

**SERVICE PLAN**

**FOR**

**VENTANA METROPOLITAN DISTRICT**

**FEBRUARY 22, 2006**

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## TABLE OF CONTENTS

### SERVICE PLAN FOR VENTANA METROPOLITAN DISTRICT

I.	<b>EXECUTIVE SUMMARY</b> .....	1
II.	<b>INTRODUCTION</b> .....	4
	A. Statutory and Regulatory Matters.....	4
	B. District Boundaries/Maps .....	4
	C. Purpose of the District.....	5
	D. Description of Proposed Services .....	5
	E. Needs Analysis .....	8
III.	<b>DEVELOPMENT ANALYSIS</b> .....	9
	A. Preliminary Engineering Survey.....	9
	B. Assessed Valuation and Population Estimate.....	9
	C. Market Analysis.....	9
IV.	<b>FINANCIAL PLAN ANALYSIS</b> .....	9
	A. General .....	9
	B. Structure .....	10
	C. Limited Tax General Obligation Bonds.....	10
	D. Mill Levy .....	11
	E. Cost Summary and Bond Development .....	11
	F. Operating Costs .....	12
	G. Enterprise.....	12
	H. Economic Viability .....	13
	I. Existing Conditions.....	13
V.	<b>INFRASTRUCTURE ANALYSIS</b> .....	13
	A. Improvements .....	13
	B. Standards of Construction/Statement of Compatibility .....	13

VI.	<b>INTERGOVERNMENTAL AGREEMENTS</b> .....	14
	A. General .....	14
	B. Voter Authorization.....	15
VII.	<b>MISCELLANEOUS</b> .....	15
	A. Board of Directors .....	15
	B. Notice to Property Owners	
VIII.	<b>COMPLIANCE</b> .....	15
	A. Annual Report .....	15
	B. Dissolution.....	15
	C. Material Modification .....	15
	D. Conclusion .....	16

**EXHIBITS**

Legal Description .....	A
Boundaries of the District .....	B
Vicinity Map.....	C
Certified Letter from Drexel Barrell & Co. and Cost Estimates Prepared by Drexel Barrell & Co. and Ditz Brothers, Respectively .....	D
Preliminary Engineering Surveys Showing How Proposed Services Are To Be Provided .....	E
Market Analysis.....	F
Financial Plans.....	G
Commitment Letter from Underwriter .....	H
Evidence of Payment of Prior Year's Real Estate Taxes .....	I
Form of Hearing Notice .....	J

## SERVICE PLAN FOR VENTANA METROPOLITAN DISTRICT

### I. EXECUTIVE SUMMARY

The following is a summary of general information regarding Ventana Metropolitan District (the "District"), provided for the convenience of the reviewers of this Service Plan. Please note that the following information is subject in all respects to the more complete descriptions contained elsewhere in this Service Plan. Unless otherwise specifically stated, the information provided below is information with respect to the entire 151 acre development (the "Property" or "Development").

<b><u>District:</u></b>	Ventana Metropolitan District
<b><u>Property Owner:</u></b>	Old Pueblo Road Investment Company, LLC
<b><u>Property Developer:</u></b>	Ditz Brothers, LLC
<b><u>Proposed Development:</u></b>	Residential, commercial/light industrial and retail project on approximately 151 acres of real property located in the City of Fountain, El Paso County, Colorado.
<b><u>Proposed Improvements or Services:</u></b>	Water, sanitation, storm drainage, street, safety protection, and parks and recreation.
<b><u>Infrastructure Capital Costs:</u></b>	Approximately \$5,000,000
<b><u>Initial Debt Authorization:</u></b>	\$15,000,000 limited tax general obligation bonds.
<b><u>Proposed Mill Levy:</u></b>	Twenty-five (25) mills for debt service Seven (7) mills for operations and maintenance
<b><u>Mill Levy Cap:</u></b>	The total mill levy imposed by the District in any given tax year shall under no circumstances exceed fifty (50) mills, adjusted to take into account any change in law with respect to the assessment of property for taxation purposes, any change in the ratio for determining assessed valuation changes, or any similar change, utilizing tax year 2004 (for which an assessment ratio of 7.96% applied) as the base year for the calculation of any such adjustments.

**Functions of the Property Developer:**

Until such time as the District is able to sustain itself and subject to reimbursement as permitted by applicable law, the Property Developer, at its sole expense and from time to time, will advance monies, on prevailing market terms, to the District to pay operations and maintenance obligations and the costs of forming the District. And, subject to reimbursement as permitted by applicable law, the Property Developer, at its sole expense, will advance monies, on prevailing market terms, to the District to plan for the construction, and to cause the construction, of certain public improvements (as more specifically contemplated herein) within and outside the boundaries of the Development and to maintain certain public improvements in accordance with applicable City of Fountain ("Fountain") standards.

**Functions of the District:**

The District is organized to finance and construct certain public improvements located within and outside the boundaries of the Development. The District will cause such public improvements to be designed, engineered and constructed pursuant to applicable Fountain standards. Except as otherwise provided herein and to the extent permitted by Fountain, the District intends to dedicate all public improvements to Fountain after the expiration of any applicable warranty periods or as otherwise provided in the Fountain municipal code. The District intends to own, manage and operate certain landscaped areas within the Development, which areas are shown as part of **Exhibit E**, attached hereto. Once the tax base within the District reaches critical mass, the District, through its mill levy and such other fees that may be levied or imposed, from time to time, anticipates that it will have the necessary financial wherewithal to reimburse the Property Developer for advances made, from time to time, and to fund the planning for, and the construction of, certain public improvements and the maintenance of such public improvements.

**Material Modifications:**

Modification to this Service Plan shall be required if there is a change in the mill levy cap, or in the basic services provided by District, including the addition of any types of services provided, or for any other matter described as a material modification in Section VIII(c) below.

**Current Population:**

0

**Current Assessed Value of the Property:**

Approximately \$68,666.00

This Executive Summary summarizes the Service Plan for the reader and does not change any specific provision of the Service Plan that follows. In the event of a conflict between the Executive Summary and other provisions or parts of the Service Plan, such other provisions or parts shall control.

## II. INTRODUCTION

### A. Statutory and Regulatory Matters.

Pursuant to the Special District Act (“Act”), Section 32-1-101 *et seq.*, Colorado Revised Statutes (“C.R.S.”), this Service Plan consists of a financial plan, a market analysis, and preliminary engineering plans showing how the facilities and services for the Development will be developed and financed. The following items are included in this Service Plan in accordance with the Act and all applicable Fountain guidelines:

1. A description of the proposed services;
2. A market analysis (“Market Analysis”) prepared and issued by a disinterested third party (King & Associates, Inc.) showing, in part, how the Development will be developed, marketed, and utilized and the projected absorption schedules for the residential, commercial/light industrial and retail projects to be built within the Development;
3. A financial plan (“Financial Plan”) showing how the proposed services will be financed;
4. Preliminary cost estimates prepared and issued by a disinterested third party engineer (Drexel Barrell & Co.) and the Property Developer, respectively;
5. A preliminary engineering or architectural survey showing how the proposed services are to be provided;
6. A map of the District’s boundaries and an estimate of its population and valuation for assessment purposes;
7. A general description of the facilities to be constructed and the standards of construction, including a statement of how the facility and service standards of the District are compatible with the facility and service standards of Fountain, and, where applicable, any municipalities and special districts which are interested parties pursuant to C.R.S. Section 32-1-204(1);
8. A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the District; and
9. A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the District and such other political subdivision.

### B. District Boundaries/Maps.

The Development will be served by the District. The Development is located entirely within the boundaries of Fountain. A legal description of the Development is attached hereto as **Exhibit A**. **Exhibit B** depicts the boundaries of the District. A vicinity map is attached hereto as **Exhibit C**.

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,<sup>1</sup> 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

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<sup>1</sup> 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.<sup>2</sup>

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.

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<sup>2</sup> 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."<sup>3</sup> 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.

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<sup>3</sup> 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.

### III. DEVELOPMENT ANALYSIS

#### A. Preliminary Engineering Survey.

A general description and preliminary engineering survey, as appropriate, of the Improvements currently anticipated to be constructed within and outside the boundaries of, and/or acquired for, the Development are shown on **Exhibits E, E-1, et seq.**

A detailed discussion of the Improvements to be constructed, acquired and/or operated by the District can be found in Section V of this Service Plan, which is entitled Infrastructure Analysis.

#### B. Assessed Valuation and Population Estimate.

As of December 31, 2005, the assessed valuation of the property within the District is approximately \$68,666.00. By 2016, it is anticipated that the assessed valuation of the property within the Development will be \$33,182,319. This is further detailed in the Financial Plan. The District will use the assessed valuation of the property within the Development to assist in financing the Improvements.

The Property Developer has secured from Fountain certain entitlements, thereby enabling the Property Developer to construct the Development. It is anticipated that the Development will consist of a planned community of approximately 358 single family residential lots, approximately 500,000 square feet of commercial space, and 108,000 square feet of retail space. At an estimated 2.5 persons per single-family unit, this results in an estimated residential population of 895 persons at build-out. At an estimated .001 persons per commercial (or non-residential) square foot, this results in a daytime commercial (or non-residential) population of 608 persons at build-out.

#### C. Market Analysis.

With respect to the Development, the Market Analysis is attached hereto as **Exhibit F.**

With respect to the residential development, the Market Analysis establishes that, for the period from 2006 to 2009, a total of 358 residential units within the Development will be constructed.

With respect to the commercial/light industrial and retail properties within the Development, the Market Analysis establishes that, for the period from 2008 to 2015, absorption of 608,000 square feet of commercial/light industrial and retail space is projected.

These projections have been incorporated into the Financial Plan which is attached hereto as **Exhibit G.**

### IV. FINANCIAL PLAN ANALYSIS

#### A. General.

The District shall be responsible for financing nearly all of the costs of the Improvements through the issuance of limited tax general obligation bonds; which bonds may be enhanced by one or more letters of credit as contemplated in the Financial Plan.

The Financial Plan shows the anticipated revenue sources available to the District. Certain statements in the Service Plan text are based upon the Financial Plan.

In addition to the revenue sources in the Financial Plan, the District may receive revenues from other legally available sources. The Financial Plan demonstrates how the Improvements are to be financed including the estimated costs of engineering services, legal services, administrative services, proposed bond issuances, estimated proposed maximum interest rates and discounts, facilities to be purchased or leased by the District from the Property Owner, and other major expenses related to the organization and operation of the District. The Financial Plan indicates the costs to be incurred by the District and any advances to be made by the Property Developer, from time to time. The Financial Plan demonstrates that, based upon reasonable assumptions, the District has the ability to finance the Improvements and will be capable of discharging each proposed bond issuance on a reasonable basis. The Financial Plan is an anticipated structure which may be adjusted based on economic conditions and other factors, subject to the limitations set forth in this Service Plan.

The Financial Plan anticipates that the Property Developer will initially fund a portion of the operation and maintenance expenses of the District through 2010.

B. Structure.

It is proposed that the District will seek authority from its electorate to incur limited general tax obligation debt for various purposes in an aggregate principal amount not to exceed Fifteen Million Dollars (\$15,000,000). Bonds which have been refunded do not count against the District's debt limit, as contemplated hereunder. When the District submits such to its voters for approval, the election questions will include amounts for maximum interest rates and total repayment costs associated with such debt. The amount to be voted exceeds the amount of bonds anticipated to be sold or debt incurred, as shown in the Financial Plan, to allow for the utilization of alternative financing mechanisms, unforeseen contingencies, increases in construction costs due to inflation, and to cover all issuance costs, including capitalized interest, reserve funds, discounts, legal fees and other incidental costs of issuance. A commitment letter from a qualified underwriter is attached hereto as **Exhibit H**.

A total District debt limit of \$15,000,000 in aggregate principal amount is approved in this Service Plan and shall not be exceeded without the prior written approval of Fountain; such debt limit is to apply to the aggregate outstanding amount of both general obligation bonds, revenue bonds, lease purchase agreements, and any multiple fiscal year obligation incurred by the District, as well as, any notes or other financial obligations issued by the District to the Property Developer to evidence the District's obligation to repay Property Developer's advances for operation and/or construction costs. Any notes or other reimbursement obligation that the District issues to the Property Developer will be paid from proceeds of the District's Limited Tax General Obligation Bond (when, and if received by the District); otherwise such notes/obligations will be unsecured obligations of the District. To the extent any such notes or financial obligations are outstanding when the District's Limited Tax General Obligations are also outstanding, payments on the notes shall be made only if such payments do not adversely affect the District's ability to pay its Limited Tax General Obligation Bonds and operation and maintenance expenses. The Property Developer solely assumes the risk of non-payment or other default on such notes, including without limitation, delay, inability or failure of the District to sell or issue its Limited Tax General Obligation Bonds. Any notes or other reimbursement obligations entered into between the District and the Property Developer shall not be general obligations of the District shall be issued only to the Property Developer, and shall not be transferred, assigned, participated in or used as security for borrowing.

C. Limited Tax General Obligation Bonds.

The construction of the Improvements will be primarily financed by the issuance of limited tax general obligation bonds secured by ad valorem taxing authority of the District, subject to any limitations contemplated herein. The Financial Plan sets forth the issuances of debt and the anticipated repayment

based on the development projected to occur in, and outside the boundaries of, the Development. It is anticipated that the first bond issue will occur in 2008. Prior to that time, the costs for the necessary improvements will be advanced by the Property Developer, subject to reimbursement of such costs or acquisition by the District.

With respect to each issuance, the proposed maximum voted interest rate will be ten percent (10%) and the maximum underwriting discount will be four percent (4%). The exact interest rate and underwriting discount cannot be determined until the time of the bond sale and will reflect market conditions at the time of sale. The District may issue notes, certificates, debentures and other forms of indebtedness, and execute long-term contracts, subject to any limitations contemplated herein.

D. Mill Levy.

The District will have a mill levy assessed on all taxable property in the Development as a primary source of revenue for repayment of its debt service related to issuance of limited tax general obligation bonds. Although the mill levy may vary, it is estimated that a total mill levy of twenty-five (25) mills will produce revenue sufficient to support debt retirement throughout the bond repayment period. In addition, the District may capitalize interest to permit payment of interest during the time lapse between development of taxable properties and the collection of tax levies therefrom. Interest income through the reinvestment of construction funds, capitalized interest and annual tax receipts will provide additional funds. These revenue sources, together with other revenue sources anticipated in the Financial Plan, are projected to be sufficient to retire the proposed indebtedness if growth occurs as projected.

The maximum aggregate mill levy the District is permitted to impose for payment of limited tax general obligation debt and for payment of operation and maintenance expense shall be fifty (50) mills ("Mill Levy Cap"). However, in the event the method of calculating assessed valuation is changed after the date of approval of this Service Plan by any change in law, change in method or calculation, or in the event of any legislation or constitutionally mandated tax credit, cut or abatement, the Mill Levy Cap may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation and tax year 2004 (for which an assessment ratio of 7.96% applied) shall be utilized as the base year for calculation of any such adjustments.

Any financial obligations issued or otherwise contracted by the District, including but not limited to, any obligation to reimburse the Property Developer for monies advanced and used to pay District construction costs shall be included within the debt limit provided herein. Fountain shall not be held liable for any of the District's obligations as further contemplated herein. The District shall not issue any bonds or incur any financial obligation having a maturity longer than thirty (30) years from the date of issue. In addition, and without in any way extending said thirty year maximum maturity, all debt issued or other financial obligations incurred by the District shall mature no later than forty (40) years from the date this Service Plan is approved, unless otherwise agreed, in advance, by Fountain, in writing.

E. Cost Summary and Bond Development.

The Financial Plan reflects the estimated amount of bonds to be sold and fees to be imposed to finance the completion, construction, acquisition and/or installation of the Improvements, including all costs and expenses related to the anticipated bond issuances. The amount of bonds actually sold by the District will be based upon the engineering estimates, actual construction contracts or both. Organizational fees and costs, including, without limitation, legal fees and capitalized engineering costs,

are to be paid from bond proceeds. It is not anticipated that there will be any financial difficulties that could affect the performance of the District under this Service Plan.

The Financial Plan is based, in part, on the cost estimates to construct the Improvements. All cost estimates are based upon construction of the Improvements to Fountain standards. The cost estimates have been evaluated by a disinterested, third party engineer. In a letter attached hereto as **Exhibit D**, the engineer has issued a favorable opinion with respect to the accuracy, in light of prevailing market conditions, of, and validity of, such cost estimates. The Financial Plan is also influenced by the Market Analysis, which forecasts the absorption of the residential, commercial/light-industrial and retail projects within the applicable marketplaces. The Financial Plan sets forth a reasonable estimate of growth within the Development.

Refunding bonds may be issued as determined by the Board, but in no event shall the maturity date of any refunding bond exceed the forty (40) year period provided for in Section IV.D. above, nor shall such refunding result in an increase in total debt service that is greater than the debt service on the bonds being refunded. Notwithstanding any other provision contained in this Service Plan to the contrary, all bonds, if any, that are purchased by the Property Developer, shall be callable at any time, at par, or upon payment of such premium as approved in advance by Fountain.

F. Operating Costs.

Subject to each and every applicable warranty and as generally contemplated herein, the District will dedicate certain facilities to Fountain or other appropriate jurisdiction, as the case may be, for operation and maintenance. As further contemplated herein, certain facilities will be owned, operated and maintained by the District. Estimated costs of operation and maintenance functions are shown in the Financial Plan. As set forth in **Exhibit G**, the Financial Plan assumes the District's operations and maintenance expenses will include costs for maintaining certain landscaped areas, and the administrative costs for serving the Development and running the District, itself.

As development continues and as set forth in **Exhibit G**, it is anticipated that the operations and maintenance costs will generally inflate at two percent (2%) percent per year. As further provided in Section IV.D. above, it is anticipated that the District will impose an operations and maintenance mill levy to cover its operations and maintenance costs. In addition, the District may impose a system of fees, rates, tolls, penalties and charges in connection with the provision of services. The estimated revenues from such taxes, rates, tolls, penalties and charges are reflected in the Financial Plan. The Financial Plan projects that the District will have sufficient revenue to pay for its operations and maintenance expenses.

Prior to the District having sufficient revenue to cover its operation and maintenance expenses, the Property Developer anticipates that it will advance monies to the District, from time to time. The District is authorized to reimburse the Property Developer for amounts advanced for operations and maintenance expenses, together with interest thereon. Any obligations issued or otherwise contracted to reimburse the Property Developer for monies advanced and used to pay District operations and maintenance costs shall be included within the debt limits provided herein.

Fountain shall not be held liable for any of the District's obligations as further contemplated herein.

G. Enterprise.

The Board (as hereinafter defined) may set up enterprises to manage, fund and operate such facilities, services and programs as may qualify for enterprises status using the procedures and criteria

provided by Article X, Section 20, Colorado State Constitution. To the extent provided by law, any enterprises created by the District will remain under the control of the Board.

H. Economic Viability.

The Financial Plan illustrates the estimated income and expenses for the District over a 32 year period, presuming issuance of two series of limited tax general obligation bonds with each maturing within a thirty year period. The District acknowledges and agrees that it is not authorized to, and shall not, issue any bonds having a maturity period in excess of thirty years. The Financial Plan is predicated upon a total build-out period of three years for residential, seven years for commercial/light-industrial, seven years for retail.

It is also assumed that the assessed valuation will be realized one year after construction is completed and that tax collections will be realized two years after such construction is completed. The Financial Plan contained in this Service Plan demonstrates the economic viability of the District.

I. Existing Conditions.

As of December 31, 2005, the Development has an assessed valuation of approximately \$68,666.00. Evidence of payment of prior year's taxes on property owned by the Property Owner within the Development is attached as **Exhibit I**. As provided in the Financial Plan, by 2016, the assessed valuation for the Development is expected to be \$33,182,319.

V. **INFRASTRUCTURE ANALYSIS**

A. Improvements.

This Service Plan describes the Improvements anticipated for construction and financing by the District. Without limiting the generality of the foregoing and for clarification purposes only, the District anticipates and, through this Service Plan, is authorized to construct and finance certain improvements outside the boundaries of the District. **Exhibit D** lists each type of improvement currently planned to be provided by the District for the Development and the costs in current dollars.

The District will require, and the Property Owner has agreed, that all land necessary for the construction, installation, operation and maintenance of the Improvements and whatever water rights, if any, Fountain has expressly authorized the District to acquire, will be dedicated to the District, by the Property Developer at no cost to the District. Except as expressly otherwise provided in this Service Plan, water or water rights may be transferred to the District only with the prior written approval of Fountain, which may be withheld for any reason. The Improvements generally described in **Exhibits E, E-1, et.seq.**, have been presented for illustration only, and the exact design, phasing of construction and location of the Improvements will be determined at the time each phase of the Development is approved by Fountain. Such decisions shall not be considered to be a material modification of the Service Plan.

B. Standards of Construction/Statement of Compatibility.

1. All streets and safety protection facilities will be designed and constructed in accordance with Fountain's standards and specifications and any other applicable local, state or federal rules and regulations.

2. All potable water system facilities will be designed and constructed in accordance with the standards of the Colorado Department of Public Health and Environment, and all



such facilities will also meet all design criteria and other standards or requirements established by Fountain, the County, if applicable, and any other state or federal rule or regulation.

3. All sanitary sewer collection facilities and related improvements will be designed, constructed and installed in accordance with all applicable standards of the Fountain Sanitation District and Colorado Department of Public Health and Environment and the District Standards for Design and Construction, if any. To the extent applicable, said facilities will also meet any criteria established by Fountain, the County and state and federal rules and regulations. Upon completion all sanitary sewer collection facilities shall be conveyed to the Fountain Sanitation District for ultimate operation and maintenance in accordance with all applicable Fountain Sanitation District rules, regulations, policies and requirements.

3.5 All storm sewer, flood and surface drainage facilities and systems shall be designed, constructed and maintained in accordance with all applicable Fountain, County, state and federal standards, rules, regulations and criteria.

4. All parks and recreational facilities will be constructed in accordance with engineering and design requirements appropriate for the surrounding terrain, and shall be compatible with standards for Fountain, and any other applicable local, state or federal rules and regulations.

5. All public improvements that are intended to be ultimately owned, operated and maintained by Fountain, will be transferred to Fountain only upon satisfaction of all Fountain requirements and criteria for acceptance of public improvements, including but not limited to, the conveyance of all necessary easements and rights-of-way for the operation and maintenance of the public improvements and subject to all applicable Fountain warranty standards and other requirements.

6. All facilities, improvements and services contemplated by this Service Plan, shall, at all times, be subject to, and shall be provided in accordance with, all applicable limitations and provisions as set forth in Fountain's Charter, Code, Ordinances, Rules, Regulations and Policies. By way of explanation and not limitation, the District shall comply with all zoning, land use and building requirements, standards and specifications of Fountain as the same now exist or may hereafter be amended, from time to time. Any attempt to overrule or exempt the District from Fountain's zoning regulations or any statutory location and extent process shall be deemed a material modification of this Service Plan.

Based on an analysis of jurisdictions which could be or are interested parties in the Service Plan proceedings as defined in the Colorado Revised Statutes, the District's engineers have determined that the standards by which the facilities are to be constructed are compatible with the facilities of such other jurisdictions.

## VI. INTERGOVERNMENTAL AGREEMENTS

### A. General.

The District may enter into intergovernmental agreements with other governmental entities, including, but not limited to, Fountain and other governmental and quasi-governmental entities having jurisdiction. It is anticipated that such will concern, in whole or in part, the provision of services within the Development.

B. Voter Authorization.

To the extent necessary to comply with statutory and/or Constitutional requirements for approval of debt or long-term financial obligations, the terms of any intergovernmental agreement deemed necessary to effectuate the long-term plans of the District will be submitted to the electors of the District for approval. The District shall have the authority to obtain the required voter authorization in order to exercise its rights and obligations under such agreements and to enter into the agreements without further approval from Fountain.

**VII. MISCELLANEOUS**

A. Board of Directors. Subject to the requirements of applicable Colorado law, the District will be governed by a board of directors (the "Board") consisting of five (5) individuals.

B. Notice to Property Owners.

The District will take steps to ensure that the developers of the property within the Development provide written notice at the time of closing to their respective initial purchasers regarding the existence of any taxes, charges or assessments which the District may or has the authority to impose, from time to time. The form of such notice is attached hereto as **Exhibit J**.

**VIII. COMPLIANCE**

A. Annual Report.

No later than April 1 of each year, the District will submit to Fountain an annual report as described in C.R.S. Section 32-1-207(3)(d).

B. Dissolution.

Subject to compliance with all required statutory procedures for dissolution, at the request of Fountain, the District agrees to file a petition for dissolution with Fountain if provisions for payment of the financial obligations of the District have been made, all improvements contemplated by the District have been completed, or obligations to complete are assumed, and the ongoing operation and maintenance obligations of the District are assumed by other responsible entities. Alternatively, the District shall be subject to administrative dissolution by the Division of Local Government, as set forth in C.R.S. Section 32-1-710, in the event the requirements of said statute are met.

C. Material Modification.

The initiation of any of the following actions constitutes a material modification and requires the prior approval of the Fountain City Council:

1. the use or threatened use of the power of eminent domain;
2. the inclusion of additional territory within the District's boundaries;
3. the exclusion of territory from the District's boundaries;
4. a change in the purposes of the District as contemplated herein;
5. a consolidation with another Title 32 district;
6. a change to the type of services, improvements or infrastructure to be provided by the District;

7. a payment by the District for any interest in real property which must otherwise be dedicated for public use or the District's use in accordance with any governmental ordinance, regulation or law;
8. a change in the debt limit or the maximum mill levy used to service debt;
9. an issuance by the District of financial obligations not authorized in this Service Plan or under circumstances inconsistent with the District's ability to discharge such obligations as shown in the Financial Plan, attached hereto;
10. a failure by the District to comply with this Service Plan concerning the dedication of improvements or the acquisition and conveyance of any interest in real property;
11. a division of the District pursuant to C.R.S. Sections 32-1-1101(f) and 32-1-1101(1.5);
12. a monetary or other material default by the District under any intergovernmental agreement;
13. an attempt to overrule or exempt the District from Fountain's zoning regulations or any statutory location and extent process;
14. an event or condition contemplated in C.R.S. Section 32-1-207(2) or otherwise under Colorado law; and,
15. the occurrence of any event or condition that is otherwise identified herein as constituting a material modification of the Service Plan.

D. Conclusion.

This Service Plan is submitted and establishes the following:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the proposed district.
2. The existing service in the area to be served by the proposed district is inadequate for present and projected needs.
3. The proposed district is capable of providing economical and sufficient service to the Development.
4. The area to be included in the proposed district does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

**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

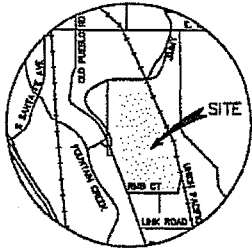
**EXHIBIT B**

**BOUNDARIES OF THE DISTRICT**

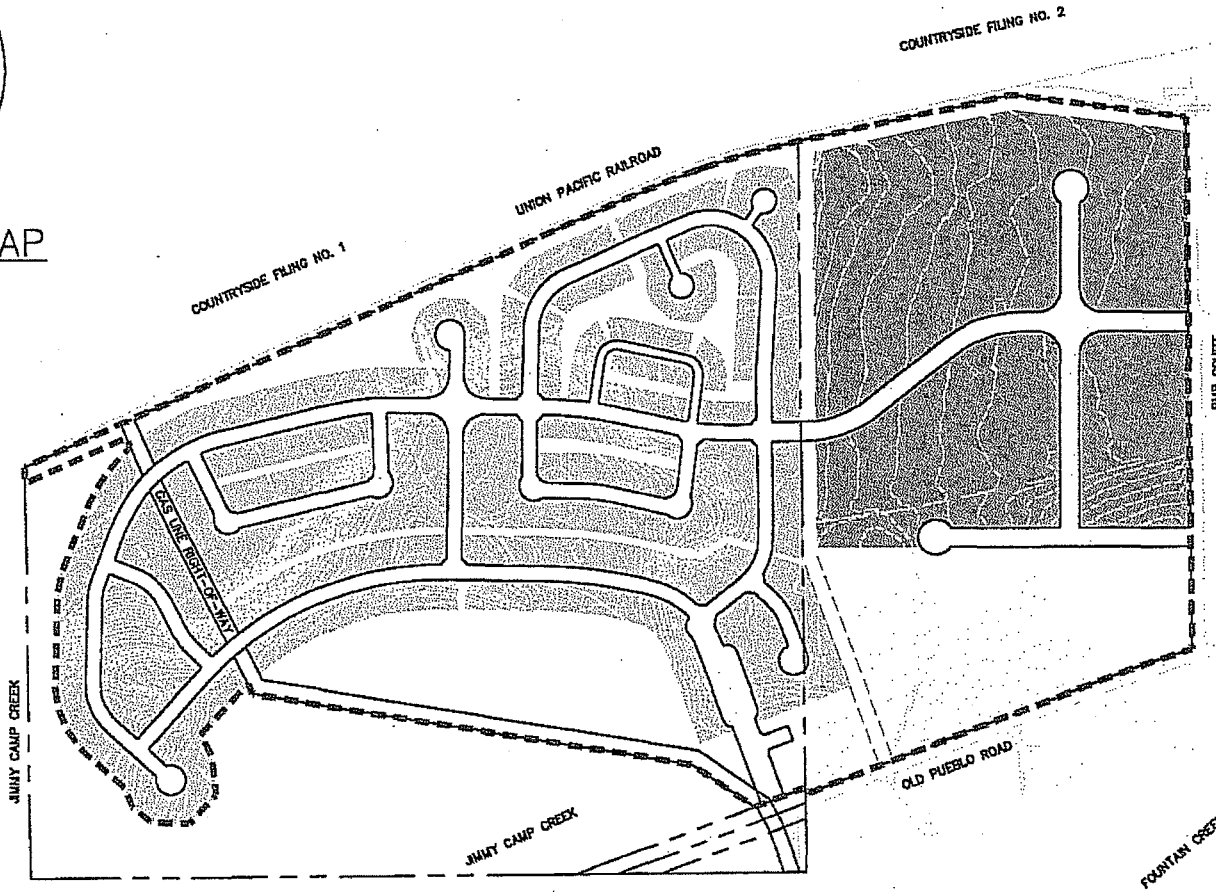
Exhibit B



H:\C7782\FINAL\Metropolitan District\77821EX-SITE.dwg, 2/21/2006 2:22:13 PM, 1:1, DREXEL, BARRELL & Co.,JTW

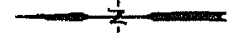


VICINITY MAP  
N.T.S.



**LEGEND**

DISTRICT BOUNDARY	-----
RESIDENTIAL	[Stippled pattern]
INDUSTRIAL	[Cross-hatched pattern]
RETAIL/COMMERCIAL	[White/Unfilled]



FOUNTAIN INDUSTRIAL PARK

PREPARED BY: **Drexel, Barrell & Co.**  
 Engineers • Surveyors  
 6365 CORPORATE DRIVE  
 COLORADO SPRINGS, COLORADO 80919  
 (719) 260-0887

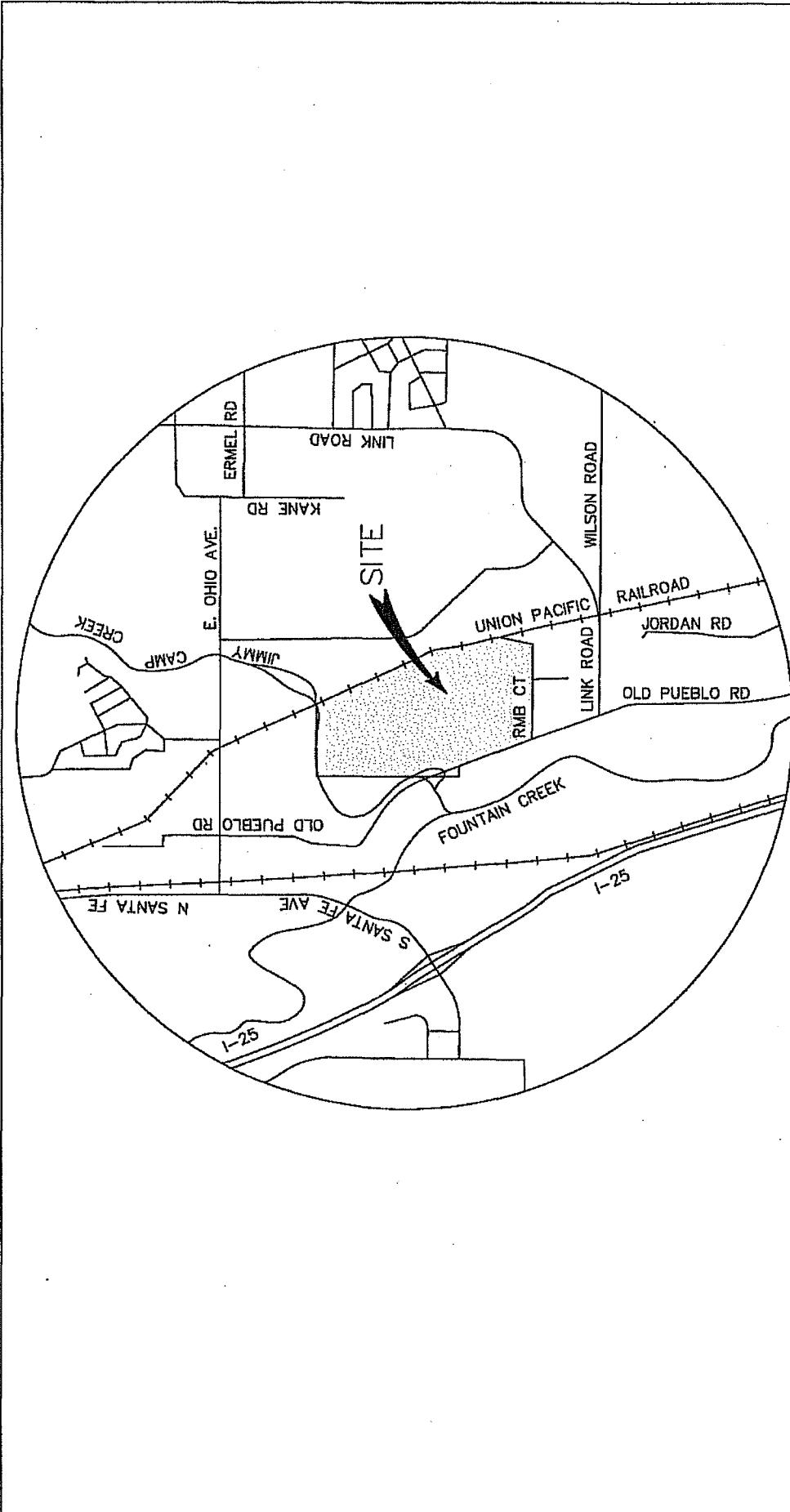
REVISION DESCRIPTIONS	DATE

**OVERALL VENTANA METROPOLITAN DISTRICT SITE PLAN**

DATE: 20 FEB 2006	JOB NO: C7782-1	SHEET 1
SCALE: H: 1" = 400' V:	DRAWING NO.: FILE	SHEETS 7

**EXHIBIT C**  
**VICINITY MAP**

Exhibit C



VICINITY MAP  
N.T.S.

<b>PREPARED BY:</b>  <b>Drexel, Barrell &amp; Co.</b> Engineers • Surveyors 8365 CORPORATE DRIVE COLORADO SPRINGS, COLORADO 80910 (719) 280-6887	REVISION DESCRIPTIONS    	DATE   	VENTANA METROPOLITAN DISTRICT VICINITY MAP	DATE 20 FEB 2006 SCALE: 1/4" = 1'	JOB NO. C7782-1	SHEET 1
			DRAWING NO. FILE	SHEETS 1		

**EXHIBIT D**

**CERTIFIED LETTER FROM DREXEL BARRELL & CO. AND  
COST ESTIMATES PREPARED BY DREXEL BARRELL & CO. AND  
DITZ BROTHERS, RESPECTIVELY**

Exhibit D



Drexel Barrell & Co.

February 17, 2006

Mr. Scott Stevens, P.E.  
City of Fountain  
City Engineer / Public Works Director  
116 South Main Street  
Fountain, CO 80817

Engineers/Surveyors

Boulder,  
Colorado Springs,  
Greeley

6365 Corporate Drive  
Colorado Springs,  
Colorado 80919-1968

719 260 0887  
719 260 8352 Fax

Re: Ventana Metropolitan District Public Improvements Estimate of Probable Cost

Dear Scott:

As requested, please find enclosed our Estimate of Probable Cost for the construction of the infrastructure improvements within the Ventana Metropolitan District. The estimate was based upon Construction Documents dated November 17, 2005. The Construction Documents are currently under review by the City of Fountain and Fountain Sanitation District and are subject to change prior to final approval(s).

We certify that this estimate is true, accurate and complete, to the best of our knowledge, as of the above referenced date for the construction documents. Our estimate is generally based published industry data and relevant comparisons to similar and recent project actual construction costs. Market forces drive costs for labor and materials and Drexel, Barrell & Co. is unable to predict and cannot be held liable for price changes either up or down.

