



SPECIAL DISTRICT PUBLIC DISCLOSURE DOCUMENT
FOR
VENTANA METROPOLITAN DISTRICT

This constitutes the public disclosure document for the Ventana Metropolitan District. The legal description of the property located within the District is attached as Exhibit A. A map of the District is attached as Exhibit B.

Name of the District: Ventana Metropolitan District

The powers of the District as authorized by section 32-1-1004, Colorado Revised Statutes, and the District's service plan current as of the time of the filing: See attached Exhibit C.

The District's service plan, which can be amended from time to time as permitted therein and by applicable law and code, includes a description of the District's powers and authority.

A copy of the District's service plan is available from the division of local government in the state department of local affairs.

Ventana Metropolitan District is authorized by title 32 of the Colorado Revised Statutes to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by section 20 of article X of the Colorado constitution, include issuing debt, levying taxes, and imposing fees and charges. Information concerning directors, management, meetings, elections, and current taxes are provided annually in the Notice to Electors described in section 32-1-809(1), Colorado Revised Statutes, which can be found at the district office, on the district's website, on file at the division of local government in the state department of local affairs, or on file at the office of the clerk and recorder of each county in which the special district is located.

Nothing contained in this public disclosure document constitutes the basis for a title defect or creation of an unmarketable title.

The recording of this public disclosure document along with the attached exhibits with the El Paso County Clerk and Recorder constitutes the District's satisfaction of section 32-1-104.8, Colorado Revised Statutes.

EXHIBIT A

LEGAL DESCRIPTION

Exhibit A



Drexel, Barrell & Co.

Monday, February 20, 2006

A description of the Ventana Metropolitan District Parcel located in the N1/2 and the S1/2 of Section 8, T16S, R65W of the 6th P.M., City of Fountain, County of El Paso, State of Colorado, lying Westerly of the Westerly right-of-way line of the Union Pacific Railroad Company.

Engineers/Surveyors

Colorado Springs
Boulder, Greeley,
Steamboat Springs.

6365 Corporate Drive
Colorado Springs,
Colorado 80919-1968

719 260-0887
719 260-8352 Fax

Legal Description

A TRACT OF LAND LOCATED IN THE N1/2 AND THE S1/2 OF SECTION 8, T16S, R65W OF THE 6TH P.M.; CITY OF FOUNTAIN, COUNTY OF EL PASO, STATE OF COLORADO, LYING WESTERLY OF THE WESTERLY RIGHT-OF-WAY LINE OF THE UNION PACIFIC RAILROAD COMPANY (FORMERLY THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY), MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE N1/4 CORNER OF SAID SECTION 8 FROM WHICH THE NORTHEAST CORNER OF THE NW1/4 OF THE NE1/4 OF SAID SECTION 8 BEARS N89°08'18"E, 1248.75', THENCE N89°08'18"E 17.82 FEET ALONG THE NORTH LINE OF SAID SECTION 8 TO THE TRUE POINT OF BEGINNING:

THENCE N89°08'18"E, 54.32 FEET ALONG THE NORTH LINE OF SAID SECTION 8, TO THE WESTERLY RIGHT-OF-WAY LINE OF SAID UNION PACIFIC RAILROAD COMPANY;

THENCE S23°52'31"E, 2136.13 FEET ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID UNION PACIFIC RAILROAD COMPANY TO A POINT OF SPIRAL CURVE TO THE RIGHT;

THENCE SOUTHEASTERLY 358.10 FEET ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID UNION PACIFIC RAILROAD COMPANY AND ALONG THE ARC OF SAID SPIRAL CURVE TO A POINT OF CIRCULAR CURVE TO THE RIGHT, SAID ARC HAVING A DEGREE OF CURVE OF 02°41'34" AND A CHORD THAT BEARS S22°16'06"E, 357.99 FEET;

THENCE SOUTHEASTERLY 102.85 FEET ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID UNION PACIFIC RAILROAD

COMPANY AND ALONG THE ARC OF SAID CIRCULAR CURVE TO A POINT OF SPIRAL CURVE TO THE RIGHT, SAID ARC HAVING A RADIUS OF 2201.13, A CENTRAL ANGLE OF 02°40'38" AND BEING SUBTENDED BY A CHORD THAT BEARS S17°55'28"E, 102.84 FEET;

