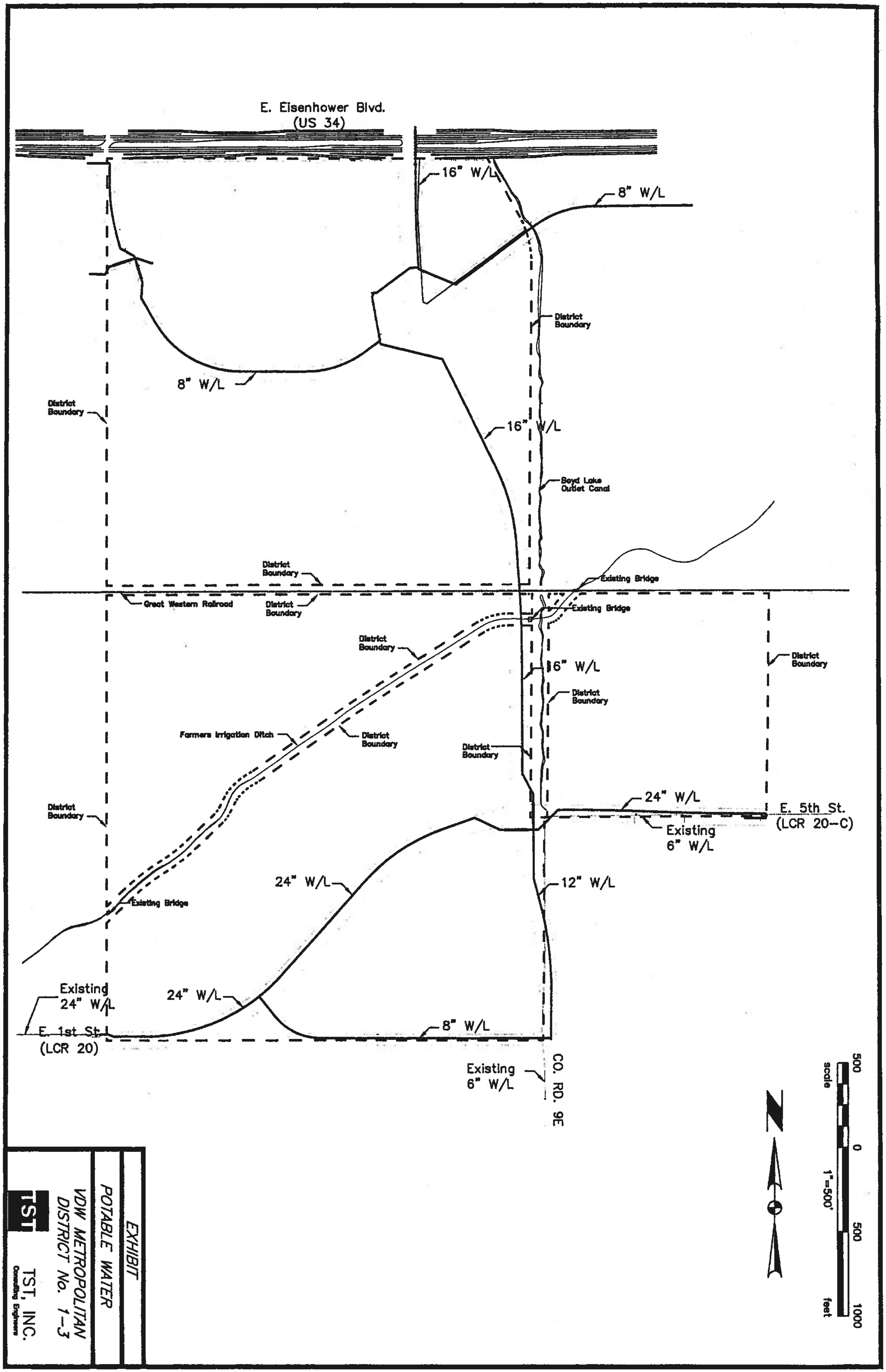

E. Eisenhower Blvd.
(US 34)
16" W/L
8" W/L
District Boundary
8" W/L
District Boundary
16" W/L
Boyd Lake Outlet Canal
District Boundary
Existing Bridge
Great Western Railroad
District Boundary
Existing Bridge
District Boundary
16" W/L
District Boundary
District Boundary
Farmers Irrigation Ditch
District Boundary
District Boundary
District Boundary
24" W/L
E. 5th St.
(LCR 20-C)
Existing
6" W/L
24" W/L
12" W/L
Existing Bridge
Existing
24" W/L
24" W/L
8" W/L
E. 1st St.
(LCR 20)
Existing
6" W/L
CO. RD. 9E
scale
1"=500'
500 0 500 1000
feet
N
EXHIBIT
POTABLE WATER
VDW METROPOLITAN
DISTRICT No. 1-3
TST
TST, INC.
Consulting Engineers

EXHIBIT C-5
Street and Roadway Improvements

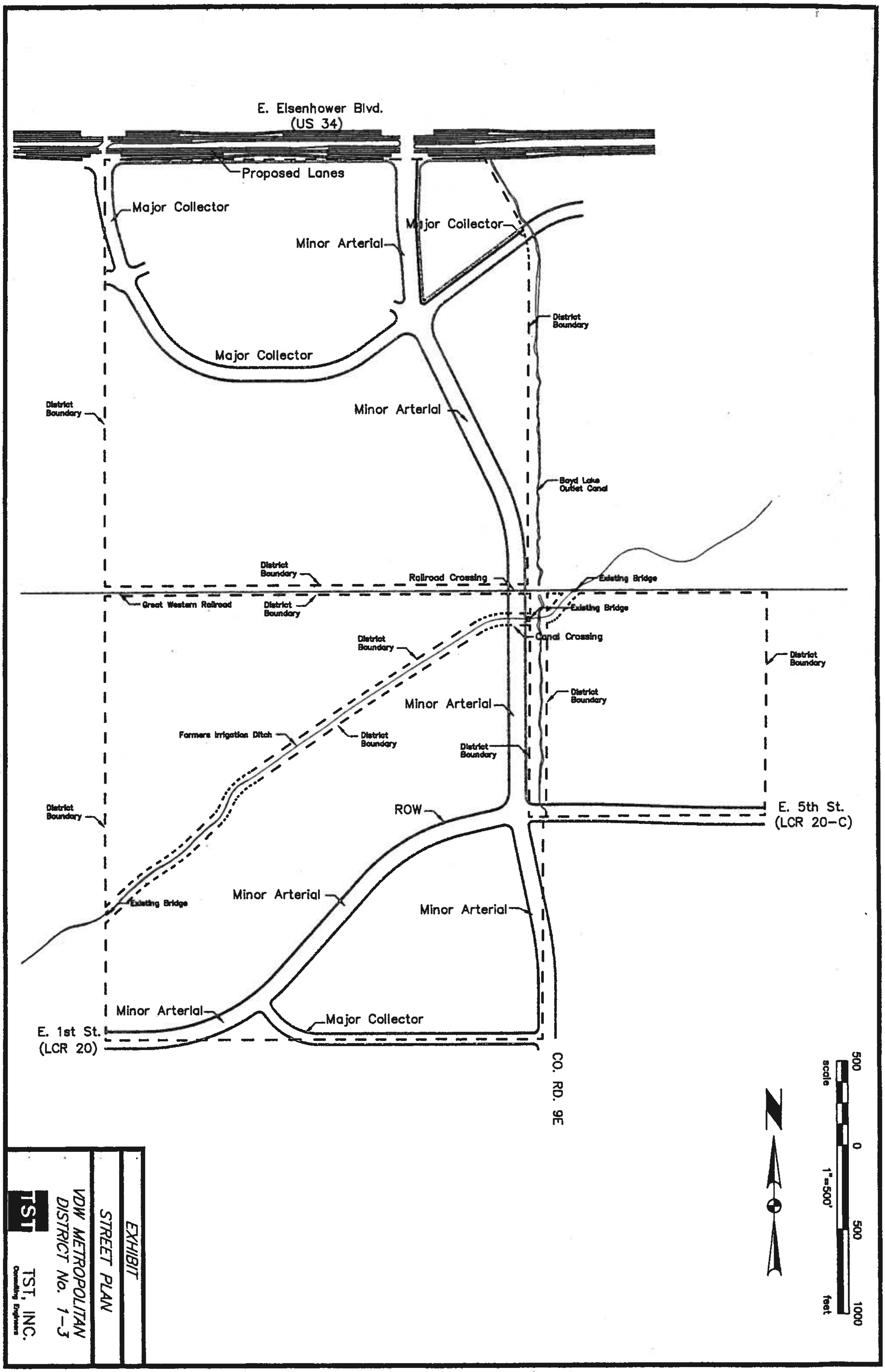
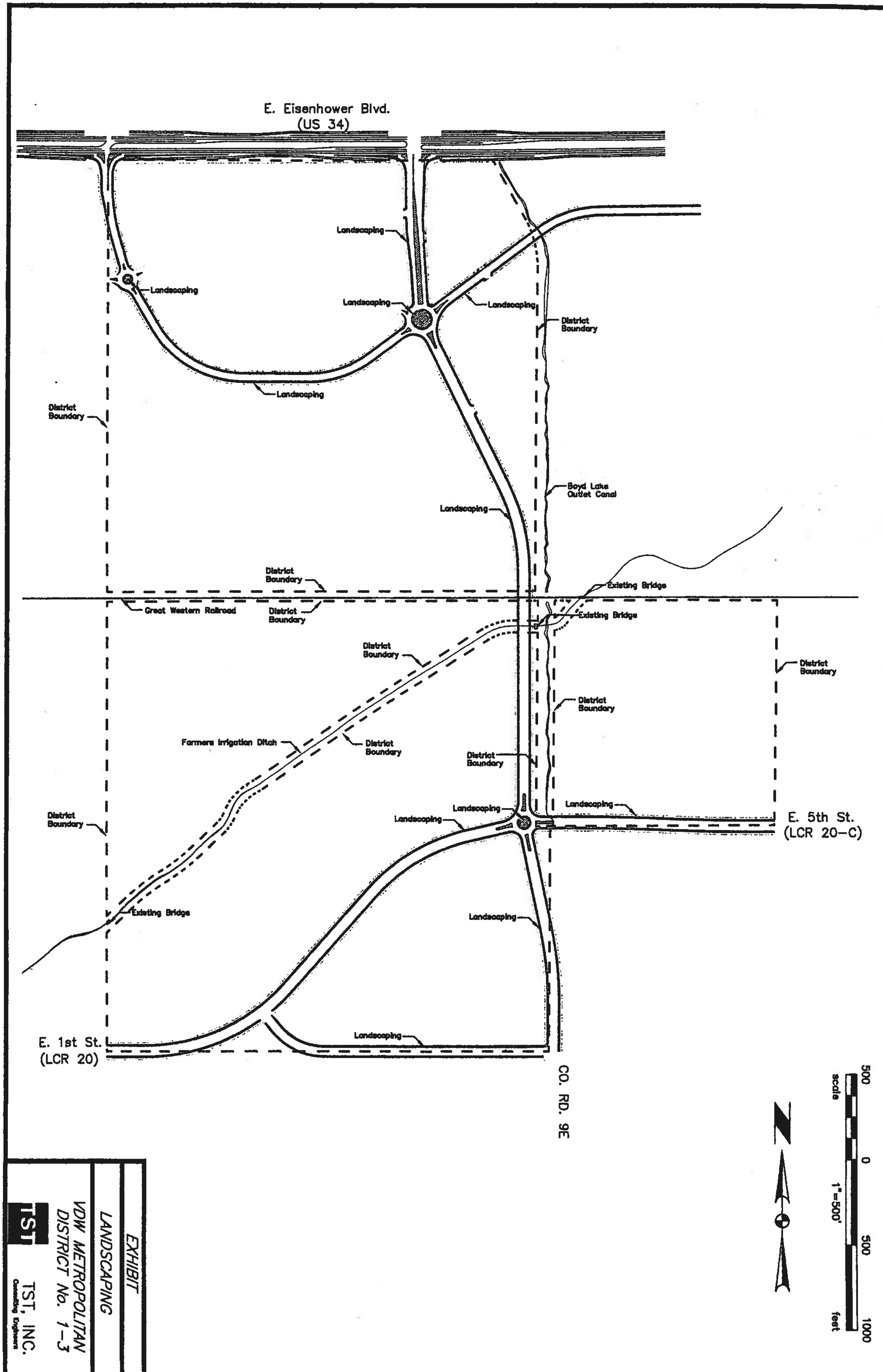

E. Eisenhower Blvd.
(US 34)
Proposed Lanes
Major Collector
Minor Arterial
Major Collector
Major Collector
Minor Arterial
District Boundary
District Boundary
Boyd Lake Outlet Canal
District Boundary
Railroad Crossing
Existing Bridge
Great Western Railroad
District Boundary
Existing Bridge
District Boundary
Canal Crossing
District Boundary
Minor Arterial
District Boundary
Formers Irrigation Ditch
District Boundary
District Boundary
District Boundary
ROW
E. 5th St.
(LCR 20-C)
Existing Bridge
Minor Arterial
Minor Arterial
Minor Arterial
Major Collector
E. 1st St.
(LCR 20)
CO. RD. 9E
scale
500
0
500
1000
feet
1"=500'
EXHIBIT
STREET PLAN
VDW METROPOLITAN
DISTRICT No. 1-3
TST
TST, INC.
Consulting Engineers

EXHIBIT C-6
Landscaping Improvements



EXHIBIT

LANDSCAPING

VDW METROPOLITAN
DISTRICT No. 1-3

TST, INC.
Consulting Engineers

EXHIBIT D
Cost Estimates

TST, INC.
Consulting Engineers

CONCEPTUAL OPINION OF COST

Client: McWhinney Enterprises **Date:** 2/11/02

Project: Van de Water **Job No. :** 0951-002 **Prepared By:** MRJ

No.	Item	Units	Unit Cost	Phase I - Current Quantity	Phase I - Current Cost	Phase II - Current Quantity	Phase II - Current Cost	Final Quantity	Final Cost
	SANITARY SEWER								
1	48" Manholes	EA.	$2,000.00	16	$32,000.00	13	$26,000.00	29	$58,000.00
2	Manholes (Sear-Brown)	EA.	$2,000.00	9	$18,000.00	0	$0.00	9	$18,000.00
3	18" PVC Pipe	L.F.	$50.00	2,127	$106,350.00	3,798	$189,900.00	5,925	$296,250.00
4	18" PVC Pipe (Sear-Brown)	L.F.	$50.00	2,536	$126,800.00	0	$0.00	2,536	$126,800.00
5	12" PVC Pipe	L.F.	$37.00	2,818	$104,266.00	0	$0.00	2,818	$104,266.00
6	Permanent Lift Station (Sear-Brown)	EA.	$300,000.00	1	$300,000.00	0	$0.00	1	$300,000.00
7	Temporary Lift Station	EA.	$100,000.00	1	$100,000.00	0	$0.00	1	$100,000.00
8	Temporary 6" Force Main	L.F.	$20.00	4,800	$96,000.00	0	$0.00	4,800	$96,000.00
9	Ditch Crossing	L.F.	$375.00	0	$0.00	200	$75,000.00	200	$75,000.00
10	Ditch Crossing (Sear-Brown)	L.F.	$375.00	70	$26,250.00	0	$0.00	70	$26,250.00
11	Tie to Existing Manhole	EA.	$2,000.00	2	$4,000.00	1	$2,000.00	3	$6,000.00
	Subtotal				*$913,666.00*		*$292,900.00*		*$1,206,566.00*
	POTABLE WATERLINE								
1	24" DIP *	L.F.	$106.00	4,580	$485,480.00	0	$0.00	4,580	$485,480.00
2	16" PVC *	L.F.	$68.00	4,170	$283,560.00	3,279	$222,972.00	7,449	$506,532.00
3	12" PVC *	L.F.	$50.00	1,800	$90,000.00	0	$0.00	1,800	$90,000.00
4	8" PVC *	L.F.	$32.00	1,830	$58,560.00	3,014	$96,448.00	4,844	$155,008.00
5	Hydrant Assemblies	EA.	$2,000.00	9	$18,000.00	8	$16,000.00	17	$34,000.00
6	Tie to Existing System	EA.	$18,000.00	2	$36,000.00	1	$18,000.00	3	$54,000.00
7	Ditch Crossing/HWY 34 Crossing	L.F.	$375.00	100	$37,500.00	500	$187,500.00	600	$225,000.00
	Subtotal				*$1,009,100.00*		*$540,920.00*		*$1,550,020.00*
	STREETS								
1	Curb & Gutter	L.F.	$20.00	13,300	$266,000.00	17,408	$348,160.00	30,708	$614,160.00
2	Curb & Gutter with Attached Walk	L.F.	$25.00	1,700	$42,500.00	0	$0.00	1,700	$42,500.00
3	Detached Sidewalk	L.F.	$15.00	1,600	$24,000.00	7,400	$111,000.00	9,000	$135,000.00
4	Landscaping	L.F.	$20.00	7,600	$152,000.00	8,704	$174,080.00	16,304	$326,080.00
5	Grading	C.Y.	$3.00	35,000	$105,000.00	21,500	$64,500.00	56,500	$169,500.00
.6	Entry Feature	EA.	$200,000.00	0	$0.00	1	$200,000.00	1	$200,000.00
7	Curb Return w/ Ramp	EA.	$1,100.00	4	$4,400.00	22	$24,200.00	26	$28,600.00
8	Cross Pans	EA.	$1,100.00	0	$0.00	4	$4,400.00	4	$4,400.00
9	Asphalt	S.Y.	$7.00	48,100	$336,700.00	32,944	$230,608.00	81,044	$567,308.00
10	Base Course	S.Y.	$7.00	76,600	$536,200.00	51,667	$361,669.00	128,267	$897,869.00
11	Conduits	L.F.	$3.00	1,400	$4,200.00	800	$2,400.00	2,200	$6,600.00
12	Traffic Control	L.S.	$10,000.00	0	$0.00	1	$10,000.00	1	$10,000.00
13	Canal Crossing	L.S.	$300,000.00	0	$0.00	2	$600,000.00	2	$600,000.00
14	Hwy. 34 Tie-In (east)	L.S.	$500,000.00	0	$0.00	1	$500,000.00	1	$500,000.00
15	Hwy. 34 Tie-In (west)	L.S.	$350,000.00	0	$0.00	1	$350,000.00	1	$350,000.00
16	Roundabouts (Arterial)	EA.	$250,000.00	1	$250,000.00	1	$250,000.00	2	$500,000.00
17	Roundabouts (Collector)	EA.	$180,000.00	0	$0.00	1	$180,000.00	1	$180,000.00
18	Signalization - East Intersection	L.S.	$175,000.00	0	$0.00	1	$175,000.00	1	$175,000.00
19	Striping	L.S.	$20,000.00	1	$20,000.00	3	$60,000.00	4	$80,000.00
20	Railroad Crossing	L.S.	$600,000.00	0	$0.00	1	$600,000.00	1	$600,000.00
21	Demolition of Existing Streets,Structures,Utilities	L.S.	$300,000.00	1	$300,000.00	0	$0.00	1	$300,000.00
	Subtotal				*$2,041,000.00*		*$4,246,017.00*		*$6,287,017.00*