Please contact us should you have any questions or comments.

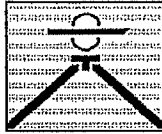
Sincerely,

*Barbara N Weiss*  
2/17/06  
15471  
Barbara N. Weiss, P.E.  
Principal  
PROFESSIONAL ENGINEER  
STATE OF COLORADO  
REGISTERED

*Mark Hageman*  
Mark Hageman  
Director of Land Development

**PRELIMINARY  
VENTANA  
PHASE 1  
COST ESTIMATE**

DREXEL BARRELL & Co.  
Engineers - Surveyors  
FAX 303-442-4373  
PHONE 303-442-4338



PROJECT NAME: Ventana Phase 1 DATE: 12/12/2005  
DRAWING NUMBER: 6D 182  
PROJECT NUMBER: C7782-1 DRAWING DATE: 11/17/2005  
CALC. BY:  
MODIFIED:

NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	COST
<b>WATER LINE</b>					
1	8" WATER LINE	LF	10341	\$22.50	\$ 232,673
2	8" BENDS (HORIZONTAL)	EA	29	\$300.00	\$ 8,700
3	8" BENDS (VERTICAL)	EA	28	\$300.00	\$ 8,400
4	8"X 8" TEE	EA	5	\$440.00	\$ 2,200
5	8"X 8" CROSS	EA	3	\$520.00	\$ 1,560
6	8" VALVE & BOX	EA	38	\$910.00	\$ 34,580
7	8" PLUG	EA	4	\$150.00	\$ 600
8	12" WATER LINE	LF	3022	\$31.00	\$ 93,667
9	12" BENDS (HORIZONTAL)	EA	13	\$600.00	\$ 7,800
10	12" BENDS (VERTICAL)	EA	0	\$600.00	\$ -
11	8"X 6" TEE	EA	6	\$420.00	\$ 2,520
13	12"X 6" TEE	EA	4	\$460.00	\$ 1,840
14	12"X 12" TEE	EA	1	\$720.00	\$ 720
15	12"X 12" CROSS	EA	1	\$900.00	\$ 900
16	6" VALVE AND BOX	EA	10	\$790.00	\$ 7,900
18	12" VALVE AND BOX	EA	10	\$1,650.00	\$ 16,500
19	12" PLUG	EA	1	\$250.00	\$ 250
20	12"X 8" REDUCER	EA	3	\$350.00	\$ 1,050
21	8" FIRE HYDRANT ASSEMBLY (8"X6" SWIVEL TEE, 6" VALVE, PIPE, & F.H.)	EA	16	\$3,959.00	\$ 63,344
23	12" FIRE HYDRANT ASSEMBLY (12"X6" SWIVEL TEE, 6" VALVE, PIPE, & F.H.)	EA	5	\$4,359.00	\$ 21,795
24	3/4" K COPPER WATER LINE	LF	7218	\$7.00	\$ 50,526
25	3/4" WATER METER ASSEMBLY	EA	230	\$220.00	\$ 50,600
26	1-1/2" WATER LINE	LF	387	\$12.00	\$ 4,644
27	1-1/2" WATER METER ASSEMBLY	EA	3	\$420.00	\$ 1,260
28	1-1/2" IRRIGATION SERVICE	LF	150	\$12.00	\$ 1,800
29	1-1/2" IRRIGATION METER ASSEMBLY	EA	3	\$420.00	\$ 1,260
30	6" FIRE LINE	LF	440	\$19.00	\$ 8,360
31	CONNECT TO EXISTING WATER	EA	3	\$1,750.00	\$ 5,250
32	BORE UNDER RAILROAD	LF	50	\$300.00	\$ 15,000
33	12"X8" TEE	EA	1	\$600.00	\$ 600
34	10"X12" CROSS	EA	1	\$680.00	\$ 680
35	WATERLINE LOWERING AND CASING ALLOWANCE	EA	22	\$4,800.00	\$ 105,600
<b>WATER LINE SUBTOTAL</b>					<b>\$ 752,578</b>
<b>SANITARY SEWER</b>					
1	4" SDR 35 PVC SANITARY SEWER	LF	7440	\$16.00	\$ 119,040
2	6" SDR 35 PVC SANITARY SEWER	LF	448	\$22.00	\$ 9,856
3	8" SDR 35 PVC SANITARY SEWER	LF	9284	\$24.70	\$ 229,315

**PRELIMINARY  
VENTANA  
PHASE 1  
COST ESTIMATE**

NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	COST
4	12" SDR 35 PVC SANITARY SEWER (INCL. OPR MAIN)	LF	5713	\$35.00	\$ 199,955
5	4" SANITARY SEWER SERVICE WYE	EA	230	\$100.00	\$ 23,000
6	6" SANITARY SEWER SERVICE WYE	EA	10	\$120.00	\$ 1,200
7	4" PVC PLUG	EA	230	\$120.00	\$ 27,600
8	6" PVC PLUG	EA	10	\$135.00	\$ 1,350
9	8" PVC PLUG	EA	1	\$150.00	\$ 150
10	STD. 4' DIA. SANITARY MANHOLE	EA	67	\$2,175.00	\$ 145,725
12	CONNECT TO EXISTING MANHOLE	EA	3	\$1,500.00	\$ 4,500
13	BORE UNDER RAILROAD	LF	50	\$300.00	\$ 15,000
14	10" PVC PLUG	EA	1	\$200.00	\$ 200
15					\$ -
16					\$ -
17					\$ -
<b>SANITARY SEWER SUBTOTAL</b>					<b>\$ 776,891</b>
<b>STORM SEWER</b>					
1	18" RCP STORM SEWER	LF	925	\$28.50	\$ 26,363
3	24" RCP STORM SEWER	LF	1547	\$36.00	\$ 55,692
5	30" RCP STORM SEWER	LF	1024	\$43.00	\$ 44,032
6	36" RCP STORM SEWER	LF	380	\$52.00	\$ 19,760
7	42" RCP STORM SEWER	LF	365	\$64.00	\$ 23,360
8	48" RCP STORM SEWER	LF	187	\$78.00	\$ 14,586
9	18" RCP FES	EA	3	\$460.00	\$ 1,380
11	30" RCP FES	EA	2	\$590.00	\$ 1,180
12	36" RCP FES	EA	3	\$860.00	\$ 2,580
13	48" RCP FES	EA	1	\$1,200.00	\$ 1,200
14	4' STORM SEWER MANHOLE	EA	4	\$2,575.00	\$ 10,300
15	5' STORM SEWER MANHOLE	EA	18	\$4,590.00	\$ 82,620
16	6' STORM SEWER MANHOLE	EA	2	\$4,830.00	\$ 9,660
17	5' TYPE R CURB INLET	EA	6	\$3,170.00	\$ 19,020
18	10' TYPE R CURB INLET	EA	12	\$4,850.00	\$ 58,200
19	15' TYPE R CURB INLET	EA	6	\$5,950.00	\$ 35,700
20	POND 2 OUTLET STRUCTURE	EA	1	\$2,500.00	\$ 2,500
21	MODIFIED TYPE C OUTLET STRUCTURE	EA	5	\$1,998.00	\$ 9,990
23	27" FLAP GATE	EA	1	\$650.00	\$ 650
24	RIP-RAP TYPE L	CY	584	\$35.00	\$ 20,440
25	RIP-RAP TYPE VL	CY	1192	\$39.00	\$ 46,488
26	12" TYPE II RIP-RAP BEDDING	CY	1776	\$45.00	\$ 79,920
27	CONCRETE TRICKLE CHANNEL	LF	1550	\$12.00	\$ 18,600
28					\$ -
29					\$ -
30					\$ -
<b>STORM SEWER SUBTOTAL</b>					<b>\$ 584,221</b>

**PRELIMINARY  
VENTANA  
PHASE 1  
COST ESTIMATE**

NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	COST
<b>MAJOR IRRIGATION</b>					
1	24" CMP PIPE	LF	3732	\$30.00	\$ 111,960
2	5' STORM MANHOLE	EA	12	\$4,590.00	\$ 55,080
3	CONNECT TO EXISTING IRRIGATION PIPE	EA	1	\$1,500.00	\$ 1,500
4					\$ -
5					\$ -
<b>MAJOR IRRIGATION SUBTOTAL</b>					<b>\$ 168,540</b>
<b>STREET IMPROVEMENTS</b>					
1	SUBGRADE PREPARATION	SY	44652	\$1.35	\$ 60,280
2	6" FULL DEPTH ASPHALT	SY	44652	\$16.00	\$ 714,432
3	MODIFIED TYPE 1 CURB AND GUTTER	LF	4051	\$8.33	\$ 33,745
4	TYPE 2 CURB AND GUTTER	LF	4395	\$10.00	\$ 43,950
5	TYPE 3 CURB AND GUTTER	LF	2464	\$6.70	\$ 16,509
6	TYPE 2 CURB AND GUTTER W/ 5' ATTACHED CONC WALK	LF	12992	\$21.00	\$ 272,832
7	5' DETACHED CONC WALK	LF	5314	\$19.00	\$ 100,966
8	5' SOFT SURFACE TRAIL	LF	8181	\$3.50	\$ 28,634
9	HANDICAP RAMP	EA	92	\$1,000.00	\$ 92,000
10	TYP. STREET SIGN	EA	25	\$500.00	\$ 12,500
11	8' CONC CROSS PAN	EA	17	\$2,700.00	\$ 45,900
12					\$ -
13					\$ -
14					\$ -
<b>STREET IMPROVEMENTS SUBTOTAL</b>					<b>\$ 1,421,747</b>
<b>EROSION CONTROL</b>					
1	SILT FENCE SUPPLIED & PLACED	LF	5625	\$1.25	\$ 7,031
2	FURNISH & INSTALL STRAWBALES	EA	100	\$17.60	\$ 1,760
3	FURNISH & INSTALL CHECK DAMS	EA	25	\$155.00	\$ 3,875
4	VEHICLE TRACKING CONTROL	EA	2	\$960.00	\$ 1,920
5	INLET PROTECTION	EA	24	\$205.00	\$ 4,920
6	OUTLET PROTECTION	EA	8	\$585.00	\$ 4,680
7	NATIVE RESEEDING	AC	90	\$860.00	\$ 77,400
8					\$ -
9					\$ -
10					\$ -
<b>EROSION CONTROL SUBTOTAL</b>					<b>\$ 101,586</b>

PHASE 1 SUBTOTAL

\$ 3,805,563



**PRELIMINARY  
VENTANA  
PHASE 2  
COST ESTIMATE**

DREXEL BARRELL & Co.  
Engineers - Surveyors  
FAX 303-442-4373  
PHONE 303-442-4338



PROJECT NAME: Ventana Phase 2      DATE: 12/12/2005  
DRAWING NUMBER: 6D 182  
PROJECT NUMBER: C7782-1      DRAWING DATE: 11/17/2005  
CALC. BY: RD  
MODIFIED: 1/5/2006

NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	COST
<b>WATER LINE</b>					
1	8" WATER LINE	LF	4614	\$22.50	\$ 103,822
2	8" BENDS (HORIZONTAL)	EA	22	\$300.00	\$ 6,600
4	8"X 8" TEE	EA	5	\$440.00	\$ 2,200
5	8"X 6" REDUCER	EA	1	\$275.00	\$ 275
6	8" VALVE & BOX	EA	15	\$910.00	\$ 13,650
21	8" FIRE HYDRANT ASSEMBLY (8"X6" SWIVEL TEE, 6" VALVE, PIPE, & F.H.)	EA	10	\$3,959.00	\$ 39,590
24	3/4" K COPPER WATER LINE	LF	3491	\$7.00	\$ 24,438
25	3/4" WATER METER ASSEMBLY	EA	127	\$220.00	\$ 27,940
28	1-1/2" IRRIGATION SERVICE	LF	100	\$12.00	\$ 1,200
29	1-1/2" IRRIGATION METER ASSEMBLY	EA	2	\$420.00	\$ 840
30	WATERLINE LOWERING AND CASING ALLOWANCE	EA	2	\$4,800.00	\$ 9,600
	<b>WATER LINE SUBTOTAL</b>				<b>\$ 220,555</b>
<b>SANITARY SEWER</b>					
1	4" SDR 35 PVC SANITARY SEWER	LF	3628	\$16.00	\$ 58,050
3	8" SDR 35 PVC SANITARY SEWER	LF	4369	\$24.70	\$ 107,904
5	4" SANITARY SEWER SERVICE WYE	EA	127	\$100.00	\$ 12,700
10	STD. 4' DIA. SANITARY MANHOLE	EA	27	\$2,175.00	\$ 58,725
12	CONNECT TO EXISTING MANHOLE	EA	2	\$1,500.00	\$ 3,000
	<b>SANITARY SEWER SUBTOTAL</b>				<b>\$ 240,379</b>
<b>STORM SEWER</b>					
1	18" RCP STORM SEWER	LF	260	\$28.50	\$ 7,410
5	24" RCP STORM SEWER	LF	358	\$36.00	\$ 12,888
12	24 " RCP FES	EA	2	\$750.00	\$ 1,500
14	4' STORM SEWER MANHOLE	EA	4	\$2,575.00	\$ 10,300
18	10' TYPE R CURB INLET	EA	6	\$4,850.00	\$ 29,100
19	15' TYPE R CURB INLET	EA	3	\$5,950.00	\$ 17,850
24	RIP-RAP TYPE L	CY	200	\$35.00	\$ 7,000
	<b>STORM SEWER SUBTOTAL</b>				<b>\$ 86,048</b>

**PRELIMINARY  
VENTANA  
PHASE 2  
COST ESTIMATE**

NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	COST
<b>STREET IMPROVEMENTS</b>					
1	SUBGRADE PREPARATION	SY	17520	\$1.35	\$ 23,652
2	6" FULL DEPTH ASPHALT	SY	17520	\$16.00	\$ 280,320
6	TYPE 2 CURB AND GUTTER W/ 5' ATTACHED CONC WALK	LF	9505	\$21.00	\$ 199,595
9	HANDICAP RAMP	EA	29	\$1,000.00	\$ 29,000
10	TYP. STREET SIGN	EA	10	\$500.00	\$ 5,000
11	8' CONC CROSS PAN	EA	4	\$2,700.00	\$ 10,800
<b>STREET IMPROVEMENTS SUBTOTAL</b>					<b>\$ 548,367</b>
<b>EROSION CONTROL</b>					
1	SILT FENCE SUPPLIED & PLACED	LF	2720	\$1.25	\$ 3,399
2	FURNISH & INSTALL STRAWBALES	EA	6	\$17.60	\$ 106
4	VEHICLE TRACKING CONTROL	EA	2	\$960.00	\$ 1,920
5	INLET PROTECTION	EA	9	\$205.00	\$ 1,845
6	OUTLET PROTECTION	EA	2	\$585.00	\$ 1,170
7	NATIVE RESEEDING	AC	33	\$860.00	\$ 28,380
<b>EROSION CONTROL SUBTOTAL</b>					<b>\$ 36,820</b>

**PHASE 2 SUBTOTAL**

**\$ 1,132,169**

**DITZ BROTHERS LLC  
PROJECT PRO FORMA & COST ANALYSIS**

PROJECT NAME: VENTANA  
 PROJECT TYPE: MIXED USE, MASTER PLANNED COMMUNITY  
 PROJECT LOCATION: FOUNTAIN, EL PASO COUNTY, COLORADO

COMMENTS: FOR INVESTOR DOCUMENTS  
 FILE NAME: E:\ventana\pfb\_fm\_u\_project\_analysis\_inside equity\_021706.xls\Investment Summary

**ASSUMPTIONS**

SITE INFORMATION RECAP:		RESID	COMM	OTHER	TOTAL	comments	
WELLS TRACT	Acroage	0.00	60.45	0.00	60.45		
	Number of Lots	0					
UPRR TRACT	Acroage	76.28	0.00	40.82	117.10		
	Number of Lots	358				0.213	Average acres/lot (for Property Tax valuation)
TOTALS	Acroage	76.28	60.45	40.82	177.55		
	Number of Lots/Estimated Commercial Construction	358	008,823				

**RESIDENTIAL LOT TAKEDOWN SCHEDULE**

	project start date	# lots	price	closing date	commission per lot/acre	commission total	price appreciation	comments
RES PH 1A	01-Feb-06	65						R-6000; does not include 17 floodplain lots
1		25	\$45,000	31-Aug-06	\$675	\$16,875		
2		20	\$45,600	31-Oct-06	\$684	\$13,680	7.50%	
3		20	\$46,400	31-Jan-07	\$696	\$13,020	7.50%	
4		20	\$47,600	31-May-07	\$714	\$14,260	7.50%	\$46,082 Average
Remaining Inventory		0						
RES PH 1B	01-Feb-06	129						SLPUD
1		35	\$35,000	31-Aug-06	\$525	\$18,375		
2		32	\$35,400	31-Oct-06	\$531	\$16,892	7.50%	
3		32	\$36,100	31-Jan-07	\$542	\$17,328	7.50%	
4		30	\$37,000	31-May-07	\$555	\$16,650	7.50%	\$35,837 Average
Remaining Inventory		0						
RES PH 2A	01-Feb-07	72						R-6000
1		20	\$48,600	31-May-07	\$734	\$14,670		
2		18	\$49,600	31-Aug-07	\$747	\$13,446	7.50%	
3		18	\$50,500	31-Oct-07	\$758	\$13,635	7.50%	
4		16	\$51,400	31-Jan-08	\$771	\$12,336	7.50%	\$50,081 Average
Remaining Inventory		0						
RES PH 2B	01-Feb-08	72						R-6000; includes 17 floodplain lots
1		20	\$54,500	31-May-08	\$818	\$16,250		
2		18	\$55,500	31-Aug-08	\$833	\$14,885	7.50%	
3		18	\$56,200	31-Oct-08	\$843	\$15,174	7.50%	
4		16	\$57,300	31-Jan-09	\$860	\$13,752	7.50%	\$55,797 Average
Remaining Inventory		0						

BUS PARK		01-Feb-06	38.54									
1		1.90	\$174,240	\$4.00	31-Mar-07	\$8,712	\$16,553					
2		1.77	\$182,978	\$4.20	31-Mar-09	\$9,149	\$16,193	5.00%				
3		1.95	\$187,249	\$4.20	31-Aug-09	\$9,352	\$18,257	5.00%				
4		2.73	\$192,591	\$4.43	31-Mar-09	\$9,650	\$26,343	5.00%				
5		3.99	\$197,610	\$4.54	31-Aug-09	\$9,881	\$39,423	5.00%				
6		3.21	\$203,609	\$4.68	31-Mar-10	\$10,195	\$32,727	5.00%				
7		1.51	\$209,128	\$4.80	31-Aug-10	\$10,456	\$15,789	5.00%				
8		6.50	\$216,094	\$4.96	31-Mar-11	\$10,805	\$70,231	5.00%				
9		5.34	\$222,018	\$5.10	31-Aug-11	\$11,161	\$59,279	5.00%				
10		2.38	\$229,695	\$5.28	31-Mar-12	\$11,490	\$27,117	5.00%				
11		1.66	\$236,571	\$5.43	31-Aug-12	\$11,829	\$22,001	5.00%				
12		1.64	\$179,186	\$4.11	31-Aug-07	\$8,960	\$14,694	5.00%				
13		1.78	\$185,456	\$4.26	30-Jun-08	\$9,273	\$16,506	5.00%				
Remaining Inventory												\$4.62 Average
RETAIL			16.84									
1	Office Building site	1.67	\$251,360	\$6.00	31-Jul-09	\$3,920	\$7,331					
2	Grocery anchor site	7.06	\$217,800	\$5.00	31-Mar-09	\$3,267	\$23,065					
3	Shop site #1	3.78	\$261,360	\$6.00	31-Aug-09	\$3,920	\$14,819					
4	Shop site #2	4.13	\$261,360	\$6.00	30-Jun-09	\$3,920	\$16,191					\$5.75
Remaining Inventory												

**COST DATA**

CATEGORY	QUANTITY	UNIT PRICE	COST	55.78%	44.22%	COMMENTS	PH 1	PH 2	PH 3
				COST ALLOCATED TO RES (per lot)	COST ALLOCATED TO COMM (per sf)				
<b>10 - LAND COST</b>									
<b>10110 - ACQUISITION DUE DILIGENCE</b>									
ALL SHOWN IN SOFT COSTS									
Geotechnical Engineering	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Preliminary Engineering Design	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Preliminary Architectural Design	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Phase I ESA	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Phase II ESA	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Environmental Assessment	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Traffic Engineering	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Drainage Report	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
ALTA Survey	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Topographic Survey	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Legal / PSA & Due Diligence Issues	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Engineering Review	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Zoning Applications & Related	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Miscellaneous Office Expenses	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
<b>TOTAL DUE DILIGENCE</b>			<b>\$0</b>	<b>\$0.00</b>	<b>\$0.0000</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>10120 - LAND PURCHASE</b>									
Purchase Option	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Land Purchase - Wells Tract	61,825 ac	\$44,561.26	\$2,755,000	\$0.00	\$1.0461	2 acreage per ALTA	1	\$2,755,000	\$0
Land Purchase - UPRR Tract	116,522 ac	\$10,023.86	\$1,168,000	\$3,262.57	\$0.0000	1 acreage per ALTA	1	\$1,168,000	\$0
Right-of-Way Purchase - CMB	1 lot	\$27,000	\$27,000	\$0.00	\$0.0103	2	1	\$27,000	\$0
Land Purchase - Ishmael	1 lot	\$425,000	\$425,000	\$0.00	\$0.1614	2	1	\$425,000	\$0
Land Purchase - BNSF	1 lot	\$25,000	\$25,000	\$0.00	\$0.0095	2	1	\$25,000	\$0
Land Title & Closing Costs	\$4,400,000	0.75%	\$33,000	\$0.00	\$0.0125	2	1	\$33,000	\$0
<b>TOTAL LAND PURCHASE</b>			<b>\$4,433,000</b>	<b>\$3,262.57</b>	<b>\$1.2397</b>		<b>\$4,433,000</b>	<b>\$0</b>	<b>\$0</b>
<b>PLUS: EQUITY CREATED</b>									
<b>TOTAL LAND ACQUISITION COST</b>			<b>\$4,433,000</b>	<b>\$3,262.57</b>	<b>\$1.2397</b>		<b>\$4,433,000</b>	<b>\$0</b>	<b>\$0</b>
<b>15 - OFFSITE IMPROVEMENTS</b>									
<b>15130 - LLC OFFSITE IMPROVEMENTS</b>									
Road Improvements	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Utility Improvements									
Electric	0	\$0.00	\$0	\$0.00	\$0.0000	scope unknown; assume included in Onsite	\$0	\$0	\$0
Gas	0	\$0.00	\$0	\$0.00	\$0.0000	scope unknown	\$0	\$0	\$0
CMB Parking Lot/Ishmael	45,000 sf	\$3.00	\$135,000	\$0.00	\$0.0513	2 placeholder	1	\$135,000	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
<b>TOTAL LLC OFFSITE IMPROVEMENTS</b>			<b>\$135,000</b>	<b>\$0.00</b>	<b>\$0.05</b>		<b>\$135,000</b>	<b>\$0</b>	<b>\$0</b>
<b>15135 - METRO DISTRICT OFFSITE IMPROVEMENTS</b>									
Road Improvements									
Indiana Avenue Construction	1,100 lf	\$200.00	\$220,000	\$0.00	\$0.0635	2	1	\$220,000	\$0
Indiana/Santa Fe Intersection	1 lot	\$50,000.00	\$50,000	\$0.00	\$0.0150	2	1	\$50,000	\$0
Indiana/OPR Intersection	1 lot	\$75,000.00	\$75,000	\$0.00	\$0.0265	2	1	\$75,000	\$0
OPR Improvements in front of site	2,230 lf	\$125.00	\$278,750	\$434.35	\$0.0469	3 placeholder	1	\$278,750	\$0
Traffic Signals	2 lot	\$200,000	\$400,000	\$623.29	\$0.0672	3 placeholder; project entry & Indiana/Santa Fe	2	\$200,000	\$200,000
Utility Improvements									
Sanitary Sewer									
OPR Pipeline	1 lot	\$320,610.00	\$320,610	\$499.58	\$0.0538	3	1	\$320,610	\$0
Countryside Overflow Connection	1 lot	\$84,600.00	\$84,600	\$131.83	\$0.0142	3 includes bore under UPRR	1	\$84,600	\$0
Water System									
Countryside Connection	1 lot	\$118,816.00	\$118,816	\$185.14	\$0.0199	3 includes bore under UPRR	1	\$118,816	\$0
Indiana Avenue RR Crossing package	1 lot	\$300,000	\$300,000	\$0.00	\$0.1139	2	1	\$300,000	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
<b>TOTAL METRO DISTRICT OFFSITE IMPROVEMENTS</b>			<b>\$1,847,776</b>	<b>\$1,874.19</b>	<b>\$0.4468</b>		<b>\$1,647,776</b>	<b>\$200,000</b>	<b>\$0</b>

CATEGORY	QUANTITY	UNIT PRICE	COST	COST ALLOCATED TO RES (per lot)	COST ALLOCATED TO COMM (per sf)	COMMENTS	PHASES		
							PH 1	PH 2	PH 3
<b>20 - HARD COST</b>									
<b>20210 - LLC EARTHWORK &amp; GRADING</b>									
Survey & Layout	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Clear & Grub	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Grading & Excavation	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Detention Ponds	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Soil Stabilization & Erosion Control	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Site Maintenance	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Traffic Control	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
<b>TOTAL LLC EARTHWORK &amp; GRADING</b>			<b>\$0</b>	<b>\$0.00</b>	<b>\$0.0000</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>20215 - METRO DISTRICT EARTHWORK &amp; GRADING</b>									
Survey & Layout	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Site Demolition - Curral Structures/Fencing	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Clear & Grub	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Grading & Excavation									
General Sitework	500,000 cy	\$2.00	\$1,000,000	\$1,558.22	\$0.1579	3 budget includes erosion control	1 \$1,000,000	\$0	\$0
Soil Stabilization & Erosion Control	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Site Maintenance	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Traffic Control	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
<b>TOTAL METRO DISTRICT EARTHWORK &amp; GRADING</b>			<b>\$1,000,000</b>	<b>\$1,558.22</b>	<b>\$0.1579</b>		<b>\$1,000,000</b>	<b>\$0</b>	<b>\$0</b>
<b>20220 - LLC PAVING &amp; UTILITIES</b>									
Interior Roadway Construction	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Relocation of Existing Utilities	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Storm Drainage	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Water Service	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Irrigation System	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Sanitary Sewer Service	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Gas Service									
Phase 1	214 lots	\$250.00	\$53,500	\$63.35	\$0.0090	3 rebated by Aquila	1 \$53,500	\$0	\$0
Phase 2	144 lots	\$250.00	\$36,000	\$55.10	\$0.0060	3 rebated by Aquila	2 \$0	\$36,000	\$0
Service Laterals									
Electric Service									
Substation Construction	0	\$0	\$0	\$0.00	\$0.0000	none required	\$0	\$0	\$0
Phase 1	214 lots	\$2,500.00	\$535,000	\$833.65	\$0.0898	3 estimate received; unit price confirmed	1 \$535,000	\$0	\$0
Phase 2	144 lots	\$2,500.00	\$360,000	\$560.95	\$0.0604	3 unit price confirmed	2 \$0	\$360,000	\$0
Telephone Service	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Phase 1	214 lots	\$0.00	\$0	\$0.00	\$0.0000	3 no capitalization required	\$0	\$0	\$0
Phase 2	144 lots	\$0.00	\$0	\$0.00	\$0.0000	3 no capitalization required	\$0	\$0	\$0
Cable Service									
Phase 1	0	\$0.00	\$0	\$0.00	\$0.0000	Adelphia installs at no cost	\$0	\$0	\$0
Phase 2	0	\$0.00	\$0	\$0.00	\$0.0000	Adelphia installs at no cost	\$0	\$0	\$0
Fibersphere FTTH									
Phase 1	214 lots	\$750.00	\$160,500	\$448.32	\$0.0000		1 \$160,500	\$0	\$0
Phase 2	144 lots	\$750.00	\$108,000	\$301.68	\$0.0000		2 \$0	\$108,000	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
<b>TOTAL LLC PAVING &amp; UTILITIES</b>			<b>\$1,253,000</b>	<b>\$2,284.07</b>	<b>\$0.1553</b>		<b>\$749,000</b>	<b>\$504,000</b>	<b>\$0</b>
<b>20225 - METRO DISTRICT PAVING &amp; UTILITIES</b>									
Relocation of Existing Utilities									
Overhead Electrical Service (Wells pumps)	1 lot	\$100,000	\$100,000	\$155.82	\$0.0156	3 Wells easement overhead electrical	1 \$100,000	\$0	\$0
Other	0 lots	\$0	\$0	\$0.00	\$0.0000		2 \$0	\$0	\$0
Roadway Construction									
Interior Roadways - Phase 1 Res	6,568 lf	\$175.00	\$1,151,500	\$4,233.24	\$0.0000		1 \$1,151,500	\$0	\$0

CATEGORY	QUANTITY	UNIT PRICE	COST	COST ALLOCATED TO RES (per lot)	COST ALLOCATED TO COMM (per ct)	COMMENTS	PH 1	PH 2	PH 3	
Interior Roadways - Phase 2 Res	5,000	ft	\$175.00	\$875,000	\$2,444.13		2	\$0	\$875,000	\$0
Interior Roadways - Business Park										
Street B	1,470	ft	\$175	\$257,250	\$0.00		1	\$257,250	\$0	\$0
Rotary	1	lot	\$30,000	\$30,000	\$0.00		1	\$30,000	\$0	\$0
Interior Roadways - Commercial/Retail	0		\$0	\$0	\$0.00	future project		\$0	\$0	\$0
Traffic Signalization	0	ea	\$150,000	\$0	\$0.00	no credits signals required		\$0	\$0	\$0
Storm Drainage										
Phase 1	1	lot	\$585,000.00	\$585,000 x	\$1,634.08		1	\$585,000	\$0	\$0
Phase 2	1	lot	\$26,030.00	\$26,030	\$0.00		2	\$0	\$26,030	\$0
Commercial Property	0	lot	\$0	\$0	\$0.00	Included in Phase 1		\$0	\$0	\$0
Water Service										
Phase 1										
Transmission	1	lot	\$149,340.00	\$149,340 x	\$417.15		1	\$149,340	\$0	\$0
Distribution	1	lot	\$291,142.00	\$291,142 x	\$813.25		1	\$291,142	\$0	\$0
Service Laterals	1	lot	\$177,750.00	\$177,750 x	\$496.51		1	\$177,750	\$0	\$0
Phase 2										
Transmission	0	lot	\$0	\$0	\$0.00			\$0	\$0	\$0
Distribution	1	lot	\$181,480.00	\$181,480	\$506.93		2	\$0	\$181,480	\$0
Service Laterals	1	lot	\$94,500.00	\$94,500	\$263.97		2	\$0	\$94,500	\$0
Sanitary Sewer Service										
Phase 1										
Transmission	1	lot	\$83,260.00	\$83,260 x	\$232.57		1	\$83,260	\$0	\$0
Distribution	1	lot	\$470,577.00	\$470,577 x	\$1,314.46	does not include underdrain	1	\$470,577	\$0	\$0
Service Laterals	1	lot	\$267,750.00	\$267,750 x	\$747.91		1	\$267,750	\$0	\$0
Phase 2										
Transmission	1	lot	\$0.00	\$0	\$0.00	In Phase 1		\$0	\$0	\$0
Distribution	1	lot	\$252,487.00	\$252,487	\$705.27		2	\$0	\$252,487	\$0
Service Laterals	1	lot	\$138,960.00	\$138,960	\$386.16		2	\$0	\$138,960	\$0
Irrigation Service										
Storage	250,000	gal	\$1.20	\$300,000	\$837.99	see Common Area Site Improvements	2	\$0	\$300,000	\$0
Transmission	2,500	ft	\$20.00	\$50,000	\$139.66	line from well to tank	2	\$0	\$50,000	\$0
Distribution	1	lot	\$175,000.00	\$175,000	\$488.83	placeholder	2	\$0	\$175,000	\$0
Wells Lateral Chilcotto Ditch	1	lot	\$193,510.00	\$193,510	\$0.00	no fee to Pond 1; includes bore under UPRR	2	\$0	\$193,510	\$0
Gas Service	0		\$0.00	\$0	\$0.0000			\$0	\$0	\$0
Electric Service	0		\$0.00	\$0	\$0.0000			\$0	\$0	\$0
Telephone Service	0		\$0.00	\$0	\$0.0000			\$0	\$0	\$0
Cable Service	0		\$0.00	\$0	\$0.0000			\$0	\$0	\$0
Other	0		\$0.00	\$0	\$0.0000			\$0	\$0	\$0
Other	0		\$0.00	\$0	\$0.0000			\$0	\$0	\$0
Other	0		\$0.00	\$0	\$0.0000			\$0	\$0	\$0
<b>TOTAL METRO DISTRICT PAVING &amp; UTILITIES</b>				<b>\$6,214,535</b>	<b>\$15,819.92</b>			<b>\$3,927,569</b>	<b>\$2,286,967</b>	<b>\$0</b>
<b>20230 - LLC LANDSCAPING &amp; IRRIGATION</b>										
Landscaping	0		\$0.00	\$0	\$0.0000			\$0	\$0	\$0
Entry Statement - Residential	1	ea	\$100,000	\$100,000	\$279.33		1	\$100,000	\$0	\$0
Entry Statement - Commercial	1	ea	\$50,000	\$50,000	\$0.00		2	\$0	\$50,000	\$0
Irrigation	0		\$0.00	\$0	\$0.0000			\$0	\$0	\$0
<b>TOTAL LLC LANDSCAPING &amp; IRRIGATION</b>				<b>\$150,000</b>	<b>\$279.33</b>			<b>\$100,000</b>	<b>\$50,000</b>	<b>\$0</b>

CATEGORY	QUANTITY	UNIT PRICE	COST	COST	COST	COMMENTS	PH 1	PH 2	PH 3
				ALLOCATED TO RES (per lot)	ALLOCATED TO COMM (per sf)				
<b>20235 - METRO DISTRICT LANDSCAPING &amp; IRRIGATION</b>									
Landscaping									
Tract A - "Triangle" plaza	0 sf	\$0.00	\$0	\$0.00	\$0.0000			\$0	\$0
Tract B - Detention Pond	467,629 sf	\$0.50	\$233,765	\$652.97	\$0.0000	1	\$0	\$233,765	\$0
Tract C - Open Space	1,180,694 sf	\$0.05	\$59,035	\$164.90	\$0.0000	1	\$0	\$59,035	\$0
Tract D	125,366 sf	\$2.00	\$250,731	\$700.37	\$0.0000	1	\$0	\$250,731	\$0
Tract E	21,186 sf	\$2.00	\$42,376	\$119.37	\$0.0000	1	\$0	\$42,376	\$0
Tract F	122,316 sf	\$2.00	\$244,633	\$663.33	\$0.0000	1	\$0	\$244,633	\$0
Tract G - Commercial/Retail area	0 sf	\$0.00	\$0	\$0.00	\$0.0000			\$0	\$0
Tract H	16,513 sf	\$2.00	\$33,026	\$92.25	\$0.0000	1	\$0	\$33,026	\$0
Tract I	23,903 sf	\$2.00	\$47,806	\$133.54	\$0.0000	1	\$0	\$47,806	\$0
Tract J	29,169 sf	\$2.00	\$58,338	\$162.96	\$0.0000	1	\$0	\$58,338	\$0
Tract K	21,952 sf	\$2.00	\$43,904	\$122.64	\$0.0000	1	\$0	\$43,904	\$0
Tract L	12,331 sf	\$2.00	\$24,662	\$68.89	\$0.0000	1	\$0	\$24,662	\$0
Tract M	85,770 sf	\$2.00	\$171,539	\$479.16	\$0.0000	1	\$0	\$171,539	\$0
Walls Easement Landscape Buffer	107,593 sf	\$2.00	\$215,186	\$0.00	\$0.0817	2	\$0	\$215,186	\$0
Irrigation	0	\$0.00	\$0	\$0.00	\$0.0000			\$0	\$0
<b>TOTAL METRO DISTRICT LANDSCAPING &amp; IRRIGATION</b>			<b>\$1,425,001</b>	<b>\$3,379.37</b>	<b>\$0.0817</b>		<b>\$0</b>	<b>\$1,425,001</b>	<b>\$0</b>
<b>20240 - LLC COMMON AREA SITE IMPROVEMENTS</b>									
Street Lighting	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Entry Signage	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Monuments & Walls	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Temporary Fencing	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Permanent Fencing	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Parks & Open Space Improvements	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
<b>TOTAL LLC COMMON AREA SITE IMPROVEMENTS</b>			<b>\$0</b>	<b>\$0.00</b>	<b>\$0.0000</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>20245 - METRO DISTRICT COMMON AREA SITE IMPROVEMENTS</b>									
Street Lighting	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Entry Signage	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Monuments & Walls	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Temporary Fencing	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Permanent Fencing - Phase 1									
Type A - 6' Chain Link (UPRR right of-way)	4,250 lf	\$35.00	\$148,750	\$232.33	\$0.0250	3	placeholder; contract obligation	\$0	\$0
Type B - 5' Montana	3,750 lf	\$20.00	\$75,000	\$209.50	\$0.0000	1	placeholder	\$75,000	\$0
Permanent Fencing - Phase 2									
Type A - 6' Chain Link	0 lf	\$35.00	\$0	\$0.00	\$0.0000	1	placeholder	\$0	\$0
Type B - 5' Montana	2,875 lf	\$20.00	\$57,500	\$160.61	\$0.0000	1	placeholder	\$0	\$57,500
Open Space & Greenway Improvements									
Landscaping	0 lf	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Irrigation	0 lf	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Trails / Hardscape	94,740 sf	\$4.00	\$378,960	\$590.50	\$0.0636	3	6' wide concrete	\$225,000	\$153,960
Signage	1 lf	\$25,000.00	\$25,000	\$38.96	\$0.0042	3	placeholder	\$15,000	\$10,000
Site Furnishings	1 lf	\$25,000.00	\$25,000	\$38.96	\$0.0042	3	placeholder	\$15,000	\$10,000
Other	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0
<b>TOTAL METRO DISTRICT COMMON AREA SITE IMPROVEMENTS</b>			<b>\$710,560</b>	<b>\$1,270.86</b>	<b>\$0.0970</b>		<b>\$479,100</b>	<b>\$231,460</b>	<b>\$0</b>
<b>SUBTOTAL LLC HARD COST</b>			<b>\$1,403,000</b>	<b>\$2,563.40</b>	<b>\$0.1653</b>		<b>\$049,000</b>	<b>\$554,000</b>	<b>\$0</b>
<b>20280 - LLC CONTRACTOR GENERAL CONDITIONS</b>	<b>\$1,403,000</b>	<b>0.00%</b>	<b>\$0</b>	<b>\$0.00</b>	<b>\$0.0000</b>		<b>assume costs above are loaded</b>	<b>\$0</b>	<b>\$0</b>
<b>20281 - LLC CONTRACTOR FEE</b>	<b>\$1,403,000</b>	<b>0.00%</b>	<b>\$0</b>	<b>\$0.00</b>	<b>\$0.0000</b>		<b>assume costs above are loaded</b>	<b>\$0</b>	<b>\$0</b>
<b>20270 - LLC HARD COST CONTINGENCY</b>	<b>\$1,403,000</b>	<b>5.00%</b>	<b>\$70,150</b>	<b>\$109.31</b>	<b>\$0.0118</b>	<b>3</b>		<b>\$42,450</b>	<b>\$27,700</b>