THENCE SOUTHEASTERLY 241.81 FEET ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID UNION PACIFIC RAILROAD COMPANY AND ALONG THE ARC OF SAID SPIRAL CURVE TO THE SOUTH LINE OF THE NE1/4 OF SAID SECTION 8, SAID ARC HAVING A DEGREE OF CURVE OF 02°32'45" AND A CHORD THAT BEARS S14°32'01"E, 241.78 FEET;

THENCE S12°17'08"E, 739.93 FEET ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID UNION PACIFIC RAILROAD COMPANY;

THENCE S07°08'59"W, 596.78 FEET ALONG THE WESTERLY LINE OF THAT TRACT OF LAND AS DESCRIBED IN DEED RECORDED IN BOOK 3476 AT PAGE 963 OF THE RECORDS OF EL PASO COUNTY TO THE SOUTHERLY LINE OF THE NW1/4 OF THE SE1/4 OF SAID SECTION 8 AND THE NORTHEAST CORNER OF FOUNTAIN INDUSTRIAL PARK FILING NO. 1 FIRST REPLAT;

THENCE S89°11'21"W, 1209.10 FEET ALONG THE SOUTHERLY LINE OF THE NW1/4 OF THE SE1/4 OF SAID SECTION 8 AND THE NORTHERLY LINE OF FOUNTAIN INDUSTRIAL PARK FILING NO. 1 FIRST REPLAT TO THE SOUTHEAST CORNER OF THE NE1/4 OF THE SW1/4 OF SAID SECTION 8;

THENCE S89°11'15"W, 585.24 FEET ALONG THE SOUTH LINE OF THE NE1/4 OF THE SW1/4 OF SAID SECTION 8 AND THE NORTH LINE OF THE FOUNTAIN INDUSTRIAL PARK FILING NO. 1 FIRST REPLAT TO THE EASTERLY RIGHT-OF-WAY LINE OF OLD PUEBLO RD;

THENCE N18°08'27"W, 235.25 FEET ALONG THE EASTERLY RIGHT-OF-WAY LINE OF OLD PUEBLO RD;

THENCE N20°43'26"W, 1160.74 FEET ALONG THE EASTERLY RIGHT-OF-WAY LINE OF OLD PUEBLO ROAD TO THE NORTH LINE OF THE NE1/4 OF THE SW1/4 OF SAID SECTION 8;

THENCE N89°09'24"E, 21.47 FEET ALONG NORTH LINE OF THE NE1/4 OF THE SW1/4 OF SAID SECTION 8 TO THE EASTERLY RIGHT-OF-WAY LINE OF OLD PUEBLO ROAD;

THENCE N20°46'34"W, 184.61 FEET ALONG EASTERLY RIGHT-OF-WAY LINE OF OLD PUEBLO ROAD;

THENCE N34°19'54"E, 254.33 FEET;

THENCE N08°59'37"E, 1511.90 FEET;

THENCE N63°00'54"E, 35.04 FEET;

THENCE N46°49'26"W, 231.83 FEET;

THENCE S61°51'24"W, 78.03 FEET;

THENCE S83°53'00"W, 132.98 FEET;

THENCE N47°00'42"W, 132.98 FEET;

THENCE N02°06'16"E, 132.98 FEET;

THENCE N41°17'37"E, 80.84 FEET;

THENCE N68°25'56"E, 67.14 FEET;

THENCE N40°58'48"E, 184.49 FEET;

THENCE N51°52'22"E, 80.13 FEET;

THENCE N65°54'15"E, 80.13 FEET;

THENCE N79°56'09"E, 80.13 FEET;

THENCE S88°45'29"E, 309.37 FEET;

THENCE S79°38'38"E, 79.99 FEET;

THENCE S68°40'21"E, 251.15 FEET;

THENCE S61°40'37"E, 68.83 FEET;

THENCE S55°22'09"E, 68.88 FEET;

THENCE S46°59'56"E, 101.48 FEET;

THENCE N66°31'54"E, 32.90 FEET;

THENCE N23°52'31"W, 375.21 FEET TO THE NORTH LINE OF THE NE1/4 OF SAID SECTION 8
AND THE TRUE POINT OF BEGINNING.