TST, INC.
Consulting Engineers

CONCEPTUAL OPINION OF COST

Client: McWhinney Enterprises | Date: 2/11/02

Project: Van de Water | Job No. : 0951-002 | Prepared By: MRJ

No.	Item	Units	Unit Cost	Phase I - Current Quantity	Phase I - Current Cost	Phase II - Current Quantity	Phase II - Current Cost	Final Quantity	Final Cost
	STORM SEWER								
1	48" RCP	L.F.	$86.00	780	$67,080.00	586	$50,396.00	1,366	$117,476.00
2	36" RCP	L.F.	$65.00	1,107	$71,955.00	3,996	$259,740.00	5,103	$331,695.00
3	34" x 53" ELLIP. RCP	L.F.	$60.00	120	$7,200.00	0	$0.00	120	$7,200.00
4	30" RCP	L.F.	$50.00	1,900	$95,000.00	0	$0.00	1,900	$95,000.00
5	27" RCP	L.F.	$45.00	90	$4,050.00	0	$0.00	90	$4,050.00
6	24" RCP	L.F.	$36.00	220	$7,920.00	0	$0.00	220	$7,920.00
7	21" RCP	L.F.	$33.00	80	$2,640.00	0	$0.00	80	$2,640.00
8	18" RCP	L.F.	$30.00	260	$7,800.00	0	$0.00	260	$7,800.00
9	6'x8' RCB	L.F.	$800.00	100	$80,000.00	0	$0.00	100	$80,000.00
10	6'x9' RCB	L.F.	$800.00	0	$0.00	400	$320,000.00	400	$320,000.00
11	Manholes	EA.	$2,000.00	14	$28,000.00	18	$36,000.00	32	$64,000.00
12	Flared End Sections	EA.	$500.00	10	$5,000.00	7	$3,500.00	17	$8,500.00
13	Inlets	EA.	$6,000.00	12	$72,000.00	14	$84,000.00	26	$156,000.00
14	Rip Rap	S.Y.	$50.00	270	$13,500.00	17	$840.00	287	$14,340.00
15	Erosion Control	L.S.	$20,000.00	1	$20,000.00	2	$40,000.00	3	$60,000.00
16	Offsite Improvements	L.S.	$250,000.00	1	$250,000.00	0	$0.00	1	$250,000.00
	Subtotal				*$732,145.00*		*$794,476.00*		*$1,526,621.00*
	PARKS & OPEN SPACE								
1	Parks & Open Space	L.S.	$150,000.00	1	$150,000.00	1	$150,000.00	2	$300,000.00
	Subtotal				*$150,000.00*		*$150,000.00*		*$300,000.00*
	Total				$4,845,911.00		$6,024,313.00		$10,870,224.00
	Contingency, Administration, & Engineering (30%)				$1,453,773.30		$1,807,293.90		$3,261,067.20
	GRAND TOTAL *				**$6,299,684.30**		**$7,831,606.90**		**$14,131,291.20**

EXHIBIT E
Financing Plan

Summary of Financing Plan

The VDW District financing plan contemplates three future bond issues in 2006, 2009 and 2012 supported by a portion of a 40 mill levy imposed on taxable property within the District. Each of the three bond issues is assumed to be repaid over 25 years, originally sold as tax-exempt and non-rated. The bonds are secured by a fully funded debt service reserve fund and are payable from the limited tax general obligation pledge of the full faith and credit of the District and from earnings on the Debt Service Reserve Fund. No capitalized interest is included as bonds are not issued until such time that the District's assessed valuation multiplied by the portion of the 40 mill levy dedicated to debt service is sufficient to cover interest and principal repayment on the bonds.

Prior to the issuance of tax-exempt bonds, infrastructure improvements will be funded in whole or in part by promissory notes issued by the District and purchased and held by the Developer to be later retired with bond proceeds. The Series 2006, 2009 and 2012 bonds will be issued in the following estimated amounts to retire promissory notes assuming the development projections contained in the attached pro forma:

	Bond Size	Proceeds Available for Note Retirement
Series 2006	\$5.255 million	\$4.5 million
Series 2009	\$3.505 million	\$3.0 million
Series 2012	\$5.355 million	\$4.6 million
TOTAL	**\$14.115 million**	**\$12.1 million**

Annual operation and maintenance expenses, estimated to be \$90,000 in 2004 escalating at 2% per year, are also paid from the District's 40 mill levy. Bonds will only be issued to retire the 0% promissory notes held by the Developer at such time that the District's assessed valuation will support debt repayment from the 40 mill levy after subtracting payment of operations and maintenance expenses. The non-rated interest rate assumed in the attached analysis is 7.50%. Exact interest rates, bond sizes and issue timing will be determined by the actual District buildout timing and property value.

VDW Metropolitan District
Development Pro-Forma - 40 Mills

		1/1/02	7/1/02	01/01/03	07/01/03	01/01/04	07/01/04	01/01/05	07/01/05	01/01/06	07/01/06	01/01/07	07/01/07	01/01/08	07/01/08
Parcel 1															
Single Family - ($/EA)	$ 200,000														
Units on Line				-		75		100		105		120		120	
Cumulative Units on Tax Rolls							-		75		175		280		400
Actual Value on Tax Rolls							-	-	15,000,000	-	35,000,000	-	56,000,000	-	80,000,000
Assessed Value	9.15%						-	-	1,372,500	-	3,202,500	-	5,124,000	-	7,320,000
Parcel 2															
Multi Family - ($/EA)	$ 140,000														
Units on Line				-		25		50		60		60		60	
Cumulative Units on Tax Rolls							-		25		75		135		195
Actual Value on Tax Rolls							-	-	3,500,000	-	10,500,000	-	18,900,000	-	27,300,000
Assessed Value	9 15%						-	-	320,250	-	960,750	-	1,729,350	-	2,497,950
Parcel 3															
Commercial SF - ($/SF)	130														
Square Feet on Line						-		75,000		50,000		75,000		50,000	-
Cumulative Sq Ft on Tax Rolls									-		75,000		125,000		200,000
Actual Value on Tax Rolls									-	-	9,750,000	-	16,250,000	-	26,000,000
Assessed Value	29 00%								-	-	2,827,500	-	4,712,500	-	7,540,000
Total Actual Value on Tax Rolls							-	-	18,500,000	-	55,250,000	-	91,150,000	-	133,300,000
Total Assessed Value on Tax Rolls							-	-	1,692,750	-	6,990,750	-	11,565,850	-	17,357,950
Annual Revenue Generated (mills)	40					-	-		67,710		279,630		462,634		694,318
Residential System Dev Fee (/unit)	$ -					-	-	-	-	-	-	-	-	-	-
Residential O&M Fee (/mnth)	$ -						-	-	-	-	-	-	-	-	-
Commercial System Dev. Fee (/sq ft)	$ -							-	-	-	-	-	-	-	-
Commercial O&M Fee (/1,000 sq ft /yr)	$ -								-	-	-	-	-	-	-
Total Revenue						-	-	-	67,710	-	279,630	-	462,634	-	694,318
Annual O&M Expenses			-		-		(90,000)		(91,800)		(93,636)		(95,509)		(97,419)
Running O&M Fund Deficit			-		-		(90,000)		(114,090)		71,904		-		-
Annual Rev. Available for D/S			-		-		-		-		71,904		367,125		596,899
Series 2006 DS ($4.5 MM Available Proceeds)			-		-		-		-		-		(365,300)		(595,300)
Series 2009 DS ($3 MM Available Proceeds)			-		-		-		-		-		-		-
Series 2012 DS ($4 635 Available MM Proceeds)			-		-		-		-		-		-		-
Total Debt Service (12.135MM Proceeds)			-		-		-		-		-		(365,300)		(595,300)
Surplus			-		-		-		-		71,904		1,825		1,599

VDW Metropolitan District
Development Pro-Forma - 40 Mills

	01/01/09	07/01/09	01/01/10	07/01/10	01/01/11	07/01/11	01/01/12	07/01/12	01/01/13	07/01/13	01/01/14	07/01/14	01/01/15	07/01/15	01/01/16
Parcel 1															
Single Family - ($/EA)															
Units on Line	30		-		-		-		-		-		-		-
Cumulative Units on Tax Rolls		520		550		550		550		550		550		550	
Actual Value on Tax Rolls	-	104,000,000	-	110,000,000	-	110,000,000	-	110,000,000	-	110,000,000	-	110,000,000	-	110,000,000	-
Assessed Value	-	9,516,000	-	10,065,000	-	10,065,000	-	10,065,000	-	10,065,000	-	10,065,000	-	10,065,000	-
Parcel 2															
Multi Family - ($/EA)															
Units on Line	25		-		-		-		-		-		-		-
Cumulative Units on Tax Rolls		255		280		280		280		280		280		280	
Actual Value on Tax Rolls	-	35,700,000	-	39,200,000	-	39,200,000	-	39,200,000	-	39,200,000	-	39,200,000	-	39,200,000	-
Assessed Value	-	3,266,550	-	3,586,800	-	3,586,800	-	3,586,800	-	3,586,800	-	3,586,800	-	3,586,800	-
Parcel 3															
Commercial SF - ($/SF)															
Square Feet on Line	125,000		-		-		-		-		-		-		-
Cumulative Sq. Ft. on Tax Rolls		250,000		375,000		375,000		375,000		375,000		375,000		375,000	
Actual Value on Tax Rolls	-	32,500,000	-	48,750,000	-	48,750,000	-	48,750,000	-	48,750,000	-	48,750,000	-	48,750,000	-
Assessed Value	-	9,425,000	-	14,137,500	-	14,137,500	-	14,137,500	-	14,137,500	-	14,137,500	-	14,137,500	-
Total Actual Value on Tax Rolls	-	172,200,000	-	197,950,000	-	197,950,000	-	197,950,000	-	197,950,000	-	197,950,000	-	197,950,000	-
Total Assessed Value on Tax Rolls	-	22,207,550	-	27,789,300	-	27,789,300	-	27,789,300	-	27,789,300	-	27,789,300	-	27,789,300	-
Annual Revenue Generated (mills)		888,302		1,111,572		1,111,572		1,111,572		1,111,572		1,111,572		1,111,572	
Residential System Dev. Fee (/unit)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Residential O&M Fee (/mnth)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial System Dev. Fee (/sq ft)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial O&M Fee (/1,000 sq ft /yr)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	-	888,302	-	1,111,572	-	1,111,572	-	1,111,572	-	1,111,572	-	1,111,572	-	1,111,572	-
Annual O&M Expenses		(99,367)		(101,355)		(103,382)		(105,449)		(107,558)		(109,709)		(111,904)	
Running O&M Fund Deficit		-		-		-		-		-		-		-	
Annual Rev. Available for D/S		788,935		1,010,217		1,008,190		1,006,123		1,004,014		1,001,863		999,668	
Series 2006 DS ($4.5 MM Available Pr		(788,050)		(405,050)		(403,300)		(406,175)		(403,300)		(400,050)		(401,425)	
Series 2009 DS ($3 MM Available Proc		-		(600,350)		(603,725)		(599,850)		(194,100)		(196,475)		(193,475)	
Series 2012 DS ($4.635 Available MM I		-		-		-		-		(404,850)		(402,600)		(400,350)	
Total Debt Service (12.135MM Proceec		(788,050)		(1,005,400)		(1,007,025)		(1,006,025)		(1,002,250)		(999,125)		(995,250)	
Surplus		885		4,817		1,165		98	-	1,764	-	2,738	-	4,418	-

VDW Metropolitan District
Development Pro-Forma - 40 Mills

	07/01/16	01/01/17	07/01/17	01/01/18	07/01/18	01/01/19	.07/01/19	01/01/20	07/01/20	01/01/21	07/01/21	01/01/22	07/01/22	01/01/23	07/01/23
Parcel 1															
Single Family - ($/EA)															
Units on Line		-		-		-		-		-		-		-	
Cumulative Units on Tax Rolls	550	-	550	-	550	-	550	-	550	-	550	-	550	-	550
Actual Value on Tax Rolls	110,000,000	-	110,000,000	-	110,000,000	-	110,000,000	-	110,000,000	-	110,000,000	-	110,000,000	-	110,000,000
Assessed Value	10,065,000	-	10,065,000	-	10,065,000	-	10,065,000	-	10,065,000	-	10,065,000	-	10,065,000	-	10,065,000
Parcel 2															
Multi Family - ($/EA)															
Units on Line		-		-		-		-		-		-		-	
Cumulative Units on Tax Rolls	280	-	280	-	280	-	280	-	280	-	280	-	280	-	280
Actual Value on Tax Rolls	39,200,000	-	39,200,000	-	39,200,000	-	39,200,000	-	39,200,000	-	39,200,000	-	39,200,000	-	39,200,000
Assessed Value	3,586,800	-	3,586,800	-	3,586,800	-	3,586,800	-	3,586,800	-	3,586,800	-	3,586,800	-	3,586,800
Parcel 3															
Commercial SF - ($/SF)															
Square Feet on Line		-		-		-		-		-		-		-	
Cumulative Sq. Ft. on Tax Rolls	375,000	-	375,000	-	375,000	-	375,000	-	375,000	-	375,000	-	375,000	-	375,000
Actual Value on Tax Rolls	48,750,000	-	48,750,000	-	48,750,000	-	48,750,000	-	48,750,000	-	48,750,000	-	48,750,000	-	48,750,000
Assessed Value	14,137,500	-	14,137,500	-	14,137,500	-	14,137,500	-	14,137,500	-	14,137,500	-	14,137,500	-	14,137,500
Total Actual Value on Tax Rolls	197,950,000	-	197,950,000	-	197,950,000	-	197,950,000	-	197,950,000	-	197,950,000	-	197,950,000	-	197,950,000
Total Assessed Value on Tax Rolls	27,789,300	-	27,789,300	-	27,789,300	-	27,789,300	-	27,789,300	-	27,789,300	-	27,789,300	-	27,789,300
Annual Revenue Generated (mills)	1,111,572		1,111,572		1,111,572		1,111,572		1,111,572		1,111,572		1,111,572		1,111,572
Residential System Dev Fee (/unit)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential O&M Fee (/mnth)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial System Dev. Fee (/sq ft)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial O&M Fee (/1,000 sq ft /yr)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	1,111,572	-	1,111,572	-	1,111,572	-	1,111,572	-	1,111,572	-	1,111,572	-	1,111,572	-	1,111,572
Annual O&M Expenses	(114,142)		(116,425)		(118,753)		(121,128)		(123,551)		(126,022)		(128,542)		(131,113)
Running O&M Fund Deficit	-		-		-		-		-		-		-		-
Annual Rev. Available for D/S	997,430		995,147		992,819		990,444		988,021		985,550		983,030		980,459
Series 2006 DS ($4.5 MM Available Pr	(402,050)		(401,925)		(396,050)		(399,800)		(397,425)		(394,300)		(395,425)		(390,425)
Series 2009 DS ($3 MM Available Proc	(195,475)		(192,100)		(193,725)		(189,975)		(191,225)		(192,100)		(192,600)		(192,725)
Series 2012 DS ($4.635 Available MM I	(398,100)		(400,850)		(398,225)		(395,600)		(397,975)		(394,975)		(391,975)		(393,975)
Total Debt Service (12.135MM Proceec	(995,625)		(994,875)		(988,000)		(985,375)		(986,625)		(981,375)		(980,000)		(977,125)
Surplus	1,805	-	272	-	4,819	-	5,069	-	1,396	-	4,175	-	3,030	-	3,334

VDW Metropolitan District
Development Pro-Forma - 40 Mills

	01/01/24	07/01/24	01/01/25	07/01/25	01/01/26	07/01/26	01/01/27	07/01/27	01/01/28	07/01/28	01/01/29	07/01/29	01/01/30	07/01/30	01/01/31
Parcel 1															
Single Family - ($/EA)															
Units on Line	-		-		-		-		-		-		-		-
Cumulative Units on Tax Rolls		550		550		550		550		550		550		550	
Actual Value on Tax Rolls	-	110,000,000	-	110,000,000	-	110,000,000	-	110,000,000	-	110,000,000	-	110,000,000	-	110,000,000	-
Assessed Value	-	10,065,000	-	10,065,000	-	10,065,000	-	10,065,000	-	10,065,000	-	10,065,000	-	10,065,000	-
Parcel 2															
Multi Family - ($/EA)															
Units on Line	-		-		-		-		-		-		-		-
Cumulative Units on Tax Rolls		280		280		280		280		280		280		280	
Actual Value on Tax Rolls	-	39,200,000	-	39,200,000	-	39,200,000	-	39,200,000	-	39,200,000	-	39,200,000	-	39,200,000	-
Assessed Value	-	3,586,800	-	3,586,800	-	3,586,800	-	3,586,800	-	3,586,800	-	3,586,800	-	3,586,800	-
Parcel 3															
Commercial SF - ($/SF)															
Square Feet on Line	-		-		-		-		-		-		-		-
Cumulative Sq. Ft. on Tax Rolls		375,000		375,000		375,000		375,000		375,000		375,000		375,000	
Actual Value on Tax Rolls	-	48,750,000	-	48,750,000	-	48,750,000	-	48,750,000	-	48,750,000	-	48,750,000	-	48,750,000	-
Assessed Value	-	14,137,500	-	14,137,500	-	14,137,500	-	14,137,500	-	14,137,500	-	14,137,500	-	14,137,500	-
Total Actual Value on Tax Rolls	-	197,950,000	-	197,950,000	-	197,950,000	-	197,950,000	-	197,950,000	-	197,950,000	-	197,950,000	-
Total Assessed Value on Tax Rolls	-	27,789,300	-	27,789,300	-	27,789,300	-	27,789,300	-	27,789,300	-	27,789,300	-	27,789,300	-
Annual Revenue Generated (mills)		1,111,572		1,111,572		1,111,572		1,111,572		1,111,572		1,111,572		1,111,572	
Residential System Dev. Fee (/unit)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential O&M Fee (/mnth)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial System Dev. Fee (/sq ft)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial O&M Fee (/1,000 sq ft /yr)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	-	1,111,572	-	1,111,572	-	1,111,572	-	1,111,572	-	1,111,572	-	1,111,572	-	1,111,572	-
Annual O&M Expenses		(133,735)		(136,410)		(139,138)		(141,921)		(144,759)		(147,655)		(150,608)	
Running O&M Fund Deficit		-		-		-		-		-		-		-	
Annual Rev. Available for D/S		977,837		975,162		972,434		969,651		966,813		963,917		960,964	
Series 2006 DS ($4.5 MM Available Pr		(389,675)		(392,800)		(389,425)		(389,925)		(388,925)		(386,425)		(382,425)	
Series 2009 DS ($3 MM Available Proc		(192,475)		(186,850)		(186,225)		(185,225)		(188,850)		(186,725)		(184,225)	
Series 2012 DS ($4.635 Available MM I		(390,600)		(392,225)		(393,475)		(394,350)		(384,850)		(385,725)		(391,225)	
Total Debt Service (12.135MM Proceec		(972,750)		(971,875)		(969,125)		(969,500)		(962,625)		(958,875)		(957,875)	
Surplus	-	5,087	-	3,287	-	3,309	-	151	-	4,188	-	5,042	-	3,089	-