CATEGORY	QUANTITY	UNIT PRICE	COST	COST ALLOCATED TO RES (per lot)	COST ALLOCATED TO COMM (per sf)	COMMENTS	PHASES		
							PH 1	PH 2	PH 3
<b>TOTAL LLC HARD COST</b>			<b>\$1,473,160</b>	<b>\$2,572.71</b>	<b>\$0.1771</b>		<b>\$891,450</b>	<b>\$581,700</b>	<b>\$0</b>
<b>SUBTOTAL METRO DISTRICT HARD COST</b>			<b>\$9,350,997</b>	<b>\$22,028.37</b>	<b>\$0.5559</b>		<b>\$5,406,669</b>	<b>\$3,543,428</b>	<b>\$0</b>
20265 - METRO DISTRICT CONTRACTOR GENERAL CONDITIONS	\$9,350,097	3.50%	\$327,253	\$0.00	\$0.0000		\$189,233	\$138,020	\$0
20266 - METRO DISTRICT CONTRACTOR FEE	\$9,577,351	0.00%	\$0	\$0.00	\$0.0000	assume costs above are loaded	\$0	\$0	\$0
20275 - METRO DISTRICT HARD COST CONTINGENCY	\$9,577,351	4.00%	\$387,094	\$603.18	\$0.0650	3	\$215,267	\$170,827	\$0
<b>TOTAL METRO DISTRICT HARD COST</b>			<b>\$10,064,445</b>	<b>\$22,631.54</b>	<b>\$0.6208</b>		<b>\$5,812,169</b>	<b>\$4,252,276</b>	<b>\$0</b>
<b>TOTAL LLC &amp; METRO DISTRICT HARD COST</b>			<b>\$11,537,595</b>	<b>\$25,304.25</b>	<b>\$0.7979</b>		<b>\$6,703,519</b>	<b>\$4,833,976</b>	<b>\$0</b>

**30 - DEVELOPMENT FEES**

**30310 - LLC GOVERNMENTAL REVIEW FEES**

Overall Development Plan Application & Review										
Main Project	1 lg	\$2,500.00	\$2,500	\$3.90	\$0.0004	3	1	\$2,500	\$0	\$0
Ishmael/Colorado Mountain Bank	1 lg	\$0.00	\$0	\$0.00	\$0.0000	not applicable		\$0	\$0	\$0
Rezoning Application & Review										
Main Project	1 lg	\$2,500.00	\$2,500	\$3.90	\$0.0004	3	1	\$2,500	\$0	\$0
Ishmael/Colorado Mountain Bank	1 lg	\$0.00	\$0	\$0.00	\$0.0000	not applicable		\$0	\$0	\$0
Preliminary Plan Application & Review										
Main Project	1 lg	\$2,500.00	\$2,500	\$3.90	\$0.0004	3	1	\$2,500	\$0	\$0
Ishmael/Colorado Mountain Bank	1 lg	\$1,000.00	\$1,000	\$0.00	\$0.0004	2	1	\$1,000	\$0	\$0
Final Fial Application & Review										
Main Project	1 lg	\$2,000.00	\$2,000	\$3.12	\$0.0003	3	1	\$2,000	\$0	\$0
Ishmael/Colorado Mountain Bank	1 lg	\$1,000.00	\$1,000	\$0.00	\$0.0004	2	1	\$1,000	\$0	\$0
Site Development Plan Application & Review										
Main Project	1 lg	\$0.00	\$0	\$0.00	\$0.0000		1	\$0	\$0	\$0
Indiana Avenue	1 lg	\$0.00	\$0	\$0.00	\$0.0000		1	\$0	\$0	\$0
Colorado Mountain Bank	1 lg	\$1,500.00	\$1,500	\$0.00	\$0.0006	2	1	\$1,500	\$0	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000			\$0	\$0	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000			\$0	\$0	\$0
<b>TOTAL GOVERNMENTAL REVIEW FEES</b>			<b>\$13,000</b>	<b>\$14.80</b>	<b>\$0.0029</b>			<b>\$13,000</b>	<b>\$0</b>	<b>\$0</b>

**30320 - LLC UTILITY DEVELOPMENT FEES**

Water Tap Fees	358 lots	\$0.00	\$0	\$0.00	\$0.0000	paid by homebuilder		\$0	\$0	\$0
Sewer Tap Fee	0	\$0.00	\$0	\$0.00	\$0.0000	paid by homebuilder		\$0	\$0	\$0
Drainage Fees - Phase 1	28.07 ac	\$3,471.00	\$97,431	\$151.82	\$0.0164	3	1	\$97,431	\$0	\$0
Drainage Fees - Phase 2	17.30 ac	\$3,471.00	\$60,048	\$93.57	\$0.0101	3	2	\$0	\$60,048	\$0
Electric	358 lots	\$0.00	\$0	\$0.00	\$0.0000	hard costs shown above		\$0	\$0	\$0
Gas	358 lots	\$0.00	\$0	\$0.00	\$0.0000	hard costs shown above		\$0	\$0	\$0
<b>TOTAL UTILITY DEVELOPMENT FEES</b>			<b>\$157,479</b>	<b>\$245.39</b>	<b>\$0.03</b>			<b>\$97,431</b>	<b>\$60,048</b>	<b>\$0</b>

**30330 - LLC TRANSPORTATION DEVELOPMENT FEES**

Regional Transportation	0	\$0.00	\$0	\$0.00	\$0.0000			\$0	\$0	\$0
Bridge	0	\$0.00	\$0	\$0.00	\$0.0000			\$0	\$0	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000			\$0	\$0	\$0
<b>TOTAL TRANSPORTATION DEVELOPMENT FEES</b>			<b>\$0</b>	<b>\$0.00</b>	<b>\$0.00</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**30340 - LLC IMPACT FEES**

Parks	0	\$0.00	\$0	\$0.00	\$0.0000			\$0	\$0	\$0
Traffic	0	\$0.00	\$0	\$0.00	\$0.0000			\$0	\$0	\$0
School	0	\$0.00	\$0	\$0.00	\$0.0000			\$0	\$0	\$0
Public Arts	0	\$0.00	\$0	\$0.00	\$0.0000			\$0	\$0	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000			\$0	\$0	\$0
<b>TOTAL IMPACT FEES</b>			<b>\$0</b>	<b>\$0.00</b>	<b>\$0.00</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

CATEGORY	QUANTITY	UNIT PRICE	COST	COST ALLOCATED TO RES (per lot)	COST ALLOCATED TO COMM (per ct)	COMMENTS	PH 1	PH 2	PH 3	
<b>30350 - LLC OTHER FEES</b>										
Other	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0	
Other	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0	
Other	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0	
Other	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0	
<b>TOTAL OTHER FEES</b>			\$0	\$0.00	\$0.00		\$0	\$0	\$0	
<b>TOTAL DEVELOPMENT FEES</b>			\$170,479	\$265.64	\$0.0285		\$110,431	\$60,048	\$0	
<b>40 - SOFT COSTS</b>										
<b>40416 - LLC DESIGN/SERVICE FEES</b>										
Planning / Preliminary Design										
Meinhardt	1 ls	\$7,500.00	\$7,500 x	\$0.00	\$0.0028	2	1	\$7,500	\$0	\$0
Thomas & Thomas	1 ls	\$40,000.00	\$40,000 x	\$62.33	\$0.0067	3	1	\$40,000	\$0	\$0
Drexel-Barrell	1 ls	\$20,500.00	\$20,500 x	\$0.00	\$0.0078	2	1	\$20,500	\$0	\$0
Civil Engineering										
Drexel-Barrell - ALTA Surveys	1 ls	\$19,270.00	\$19,270 x	\$16.00	\$0.0017	3	1	\$19,270	\$0	\$0
Drexel-Barrell - Preliminary Plan Package	1 ls	\$135,000.00	\$135,000 x	\$210.36	\$0.0227	3	1	\$135,000	\$0	\$0
Drexel-Barrell - Final Plat & CD Package	1 ls	\$225,000.00	\$225,000 x	\$626.49	\$0.0030	1	1	\$225,000	\$0	\$0
Drexel-Barrell - Indiana/GMB/GNSF Final Plat / SDP	1 ls	\$24,350.00	\$24,350 x	\$0.00	\$0.0092	2	1	\$24,350	\$0	\$0
Drexel-Barrell - Santa Fe / Indiana Ave	1 ls	\$42,500.00	\$42,500 x	\$0.00	\$0.0161	2	1	\$42,500	\$0	\$0
Drexel-Barrell - Meetings	1 ls	\$20,000.00	\$20,000 x	\$31.16	\$0.0034	3	1	\$20,000	\$0	\$0
Drexel-Barrell - Construction Administration	1 ls	\$35,000.00	\$35,000 x	\$54.54	\$0.0059	3	1	\$35,000	\$0	\$0
Drexel-Barrell - Construction Staking Ph. 1	1 ls	\$100,000.00	\$100,000 x	\$155.82	\$0.0169	3	1	\$100,000	\$0	\$0
Drexel-Barrell - Construction Staking Ph. 2	1 ls	\$61,450.00	\$61,450 x	\$95.75	\$0.0103	3	2	\$0	\$61,450	\$0
Landscape Design										
Thomas & Thomas	1 ls	\$50,000.00	\$50,000 x	\$77.91	\$0.0084	3	1	\$50,000	\$0	\$0
Traffic Engineering										
Drexel-Barrell	0	\$0.00	\$0	\$0.00	\$0.0000			\$0	\$0	\$0
Kroger & Associates	1 ls	\$7,500.00	\$7,500 x	\$0.00	\$0.0028	2	1	\$7,500	\$0	\$0
Geotechnical Engineering										
Kumar - Preliminary Geotechnical	1 ls	\$10,300.00	\$10,300 x	\$16.05	\$0.0017	3	1	\$10,300	\$0	\$0
Kumar - Geohazard Report	1 ls	\$850.00	\$850 x	\$1.32	\$0.0001	3	1	\$850	\$0	\$0
Kumar - Indiana Ave, Geotechnical	1 ls	\$2,250.00	\$2,250 x	\$3.51	\$0.0004	3	1	\$2,250	\$0	\$0
Kumar - Street Pavement Design	1 ls	\$6,450.00	\$6,450 x	\$10.05	\$0.0011	3	1	\$6,450	\$0	\$0
Kumar - Loyde Geotechnical	1 ls	\$9,310.00	\$9,310 x	\$14.51	\$0.0016	3	1	\$9,310	\$0	\$0
Environmental Engineering										
Kumar (Phase I ESA)	1 ls	\$1,550.00	\$1,550 x	\$2.42	\$0.0003	3	1	\$1,550	\$0	\$0
K-S & Associates (wetlands)	1 ls	\$300.00	\$300 x	\$0.47	\$0.0001	3	1	\$300	\$0	\$0
ERC Resources (wildlife habitat assessment)	1 ls	\$1,500.00	\$1,500 x	\$2.34	\$0.0003	3	1	\$1,500	\$0	\$0
Railroad Engineering										
Industrial Park Preliminaries	0 ls	\$1,500.00	\$0 x	\$0.00	\$0.0000			\$0	\$0	\$0
Indiana Avenue Crossing	1 ls	\$4,000.00	\$4,000 x	\$0.00	\$0.0015	2	1	\$4,000	\$0	\$0
Consultant Reimbursable Expenses	1 ls	\$25,000.00	\$25,000 x	\$39.96	\$0.0042	3		\$15,000	\$10,000	\$0
Miscellaneous Office Expense	1 ls	\$2,500.00	\$2,500 x	\$3.99	\$0.0004	3	1	\$2,500	\$0	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000			\$0	\$0	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000			\$0	\$0	\$0
<b>TOTAL LLC DESIGN/SERVICE FEES</b>			\$843,080	\$1,425.88	\$0.12629		\$771,630	\$71,450	\$0	
<b>40415 - METRO DISTRICT DESIGN/SERVICE FEES</b>										
Engineering Packages	0	\$0.00	\$0	\$0.00	\$0.0000					
Final Plat - Residential Property	0	\$0.00	\$0	\$0.00	\$0.0000			\$0	\$0	\$0
CASI Construction Documents	0	\$0.00	\$0	\$0.00	\$0.0000			\$0	\$0	\$0
Aerial Photography	0	\$0.00	\$0	\$0.00	\$0.0000			\$0	\$0	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000			\$0	\$0	\$0
<b>TOTAL METRO DISTRICT DESIGN/SERVICE FEES</b>			\$0	\$0.00	\$0.0000		\$0	\$0	\$0	

CATEGORY	QUANTITY	UNIT PRICE	COST	COST ALLOCATED TO RES (per lot)	COST ALLOCATED TO COMM (per sf)	COMMENTS	PH 1	PH 2	PH 3	
<b>40420 - LLC INSURANCE</b>										
Builder's Risk Policy	0	\$0.00	\$0	\$0.00	\$0.0000	not required for land development per Machinery		\$0	\$0	
General Liability Policy	11,537,595	3.00%	\$346,128	\$539.34	\$0.0581		1	\$346,128	\$0	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000			\$0	\$0	\$0
<b>TOTAL LLC INSURANCE</b>			<b>\$346,128</b>	<b>\$539.34</b>	<b>\$0.0581</b>		<b>\$346,128</b>	<b>\$0</b>	<b>\$0</b>	
<b>40425 - METRO DISTRICT INSURANCE</b>										
Builder's Risk Policy	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0	
General Liability Policy	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0	
Other	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0	
<b>TOTAL METRO DISTRICT INSURANCE</b>			<b>\$0</b>	<b>\$0.00</b>	<b>\$0.0000</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>40430 - LLC LEGAL</b>										
Construction Contract	1 lot	\$7,500	\$7,500	\$11.69	\$0.0013	3 Senn Visciano	1	\$7,500	\$0	\$0
Land Acquisition	1 lot	\$50,000	\$50,000 x	\$77.91	\$0.0084	3 Senn Visciano/Givens Pursely	1	\$50,000	\$0	\$0
Lot Purchase & Sale Agreements	1 lot	\$40,000	\$40,000 x	\$62.33	\$0.0067	3 Givens Pursely	1	\$40,000	\$0	\$0
Development Agreement(s)	1 lot	\$7,500	\$7,500	\$11.69	\$0.0013	3 Senn Visciano	1	\$7,500	\$0	\$0
Metro District Formation	1 lot	\$70,500	\$70,500	\$109.85	\$0.0110	3	1	\$70,500	\$0	\$0
Other - Investment Offering	1 lot	\$25,000	\$25,000	\$39.96	\$0.0042	3	1	\$25,000	\$0	\$0
Other - Appraisal	1 lot	\$20,000	\$20,000	\$0.00	\$0.0000		1	\$20,000	\$0	\$0
<b>TOTAL LLC LEGAL</b>			<b>\$220,500</b>	<b>\$312.42</b>	<b>\$0.0337</b>		<b>\$220,500</b>	<b>\$0</b>	<b>\$0</b>	
<b>40435 - METRO DISTRICT LEGAL</b>										
District Formation	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0	
Lot Purchase & Sale Agreements	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0	
Development Agreement(s)	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0	
Market Analysis & Projections	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0	
Other	0	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0	
<b>TOTAL METRO DISTRICT LEGAL</b>			<b>\$0</b>	<b>\$0.00</b>	<b>\$0.0000</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>40440 - LLC MARKETING</b>										
Market Analysis/Absorption Study	1 lot	\$5,000.00	\$5,000 x	\$0.00	\$0.0019	2 Bamberg & Associates	1	\$5,000	\$0	\$0
Marketing Program										
Program Management	12 mo	\$4,000	\$48,000 x	\$74.79	\$0.0081	3 S. Robert August	1	\$48,000	\$0	\$0
Theme/Logo Development	1 lot	\$15,000	\$15,000 x	\$23.37	\$0.0025	3 Ricardo De Oliveira	1	\$15,000	\$0	\$0
Web Site - Development	1 lot	\$3,500	\$3,500 x	\$5.45	\$0.0006	3 Ricardo De Oliveira	1	\$3,500	\$0	\$0
Web Site - Operation	36 mo	\$100.00	\$3,600 x	\$5.61	\$0.0006	3 Alphaplex		\$1,200	\$2,400	\$0
Print Advertising	2 lot	\$10,000.00	\$20,000	\$31.16	\$0.0034	3	\$19,000	\$10,000	\$0	
Radio/TV Advertising	1 lot	\$0.00	\$0	\$0.00	\$0.0000		\$0	\$0	\$0	
Groundbreaking & Opening Events	3 lot	\$15,000.00	\$45,000	\$0.00	\$0.0000		\$25,000	\$20,000	\$0	
General Marketing & Promotion	3 lot	\$25,000.00	\$75,000	\$0.00	\$0.0000		\$45,000	\$30,000	\$0	
<b>TOTAL LLC MARKETING</b>			<b>\$215,100</b>	<b>\$140.40</b>	<b>\$0.0170</b>		<b>\$152,700</b>	<b>\$62,400</b>	<b>\$0</b>	
<b>40450 - LLC DEVELOPMENT MANAGEMENT</b>	<b>\$11,537,595</b>	<b>5.00%</b>	<b>\$580,000</b>	<b>\$903.77</b>	<b>\$0.0974</b>	<b>3</b>	<b>\$335,181</b>	<b>\$244,819</b>	<b>\$0</b>	
<b>40455 - METRO DISTRICT DEVELOPMENT MANAGEMENT</b>	<b>\$11,537,595</b>	<b>0.00%</b>	<b>\$0</b>	<b>\$0.00</b>	<b>\$0.0000</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>40460 - LLC TESTING SERVICES</b>	<b>358 lots</b>	<b>\$250.00</b>	<b>\$89,500</b>	<b>\$250.00</b>	<b>\$0.0000</b>	<b>1</b>	<b>\$53,500</b>	<b>\$36,000</b>	<b>\$0</b>	
<b>40465 - METRO DISTRICT TESTING SERVICES</b>	<b>358 lots</b>	<b>\$0.00</b>	<b>\$0</b>	<b>\$0.00</b>	<b>\$0.0000</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>40470 - LLC BONDS</b>										
Performance Bond - Contractor	1,473,150	1.50%	\$22,097	\$34.43	\$0.0037	3	\$13,372	\$8,726	\$0	
Performance Bond - Developer	1,473,150	1.50%	\$22,097	\$34.43	\$0.0037	3	\$13,372	\$8,726	\$0	
Other	0	\$0.00	\$0	\$0.00	\$0.0000					
Other	0	\$0.00	\$0	\$0.00	\$0.0000					
<b>TOTAL LLC BONDS</b>			<b>\$44,195</b>	<b>\$68.86</b>	<b>\$0.0074</b>		<b>\$26,744</b>	<b>\$17,451</b>	<b>\$0</b>	

CATEGORY	QUANTITY	UNIT PRICE	COST	COST	COST	COMMENTS	PH 1	PH 2	PH 3	
				ALLOCATED TO RES (per lot)	ALLOCATED TO COMM (per sq)					
<b>40475 - METRO DISTRICT BONDS</b>										
Performance Bond - Contractor	10,064,445	1.00%	\$100,644	\$156.83	\$0.0169	3		\$58,122	\$42,523	\$0
Performance Bond - District	10,064,445	1.00%	\$100,644	\$156.83	\$0.0169	3		\$58,122	\$42,523	\$0
Other	0	\$0.00	\$0	\$0.00	\$0.0000					
Other	0	\$0.00	\$0	\$0.00	\$0.0000					
<b>TOTAL METRO DISTRICT BONDS</b>			<b>\$201,289</b>	<b>\$313.65</b>	<b>\$0.0338</b>			<b>\$116,243</b>	<b>\$85,046</b>	<b>\$0</b>
<b>SUBTOTAL LLC SOFT COST</b>			<b>\$2,338,502</b>	<b>\$3,640.67</b>	<b>\$0.3999</b>			<b>\$1,906,382</b>	<b>\$432,120</b>	<b>\$0</b>
<b>40480 - LLC SOFT COST CONTINGENCY</b>	<b>\$2,338,502</b>	<b>3.00%</b>	<b>\$70,155</b>	<b>\$109.32</b>	<b>\$0.0118</b>	<b>3</b>		<b>\$57,191</b>	<b>\$12,964</b>	<b>\$0</b>
<b>TOTAL LLC SOFT COST</b>			<b>\$2,408,657</b>	<b>\$3,749.99</b>	<b>\$0.3517</b>			<b>\$1,963,574</b>	<b>\$445,084</b>	<b>\$0</b>
<b>SUBTOTAL METRO DISTRICT SOFT COST</b>			<b>\$201,289</b>	<b>\$313.65</b>	<b>\$0.0338</b>			<b>\$116,243</b>	<b>\$85,046</b>	<b>\$0</b>
<b>40485 - METRO DISTRICT SOFT COST CONTINGENCY</b>	<b>\$201,289</b>	<b>3.00%</b>	<b>\$6,039</b>	<b>\$9.41</b>	<b>\$0.0010</b>	<b>3</b>		<b>\$3,487</b>	<b>\$2,551</b>	<b>\$0</b>
<b>TOTAL METRO DISTRICT SOFT COST</b>			<b>\$207,328</b>	<b>\$323.06</b>	<b>\$0.0348</b>			<b>\$119,731</b>	<b>\$87,597</b>	<b>\$0</b>
<b>TOTAL LLC &amp; METRO DISTRICT SOFT COSTS</b>			<b>\$2,615,985</b>	<b>\$4,073.05</b>	<b>\$0.3865</b>			<b>\$2,083,304</b>	<b>\$532,681</b>	<b>\$0</b>
<b>SUBTOTAL LLC PROJECT COSTS</b>			<b>\$8,620,287</b>	<b>\$9,950.91</b>	<b>\$1.8483</b>			<b>\$7,533,455</b>	<b>\$1,086,832</b>	<b>\$0</b>
<b>SUBTOTAL METRO DISTRICT PROJECT COSTS</b>			<b>\$12,119,548</b>	<b>\$24,828.80</b>	<b>\$1.1025</b>			<b>\$7,579,676</b>	<b>\$4,539,873</b>	<b>\$0</b>
<b>SUBTOTAL PROJECT COST</b>			<b>\$20,739,835</b>	<b>\$34,779.71</b>	<b>\$2.95</b>			<b>\$15,113,131</b>	<b>\$5,626,705</b>	<b>\$0</b>
<b>60 - DEBT FINANCING COSTS</b>										
60810 - LOAN CLOSING COSTS	\$20,934,000	1.00%	\$209,340	\$326.20	\$0.0351	3	from Capital Structure below			
60820 - DEVELOPMENT PERIOD INTEREST		8.00%	\$1,809,775	\$0.00	\$0.0000		from Investment Summary			
60830 - LOAN GUARANTEE FEES	\$14,092,571	3.00%	\$446,777	\$696.18	\$0.0750	3				
<b>TOTAL DEBT FINANCING</b>			<b>\$2,545,892</b>	<b>\$1,022.38</b>	<b>\$0.1102</b>					
<b>70 - PROPERTY TAXES</b>										
70710 - RESIDENTIAL LAND PROPERTY TAXES			\$81,641	\$228.05	\$0.0000	1	see Property Tax Analysis			
70720 - COMMERCIAL LAND PROPERTY TAXES			\$141,736	\$0.00	\$0.0538	2	see Property Tax Analysis			
<b>TOTAL PROPERTY TAXES</b>			<b>\$223,377</b>	<b>\$228.05</b>	<b>\$0.0538</b>					
<b>TOTAL PROJECT COST</b>										
			<b>\$23,509,105</b>	<b>\$38,030.13</b>	<b>\$3.11</b>		includes Debt Financing & RE Tax costs			


**EXHIBIT E**

**PRELIMINARY ENGINEERING SURVEYS SHOWING HOW PROPOSED SERVICES ARE  
TO BE PROVIDED**

Exhibit E

**EXHIBIT E-1**

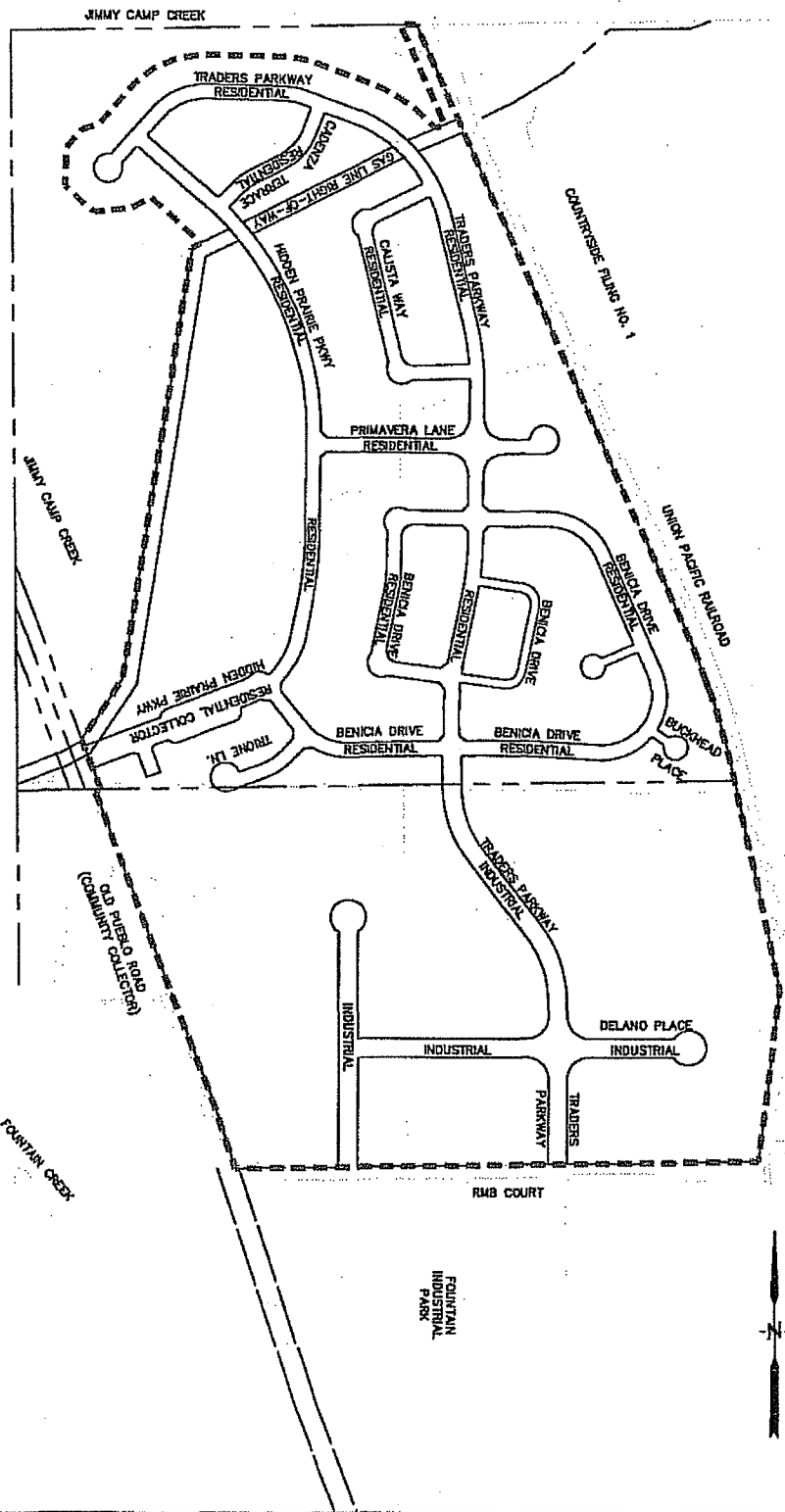
**STREET IMPROVEMENTS AND FACILITIES**


**PREPARED BY:**  
**Drexel, Barrell & Co.**  
 Engineers - Surveyors  
 6386 CORPORATE DRIVE  
 COLORADO SPRINGS, COLORADO 80918  
 (719) 260-0887

REVISION DESCRIPTIONS	DATE

**VENTANA**  
**METROPOLITAN DISTRICT**  
**STREETS**

DATE:	20 FEB 2006	ADD NO.:	C7782-1	SHEET:	2
SCALE:	1" = 400'	DRAWING NO.:	FILE	SHEETS:	7



COUNTRYSIDE PLUNG NO. 1

COUNTRYSIDE PLUNG NO. 2

LEGEND



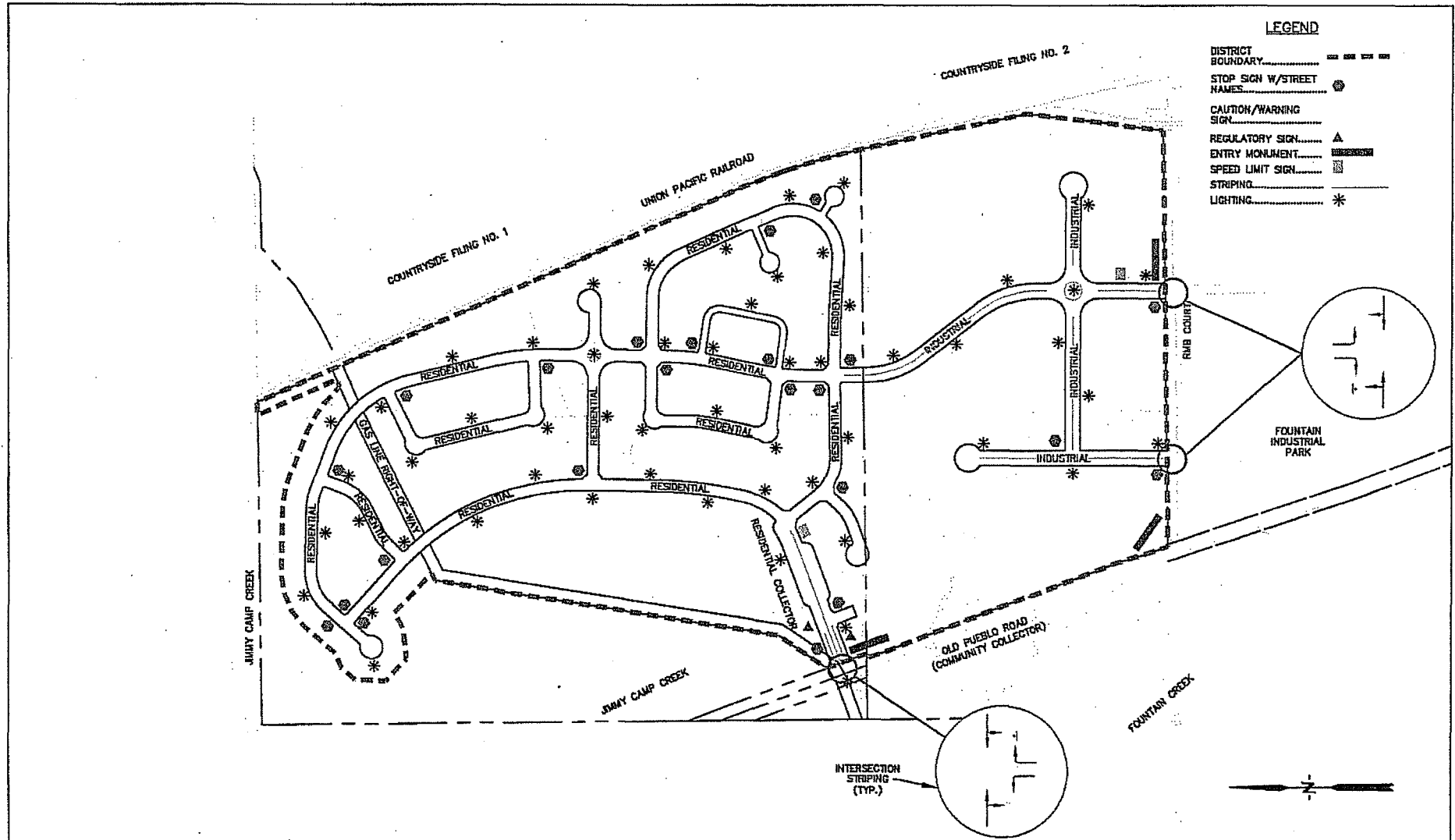
DISTRICT BOUNDARY

**EXHIBIT E-2**

**SAFETY PROTECTION IMPROVEMENTS AND FACILITIES**



H:\C7782\FINAL\Metropolitan District\77821EX-SIGN.dwg, 2/21/2006 3:21:00 PM, 1:1, DREXEL, BARRELL & Co.,JTW



PREPARED BY: **Drexel, Barrell & Co.**  
 Engineers • Surveyors  
 6385 CORPORATE DRIVE  
 COLORADO SPRINGS, COLORADO 80919  
 (719) 250-0887