AREA= 150.9409 ACRES, MORE OR LESS

Legal Description Prepared by:
John C. Day, PLS # 29413
Drexel, Barrell & Co.
6365 Corporate Drive
Colorado Springs, CO. 80919
(719) 260-0887

EXHIBIT B

BOUNDARIES OF THE DISTRICT

Exhibit B

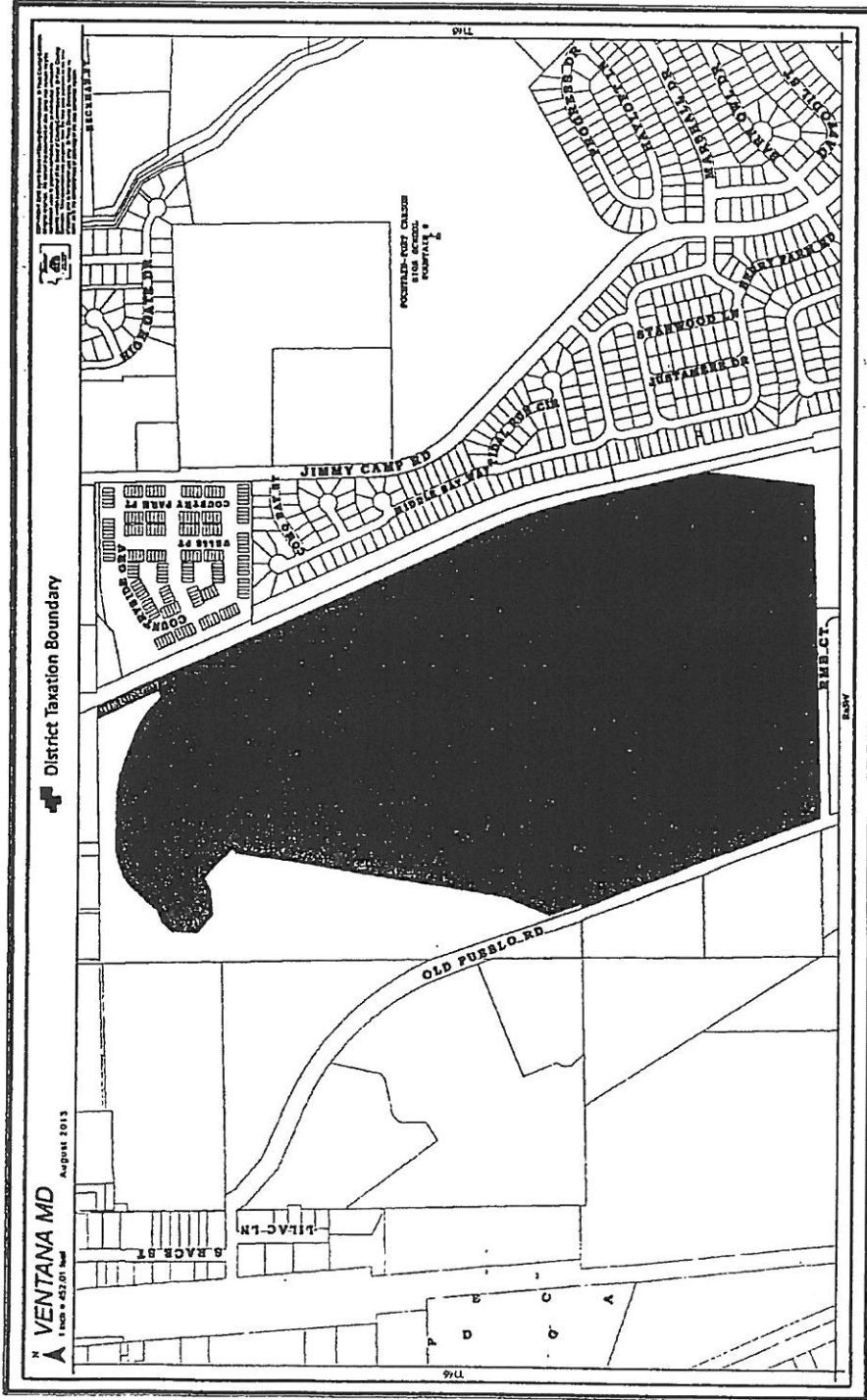


EXHIBIT C

POWERS OF THE DISTRICT

(See Attached)