VDW Metropolitan District
Development Pro-Forma - 40 Mills

	07/01/31	01/01/32	07/01/32	01/01/33	07/01/33	01/01/34	07/01/34	01/01/35	07/01/35	01/01/36	07/01/36	01/01/37	07/01/37
Parcel 1													
Single Family - ($/EA)													
Units on Line		-		-		-		-		-		-	
Cumulative Units on Tax Rolls	550		550		550		550		550		550		550
Actual Value on Tax Rolls	110,000,000	-	110,000,000	-	110,000,000	-	110,000,000	-	110,000,000	-	110,000,000	-	110,000,000
Assessed Value	10,065,000	-	10,065,000	-	10,065,000	-	10,065,000	-	10,065,000	-	10,065,000	-	10,065,000
Parcel 2													
Multi Family - ($/EA)													
Units on Line		-		-		-		-		-		-	
Cumulative Units on Tax Rolls	280		280		280		280		280		280		280
Actual Value on Tax Rolls	39,200,000	-	39,200,000	-	39,200,000	-	39,200,000	-	39,200,000	-	39,200,000	-	39,200,000
Assessed Value	3,586,800	-	3,586,800	-	3,586,800	-	3,586,800	-	3,586,800	-	3,586,800	-	3,586,800
Parcel 3													
Commercial SF - ($/SF)													
Square Feet on Line		-		-		-		-		-		-	
Cumulative Sq. Ft. on Tax Rolls	375,000		375,000		375,000		375,000		375,000		375,000		375,000
Actual Value on Tax Rolls	48,750,000	-	48,750,000	-	48,750,000	-	48,750,000	-	48,750,000	-	48,750,000	-	48,750,000
Assessed Value	14,137,500	-	14,137,500	-	14,137,500	-	14,137,500	-	14,137,500	-	14,137,500	-	14,137,500
Total Actual Value on Tax Rolls	197,950,000	-	197,950,000	-	197,950,000	-	197,950,000	-	197,950,000	-	197,950,000	-	197,950,000
Total Assessed Value on Tax Rolls	27,789,300	-	27,789,300	-	27,789,300	-	27,789,300	-	27,789,300	-	27,789,300	-	27,789,300
Annual Revenue Generated (mills)	1,111,572		1,111,572		1,111,572		1,111,572		1,111,572		1,111,572		1,111,572
Residential System Dev Fee (/unit)	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential O&M Fee (/mnth)	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial System Dev. Fee (/sq ft)	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial O&M Fee (/1,000 sq ft /yr)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	1,111,572	-	1,111,572	-	1,111,572	-	1,111,572	-	1,111,572	-	1,111,572	-	1,111,572
Annual O&M Expenses	(153,620)		(156,692)		(159,826)		(163,023)		(166,283)		(169,609)		(173,001)
Running O&M Fund Deficit	-		-		-		-		-		-		-
Annual Rev. Available for D/S	957,952		954,880		951,746		948,549		945,289		941,963		938,571
Series 2006 DS ($4.5 MM Available Pr	(50,425)		-		-		-		-		-		-
Series 2009 DS ($3 MM Available Proc	(296,350)		(314,475)		(314,975)		(83,475)		-		-		-
Series 2012 DS ($4.635 Available MM I	(610,975)		(638,850)		(632,975)		(860,600)		(944,100)		(937,850)		(937,350)
Total Debt Service (12.135MM Proceed	(957,750)		(953,325)		(947,950)		(944,075)		(944,100)		(937,850)		(937,350)
Surplus	202	-	1,555	-	3,796	-	4,474	-	1,189	-	4,113	-	1,221

SOURCES AND USES OF FUNDS

VDW Metropolitan District
Series 2006

Dated Date	07/01/2006
Delivery Date	07/01/2006

Sources:	
Bond Proceeds:	
Par Amount	5,255,000.00
	5,255,000.00

Uses:	
Project Fund Deposits:	
Retire Notes	4,500,000.00
Other Fund Deposits:	
Debt Service Reserve Fund	576,500.00
Delivery Date Expenses:	
Cost of Issuance	178,825.00
Other Uses of Funds:	
Additional Proceeds	(325.00)
	5,255,000.00

BOND DEBT SERVICE

VDW Metropolitan District
Series 2006

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
07/01/2006					
01/01/2007			197,062.50	197,062.50	
07/01/2007			197,062.50	197,062.50	394,125
01/01/2008			197,062.50	197,062.50	
07/01/2008	230,000	7.500%	197,062.50	427,062.50	624,125
01/01/2009			188,437.50	188,437.50	
07/01/2009	440,000	7.500%	188,437.50	628,437.50	816,875
01/01/2010			171,937.50	171,937.50	
07/01/2010	90,000	7.500%	171,937.50	261,937.50	433,875
01/01/2011			168,562.50	168,562.50	
07/01/2011	95,000	7.500%	168,562.50	263,562.50	432,125
01/01/2012			165,000.00	165,000.00	
07/01/2012	105,000	7.500%	165,000.00	270,000.00	435,000
01/01/2013			161,062.50	161,062.50	
07/01/2013	110,000	7.500%	161,062.50	271,062.50	432,125
01/01/2014			156,937.50	156,937.50	
07/01/2014	115,000	7.500%	156,937.50	271,937.50	428,875
01/01/2015			152,625.00	152,625.00	
07/01/2015	125,000	7.500%	152,625.00	277,625.00	430,250
01/01/2016			147,937.50	147,937.50	
07/01/2016	135,000	7.500%	147,937.50	282,937.50	430,875
01/01/2017			142,875.00	142,875.00	
07/01/2017	145,000	7.500%	142,875.00	287,875.00	430,750
01/01/2018			137,437.50	137,437.50	
07/01/2018	150,000	7.500%	137,437.50	287,437.50	424,875
01/01/2019			131,812.50	131,812.50	
07/01/2019	165,000	7.500%	131,812.50	296,812.50	428,625
01/01/2020			125,625.00	125,625.00	
07/01/2020	175,000	7.500%	125,625.00	300,625.00	426,250
01/01/2021			119,062.50	119,062.50	
07/01/2021	185,000	7.500%	119,062.50	304,062.50	423,125
01/01/2022			112,125.00	112,125.00	
07/01/2022	200,000	7.500%	112,125.00	312,125.00	424,250
01/01/2023			104,625.00	104,625.00	
07/01/2023	210,000	7.500%	104,625.00	314,625.00	419,250
01/01/2024			96,750.00	96,750.00	
07/01/2024	225,000	7.500%	96,750.00	321,750.00	418,500
01/01/2025			88,312.50	88,312.50	
07/01/2025	245,000	7.500%	88,312.50	333,312.50	421,625
01/01/2026			79,125.00	79,125.00	
07/01/2026	260,000	7.500%	79,125.00	339,125.00	418,250
01/01/2027			69,375.00	69,375.00	
07/01/2027	280,000	7.500%	69,375.00	349,375.00	418,750
01/01/2028			58,875.00	58,875.00	
07/01/2028	300,000	7.500%	58,875.00	358,875.00	417,750
01/01/2029			47,625.00	47,625.00	
07/01/2029	320,000	7.500%	47,625.00	367,625.00	415,250
01/01/2030			35,625.00	35,625.00	
07/01/2030	340,000	7.500%	35,625.00	375,625.00	411,250
01/01/2031			22,875.00	22,875.00	
07/01/2031	610,000	7.500%	22,875.00	632,875.00	655,750
	5,255,000		6,157,500.00	11,412,500.00	11,412,500

NET DEBT SERVICE

VDW Metropolitan District
Series 2006

Period Ending	Total Debt Service	Debt Service Reserve Fund	Net Debt Service
07/01/2007	394,125	28,825	365,300
07/01/2008	624,125	28,825	595,300
07/01/2009	816,875	28,825	788,050
07/01/2010	433,875	28,825	405,050
07/01/2011	432,125	28,825	403,300
07/01/2012	435,000	28,825	406,175
07/01/2013	432,125	28,825	403,300
07/01/2014	428,875	28,825	400,050
07/01/2015	430,250	28,825	401,425
07/01/2016	430,875	28,825	402,050
07/01/2017	430,750	28,825	401,925
07/01/2018	424,875	28,825	396,050
07/01/2019	428,625	28,825	399,800
07/01/2020	426,250	28,825	397,425
07/01/2021	423,125	28,825	394,300
07/01/2022	424,250	28,825	395,425
07/01/2023	419,250	28,825	390,425
07/01/2024	418,500	28,825	389,675
07/01/2025	421,625	28,825	392,800
07/01/2026	418,250	28,825	389,425
07/01/2027	418,750	28,825	389,925
07/01/2028	417,750	28,825	388,925
07/01/2029	415,250	28,825	386,425
07/01/2030	411,250	28,825	382,425
07/01/2031	655,750	605,325	50,425
	11,412,500	1,297,125	10,115,375

RESERVE FUND

VDW Metropolitan District
Series 2006

<u>Debt Service Reserve Fund (DSRF)</u>

Date	Deposit	Interest @ 5%	Principal	Debt Service	Balance
07/01/2006	576,500				576,500
01/01/2007		14,412.50		(14,412.50)	576,500
07/01/2007		14,412.50		(14,412.50)	576,500
01/01/2008		14,412.50		(14,412.50)	576,500
07/01/2008		14,412.50		(14,412.50)	576,500
01/01/2009		14,412.50		(14,412.50)	576,500
07/01/2009		14,412.50		(14,412.50)	576,500
01/01/2010		14,412.50		(14,412.50)	576,500
07/01/2010		14,412.50		(14,412.50)	576,500
01/01/2011		14,412.50		(14,412.50)	576,500
07/01/2011		14,412.50		(14,412.50)	576,500
01/01/2012		14,412.50		(14,412.50)	576,500
07/01/2012		14,412.50		(14,412.50)	576,500
01/01/2013		14,412.50		(14,412.50)	576,500
07/01/2013		14,412.50		(14,412.50)	576,500
01/01/2014		14,412.50		(14,412.50)	576,500
07/01/2014		14,412.50		(14,412.50)	576,500
01/01/2015		14,412.50		(14,412.50)	576,500
07/01/2015		14,412.50		(14,412.50)	576,500
01/01/2016		14,412.50		(14,412.50)	576,500
07/01/2016		14,412.50		(14,412.50)	576,500
01/01/2017		14,412.50		(14,412.50)	576,500
07/01/2017		14,412.50		(14,412.50)	576,500
01/01/2018		14,412.50		(14,412.50)	576,500
07/01/2018		14,412.50		(14,412.50)	576,500
01/01/2019		14,412.50		(14,412.50)	576,500
07/01/2019		14,412.50		(14,412.50)	576,500
01/01/2020		14,412.50		(14,412.50)	576,500
07/01/2020		14,412.50		(14,412.50)	576,500
01/01/2021		14,412.50		(14,412.50)	576,500
07/01/2021		14,412.50		(14,412.50)	576,500
01/01/2022		14,412.50		(14,412.50)	576,500
07/01/2022		14,412.50		(14,412.50)	576,500
01/01/2023		14,412.50		(14,412.50)	576,500
07/01/2023		14,412.50		(14,412.50)	576,500
01/01/2024		14,412.50		(14,412.50)	576,500
07/01/2024		14,412.50		(14,412.50)	576,500
01/01/2025		14,412.50		(14,412.50)	576,500
07/01/2025		14,412.50		(14,412.50)	576,500
01/01/2026		14,412.50		(14,412.50)	576,500
07/01/2026		14,412.50		(14,412.50)	576,500
01/01/2027		14,412.50		(14,412.50)	576,500
07/01/2027		14,412.50		(14,412.50)	576,500
01/01/2028		14,412.50		(14,412.50)	576,500
07/01/2028		14,412.50		(14,412.50)	576,500
01/01/2029		14,412.50		(14,412.50)	576,500
07/01/2029		14,412.50		(14,412.50)	576,500
01/01/2030		14,412.50		(14,412.50)	576,500
07/01/2030		14,412.50		(14,412.50)	576,500
01/01/2031		14,412.50		(14,412.50)	576,500
07/01/2031		14,412.50	576,500	(590,912.50)	
	576,500	720,625.00	576,500	(1,297,125.00)	

Average Life (years): 25.0000

SOURCES AND USES OF FUNDS

VDW Metropolitan District
Series 2009

Dated Date	07/01/2009
Delivery Date	07/01/2009

Sources:	
Bond Proceeds:	
Par Amount	3,505,000.00
	3,505,000.00

Uses:	
Project Fund Deposits:	
Retire Notes	3,000,000.00
Other Fund Deposits:	
Debt Service Reserve Fund	350,500.00
Delivery Date Expenses:	
Cost of Issuance	152,575.00
Other Uses of Funds:	
Additional Proceeds	1,925.00
	3,505,000.00

BOND DEBT SERVICE

VDW Metropolitan District
Series 2009

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
07/01/2009					
01/01/2010			131,437.50	131,437.50	
07/01/2010	355,000	7.500%	131,437.50	486,437.50	617,875
01/01/2011			118,125.00	118,125.00	
07/01/2011	385,000	7.500%	118,125.00	503,125.00	621,250
01/01/2012			103,687.50	103,687.50	
07/01/2012	410,000	7.500%	103,687.50	513,687.50	617,375
01/01/2013			88,312.50	88,312.50	
07/01/2013	35,000	7.500%	88,312.50	123,312.50	211,625
01/01/2014			87,000.00	87,000.00	
07/01/2014	40,000	7.500%	87,000.00	127,000.00	214,000
01/01/2015			85,500.00	85,500.00	
07/01/2015	40,000	7.500%	85,500.00	125,500.00	211,000
01/01/2016			84,000.00	84,000.00	
07/01/2016	45,000	7.500%	84,000.00	129,000.00	213,000
01/01/2017			82,312.50	82,312.50	
07/01/2017	45,000	7.500%	82,312.50	127,312.50	209,625
01/01/2018			80,625.00	80,625.00	
07/01/2018	50,000	7.500%	80,625.00	130,625.00	211,250
01/01/2019			78,750.00	78,750.00	
07/01/2019	50,000	7.500%	78,750.00	128,750.00	207,500
01/01/2020			76,875.00	76,875.00	
07/01/2020	55,000	7.500%	76,875.00	131,875.00	208,750
01/01/2021			74,812.50	74,812.50	
07/01/2021	60,000	7.500%	74,812.50	134,812.50	209,625
01/01/2022			72,562.50	72,562.50	
07/01/2022	65,000	7.500%	72,562.50	137,562.50	210,125
01/01/2023			70,125.00	70,125.00	
07/01/2023	70,000	7.500%	70,125.00	140,125.00	210,250
01/01/2024			67,500.00	67,500.00	
07/01/2024	75,000	7.500%	67,500.00	142,500.00	210,000
01/01/2025			64,687.50	64,687.50	
07/01/2025	75,000	7.500%	64,687.50	139,687.50	204,375
01/01/2026			61,875.00	61,875.00	
07/01/2026	80,000	7.500%	61,875.00	141,875.00	203,750
01/01/2027			58,875.00	58,875.00	
07/01/2027	85,000	7.500%	58,875.00	143,875.00	202,750
01/01/2028			55,687.50	55,687.50	
07/01/2028	95,000	7.500%	55,687.50	150,687.50	206,375
01/01/2029			52,125.00	52,125.00	
07/01/2029	100,000	7.500%	52,125.00	152,125.00	204,250
01/01/2030			48,375.00	48,375.00	
07/01/2030	105,000	7.500%	48,375.00	153,375.00	201,750
01/01/2031			44,437.50	44,437.50	
07/01/2031	225,000	7.500%	44,437.50	269,437.50	313,875
01/01/2032			36,000.00	36,000.00	
07/01/2032	260,000	7.500%	36,000.00	296,000.00	332,000
01/01/2033			26,250.00	26,250.00	
07/01/2033	280,000	7.500%	26,250.00	306,250.00	332,500
01/01/2034			15,750.00	15,750.00	
07/01/2034	420,000	7.500%	15,750.00	435,750.00	451,500
	3,505,000		3,531,375.00	7,036,375.00	7,036,375

NET DEBT SERVICE

VDW Metropolitan District
Series 2009

Period Ending	Total Debt Service	Debt Service Reserve Fund	Net Debt Service
07/01/2010	617,875	17,525	600,350
07/01/2011	621,250	17,525	603,725
07/01/2012	617,375	17,525	599,850
07/01/2013	211,625	17,525	194,100
07/01/2014	214,000	17,525	196,475
07/01/2015	211,000	17,525	193,475
07/01/2016	213,000	17,525	195,475
07/01/2017	209,625	17,525	192,100
07/01/2018	211,250	17,525	193,725
07/01/2019	207,500	17,525	189,975
07/01/2020	208,750	17,525	191,225
07/01/2021	209,625	17,525	192,100
07/01/2022	210,125	17,525	192,600
07/01/2023	210,250	17,525	192,725
07/01/2024	210,000	17,525	192,475
07/01/2025	204,375	17,525	186,850
07/01/2026	203,750	17,525	186,225
07/01/2027	202,750	17,525	185,225
07/01/2028	206,375	17,525	188,850
07/01/2029	204,250	17,525	186,725
07/01/2030	201,750	17,525	184,225
07/01/2031	313,875	17,525	296,350
07/01/2032	332,000	17,525	314,475
07/01/2033	332,500	17,525	314,975
07/01/2034	451,500	368,025	83,475
	7,036,375	788,625	6,247,750