REVISION DESCRIPTIONS	DATE

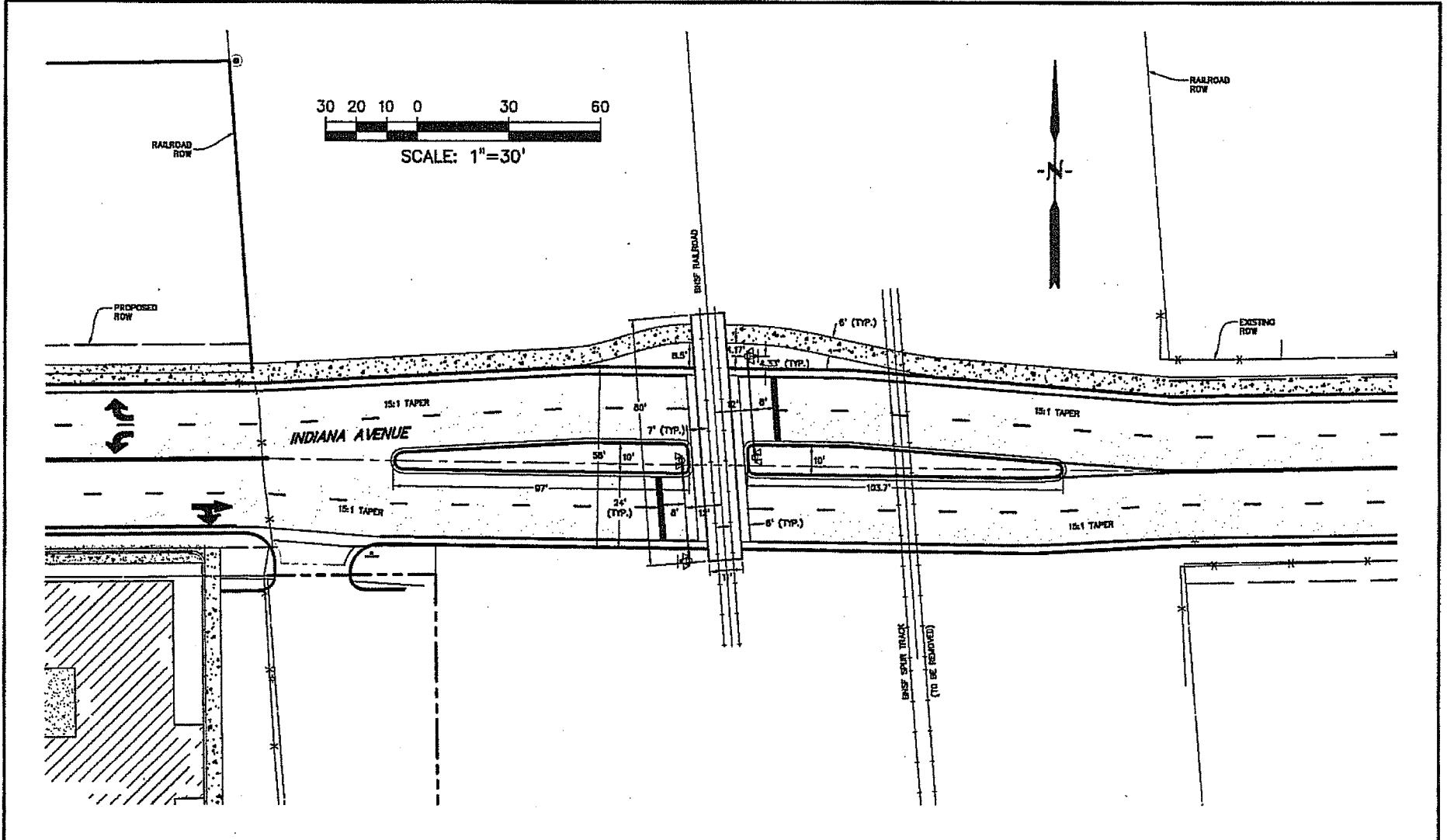
**VENTANA  
 METROPOLITAN DISTRICT  
 SAFETY PROTECTION PLAN**

DATE: 20 FEB 2006	JOB NO: C7782-1	SHEET 7
SCALE: H: 1" = 400' V:	DRAWING NO.: FILE	SHEETS 7

**EXHIBIT E-2A**

**BNSF RAILROAD RELOCATION IMPROVEMENTS AND FACILITIES**

H:\C7782-4\FINAL\work (for 7782)BSK2 10ft median.dwg, 30 scale, 12/14/2005 9:08:33 AM,  
 DWF ePlot (optimized for plotting).pc3, 1:1, DREXEL, BARRELL & CO.,FT



**PREPARED BY:**  
**Drexel, Barrell & Co.**  
 Engineers • Surveyors  
 1800 38TH STREET  
 BOULDER, COLORADO 80301  
 (303) 442-4338

REVISION DESCRIPTIONS	DATE

**REVISED INDIANA AVENUE  
 CROSSING WITH 10' MEDIAN**

**DATE:**  
 13 DEC 2005  
**SCALE:**  
 H: 1" = 30'  
 V: N/A

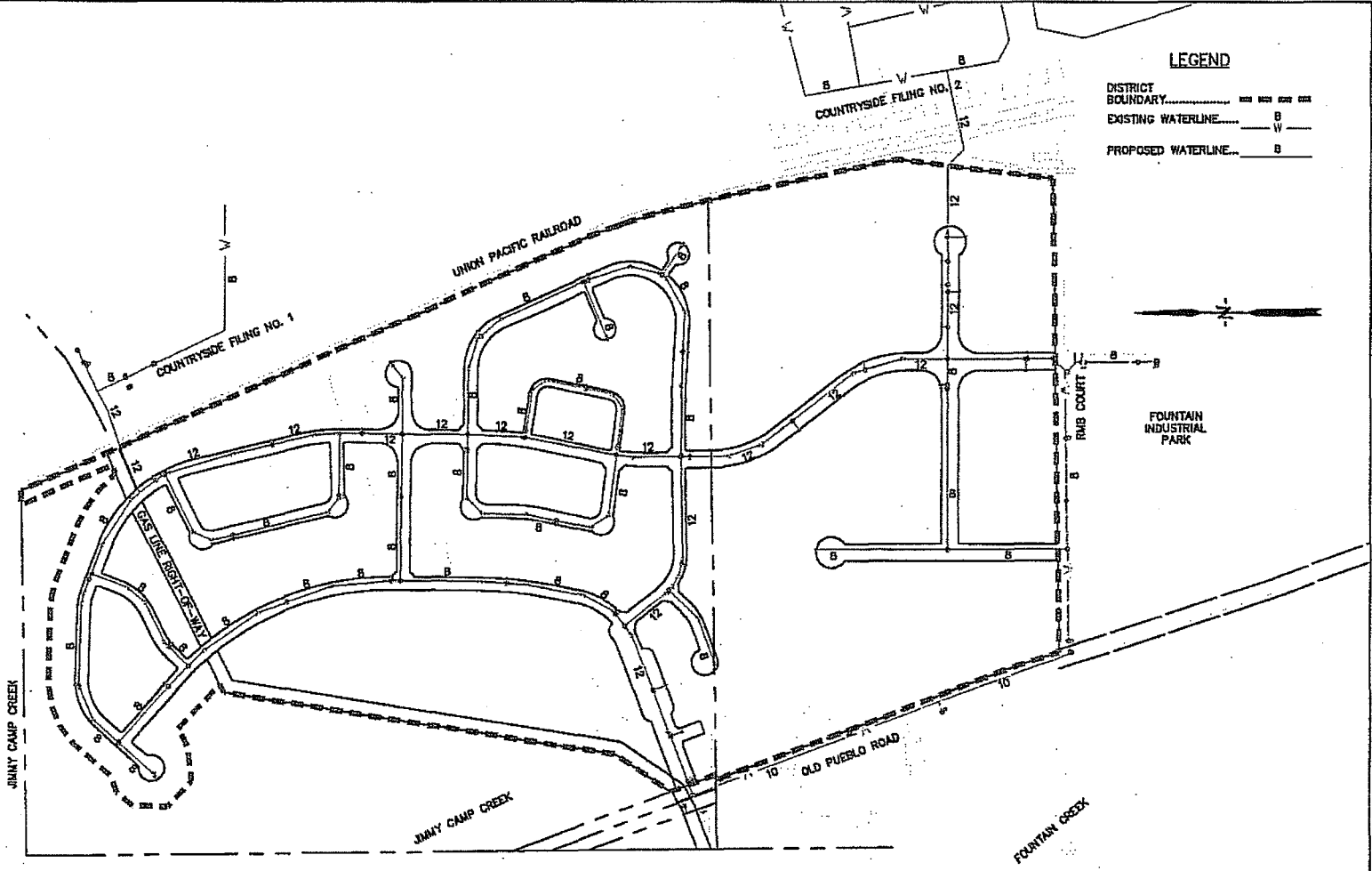
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 C7782-4  
**DRAWING NO.:**  
 6D 126

**SHEET**  
 1  
**SHEETS**  
 1

**EXHIBIT E-3**

**WATER IMPROVEMENTS AND FACILITIES**

H:\C7782\FINAL\Metropolitan District\7821EX-WAT.dwg, 2/21/2006 2:25:49 PM, 1:1, DREXEL, BARRELL & Co.,JTW



PREPARED BY: **Drexel, Barrell & Co.**  
 Engineers - Surveyors  
 6365 CORPORATE DRIVE  
 COLORADO SPRINGS, COLORADO 80919  
 (719) 260-8887

REVISION DESCRIPTIONS	DATE

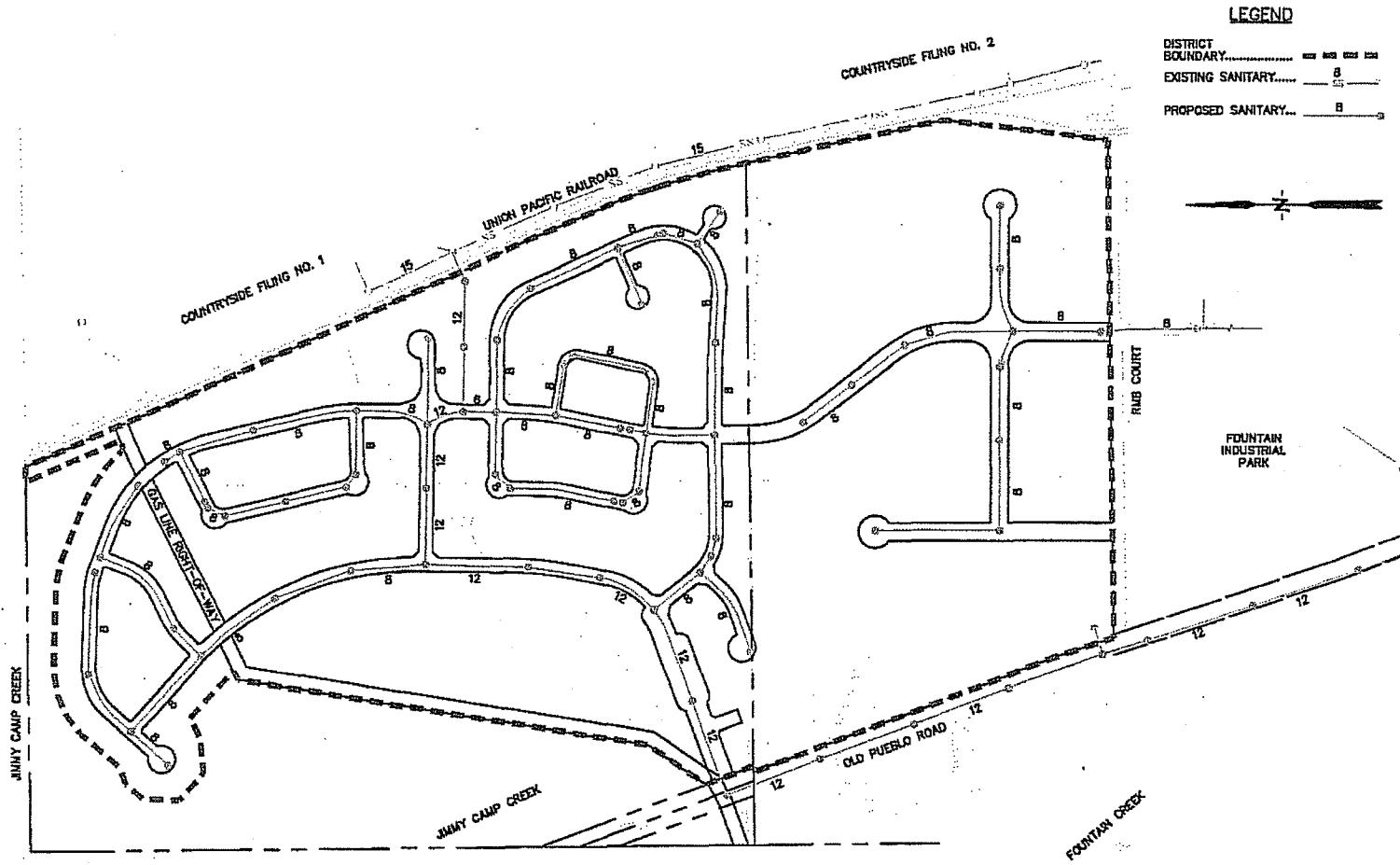
VENTANA  
 METROPOLITAN DISTRICT  
 WATERLINE PLAN

DATE: 20 FEB 2006	JOB NO: C7782-1	SHEET 3
SCALE: H: 1" = 400' V:	DRAWING NO.: FILE	SHEETS 7

**EXHIBIT E-4**

**SANITATION IMPROVEMENTS AND FACILITIES**

H:\C7782\FINAL\Metropolitan District\7782.1EX-SAN.dwg, 2/21/2006 2:20:05 PM, 1:1, DREXEL, BARRELL & Co.,JTW



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**Drexel, Barrell & Co.**  
 Engineers • Surveyors  
 8385 CORPORATE DRIVE  
 COLORADO SPRINGS, COLORADO 80919  
 (719) 260-0887

REVISION DESCRIPTIONS	DATE

**VENTANA  
 METROPOLITAN DISTRICT  
 SANITARY SEWER PLAN**

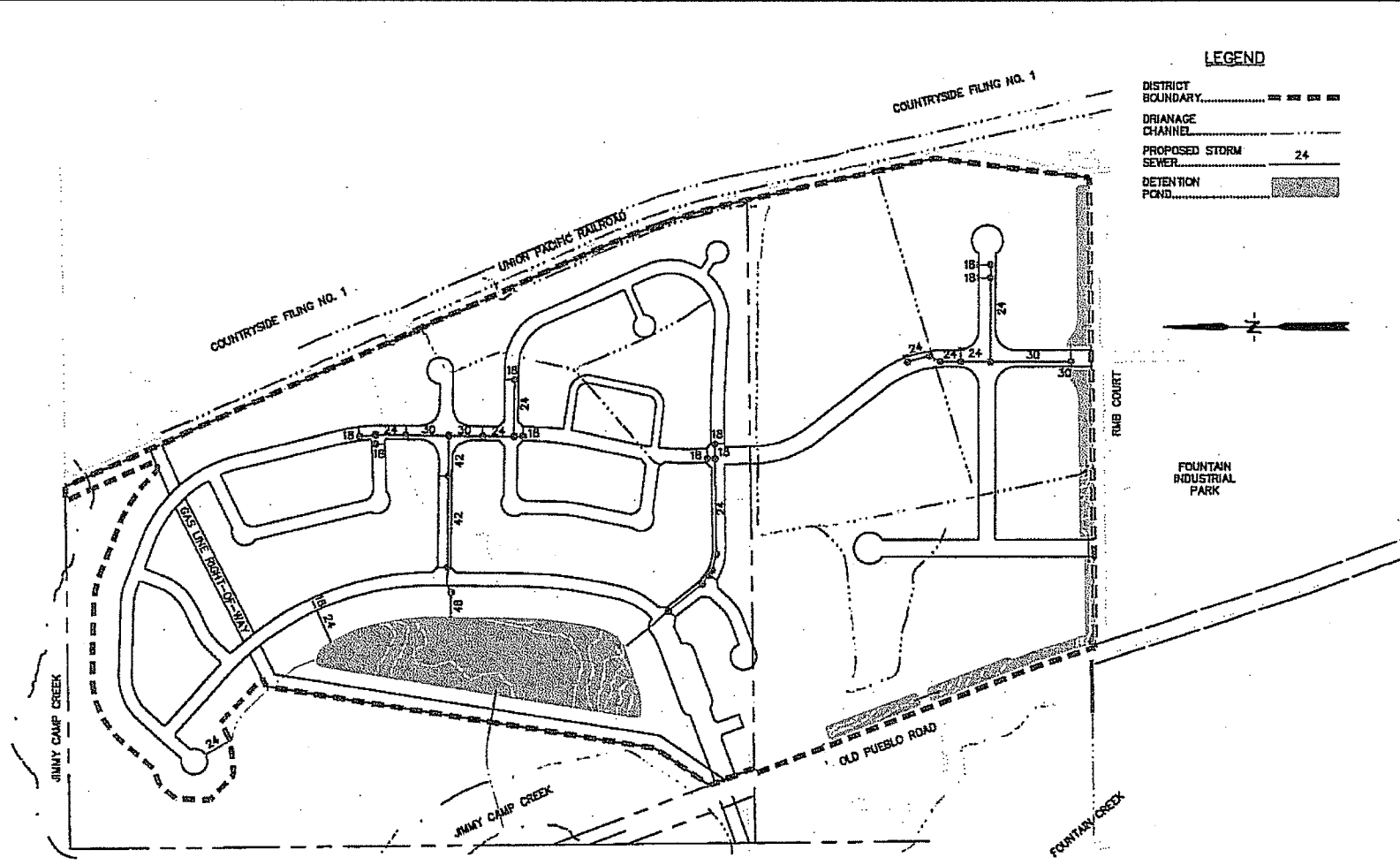
<b>DATE:</b> 20 FEB 2006	<b>JOB NO.:</b> C7782-1	<b>SHEET</b> 4
<b>SCALE:</b> H: 1" = 400' V:	<b>DRAWING NO.:</b> FILE	<b>SHEETS</b> 7

**EXHIBIT E-5**

**STORM DRAINAGE IMPROVEMENTS AND FACILITIES**

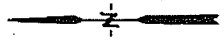


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**LEGEND**

DISTRICT BOUNDARY	-----
DRAINAGE CHANNEL	-----
PROPOSED STORM SEWER	24
DETENTION POND	[Hatched Box]



PREPARED BY: **Drexel, Barrell & Co.**  
 Engineers • Surveyors  
 6365 CORPORATE DRIVE  
 COLORADO SPRINGS, COLORADO 80918  
 (719) 260-0887

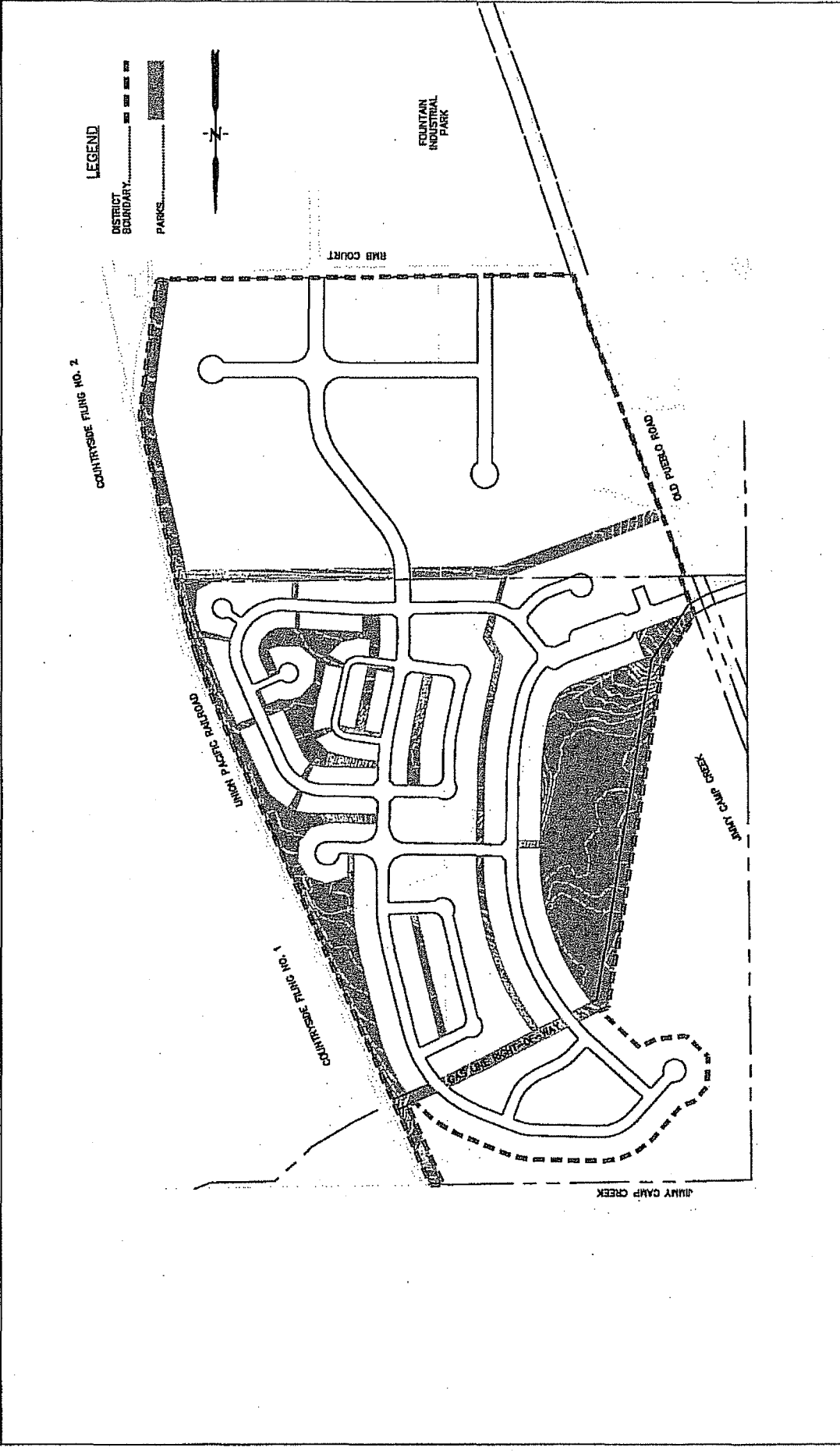
REVISION DESCRIPTIONS	DATE

VENTANA  
 METROPOLITAN DISTRICT  
 STORM DRAINAGE PLAN

DATE: 20 FEB 2006	JOB NO: C7782-1	SHEET 5
SCALE: H: 1" = 400' V:	DRAWING NO.: FILE	SHEETS 7

**EXHIBIT E-6**

**PARKS AND RECREATION IMPROVEMENTS AND FACILITIES**



PREPARED BY: <b>Drexel, Barrell &amp; Co.</b> Engineers - Surveyors 6365 CORPORATE DRIVE COLORADO SPRINGS, COLORADO 80919 (719) 260-0887	REVISION DESCRIPTIONS	DATE	VENTANA METROPOLITAN DISTRICT PARKS PLAN	DATE	20 FEB 2006	JOB NO:	C7782-1	SHEET	6
				SCALE:	1" = 400'	DRAWING NO.:	FILE	SHEETS	7

**EXHIBIT F**  
**MARKET ANALYSIS**

**Exhibit F**



**King & Associates, Inc.**

*Strategic planning and economic analysis*

# **VENTANA**

## **MARKET ANALYSIS**

**PREPARED FOR:  
VENTANA METROPOLITAN DISTRICT**

**PREPARED BY:  
KING & ASSOCIATES, INC.  
730 MONACO PARKWAY  
DENVER, COLORADO 80220-6041  
303.333.3834**

**FEBRUARY 14, 2006**

## TABLE OF CONTENTS

<b>INTRODUCTION</b>	<b>3</b>
<b>EXECUTIVE SUMMARY</b>	<b>4</b>
<b>SECTION 1 – PROJECT DESCRIPTION</b>	<b>7</b>
<b>SECTION 2 – TRADE AREA DESCRIPTION</b>	<b>11</b>
<b>SECTION 3 – DEMOGRAPHIC AND ECONOMIC OVERVIEW</b>	<b>14</b>
<b>SECTION 4 – COMMERCIAL MARKET TRENDS</b>	<b>23</b>
<b>SECTION 5 – DEFENSE INDUSTRY IN COLORADO SPRINGS</b>	<b>27</b>
<b>SECTION 6 – RESIDENTIAL HOUSING TRENDS</b>	<b>29</b>
<b>SECTION 7 – RESIDENTIAL HOUSING DEMAND FORECAST VENTANA TRADE AREA</b>	<b>36</b>
<b>SECTION 8 – COMMERCIAL REAL ESTATE SUPPLY &amp; DEMAND VENTANA TRADE AREA</b>	<b>41</b>
<b>SECTION 9 – PROJECT ASSESSMENT / CONCLUSIONS</b>	<b>47</b>
<b>ABOUT KING &amp; ASSOCIATES, INC.</b>	<b>49</b>

## INTRODUCTION

King & Associates, Inc. was retained to provide an independent assessment of land uses proposed for development within a district to be formed, the Ventana Metropolitan District. The District is located in the City of Fountain, Colorado, just north of the R.M.B. Court and Old Pueblo Road intersection. The proposed Ventana project involves a 178-acre master planned community with residential, commercial / light industrial and retail uses, to be developed within the District. The purpose of this report is to assess the parameters of the Ventana project including proposed land uses, development intensity, sales potential and timing and schedule of project absorption in relation to the local and regional marketplace.

To complete the development assessment, this report is divided into several sections.

- Section one provides a project description and overview.
- Section two provides an overview of the project trade area.
- Section three provides a demographic and economic overview for the project trade area and larger surrounding Colorado Springs / El Paso County area.
- Section four summarizes trends within the Colorado Springs / El Paso County commercial real estate market.
- Section five outlines the importance of the defense industry in Colorado Springs
- Section six discusses residential housing trends in the City of Fountain and the El Paso County area.
- Section seven provides a residential housing demand forecast for the project trade area.
- Section eight outlines commercial real estate trends and demand in the project trade area.
- Section nine summarizes previous portions of the report and provides an assessment involving the overall development potential in the Ventana Metropolitan District.

## EXECUTIVE SUMMARY

### *Overview*

- Ventana is a 178-acre master planned community with residential, commercial / light industrial and retail land uses located within the boundaries of the Ventana Metropolitan District in the City of Fountain, Colorado.
- The project is located in a rapidly developing area that includes the City of Fountain, Colorado, a growing community just south of Colorado Springs, Colorado.
- The land use plan for the project outlines the development of 358 residential housing units with 500,000 square feet of business park space and 108,000 square feet of retail land uses.
- Housing construction in the District is anticipated to begin in 2006 with several model homes completed by the end of 2006.
- Absorption of business campus lots is expected to begin during 2007.
- Absorption of retail space is expected to begin in 2009.

### *Demographics and Employment*

- Population in both Colorado Springs and the surrounding El Paso County region has increased at a rate of approximately 2% annually since 2000.
- Since 2000, population has increased at an average annual rate of 2.7% in the project trade area and 4.7% in the City of Fountain.
- From 2005 through 2015, population in El Paso County is forecast to increase at an average annual rate of 2.3% annually, while strong growth is forecast in the City of Fountain and the project trade area with respective 4.1% and 3.7% average annually population growth rates.
- The economy in Colorado Springs has improved greatly during the past two years, highlighted by increased primary job growth, location and expansion of new businesses and a falling unemployment rate.
- In 2005, the Colorado Springs economy registered positive gains, highlighted by a strong 3.4% increase in employment from previous year levels and a significant decline in unemployment.
- Future employment growth in the Colorado Springs region is anticipated to remain positive with a forecast 2% average annual growth rate.

### *Residential Market Trends and Forecast – Region*

- During 2005, building permits increased 4.2% within all residential housing categories in El Paso County compared with 2004 activity.
- New home sales in El Paso County through November were on pace to equal 5,213 units and mark a 7% increase compared with 2004 home sales.
- Housing demand is projected to average 5,900 units per year in El Paso County from 2005 through 2015.



*Residential Market Trends and Forecast – City of Fountain & Ventana Trade Area*

- The project trade area registered strong home sales during the past twelve month period.
- During the twelve month period from November 2004 through November 2005, there were 624 new homes sold in 10 residential projects in the project trade area.
- Housing demand based on two forecast methods has been completed for the City of Fountain and the Ventana trade area with respective housing demand averaging 310 and 617 units annually during the next ten years.

*Competitive Residential Projects –Ventana Trade Area*

- Mesa Ridge and the Glenn @ Widefield are likely to provide the strongest short-term competition to Ventana.

*Ventana Residential Absorption Assessment*

- With a review of market factors and competitive projects, King & Associates, Inc. believes that Ventana can realize absorption rates averaging 150 units per year.
- To achieve average projected absorption, the project will need to capture approximately 14% of projected trade area housing demand and in the opinion of King & Associates, Inc. this is a very reasonable expectation.

*Commercial Market Trends and Forecast*

- Non-residential land uses planned as part of the Ventana project include commercial / light industrial and retail land uses.
- During 2005, retail market trends in the southeast sub-market – which is slightly larger than the project trade area – were characterized by positive absorption.
- During the next ten years, retail demand in the project trade area is projected to total nearly 335,000 square feet.
- The industrial sub-market that most closely compares with the project trade area has a comparatively low vacancy rate and registered strong absorption during 2005.
- Industrial demand has not been quantitatively determined due to the recovering nature of this market segment. However, the industrial market is poised for growth in coming years based on strong performance within the Colorado Springs economy during the past two years.

*Ventana Commercial Absorption Assessment*

- The project developer has not specifically outlined an absorption schedule for commercial land uses planned as part of the Ventana project, though a land sales schedule has been identified.
- However, with a review of market factors and competitive projects, King & Associates, Inc. believes that the 108,000 square foot retail center can be constructed in 2009 and that there should be sufficient demand for commercial / industrial land uses to sustain average development of 50,000 square feet per year beginning in 2008.

### *Factors Impacting Absorption*

- To realize residential absorption rates, the developer needs to implement several project related elements.
  - Secure experienced and recognizable home builders to purchase lots and construct homes in Ventana.
  - Insure that home prices and product types / designs are comparable with competitive developments in the trade area.
  - Implement a consistent, ongoing aggressive marketing campaign.
- To realize commercial absorption rates, the following project related elements are believed necessary.
  - Ditz Brothers must find or act as the master developer / builder for the proposed business park.
  - Buildings marketed within the business park need to be responsive to current demand and market conditions as well as compete favorably with existing buildings and developments in the trade area and Colorado Springs.
  - A consistent marketing campaign needs to be implemented for the business park that involves experienced commercial real estate brokers or developers.
- The developer is in the process of selecting the home builders for Ventana. The target list of candidates includes the following:
  - Small Lot Planned Unit Development (129 lots)
    - Richmond American
    - Beazer
  - Large Lots (229 total; 85 lots Phase 1)
    - Keller
    - Copperleaf
    - Melody / DR Horton
    - Engle
    - KB Home

### *Summary of Ventana Assessment*

- Current and anticipated market forces in the Fountain area are very positive; including substantial growth at Ft. Carson, continued defense related employment growth and continued improvement of the local economy. Though these elements are beyond the control of Ventana's developer, they are very positive factors.
- The resulting demand for housing and non-residential space will positively affect absorption and developer plans for Ventana. The pace of land development, marketing and promotion of residential and commercial lot sales, are within the developer's control. In addition, the depth of his experience, prime project location and ability to execute the business plan will greatly assist in the successful development of Ventana.

**SECTION 1  
PROJECT DESCRIPTION**

The Ventana master planned development includes 178-acres of land located south of downtown Fountain, Colorado, north of the intersection of Old Pueblo Road and R.M.B. Court. The Ventana project is to be wholly located within the boundaries of the Ventana Metropolitan District and is planned for a mixture of residential and commercial land uses. In total, residential development in the District includes 358 single family homes with commercial development planned to include 500,000 square feet of business park uses (office, office / industrial space) and 108,000 square feet of retail uses. Construction of single family homes in the proposed District is planned to begin in 2006 along with initial development within the business park. Subsequent development will include planned retail space. The following table outlines proposed development status within the District.

**Ventana Master Planned Community  
Development Summary**

Land Use	Phase 1	Phase 2	Total
<i>Residential (units)</i>			
Single family detached	214	144	358
<i>Commercial (square feet)</i>			
Business Park	500,000	-	500,000
Retail		108,000	108,000
Total	500,000	108,000	608,000

Source: Ditz Brothers (project developer)  
Note: Development to be phased and market driven.

An absorption schedule for the project has not been specifically completed by the developer, Ditz Brothers, at this time. However, as part of this analysis, King & Associates, Inc. has prepared an estimate of absorption pertaining to each of the planned land uses in the District based on input from the project developer.

The residential development portion of the Ventana master planned community includes two segments. The first segment involves smaller lots ranging from approximately 3,200 to 5,000+ square feet in size with finished homes of 1,200 to 2,000 square feet in size. The second segment involves development of larger 6,000 to 8,500+ square foot lots and corresponding finished homes ranging in size from approximately 1,800 to 2,500 square feet. According to Ditz Brothers, lots will be available for sale to builders in late 2006. Based on the two lot size ranges, King & Associates, Inc. believes that finished home prices will range from \$195,000 to \$225,000 for units constructed on smaller sized lots and \$225,000 to \$325,000 for homes on larger lots. The following table outlines general lot size and finished home pricing parameters for residential units in Ventana.

**Ventana Master Planned Community  
Lot and Home Price Information**

Development Information	Low	Range High	Avg.
<i>Lot size (square feet)</i>			
Series 1 – 129 lots	3,200	5,000	4,500
Series 2 – 229 lots	6,000	16,000	7,500
<i>Home pricing</i>			
Series 1	\$195,000	\$225,000	\$205,000
Series 2	\$225,000	\$325,000	\$275,000

Source: Ditz Brothers

Absorption or sale rates for the residential homes planned in the project have not been specifically identified by the developer. However, the developer has provided input as to expected absorption for the project's residential homes. A three year absorption time period is anticipated for the 129 smaller lot homes planned in the project, beginning in 2007 with total build-out in 2009. Resulting absorption of the smaller lot homes would equal 43 units per year. Absorption of the larger lot homes is planned over a four year period beginning in 2007 and concluding in 2010. With respect to retail land uses, 108,000 square feet of space is planned for development and will likely involve a grocery anchored retail center. King & Associates, Inc. believes that the center could be constructed in 2009. Business park development is the last planned land use in the Ventana project and includes 500,000 square feet of warehouse, office / light industrial / flex and distribution space.<sup>1</sup> Absorption averaging 50,000 square feet per year beginning in 2008 and build-out in 2015 is outlined. The following table outlines possible absorption within the Ventana master planned community.

<sup>1</sup> Actual categories of business park development could occur including office, light manufacturing, etc.

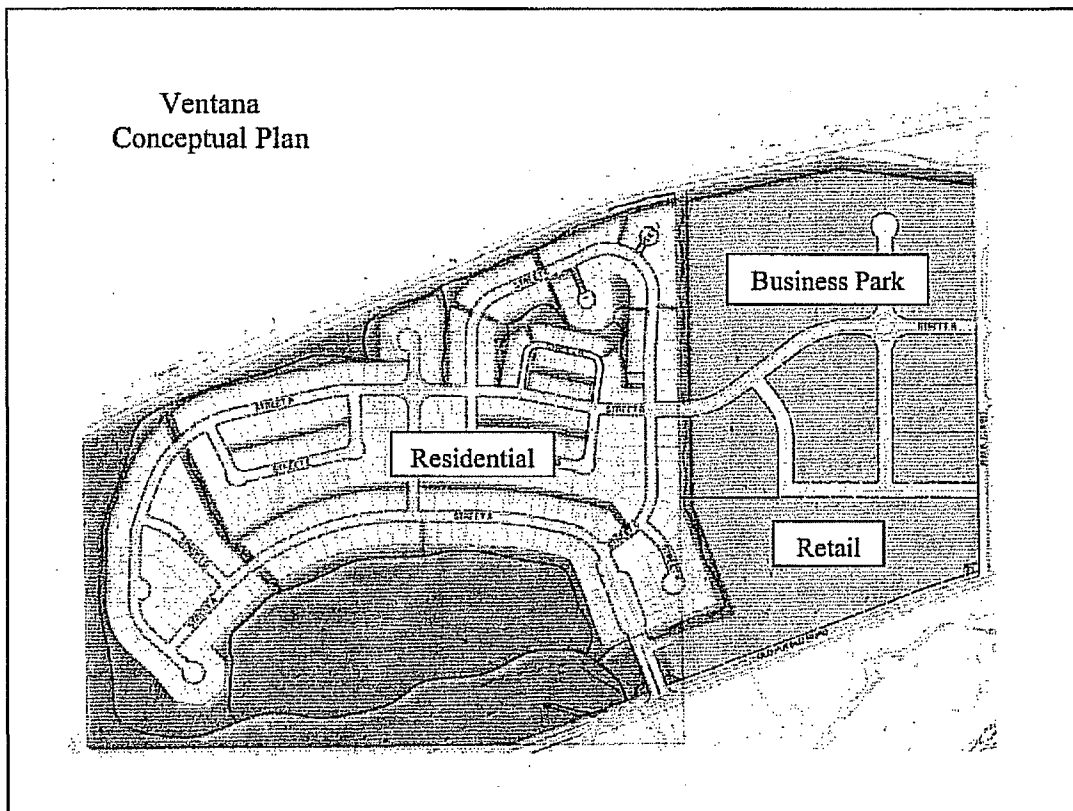
**Ventana Master Planned Community  
Absorption Schedule**

Land Use / Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<i><u>Residential</u></i>										
Smaller lot	4	30	50	49						
Larger lot	4	50	100	79						
<i>Total</i>	8	80	150	128						
<i><u>Retail</u></i>										
Grocery Anchored Center (square feet)				108,000						
<i><u>Business Park</u></i>										
Warehouse, Office warehouse, Distribution			50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000

Source: Ditz Brothers & King & Associates, Inc.

**Ventana Master Planned Community  
CONCEPTUAL PLAN**

The following graphic outlines the conceptual plan for the Ventana Master Planned Community. Construction of homes is planned to begin with lots closest to the site's primary entrance from Old Pueblo Road and initial development of the business park land is planned from the entrance from R.M.B. Court.