C. Purpose of the District.

As further discussed hereinbelow, the District is authorized to provide certain services within and outside the boundaries of the Development. The District is organized to finance, construct, own, manage and operate certain public improvements throughout, and beyond the boundaries of, the Development.

In accordance with the Act, the District is authorized to provide the following improvements, facilities and services: (1) streets, (2) safety protection, (3) water, (4) sanitation, (5) storm drainage and (6) parks and recreation. The services and facilities to be provided by the District are not intended to conflict with the provision of services or facilities by Fountain or El Paso County (the "County"), as the case may be.

Water, electric, fire and police services will be available from Fountain in accordance with all applicable rules, regulations and requirements of Fountain. The Fountain Sanitation District will provide sanitary sewer service, Aquila will provide natural gas, and Qwest will provide telephone service, to the Development.

D. Description of Proposed Services.

The following provides a description of the proposed services and improvements (collectively, the "Improvements") that the District is authorized to provide. The District shall have the authority to provide for the design, acquisition, construction, installation, maintenance and financing of the following Improvements within and outside of the District's boundaries: (1) streets, (2) safety protection, (3) water, (4) sanitation, (5) storm drainage, and (6) parks and recreation. Exhibit D lists each type of Improvement to be provided by the District within and outside of the boundaries of the Property and two (2) cost estimates, in current dollars, for such; one estimate has been generated, and is certified, by a disinterested, third party engineer and the other has been generated by the Property Developer.

1. Streets. The District shall have the power to provide for the design, acquisition, construction, completion, installation, and/or operation and maintenance of street improvements both on and off-site,¹ including, without limitation, curbs, gutters, culverts, and other drainage facilities, railroad crossings or right(s) of way, sidewalks, bike paths and pedestrian ways, bridges, parking areas, median islands, emergency vehicle access, paving, lighting, grading, landscaping and irrigation, and all necessary, incidental and appurtenant facilities, land and easements, together with extensions of, and improvements to, said facilities within and outside the boundaries of the District, and in full compliance with all applicable laws and regulation, including but not limited to, any applicable environmental law, rule or regulation. The District does not intend to retain ownership of any on- or off-site streets improvements. It is anticipated that upon completion and final acceptance of all on- and off-site street improvements, said Improvements will be dedicated to Fountain for ownership and maintenance. The District does not intend to finance, construct or maintain any private street improvements. It is anticipated that, prior to dedication, any operation and maintenance activities reserved by the District with regard to street improvements shall be limited to minor activities including, but not limited to, landscape or streetscape maintenance.

2. Safety Protection. The District shall have the power to provide for the design, acquisition, construction, completion, installation and/or operation and maintenance of facilities and/or services for a system of traffic and safety controls and devices on streets and highways and at railroad crossings, including, without limitation, signalization, signage and striping, lighting, area identification, driver information and directional assistance signs, entry monuments, and all necessary, incidental, and

¹ As used throughout the service plan, "off-site" means outside of the boundaries of the Development.

appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and outside the boundaries of the District, and in full compliance with any applicable environmental law, rule or regulation. It is anticipated that upon completion and final acceptance, any safety protection improvements constructed in conjunction with on- or off-site street improvements will be transferred to Fountain for ownership and maintenance.²