RESERVE FUND

VDW Metropolitan District
Series 2009

Debt Service Reserve Fund (DSRF)

Date	Deposit	Interest @ 5%	Principal	Debt Service	Balance
07/01/2009	350,500				350,500
01/01/2010		8,762.50		(8,762.50)	350,500
07/01/2010		8,762.50		(8,762.50)	350,500
01/01/2011		8,762.50		(8,762.50)	350,500
07/01/2011		8,762.50		(8,762.50)	350,500
01/01/2012		8,762.50		(8,762.50)	350,500
07/01/2012		8,762.50		(8,762.50)	350,500
01/01/2013		8,762.50		(8,762.50)	350,500
07/01/2013		8,762.50		(8,762.50)	350,500
01/01/2014		8,762.50		(8,762.50)	350,500
07/01/2014		8,762.50		(8,762.50)	350,500
01/01/2015		8,762.50		(8,762.50)	350,500
07/01/2015		8,762.50		(8,762.50)	350,500
01/01/2016		8,762.50		(8,762.50)	350,500
07/01/2016		8,762.50		(8,762.50)	350,500
01/01/2017		8,762.50		(8,762.50)	350,500
07/01/2017		8,762.50		(8,762.50)	350,500
01/01/2018		8,762.50		(8,762.50)	350,500
07/01/2018		8,762.50		(8,762.50)	350,500
01/01/2019		8,762.50		(8,762.50)	350,500
07/01/2019		8,762.50		(8,762.50)	350,500
01/01/2020		8,762.50		(8,762.50)	350,500
07/01/2020		8,762.50		(8,762.50)	350,500
01/01/2021		8,762.50		(8,762.50)	350,500
07/01/2021		8,762.50		(8,762.50)	350,500
01/01/2022		8,762.50		(8,762.50)	350,500
07/01/2022		8,762.50		(8,762.50)	350,500
01/01/2023		8,762.50		(8,762.50)	350,500
07/01/2023		8,762.50		(8,762.50)	350,500
01/01/2024		8,762.50		(8,762.50)	350,500
07/01/2024		8,762.50		(8,762.50)	350,500
01/01/2025		8,762.50		(8,762.50)	350,500
07/01/2025		8,762.50		(8,762.50)	350,500
01/01/2026		8,762.50		(8,762.50)	350,500
07/01/2026		8,762.50		(8,762.50)	350,500
01/01/2027		8,762.50		(8,762.50)	350,500
07/01/2027		8,762.50		(8,762.50)	350,500
01/01/2028		8,762.50		(8,762.50)	350,500
07/01/2028		8,762.50		(8,762.50)	350,500
01/01/2029		8,762.50		(8,762.50)	350,500
07/01/2029		8,762.50		(8,762.50)	350,500
01/01/2030		8,762.50		(8,762.50)	350,500
07/01/2030		8,762.50		(8,762.50)	350,500
01/01/2031		8,762.50		(8,762.50)	350,500
07/01/2031		8,762.50		(8,762.50)	350,500
01/01/2032		8,762.50		(8,762.50)	350,500
07/01/2032		8,762.50		(8,762.50)	350,500
01/01/2033		8,762.50		(8,762.50)	350,500
07/01/2033		8,762.50		(8,762.50)	350,500
01/01/2034		8,762.50		(8,762.50)	350,500
07/01/2034		8,762.50	350,500	(359,262.50)	
	350,500	438,125.00	350,500	(788,625.00)	

Average Life (years): 25.0000

SOURCES AND USES OF FUNDS

VDW Metropolitan District
Series 2012

Dated Date	07/01/2012
Delivery Date	07/01/2012

Sources:	
Bond Proceeds:	
Par Amount	5,355,000.00
	5,355,000.00

Uses:	
Project Fund Deposits:	
Retire Notes	4,635,000.00
Other Fund Deposits:	
Debt Service Reserve Fund	535,500.00
Delivery Date Expenses:	
Cost of Issuance	180,325.00
Other Uses of Funds:	
Additional Proceeds	4,175.00
	5,355,000.00

RESERVE FUND

VDW Metropolitan District
Series 2009

Debt Service Reserve Fund (DSRF)

Date	Deposit	Interest @ 5%	Principal	Debt Service	Balance
07/01/2009	350,500				350,500
01/01/2010		8,762.50		(8,762.50)	350,500
07/01/2010		8,762.50		(8,762.50)	350,500
01/01/2011		8,762.50		(8,762.50)	350,500
07/01/2011		8,762.50		(8,762.50)	350,500
01/01/2012		8,762.50		(8,762.50)	350,500
07/01/2012		8,762.50		(8,762.50)	350,500
01/01/2013		8,762.50		(8,762.50)	350,500
07/01/2013		8,762.50		(8,762.50)	350,500
01/01/2014		8,762.50		(8,762.50)	350,500
07/01/2014		8,762.50		(8,762.50)	350,500
01/01/2015		8,762.50		(8,762.50)	350,500
07/01/2015		8,762.50		(8,762.50)	350,500
01/01/2016		8,762.50		(8,762.50)	350,500
07/01/2016		8,762.50		(8,762.50)	350,500
01/01/2017		8,762.50		(8,762.50)	350,500
07/01/2017		8,762.50		(8,762.50)	350,500
01/01/2018		8,762.50		(8,762.50)	350,500
07/01/2018		8,762.50		(8,762.50)	350,500
01/01/2019		8,762.50		(8,762.50)	350,500
07/01/2019		8,762.50		(8,762.50)	350,500
01/01/2020		8,762.50		(8,762.50)	350,500
07/01/2020		8,762.50		(8,762.50)	350,500
01/01/2021		8,762.50		(8,762.50)	350,500
07/01/2021		8,762.50		(8,762.50)	350,500
01/01/2022		8,762.50		(8,762.50)	350,500
07/01/2022		8,762.50		(8,762.50)	350,500
01/01/2023		8,762.50		(8,762.50)	350,500
07/01/2023		8,762.50		(8,762.50)	350,500
01/01/2024		8,762.50		(8,762.50)	350,500
07/01/2024		8,762.50		(8,762.50)	350,500
01/01/2025		8,762.50		(8,762.50)	350,500
07/01/2025		8,762.50		(8,762.50)	350,500
01/01/2026		8,762.50		(8,762.50)	350,500
07/01/2026		8,762.50		(8,762.50)	350,500
01/01/2027		8,762.50		(8,762.50)	350,500
07/01/2027		8,762.50		(8,762.50)	350,500
01/01/2028		8,762.50		(8,762.50)	350,500
07/01/2028		8,762.50		(8,762.50)	350,500
01/01/2029		8,762.50		(8,762.50)	350,500
07/01/2029		8,762.50		(8,762.50)	350,500
01/01/2030		8,762.50		(8,762.50)	350,500
07/01/2030		8,762.50		(8,762.50)	350,500
01/01/2031		8,762.50		(8,762.50)	350,500
07/01/2031		8,762.50		(8,762.50)	350,500
01/01/2032		8,762.50		(8,762.50)	350,500
07/01/2032		8,762.50		(8,762.50)	350,500
01/01/2033		8,762.50		(8,762.50)	350,500
07/01/2033		8,762.50		(8,762.50)	350,500
01/01/2034		8,762.50		(8,762.50)	350,500
07/01/2034		8,762.50	350,500	(359,262.50)	
	350,500	438,125.00	350,500	(788,625.00)	

Average Life (years): 25.0000

SOURCES AND USES OF FUNDS

VDW Metropolitan District
Series 2012

Dated Date	07/01/2012
Delivery Date	07/01/2012

Sources:	
Bond Proceeds:	
Par Amount	5,355,000.00
	5,355,000.00

Uses:	
Project Fund Deposits:	
Retire Notes	4,635,000.00
Other Fund Deposits:	
Debt Service Reserve Fund	535,500.00
Delivery Date Expenses:	
Cost of Issuance	180,325.00
Other Uses of Funds:	
Additional Proceeds	4,175.00
	5,355,000.00

BOND DEBT SERVICE

VDW Metropolitan District
Series 2012

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
07/01/2012					
01/01/2013			200,812.50	200,812.50	
07/01/2013	30,000	7.500%	200,812.50	230,812.50	431,625
01/01/2014			199,687.50	199,687.50	
07/01/2014	30,000	7.500%	199,687.50	229,687.50	429,375
01/01/2015			198,562.50	198,562.50	
07/01/2015	30,000	7.500%	198,562.50	228,562.50	427,125
01/01/2016			197,437.50	197,437.50	
07/01/2016	30,000	7.500%	197,437.50	227,437.50	424,875
01/01/2017			196,312.50	196,312.50	
07/01/2017	35,000	7.500%	196,312.50	231,312.50	427,625
01/01/2018			195,000.00	195,000.00	
07/01/2018	35,000	7.500%	195,000.00	230,000.00	425,000
01/01/2019			193,687.50	193,687.50	
07/01/2019	35,000	7.500%	193,687.50	228,687.50	422,375
01/01/2020			192,375.00	192,375.00	
07/01/2020	40,000	7.500%	192,375.00	232,375.00	424,750
01/01/2021			190,875.00	190,875.00	
07/01/2021	40,000	7.500%	190,875.00	230,875.00	421,750
01/01/2022			189,375.00	189,375.00	
07/01/2022	40,000	7.500%	189,375.00	229,375.00	418,750
01/01/2023			187,875.00	187,875.00	
07/01/2023	45,000	7.500%	187,875.00	232,875.00	420,750
01/01/2024			186,187.50	186,187.50	
07/01/2024	45,000	7.500%	186,187.50	231,187.50	417,375
01/01/2025			184,500.00	184,500.00	
07/01/2025	50,000	7.500%	184,500.00	234,500.00	419,000
01/01/2026			182,625.00	182,625.00	
07/01/2026	55,000	7.500%	182,625.00	237,625.00	420,250
01/01/2027			180,562.50	180,562.50	
07/01/2027	60,000	7.500%	180,562.50	240,562.50	421,125
01/01/2028			178,312.50	178,312.50	
07/01/2028	55,000	7.500%	178,312.50	233,312.50	411,625
01/01/2029			176,250.00	176,250.00	
07/01/2029	60,000	7.500%	176,250.00	236,250.00	412,500
01/01/2030			174,000.00	174,000.00	
07/01/2030	70,000	7.500%	174,000.00	244,000.00	418,000
01/01/2031			171,375.00	171,375.00	
07/01/2031	295,000	7.500%	171,375.00	466,375.00	637,750
01/01/2032			160,312.50	160,312.50	
07/01/2032	345,000	7.500%	160,312.50	505,312.50	665,625
01/01/2033			147,375.00	147,375.00	
07/01/2033	365,000	7.500%	147,375.00	512,375.00	659,750
01/01/2034			133,687.50	133,687.50	
07/01/2034	620,000	7.500%	133,687.50	753,687.50	887,375
01/01/2035			110,437.50	110,437.50	
07/01/2035	750,000	7.500%	110,437.50	860,437.50	970,875
01/01/2036			82,312.50	82,312.50	
07/01/2036	800,000	7.500%	82,312.50	882,312.50	964,625
01/01/2037			52,312.50	52,312.50	
07/01/2037	1,395,000	7.500%	52,312.50	1,447,312.50	1,499,625
	5,355,000		8,524,500.00	13,879,500.00	13,879,500

NET DEBT SERVICE

VDW Metropolitan District
Series 2012

Period Ending	Total Debt Service	Debt Service Reserve Fund	Net Debt Service
07/01/2013	431,625	26,775	404,850
07/01/2014	429,375	26,775	402,600
07/01/2015	427,125	26,775	400,350
07/01/2016	424,875	26,775	398,100
07/01/2017	427,625	26,775	400,850
07/01/2018	425,000	26,775	398,225
07/01/2019	422,375	26,775	395,600
07/01/2020	424,750	26,775	397,975
07/01/2021	421,750	26,775	394,975
07/01/2022	418,750	26,775	391,975
07/01/2023	420,750	26,775	393,975
07/01/2024	417,375	26,775	390,600
07/01/2025	419,000	26,775	392,225
07/01/2026	420,250	26,775	393,475
07/01/2027	421,125	26,775	394,350
07/01/2028	411,625	26,775	384,850
07/01/2029	412,500	26,775	385,725
07/01/2030	418,000	26,775	391,225
07/01/2031	637,750	26,775	610,975
07/01/2032	665,625	26,775	638,850
07/01/2033	659,750	26,775	632,975
07/01/2034	887,375	26,775	860,600
07/01/2035	970,875	26,775	944,100
07/01/2036	964,625	26,775	937,850
07/01/2037	1,499,625	562,275	937,350
	13,879,500	1,204,875	12,674,625

RESERVE FUND

VDW Metropolitan District
Series 2012

Debt Service Reserve Fund (DSRF)

Date	Deposit	Interest @ 5%	Principal	Debt Service	Balance
07/01/2012	535,500				535,500
01/01/2013		13,387.50		(13,387.50)	535,500
07/01/2013		13,387.50		(13,387.50)	535,500
01/01/2014		13,387.50		(13,387.50)	535,500
07/01/2014		13,387.50		(13,387.50)	535,500
01/01/2015		13,387.50		(13,387.50)	535,500
07/01/2015		13,387.50		(13,387.50)	535,500
01/01/2016		13,387.50		(13,387.50)	535,500
07/01/2016		13,387.50		(13,387.50)	535,500
01/01/2017		13,387.50		(13,387.50)	535,500
07/01/2017		13,387.50		(13,387.50)	535,500
01/01/2018		13,387.50		(13,387.50)	535,500
07/01/2018		13,387.50		(13,387.50)	535,500
01/01/2019		13,387.50		(13,387.50)	535,500
07/01/2019		13,387.50		(13,387.50)	535,500
01/01/2020		13,387.50		(13,387.50)	535,500
07/01/2020		13,387.50		(13,387.50)	535,500
01/01/2021		13,387.50		(13,387.50)	535,500
07/01/2021		13,387.50		(13,387.50)	535,500
01/01/2022		13,387.50		(13,387.50)	535,500
07/01/2022		13,387.50		(13,387.50)	535,500
01/01/2023		13,387.50		(13,387.50)	535,500
07/01/2023		13,387.50		(13,387.50)	535,500
01/01/2024		13,387.50		(13,387.50)	535,500
07/01/2024		13,387.50		(13,387.50)	535,500
01/01/2025		13,387.50		(13,387.50)	535,500
07/01/2025		13,387.50		(13,387.50)	535,500
01/01/2026		13,387.50		(13,387.50)	535,500
07/01/2026		13,387.50		(13,387.50)	535,500
01/01/2027		13,387.50		(13,387.50)	535,500
07/01/2027		13,387.50		(13,387.50)	535,500
01/01/2028		13,387.50		(13,387.50)	535,500
07/01/2028		13,387.50		(13,387.50)	535,500
01/01/2029		13,387.50		(13,387.50)	535,500
07/01/2029		13,387.50		(13,387.50)	535,500
01/01/2030		13,387.50		(13,387.50)	535,500
07/01/2030		13,387.50		(13,387.50)	535,500
01/01/2031		13,387.50		(13,387.50)	535,500
07/01/2031		13,387.50		(13,387.50)	535,500
01/01/2032		13,387.50		(13,387.50)	535,500
07/01/2032		13,387.50		(13,387.50)	535,500
01/01/2033		13,387.50		(13,387.50)	535,500
07/01/2033		13,387.50		(13,387.50)	535,500
01/01/2034		13,387.50		(13,387.50)	535,500
07/01/2034		13,387.50		(13,387.50)	535,500
01/01/2035		13,387.50		(13,387.50)	535,500
07/01/2035		13,387.50		(13,387.50)	535,500
01/01/2036		13,387.50		(13,387.50)	535,500
07/01/2036		13,387.50		(13,387.50)	535,500
01/01/2037		13,387.50		(13,387.50)	535,500
07/01/2037		13,387.50	535,500	(548,887.50)	
	535,500	669,375.00	535,500	(1,204,875.00)	

Average Life (years): 25.0000

VDW Metropolitan District

Schedule of Note Issuance and Takeout

Note Date	1/1/03	7/1/03	1/1/04	7/1/04	1/1/05	7/1/05	1/1/06	7/1/06	1/1/07	7/1/07	1/1/08	7/1/08
Amount	1,500,000	1,500,000	1,500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	635,000	-
		06 takeout:	4,500,000		09 takeout:	3,000,000					12 takeout:	4,635,000

Interest Rate	0.00%
Total Notes	12,135,000

EXHIBIT F
Statutory Contents of this Service Plan

1. A description of the proposed services;

2. A financial plan showing how the proposed services are to be financed;

3. A preliminary engineering or architectural survey showing how the proposed services are to be provided;

4. A map of the Districts' boundaries and an estimate of the population and valuation for assessment of the Districts;

5. A general description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of the Districts are compatible with facility and service standards of the City and of municipalities and special districts which are interested parties pursuant to §32-1-204(1), C.R.S.;

6. A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the Districts;

7. A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the Districts and such other political subdivisions;

8. Information satisfactory to establish that each of the following criteria as set forth in §32-1-203, C.R.S., has been met:

a. That there is sufficient existing and projected need for organized service in the area to be served by the Districts;

b. That the existing service in the area to be served by the Districts is inadequate for the present and projected needs;

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

d. That the area to be included in the Districts has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;

e. That adequate service is not, or will not be available to the area through the City, other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

f. That the facility and service standards of the Districts are compatible with the facility and service standards of the City within which the Districts are to be located;

g The proposal is in substantial compliance with any master plan adopted pursuant to § 31-23-206, C.R.S.;

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

i. That the continued existence of the Districts will be in the best interests of the area proposed to be served.

EXHIBIT G
Absorption Study

A Study of:

The Proposed Absorption Rates of 550 Single Family Homes
and 280 Multi Family Units for the Van De Water Property
South Side of U.S. Highway 34, West of North Boyd Lake Avenue,
Loveland, Colorado

Date of Preparation:

November 6, 2001

Prepared For:

Mr. John Duvall
Loveland City Attorney
500 East 3rd Street
Loveland, Colorado 80537

Prepared By:

SHANNON AND ASSOCIATES
Donald J. Shannon, MAI, SRA
R. Scott Woods

File No. 2028

SHANNON & ASSOCIATES
REAL ESTATE APPRAISERS AND CONSULTANTS
215 West Oak Street, Suite 500
Fort Collins, Colorado 80521
970 482-1010

November 6, 2001

Mr. John Duvall
Loveland City Attorney
500 East 3rd Street
Loveland, Colorado, 80537

Re: The Absorption Rates of 550 Single Family Homes and 280 Multi Family Units as proposed for the Van De Water Property. South Side of U.S. Highway 34, West of North Boyd Lake Avenue. Annexed into the City of Loveland, Colorado.