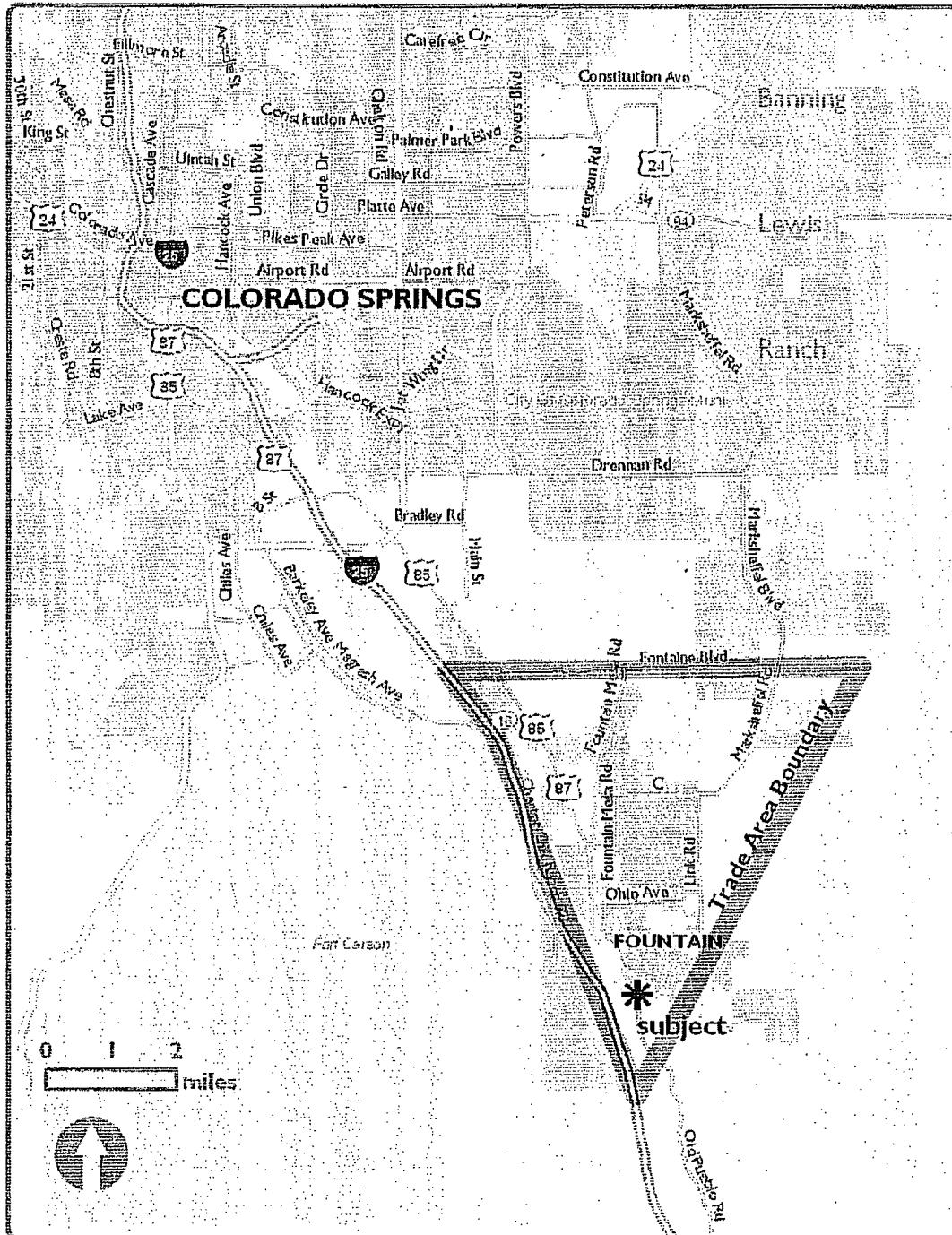


**SECTION 2**  
**TRADE AREA DESCRIPTION**

To analyze the demand for residential and non-residential development planned within the Ventana Master Planned Community two geographic trade areas have been identified. It is anticipated that the majority of customers who will purchase homes and utilize commercial development (other than business park land uses) planned in Ventana will live within the identified primary trade area. A larger, secondary trade area has also been identified that encompasses remaining areas of El Paso County. Since Ventana is located at the extreme southern portion of the Colorado Springs metropolitan area, and is also near Interstate 25, a portion of the project's potential buyers are anticipated to come from the larger secondary trade area.

With regard to planned development within the business park portion of Ventana, a separate trade area has been determined. This trade area entails the Colorado Springs metropolitan area. Much of the office and office / warehouse development in the Colorado Springs metro area is located along the I-25 corridor, near the airport area or within the downtown business core. Because of this, business park land uses planned in Ventana will compete with similar projects and developments in the larger Colorado Springs area. The following map outlines the trade areas for the Ventana master planned community.

**VENTANA MASTER PLANNED COMMUNITY  
TRADE AREA MAP**





The boundaries of the Ventana residential and non-residential trade area have been defined to include a distinct geographic region where current and future residents with similar characteristics will live. The residential and retail trade area is bounded by Fontaine Boulevard on the north, the Marksheffel Road alignment to the east, Interstate 25 on the west and the El Paso / Pueblo County line to the south. The trade area for business park land use includes the surrounding Colorado Springs / El Paso County region.

### **SECTION 3**

#### **DEMOGRAPHIC AND ECONOMIC OVERVIEW**

Planned development within the Ventana master planned community includes both residential and non-residential land uses. Since the demand for homes and commercial space within the development is dependent on numerous factors, a review of economic and demographic characteristics and trends in El Paso County (which includes the Colorado Springs metro area), the City of Fountain and the project trade area, has been completed. Demographic trend and forecast information concerning population, households and household size is presented, along with key economic variables involving employment levels and unemployment rates. The trend and forecast data presented in this section will provide the basis for assessing the absorption schedule of planned residential and non-residential land uses within the project.

#### **Demographic Trends and Forecasts**

Demographic trend and forecast data has been reviewed within El Paso County, the City of Fountain and the Ventana trade area. Specifically, population, household and household size data are presented.

#### **Demographic Trends**

##### *Population*

From 1990 through 2000, population in El Paso County increased by a rate of 2.7% annually. Since that time, population in the county has increased steadily, though at a slower rate. From 2000 through mid-year 2005, El Paso County population increased from approximately 517,000 to an estimated level of 564,776. This represents an average increase of 11,258 residents annually or a percentage increase of 2.1% per year.

Population growth in El Paso County during the past several years has slowed somewhat when compared with trends during the 1990 through 2000 period. Slower population growth is due primarily to more limited economic growth at both the national and regional levels. The El Paso County (including Colorado Springs) regional economy is heavily dependent on federal governmental spending as well as the high technology industry. With tempered growth in these economic sectors during the past few years, regional population and economic growth has increased less rapidly. However, the region has registered positive economic and employment growth during the past two to three years.

Population within the Ventana Trade Area has also grown rapidly during the past few years and has been one of the fastest growing areas in El Paso County. From 2000 through 2005, trade area population increased from 27,513 to 31,440. This represents an increase of 785 residents per year and reflects an average growth rate of 2.7% annually.

Within the City of Fountain, which immediately surrounds the Ventana site, population has also been growing at a rapid pace. From 2000 through 2004, population in the City increased from 15,197 to 19,122. During this time, population increased by an average of approximately 785 residents per year with a corresponding growth rate of 4.7% annually. The following table presents population trends for El Paso County, the City of Fountain and the Ventana Trade Area.

**El Paso County, City of Fountain & Ventana Trade Area  
Population Trends**

<b>Geographic Area / Time Period</b>	<b>1990</b>	<b>2000</b>	<b>2005</b>
<i><u>El Paso County</u></i>			
Population	397,014	516,929	564,776
Average Annual Change (2000 - 2005)			
Absolute			11,258
Percent			2.10%
<i><u>City of Fountain</u></i>			
Population	n/a	15,197	19,122
Average Annual Change (2000 - 2005)			
Absolute			785
Percent			4.70%
<i><u>Ventana Trade Area</u></i>			
Population	n/a	27,513	31,440
Average Annual Change (2000 - 2005)			
Absolute			785
Percent			2.70%

Source: Colorado Department of Local Affairs, City of Fountain  
ESRI Business Information Systems, & King & Associates, Inc.

As with population, the number of households in El Paso County, the City of Fountain and the project trade area has also increased rapidly during the past several years. From 2000 through mid-year 2005, the number of households in El Paso County increased from 192,258 to 210,482. On average, the number of households in the County has increased by 4,311 each year or by a rate of 2.2% annually.

Within the City of Fountain, the number of households has also increased rapidly during the past several years. In 2000, there were just over 5,000 households in the City. By 2005, the number of households had increased to 6,348, representing an increase of 260 households per year and a growth rate of 4.7% annually.

The number of households in the Ventana trade area has increased comparably to El Paso County and the City of Fountain since the year 2000. From 2000 through 2005, households in the project trade area increased from 8,988 to 10,281. This represents growth of 257 households per year or an average annual percentage increase of 4.1%. The following table presents household trends for El Paso County, the City of Fountain and the trade area.

#### **El Paso County, City of Fountain & Ventana Trade Area Household Trends**

<b>Geographic Area / Time Period</b>	<b>1990</b>	<b>2000</b>	<b>2005</b>
<i><u>El Paso County</u></i>			
Households	146,965	192,158	210,482
Average Annual Change (2000 - 2005)			
Absolute			4,311
Percent			2.2%
Average household size	2.60	2.61	2.61
<i><u>City of Fountain</u></i>			
Population	n/a	5,046	6,348
Average Annual Change (2000 - 2005)			
Absolute			260
Percent			4.70%
Average household size	n/a	3.01	3.01
<i><u>Ventana Trade Area</u></i>			
Households	n/a	8,998	10,281
Average Annual Change (2000 - 2005)			
Absolute			257
Percent			2.7%
Average Household Size	n/a	3.06	3.06

Source: Colorado Department of Local Affairs, City of Fountain  
ESRI Business Information Systems, & King & Associates, Inc.

### *Household Size*

The average household size in El Paso County, the City of Fountain and the project trade area has changed marginally during the past several years. Average household size has stabilized (or declined) in a majority of communities across the country in recent years and is divergent to the trend of increasing household size levels that occurred for many decades in the United States. Factors such as increased single person and single parent households along with families with fewer children all contribute to this trend. In El Paso County the average household size has remained unchanged during the past several years at a level of 2.61. In the City of Fountain and the Ventana trade area, average household size has also remained unchanged at an average of 3.01 and 3.06 persons, respectively, per household. The preceding table presents trend information for average household size in El Paso County, the City of Fountain and the project trade area.

It should be noted that two different sources for demographic information for the City of Fountain and the project trade area have been utilized. Because of this, it appears that nearly all of the population and household growth that has occurred during the past several years has been focused in the smaller geographic area of the City of Fountain. In actuality, it is very unlikely that this has occurred with the difference attributable to the different methodologies utilized by the two organizations to derive specific demographic data for each geographic area.

## Demographic Forecasts

The following section presents demographic forecasts for El Paso County, the City of Fountain and the Ventana trade area for the period extending from 2005 through 2015. The forecast is divided into two forecast periods. The first period addresses the five year period from 2005 through 2010 while the second period extends from 2010 through 2015. The demographic forecast information presented pertains to population, households and average household size.

### *Population*

Long range population growth forecasts for El Paso County have been completed by the Colorado Department of Local Affairs (DOLA). Population in El Paso County is forecast to increase from a current level of 564,776 to 707,570 by the end of 2015. This reflects an average annual growth rate of 2.8% from 2005 through 2010 and 1.8% from 2010 through 2015. On an absolute basis, population is forecast to increase by 16,457 per year through 2010 and by 12,102 annually from 2010 through 2015. During the next five years, the rate of population growth in El Paso County is expected to be slightly higher compared with recent trends, while beyond 2010 a somewhat lower rate of population growth is forecast.

The City of Fountain has completed long-term population forecasts extending through the year 2015. During the forecast period, population in the City is projected to increase from a current level of 19,122 to 28,545. This represents the City's more conservative estimate of population growth during the 2005 through 2015 period with population anticipated to grow by an average of 942 residents per year and reflecting a growth rate of 4.1% annually.

Population growth forecasts from ESRI, Business Information Solutions (ESRI – BIS) have been utilized within the Ventana trade area. However, the ESRI – BIS forecasts address only the next five year period through 2010. King & Associates, Inc. has adjusted the ESRI-BIS forecast through 2015 with the belief that population growth will occur at a higher rate, similar to growth rates forecast for the City of Fountain. Based on this adjustment, population in the trade area is forecast to increase from a current level of 31,440 to 45,431 by the end of 2015. During this 2005 through 2015 forecast period, population is anticipated to increase by 1,399 residents per year or at an average annual rate of 3.7%. The following table presents forecast population for El Paso County, the City of Fountain and the Ventana trade area.

**El Paso County, City of Fountain & Ventana Trade Area  
Population Forecast**

<u>Geographic Area / Time Period</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>
<u>El Paso County</u>			
Population	564,776	647,060	707,570
Average Annual Change		<u>2005 - 2010</u>	<u>2010 - 2015</u>
Absolute		16,457	12,102
Percent		2.8%	1.8%
<u>City of Fountain</u>			
Population	19,122	23,745	28,545
Average Annual Change		<u>2005 - 2010</u>	<u>2010 - 2015</u>
Absolute		925	960
Percent		4.4%	3.8%
<u>Ventana Trade Area</u>			
Population	31,440	38,252	45,431
Average Annual Change		<u>2005 - 2010</u>	<u>2010 - 2015</u>
Absolute		1,362	1,436
Percent		4.0%	3.5%

Source: Colorado Department of Local Affairs, City of Fountain,  
ESRI Business Information Systems & King & Associates, Inc.

***Households***

The number of households in El Paso County is forecast to increase from approximately 210,500 to nearly 244,000 during the five year period extending from 2005 through 2010. Households in the County are forecast to reach a level of 268,244 at the end of the subsequent period extending through 2015. Nearly 6,700 households per year will be formed in El Paso County during the near-term forecast period and 4,900 per year during the following forecast period. This equates to an average annual growth rate of 3.0% from 2005 through 2010 and 1.9% from 2010 through 2015.

Household growth in the City of Fountain is projected to increase substantially during the 2005 through 2015 forecast period. During the next ten years the number of households in the City is projected to increase from a current level of 6,348 to 9,543. This represents an increase of 319 households per year with an average annual growth rate of 4.2%.

Over the next several years, the forecast rate of household formations in the Ventana trade area differs moderately compared with El Paso County and the City of Fountain. From 2005 through 2015, average growth of 465 households per year is forecast within the trade area, as the number of households increase from 10,281 to nearly 14,939. This results in an average annual growth rate of 3.8% during the forecast period.

### *Household Size*

Average household size in El Paso County, the City of Fountain and the project trade area is anticipated to decline marginally during the 2005 through 2015 forecast period. The average household size in El Paso County is forecast to decrease from 2.60 as of 2005 to a level of 2.58 at the end of 2015. Comparatively, average household size is projected to decline from 3.01 to 2.99 and 3.06 to 3.04 in the respective areas of the City of Fountain and the Ventana trade area. The following table presents forecast information pertaining to households and average household size for El Paso County, the City of Fountain and the Ventana trade area.

### **El Paso County, City of Fountain & Ventana Trade Area Population Forecast**

<b>Geographic Area / Time Period</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>
<i><u>El Paso County</u></i>			
Households	210,482	243,846	268,244
Average Annual Change		<u>2005 - 2010</u>	<u>2010 - 2015</u>
Absolute		6,673	4,880
Percent		3.0%	1.9%
Average household size	2.60	2.59	2.58
<i><u>City of Fountain</u></i>			
Population	6,348	7,912	9,543
Average Annual Change		<u>2005 - 2010</u>	<u>2010 - 2015</u>
Absolute		313	326
Percent		4.5%	3.8%
Average household size	3.01	3.00	2.99
<i><u>Ventana Trade Area</u></i>			
Households	10,281	12,537	14,939
Average Annual Change		<u>2005 - 2010</u>	<u>2010 - 2015</u>
Absolute		451	481
Percent		4.0%	3.6%
Average Household Size	3.06	3.05	3.04

Source: Colorado Department of Local Affairs, City of Fountain,  
ESRI Business Information Systems & King & Associates, Inc.



## EMPLOYMENT TRENDS AND FORECASTS

A review of employment trends and forecasts for El Paso County (Colorado Springs MSA) has been completed to provide a basis for assessing future development. Employment trends provide a strong indication of the relative strength of the economy. Additionally, economic conditions provide a key variable underlying demand for development in both the residential and commercial real estate market sectors

### Employment Trends

Employment trends in the Colorado Springs MSA (approximately Colorado Springs and El Paso County) have been reviewed over the past several years. This includes overall employment levels, job growth and unemployment rates.

Since 2000, employment in the Colorado Springs MSA has varied widely. In 2000, employment was nearly 250,000 but subsequently declined to approximately 244,000 by year-end 2003. During the past two years however employment in the Colorado Springs MSA has increased steadily, reaching a current level of 256,300.

As with employment levels, the unemployment rate in the Colorado Springs MSA has varied considerably during the past few years. In 2000 the Colorado Springs MSA unemployment rate was 3.2%. Since 2000, the unemployment rate increased to a five year high of 6.6% in 2002 and recently dropped significantly to a level of 4.7% as of December 2005. The following table and chart present Colorado Springs MSA employment trend information.

### Colorado Springs MSA <sup>(1)</sup> Employment Trends

Variable	2000	2001	2002	2003	2004	2005 (3)
Employment (2)	249,700	252,300	247,900	244,400	247,900	256,300
Federal Government	10,700	10,400	10,400	10,300	10,300	10,600
Change from prior period						
Absolute		2,600	-4,400	-3,500	3,500	8,400
Percent		1.0%	-1.7%	-1.4%	1.4%	3.4%
Unemployment rate	3.2%	4.5%	6.6%	6.4%	5.2%	4.7%

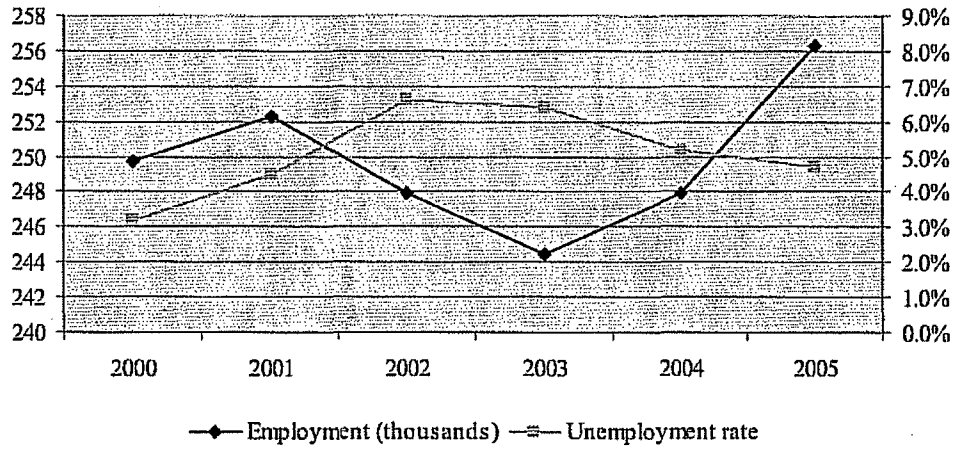
Source: Colorado Division of Labor and Employment, Bureau of Labor Statistics

Note: (1) Colorado Springs MSA includes the City of Colorado Springs and El Paso County

(2) Seasonally adjusted, non agricultural, wage and salary employment

(3) Information as of December 2005 – not seasonally adjusted

## Colorado Springs MSA Employment and Unemployment Trends



Source: Colorado Division of Labor and Employment, Bureau of Labor Statistics  
 Note: 2005 information through December – not seasonally adjusted

### Employment Forecasts

Employment forecasts have been completed by the Colorado Division of Local Affairs for counties in the State of Colorado. The county forecast has been adjusted for the Colorado Springs MSA for the period extending from 2005 through 2015. During the near term, 2005 through 2015, employment in the Colorado Springs MSA is forecast to increase from 255,000 to nearly 300,000. This represents an annual increase in employment of 8,989 or a percentage increase of 3.3% per year. This forecast compares favorably to employment growth in the Colorado Springs MSA during 2005 but may be somewhat aggressive for the overall 2005 through 2010 forecast period. From 2010 through 2015, the employment forecast represents a more conservative 2.1% average annual growth rate which is comparable to historic employment growth rates in the Colorado Springs MSA. The following table presents forecast employment for the Colorado Springs MSA.

### Colorado Springs MSA Employment Forecast

Variable	2005	2010	2015
Employment	255,000	299,945	332,790
Average annual change		<u>2005 - 2010</u>	<u>2010 - 2015</u>
Absolute		8,989	6,569
Percent		3.3%	2.1%

Source: Colorado Division of Local Affairs

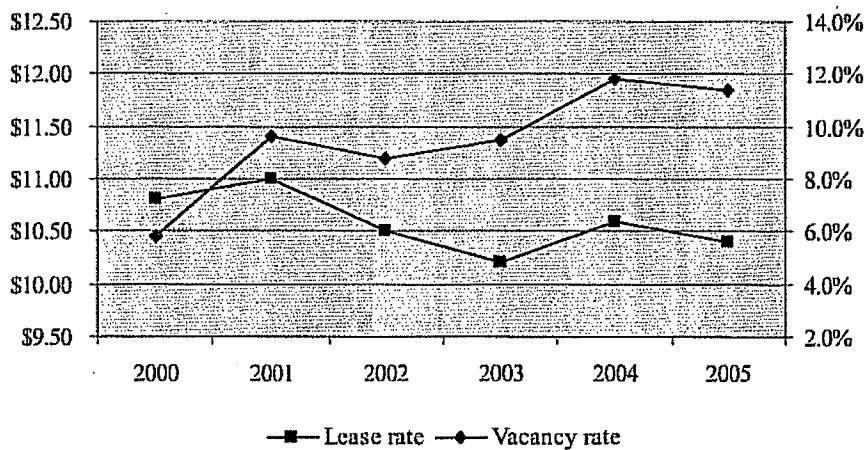
**SECTION 4  
COMMERCIAL MARKET TRENDS**

This report section provides a review of the Colorado Springs commercial real estate market. This includes the office, retail and industrial market segments and involves trends pertaining to lease and vacancy rates, as well as absorption. Commercial market activity signals trends within the local and regional economies as well as indirectly impacting residential housing demand.

*Office Market*

The Colorado Springs office market contains approximately 25 million square feet of space. During 2005, activity within the office market remained fairly stable and currently this market segment is characterized by moderate vacancy rates and positive absorption. Vacancy rates are a strong indicator of performance in the commercial real estate market. In the Colorado Springs office market, the vacancy rate increased steadily from 2001 through 2004 but has since declined slightly to 11.4% at year-end 2005. Average office market lease rates have also changed little during the past few years. At year-end 2005, average lease rates were \$10.40 per square foot, down slightly from the \$10.60 per square foot lease rate at year-end 2004. During 2005, approximately 240,000 square feet of space had been absorbed in the Colorado Springs office market, less than the 600,000 square feet absorbed during 2004. However, in view of overall statistics, performance in the Colorado Springs office market during 2005 included vacancy rates remaining stabilized, lease rates essentially unchanged and absorption was positive.

**Colorado Springs  
Office Market Trends**

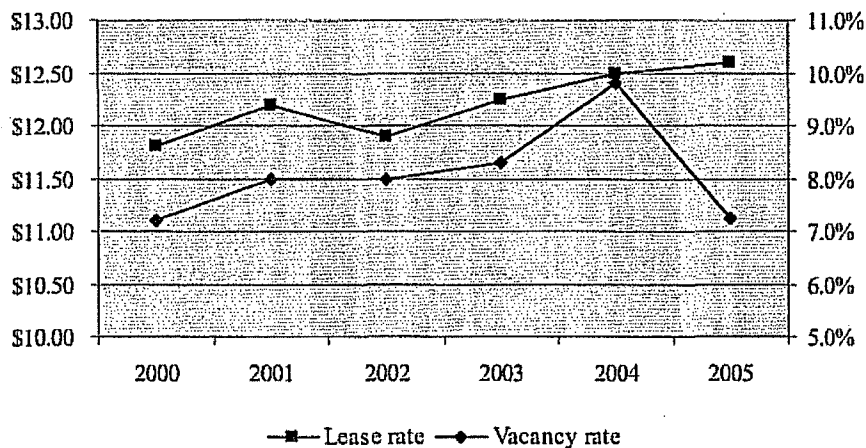


Note: 2005 information through 3<sup>rd</sup> quarter

### Retail Market

The Colorado Springs retail market has experienced the greatest level of activity when compared with the other commercial market segments over the past few years. During 2005, the retail market experienced declining vacancy rates, stabilized lease rates and positive absorption. At year-end 2005, the vacancy rate had declined to 7.25% from a year-end level of 9.8% in 2004. During the same time period, lease rates increased marginally to an average of \$12.59 per square foot. Further, absorption trends were positive with 45,000 square feet absorbed in the retail market during 2005, which is smaller when compared with the 200,000 square feet absorbed during 2004 and absorption of 1.2 million square feet during 2003. However, considering the significant amount of retail space constructed in the Colorado Springs market during 2003 and 2004, marginal levels of absorption occurring in 2005 suggest that the demand for retail space remains strong.

### Colorado Springs Retail Market Trends



Note: 2005 information through 3<sup>rd</sup> quarter

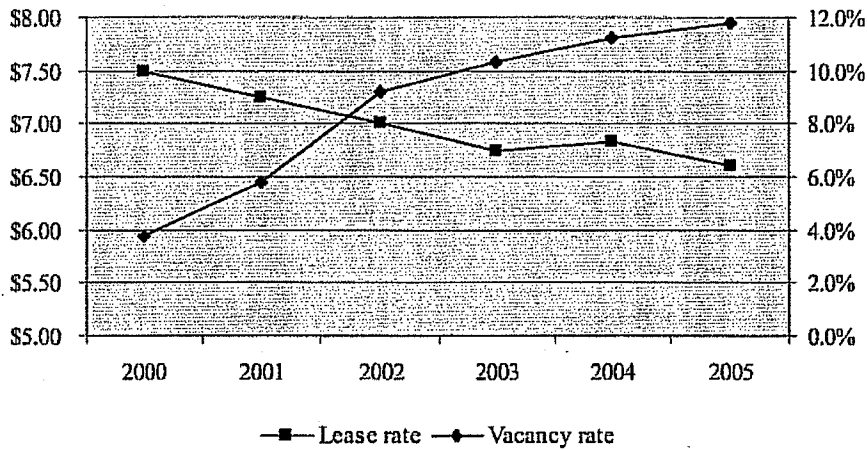
### Industrial

Of the three major commercial market segments, the Colorado Springs industrial market fared the worst during the past several years, including 2005. Performance within this market segment has been mixed compared with previous years. The industrial market in Colorado Springs contains nearly 30 million square feet of space and was characterized by generally stable lease and vacancy rates with very strong absorption in 2005. Since 2000, industrial vacancy rates have been inching slowly upward. At year-end 2005, the average vacancy was 11.8%, increasing slightly from a level of 11.2% at the end of 2004. Industrial market lease rates have declined during the past several years, falling to \$6.66 per square foot from \$7.50 per square foot at the end of 2000. Absorption trends for industrial space have been poor during the past several years, but in 2005 this trend has

turned around sharply with absorption of 172,000 square feet. In comparison, negative absorption of nearly 200,000 square feet was recorded during 2004, and in 2003, a negative 100,000 square feet was absorbed.

The following graph and table present commercial real estate data for Colorado Springs.

**Colorado Springs  
Industrial Market Trends**



Note: 2005 information through 3<sup>rd</sup> quarter

**Colorado Springs  
Commercial Real Estate Market Trends**

Market / Year	2000	2001	2002	2003	2004	2005
<u>Office Market</u>						
Inventory					24.5	25.1
Vacancy rate	5.80%	9.60%	8.80%	9.50%	11.80%	11.40%
Lease rate	\$10.80	\$11.00	\$10.50	\$10.20	\$10.60	\$10.40
Absorption	1,700,000	350,000	500,000	75,000	590,000	238,545
<u>Retail Market</u>						
Inventory					15.3	15.1
Vacancy rate	7.20%	8.00%	8.00%	8.30%	9.80%	7.25%
Lease rate	\$11.80	\$12.20	\$11.90	\$12.25	\$12.50	\$12.59
Absorption	50,000	375,000	300,000	1,200,000	200,000	45,477
<u>Industrial Market</u>						
Inventory					31	29.6
Vacancy rate	3.80%	5.80%	9.20%	10.30%	11.20%	11.80%
Lease rate	\$7.50	\$7.25	\$7.00	\$6.75	\$6.84	\$6.60
Absorption	1,100,000	-300,000	-500,000	-100,000	-197,000	172,000

Source: Sierra Commercial Real Estate, Olive Real Estate Group

Note: Inventory information in millions of square feet

## SECTION 5

### The Defense Industry in Colorado Springs

It is important to highlight the importance on the defense industry in the Colorado Springs region. Schriever Air Force Base represents an economic impact of \$384 million and employs approximately 6,267 people. This report section highlights some of the impacts that the military and defense industries have upon the region's economy.

More than \$5 billion in federal aerospace and defense spending has been pumped into the Colorado Springs economy since 1991, accounting for 61% of aerospace spending in Colorado. Aerospace and defense companies and their suppliers employ more than 12,000 in the area.<sup>2</sup> The table below details total non-farm employment and federal government employment in Colorado Springs. Historically, federal employment has accounted for approximately 4.41% of total non-farm employment and there has been little change in this since the "war on terrorism" began in 2001. Private sector defense contractors and the federal government account for approximately 9% of total non-farm employment.

#### Colorado Springs Federal Government Employment Trends

Employment Variable	2000	2001	2002	2003	2004	2005
Employment (thousands)	249,700	252,300	247,900	244,400	247,900	255,000
Federal Government Employment						
Total	10,700	10,400	10,400	10,300	10,300	10,600
Percent of Total	4.3%	4.1%	4.2%	4.2%	4.2%	4.2%

Source: U.S. Department of Labor — Bureau of Labor Statistics

According to a recent article in *The Denver Post*, Colorado Springs continues to serve as a hub for military operations. Currently, four important bases provide large employment numbers as well as economic impact on the City. The Air Force Academy has personnel numbering 6,364 and its economic impact represents \$561 million. Peterson Air Force Base personnel numbers 7,055 and represents annual economic impact of just over \$1 billion. Finally, Fort Carson, to the south of the City numbers over 14,000 personnel and represents an annual economic impact of 1.13 billion.<sup>3</sup>

In recent years, growth in Colorado's defense industry, especially in Colorado Springs, has come from providing services to the unique set of military facilities that call the State home. With NORAD, NorthCom and Air Force Space Command in Colorado Springs, there are many high-tech projects like software development and maintaining communications with networks of satellites.<sup>4</sup>

<sup>2</sup> Greater Colorado Springs Economic Development Corporation

<sup>3</sup> The Denver Post, week of May 2, 2005

<sup>4</sup> Ibid.

The goods and services provided by private sector defense contractors located in Colorado Springs are primarily focused on the collection and distribution of information, rather than the production of munitions and other hardware used during wartime. Because of this, demand for goods and services will continue as the “war on terrorism” relies heavily on the collection and distribution of information. For these same reasons, it is unlikely that the demand for these services will see any significant decrease attributed to the war in Iraq coming to an end. Colorado Springs’ defense industry is less vulnerable to fluctuations and is poised to grow because of missile defense programs.

While many areas are facing base and installation closures, Colorado Springs’ Air Force installations and one Army post appear to be safe. In fact, over the past decade there have been a number of investments made by the Department of Defense. These include a \$40 million “face-lift” to the Colorado Springs rail yard to improve deployment efficiency. There are plans to invest \$26 million in upgrading barracks at Fort Carson. In addition, NORAD and NorthCom are in the process of a \$50 million construction upgrade. All signs, including Fort Carson’s being the designated post for the 7<sup>th</sup> Infantry Division, indicate that the military will continue its very strong presence and influence on the City of Colorado Springs and its economy.<sup>5</sup> At least 12,000 additional troops are expected to be deployed at Fort Carson beginning in 2006.

The economy of Colorado Springs is strengthened by increases in employment in the national defense industry. A number of public and private employers relating to defense are located in the southern portion of Colorado Springs. The public employers include Peterson Air Force Base, Schriever Air Force Base, Fort Carson and the Cheyenne Mountain Complex.

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<sup>5</sup> *Colorado Springs Gazette*, May 9, 2005



**SECTION 6**  
**RESIDENTIAL HOUSING TRENDS**

This portion of the report presents residential housing trends in El Paso County as well as the Ventana trade area. Housing market information concerning building permits, new home sales trends and pricing is presented. Additionally, development status of active residential projects, review of lot supply in active projects and planned residential projects are also addressed.

**New Home Sales**

New home sales trends pertaining to El Paso County and the Ventana trade area are discussed with respect to sales activity, home prices and builder market share. It should be noted that activity within the larger El Paso County area, including Colorado Springs, has been presented due to availability of data and correlation with building permits records from the Pikes Pike Regional Building Department.

*El Paso County Sales Trends*

Corresponding with recent building permits trends, new home sales activity in El Paso County through November 2005 are on track to surpass sales rates in both 2004 and 2003. During the first eleven months of 2005, 4,755 new home sales were recorded in El Paso County, reflecting an equivalent pace of 5,187 sales for the year. Comparatively, 4,851 new home sales were recorded in El Paso County in 2004 and 4,331 sales in 2003. At present rates, new homes sales in El Paso County in 2005 would represent a 7% increase from 2004 sales activity.

**El Paso County**  
**New Home Sales Trends**

Year	2003	2004	2005
Home Sales	4,331	4,851	5,187
Percent change		12%	7%

Source: Home Builders Research

Note: 2005 information annualized from sales through October

*El Paso County New Home Prices*

During third quarter of 2005, the housing niche (based on price points), where the largest percentage of El Paso County buyers was concentrated, lay between \$200,000 and \$225,000. Homes in this price range accounted for 15% of all new homes sales. The next two most active price ranges in El Paso County were the \$175,000 to \$200,000 price range which accounted for just over 11% of home sales and the \$225,000 to \$250,000 price range, accounting for nearly an 11% share of new home sales. Overall, during third quarter 2005, nearly 38% of all new homes sold were within the \$175,000 to \$250,000

price range compared with 46% during 2004 (fourth quarter). This suggests that new home demand is strong and that builders have increased prices during the past year. Also, average new home prices have increased substantially (16%) during the past year, rising from \$256,000 in November of 2004 to \$298,256 in 2005. The following table presents new home sales information by price range for 3<sup>rd</sup> quarter 2005 and 4<sup>th</sup> quarter 2004.

**El Paso County  
New Home Sales by Price Range**

Price Range		Percent Share	
Low	High	2004	2005
Below	\$150,000	3.4%	4.2%
\$150,000	\$175,000	13.3%	8.4%
\$175,000	\$200,000	19.0%	11.2%
\$200,000	\$225,000	14.6%	15.5%
\$225,000	\$250,000	12.3%	10.9%
\$250,000	\$275,000	8.3%	9.6%
\$275,000	\$300,000	5.9%	7.0%
\$300,000	\$325,000	5.4%	6.3%
\$325,000	\$350,000	3.9%	6.5%
\$350,000	\$400,000	5.3%	7.4%
\$400,000	\$450,000	3.4%	4.2%
\$450,000	\$500,000	1.4%	2.2%
Over	\$500,000	3.8%	6.5%

Source: Home Builders Research

*El Paso County Builder Market Share*

The El Paso County new home market has been dominated by three builders during the past two years. During 2004 and 2005 the most active builders in El Paso County were Pulte, Classic and Richmond American Homes. Combined, these three builders accounted for nearly 2,000 new home sales during 2004 and a significant 41% market share. This includes the total number of new homes sold for both single-family detached and attached units. Through 2005, the market ranking for these three builders remained unchanged, although their combined market share declined slightly to 37% of all new home sales.

### *Ventana Trade Area New Home Sales*

Home sales activity in the primary trade area totaled 624 in ten subdivisions in a 12 month time period extending from December 2004 through November 2005. In comparison, there were 4,522 new homes sold in the greater Colorado Springs trade area (Colorado Springs and El Paso County) during this same time frame. Home sales activity in the primary trade area accounted for 14% of all new home sales. In the last 12 months, the most active projects include *Mesa Ridge @ Cross Creek* with 243 home sales, *The Glen @ Widefield* with 135 home sales, and *Cheyenne Ridge* with 91 home sales accounting for 75% of the total sales in the trade area. Projects with lower sales typically are smaller in scale or are approaching build out. The following table represents home sales activity in the Ventana primary trade area during the last 12 months. The average price for these homes falls in the in the low \$200,000 range.

### **Ventana Primary Trade Area New Housing Sales**

Subdivision	Active Builders	Price (\$000's)		Sales (1)		Market Share	Map Key
		Low	High	11 mo	12 mo		
Cheyenne Ridge	3	\$222	\$227	85	91	15%	1
Countryside	4	\$179	\$208	5	5	1%	2
The Heights @ Cross Creek	1	\$162	\$169	49	49	8%	3
Mesa Ridge @ Cross Creek	4	\$207	\$232	215	243	39%	4
Fountain Mesa Heights	1	\$173	\$173	6	9	1%	5
Heritage	3	\$173	\$209	44	48	8%	6
High Gate Farms	1	\$309	\$309	2	2	0%	7
Wild Oak Farms	6	\$198	\$268	27	28	5%	8
Sunrise Terrace	1	\$212	\$212	12	14	2%	9
The Glen @ Widefield	1	\$199	\$199	127	135	22%	10
Total	25	\$204	\$221	572	624	100%	-

Source: Home Builders Research, King & Associates, Inc.