3. Water. For use within the District, the District shall have the power to provide for the design, acquisition, construction, completion, installation, operation, and maintenance of a complete potable and non-potable water supply, treatment, purification, storage, transmission and distribution system, and irrigation conveyance and storage system, which may include, but shall not be limited to, water rights, water supply, reservoirs, ponds, wells, water pumps, purification plants, pump stations, transmission lines, distribution mains and laterals, fire hydrants, irrigation facilities, storage facilities, land and easements, and all necessary, incidental and appurtenant facilities, together with extensions of and improvements to said system within and outside the boundaries of the District, and in full compliance with all applicable laws and regulations, including but not limited to, any applicable environmental law, rule or regulation. Except for such non-potable irrigation systems as may be necessary or desirable to irrigate any publicly owned park or open space areas, all water system improvements including, but not limited to, all potable water system improvements, shall be operated and maintained by the District only until such time as such improvements are transferred to Fountain for ownership and maintenance. Should the District wish to design, construct, install and operate a non-potable irrigation system for irrigation of publicly-owned parks and open space areas within the District, the District may use those wells located within the proposed District known as the Toby Wells, if and to the extent the District is legally able to do so. Neither the District nor any person owning or occupying property within the District shall appropriate, purchase, lease or otherwise acquire any water or water rights or water supplies for use within the District without first obtaining the prior written approval of Fountain, which may be withheld for any reason. Fountain's acquiescence to the District's use of the Toby Wells does not constitute a representation or warranty of any kind that the Toby Wells or water or water rights associated with the Toby Wells are fit for the District's intended purposes, or can be used without further approvals from the Colorado state engineer, water court, or any other agency. Should any further approvals from the Colorado state engineer or the water court (such as an augmentation plan) be required in order for the District to use the Toby Wells for its planned non-potable irrigation system, Fountain may participate in such proceedings as it deems necessary to protect its own water rights. Should the District elect not to construct, or to discontinue a non-potable irrigation system as herein described, or should a non-potable irrigation system be available from Fountain, the District will convey to Fountain, at no charge, the Toby Wells (including any replacements thereof) and the water rights and water system infrastructure that comprise the District's non-potable irrigation system ("District's non-potable irrigation system"). If the District has elected not to construct or to discontinue use of its non-potable irrigation system, it shall be entitled to contract with Fountain for treated or non-potable irrigation water, whichever is available, and shall pay Fountain's then-applicable fees and water charges. At such time as Fountain has a municipal non-potable water system available for connection to the District, the District shall connect to said system, and shall pay Fountain's then-applicable fees (other than the tap fee) and water charges. District funds shall not be used to construct, operate, maintain or replace any private water service line, lateral or private irrigation facility.

² As part of the construction of the Improvements, the District is causing the relocation of a Burlington Northern and Santa Fe ("BNSF") railroad crossing from its current location at Illinois Avenue to a new location at Indiana Avenue. Once the construction is completed and subject to the (a) satisfaction of any processes (including, without limitation, any appeals) or requirements imposed, from time to time, by the PUC, Fountain or both and (b) approval of the PUC, Fountain and otherwise, it is anticipated that the District will dedicate and convey the new railroad crossing to BNSF and Fountain will maintain such.

4. Sanitation. The District shall have the power to provide for the design, acquisition, construction, completion, installation and maintenance of a sanitary sewage transmission system which may include, but shall not be limited to, collection mains and laterals, lift stations, reuse transmission lines, and all necessary, incidental and appurtenant facilities, land and easements, together with extensions of, and improvements to, said system within and outside the boundaries of the District, in full compliance with any and all applicable environmental laws, rules or regulations. The District shall not construct, operate or maintain any sanitary sewer treatment plant or facility. Upon completion and expiration of the applicable warranty period(s), all sanitary sewer facilities and improvements constructed within or outside the boundaries of the District will be transferred to the Fountain Sanitation District for ownership and maintenance in accordance with all applicable Fountain Sanitation District rules, regulations, requirement and policies. District funds shall not be used to construct, operate, maintain or replace any private sewer service lateral.

5. Storm Drainage. The District shall have the power to provide for the design, acquisition, construction, completion, installation, operation and maintenance of storm drainage improvements and systems, including, but not limited to, storm water, flood and surface drainage facilities and systems and detention/retention ponds and associated irrigation facilities, and all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said storm drainage systems and improvements both within and outside the boundaries of the District in full compliance with any and all applicable environmental laws, rules and regulations.