Dear Mr. Duvall;

Pursuant to your engagement letter dated October 4, 2001, we have reviewed the proposed absorption figures as proposed by Troy McWhinney, the Vice President of Development of McWhinney Enterprises, in an e-mail to James Manner, the President of James Capital Advisor's Inc. on September 16, 2001 for the "Van De Water Property". This property is located on south side of U.S. Highway 34 and west of North Boyd Lake Avenue. The purpose of this report is to analyze and offer an opinion regarding these proposed absorption rates by McWhinney Enterprises.

Donald J. Shannon, MAI and R. Scott Woods inspected the subject property on October 9, 2001, which is also the effective date of this study. Mr. Shannon and Mr. Woods prepared this analysis and are responsible for the conclusions reported herein. No one other than the persons signing this report provided significant professional assistance.

This report is intended to assist the Loveland City Council with decisions regarding municipal bonds for the subject property. The reader is strongly advised to review the Scope of the Analysis Process, together with the Assumptions and Limiting Conditions, detailed in the attached report.

Details of our research and analysis can be found in the associated sections of this report. Our opinions are based on today's market conditions.

This report does not include any analysis of commercial market absorption rates. Due to the highly cyclical nature of commercial markets that must be analyzed in detail and the time limitations involved, this analysis lies beyond the scope of work that we were engaged to perform in this Analysis. Analysis and opinions offered in this report are subject to the certification and the assumptions and limiting conditions included herein.

Respectfully Submitted,
SHANNON AND ASSOCIATES

Donald J. Shannon, MAI, SRA
CO-CG01313438 (12/31/03)

R. Scott Woods, Associate
CO-AR40021739, 12/31/01

Table of Contents

Executive Summary

Appraisal Assignment

Type of Report:	Absorption Analysis Study
Purpose of Report:	Estimate single family and multi-family absorption rates for the subject property using the housing price and type established by McWhinney Enterprises.
Intended Use of Appraisal:	To aid in the decision process regarding the establishment of a municipal improvement district for the subject property.
Intended User:	City of Loveland
Date of Initial Inspection:	October 9, 2001
Effective Date of Report:	**October 9, 2001**

Subject Property Assumptions

Property Uses:	As proposed by McWhinney Enterprises the subject property will consist of 550 single family homes with an average price of $200,000, and 280 multi-family units of an unspecified price.
Single Family Home Absorption Rates as Proposed by McWhinney Enterprises:	Six years selling 550 single family homes with an average selling price of $200,000.
Multi-Family Unit Absorption Rates as Proposed by McWhinney Enterprises:	Four years selling 280 multi-family units with an unspecified average selling price.

Factors Increasing Risk of Not Meeting Absorption Schedules

- Additional single family and multi-family residential subdivisions marketing lots and units in similar price ranges may come on-line during the development and absorption periods that will compete directly with the subject property for potential buyers.
- Given uncertainties in the local and national economy, the high-end residential market has slowed considerably. If the economy continues to soften, it could affect the overall housing market.

Factors Increasing the Probability of Meeting Absorption Schedules

- The location of the subject is in the direct path of growth in Loveland.
- Home Prices below $200,000 are currently in good demand in the competitive market area.
- Easy access to shopping, employment, and schools.
- Easy access to I-25 via U.S. Highway 34 may attract buyer traffic from other areas of the Front Range searching for more affordable homes with good amenities.

Certification

The Consultant/s certify that to the best of my/our knowledge and belief:

1. The Consultant/s have no unreported present or prospective interest in the property that is the subject of this report. Further, I/we have no personal interest or bias with respect to the subject matter or the parties involved.

2. The Consultant/s have personally inspected the property, both inside and out, and have made an exterior inspection of all comparable sales listed in this report. To the best of the Appraiser's knowledge and belief, all statements of fact and information in this report are true and correct, and the Consultant/s have not knowingly withheld any significant information, subject to the stated assumptions and limiting conditions contained in this report.

3. The Consultant/s certify that, to the best of my/our knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice, and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

4. The Consultant/s certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

5. All conclusions and opinions concerning the real estate set forth in this appraisal report were prepared by the Consultant/s whose signatures appear on this appraisal report, unless indicated as "Review Appraiser." No change of any item in this appraisal report shall be made by anyone other than the Consultant/s, and the Consultant/s shall have no responsibility for any such unauthorized change.

6. The Consultant/s compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event. Furthermore, the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

7. The reported analyses, opinions, and conclusions are limited only by the reported Assumptions and Limiting Conditions on the following pages and are the Consultant/s personal, unbiased professional analyses, opinions, and conclusions.

8. No one provided significant professional assistance to the person signing this report (If there are exceptions, the name of each individual providing significant professional assistance has been stated.)

9. As of the date of this report, the Consultant/s, if Members or Candidates of the Appraisal Institute, have completed the requirements of the continuing education program of the Appraisal Institute.

Donald J. Shannon, MAI, SRA **Date**	R. Scott Woods 11/8/01
CG - 01313438, 12/31/03; WY - 78, 9/4/03	**R. Scott Woods, Associate** **Date**
	CO-AR40021739; 12/31/01

Assumptions And Limiting Conditions

The consultant's data and analysis provided in this report are subject to the following assumptions and limiting conditions and to other such specific and limiting conditions as may be set forth by the Appraiser/Consultant(s) in this report.

1. **Any user of this report agrees to the attached limiting conditions.**

2. This is a **Consulting Assignment** and not to be considered an appraisal. It is not intended to comply with the Uniform Standards of Professional Appraisal Practice. Supporting documentation concerning the data, reasoning, and analyses is retained in the consultant's file. The information contained in this report is specific to the needs of the client and for the intended use stated in his report. **The appraiser/consultant(s) are not responsible for the unauthorized use of this report.**

3. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.

4. The property is analyzed free and clear of any or all liens and encumbrances unless otherwise stated in this report.

5. Responsible ownership and competent management are assumed unless otherwise stated in this report.

6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property. The Appraiser/Consultant(s) have made no survey of the property.

7. It is assumed that there are no hidden or un-apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging engineering studies that may be required to discover them.

8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.

9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in this report.

10. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national government, or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

11. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

12. The Appraiser/Consultant(s) are not required to give testimony, appear in court, or give further consultation because of having consulted with reference to the property in question, unless arrangements have been previously made therefor.

13. The Appraiser/Consultant(s) are not qualified to detect hazardous waste and/or toxic materials. Any comment by the Appraiser/Consultant(s) that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The Appraiser/Consultant(s) have no knowledge of the existence of such materials on or in the property; however, they are not qualified to detect such substances. The presence of potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

14. Unless otherwise stated in this report, the subject property is analyzed without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communication barriers that are structural in nature and would restrict access by disabled individuals may adversely affect the property's value, marketability, and/or utility.

15. Possession of this report or a copy thereof does not imply right of publication nor use for any purpose by any other than the person to whom it is addressed, without the written consent of the Appraiser/Consultant(s). The Client or Assigns shall indemnify the Appraiser/Consultant(s) against third party law suits.

16. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or any other media, without the written consent and approval of the author, particularly as to the valuation conclusions, the identity of the Appraiser/Consultant or firm with which he is connected, or any references to the Appraisal Institute.

17. On all consulting assignments subject to satisfactory completion, repairs, or alterations, the report and conclusion are contingent upon completion of the improvements in a good workmanlike manner and a completion inspection by the Appraiser/Consultant(s).

18. Satisfactory road maintenance agreements, condominium declarations, and other pertinent agreements are assumed to be recorded.

19. The Appraiser/Consultant(s) assume that financing, as discussed in the report, is available for potential purchasers.

20. It should be understood that this is the **Consultant's Opinion** based upon the data available, not a guarantee or warranty.

21. **The limit of liability shall be no more than the remuneration received.**

The undersigned hereby understands, accepts and agrees to the above conditions, which are herewith made part of the Appraisal/Consultation Agreement.

Scope of the Assignment

In the development of this analysis, the following process was undertaken:

- Donald J. Shannon, MAI, SRA and R. Scott Woods inspected the subject property for suitability of the proposed uses.
- We analyzed the property in relation to current and anticipated future economic conditions.
- We researched past and current building permit trends in relation to past and projected population growth in Loveland, Colorado.
- We gathered, confirmed, and analyzed information pertaining to similar development parcels to investigate current multi-family and single family residential absorption rates.
- We researched, confirmed and analyzed information pertaining to current and future development activity that may compete with the subject property.
- We estimated projected absorption periods based on the above information.

City and Regional Data

Larimer County is the northern most of nine counties that make up the Front Range of the Rocky Mountains. According to the demographic data from the Larimer County Planning Department, the county's 2000 population was 251,494; approximately 20.0 percent of the population reside in Loveland, Colorado. The county's geographic area of the county is 2,217 square miles. Loveland is located 50 miles north of Denver, Colorado and 37 miles south of the Wyoming border.

Population growth in the area continues unabated in the 1990s and thus far has ranged from 1.8 to 4.24 percent annually, with an average annual growth of 2.84 percent from 1990 to September 2000. According to the Loveland Long-Range Planning Department's Community Demographic Report, Loveland's 2000 population was estimated to be 52,990.

Social

Loveland, and indeed all of Larimer County, are very desirable places in which to live. The small-town atmosphere combined with the cultural, recreational, educational and employment opportunities create a "quality of life" that is hard to find in many areas. The median age in Loveland is 35.7 years. The mid-age group of 45-64 is the fastest growing age bracket in both Colorado and Larimer County. The average new home single family home price in Loveland as of May 2001 was $199,532. The labor force is well served by an excellent public and parochial educational systems, which covers elementary through college levels. Loveland has developed an extensive 10-mile bike/hike trail system, has 25 public parks, three golf courses and Lake Loveland for fishing, swimming, and boating. Loveland has also become a major center for bronze sculpture in the United States and is home to two bronze foundries, which cast the works of both local and world-renowned artists. Benson Park Sculpture Garden and the Loveland Civic Center house one of the largest collections of publicly owned sculpture in the country. The Loveland Sculpture Show, held in conjunction with an arts and crafts show each August, is the largest sanctioned sculpture show in the United States. Last year, this show attracted worldwide participants with over 500 sculptors represented.

West of Loveland is the Big Thompson Canyon that leads to the Town of Estes Park, 35 miles up the canyon, with Rocky Mountain National Park beyond. Adjacent to the east of Loveland lies Boyd Lake State Park, a 1,800-acre recreational lake that provides water for the City of Greeley and for Weld County irrigation.

Loveland has a variety of churches, movie theaters, motels and restaurants for residents and tourists. The city also attracts retail consumers from the surrounding areas with facilities such as its Prime Outlets Factory Outlet Stores located in a center at the intersection of U.S. Interstate 25 and U.S. Highway 34.

Economic

The 1990s have been very good years for Loveland. It is anchored in manufacturing, publishing, government, trade and the arts. While several large firms are located in Loveland such as Hewlett Packard, Hach Company, Wal-Mart Distribution Center, Woodward Governor, Teledyne Water Pik and Group Publishing, Loveland's economy is still primarily small, diversified businesses.

Inc. magazine's 2000 December issue ranked the tri-city area of Fort Collins-Loveland-Greeley 27th amount the best small metro areas to start a business. This is an incredible leap from its 88th place ranking in 1994. In addition, Forbes May 2000 edition rated Fort Collins-Loveland 11th among the best cities in the United States to do business. A recently completed book, "Where the Money Is: America's Strongest Local Economies" by Florida based economist William H. Fruth, rates metropolitan areas in the United States. Loveland/Fort Collins received an A-plus grade and was listed as the area with the 13th strongest economy in the country. Fruth evaluated 313 metro areas for economic health over a 25-year period from 1970 to 1994. The rankings are based on a set of 13 economic elements, mostly related to job and income growth. A strong point in the book is that manufacturing jobs represent 53.96 percent of primary earnings for Loveland/Fort Collins. For the period from 1985 to 1994, the Loveland/Fort Collins manufacturing sector grew at a rate of 7.3 percent annually, or 16th in the country, while the national average rate at that time was -0.83 percent. Median family income in Fort Collins/Loveland reported in 2000 is $56,300. A survey published in the April 1997 edition of Reader's Digest ranked Loveland/Fort Collins third as the best place in the United States to raise a family. The survey was based on parent's concerns ranging from crime rate to education.

Major employers in the area include Hewlett Packard, Thompson Valley School District and Wal-Mart Distribution. Hewlett Packard's combined plants in Loveland and Fort Collins employ approximately 5,300 employees. There has been some shifting of manpower in the recent years with a net gain to Fort Collins. In comparison, Woodward Governor, located in both Fort Collins and Loveland, employs 1,111. The Fort Collins plant recently decreased its employment by 33.0 percent, while the Loveland plant increased its employment by 11.4 percent.

Access to employment centers is convenient by means of major arterial streets. State Highway 287 (Lincoln and Cleveland Avenues) runs north /south through Loveland and Fort Collins, providing access to Longmont, and Denver, Colorado to the south, and Laramie, Wyoming to the north. Interstate 25, located five miles east of town, provides easy access to both Denver and Cheyenne, Wyoming.

The low interest rates and strong Front Range economy, along with a decreasing housing supply, has resulted in a three year long housing boom. As a result, housing in the Loveland/Fort Collins area has been appreciating since 1991 with affordable housing becoming increasingly difficult to find. Since September 2001, the housing market has slowed considerably. Many builders and agents have reported a significant drop in buyer activity starting in August of 2001 with a further decrease after September 11, 2001. Because this recent slowdown has not shown up in reported sales activity we do not have quantifiable data to reflect the exact size and impact of this decreased buyer activity.

Loveland is experiencing an increase in residential land development activity. According to a study completed in July of 2001 by the City of Loveland Long Range Planning there were 318 buildable single family lot as of July 2001, with another 2,569 single family lots with a final plat recorded, but still required infrastructure improvements. In the year 2000, the city of Loveland issued 713 single family home permits. These numbers suggest there is a 3.99 years supply of available or soon to be available residential lots in the Loveland area. Behind these lots are another 9,485 lots (13.30 year supply) of single family residential lots that are in the planning "pipeline" from pending applications to approved "Preliminary Development Plans" which still require the approval of a final plat.

Vacancy rates for rental homes and apartments were cyclical during the first half of the 1990s. The 1990 census indicated a vacancy rate of 4.6 percent. However, the vacancy rate dropped to one or two percent for 1992 through 1995. During that period, rental rates had been increasing at a rate from seven to ten percent per year. During 1997 and 1998, these vacancy and rental rates appear to have recently stabilized as the demand for housing returns to a more "typical market." In 1999 and 2000, apartment occupancy was approximately 99 percent. That trend continues in 2001 with a slight drop to 97.4 percent.

The City of Loveland, in the same July 2001 report that was mentioned above, calculated a total of 628 multiple family dwelling units can be constructed in approved projects.

Commercial and industrial real estate activity increased dramatically since 1995. Due to the previous absence of speculative development, vacancy levels as of October 2000 were 5.6 percent for office space, 6.8 percent for retail space and 4.5 percent for industrial space.

In August of 2000, the city of Loveland annexed the McWhinney Enterprises master community of 3,000 acres at the intersection of U.S. Highway 34 and Interstate 25. The community formally named Rocky Mountain Village is now known as Centerra.

The Prime Factory Outlets outlet store development is at the northwest corner of Interstate 25 and U.S. Highway 34. This outlet mall currently contains 368,000 square feet of multi-tenant retail space (97 tenants), attracting local shoppers and those traveling along adjacent Interstate 25. Near the outlet mall are a new motel, several restaurants, office buildings, a new Target Super Store, which opened in November 1998, and Sportsman's Warehouse, a new major sporting goods store, opened May 2001. This portion of the total development has been constructed and leased in several phases since June of 1994. The development has also planned expansion of an additional 252,000 square feet of commercial space and another motel. McWhinney Enterprises is aggressively marketing its 3,000-acre Centerra Business Park and residential development in this area. Located on the north side of U.S. Highway 34, it will straddle Interstate 25. Some of the components include expansion of the outlet mall described earlier, multiple motels and restaurants. Recent completions include a 168-unit apartment complex, and the first phase of a 2,000 unit single family and townhouse subdivision. In addition, around 90,000 square feet office space and 15,000 square feet of retail space next to Target was completed in 1999. High-tech businesses and research and development facilities are expected to be developed in the Global Technology Center, a large part of Centerra. Factual Data owns a 34,000 square foot building in the western part of the center. Just north of the Global Technology Center is the Loveland Technology Park, which is under development and searching for an anchor tenant to spark activity at the 186-acre site.

Other newer commercial developments in Loveland include an 107,000 square foot Thompson Valley Towne Shopping Center, a new $1.07 million office and distribution center for Group Publishing, a $2.59 million Metro-Lux theater, several new restaurants, convenience stores, and office buildings.

Governmental

The City of Loveland as a whole, through the Planning and Zoning Department, strives to maintain controlled and well planned growth. Community resistance to development has resulted in several cancellations or delays of new development. Other than complaints from builders about the high city fees and requirements, small single-family and small commercial development seem to be proceeding smoothly. The City of Loveland provides electricity, sewer, and water, along with fire and police protection. Various other private utility districts provide some of these services for properties outside the city limits Loveland's public bus transit system services the city of Loveland and connects with the City of Fort Collins bus transit system.