Note: (1) 11 months - Sales from January 2005 - November 2005;  
12 months - Sales from December 2004 - November 2005

### *Ventana Trade Area New Home Sales*

Home sales activity in the trade area totaled 624 in ten subdivisions in a 12 month time period extending from December 2004 through November 2005. In comparison, there were 4,522 new homes sold in the greater Colorado Springs trade area (Colorado Springs and El Paso County) during this same time frame. Home sales activity in the trade area accounted for 14% of all new home sales. In the last 12 months, the most active projects include *Mesa Ridge @ Cross Creek* with 243 home sales, *The Glen @ Widefield* with 135 home sales, and *Cheyenne Ridge* with 91 home sales accounting for 75% of the total sales in the trade area. Projects with lower sales typically are smaller in scale or are approaching build out. The following table represents home sales activity in the Ventana trade area during the last 12 months. The average price for these homes falls in the low \$200,000 range.

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Sunrise Terrace	1	\$212	\$212	12	14	2%	9
The Glen @ Widefield	1	\$199	\$199	127	135	22%	10
<b>Total</b>	<b>25</b>	<b>\$204</b>	<b>\$221</b>	<b>572</b>	<b>624</b>	<b>100%</b>	<b>-</b>

Source: Home Builders Research, King & Associates, Inc.

Note: (1) 11 months - Sales from January 2005 – November 2005;  
12 months – Sales from December 2004 – November 2005

### *Development Status*

The following table represents residential developments and building permit information available for current and proposed residential developments that have undeveloped lots for single family detached homes. The total number of developable lots currently existing within the trade area totals 5,884. *Mesa Ridge @ Cross Creek* and *The Glen @ Widefield* were the most active subdivisions during the past twelve months, accounting for 74% of the total number of building permits issued in the trade area.

### **Ventana Trade Area Lot Supply**

Subdivision	Project Type (1)	Lot Inventory		Permits (2)		Avg. Per Month	Months Supply	Map Key
		Total	Undev.	11 mos	12 mos			
Country Living	SFD	35	35	n/a	n/a	n/a	n/a	11
Countryside North/South	SFD	775	775	n/a	n/a	n/a	n/a	2
Creek Terrace at Mesa Vista	SFD	159	159	n/a	n/a	n/a	n/a	13
Crescent Canyon	SFD	650	650	n/a	n/a	n/a	n/a	14
Cumberland Green	SFD	485	485	n/a	n/a	n/a	n/a	15
Freedom Heights	SFD	51	51	n/a	n/a	n/a	n/a	16
Heritage	SFD	95	19	65	66	5.5	3.45	6
High Gate Farms	SFD	73	66	20	20	1.7	39.6	7
Mesa Ridge @ Cross Creek	SFD	664	152	258	273	22.8	6.68	4
Mesa Ridge	SFD	1,831	1,831	n/a	n/a	n/a	n/a	17
Mira Vista	SFD	310	310	n/a	n/a	n/a	n/a	18
Tuscany Ridge	SFD	146	146	n/a	n/a	n/a	n/a	19
Wild Oak Farms	SFD	22	5	31	34	2.8	1.76	8
The Glen @ Widefield	SFD	1,800	1,200	147	153	12.8	94.12	10
<b>Total</b>		<b>7,096</b>	<b>5,884</b>	<b>521</b>	<b>546</b>	<b>45.5</b>	<b>31.7</b>	

Source: Home Builders Research, City of Fountain, King & Associates, Inc.

Note: (1) SFD - Single family detached

(2) 11 months - Number of permits sold through November 2005;

12 months - Number of permits sold from Dec 2004 - November 2005

(3) Average number of permits monthly between December 2004 and November 2005

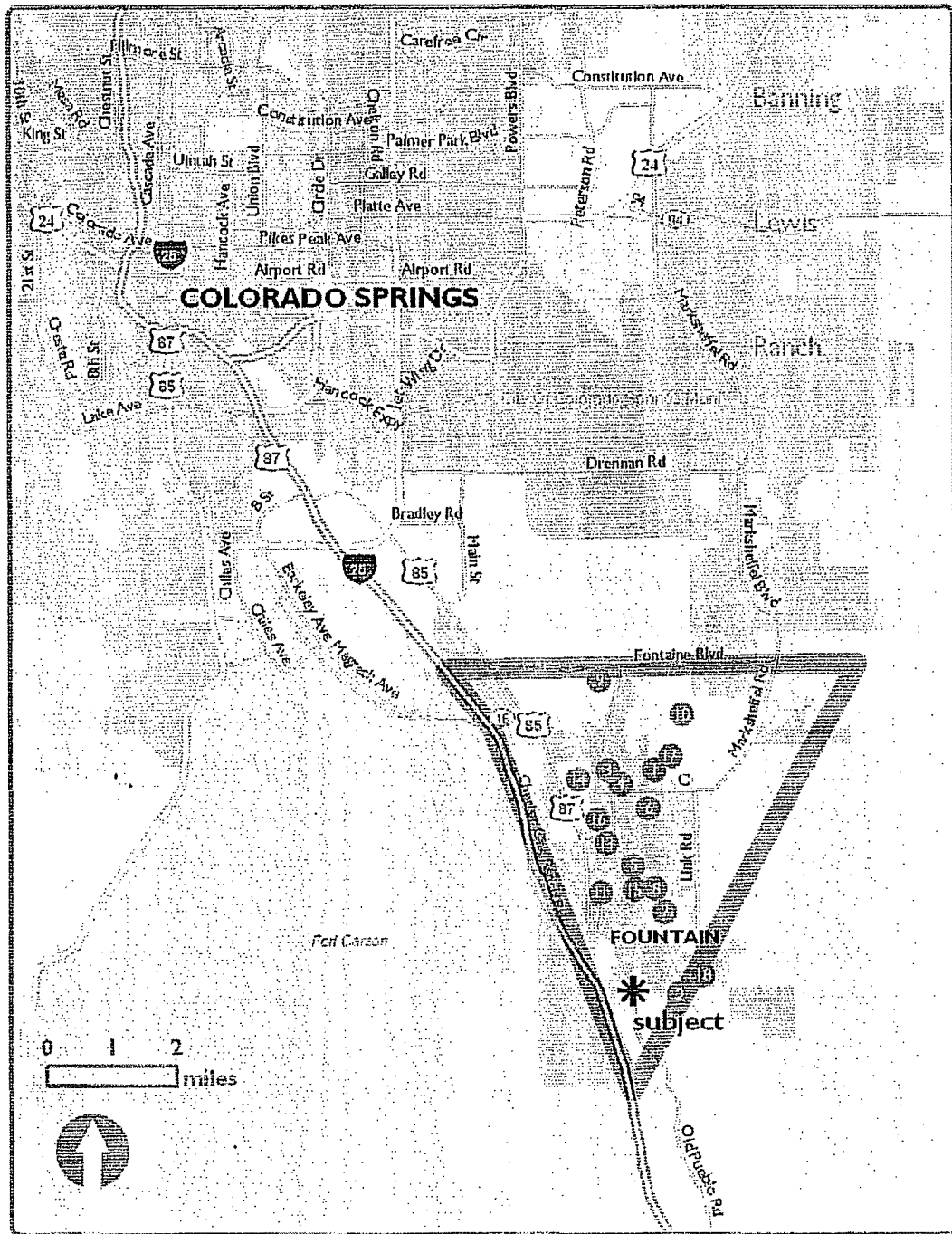
### *Planned Residential Developments*

Within the trade area, several residential developments are in planning stages, including small projects such as *Country Living*, *Freedom Heights*, *High Gate Farms*, and *Wild Oak Farms*. Other larger projects include *Countryside North and South*, *Creek Terrace at Mesa Vista*, *Crescent Canyon*, *Cumberland Green*, *Mesa Ridge*, *Mira Vista*, and *Tuscany Ridge*.

Just outside the trade area, a residential development, *Barnstormer's Landing*, lies northwest of the trade area boundary. This project has an additional 217 lots that remain

to be developed as of November 2005, and 47 permits have been issued in the last 12 months. Additional major residential developments located outside the trade area are planned for 2007 including *Rolling Hills Ranch*, located southeast of Drennen and Marksheffel roads, with 1,400 acres and 8,594 homes; and *Lorson Ranch*, located just east of Marksheffel Road and Fontaine Blvd, with 7,800 homes.

**Comparable Residential Developments Locator Map  
Ventana Trade Area**



## SECTION 7

### RESIDENTIAL HOUSING DEMAND FORECAST

This report section provides a housing demand forecast for El Paso County, the City of Fountain and the Ventana trade area. Two methods are utilized to forecast housing demand for El Paso County and the project trade area. The first method is based on the demographic forecasts detailed previously in the report while the second method is based on building trends. Each forecast method will then be utilized to address demand for both single and multi-family housing types. Combined, the two forecast methods offer a range of housing demand for El Paso County, the City of Fountain and the project trade area as well as provide a basis for assessing residential development planned within the Ventana project.

#### *Housing Demand Forecast – Demographic Change Method*

Previously, demographic forecasts for El Paso County, the City of Fountain and the Ventana trade area were completed. The forecasts addressed both population and household demographic components and extended from 2005 through 2015. The population forecast for El Paso County suggested a near-term growth rate of approximately 2.8% annually from 2005 through 2010 and a longer-term rate of 1.8% per year from 2010 through 2015. With respect to households, the forecast growth rate for El Paso County was 3.0% annually during the near-term and 1.9% per year over the longer-term.

Within the City of Fountain as well as the Ventana trade area, population and households were also forecast during the 2005 through 2015 time period. In the City of Fountain, near-term population and household growth is forecast at an average annual rate of 4.5% with a longer-term 3.8% average annual growth rate. In the project trade area, near-term population and household growth is forecast to increase at a rate of approximately 4% annually. Over the longer-term, population and households are forecast to increase at a rate of 3.5 % per year in the project trade area.

During the forecast period, average annual household formations were projected for El Paso County, the City of Fountain and the Ventana trade area. Adjusting the forecasts marginally to account for vacancies and household movement, an accompanying housing demand forecast can be prepared. During the near-term (2005 – 2010), housing demand is forecast to average 7,024 units annually in El Paso County, 301 units in the City of Fountain and 475 units per year in the trade area. Over the longer term extending from 2010 through 2015, housing demand in El Paso County is forecast to average 5,137 units each year with 319 and 506 units annually in the City of Fountain and the Ventana trade area. It should be noted that the El Paso County housing demand forecast includes all areas within the County, including Colorado Springs.

The housing demand forecast outlines overall unit demand as well as demand by single-family and multi-family unit types. The demand forecast breakdown by unit type is based closely on building permit trend averages and census data for both El Paso County



and the project trade area. With respect to El Paso County, average annual demand of 5,168 single-family units and 912 multi-family units is forecast during the 2005 through 2015 forecast period. In the City of Fountain, annual demand averaging 279 single family and 31 multi-family units is forecast during the next ten years. Average housing demand for the Ventana trade area is forecast to include 441 single family homes and 49 multi-family units on an annual basis from 2005 through 2015. The following table presents housing demand for El Paso County, the City of Fountain and the Ventana trade area during the 2005 through 2015 forecast period.

**El Paso County, City of Fountain & Ventana Trade Area  
Housing Demand Forecast – Demographic Change Method**

Annual Housing Demand	Near term 2006 - 2010	Longer term 2011 - 2015	Overall 2006 - 2015
<i>El Paso County</i>			
Total units	7,024	5,137	6,080
Single Family	5,970	4,366	5,168
Multi-family	1,054	770	912
<i>City of Fountain</i>			
Total units	301	319	310
Single Family	271	287	279
Multi-family	30	32	31
<i>Ventana Trade Area</i>			
Total units	475	506	490
Single Family	427	455	441
Multi-family	47	51	49

Source: King & Associates, Inc. and the City of Fountain, Colorado

*Housing Demand Forecast – Building Trends*

The second method of forecasting housing demand in El Paso County, the City of Fountain and the Ventana trade area is based on recent building trends. Building permit trends provide the most direct approach to assessing housing demand in a given geographic region since home builders typically draw permits in response to market demand.

To forecast housing demand in El Paso County, the City of Fountain and the Ventana trade area, building permit trends, as outlined previously in the report, have been utilized. The following table summarizes the number of building permits issued by the Pikes Peak Regional Building Department (PPRBP) during the past several years along with building permit information specific to the City of Fountain. As presented in the table, the overall number of building permits issued has averaged 6,458 units annually from 2000 through

2005 in El Paso County and 410 units annually in the City of Fountain. During the 2000 through 2005 period in El Paso County, single-family permits averaged 5,353 units annually with the number of multi-family permits averaging 1,105 units per year. Comparatively, an average of 397 single family and 13 multi-family permits have been issued in the City of Fountain during the 2000 through 2005 time frame.

**Building Permit Trends  
El Paso County**

Geographic Area / Year	2000	2001	2002	2003	2004	2005	Average
<b>El Paso County</b>							
<b>Single-Family</b>							
Detached	4,659	4,925	4,466	4,356	5,060	5,314	4,797
Attached	313	333	472	517	740	960	556
<b>Total</b>	<b>4,972</b>	<b>5,258</b>	<b>4,938</b>	<b>4,873</b>	<b>5,800</b>	<b>6,274</b>	<b>5,353</b>
<b>Multi-family</b>							
Total	1,298	1,853	1,885	430	684	480	1,105
<b>Total</b>	<b>6,270</b>	<b>7,111</b>	<b>6,823</b>	<b>5,303</b>	<b>6,484</b>	<b>6,754</b>	<b>6,458</b>
<b>City of Fountain</b>							
<b>Single-Family</b>							
Detached	280	330	284	324	400	618	373
Attached	6	0	8	40	42	51	25
<b>Total</b>	<b>286</b>	<b>330</b>	<b>292</b>	<b>364</b>	<b>442</b>	<b>669</b>	<b>397</b>
<b>Multi-family</b>							
Total	0	0	0	75	0	0	13
<b>Total</b>	<b>286</b>	<b>330</b>	<b>292</b>	<b>439</b>	<b>442</b>	<b>669</b>	<b>410</b>

Source: Pikes Peak Regional Building Department

Note: Multi-family permits include apartment and condominium units

Given this forecast method, it is assumed that building permits provide an adequate gauge of housing demand with average permit issuances during the 2000 through 2005 time period providing a strong indicator of future demand. With these assumptions, overall housing demand in El Paso County is forecast to equal 6,458 units annually, with single-family demand of 5,353 units and multi-family demand of 1,105 units per year. In the City of Fountain, overall housing demand of approximately 410 units per year is forecast with annual demand of 397 single family and 13 multi-family units.

As outlined previously, home sales equaled 624 units in the trade area during the most recent twelve month period. It is assumed that recent home sales trends are a good indication of housing demand and the trade area will account for a 10% to 15% share of overall housing demand in El Paso County. Given this further assumption, it is forecast that trade area housing demand will average 743 units per year with single-family

demand of 669 and multi-family demand of 74 units annually. The following table outlines housing demand based on the building trends forecast method.

**El Paso County, City of Fountain & Ventana Trade Area  
Housing Demand Forecast – Building Trends Method**

Geographic Area	Annual Demand 2006 - 2015
<i>El Paso County</i>	
Total units	6,458
Single Family	5,353
Multi-family	1,105
<i>City of Fountain</i>	
Total units	410
Single Family	397
Multi-family	13
<i>Ventana Trade Area</i>	
Total units	743
Single Family	669
Multi-family	74

Source: King & Associates, Inc.

*Housing Demand Summary*

An average of the two forecast methods can be utilized to summarize housing demand in El Paso County, the City of Fountain and the Ventana trade area. Within El Paso County, housing demand during the 2000 through 2015 forecast period is forecast to equal 6,269 total units annually, with single-family demand of 5,261 units and multi-family demand of 1,009 units per year. Housing demand in the City of Fountain during the same period is forecast to average 360 total units per year with respective single and multi-family demand of 338 and 22 units annually. Within the Ventana trade area, housing demand averaging 617 total units per year is projected. Given the two forecast methods, the average demand will be 555 single-family and 62 multi-family units each year. The following table presents a summary of housing demand for El Paso County, the City of Fountain and the project trade area as well as an average of the two forecast methods.

**El Paso County, City of Fountain & Ventana Trade Area  
Housing Demand Summary**

Geographic Area	Methodology		Average
	Method 1	Method 2	
<i><u>El Paso County</u></i>			
Total units	6,080	6,458	6,269
Single Family	5,168	5,353	5,261
Multi-family	912	1,105	1,009
<i><u>City of Fountain</u></i>			
Total units	310	410	360
Single Family	279	397	338
Multi-family	31	13	22
<i><u>Ventana Trade Area</u></i>			
Total units	490	743	617
Single Family	441	669	555
Multi-family	49	74	62

Source: King & Associates, Inc.

Note: (1) City of Fountain demand based on demographic change forecast method.

**SECTION 8  
COMMERCIAL REAL ESTATE SUPPLY AND DEMAND**

This portion of the report provides an analysis of commercial supply and demand characteristics within the trade area(s). Specifically, supply and demand factors involving the retail and industrial market segments of the commercial real estate market are analyzed. Supply factors involving inventory of existing space along with vacancy and lease rates are addressed. Demand for retail and industrial space is also provided.

Commercial Supply

The existing supply of retail and industrial space in the trade area is a primary factor in assessing overall market conditions as well as the feasibility of retail and office development in the Ventana project. Supply characteristics involve the overall amount of space in the trade area, along with vacancy and lease rate trends. Further, to the extent information is available, details involving both planned projects and those under construction are also presented.

*Retail Market – Southeast Sub-Market Area*

Retail market information for Colorado Springs is tracked by Sierra Commercial Real Estate, Inc. The southeast retail sub-market area as identified by Sierra most closely corresponds to the Ventana trade area. In the southeast sub-market, there is an estimated 1.6 million square feet of retail space. As of the end of 2005, the vacancy rate was approximately 13% with lease rates averaging \$8.50 per square foot. Further, during 2005, the southeast sub-market registered positive absorption of 57,000, the most of any sub-market area within the Colorado Springs metro area. The following table summarizes retail market information from the southeast sub-market.

**Southeast Sub-Market Area  
Retail Market Information**

Characteristic	2005
Total Space (millions of square feet)	1.6
Vacancy	12.99%
Under construction (square feet)	n/a
Absorption (square feet)	57,000

Source: Sierra Commercial Real Estate, Inc.

### *Retail Market Segment –Ventana Trade Area*

Within the project trade area, there are three major retail developments with a total of nearly 200,000 square feet of space. The age of the retail centers varies considerably in the trade area, with the newest center constructed in 2001. The trade area contains approximately 19 square feet of retail space per household. The following table and map presents retail supply information for the project trade area.

### **Ventana Trade Area Retail Supply Information**

Retail Centers	Size	Year Built	Major Tenant	Map Key
Markets at Mesa Ridge	93,302	2001	Safeway	A
Widefield Square	56,685	1969	Family Dollar	B
Fountain North Center	48,954	1980	Mixed Users	C
Total	198,941	-	-	-

Source: Landiscor, King & Associates, Inc.

### *Industrial Market – Southeast Sub-Market Area*

The southeast sub-market contains an estimated 10.3 million square feet of space, or approximately one third of total industrial space in the metro Colorado Springs area. However, the southeast sub-market involves a geographic area that is considerably larger than the Ventana trade area. As of year-end 2005, the vacancy rate in the southeast sub-market was 13.9%, somewhat higher than the 11.6% vacancy rate in the overall Colorado Springs market. At year-end 2005, the average lease rate was \$5.66 per square foot and during the entire year absorption equaled nearly 116,000 square feet, reflecting the highest absorption rate of any Colorado Springs sub-market area. The following table presents information concerning the southeast industrial sub-market.

### **Southeast Sub-Market Area Industrial Market Information**

Characteristic	2005
Total Space (millions of square feet)	10.3
Vacancy	13.92%
Under construction (square feet)	n/a
Absorption (square feet)	115,968

Source: Sierra Commercial Real Estate, Inc.

*Industrial Market Segment –Ventana Trade Area*

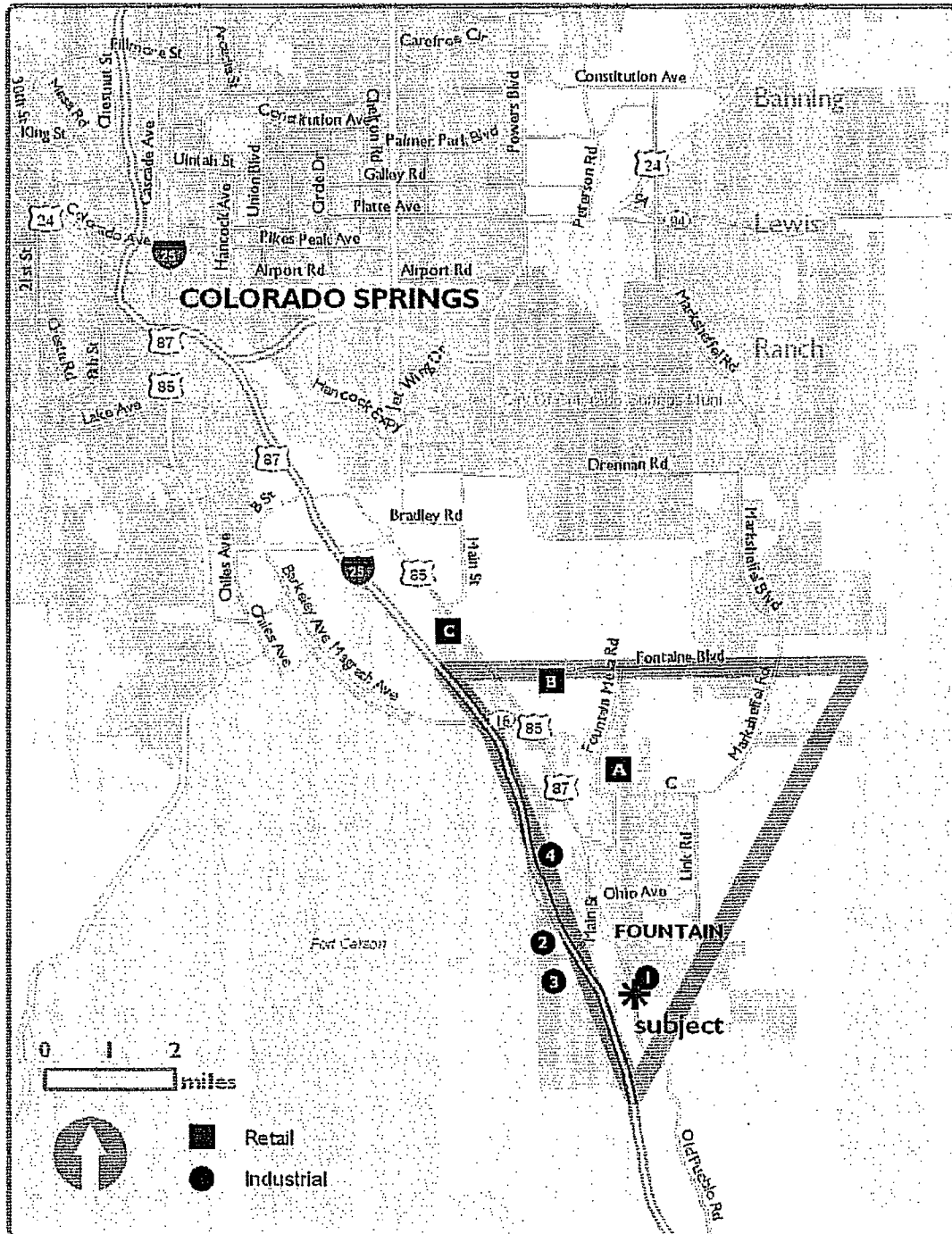
There are approximately four large industrial projects located in the trade area with an estimated 875,000 square feet of space. As with retail space, the age of industrial projects in the trade area varies considerably with the newest project constructed in 1996. The following table and map present industrial supply information for the project trade area.

**Ventana Trade Area  
Industrial Supply Information**

Industrial Parks	Size	Year Built	Tenants	Map Key
Former Singer Mfg. Building	83,756	1982	n/a	1
Former Buck Stove Bldg	86,256	1972	n/a	2
Dillon Food Distribution Whse.	369,000	1996	n/a	3
Apple Computer Plant	337,739	1987	n/a	4
Total	876,751	-	-	-

Source: Landiscor, King & Associates, Inc.

**Ventana Trade Area  
Competitive Retail & Industrial Projects**





## Commercial Demand

Commercial land uses planned within the Ventana project involve 108,000 square feet of retail space and approximately 500,000 square feet of business park space. The retail land uses are anticipated to include a grocery anchored center with accompanying in-line retail space. The demand for retail space will be determined based on forecast household growth within the trade area. Industrial development planned within the District is anticipated to include a combination of distribution, warehouse and office / warehouse space with demand forecast based on recent industrial sub-market trends.

### *Commercial Demand – Retail Land Uses*

Retail land uses planned as part of the Ventana project will likely involve a 108,000 square foot grocery anchored retail center with in-line shop and restaurant development. Initial construction of planned retail space is yet to be determined. It is likely a few years away due to the relatively small base of households within the immediate area of the site and the need for additional traffic and road improvements to Old Pueblo Road, the primary arterial roadway serving the site. The level of household growth forecast in the project trade area will serve as the method for determining retail demand and likely timing of retail land uses planned as part of the Ventana project.

Within the overall Colorado Springs metro area, there is approximately 15.1 million square feet of retail space. With just over 210,000 households in metro area, there is approximately 72 square feet of retail space per household. Assuming similar characteristics to those within the metro Colorado Springs area, retail demand in the trade area will equal approximately 33,500 square feet per year. Over the longer ten year forecast period, total trade area retail demand will equal nearly 335,000 square feet. The following table presents projected retail demand in the Ventana trade area and metro Colorado Springs.

### **Ventana Trade Area & Colorado Springs Projected Retail Demand**

Geographic Area	Demand	
	Annual	Overall
<i>Colorado Springs Metro Area</i>		
Projected household growth	5,776	57,760
Demand rate (s.f. per household)		72
Demand	414,371	4,143,708
<i>Ventana Trade Area</i>		
Projected household growth	465	4,650
Demand rate (s.f. per household)		72
Demand	33,480	334,800

Source: King & Associates, Inc.

*Commercial Demand – Business Park Land Uses*

In addition to planned retail land uses, the Ventana project involves 500,000 of business park space. It is anticipated that the project's business park land uses will be focused on single and multi-tenant distribution, warehouse and office / warehouse space. Initial development of business park / industrial space is anticipated to begin during 2008, with exact absorption yet to be determined by the developer.

The industrial market in the Colorado Springs metro area has struggled during the past several years. Job losses, particularly in the manufacturing sector, coupled with overbuilding have posed stiff challenges within the industrial market sector. Because of this, it is difficult to gauge demand based on traditional methods such as absorption trends and employment forecasts. With growth in the Colorado Springs economy signaled by the strong housing market, retail sales trends and increasing employment - including additional presence within the government and military industry sectors - there will undoubtedly be additional demand for new industrial space. Further, because a large portion of vacant industrial space in the Colorado Springs market is outdated or functionally obsolete, there will be demand for newer, market responsive product in future years. Therefore, King & Associates, Inc. believes that as vacant space is absorbed, obsolete space is re-used or removed from the market, there will be demand for the business park land uses planned for development within the Ventana project.

## SECTION 9

### PROJECT ASSESSMENT / CONCLUSIONS - VENTANA MASTER PLANNED COMMUNITY

Ventana is a 178-acre master planned development with a proposed mixture of residential and commercial land uses. In total, residential development includes 358 single-family homes with commercial development planned to include 500,000 square feet of business park space and 108,000 square feet of retail uses. Construction of single-family homes in the District is planned to begin in 2007 along within initial development within the business park in 2008 and construction of the planned retail center in 2009.

#### *Residential development assessment*

The residential portion of the Ventana project involves 358 single family detached homes to be constructed on lots with two general size classifications. Smaller homes will include 129 units on 3,500 to 5,000 square lots with estimated prices from \$195,000 to \$225,000. The larger series of homes will be constructed on 6,000 to 16,000 square foot lots and will include 229 homes with estimated prices of \$225,000 to \$325,000.

The project developer has not completed an exact absorption schedule for development of planned residential units. However, information from the developer and analysis by King & Associates, Inc. has resulted in a preliminary absorption schedule. This preliminary absorption schedule anticipates development of the smaller lot homes to begin in 2007 with a three year build-out time frame and average absorption of 43 units per year. The larger lot homes are expected to build-out over a four-year period beginning in 2007 with average absorption of 57 units per year. In 2008, home sales (absorption) in the project are expected to peak at a rate of 150 units per year. Longer term, there may be significant competition both for single-family lots and single-family homes with the expected entry of Oakwood Homes into the marketplace via Cumberland Green and Rolling Hills Ranch.

With analysis of the housing market within the project trade area, King & Associates, Inc. believes that the anticipated 80-150 units per year absorption rate within the Ventana project is very attainable. During the past twelve month period overall home sales in the trade area totaled 624 units. Assuming continuation of new home sales rates, the Ventana project would need to capture just a 24% share of the new home market in the trade area to achieve projected absorption rates. Additionally, housing demand in the trade area is projected to equal 617 units annually during the next ten years. In consideration of new home sales trends and projected housing demand, residential development in the Ventana project should achieve its projected sales goals of 80-150 units per year.

#### *Retail Development Assessment*

Retail land uses in the Ventana master planned community include development of a grocery anchored center with accompanying in-line space for small shops and restaurants. The developer has not identified exact timing for construction of retail space. However, King & Associates, Inc. believes that there should be sufficient housing development surrounding the area of the site with possible expansion of Old Pueblo Road to support retail development on the site starting in 2009. During the next ten years, the demand for

retail space in the trade area is projected to total 335,000 square feet. Considering development of the grocery center on the Ventana site, the resulting capture rate would equal 32% of projected trade area retail demand. The capture is somewhat high but realizable since the project involves a grocery anchored center that will be driven by anticipated household growth in the area immediately surrounding the site. Further, the nearest existing, major retail grocery center is five miles north of the site.

*Business Park Development Assessment*

The development proposal for the Ventana site includes 500,000 square feet of business park uses. Assessment of business park development on the site is the most difficult of all planned land uses. As presented earlier in the report, the industrial market in the Colorado Springs region has struggled over the past several years due largely to changes in the local and regional economy. However, in coming years the Colorado Springs industrial market is poised for growth as vacancy rates decline, reconfiguration and reuse of obsolete space occurs along with continued improvement within the economy. Because of these factors, King & Associates, Inc. believes that absorption averaging 50,000 square feet per year is achievable within the Ventana project. Further, the project developer, Ditz Brothers has extensive experience involving business park and industrial development projects, providing a valuable element to the project.



**King & Associates, Inc.**

*Strategic planning and economic analysis*

## **ABOUT KING & ASSOCIATES, INC.**

### **STATEMENT OF QUALIFICATIONS**

King & Associates, Inc. is a twenty-three year old planning and economics firm composed of real estate analysts and strategists who provide real estate consulting services. Our public and private clients include developers, local governments, special districts, attorneys and landowners. Chip King, president of the firm, has over three decades of planning experience and is well known as a leading strategist and visionary in the field of land use planning and economic analysis.

The philosophy of King & Associates, Inc. is grounded in a strong belief in cooperative planning. A partnership approach is an inherent characteristic of our planning experience.

The firm creatively approaches development issues, analyzing opportunities and constraints to maximize a client's objectives. Careful attention is given to economic, physical, fiscal and political content of each project. Our company has extensive familiarity and experience throughout Colorado in the growth and development issues that affect the region. We work closely with each client to tailor services to specific needs and goals. In business since 1982, our company has a reputation for accomplishing our clients' goals.

King & Associates, Inc.'s services emphasize these four specialties:

- \* **Economic and Fiscal Analysis**  
Our economic analyses are very clear, objective and conservative to aid in presenting and analyzing the complexities of projects. Fiscal impact and economic impact analyses are useful to local governments and to developers in managing and staging growth and to help growth pay its own way.
- \* **Special District Finance**  
Economic analysis and development projections have been used both to refinance and to issue new debt for special districts. King & Associates, Inc. has been cited in numerous official bond offering statements for districts ranging in size from several hundred to several thousand acres.
- \* **Development Approvals and Land Planning**  
We achieve the approval of development applications quickly and efficiently. This includes governmental and neighborhood mediation, through which we advance winning solutions. From over three decades of Colorado planning experience on a variety of challenging planning assignments, we know how to capitalize on real estate opportunities and to guide land development through various regulatory processes.
- \* **Eminent Domain/Condemnation Cases (Expert Witness)**  
Chip King has served as an expert witness in dozens of matters related to land use, market analysis and access. Cases relating to condemnation have included testimony in numerous jurisdictions in a variety of cases for public and private clients.



King & Associates, Inc.

*Strategic planning and economic analysis*

## PROJECT EXPERIENCE IN SPECIAL DISTRICT ANALYSIS

King & Associates, Inc. has extensive and specialized experience in financial analysis and forecasting for special districts. We have assisted clients with initial financing, refinancing, restructuring and evaluation of more than three-dozen district related assignments. Our specialties involve the following:

- Assessment and forecasting of development and real property valuation in Title 32 Metropolitan Districts.
- Review of developer and/or underwriter assumptions for values, absorption, sales tax or other projections used in issuing municipal bonds.
- Estimates and projections associated with property tax or sales tax increment finance for municipal bond financing.

The following are highlights of King & Associates, Inc.'s recent special district experience:

### **Stapleton Redevelopment Project**

**2000-2005**

King & Associates, Inc. was originally hired in 2000, by the Metropolitan District and Forest City to do an absorption study for an initial 270-acre portion of the 4700-acre Stapleton Redevelopment project. A \$75 million bond issue backed by tax increment financing was privately placed, as well a \$70 million bond issue backed by property taxes. The study included estimating absorption for approximately 800,000 sq. ft. of commercial development in power and neighborhood center configurations, industrial development, as well as several residential neighborhoods. On-going work includes monitoring actual development progress and ensuring that assessment records are correct.

### **Larkridge Development**

**2004**

The City of Thornton and the Thornton Development Authority retained King & Associates, Inc. to provide an independent assessment of current and future revenue potential associated with the first phase of development at the proposed Larkridge Regional Retail Center, located east of I-25 at Highway 7.

### **Centerra**

**2004**

King & Associates, Inc. was retained by McWhinney Enterprises on behalf of the Centerra Metropolitan District to provide an independent assessment of current and future revenue potential associated with the Centerra development. The report included demand analysis, absorption forecast, projected assessed valuation and retail sales potential for a total of 1.7 million square feet of commercial space that will cover over 3,000 acres when completed. A \$57 million bond issue was completed.

### **Belmar**

**2002-2003**

RBC Dain Rauscher, Inc. retained King & Associates, Inc. on behalf of the Plaza Metropolitan Districts and Continuum Lakewood Development, LLC to provide an independent assessment of the future revenue potential associated with the redevelopment of the former Villa Italia Mall. Belmar will consist of approximately 104 acres containing 1.03 million square feet of retail, 0.6 million square feet of office, and about 1,300 homes.



## **King & Associates, Inc.**

*Strategic planning and economic analysis*

### **CHARLES F. "CHIP" KING, AICP President, King & Associates, Inc.**

With thirty-four years of planning experience in the private and public sectors in Illinois, Iowa, Texas, and Colorado, Chip King has been President of King & Associates, Inc. since 1982. King & Associates, Inc. is a planning and economics consulting firm. While in the public sector, Mr. King coordinated various planning activities in Aurora, Colorado for nine years, until 1981. The last two years he was Planning Director. He was responsible for directing all aspects of planning policy for the City, including review of development applications, comprehensive planning, and spending Federal Community Development money. Mr. King was responsible for the creation of a unique mixed-use city center development in Aurora that combined innovative zoning, design guidelines and a public/private partnership. While Chip was Aurora's Planning Director, present Colorado Governor, Bill Owens, was Chairman of the Aurora Planning Commission.

Mr. King has directed or written major studies involving growth management, annexation policy, demography, neighborhood planning, land use, and mixed-use development. He has prepared market and fiscal impact analyses, comprehensive plans, capital improvement programs, household surveys and managed neighborhood planning.

For over twenty years Mr. King has directed King & Associates in these activities:

- Working with communities and neighborhoods on sensitive planning issues
- Serving as an expert witness in a variety of eminent domain cases
- Handling scores of successful development approval cases
- Conducting demographic, forecasting, market and feasibility studies throughout Colorado
- Land planning and site planning for parcels ranging in size from a few to over a thousand acres throughout the Denver metropolitan area
- Preparing public plans for activity centers, downtown areas, and communities
- Planning in airport environs and other environmentally sensitive projects

Chip King has been a resident of Colorado for thirty-three years. He served as a member of former Governor Romer's statewide advisory group on "Smart Growth". He has headed the Denver Presbytery's committee on New Church Development. Chip is a frequent speaker, moderator or presenter to real estate, planning and economic development groups.