Until such time as Fountain, at its option and in its sole and absolute discretion, requests ownership of any storm water, flood or surface drainage facility improvement or systems, all such storm water, flood or surface drainage facilities and improvements shall be owned, operated, maintained and replaced by the District, at its sole cost and expense.

5.5 No Overlapping Service Area. Section 32-1-107(2), C.R.S., provides, in pertinent part, that "[n]othing...shall prevent a special district providing different services from organizing wholly or partly within an existing special district [A] metropolitan district may be organized wholly or partly within an existing special district, but a metropolitan district shall not provide the same service as the existing special district."³ The District is located entirely within the service area of the Fountain Sanitation District. As specifically provided in Section II.D.4. above, the District is only authorized to provide for the "design, acquisition, construction, completion, installation and maintenance" of a sanitary sewer system. It has no authority to operate a sanitary sewer system or offer services otherwise provided by the Fountain Sanitation District. Should the District desire to offer services provided or to be provided by the Fountain Sanitation District, the District shall first comply with Colorado law including, without limitation, Section 32-1-107, C.R.S., and such ordinances, rules and regulations, as the case may be, from time to time, imposed by Fountain and the Fountain Sanitation District, respectively.

6. Parks and Recreation. The District shall have the power to provide for the design, acquisition, construction, completion, installation, operation and maintenance of parks and recreational facilities and programs including, but not limited to, parks, hiking trails, bike paths and pedestrian ways, open space, landscaping, water bodies, pedestrian bridges, picnic and common areas, weed control, outdoor lighting, event facilities, irrigation facilities, and other active and passive recreational facilities and programs, and all necessary, incidental and appurtenant facilities, land and easements, together with extensions of, and improvements to, said facilities within and outside the boundaries of the District, in full compliance with all applicable environmental laws, rules or regulations. It is anticipated that parks and recreational facilities will be owned and maintained by the District.

³ Except as otherwise provided in Section 32-1-107(3).

Any park and recreation facility constructed, owned or operated by the District will be available to all Fountain residents on the same basis as is available to District residents. Upon written request, any park, open space or recreation facility constructed or acquired by the District will be conveyed to the City for future operation and maintenance.

7. Other Powers. In addition to the above-enumerated powers, the Board shall also have the following authority:

- (a) Plan Amendments. To amend the Service Plan, as needed, subject to Fountain's approval and applicable law.
- (b) Phasing and Deferral. Without amending this Service Plan, to defer, forego, reschedule, or restructure the financing and construction of certain improvements and facilities to the extent consistent with then existing land uses for the Development approved by Fountain, and to better accommodate the pace of growth and resource availability.
- (c) Additional Services. Except as otherwise contemplated herein, to provide such additional services and exercise such powers as may be granted by Colorado law, from time to time.

E. Needs Analysis.

1. *The creation of the proposed special district will be in the best interests of the area proposed to be served.* At this time, Fountain does not intend to initially finance or construct any streets, safety protection, water, storm drainage, sanitation, and park and recreation facilities in the area to be served. As a result, the District is the best entity to finance these facilities and services within a time frame calculated to serve the Development and Fountain.

2. *Adequate service is not, nor will it be, available to the area through the County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.* Fountain does not have a plan to initially finance or construct the proposed services and facilities for the Development. The service area is entirely within the boundaries of Fountain so County provided facilities are not a reasonable alternative. Subject to and in accordance with this Service Plan, this Service Plan affords the District the flexibility to finance certain improvements and provide certain services to serve the proposed Development as the need for such improvements and services arises and grows.

3. *There is sufficient existing and projected need for organized service in the area to be serviced by the proposed special district.* The need for the services and facilities is supported by the growth projected to occur within the Development. The Market Analysis demonstrates that the Development will require such services and facilities in a time frame which can best be met by the District.

4. *The existing service in the area to be served by the proposed special district is inadequate for present and projected needs.* There is no existing service in the area to be served. Therefore, the existing service is inadequate to serve the immediate and projected needs of the Development.