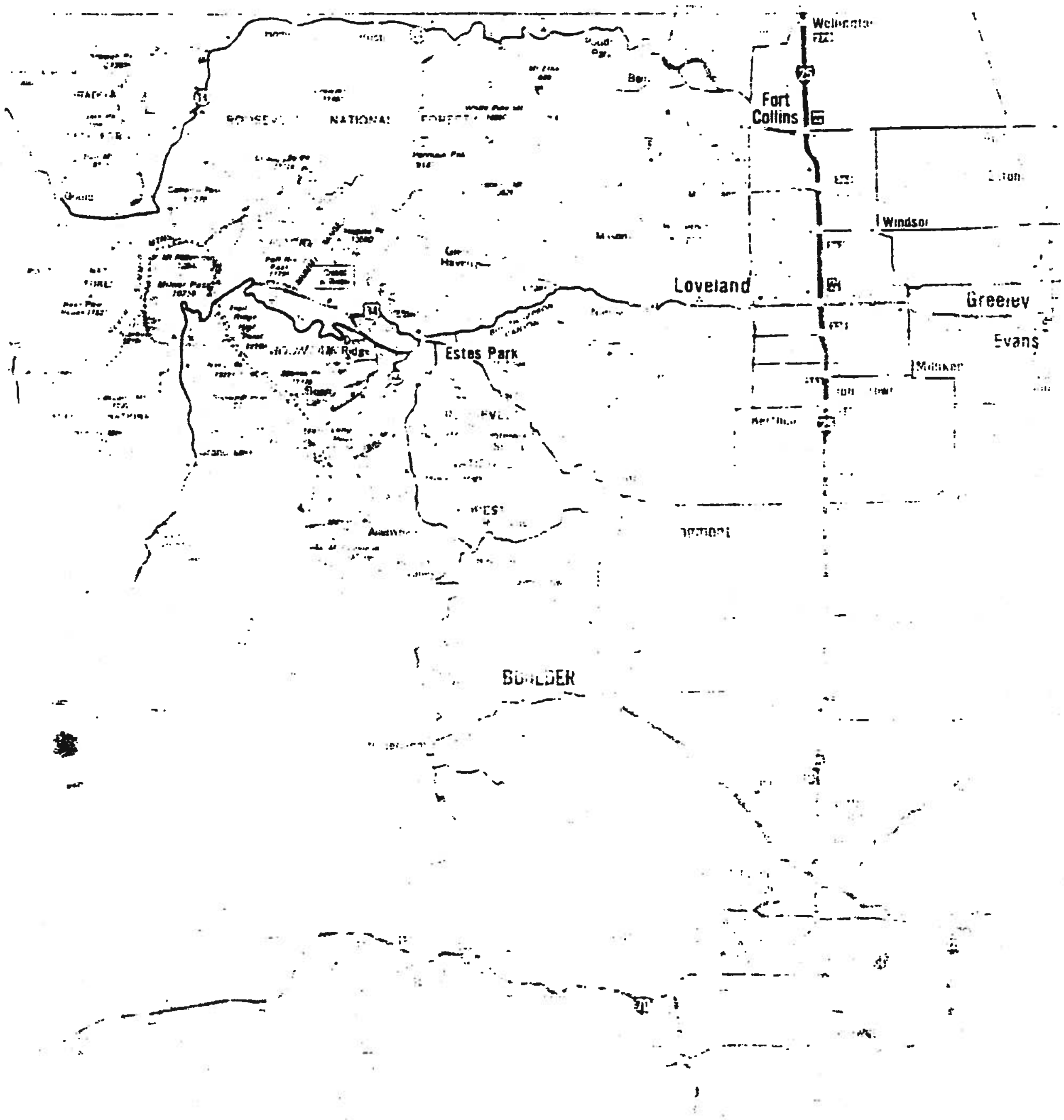
Public education is provided by Thompson Valley School District for kindergarten through twelfth grade. Colorado State University (CSU), University of Colorado (CU), University of Northern Colorado (UNC), Aims Community College, Regis University, and Front Range Community College, all located in nearby Fort Collins, Boulder, and Greeley provide secondary education. McKee Medical Center and several medical parks located throughout the city provide medical care.

Environmental

Loveland, along with the whole Front Range, is known as the "Banana Belt" to residents of other northern tier and mountainous states with harsh weather. Although located at an elevation of 4,982 feet above sea level, at the base of the Rocky Mountains, the weather is generally sunny and mild. Winter snowstorm precipitation generally melts in two or three days and nighttime temperatures are rarely below zero. Summer weather is sunny and warm with a dry climate that is appealing to most residents.

<u>City and Regional Data Summary</u>

Loveland is well located at the base of the Rocky Mountains along the northern Front Range of Colorado. It has a small-town atmosphere with nearby big city amenities that appeal to its well-educated population. The town is growing and the economy has continued to improve throughout the 1990s, but now faces some slowing. The area around the intersection of U.S. Highway 34 and Interstate 25 is currently under development is expected to be one of the leading development areas in the state for the foreseeable future. Overall, the appeal of Loveland and of the northern Front Range should continue for many years. Of concern is the high number of approved and soon to be approved residential and multi-family lots which could cause an over supply of available residential lots in the community coupled with a slowing real estate market.



Fort Collins
Loveland
Greeley
Evans
Windsor
Milliken
Estes Park
BOULDER
NATIONAL

Subject Neighborhood

A neighborhood can be defined as a homogeneous grouping of inhabitants or property usage. Since environmental, governmental, social, and economic changes can influence property values, it is necessary to identify these trends which affect the environment of the property being analyzed.

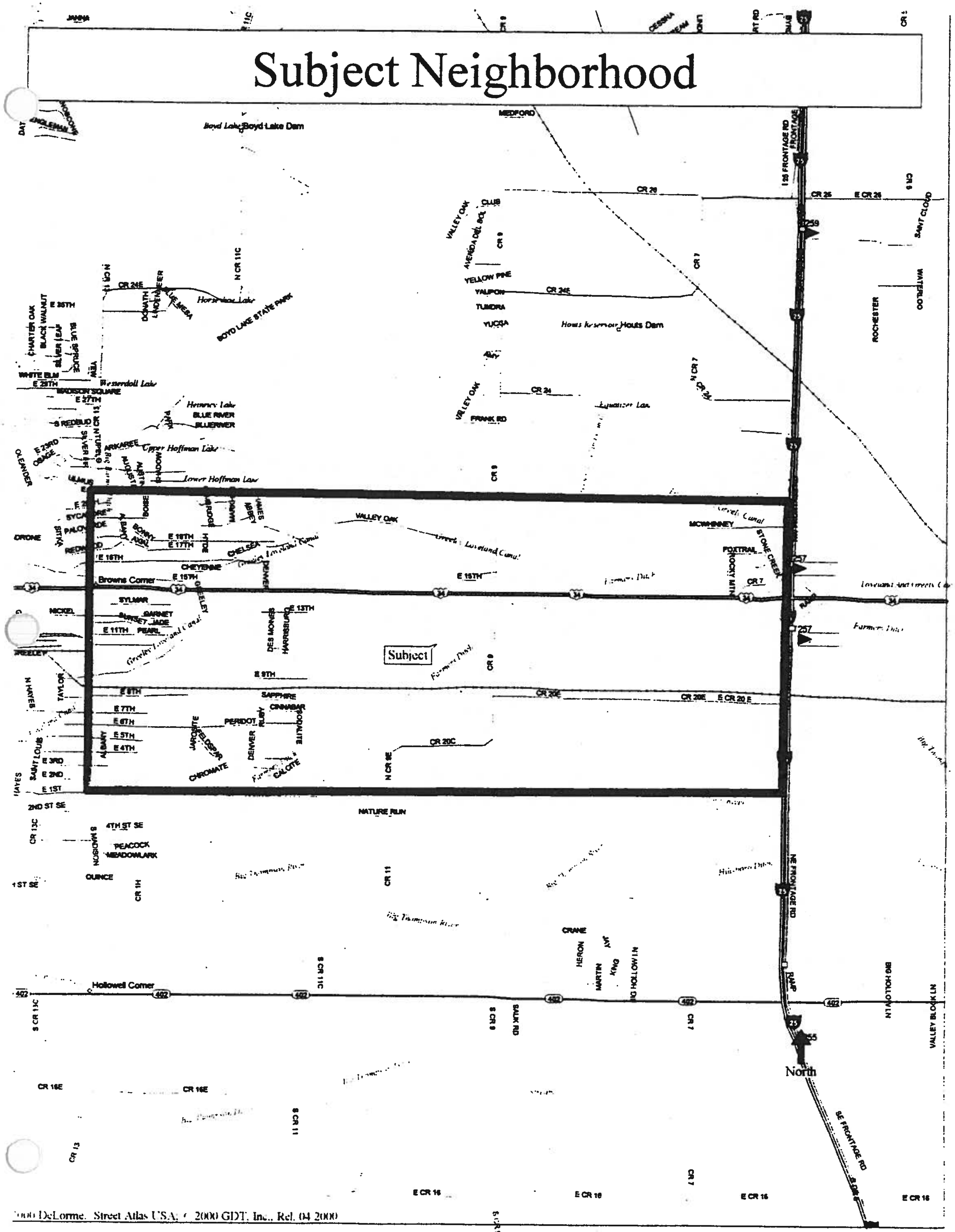
The subject neighborhood is located on the southeastern edge of the City of Loveland, in an area known at the U.S. Highway 34 Corridor, which is an area currently experiencing new residential and commercial development. The general subject neighborhood boundaries are delineated as follows:

- North: The southern edge of Boyd Lake, then to County Road 24E to the east;
- South: East 1st Street, turning into County Road 20C to the east;
- West: Madison Avenue;
- East: Interstate Highway 25;

Land use proximate to the subject property includes;

- The Central Business District is located approximately three miles southwest of the subject;
- McKee Medical Center is located approximately one and half miles northwest;
- Front Range Community College is located two miles northwest;
- Mount View High School is located adjacent to the subject on the northeastern border;
- Boyd Lake State Park, a large lake / recreational facility including beaches and boating activities is 2.5 miles north;
- Interstate 25 is located approximately 2.5 miles east of the subject;

Subject Neighborhood



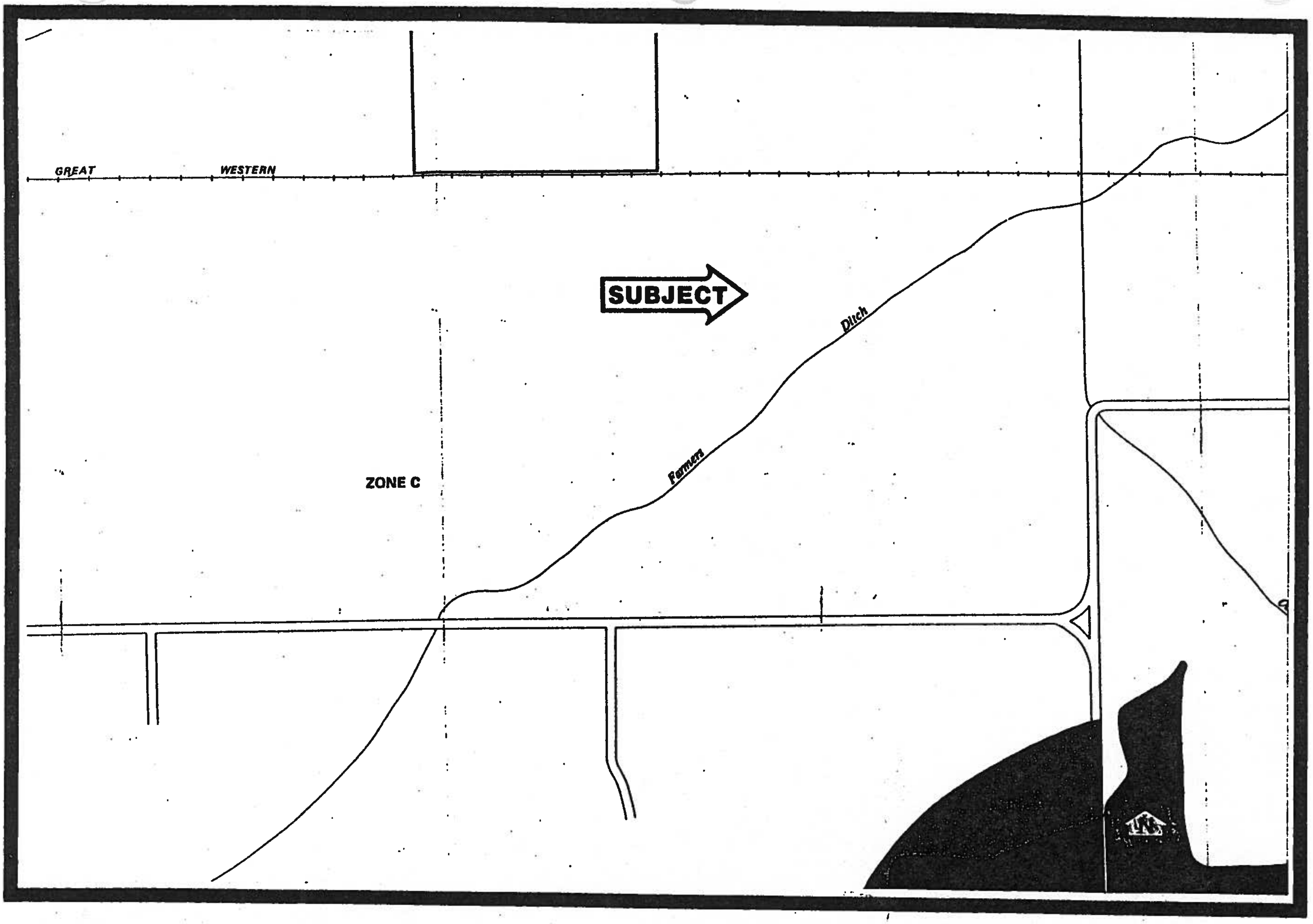
'000 DeLorme. Street Atlas USA; © 2000 GDT, Inc., Rel. 04/2000

Access to the neighborhood is convenient to other areas of the City of Loveland to the west and east, as well as other communities serviced by Interstate 25 two and half miles to the east. Turning west on U.S. Highway 34 (Eisenhower Blvd.), leads to Estes Park and also serves as the main east/ west arterial through the City of Loveland.

In terms of shopping, commercial areas along Highway 34 provides shopping opportunities that include "Sam's" discount center, located less than one mile to the west of the subject, grocery stores and the Prime Outlets shopping center 2.5 miles to the east. Just west of the subject site a "Super Walmart" is being constructed that will provide discount store retail area and offer groceries as well. In addition to shopping, the neighborhood has a 12 screen theater within one half mile of the subject property and a large water slide park within a mile of the subject property.

Areas of employment include Hewlett Packard, McKee Medical Center, Factual Data, and Loveland City Offices; all are within 5 miles of the subject. In addition to these larger employers, there are numerous smaller manufacturing firms and wholesale firms throughout the area. Centerra Business Park is making a concentrated effort to attract new business to the area including office, light manufacturing, and retail to their location on Interstate 25 and Highway 34, and are aggressively marketing their over 3,000 acre business park which has attracted numerous retail tenants of various sizes. Large office tenants include the Factual Data Headquarters and the Emfacts National Headquarters. Other retail and service employment opportunities can be found in the numerous shopping centers, food stores, and service industries located throughout the Loveland area, with the Prime Outlets in Centerra Business Park at the intersection of Highway 34 and Interstate 25 being one of the larger retail employers.

According to the FEMA Flood Insurance Rate Map Number 080101 0245 B, revised April 2, 1979, the subject neighborhood is located in a Zone C designated flood hazard area which indicates an area of minimal flooding.



Flood Plain Map

Subject Property

The subject property is currently a vacant parcel of development land situated four miles west of Interstate 25 on the south side of U.S. Highway 34 (Eisenhower Blvd.) in Loveland, Colorado known as the Millennium E, F, and G 1st Subdivision. Prior to a discussion of the physical aspects of the site, it is important to note that our review of the subject involves the predicted absorption rate of the 550 homes single family homes with an average value of $200,000 each, and 280 multi-family units of an unspecified price.

Site Characteristics

Based on a Site Plan provided to the appraiser, an inspection of the site, and a review of City of Loveland Current Planning Documents, it was revealed that the subject is a rectangular shaped site with a smaller attached square parcel attached to the southeast quarter.

Topography of the overall site is mostly level and is relatively typical of development sites in the area. As indicated on the plat, Phase One is separated from Phase Two by the Farmer's Irrigation Canal that runs at a diagonal through the southern half of the subject site. Another larger irrigation canal, the Boyd Lake Canal, runs along the northern half on the eastern boundary. Bisecting the north and south halves is the Great Western Railroad that runs from the eastern edge to the western edge of the subject site in the approximate middle of the site from north to south.

Streets and Accessibility

As previously noted, one of the proposed subject's positive attributes is its location in the convenient and rapidly growing southeastern section of the City of Loveland. Highway 25 is easily accessible from the subject site via U.S. Highway 34, which provides convenient access to Fort Collins to the north and Longmont, Boulder, and Denver to the south. Given the proximity of employment centers and transportation routes, the subject's location provides good access to a significant pool of buyers.

Environmental Hazards

The appraisers did not observe any obviously hazardous materials on the subject property at the time of inspection. The subject site is part of a vacant site that has not been previously developed. The appraisers have no knowledge of the existence of any such materials on or in the property. However, the appraisers are not qualified to detect such hazardous substances. The presence of substances such as groundwater contamination or other potentially hazardous materials may effect the marketability and absorption rates of the subject property. This study is predicated on the assumption there is no such material on the subject property that would cause a loss in marketability or absorption rates. No responsibility is assumed for any such condition or for any expertise or engineering knowledge required detecting them. The client is urged to retain an expert in the field, if desired.

According to the FEMA Flood Insurance Rate Map Number 080101 0245 B, revised April 2, 1979, the subject site is located in a Zone C designated flood hazard area which indicates an area of minimal flooding.

Surrounding Uses

- **North:** U.S. Highway 34 borders the entire north edge of the property with a traffic count of 24,200 cars running each way. Across Highway 34 are primarily open spaces with the a large water facility set back a quarter mile from the street, a farm and a small facility that sells metal sheds on the north side of Highway 34 on the east edge of the subject site.
- **South:** Continuing from the southeast corner edge of the property across County Road 9E the ground falls steeply to the Big Thompson river approximately one mile away, this area appears to be unbuildable due to wetlands. Directly south, across East 1st Street, of the subject property toward the western edge are residential homes situated on larger lots.
- **West:** Bordering the West Side of the property are a variety of uses. Progressing south to north, these uses include apartments, single family residences, self-storage units, and commercial / industrial activities in the Loveland Industrial Park. Near the extreme northwest corner of the subject site, across Denver Avenue, a super Walmart is being constructed.
- **East:** On the northeast edge of the site is the Mountain View High School, moving south along this edge, the use is agricultural until reaching the southeastern edge where the uses change to gravel pit facilities as the ground drops to the Big Thompson river on the southeastern corner, across the street, from the subject property.

Absorption Analysis

Developer's Assumptions

The developer has provided the following estimates of expected product mix and absorption rates:

Single Family Residential - Developer Assumptions

Year	Number of Units
2003	75
2004	100
2005	105
2006	120
2007	120
2008	30
Total	**550**

Multi - Family Residential - Developer Assumptions

Year	Number of Units
2003	40
2004	95
2005	100
2006	45
Total	**280**

PAST AND PROJECTED SINGLE FAMILY NEW HOME CONSTRUCTION IN LOVELAND, COLORADO STUDY

In order to estimate the feasibility of the developer's expected future absorption rates, we examined historical single family new home construction in the form of building permits issued for the past ten years in Loveland. From this past information, we projected future single family building permit issuances based on past patterns. Included in this analysis are patio homes and any duplex homes with separate land ownership under each unit. This projection is based on population increase divided by the ratio of new single family homes that are typically required to meet the housing needs of the projected population increase. From this information, we were able to construct the following table concerning projected single family construction in Loveland, Colorado to the year 2008.