#### **EDUCATION**

Iowa State University—Master of Science, Town and Regional Planning (1971)

Iowa State University—Bachelor of Science, Urban Planning (1968)

#### **PROFESSIONAL and BUSINESS AFFILIATIONS**

Member, American Institute of Certified Planners

Full Member, Urban Land Institute (ULI)

Member, Board of Directors, Aurora Economic Development Council

Member, Homebuilder's Association of Metro Denver (HBA)

Member, Colorado Chapter, American Planning Association

**EXHIBIT G**  
**FINANCIAL PLANS**

**Exhibit G**



**Fountain Ventana Metropolitan District Project  
General Obligation Bond Financing Analysis  
Tax-Exempt Non Rated Financing @ 6.50%**

<b>Bond Issue Summary Information</b>			
	2008 Bonds	2011 Bonds	Total
Gross Bond Proceeds (Issued September, 1)	\$5,435,000	\$5,625,000	\$11,060,000
Issuance Costs	\$133,302	\$177,797	\$311,099
Debt Service Reserve Fund	\$543,500	\$562,500	\$1,106,000
Capitalized Interest	\$758,198	\$784,703	\$1,542,901
<b>Repayment of Developer Held Bonds (Principal &amp; Accrued Interest)</b>	<b>\$4,000,000</b>	<b>\$4,100,000</b>	<b>\$8,100,000</b>
Capitalized Interest Requirement	9/2008-12/2010	9/2011-12/2013	9/2008-12/2013
Capitalized Interest Reinvestment Rate	0.00%	0.00%	0.00%
Total Principal	\$5,435,000	\$5,625,000	\$11,060,000
Total Interest	\$7,626,369	\$7,277,156	\$14,903,525
Total Debt Service	\$13,061,369	\$12,902,156	\$25,963,525
Less: Capitalized Interest	-\$794,869	-\$822,656	-\$1,617,525
Less: Debt Service Reserve Fund (Principal & Earnings @ 3%)	-\$975,583	-\$959,063	-\$1,934,646
Total Net Debt Service	\$11,290,918	\$11,120,438	\$22,411,356
Maximum Annual Net Debt Service	\$405,570	\$459,900	\$865,220
<b>Interest Rate on the Bonds</b>	<b>6.50%</b>	<b>6.50%</b>	<b>6.50%</b>
Debt Service Coverage Requirement	1.00 times	1.00 times	1.00 times
Term	30 Years	27 Years	30 Years

<b>Cash Flow Summary Information</b>			
<b>Tax, Revenue &amp; Growth Assumptions</b>			
<b>Total Mill Levy Cap (Debt Service plus O&amp;M)</b>	<b>50.000</b>	<b>50.000</b>	<b>50.000</b>
<b>Debt Service Mill Levy Needed for 1.00x Coverage</b>	<b>25.000</b>	<b>25.000</b>	<b>25.000</b>
Residential Property Value Appreciation Rate (Biennial) thru 2015	4.00%	4.00%	4.00%
Commercial Property Value Appreciation Rate (Biennial) thru 2015	2.00%	2.00%	2.00%
Residential Assessment Rate	7.96%	7.96%	7.96%
Commercial Assessment Rate	29.00%	29.00%	29.00%

Fountain Ventana Metropolitan District Project  
 General Obligation Bond Financing Analysis  
 Tax-Exempt Non Rated Financing @ 6.50%

Development Detail

Code	Category	Subcategory	Phase	Type	Year Completed	2.00% Res 1.00% Comm		Total S/F or Units	TI Mkt Value	Commercial Market Value	Residential Market Value	Inflated TI Mkt Value	Inflated Commercial Market Value	Inflated Residential Market Value
						2005 Cost S/F or Unit	Inflated Cost S/F or Unit							
1	Single-Family	Series 1	1	Residential	2006	205,000	209,100	4	820,000	-	820,000	836,400	-	836,400
2	Single-Family	Series 1	1	Residential	2007	205,000	213,282	30	6,150,000	-	6,150,000	6,398,460	-	6,398,460
3	Single-Family	Series 1	1	Residential	2008	205,000	217,548	50	10,250,000	-	10,250,000	10,877,382	-	10,877,382
4	Single-Family	Series 1	1	Residential	2009	205,000	221,899	45	9,225,000	-	9,225,000	9,985,437	-	9,985,437
5	Single-Family	Series 2	1	Residential	2008	275,000	280,500	4	1,100,000	-	1,100,000	1,122,000	-	1,122,000
6	Single-Family	Series 2	1	Residential	2007	275,000	286,110	50	13,750,000	-	13,750,000	14,305,500	-	14,305,500
7	Single-Family	Series 2	1	Residential	2008	275,000	291,832	100	27,500,000	-	27,500,000	29,183,220	-	29,183,220
8	Single-Family	Series 2	1	Residential	2009	275,000	297,669	75	20,625,000	-	20,625,000	22,325,163	-	22,325,163
21	Retail	Grocery Center	RC	Commercial	2009	125	130	108,000	13,500,000	13,500,000	-	14,048,154	14,048,154	-
9	Business Park	Various	BP	Commercial	2008	125	129	50,000	6,250,000	6,250,000	-	6,439,381	6,439,381	-
10	Business Park	Various	BP	Commercial	2009	125	130	50,000	6,250,000	6,250,000	-	6,503,775	6,503,775	-
11	Business Park	Various	BP	Commercial	2010	125	131	50,000	6,250,000	6,250,000	-	6,568,813	6,568,813	-
12	Business Park	Various	BP	Commercial	2011	125	133	50,000	6,250,000	6,250,000	-	6,634,501	6,634,501	-
13	Business Park	Various	BP	Commercial	2012	125	134	75,000	9,375,000	9,375,000	-	10,051,269	10,051,269	-
14	Business Park	Various	BP	Commercial	2013	125	135	75,000	9,375,000	9,375,000	-	10,151,782	10,151,782	-
15	Business Park	Various	BP	Commercial	2014	125	137	75,000	9,375,000	9,375,000	-	10,253,299	10,253,299	-
16	Business Park	Various	BP	Commercial	2015	125	138	75,000	9,375,000	9,375,000	-	10,355,832	10,355,832	-
<b>Residential Total</b>								<b>358</b>	<b>89,420,000</b>	<b>-</b>	<b>89,420,000</b>	<b>95,033,562</b>	<b>-</b>	<b>95,033,562</b>
<b>Commercial Total</b>								<b>608,000</b>	<b>76,000,000</b>	<b>76,000,000</b>	<b>-</b>	<b>81,006,807</b>	<b>81,006,807</b>	<b>-</b>
<b>Total</b>									<b>165,420,000</b>	<b>76,000,000</b>	<b>89,420,000</b>	<b>176,040,369</b>	<b>81,006,807</b>	<b>95,033,562</b>

Fountain Ventana Metropolitan District Project  
 General Obligation Bond Financing Analysis  
 Tax-Exempt Non Rated Financing @ 6.50%

Development Summary

Inflated Market Value - Annual Additions (Year Completed)															
Type	Category	Subcategory	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Residential	Single-Family	Series 1	836,400	6,398,460	10,877,382	9,985,437									28,097,679
		Series 2	1,122,000	14,305,500	29,183,220	22,325,163									
	Single-Family Total	1,958,400	20,703,960	40,060,602	32,310,600										95,033,562
Residential Total		1,958,400	20,703,960	40,060,602	32,310,600										95,033,562
Commercial	Retail	Grocery Center				14,048,154									14,048,154
	Retail Total					14,048,154									14,048,154
	Business Park	Various			6,439,381	6,503,775	6,568,813	6,634,501	10,051,269	10,151,782	10,253,299	10,355,832			66,958,652
	Business Park Total				6,439,381	6,503,775	6,568,813	6,634,501	10,051,269	10,151,782	10,253,299	10,355,832			66,958,652
Commercial Total				6,439,381	20,551,929	6,568,813	6,634,501	10,051,269	10,151,782	10,253,299	10,355,832			81,006,807	
Total			1,958,400	20,703,960	46,499,983	52,862,529	6,568,813	6,634,501	10,051,269	10,151,782	10,253,299	10,355,832			176,040,369

Inflated Market Value - Cumulative (Year Completed)															
Type	Category	Subcategory	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Residential	Single-Family	Series 1	836,400	7,234,860	18,112,242	28,097,679	28,097,679	28,097,679	28,097,679	28,097,679	28,097,679	28,097,679	28,097,679	28,097,679	28,097,679
		Series 2	1,122,000	15,427,500	44,810,720	66,935,883	66,935,883	66,935,883	66,935,883	66,935,883	66,935,883	66,935,883	66,935,883	66,935,883	66,935,883
	Single-Family Total	1,958,400	22,662,360	62,722,962	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562
Residential Total		1,958,400	22,662,360	62,722,962	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562
Commercial	Retail	Grocery Center				14,048,154	14,048,154	14,048,154	14,048,154	14,048,154	14,048,154	14,048,154	14,048,154	14,048,154	14,048,154
	Retail Total					14,048,154	14,048,154	14,048,154	14,048,154	14,048,154	14,048,154	14,048,154	14,048,154	14,048,154	14,048,154
	Business Park	Various			6,439,381	12,943,156	19,511,969	26,146,470	36,197,739	46,349,521	56,602,820	66,958,652	66,958,652	66,958,652	66,958,652
	Business Park Total				6,439,381	12,943,156	19,511,969	26,146,470	36,197,739	46,349,521	56,602,820	66,958,652	66,958,652	66,958,652	66,958,652
Commercial Total				6,439,381	26,891,310	33,560,123	40,194,624	50,245,893	60,397,675	70,650,974	81,006,807	81,006,807	81,006,807	81,006,807	
Total			1,958,400	22,662,360	69,162,343	122,024,872	128,593,685	135,228,186	145,279,455	155,431,237	165,684,536	176,040,369	176,040,369	176,040,369	

Assessed Value - Cumulative (Tax Collection Year)														
Type	Category	Subcategory	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residential	Single-Family	Series 1	66,577	575,895	1,441,734	2,236,575	2,236,575	2,236,575	2,236,575	2,236,575	2,236,575	2,236,575	2,236,575	2,236,575
		Series 2	89,311	1,228,029	3,551,013	5,328,096	5,328,096	5,328,096	5,328,096	5,328,096	5,328,096	5,328,096	5,328,096	5,328,096
	Single-Family Total	155,889	1,803,924	4,992,748	7,564,672	7,564,672	7,564,672	7,564,672	7,564,672	7,564,672	7,564,672	7,564,672	7,564,672	7,564,672
Residential Total		155,889	1,803,924	4,992,748	7,564,672	7,564,672	7,564,672	7,564,672	7,564,672	7,564,672	7,564,672	7,564,672	7,564,672	7,564,672
Commercial	Retail	Grocery Center				4,073,965	4,073,965	4,073,965	4,073,965	4,073,965	4,073,965	4,073,965	4,073,965	4,073,965
	Retail Total					4,073,965	4,073,965	4,073,965	4,073,965	4,073,965	4,073,965	4,073,965	4,073,965	4,073,965
	Business Park	Various			1,867,421	3,753,515	5,658,471	7,582,476	10,497,344	13,441,361	16,414,818	19,418,009	19,418,009	19,418,009
	Business Park Total				1,867,421	3,753,515	5,658,471	7,582,476	10,497,344	13,441,361	16,414,818	19,418,009	19,418,009	19,418,009
Commercial Total				1,867,421	7,827,480	9,732,436	11,858,441	14,571,309	17,515,326	20,488,783	23,491,974	23,491,974	23,491,974	
Total			155,889	1,803,924	6,860,168	15,392,152	17,297,107	19,221,113	22,135,981	25,079,997	28,053,454	31,056,645	31,056,645	31,056,645

Residential Assessment %	7.98%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%
Commercial Assessment %	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%

Fountain Ventana Metropolitan District Project  
 General Obligation Bond Financing Analysis  
 Tax-Exempt Non Rated Financing @ 6.50%

Development Summary

Residential Units & Commercial Square Footage - Annual Additions (Year Completed)															
Type	Category	Subcategory	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Residential	Single-Family	Series 1	4	30	50	45									129
		Series 2	4	50	100	75									229
	Single-Family Total		8	80	150	120									358
Residential Total			8	80	150	120									358
Commercial	Retail	Grocery Center				108,000									108,000
	Retail Total					108,000									108,000
	Business Park	Various			50,000	50,000	50,000	50,000	75,000	75,000	75,000	75,000			500,000
	Business Park Total				50,000	50,000	50,000	50,000	75,000	75,000	75,000	75,000			500,000
Commercial Total					50,000	158,000	50,000	50,000	75,000	75,000	75,000	75,000			608,000

Residential Units & Commercial Square Footage - Cumulative (Year Completed)															
Type	Category	Subcategory	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Residential	Single-Family	Series 1	4	34	84	129	129	129	129	129	129	129	129	129	129
		Series 2	4	54	154	229	229	229	229	229	229	229	229	229	229
	Single-Family Total		8	88	238	358	358	358	358	358	358	358	358	358	358
Residential Total			8	88	238	358	358	358	358	358	358	358	358	358	358
Commercial	Retail	Grocery Center				108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000
	Retail Total					108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000
	Business Park	Various			50,000	100,000	150,000	200,000	275,000	350,000	425,000	500,000	500,000	500,000	500,000
	Business Park Total				50,000	100,000	150,000	200,000	275,000	350,000	425,000	500,000	500,000	500,000	500,000
Commercial Total					50,000	208,000	258,000	308,000	383,000	458,000	533,000	608,000	608,000	608,000	608,000

Inflated Market Value Per Residential Unit or Commercial Square Foot - Annual Additions (Year Completed)															
Type	Category	Subcategory	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Residential	Single-Family	Series 1	209,100	213,282	217,548	221,899									217,811
		Series 2	280,500	286,110	291,832	297,669									292,296
	Single-Family Total		244,800	258,800	267,071	269,255									265,457
Residential Total			244,800	258,800	267,071	269,255									265,457
Commercial	Retail	Grocery Center				130									130
	Retail Total					130									130
	Business Park	Various			129	130	131	133	134	135	137	138			134
	Business Park Total				129	130	131	133	134	135	137	138			134
Commercial Total					129	130	131	133	134	135	137	138			133

**Fountain Ventana Metropolitan District Project  
General Obligation Bond Financing Analysis  
Tax-Exempt Non Rated Financing @ 6.50%**

**Development Summary**

<b>Estimated Metro District Property Tax Revenues</b>												
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Residential Tax Revenues from 25 Mills	-	-	3,897	45,098	124,819	189,117	189,117	189,117	189,117	189,117	189,117	189,117
Commercial Tax Revenues from 25 Mills	-	-	-	-	46,686	195,687	243,311	291,411	364,283	437,883	512,220	587,299
<b>Total</b>	-	-	3,897	45,098	171,504	384,804	432,428	480,528	553,400	627,000	701,336	776,416

<b>Estimated Metro District Bonding Capacity - Based on Taxes Two Years Forward and 30 Year Debt</b>												
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Service Coverage Ratio	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Cumulative Capacity @ 8% Interest Rate	-	400,000	1,800,000	4,200,000	4,700,000	5,300,000	6,100,000	6,900,000	7,700,000	8,500,000	8,500,000	8,500,000
Cumulative Capacity @ 5% Interest Rate	-	600,000	2,500,000	5,700,000	6,400,000	7,100,000	8,200,000	9,300,000	10,400,000	11,500,000	11,500,000	11,500,000

<b>Annual Property Tax Calculation</b>										
Property Type	Market Value	Assess Rate	Assessed Value	Current Mills	District D/S Mills	District O&M Mills	District TU Mills	Total Mills	Annual Taxes	Monthly Taxes
Single Family	195,000	7.96%	15,522	46.118	25.000	7.000	32.000	78.118	1,213	101

Fountain Ventana Metropolitan District Project  
 General Obligation Bond Financing Analysis  
 Tax-Exempt Non Rated Financing @ 6.50%

Cash Flow Analysis

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Property Tax Information</b>													
Beginning Residential Mkt Value	-	1,958,400	22,740,696	62,801,298	97,623,950	97,623,950	101,528,908	101,528,908	105,590,064	105,590,064	109,813,667	109,813,667	109,813,667
Additions	1,958,400	20,703,960	40,060,602	32,310,600	-	-	-	-	-	-	-	-	-
Reassessment Appreciation	-	78,336	-	2,512,052	-	3,904,958	-	-	-	4,223,603	-	-	-
Appreciation Rate %	-	4.00%	-	4.00%	-	4.00%	-	-	-	4.00%	-	-	-
Ending Residential Mkt Value	1,958,400	22,740,696	62,801,298	97,623,950	97,623,950	101,528,908	101,528,908	105,590,064	105,590,064	109,813,667	109,813,667	109,813,667	109,813,667
<b>Residential Market Value for Assessed Value</b>													
Beginning Commercial Mkt Value	-	-	-	6,439,381	27,120,098	33,688,911	40,997,390	51,048,469	62,221,210	72,474,509	84,279,832	84,279,832	84,279,832
Additions	-	-	6,439,381	20,551,929	6,568,813	6,634,501	10,951,269	10,151,782	10,253,289	10,355,832	-	-	-
Reassessment Appreciation	-	-	-	129,788	-	673,778	-	1,020,969	-	1,449,490	-	-	-
Appreciation Rate %	-	2.00%	-	2.00%	-	2.00%	-	2.00%	-	2.00%	-	-	-
Ending Commercial Mkt Value	-	-	6,439,381	27,120,098	33,688,911	40,997,390	51,048,469	62,221,210	72,474,509	84,279,832	84,279,832	84,279,832	84,279,832
<b>Commercial Market Value for Assessed Value</b>													
Beginning Residential Mkt Value	-	-	-	6,568,169	27,120,098	34,362,688	40,997,390	52,069,428	62,221,210	73,923,999	84,279,832	84,279,832	84,279,832
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Reassessment Appreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Appreciation Rate %	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Residential Mkt Value	-	-	-	6,568,169	27,120,098	34,362,688	40,997,390	52,069,428	62,221,210	73,923,999	84,279,832	84,279,832	84,279,832
<b>Total Market Value</b>													
Beginning Residential Mkt Value	1,958,400	22,740,696	62,801,298	124,744,048	131,312,861	142,528,098	162,577,367	167,811,274	178,064,573	184,093,499	194,093,499	194,093,499	194,093,499
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Reassessment Appreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Appreciation Rate %	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Residential Mkt Value	1,958,400	22,740,696	62,801,298	124,744,048	131,312,861	142,528,098	162,577,367	167,811,274	178,064,573	184,093,499	194,093,499	194,093,499	194,093,499
<b>Total Market Value for Assessed Value</b>													
Beginning Residential Mkt Value	-	2,036,738	22,740,696	71,681,519	124,744,048	135,891,597	142,528,098	157,659,492	167,811,274	183,737,666	194,093,499	194,093,499	194,093,499
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Reassessment Appreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Appreciation Rate %	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Residential Mkt Value	-	2,036,738	22,740,696	71,681,519	124,744,048	135,891,597	142,528,098	157,659,492	167,811,274	183,737,666	194,093,499	194,093,499	194,093,499
<b>Residential Assessment %</b>													
Beginning Residential Mkt Value	7.98%	7.96%	7.96%	7.98%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%
Commercial Assessment %	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
<b>Residential Assessed Value</b>													
Beginning Residential Mkt Value	-	162,124	1,010,159	5,188,943	7,770,866	8,081,701	8,081,701	8,404,969	8,404,969	8,741,168	8,741,168	8,741,168	8,741,168
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Reassessment Appreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Appreciation Rate %	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Residential Mkt Value	-	162,124	1,010,159	5,188,943	7,770,866	8,081,701	8,081,701	8,404,969	8,404,969	8,741,168	8,741,168	8,741,168	8,741,168
<b>Commercial Assessed Value</b>													
Beginning Commercial Mkt Value	-	-	-	1,904,769	7,664,828	9,965,189	11,889,185	15,100,134	16,044,151	21,437,960	24,441,151	24,441,151	24,441,151
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Reassessment Appreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Appreciation Rate %	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Commercial Mkt Value	-	-	-	1,904,769	7,664,828	9,965,189	11,889,185	15,100,134	16,044,151	21,437,960	24,441,151	24,441,151	24,441,151
<b>Total Assessed Value</b>													
Beginning Residential Mkt Value	-	162,124	1,010,159	7,103,712	15,635,695	18,046,891	19,970,886	23,505,103	25,448,120	30,179,128	33,182,319	33,182,319	33,182,319
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Reassessment Appreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Appreciation Rate %	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Residential Mkt Value	-	162,124	1,010,159	7,103,712	15,635,695	18,046,891	19,970,886	23,505,103	25,448,120	30,179,128	33,182,319	33,182,319	33,182,319
<b>D/S Mill Levy</b>													
Beginning Residential Mkt Value	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Reassessment Appreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Appreciation Rate %	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Residential Mkt Value	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000
<b>Residential Property Tax Revenue (1yr Lag)</b>													
Beginning Residential Mkt Value	-	-	4,053	45,254	129,974	184,272	202,043	202,043	210,124	210,124	218,529	218,529	218,529
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Reassessment Appreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Appreciation Rate %	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Residential Mkt Value	-	-	4,053	45,254	129,974	184,272	202,043	202,043	210,124	210,124	218,529	218,529	218,529
<b>Commercial Property Tax Revenue (1yr Lag)</b>													
Beginning Commercial Mkt Value	-	-	47,619	186,621	249,120	297,230	377,503	451,104	535,949	611,029	611,029	611,029	611,029
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Reassessment Appreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Appreciation Rate %	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Commercial Mkt Value	-	-	47,619	186,621	249,120	297,230	377,503	451,104	535,949	611,029	611,029	611,029	611,029
<b>D/S Property Tax Revenue</b>													
Beginning Residential Mkt Value	-	-	4,053	45,254	127,593	177,593	199,092	210,124	210,124	218,529	218,529	218,529	218,529
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Reassessment Appreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Appreciation Rate %	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Residential Mkt Value	-	-	4,053	45,254	127,593	177,593	199,092	210,124	210,124	218,529	218,529	218,529	218,529
<b>Specific Ownership Tax @ 0.00%</b>													
Beginning Residential Mkt Value	-	-	243	2,715	10,856	23,454	27,070	29,956	35,250	39,674	45,269	49,773	49,773
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Reassessment Appreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Appreciation Rate %	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Residential Mkt Value	-	-	243	2,715	10,856	23,454	27,070	29,956	35,250	39,674	45,269	49,773	49,773
<b>Total D/S Revenue</b>													
Beginning Residential Mkt Value	-	-	4,296	47,969	188,248	12,376	75,497	126,033	129,105	150,968	16,402	20,786	14,111
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Reassessment Appreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Appreciation Rate %	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Residential Mkt Value	-	-	4,296	47,969	188,248	12,376	75,497	126,033	129,105	150,968	16,402	20,786	14,111
<b>Net Debt Service</b>													
Beginning Debt Service	-	-	88,319	353,275	353,275	509,681	784,675	785,125	785,250	785,050	814,525	891,725	898,400
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Reassessment Appreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Appreciation Rate %	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Debt Service	-	-	88,319	353,275	353,275	509,681	784,675	785,125	785,250	785,050	814,525	891,725	898,400
<b>Capitalized Interest</b>													
Beginning Capitalized Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Reassessment Appreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Appreciation Rate %	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Capitalized Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>DSR Fund</b>													
Beginning DSR Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Reassessment Appreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Appreciation Rate %	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending DSR Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Net Debt Service</b>													
Beginning Debt Service	-	-	88,319	353,275	353,275	509,681	784,675	785,125	785,250	785,050	814,525	891,725</	

Fountain Vontana Metropolitan District Project  
 General Obligation Bond Financing Analysis  
 Tax-Exempt Non Rated Financing @ 8.50%

Cash Flow Analysis

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Property Tax Information</b>													
Beginning Residential Mkt Value	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Reassessment Appreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Appreciation Rate%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ending Residential Mkt Value	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667
<b>Residential Market Value for Assessed Value</b>	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667
Beginning Commercial Mkt Value	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Reassessment Appreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Appreciation Rate%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ending Commercial Mkt Value	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832
<b>Commercial Market Value for Assessed Value</b>	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832
<b>Total Market Value</b>	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499
<b>Total Market Value for Assessed Value</b>	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499
Residential Assessment %	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%
Commercial Assessment %	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
<b>Residential Assessed Value</b>	8,741,168	8,741,168	8,741,168	8,741,168	8,741,168	8,741,168	8,741,168	8,741,168	8,741,168	8,741,168	8,741,168	8,741,168	8,741,168
<b>Commercial Assessed Value</b>	24,441,151	24,441,151	24,441,151	24,441,151	24,441,151	24,441,151	24,441,151	24,441,151	24,441,151	24,441,151	24,441,151	24,441,151	24,441,151
<b>Total Assessed Value</b>	33,182,319	33,182,319	33,182,319	33,182,319	33,182,319	33,182,319	33,182,319	33,182,319	33,182,319	33,182,319	33,182,319	33,182,319	33,182,319
D/S Mill Levy	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000
Residential Property Tax Revenue (1yr Lag)	218,529	218,529	218,529	218,529	218,529	218,529	218,529	218,529	218,529	218,529	218,529	218,529	218,529
Commercial Property Tax Revenue (1yr Lag)	611,029	611,029	611,029	611,029	611,029	611,029	611,029	611,029	611,029	611,029	611,029	611,029	611,029
D/S Property Tax Revenue	829,558	829,558	829,558	829,558	829,558	829,558	829,558	829,558	829,558	829,558	829,558	829,558	829,558
Specific Ownership Tax @ 8.00%	49,773	49,773	49,773	49,773	49,773	49,773	49,773	49,773	49,773	49,773	49,773	49,773	49,773
<b>Total D/S Revenue</b>	879,331	879,331	879,331	879,331	879,331	879,331	879,331	879,331	879,331	879,331	879,331	879,331	879,331
<b>Net Debt Service</b>													
Debt Service	893,775	893,500	892,250	890,025	891,825	892,325	891,525	889,425	891,025	889,000	889,025	895,750	895,200
Capitalized Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
DSR Fund	(33,180)	(33,180)	(33,180)	(33,180)	(33,180)	(33,180)	(33,180)	(33,180)	(33,180)	(33,180)	(33,180)	(33,180)	(33,180)
<b>Total Net Debt Service</b>	860,595	860,320	859,070	856,845	858,645	859,145	858,345	856,245	857,845	855,820	855,845	862,570	862,020
<b>Coverage Ratio</b>	1.02	1.02	1.02	1.03	1.02	1.02	1.02	1.03	1.03	1.02	1.02	1.02	1.02
<b>Coverage Ratio - @ 50 Mills</b>	2.04	2.04	2.05	2.05	2.05	2.05	2.05	2.05	2.05	2.04	2.05	2.04	2.04
<b>Revenue After D/S</b>	18,736	19,011	20,261	22,466	20,886	20,186	20,986	23,086	21,486	16,511	23,486	16,761	17,311
<b>Operating Mill Levy</b>	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000
Residential Property Tax Revenue (1yr Lag)	61,188	61,188	61,188	61,188	61,188	61,188	61,188	61,188	61,188	61,188	61,188	61,188	61,188
Commercial Property Tax Revenue (1yr Lag)	171,088	171,088	171,088	171,088	171,088	171,088	171,088	171,088	171,088	171,088	171,088	171,088	171,088
<b>Operating Property Tax Revenue</b>	232,276	232,276	232,276	232,276	232,276	232,276	232,276	232,276	232,276	232,276	232,276	232,276	232,276
<b>Total Mill Levy</b>	32.000	32.000	32.000	32.000	32.000	32.000	32.000	32.000	32.000	32.000	32.000	32.000	32.000
<b>Cash Balance Summary - Excluding O&amp;M</b>													
Beginning Cash Balance	87,052	105,788	124,799	145,060	167,546	188,232	208,418	229,404	252,400	273,076	290,487	313,973	330,734
Bond Issue - Net Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits - Revenue After D/S	18,736	19,011	20,261	22,466	20,886	20,186	20,986	23,086	21,486	16,511	23,486	16,761	17,311
Developer D/S Advances	-	-	-	-	-	-	-	-	-	-	-	-	-
Developer Project Cost Advances	-	-	-	-	-	-	-	-	-	-	-	-	-
Developer Repayments	-	-	-	-	-	-	-	-	-	-	-	-	-
D/S Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	105,789	124,799	145,060	167,546	188,232	208,418	229,404	252,400	273,076	290,487	313,973	330,734	348,045
<b>Developer Advances Summary</b>													
Beginning Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Developer Advances	-	-	-	-	-	-	-	-	-	-	-	-	-
Developer Repayments	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest @ 8.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Bond Issue Summary</b>													
Gross Bond Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
Costs of Issuance	-	-	-	-	-	-	-	-	-	-	-	-	-
DSR Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Capitalized Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Developer Held Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-

Fountain Ventana Metropolitan District Project  
 General Obligation Bond Financing Analysis  
 Tax-Exempt Non Rated Financing @ 5.50%

Cash Flow Analysis

	2032	2033	2034	2035	2036	2037	2038	Totals
<b>Property Tax Information</b>								
Beginning Residential Mkt Value	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	
Additions	-	-	-	-	-	-	-	95,033,662
Reassessment Appreciation	-	-	-	-	-	-	-	14,780,105
Appreciation Rate%		0.00%		0.00%		0.00%		
Ending Residential Mkt Value	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	
<b>Residential Market Value for Assessed Value</b>	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	
Beginning Commercial Mkt Value	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	
Additions	-	-	-	-	-	-	-	81,006,867
Reassessment Appreciation	-	-	-	-	-	-	-	3,273,025
Appreciation Rate%		0.00%		0.00%		0.00%		
Ending Commercial Mkt Value	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	
<b>Commercial Market Value for Assessed Value</b>	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	
<b>Total Market Value</b>	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	
<b>Total Market Value for Assessed Value</b>	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	
Residential Assessment %	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	
Commercial Assessment %	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	
<b>Residential Assessed Value</b>	8,741,188	8,741,188	8,741,188	8,741,188	8,741,188	8,741,188	8,741,188	
<b>Commercial Assessed Value</b>	24,441,151	24,441,151	24,441,151	24,441,151	24,441,151	24,441,151	24,441,151	
<b>Total Assessed Value</b>	33,182,319	33,182,319	33,182,319	33,182,319	33,182,319	33,182,319	33,182,319	
<b>D/S Mill Levy</b>	25.000	25.000	25.000	25.000	25.000	25.000	25.000	-
Residential Property Tax Revenue (1yr Lag)	218,529	218,529	218,529	218,529	218,529	218,529	218,529	6,224,057
Commercial Property Tax Revenue (1yr Lag)	611,029	611,029	611,029	611,029	611,029	611,029	611,029	15,597,788
<b>D/S Property Tax Revenue</b>	829,558	829,558	829,558	829,558	829,558	829,558	829,558	21,821,846
<b>Specific Ownership Tax @ 0.00%</b>	49,773	49,773	49,773	49,773	49,773	49,773	49,773	1,309,311
<b>Total D/S Revenue</b>	879,331	879,331	879,331	879,331	879,331	879,331	879,331	23,131,158
<b>Net Debt Service</b>								
Debt Service	892,700	893,250	891,525	892,525	895,925	876,400	1,970,250	25,963,525
Capitalized Interest	-	-	-	-	-	-	-	(1,617,525)
<b>DSR Fund</b>	(33,180)	(33,180)	(33,180)	(33,180)	(33,180)	(16,590)	(1,106,000)	(1,934,645)
<b>Total Net Debt Service</b>	859,520	860,070	858,345	859,345	862,745	859,810	864,250	22,411,355
<b>Coverage Ratio</b>	1.02	1.02	1.02	1.02	1.02	1.02	1.02	
<b>Coverage Ratio - @ 50 MRIs</b>	2.05	2.04	2.05	2.05	2.04	2.05	2.03	
<b>Revenue After D/S</b>	19,811	19,281	20,986	19,986	16,586	19,521	15,001	710,790
<b>Operating Mill Levy</b>	7.000	7.000	7.000	7.000	7.000	7.000	7.000	
Residential Property Tax Revenue (1yr Lag)	61,188	61,188	61,188	61,188	61,188	61,188	61,188	1,742,736
Commercial Property Tax Revenue (1yr Lag)	171,088	171,088	171,088	171,088	171,088	171,088	171,088	4,367,391
<b>Operating Property Tax Revenue</b>	232,276	232,276	232,276	232,276	232,276	232,276	232,276	6,110,117
<b>Total Mill Levy</b>	32.000	32.000	32.000	32.000	32.000	32.000	32.000	7.668
<b>Cash Balance Summary - Excluding O&amp;M</b>								
Beginning Cash Balance	348,045	367,856	387,117	408,103	428,089	444,675	464,196	-
Bond Issue - Net Proceeds	-	-	-	-	-	-	-	-
Deposits - Revenue After D/S	19,811	19,281	20,986	19,986	16,586	19,521	15,001	899,843
Developer D/S Advances	-	-	-	-	-	-	-	-
Developer Project Cost Advances	-	-	-	-	-	-	-	5,999,877
Developer Repayments	-	-	-	-	-	-	-	(240,513)
D/S Transfers	-	-	-	-	-	-	-	(180,153)
Project Costs	-	-	-	-	-	-	-	(5,999,877)
Ending Balance	367,856	387,117	408,103	428,089	444,675	464,196	479,277	479,277
<b>Developer Advances Summary</b>								
Beginning Balance	-	-	-	-	-	-	-	-
Developer Advances	-	-	-	-	-	-	-	5,999,877
Developer Repayments	-	-	-	-	-	-	-	(8,340,513)
Interest @ 8.00%	-	-	-	-	-	-	-	2,340,536
Ending Balance	-	-	-	-	-	-	-	-
<b>Bond Issue Summary</b>								
Gross Bond Proceeds	-	-	-	-	-	-	-	11,080,000
Costs of Issuance	-	-	-	-	-	-	-	311,099
DSR Fund	-	-	-	-	-	-	-	1,106,000
Capitalized Interest	-	-	-	-	-	-	-	1,542,901
Repayment of Developer Held Bonds	-	-	-	-	-	-	-	8,100,000



Fountain Ventana Metropolitan District Project  
 General Obligation Bond Financing Analysis  
 Tax-Exempt Non Rated Financing @ 6.50%

Debt Service Information

Debt Issue - 2006

Date	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Principal			-	-	-	65,000	70,000	75,000	80,000	85,000	90,000	95,000
Coupon			6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%
Interest			88,319	353,275	353,275	353,275	349,050	344,500	339,625	334,425	328,900	323,050
Total P+I			88,319	353,275	353,275	418,275	419,050	419,500	419,625	419,425	418,900	418,050
DSR			-	-	-	(16,305)	(16,305)	(16,305)	(16,305)	(16,305)	(16,305)	(16,305)
CIF			(88,319)	(353,275)	(353,275)	-	-	-	-	-	-	-
Net New D/S			-	-	-	401,970	402,745	403,195	403,320	403,120	402,595	401,745

Debt Issue - 2011

Date	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Principal						-	-	-	-	-	30,000	110,000
Coupon						6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%
Interest						91,406	365,625	365,625	365,625	365,625	365,625	363,675
Total P+I						91,406	365,625	365,625	365,625	365,625	395,625	473,675
DSR						-	-	-	(16,875)	(16,875)	(16,875)	(16,875)
CIF						(91,406)	(365,625)	(365,625)	-	-	-	-
Net New D/S						-	-	-	348,750	348,750	378,750	456,800

Total Senior Debt Service

Date	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Principal	-	-	-	-	-	65,000	70,000	75,000	80,000	85,000	120,000	205,000
Interest	-	-	88,319	353,275	353,275	444,681	714,675	710,125	705,250	700,050	694,525	686,725
Total P+I	-	-	88,319	353,275	353,275	509,681	784,675	785,125	785,250	785,050	814,525	891,725
DSR	-	-	-	-	-	(16,305)	(16,305)	(16,305)	(33,180)	(33,180)	(33,180)	(33,180)
CIF	-	-	(88,319)	(353,275)	(353,275)	(91,406)	(365,625)	(365,625)	-	-	-	-
Net New D/S	-	-	-	-	-	401,970	402,745	403,195	752,070	751,870	781,345	858,545

Fountain Ventana Metropolitan District Project  
 General Obligation Bond Financing Analysis  
 Tax-Exempt Non Rated Financing @ 6.50%

Debt Service Information

Debt Issue - 2008

Date	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Principal	105,000	110,000	115,000	125,000	130,000	140,000	150,000	160,000	170,000	180,000	195,000	205,000
Coupon	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%
Interest	316,875	310,050	302,900	295,425	287,300	278,850	269,750	260,000	249,600	238,550	226,850	214,175
Total P+I	421,875	420,050	417,900	420,425	417,300	418,850	419,750	420,000	419,600	418,550	421,850	419,175
DSR	(16,305)	(16,305)	(16,305)	(16,305)	(16,305)	(16,305)	(16,305)	(16,305)	(16,305)	(16,305)	(16,305)	(16,305)
CIF	-	-	-	-	-	-	-	-	-	-	-	-
Net New D/S	405,570	403,745	401,595	404,120	400,995	402,545	403,445	403,695	403,295	402,245	405,545	402,870

Debt Issue - 2011

Date	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Principal	120,000	125,000	135,000	140,000	150,000	160,000	170,000	180,000	190,000	205,000	220,000	230,000
Coupon	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%
Interest	355,525	348,725	340,600	331,825	322,725	312,975	302,575	291,525	279,825	267,475	254,150	239,850
Total P+I	476,525	473,725	475,600	471,825	472,725	472,975	472,575	471,525	469,825	472,475	474,150	469,850
DSR	(16,875)	(16,875)	(16,875)	(16,875)	(16,875)	(16,875)	(16,875)	(16,875)	(16,875)	(16,875)	(16,875)	(16,875)
CIF	-	-	-	-	-	-	-	-	-	-	-	-
Net New D/S	459,650	456,850	458,725	454,950	455,850	456,100	455,700	454,650	452,950	455,600	457,275	452,975

Total Senior Debt Service

Date	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Principal	225,000	235,000	250,000	265,000	280,000	300,000	320,000	340,000	360,000	385,000	415,000	435,000
Interest	673,400	658,775	643,500	627,250	610,025	591,825	572,325	551,525	529,425	506,025	481,000	454,025
Total P+I	898,400	893,775	893,500	892,250	890,025	891,825	892,325	891,525	889,425	891,025	896,000	889,025
DSR	(33,180)	(33,180)	(33,180)	(33,180)	(33,180)	(33,180)	(33,180)	(33,180)	(33,180)	(33,180)	(33,180)	(33,180)
CIF	-	-	-	-	-	-	-	-	-	-	-	-
Net New D/S	865,220	860,595	860,320	859,070	856,845	858,645	859,145	858,345	856,245	857,845	862,820	855,845

Fountain Ventana Metropolitan District Project  
 General Obligation Bond Financing Analysis  
 Tax-Exempt Non Rated Financing @ 6.50%

Debt Service Information

Debt Issue - 2008

Date	2030	2031	2032	2033	2034	2035	2036	2037	2038	Totals
Principal	220,000	235,000	250,000	265,000	280,000	300,000	320,000	330,000	890,000	5,435,000
Coupon	6.500%	6.500%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
Interest	200,850	186,550	171,275	155,025	137,800	119,600	100,100	79,300	57,850	7,626,369
Total P+I	420,850	421,550	421,275	420,025	417,800	419,600	420,100	409,300	947,850	13,061,369
DSR	(16,305)	(16,305)	(16,305)	(16,305)	(16,305)	(16,305)	(16,305)	(8,153)	(543,500)	(975,583)
CIF	-	-	-	-	-	-	-	-	-	(794,869)
Net New D/S	404,545	405,245	404,970	403,720	401,495	403,295	403,795	401,148	404,350	11,290,918

Debt Issue - 2011

Date	2030	2031	2032	2033	2034	2035	2036	2037	2038	Totals
Principal	250,000	265,000	280,000	300,000	320,000	340,000	365,000	390,000	960,000	5,625,000
Coupon	6.500%	6.500%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
Interest	224,900	208,650	191,425	173,225	153,725	132,925	110,825	87,100	62,400	7,277,156
Total P+I	474,900	473,650	471,425	473,225	473,725	472,925	475,825	467,100	1,022,400	12,902,156
DSR	(16,875)	(16,875)	(16,875)	(16,875)	(16,875)	(16,875)	(16,875)	(8,438)	(562,500)	(959,063)
CIF	-	-	-	-	-	-	-	-	-	(822,656)
Net New D/S	458,025	456,775	454,550	456,350	456,850	456,050	458,950	458,663	459,900	11,120,438

Total Senior Debt Service

Date	2030	2031	2032	2033	2034	2035	2036	2037	2038	Totals
Principal	470,000	500,000	530,000	565,000	600,000	640,000	685,000	710,000	1,850,000	11,060,000
Interest	425,750	395,200	362,700	328,250	291,525	252,525	210,925	166,400	120,250	14,903,525
Total P+I	895,750	895,200	892,700	893,250	891,525	892,525	895,925	876,400	1,970,250	25,963,525
DSR	(33,180)	(33,180)	(33,180)	(33,180)	(33,180)	(33,180)	(33,180)	(16,590)	(1,106,000)	(1,934,645)
CIF	-	-	-	-	-	-	-	-	-	(1,617,525)
Net New D/S	862,570	862,020	859,520	860,070	858,345	859,345	862,745	859,810	864,250	22,411,355



February 17, 2006

Re: Ventana Metropolitan District  
Fountain, Colorado

To Whom It May Concern:

RBC Capital Markets is representing the petitioners of the Ventana Metropolitan District (the "District") in connection with financing the public improvements of the District. In that capacity, RBC Capital Markets has provided advice in regard to the structuring of the proposed indebtedness of the District. RBC Capital Markets considers that the enclosed Financial Plan presents a debt structure that is feasible based upon the revenues produced by the assumed future development and growth within the District, and that the projected revenues of the District will be sufficient to satisfy the District's debt obligations.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Wendelin".