PAST AND PROJECTED
SINGLE FAMILY NEW HOME CONSTRUCTION IN LOVELAND, COLORADO

Previous New Home Permits for Single Family Homes In Loveland

Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Population	37357	37886	38583	39605	41616	43434	45012	46826	48563	50427	52990
Growth in Persons	357	529	697	1022	2011	1818	1578	1814	1737	1864	2563
New S.F. Detached Home Permits	139	241	366	498	539	368	529	561	588	713	779
New S.F. Attached Home Permits (Units)	6	10	24	40	74	36	23	92	76	103	188
New Persons/New SF Homes	2.46	2.11	1.79	1.90	3.28	4.50	2.86	2.78	2.62	2.28	2.65
Estimated Monthly SF Absorbtion Rate	12	21	33	45	51	34	46	54	55	68	81

Projected New Home Permits for Single Family Homes In Loveland

Year	2001	2002	2003	2004	2005	2006	2007	2008
Population	54495	56043	57634	59271	60954	62685	64466	66296
Growth in Persons	1,505	1,548	1,592	1,637	1,683	1,731	1,780	1,831
New S.F. Home Permits	566	583	599	616	634	652	670	689
New Persons/New SF Homes	2.66	2.66	2.66	2.66	2.66	2.66	2.66	2.66
Estimated Monthly SF Absorbtion Rate	47	49	50	51	53	54	56	57

Population Source: 1990 through 2000 - City of Loveland Community Demographic Report, September 2000
2001 through 2008 calculated at an annual average growth rate of 2.84% - an average of the past ten years

Based on the preceding table, we estimated that on the average, each 2.66 person increase in Loveland's population stimulates the construction of one new single family home. Based on this ratio, and projecting Loveland's population to continue growing at a 2.84% growth rate, we found that 566 new home permits will be required in 2001, with this number climbing to 689 new home permits by the year 2008. It is important to note that these projections are based on ten years of past growth and extrapolated to projections of future growth. We believe this is a relatively accurate projection of future single family attached and detached single family home demand in the Loveland area.

PROJECTED SINGLE FAMILY RESIDENTIAL HOME COMPETITITON IN THE LOVELAND MARKET

After projecting new single family home needs we researched the current market to estimate the amount of single family home competition in the Loveland Area. The following table illustrates these findings. Currently, there are three developers in Loveland that sold eighty or more homes from January 1, 2001 through June 30, 2001, capturing 60.62% of the residential home market (excluding condominiums). Their neighborhoods include the Greenbriar subdivision with 86 homes, the Thompson Valley with 85 homes, and the Marianna Butte subdivision with 80 homes. The remaining 13 subdivisions in the Loveland area sold 26 or fewer homes in the same time period.

Neighborhood	Primary Builder	# Homes Sold	Percentage of Sales	Average Price
Greenbriar	KB Homes	86	20.77%	$160,400
Thompson Valley	Mountain Vista	85	20.53%	$163,643
Marianna Butte	U.S. Home/ Engle	80	19.32%	$288,653
Buckhorn Village	Giuliano & Father	26	6.28%	$149,800
Blackbird Knolls	Centex Homes	25	6.04%	$205,900
Meadowbrook Farms	Kiems/ Timberline	18	4.35%	$228,556
Arbor Meadows	Four-different builders	16	3.86%	$173,981
Berthoud Common	Eight-different builders	15	3.62%	$227,213
Horseshoe Lake	Genesse / Burns/ Odau	14	3.38%	$277,000
Boyd Lake North	Genesee	12	2.90%	$319,100
Emerald Glen	Glen Homes	12	2.90%	$215,800
Cedar View	Rust/ Custom	8	1.93%	$189,575
Horseshoe View Estates	Liberty Homes	5	1.21%	$200,300
Mariana Cove	Three-different builders	4	.97%	$352,257
Quail Run	Weinland / Largo	4	.97%	$319,975
Lakes Run	Green Ridge/Silver Stream	4	.97%	$253, 400
Total Homes & Average Price		414	100%	$232,848

Information provided by the Group, Inc.

Investigation of the top three subdivisions showed that all three of the top subdivisions are completing build out without any major future plans of construction new homes in the future. This upcoming reduced competition in the top selling subdivision would indicate there are opportunities to capture a top position of selling approximately eighty plus homes per year in the Loveland market area, which is the future goal of the subject's developer to sell between 75 to 120 homes per year starting in the year 2003. However, in order to fully understand the future residential market and associated absorption rates, we examined potential competitors in the coming years.

As stated before, the three largest new neighborhoods are currently running out of lots and will be not a factor of competition by 2003. The largest current potential competitor is High Plains Village located approximately one-half mile from the subject property on the north side of Highway 34. This project opened in early September and has 400 single-family lots in the first phase with another 800 lots in future phases. Also included in this subdivision are 210 attached single family units with initial units currently under construction. The project's builder is McStain Homes, which has proven to be a strong regional and area competitor in the past. The project enjoys the locational advantage of a lake in the center of the subdivision, large greenbelts and parks, and being located closer to the Prime Outlets, and Highway 25. In addition, two years from now, as the subject is coming on line, the McStain project will have enjoyed two years of "consumer awareness and acceptance". All of the above features are a competitive advantage over the proposed subject subdivision.

There currently are no other projects of this magnitude that are being marketed in the Loveland area. However, there are currently six other projects that range in size from 26 lots to 410 lots that have final approval from the City of Loveland Planning Department and are ready to, or are having infrastructure installed. Lists of these projects are described in the table on the following page. Adding in High Plain's Village 800 lots into this group of approved subdivision lots leads to a total of 2,388 potential lots in the coming three years. Many of these developers are aware of this potential lot oversupply and are beginning to phase in these developments instead of developing all of the lots at once. Many of these lots are currently being marketed to larger builders (i.e.: Kaufman–Broad, U.S. Homes, Centex Homes, and some of the established regional and local builders.)

Further investigation shows that there are another 19 subdivision proposals in some stage of application with Loveland Planning Department. These proposals range in size from 15 to 526 single family lots and totals to the potential of another 4,015 lots in the upcoming years. Of course, not all of these lots will be approved, built, or put on the market at the same time. Developers we have spoken with are favoring the phasing of constructing and marketing their lots to minimize saturating the market.

CURRENT AND PROPOSED SINGLE FAMILY DEVELOPMENTS IN LOVELAND

Current Competiton Project	Number of S.F. Units	Now Available	
Centerra - High Plains Village	1200	400	
Seven Lakes North 5th Sub.	185	Final Plat	
The Waterfront at Boyd Lake	200	Final Plat	
The Reserve 4th Subdivision	26	Final Plat	
Buck 2nd Subdivision	180	Final Plat	
Kendall Brook 1st Subdivison	410	Final Plat	
Blackbird Knolls 2nd Subdivision	187	Final Plat	
TOTAL:	2388		

Potential Future Competition Project	Number of S.F. Units	Now Available	
Guiliano 1st Subdivision	356	Preliminary Plat	
Seven Lakes North 6th Subdivision	60	Preliminary Plat	
Vanguard-Famleco 10th Subdivision	15	Preliminary Plat	Plus 24 duplex lots
Meadowbrook Falls Addition	182	Preliminary Plat	
Marianna Butte 14th Subdivision	90	Preliminary Plat	
Wilson Common Addition	238	Annexation and Prelimminary Plat	
Staples Farm Addition	44	Annexation and Prelimminary Plat	
Sierra Valley Addition	55	Annexation and Prelimminary Plat	
Loveland Lakes Addition	18	Annexation and Prelimminary Plat	
Southridge Village 1st and 2nd Addition	418	Annexation and Zoning	
Dakota Glen Addition	161	Annexation and Zoning	
Twin Peaks Addition	283	Annexation and Zoning	
Eagle Brook Meadows Addition	322	Annexation and Zoning	
Greenvalley Ranch Addition	476	Annexation and Zoning	
Wintergreen Village Addition	295	Annexation and Zoning	Status Uncertain
Hidden Valley Estates Addition	526	Annexation and Zoning	
Glen Ellen Addition	105	Annexation and Zoning	
Alford Lakes Addition	347	Annexation and Zoning	
Buckingham Addition	24	Annexation and Zoning	
TOTAL:	4015		

Source: City of Loveland Current Planning

CONCLUSION REGARDING DEVELOPER'S EXPECTED ABSORBTION RATE FOR SINGLE FAMILY HOMES IN LOVELAND COLORADO

In this segment of this report, we examined past and existing building permit activity in relation to past and present population growth. Based on these numbers, we projected future single family building demand through the year 2008. In relation to these needs, we looked at how the new home residential building community has satisfied this demand. We found that currently three subdivisions are satisfying 60.62% percent of the current single family residential market demand with the remaining 39.38% of the demand being distributed among thirteen other neighborhoods. We also found that these three builders will have built out their projects by the end of 2001 or early 2002. Currently, the main replacement subdivision for these three sold our communities is located approximately one half mile from the subject neighborhood on the north side of Highway 34 in a 1,200 lot community known as High Plains Village, a parcel located in the larger development of Centerra.

We moved from the currently available subdivisions to the potential subdivisions that may compete with the subject in the year 2003. Our research provided six other subdivisions with a total count of 1,188 lots that have a strong probability of competing with the subject property for new residential home market share. Added to this factor of consideration are another 4,015 lots that are in various stages with the Loveland Planning Department and may or may not be available to compete with the subject property.

The developer has predicted capturing 12.52% of the projected single family market in 2003 to a high of 18.04% of the market share in 2007. Currently, the leaders of the Loveland market, Kaufman Broad Homes in Greenbriar, enjoys 20.77% of the market, Mountain Vista in Thompson Valley has 20.53%, and U.S. Homes in Marianna Butte as 19.32%. But, all are nearing completion of their developments.

Based on the above factors, we feel that the subject developer has assumed an aggressive, but obtainable absorption schedule based on current market conditions. Factors that may negatively impact this absorption schedule is an oversupply of lots leading to more neighborhoods competing for a market share in a real estate market that has recently witnessed a slow down in buyer activity. Other factors that may negatively affect these absorption estimates are the further slowing of the national and local economies, or additional terrorist activities. Factors that could positively affect housing needs and associated absorption rates are delayed development of the some of the other subdivisions and/or continued population growth rates above the ten-year average of 2.8%. There could also be possible increased movement of people from the major cities to the smaller communities as the result of the September terrorist attacks coupled with fears of future terrorist activities targeted at large concentrated areas of population.

PAST AND PROJECTED MULTI-FAMILY CONSTRUCTION IN LOVELAND, COLORDO STUDY

In order to estimate the feasibility of the developer's expected future absorption rates, we examined historical multi family construction in the form of building permits issued for the past eight years in Loveland. From this past information, we projected future multiple family building permit issuances based on past patterns and anticipated future growth. This projection is based on the number of units put on the market from 1992 through the estimated 400 multi-family permits that should be issued in 2001. This 2001, a four hundred building permit estimate is based on the fact that the City of Loveland had issued 378 multi family unit permits as of August 31, 2001. From this information, we were able to construct the following table concerning projected multi-family construction in Loveland, Colorado to the year 2008. This table illustrates the historical cyclical nature of multi-family building activity, and then estimates the potential future demand for multi-family housing. The historical cyclical nature can be seen with a 505.26% increase in multi-family building permit activity between 1993 and 1994 and a drop of 70.21% between 1996 and 1997. That cycle was followed by a 143.42% increase between 1998 and 1999. The last cycle was between 2000 and 2001 when multi-family permits increased from 167 units to an anticipated 400 units, an increase of 139.52%. To compensate for this cyclical nature of the market, our estimates of the future units per year is based on the past eight years with some weighting for the increase in activity over the past three years. Based on the average of the past eight years, and the above mentioned weighting, we estimate future multi-family annual unit absorption rate to average start at 150 units in 2002 and increase by 25% annually until 2008.

PAST AND PROJECTED
NEW MULTI-FAMILY (UNITS) CONSTRUCTION IN LOVELAND, COLORADO

Previous Multi-Family (Units) Permits for Homes in Loveland

Year	1992	1993	1994	1995	1996	1997	1998	1999	2000
Population	38583	39605	41616	43434	45012	46826	48563	50427	52990
Growth in Persons	697	1022	2011	1818	1578	1814	1737	1864	2563
Percentage in Growth from Previous Year	n/a	2.65%	5.08%	4.37%	3.63%	4.03%	3.71%	3.84%	5.08%
New Multi-Family Permits (Units)	16	19	115	203	141	42	76	185	167
Percentage Change from Previous Year	n/a	18.75%	505.26%	76.52%	-30.54%	-70.21%	80.95%	143.42%	-9.73%

Projected Multi-Family (Units) Permits for Homes in Loveland

Year	2001	2002	2003	2004	2005	2006	2007	2008
Population	54495	56043	57634	59271	60954	62685	64466	66296
Growth in Persons	1,505	1,548	1,592	1,637	1,683	1,731	1,780	1,831
Percentage in Growth from Previous Year	2.84%	2.84%	2.84%	2.84%	2.84%	2.84%	2.84%	2.84%
New Persons/New Multi Family Permits (Units)	3.76	6.37	6.37	6.37	6.37	6.37	6.37	6.37
New Multi-Family Permits (Units)	400	150	188	234	293	366	458	572
Percentage Change from Previous Year	139.52%	-62.50%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%

Projected New Multi Family Units of 150 in 2001 is based on an historical nine years total, plus projected activity in 2001, divided by ten years, for an average of 136.40 units per year. This was rounded to 150 units anticipated for 2002.

Projected New Multi-Family Units Required Each Year is based on a projected annual growth rate of 25% from 2002 through 2008

This drop in permits from 2001 to 2002 is because projections of 2002 are based on the estimated 150 units per year, while 2001 is based on actual permit activity so far this year. The estimated 400 units coming on the market in 2001 and early 2002 is approximately a two and a half year's supply. Thus, based on historical data, fewer new units should be anticipated for the next two to three years. The 2002 through 2008 figure was estimated to be more indicative of future trends rather than relying solely on the number of permits issued in 2001, which may not continue to be as strong in the future. As discussed earlier, multi family housing activity has been historically cyclical, which makes accurate year to year predictions difficult to forecast for the years 2003 through 2008. We have utilized a flat increase of 25% per year increase in multi-family development. We realize in actuality that this development will happen in a more cyclical pattern. Still, we believe this is a relatively accurate projection of future multi family activity in the Loveland area.

PROJECTED MULTI-FAMILY UNIT COMPETITON IN THE LOVELAND MARKET

After projecting new multi-family home construction activity, we evaluated the current market to estimate the amount of multi family competitive activity in the Loveland Area. The majority of these permits appear to be new apartment construction designed to meet the high demand (2.6% vacancy rate) for apartment rentals. This is confirmed by a recent survey by a Loveland Commercial Broker who provided information on 964 planned apartment units, and Donald Shannon's occupancy levels in his multi-family holdings in the Loveland area.

Not included in these 964 units mentioned above are the projects in Centerra. One new project that recently began marketing multi-family condominium units is High Plains Village at Centerra by McStain Homes. Located approximately one-half mile from the subject property on the north side of Highway 34, this project is anticipated to have 26 buildings with 208 units. In addition to these units, McWhinney Enterprises is in the process of framing 152 apartment units in Centerra as well. Also located in Centerra, are the existing Eagle Ridge Apartments that started renting their 168 units in May of 2000 with a reported 90% occupancy rate.

The total multi-family activity reported by the Loveland City Planning Department in July of 2001 shows that there are currently three other projects that range in size from 68 units to 138 units that have final approval from the City of Loveland Planning Department and are ready to be, or are being built. Lists of these projects are described in the table on the following page.

The same report shows that there are another 15 multi-family subdivision proposals in some stage of application. These proposals range in size from 12 units to 300 units, and totals to the potential of another 1,818 in the upcoming years. Of course, not all of these units will be approved, built, or put on the market at the same time. In addition, the subject's proposed units have the flexibility to be created to meet different price points for apartment units or condominium units as the market warrants.

CURRENT AND PROJECTED MULTI-FAMILY DEVELOPMENTS LISTED WITH THE LOVELAND COLORADO PLANNING DEPARTMENT

Current Competition

Project	Number of M.F. Units	Status	
Vanguard - Famelco 11th Sub.	104	Final Plat	
Willowpark Addition	138	Final Plat	
Emerald Glen 8th Subdivision	68	Final Plat	
TOTAL:	310		

Potential Future Competition

Project	Number of M.F. Units	Now Available	
Seven Lakes North 6th Subdivision	45	Preliminary Plat	
Rocky Mountain Village 5th Subdivision	280	Preliminary Plat	
Ridgeview North 7th Subdivision	60	Preliminary Plat	
Sweetbriar 1st Subdivision	12	Preliminary Plat	
Marianna Butte 14th Subdivision	15	Preliminary Plat	
Fox Pointe Addition	30	Annexation and Prelimminary Plat	
Wilson Commons Addition	62	Annexation and Prelimminary Plat	
Sierra Valley Addition	46	Annexation and Prelimminary Plat	
Southridge Village 1st and 2nd Addition	336	Annexation and Zoning	
Dakota Glen Addition	102	Annexation and Zoning	
Eagle Brook Meadows Addition	141	Annexation and Zoning	
Greenvalley Ranch Addition	277	Annexation and Zoning	
Wintergreen Village Addition	300	Annexation and Zoning	Status Uncertain
Hidden Valley Estates Addition	24	Annexation and Zoning	
Alford Lakes Addition	88	Annexation and Zoning	
TOTAL:	1818		

Source: City of Loveland Current Planning

CONCLUSION REGARDING DEVELOPER'S EXPECTED ABSORBTION RATE FOR MULTI-FAMILY UNITS IN LOVELAND COLORADO

In this segment of this report, we examined past and existing building permit activity in relation to past and present population growth. Based on these numbers, we projected future multi-family building activity through the year 2008. In relation to these numbers, we looked at how the multi-family building community was satisfying this demand. Helping meet this demand are the Eagle Ridge Apartments, located in Centerra, which has rented approximately 151 of their 168 new apartment units since May of 2000.

Other projects helping meet this demand are the new multi-family condominium units is High Plains Village at Centerra by McStain Homes with 208 units. In addition to these units, McWhinney Enterprises is currently in the process of framing 152 apartment units in Centerra as well. These 360 units will be coming on the market prior to the subject units and hopefully will be mostly absorbed by the time the subject's inventory appears on the market.

We moved from the currently available multi-family unit inventory to the potential units that may compete more directly with the subject starting in the year 2003. Based on information provided by the City of Loveland we estimated that there are approximately 598 additional units to the ones mentioned above that have a strong probability of competing with the subject property for multi-family home market share. Added to this factor of consideration are another 1,818 units that are in various stages with the Loveland Planning Department and may or may not be available to compete with the subject property.

In relation to the developer's estimates, we feel that the expected absorption in four years may be overly aggressive in light of estimated market demand and expected competition. The table on the following page provides what we believe is a more likely estimate of absorption over six years of the subject's multi-family units. This estimate of absorption is based on the assumption that the developer has the ability to create a variety of types and price ranges of multi-family units to meet market demands.

Year	Units Required by the Market	Units Proposed by Developer	As Proposed by Developer - Share of Market	Units Proposed by Study	As Proposed by Study - Share of Market
2003	188	40	21%	25	13%
2004	234	95	41%	50	21%
2005	293	100	34%	60	20%
2006	366	45	12%	60	16%
2007	458	0	N/A	60	13%
2008	572	0	N/A	25	4%
Total	**2,111**	**280**		**280**	

Factors that may affect this absorption schedule negatively are the rapid development of many or most of the planned units leading to more multi-family units competing for market share in a real estate market that is currently experiencing a softening. Other factors that may negatively affect these absorption estimates are the further slowing of the national and local economies, or additional terrorist activities. Factors that could positively affect housing needs and associated absorption rates are delayed development of the some of the other multi-family developments and/or continued population growth rates above the ten-year average of 2.84%.

Summary

Based on the above factors, our analysis indicates that the subject developer has assumed an aggressive, but possible absorption schedule based on current market conditions for single family homes with an average selling price of $200,000 under current market conditions. In relation to the developer's estimates of multi-family units, we think that the expected absorption rate of four years may be overly aggressive in light of estimated market demand and expected competition. For this reason, we have extended the multi-family absorption time frame out an additional two years to absorb the entire 280 multi-family units over a six year period.

Factors that may affect this absorption schedule in a negative way are the overabundance of lots leading to more neighborhoods competing for a market share in a real estate market that has recently witnessed a slow down in buyer activity. Other factors that may negatively affect these absorption estimates are the further slowing of the national and local economies, or additional terrorist activities. Factors that could positively affect housing needs and associated absorption rates are delayed development of the some of the other subdivisions and / or continued population growth rates above the ten-year average of 2.8%.

Respectfully Submitted,
Shannon and Associates

Donald J. Shannon, MAI, SRA	**R. Scott Woods, Associate**
CO-CG0313438, 12/31/03: WY-78, 9/4/03	CO-AR40021739, 12/31/01

QUALIFICATIONS

Donald J. Shannon, MAI, SRA

Shannon & Associates
Real Estate Appraisers and Consultants
215 West Oak Street, Suite 501
Fort Collins, CO 80521
(970) 482-1010

PROFESSIONAL AND APPRAISAL INSTITUTE AFFILIATIONS

Appraisal Institute SRA and MAI Member
Past or Present Committees or Offices:

Colorado Chapter: Admissions, Director, Secretary-Treasurer, Vice President, President
Region II: Review & Counseling Committee, Candidates Guidance Chair, Regional Representative, Regional Director, Regional Chair
National: Candidates Guidance Chair, Teaching Faculty, and National Director

Colorado Certified General Appraiser No. CG01313438
Wyoming Certified General Appraiser No. 78

EDUCATION

Bachelor of Science in Marketing & Economics from University of Missouri
Over 100 technical real estate appraisal courses and seminars including:

- Discounted Cash Flow Analysis
- Understanding Limited Appraisals
- The Use of Computers in Appraising
- Capitalization Theory & Technique Part A
- Capitalization Theory & Technique Part B
- Uniform Standards of Professional Practice
- Feasibility Analysis and Highest & Best Use
- Fair Lending
- Market Analysis
- Business Valuation
- Investment Analysis
- Subdivision Analysis
- Reviewing Appraisals
- Appraisal of Leaseholds

APPRAISAL PRACTICE

Independent real estate appraiser since 1971 completing a wide variety of appraisal assignments including:

- Office Buildings
- Motels & Hotels
- Shopping Centers
- Industrial Buildings
- Warehouse Buildings
- Medical & Surgical Centers
- Single & Multi-Tenant Retail
- Mini-Storage
- Subdivisions
- Golf Courses
- Multi-Family
- Education Facilities
- Mobile Home Parks
- Rural Tracts & Mountain Resorts
- Condemnations
- Feasibility Analysis
- Qualified Expert Witness
- Leaseholds and Partial Interest
- Appraisal Reviews
- Real Estate Counseling

Owner/Manager of Shannon & Associates, Real Estate Appraisers and Consultants. Owns and manages various apartments, office buildings and a shopping center.

COMMUNITY INVOLVEMENT

- City of Fort Collins Planning & Zoning
- City of Fort Collins Chamber of Commerce
- Sertoma Club (Life Member/Board of Directors)
- Downtown Redevelopment Commission

QUALIFICATIONS

R. SCOTT WOODS
Shannon and Associates
Real Estate Appraisers and Consultants
215 West Oak Street, Suite 501
Fort Collins, CO 80521
(970) 482-1010

EDUCATION

Bachelor of Arts – Fort Lewis College, Durango, Colorado
Master of Urban and Regional Planning – University of Colorado, Denver, Colorado

Uniform Standards of Professional Appraisal Practice
Real Estate Appraising Methods and Practices
Lending Practices – Cash Flow and Ratio Analysis
Regional Industry Analysis
Regional Housing Market Analysis
Essential Methods of Statistical Analysis for Urban Planning
Advanced Analytical Methods and Techniques
Transportation Planning
Social Research Methods
Analysis of Spatial Structure and Location Patterns of People and Industry
Economic Market and Impact Analysis Techniques

RELATED EXPERIENCE

Involved in Professional Practice since 1983, with experiences involving:

Commercial Real Estate Appraisals
Residential Real Real Estate Appraisals
Larimer County Current Planning
United States Economic Development Agency Field Management
Housing Market Analysis for Private Industry
Land Acquisition Studies for Private Industry
New Home Marketing for Private Industy
Neighborhood Economic Studies / Recommendations for Community Organizations
Regional Economic Studies for Governmental Agencies
Low Income Housing Market Studies for Non-profit Sector

EXHIBIT H
Proposed Ballot Questions

NO. 01

OFFICIAL BALLOT FOR VDW METROPOLITAN DISTRICT NO. 1 CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO

May 7, 2002
Date of Election

/s/
Facsimile of Signature of the Designated Election Official of the District

To vote, place crossmark (X) at the right of the name of each candidate and ballot issue and ballot question.

1-5-407(2), C.R.S.

WARNING: **Any person who, by use of force or other means, unduly influences an eligible elector to vote in any particular manner or to refrain from voting, or who falsely makes, alters, forges, or counterfeits any mail ballot before or after it has been cast, or who destroys, defaces, mutilates, or tampers with a ballot is subject, upon conviction, to imprisonment, or to a fine, or both.**

BALLOT QUESTION A:

FOR THE DIRECTORS OF VDW METROPOLITAN DISTRICT NO. 1

(VOTE FOR TWO DIRECTORS TO ACT UNTIL THEY OR THEIR SUCCESSORS ARE ELECTED AND QUALIFIED AT THE NEXT REGULAR SPECIAL DISTRICT ELECTION IN 2004, IF VDW METROPOLITAN DISTRICT NO. 1 IS ORGANIZED. PLACE A (X) OPPOSITE TWO OF THE NAMES BELOW).

Daniel Herlihey	

BALLOT QUESTION B:

FOR THE DIRECTORS OF VDW METROPOLITAN DISTRICT NO. 1

(VOTE FOR THREE DIRECTORS TO ACT UNTIL THEY OR THEIR SUCCESSORS ARE ELECTED AND QUALIFIED AT THE SECOND NEXT REGULAR SPECIAL DISTRICT ELECTION IN 2006, IF VDW METROPOLITAN DISTRICT NO. 1 IS ORGANIZED. PLACE A (X) OPPOSITE THREE OF THE NAMES BELOW).

Troy McWhinney	
Kathleen P. Cherroff	
Nicholas M. Christensen	

BALLOT ISSUE C: **(taxes\debt\streets)**

SHALL VDW METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED $7,418,250, WITH A REPAYMENT COST OF NOT MORE THAN $43,025,850 AND SHALL VDW METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED $8,308,440 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, STREET IMPROVEMENTS INCLUDING CURBS, GUTTERS, CULVERTS, OTHER DRAINAGE FACILITIES, SIDEWALKS, BRIDGES, PARKING FACILITIES, PAVING, LIGHTING, POWER LINE RELOCATION, GRADING, LANDSCAPING, AND OTHER STREET IMPROVEMENTS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH

SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES:______
NO:______

BALLOT ISSUE D: **(taxes\debt\traffic and safety)**

SHALL VDW METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED $500,000, WITH A REPAYMENT COST OF NOT MORE THAN $2,900,000; AND SHALL VDW METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED $560,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM OF TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, INCLUDING TRAFFIC SIGNALS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE

NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES:_____
NO:_____

BALLOT ISSUE E: **(taxes\debt\water)**

SHALL VDW METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED $1,641,366, WITH A REPAYMENT COST OF NOT MORE THAN $9,519,923; AND SHALL VDW METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED $1,838,330 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE POTABLE AND NON-POTABLE WATER SUPPLY, TRANSMISSION, AND DISTRIBUTION SYSTEM, INCLUDING TRANSMISSION LINES, DISTRIBUTION MAINS AND LATERALS, IRRIGATION FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON

THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES:_____
NO:_____

BALLOT ISSUE F: **(taxes\debt\sewer--sanitation)**

SHALL VDW METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED $4,662,610, WITH A REPAYMENT COST OF NOT MORE THAN $27,043,138; AND SHALL VDW METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED $5,222,123 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE LOCAL SANITARY SEWAGE COLLECTION AND TRANSMISSION SYSTEM, INCLUDING COLLECTION MAINS AND LATERALS, TRANSMISSION LINES, STORM SEWER, FLOOD, AND SURFACE DRAINAGE FACILITIES AND SYSTEMS, AND DETENTION AND RETENTION PONDS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE

PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES:_____
NO:_____

BALLOT ISSUE G: **(taxes\debt\parks and recreation)**

SHALL VDW METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED $500,000, WITH A REPAYMENT COST OF NOT MORE THAN $2,900,000; AND SHALL VDW METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED $560,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, PARKS AND RECREATIONAL FACILITIES, IMPROVEMENTS, AND PROGRAMS, INCLUDING PARKS, BIKE PATHS AND PEDESTRIAN WAYS, OPEN SPACE, LANDSCAPING, CULTURAL ACTIVITIES, COMMUNITY RECREATION CENTERS, WATER BODIES, IRRIGATION FACILITIES AND OTHER ACTIVE AND PASSIVE RECREATION FACILITIES AND PROGRAMS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE

PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES:______
NO:______

BALLOT ISSUE H: **(taxes\debt\public transportation)**

SHALL VDW METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED $500,000, WITH A REPAYMENT COST OF NOT MORE THAN $2,900,000; AND VDW METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED $560,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM TO TRANSPORT THE PUBLIC BY BUS, RAIL, OR ANY OTHER MEANS OF CONVEYANCE, OR ANY COMBINATION THEREOF, INCLUDING PUBLIC TRANSPORTATION SYSTEM IMPROVEMENTS, TRANSPORTATION EQUIPMENT, PARK AND RIDE FACILITIES, PUBLIC PARKING LOTS, STRUCTURES, ROOFS, COVERS, AND FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES,

ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES:_____
NO:_____

BALLOT ISSUE I: **(taxes\debt\television relay & translation facilities)**

SHALL VDW METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED $500,000, WITH A REPAYMENT COST OF NOT MORE THAN $2,900,000; AND SHALL VDW METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED $560,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, TELEVISION RELAY AND TRANSLATION SYSTEM IMPROVEMENTS, INCLUDING EQUIPMENT, FACILITIES, AND STRUCTURES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE

COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES:______
NO:______

<u>BALLOT ISSUE J</u>: **(taxes\debt\mosquito control)**

SHALL VDW METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED $500,000, WITH A REPAYMENT COST OF NOT MORE THAN $2,900,000; AND VDW METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED $560,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, FACILITIES, PROPERTIES, AND EQUIPMENT FOR THE ELIMINATION AND CONTROL OF MOSQUITOES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY

YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES:______
NO:______

<u>BALLOT ISSUE K</u>: **(taxes\debt\O/M contract)**

SHALL VDW METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED $500,000, WITH A REPAYMENT COST OF NOT MORE THAN $2,900,000; AND SHALL VDW METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED $560,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF OPERATING AND MAINTAINING OR OTHERWISE PROVIDING THE DISTRICT'S SYSTEMS, OPERATIONS, ADMINISTRATION, FACILITIES, AND IMPROVEMENTS FOR THE PURPOSE OF CARRYING OUT THE OBJECTS AND PURPOSES FOR WHICH THE DISTRICT WAS ORGANIZED, TOGETHER WITH ALL NECESSARY INCIDENTAL AND APPURTENANT PROPERTIES, FACILITIES, EQUIPMENT, PERSONNEL, CONTRACTORS, CONSULTANTS, AND COSTS AND ALL LAND EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY

YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES:_____
NO:_____

BALLOT ISSUE L: **(taxes\debt\ refunding higher interest rate)**

SHALL VDW METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED $16,222,226, WITH A REPAYMENT COST OF NOT MORE THAN $94,089,911; AND SHALL VDW METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED $18,168,893 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, ISSUED FOR THE PURPOSE OF REFUNDING, PAYING, OR DEFEASING, IN WHOLE OR IN PART, BONDS, NOTES OR OTHER FINANCIAL OBLIGATIONS OF THE DISTRICT; SUCH DEBT TO BEAR INTEREST AT A RATE TO BE DETERMINED BY THE DISTRICT, WHICH INTEREST RATE MAY BE HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED; SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT TO BE ISSUED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES:_____
NO:_____

BALLOT ISSUE M: **(taxes\debt\De-Brucing O/M 5.5% limitation)**

SHALL VDW METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED $500,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S OPERATIONS, MAINTENANCE, AND OTHER EXPENSES: SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNTS AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING THE DISTRICT'S OPERATIONS, MAINTENANCE, AND OTHER EXPENSES; AND SHALL THE PROCEEDS OF SUCH TAXES AND INVESTMENTS INCOME THEREON CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT IN **2002** AND IN EACH YEAR THEREAFTER WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR SECTION 29-1-301, COLORADO REVISED STATUTES?

YES:_____
NO:_____

BALLOT ISSUE N: **(taxes\debt\contract debt master IGA)**

SHALL VDW METROPOLITAN DISTRICT NO. 1 BE AUTHORIZED TO ENTER INTO ONE OR MORE INTERGOVERNMENTAL AGREEMENTS WITH ANY POLITICAL SUBDIVISION OF THE STATE FOR THE PURPOSE OF JOINTLY FINANCING THE COSTS OF ANY PUBLIC IMPROVEMENT, FACILITIES, SYSTEMS PROGRAMS, OR PROJECTS WHICH THE DISTRICT MAY LAWFULLY PROVIDE, OR FOR THE PURPOSE OF PROVIDING FOR THE OPERATIONS AND MAINTENANCE OF THE DISTRICT AND ITS FACILITIES AND PROPERTIES, WHICH AGREEMENT MAY CONSTITUTE A DEBT OR INDEBTEDNESS AND A MULTIPLE-FISCAL YEAR OBLIGATION OF THE DISTRICT TO THE EXTENT PROVIDED THEREIN AND OTHERWISE AUTHORIZED BY LAW, AND IN CONNECTION THEREWITH SHALL THE DISTRICT BE AUTHORIZED TO MAKE COVENANTS REGARDING THE ESTABLISHMENT AND USE OF AD VALOREM TAXES, RATES, FEES, TOLLS, PENALTIES, AND OTHER CHARGES OR REVENUES OF THE DISTRICT, AND COVENANTS, REPRESENTATIONS, AND WARRANTIES AS TO OTHER MATTERS ARISING UNDER THE AGREEMENTS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT?

YES:_____
NO:_____

BALLOT ISSUE O **(Spending Question)**

SHALL VDW METROPOLITAN DISTRICT NO. 1 BE AUTHORIZED TO COLLECT, RETAIN, AND EXPEND EACH YEAR ALL REVENUES IT RECEIVES FROM ALL SOURCES AS VOTER-APPROVED REVENUE CHANGES AND WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

YES:______
NO:______

<u>BALLOT QUESTION P</u> **(referred measure transportation authorization)**

SHALL VDW METROPOLITAN DISTRICT NO. 1 BE AUTHORIZED TO EXERCISE THE POWER TO ESTABLISH, MAINTAIN, AND OPERATE A SYSTEM TO TRANSPORT THE PUBLIC BY BUS, RAIL, OR ANY OTHER MEANS OF CONVEYANCE, OR ANY COMBINATION THEREOF, AND MAY THE DISTRICT CONTRACT TO UNDERTAKE SUCH ACTIVITIES?

YES:______
NO:______

<u>BALLOT QUESTION Q</u> **(referred measure organizes district)**

SHALL VDW METROPOLITAN DISTRICT NO. 1 BE ORGANIZED AS A SPECIAL DISTRICT PURSUANT TO ARTICLE 1 OF TITLE 32, C.R.S., AND, PURSUANT TO ITS SERVICE PLAN?

YES:______
NO:______

<u>BALLOT QUESTION R</u> **(referred measure term limit elimination)**

SHALL MEMBERS OF THE BOARD OF DIRECTORS OF VDW METROPOLITAN DISTRICT NO. 1 BE AUTHORIZED TO SERVE WITHOUT LIMITATION ON THEIR TERMS OF OFFICE PURSUANT TO THE RIGHT GRANTED TO THE VOTERS OF THE DISTRICT IN ARTICLE XVIII, SECTION 11 OF THE COLORADO CONSTITUTION TO LENGTHEN, SHORTEN, OR ELIMINATE THE LIMITATIONS ON THE TERMS OF OFFICE IMPOSED BY SUCH SECTION?

YES:______
NO:______