Thomas Wendelin  
Vice President

**Fountain Ventana Metropolitan District Project  
General Obligation Bond Financing Analysis  
Tax-Exempt LOC Financing @ All-In 5.50%**

<b>Bond Issue Summary Information</b>			
	2008 Bonds	2011 Bonds	Total
Gross Bond Proceeds (Issued September, 1)	\$6,085,000	\$6,210,000	\$12,295,000
Issuance Costs	\$264,538	\$262,413	\$526,951
Debt Service Reserve Fund	\$608,500	\$621,000	\$1,229,500
Capitalized Interest	\$711,962	\$726,587	\$1,438,549
<b>Repayment of Developer Held Bonds (Principal &amp; Accrued Interest)</b>	<b>\$4,500,000</b>	<b>\$4,600,000</b>	<b>\$9,100,000</b>
Capitalized Interest Requirement	9/2008-12/2010	9/2011-12/2013	9/2008-12/2013
Capitalized Interest Reinvestment Rate	0.00%	0.00%	0.00%
Total Principal	\$6,085,000	\$6,210,000	\$12,295,000
Total Interest	\$5,131,650	\$4,854,500	\$9,986,150
Total Letter of Credit Fees	\$1,924,369	\$1,820,438	\$3,744,806
Total Debt Service	\$13,141,019	\$12,884,938	\$26,025,956
Less: Capitalized Interest	-\$753,019	-\$768,488	-\$1,521,506
Less: Debt Service Reserve Fund (Principal & Earnings @ 3%)	-\$1,092,258	-\$1,058,805	-\$2,151,063
Total Net Debt Service	\$11,295,743	\$11,057,645	\$22,353,388
Maximum Annual Net Debt Service	\$406,420	\$460,375	\$861,990
<b>Interest Rate on the Bonds</b>	<b>4.00%</b>	<b>4.00%</b>	<b>4.00%</b>
<b>Annual Credit Enhancement Fee</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>
<b>All-In Rate</b>	<b>5.50%</b>	<b>5.50%</b>	<b>5.50%</b>
Debt Service Coverage Requirement	1.00 times	1.00 times	1.00 times
Term	30 Years	27 Years	30 Years

<b>Cash Flow Summary Information</b>			
<b>Tax, Revenue &amp; Growth Assumptions</b>			
<b>Total Mill Levy Cap (Debt Service plus O&amp;M)</b>	<b>50.000</b>	<b>50.000</b>	<b>50.000</b>
<b>Debt Service Mill Levy Needed for 1.00x Coverage</b>	<b>25.000</b>	<b>25.000</b>	<b>25.000</b>
Residential Property Value Appreciation Rate (Biennial) thru 2015	4.00%	4.00%	4.00%
Commercial Property Value Appreciation Rate (Biennial) thru 2015	2.00%	2.00%	2.00%
Residential Assessment Rate	7.96%	7.96%	7.96%
Commercial Assessment Rate	29.00%	29.00%	29.00%

Fountain Ventana Metropolitan District Project  
 General Obligation Bond Financing Analysis  
 Tax-Exempt LOC Financing @ All-in 5.50%

Development Detail

Code	Category	Subcategory	Phase	Type	Year Completed	2.00% Res 1.00% Comm		Total S/F or Units	Ttl Mkt Value	Commercial Market Value	Residential Market Value	Inflated Ttl Mkt Value	Inflated Commercial Market Value	Inflated Residential Market Value	
						2005 Cost S/F or Unit	Inflated Cost S/F or Unit								
1	Single-Family	Series 1	1	Residential	2006	205,000	209,100	4	820,000	-	820,000	836,400	-	836,400	
2	Single-Family	Series 1	1	Residential	2007	205,000	213,282	30	6,150,000	-	6,150,000	6,398,460	-	6,398,460	
3	Single-Family	Series 1	1	Residential	2008	205,000	217,548	50	10,250,000	-	10,250,000	10,877,382	-	10,877,382	
4	Single-Family	Series 1	1	Residential	2009	205,000	221,899	45	9,225,000	-	9,225,000	9,985,437	-	9,985,437	
5	Single-Family	Series 2	1	Residential	2006	275,000	280,500	4	1,100,000	-	1,100,000	1,122,000	-	1,122,000	
6	Single-Family	Series 2	1	Residential	2007	275,000	286,110	50	13,750,000	-	13,750,000	14,305,500	-	14,305,500	
7	Single-Family	Series 2	1	Residential	2008	275,000	291,832	100	27,500,000	-	27,500,000	29,183,220	-	29,183,220	
8	Single-Family	Series 2	1	Residential	2009	275,000	297,669	75	20,625,000	-	20,625,000	22,325,163	-	22,325,163	
21	Retail	Grocery Center	RC	Commercial	2009	125	130	108,000	13,500,000	13,500,000	-	14,048,154	14,048,154	-	
9	Business Park	Various	BP	Commercial	2008	125	129	50,000	6,250,000	6,250,000	-	6,439,381	6,439,381	-	
10	Business Park	Various	BP	Commercial	2009	125	130	50,000	6,250,000	6,250,000	-	6,503,775	6,503,775	-	
11	Business Park	Various	BP	Commercial	2010	125	131	50,000	6,250,000	6,250,000	-	6,568,813	6,568,813	-	
12	Business Park	Various	BP	Commercial	2011	125	133	50,000	6,250,000	6,250,000	-	6,634,501	6,634,501	-	
13	Business Park	Various	BP	Commercial	2012	125	134	75,000	9,375,000	9,375,000	-	10,051,269	10,051,269	-	
14	Business Park	Various	BP	Commercial	2013	125	135	75,000	9,375,000	9,375,000	-	10,151,782	10,151,782	-	
15	Business Park	Various	BP	Commercial	2014	125	137	75,000	9,375,000	9,375,000	-	10,253,299	10,253,299	-	
16	Business Park	Various	BP	Commercial	2015	125	138	75,000	9,375,000	9,375,000	-	10,355,832	10,355,832	-	
<b>Residential Total</b>									<b>358</b>	<b>89,420,000</b>	<b>-</b>	<b>89,420,000</b>	<b>95,033,562</b>	<b>-</b>	<b>95,033,562</b>
<b>Commercial Total</b>									<b>608,000</b>	<b>76,000,000</b>	<b>76,000,000</b>	<b>-</b>	<b>81,006,807</b>	<b>81,006,807</b>	<b>-</b>
<b>Total</b>									<b>165,420,000</b>	<b>76,000,000</b>	<b>89,420,000</b>	<b>176,040,369</b>	<b>81,006,807</b>	<b>95,033,562</b>	

Fountain Ventana Metropolitan District Project  
 General Obligation Bond Financing Analysis  
 Tax-Exempt LOC Financing @ All-In 5.50%

Development Summary

Inflated Market Value - Annual Additions (Year Completed)															
Type	Category	Subcategory	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Residential	Single-Family	Series 1	836,400	6,399,460	10,877,382	9,965,437									28,097,679
		Series 2	1,122,000	14,305,500	29,183,220	22,325,163									
	Single-Family Total		1,958,400	20,703,960	40,060,602	32,310,600									
Residential Total			1,958,400	20,703,960	40,060,602	32,310,600									95,033,562
Commercial	Retail	Grocery Center				14,048,154									14,048,154
	Retail Total					14,048,154									14,048,154
	Business Park	Various			6,439,381	6,503,775	6,568,813	6,634,501	10,051,269	10,151,782	10,253,299	10,355,832			66,958,652
	Business Park Total				6,439,381	6,503,775	6,568,813	6,634,501	10,051,269	10,151,782	10,253,299	10,355,832			66,958,652
Commercial Total					6,439,381	6,568,813	6,634,501	10,051,269	10,151,782	10,253,299	10,355,832			81,006,807	
Total			1,958,400	20,703,960	46,499,983	52,862,529	6,568,813	6,634,501	10,051,269	10,151,782	10,253,299	10,355,832			176,040,369

Inflated Market Value - Cumulative (Year Completed)															
Type	Category	Subcategory	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Residential	Single-Family	Series 1	836,400	7,234,860	18,112,242	28,097,679	28,097,679	28,097,679	28,097,679	28,097,679	28,097,679	28,097,679	28,097,679	28,097,679	28,097,679
		Series 2	1,122,000	15,427,500	44,610,720	66,935,883	66,935,883	66,935,883	66,935,883	66,935,883	66,935,883	66,935,883	66,935,883	66,935,883	66,935,883
	Single-Family Total		1,958,400	22,662,360	62,722,962	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562
Residential Total			1,958,400	22,662,360	62,722,962	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562	95,033,562
Commercial	Retail	Grocery Center				14,048,154	14,048,154	14,048,154	14,048,154	14,048,154	14,048,154	14,048,154	14,048,154	14,048,154	14,048,154
	Retail Total					14,048,154	14,048,154	14,048,154	14,048,154	14,048,154	14,048,154	14,048,154	14,048,154	14,048,154	14,048,154
	Business Park	Various			6,439,381	12,943,156	19,511,969	26,146,470	36,197,739	46,349,521	56,602,820	66,958,652	66,958,652	66,958,652	66,958,652
	Business Park Total				6,439,381	12,943,156	19,511,969	26,146,470	36,197,739	46,349,521	56,602,820	66,958,652	66,958,652	66,958,652	66,958,652
Commercial Total					6,439,381	26,991,310	33,560,123	40,194,624	50,245,893	60,397,675	70,650,974	81,006,807	81,006,807	81,006,807	81,006,807
Total			1,958,400	22,662,360	69,162,343	122,024,872	128,593,685	135,228,186	145,279,455	155,431,237	165,684,536	176,040,369	176,040,369	176,040,369	176,040,369

Assessed Value - Cumulative (Tax Collection Year)														
Type	Category	Subcategory	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residential	Single-Family	Series 1	66,577	575,895	1,441,734	2,236,575	2,236,575	2,236,575	2,236,575	2,236,575	2,236,575	2,236,575	2,236,575	2,236,575
		Series 2	89,311	1,228,029	3,551,013	5,328,096	5,328,096	5,328,096	5,328,096	5,328,096	5,328,096	5,328,096	5,328,096	5,328,096
	Single-Family Total		155,889	1,803,924	4,992,748	7,564,672	7,564,672	7,564,672	7,564,672	7,564,672	7,564,672	7,564,672	7,564,672	7,564,672
Residential Total			155,889	1,803,924	4,992,748	7,564,672	7,564,672	7,564,672	7,564,672	7,564,672	7,564,672	7,564,672	7,564,672	7,564,672
Commercial	Retail	Grocery Center				4,073,965	4,073,965	4,073,965	4,073,965	4,073,965	4,073,965	4,073,965	4,073,965	4,073,965
	Retail Total					4,073,965	4,073,965	4,073,965	4,073,965	4,073,965	4,073,965	4,073,965	4,073,965	4,073,965
	Business Park	Various			1,867,421	3,753,515	5,658,471	7,582,476	10,497,344	13,441,361	16,414,818	19,418,009	19,418,009	19,418,009
	Business Park Total				1,867,421	3,753,515	5,658,471	7,582,476	10,497,344	13,441,361	16,414,818	19,418,009	19,418,009	19,418,009
Commercial Total					1,867,421	7,827,480	9,732,436	11,656,441	14,571,309	17,515,326	20,488,783	23,491,974	23,491,974	23,491,974
Total			155,889	1,803,924	6,860,169	15,392,152	17,297,107	19,221,113	22,135,981	25,079,997	28,053,454	31,056,645	31,056,645	31,056,645

Residential Assessment %	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%
Commercial Assessment %	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%

Fountain Ventana Metropolitan District Project  
 General Obligation Bond Financing Analysis  
 Tax-Exempt LOC Financing @ All-In 5.50%

Development Summary

Residential Units & Commercial Square Footage - Annual Additions (Year Completed)															
Type	Category	Subcategory	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Residential	Single-Family	Series 1	4	30	50	45									129
		Series 2	4	50	100	75									229
	Single-Family Total	8	80	150	120										358
Residential Total			8	80	150	120									358
Commercial	Retail	Grocery Center				108,000									108,000
	Retail Total					108,000									108,000
	Business Park	Various			50,000	50,000	50,000	50,000	75,000	75,000	75,000	75,000			500,000
	Business Park Total				50,000	50,000	50,000	50,000	75,000	75,000	75,000	75,000			500,000
Commercial Total					50,000	158,000	50,000	50,000	75,000	75,000	75,000	75,000		608,000	

Residential Units & Commercial Square Footage - Cumulative (Year Completed)															
Type	Category	Subcategory	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Residential	Single-Family	Series 1	4	34	84	129	129	129	129	129	129	129	129	129	129
		Series 2	4	54	154	229	229	229	229	229	229	229	229	229	229
	Single-Family Total	8	88	238	358	358	358	358	358	358	358	358	358	358	358
Residential Total			8	88	238	358	358	358	358	358	358	358	358	358	358
Commercial	Retail	Grocery Center				108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000
	Retail Total					108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	
	Business Park	Various			50,000	100,000	150,000	200,000	275,000	350,000	425,000	500,000	500,000	500,000	
	Business Park Total				50,000	100,000	150,000	200,000	275,000	350,000	425,000	500,000	500,000	500,000	
Commercial Total					50,000	208,000	258,000	308,000	383,000	458,000	533,000	608,000	608,000	608,000	

Inflated Market Value Per Residential Unit or Commercial Square Foot - Annual Additions (Year Completed)															
Type	Category	Subcategory	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Residential	Single-Family	Series 1	209,100	213,282	217,548	221,899									217,811
		Series 2	280,500	286,110	291,832	297,669									292,296
	Single-Family Total	244,800	258,800	267,071	269,255										265,457
Residential Total			244,800	258,800	267,071	269,255									265,457
Commercial	Retail	Grocery Center				130									130
	Retail Total					130									130
	Business Park	Various			129	130	131	133	134	135	137	138			134
	Business Park Total				129	130	131	133	134	135	137	138			134
Commercial Total					129	130	131	133	134	135	137	138		133	



Fountain Ventana Metropolitan District Project  
 General Obligation Bond Financing Analysis  
 Tax-Exempt LOC Financing @ All-In 5.50%

Development Summary

Estimated Metro District Property Tax Revenues												
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Residential Tax Revenues from 25 Mills	-	-	3,897	45,098	124,819	189,117	189,117	189,117	189,117	189,117	189,117	189,117
Commercial Tax Revenues from 25 Mills	-	-	-	-	46,686	195,687	243,311	291,411	364,283	437,883	512,220	587,299
<b>Total</b>	-	-	3,897	45,098	171,504	384,804	432,428	480,528	553,400	627,000	701,336	776,416

Estimated Metro District Bonding Capacity - Based on Taxes Two Years Forward and 30 Year Debt												
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Service Coverage Ratio	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Cumulative Capacity @ 8% Interest Rate	-	400,000	1,800,000	4,200,000	4,700,000	5,300,000	6,100,000	6,900,000	7,700,000	8,500,000	8,500,000	8,500,000
Cumulative Capacity @ 5% Interest Rate	-	600,000	2,500,000	5,700,000	6,400,000	7,100,000	8,200,000	9,300,000	10,400,000	11,500,000	11,500,000	11,500,000

Annual Property Tax Calculation										
Property Type	Market Value	Assess Rate	Assessed Value	Current Mills	District D/S Mills	District O&M Mills	District TU Mills	Total Mills	Annual Taxes	Monthly Taxes
Single Family	195,000	7.96%	15,522	46.118	25.000	7.000	32.000	78.118	1,213	101





**Fountain Vontona Metropolitan District Project  
General Obligation Bond Financing Analysis  
Tax-Exempt LOC Financing @ All-In 5.50%**

**Cash Flow Analysis**

	2032	2033	2034	2035	2036	2037	2038	Totals
<b>Property Tax Information</b>								
Beginning Residential Mkt Value	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	
Additions	-	-	-	-	-	-	-	95,833,562
Reassessment Appreciation	-	-	-	-	-	-	-	14,700,105
Appreciation Rate%	0.00%		0.00%		0.00%			
Ending Residential Mkt Value	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	
Residential Market Value for Assessed Value	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	109,813,667	
Beginning Commercial Mkt Value	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	
Additions	-	-	-	-	-	-	-	81,006,807
Reassessment Appreciation	-	-	-	-	-	-	-	3,273,025
Appreciation Rate%	0.00%		0.00%		0.00%			
Ending Commercial Mkt Value	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	
Commercial Market Value for Assessed Value	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	84,279,832	
Total Market Value	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	
Total Market Value for Assessed Value	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	194,093,499	
Residential Assessment %	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	
Commercial Assessment %	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	
Residential Assessed Value	8,741,168	8,741,168	8,741,168	8,741,168	8,741,168	8,741,168	8,741,168	
Commercial Assessed Value	24,441,151	24,441,151	24,441,151	24,441,151	24,441,151	24,441,151	24,441,151	
Total Assessed Value	33,182,319	33,182,319	33,182,319	33,182,319	33,182,319	33,182,319	33,182,319	
D/S Mill Levy	25.000	25.000	25.000	25.000	25.000	25.000	-	
Residential Property Tax Revenue (1yr Lag)	218,529	218,529	218,529	218,529	218,529	218,529	218,529	6,224,057
Commercial Property Tax Revenue (1yr Lag)	611,029	611,029	611,029	611,029	611,029	611,029	611,029	15,597,768
D/S Property Tax Revenue	829,558	829,558	829,558	829,558	829,558	829,558	829,558	21,821,846
Specific Ownership Tax @ 0.00%	49,773	49,773	49,773	49,773	49,773	49,773	49,773	1,308,311
Total D/S Revenue	879,331	879,331	879,331	879,331	879,331	879,331	879,331	23,131,156
<b>Net Debt Service</b>								
Debt Service	894,500	898,160	894,875	894,950	898,100	879,050	2,089,900	26,025,956
Capitalized Interest	-	-	-	-	-	-	-	(1,521,506)
DSR Fund	(36,885)	(36,885)	(36,885)	(36,885)	(36,885)	(18,443)	(1,229,500)	(2,151,863)
Total Net Debt Service	857,615	861,275	857,990	858,065	861,215	860,607	859,400	22,353,360
Coverage Ratio	1.03	1.02	1.02	1.02	1.02	1.02	1.02	
Coverage Ratio - @ 50 Mills	2.05	2.04	2.05	2.05	2.04	2.04	2.05	
Revenue After D/S	21,716	18,066	21,341	21,266	18,116	18,724	19,931	777,758
Operating Mill Levy	7.000	7.000	7.000	7.000	7.000	7.000	7.000	
Residential Property Tax Revenue (1yr Lag)	61,188	61,188	61,188	61,188	61,188	61,188	61,188	1,742,736
Commercial Property Tax Revenue (1yr Lag)	171,088	171,088	171,088	171,088	171,088	171,088	171,088	4,367,381
Operating Property Tax Revenue	232,276	232,276	232,276	232,276	232,276	232,276	232,276	6,110,117
Total Mill Levy	32.000	32.000	32.000	32.000	32.000	32.000	7.000	
<b>Cash Balance Summary - Excluding O&amp;M</b>								
Beginning Cash Balance	398,085	419,801	437,867	459,208	480,474	498,590	517,314	-
Bond Issue - Net Proceeds	-	-	-	-	-	-	-	-
Deposits - Revenue After D/S	21,716	18,066	21,341	21,266	18,116	18,724	19,931	906,801
Developer D/S Advances	-	-	-	-	-	-	-	-
Developer Project Cost Advances	-	-	-	-	-	-	-	6,768,837
Developer Repayments	-	-	-	-	-	-	-	(240,513)
D/S Transfers	-	-	-	-	-	-	-	(129,143)
Project Costs	-	-	-	-	-	-	-	(6,768,837)
Ending Balance	419,801	437,867	459,208	480,474	498,590	517,314	537,245	537,245
<b>Developer Advances Summary</b>								
Beginning Balance	-	-	-	-	-	-	-	-
Developer Advances	-	-	-	-	-	-	-	6,768,837
Developer Repayments	-	-	-	-	-	-	-	(9,340,513)
Interest @ 0.00%	-	-	-	-	-	-	-	2,571,676
Ending Balance	-	-	-	-	-	-	-	-
<b>Bond Issue Summary</b>								
Gross Bond Proceeds	-	-	-	-	-	-	-	12,295,000
Costs of Issuance	-	-	-	-	-	-	-	526,951
DSR Fund	-	-	-	-	-	-	-	1,229,500
Capitalized Interest	-	-	-	-	-	-	-	1,439,540
Repayment of Developer Held Bonds	-	-	-	-	-	-	-	9,100,000

Fountain Ventana Metropolitan District Project  
 General Obligation Bond Financing Analysis  
 Tax-Exempt LOC Financing @ All-in 5.50%

Debt Service Information

Debt Issue - 2008

Date	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Principal			-	-	-	90,000	90,000	95,000	100,000	110,000	115,000	120,000
Coupon			4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%
Interest			60,850	243,400	243,400	243,400	239,800	236,200	232,400	228,400	224,000	219,400
LOC			22,819	91,275	91,275	91,275	89,925	88,575	87,150	85,650	84,000	82,275
Total P+I			83,669	334,675	334,675	424,675	419,725	419,775	419,550	424,050	423,000	421,675
DSR			-	-	-	(18,255)	(18,255)	(18,255)	(18,255)	(18,255)	(18,255)	(18,255)
CIF			(83,669)	(334,675)	(334,675)	-	-	-	-	-	-	-
Net New D/S			-	-	-	406,420	401,470	401,520	401,295	405,795	404,745	403,420

Debt Issue - 2011

Date	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Principal						-	-	-	-	-	55,000	135,000
Coupon						4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%
Interest						62,100	246,400	248,400	248,400	248,400	248,400	246,200
LOC						23,288	93,150	93,150	93,150	93,150	93,150	92,325
Total P+I						85,388	341,550	341,550	341,550	341,550	396,550	473,525
DSR						-	-	-	(18,630)	(18,630)	(18,630)	(18,630)
CIF						(85,388)	(341,550)	(341,550)	-	-	-	-
Net New D/S						-	-	-	322,920	322,920	377,920	454,895

Total Senior Debt Service

Date	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Principal	-	-	-	-	-	90,000	90,000	95,000	100,000	110,000	170,000	255,000
Interest	-	-	60,850	243,400	243,400	305,500	488,200	484,600	480,800	475,800	472,400	465,600
LOC	-	-	22,819	91,275	91,275	114,563	183,075	181,725	180,300	178,800	177,150	174,600
Total P+I	-	-	83,669	334,675	334,675	510,063	761,275	761,325	761,100	765,600	819,550	895,200
DSR	-	-	-	-	-	(18,255)	(18,255)	(18,255)	(36,885)	(36,885)	(36,885)	(36,885)
CIF	-	-	(83,669)	(334,675)	(334,675)	(85,388)	(341,550)	(341,550)	-	-	-	-
Net New D/S	-	-	-	-	-	406,420	401,470	401,520	724,215	728,715	782,665	858,315

Fountain Ventana Metropolitan District Project  
 General Obligation Bond Financing Analysis  
 Tax-Exempt LOC Financing @ All-in 5.50%

Debt Service Information

Debt Issue - 2008

Date	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Principal	125,000	135,000	140,000	150,000	155,000	165,000	175,000	185,000	185,000	205,000	215,000	230,000
Coupon	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%
Interest	214,600	209,600	204,200	198,600	192,600	186,400	179,800	172,800	165,400	157,600	149,400	140,800
LOC	80,475	78,600	76,575	74,475	72,225	69,900	67,425	64,800	62,025	59,100	56,025	52,800
Total P+I	420,075	423,200	420,775	423,075	419,825	421,300	422,225	422,600	422,425	421,700	420,425	423,600
DSR	(18,255)	(18,255)	(18,255)	(18,255)	(18,255)	(18,255)	(18,255)	(18,255)	(18,255)	(18,255)	(18,255)	(18,255)
CIF	-	-	-	-	-	-	-	-	-	-	-	-
Net New D/S	401,820	404,945	402,520	404,820	401,570	403,045	403,970	404,345	404,170	403,445	402,170	405,345

Debt Issue - 2011

Date	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Principal	145,000	150,000	160,000	165,000	160,000	190,000	200,000	210,000	220,000	235,000	245,000	255,000
Coupon	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%
Interest	240,800	235,000	229,000	222,600	216,000	208,800	201,200	193,200	184,800	176,000	166,600	156,800
LOC	96,300	88,125	85,875	83,475	81,000	78,300	75,450	72,450	69,300	66,000	62,475	58,800
Total P+I	476,100	473,125	474,875	471,075	477,000	477,100	476,650	475,650	474,100	477,000	474,075	470,600
DSR	(18,630)	(18,630)	(18,630)	(18,630)	(18,630)	(18,630)	(18,630)	(18,630)	(18,630)	(18,630)	(18,630)	(18,630)
CIF	-	-	-	-	-	-	-	-	-	-	-	-
Net New D/S	457,470	454,495	456,245	452,445	458,370	458,470	458,020	457,020	455,470	458,370	455,445	451,970

Total Senior Debt Service

Date	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Principal	270,000	285,000	300,000	315,000	335,000	355,000	375,000	395,000	415,000	440,000	460,000	485,000
Interest	455,400	444,600	433,200	421,200	408,600	395,200	381,000	366,000	350,200	333,600	316,000	297,600
LOC	170,775	166,725	162,450	157,950	153,225	148,200	142,875	137,250	131,325	125,100	118,500	111,600
Total P+I	896,175	896,325	895,650	894,150	896,825	898,400	899,075	898,250	896,525	898,700	894,500	894,200
DSR	(36,885)	(36,885)	(36,885)	(36,885)	(36,885)	(36,885)	(36,885)	(36,885)	(36,885)	(36,885)	(36,885)	(36,885)
CIF	-	-	-	-	-	-	-	-	-	-	-	-
Net New D/S	859,290	859,440	858,765	857,265	859,940	861,515	861,990	861,365	859,640	861,815	857,615	857,315

Fountain Ventana Metropolitan District Project  
 General Obligation Bond Financing Analysis  
 Tax-Exempt LOC Financing @ All-in 5.50%

Debt Service Information

Debt Issue - 2008

Date	2030	2031	2032	2033	2034	2035	2036	2037	2038	Totals
Principal	240,000	255,000	270,000	285,000	300,000	315,000	330,000	340,000	955,000	6,085,000
Coupon	4.000%	4.000%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Interest	131,600	122,000	111,800	101,000	89,600	77,600	65,000	51,800	38,200	5,131,650
LOC	49,350	45,750	41,925	37,875	33,600	29,100	24,375	19,425	14,325	1,924,369
Total P+i	420,950	422,750	423,725	423,875	423,200	421,700	419,375	411,225	1,007,525	13,141,019
DSR	(18,255)	(18,255)	(18,255)	(18,255)	(18,255)	(18,255)	(18,255)	(9,128)	(608,500)	(1,092,258)
CIF	-	-	-	-	-	-	-	-	-	(753,019)
Net New D/S	402,695	404,495	405,470	405,620	404,945	403,445	401,120	402,098	399,025	11,295,743

Debt Issue - 2011

Date	2030	2031	2032	2033	2034	2035	2036	2037	2038	Totals
Principal	275,000	285,000	300,000	320,000	335,000	355,000	360,000	390,000	1,025,000	6,210,000
Coupon	4.000%	4.000%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Interest	146,600	135,600	124,200	112,200	99,400	86,000	71,800	56,600	41,000	4,854,500
LOC	54,975	50,850	46,575	42,075	37,275	32,250	26,925	21,225	15,375	1,620,438
Total P+i	476,575	471,450	470,775	474,275	471,675	473,250	478,725	467,825	1,081,375	12,884,938
DSR	(18,630)	(18,630)	(18,630)	(18,630)	(18,630)	(18,630)	(18,630)	(9,315)	(621,000)	(1,058,805)
CIF	-	-	-	-	-	-	-	-	-	(768,488)
Net New D/S	457,945	452,820	452,145	455,645	453,045	454,620	460,095	458,510	460,375	11,057,645

Total Senior Debt Service

Date	2030	2031	2032	2033	2034	2035	2036	2037	2038	Totals
Principal	515,000	540,000	570,000	605,000	635,000	670,000	710,000	730,000	1,980,000	12,295,000
Interest	278,200	257,600	236,000	213,200	189,000	163,600	136,800	108,400	79,200	9,986,150
LOC	104,325	95,600	88,500	79,950	70,875	61,350	51,300	40,650	29,700	3,744,806
Total P+i	897,525	894,200	894,500	898,150	894,875	894,950	898,100	879,050	2,088,900	26,025,956
DSR	(36,885)	(36,885)	(36,885)	(36,885)	(36,885)	(36,885)	(36,885)	(18,443)	(1,229,500)	(2,151,063)
CIF	-	-	-	-	-	-	-	-	-	(1,521,506)
Net New D/S	860,640	857,315	857,615	861,265	857,990	858,065	861,215	860,608	858,400	22,353,388

**EXHIBIT H**

**COMMITMENT LETTER FROM UNDERWRITER**

Exhibit H





February 17, 2006

Re: Ventana Metropolitan District  
Fountain, Colorado

To Whom It May Concern:

RBC Capital Markets is representing the petitioners of the Ventana Metropolitan District (the "District") in connection with financing the public improvements of the District. In that capacity, RBC Capital Markets has provided advice in regard to the structuring of the proposed indebtedness of the District. RBC Capital Markets considers that the enclosed Financial Plan presents a debt structure that is feasible based upon the revenues produced by the assumed future development and growth within the District, and that the projected revenues of the District will be sufficient to satisfy the District's debt obligations.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Wendelin".

Thomas Wendelin  
Vice President

**EXHIBIT I**

**EVIDENCE OF PAYMENT OF PRIOR YEAR'S REAL ESTATE TAXES**

Exhibit I

Lawyers Title Insurance Corporation  
444 East Pikes Peak Avenue, Suite 100  
Colorado Springs, CO 80903

Settlement Date: 12/30/2005

Proration Date: 12/30/2005

PURCHASER'S SETTLEMENT STATEMENT

Buyer(s): Nicholson Property Investments, LLC, a  
California limited liability company

Seller(s): Toby Ronald Wells, as Trustee of The Emma  
A. Wells Trust dated 12/9/1991 and Toby  
Ronald Wells, as Trustee of The Delbert T.  
Wells Trust dated 12/9/1991

Property: 11190 Old Pueblo Road  
Fountain, CO 80817

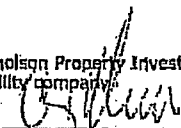
County of El Paso, State of Colorado

	DEBIT	CREDIT
Contract Sales Price	\$2,693,315.00	
County Taxes 12/30 to 1/1/06	\$0.93	
Deposit or earnest money		\$250,000.00
Settlement or closing fee to LandAmerica Lawyers Title	\$250.00	
Delete 1-4 to LandAmerica Lawyers Title	\$489.00	
Recording Fees: Deed \$21.00	\$21.00	
State Tax/Stamps	\$269.33	
Recording Escrow to LandAmerica Lawyers Title	\$150.00	
Sub Total	\$2,694,495.26	\$250,000.00
Balance Due From Purchaser		\$2,444,495.26
Total	\$2,694,495.26	\$2,694,495.26

The above figures do not include sales or use taxes on personal property.

APPROVED AND ACCEPTED

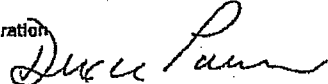
Nicholson Property Investments, LLC, a California limited  
liability company

By:   
Charles Nicholson, Its Manager

Broker: Innovative Real Estate Group

By: \_\_\_\_\_

Lawyers Title Insurance Corporation  
By: Dixie Powers  
Escrow Officer



Lawyers Title Insurance Corporation  
444 East Pikes Peak Avenue, Suite 100  
Colorado Springs, CO 80903

Settlement Date: 12/30/2005

Proration Date: 12/30/2005

SELLER'S SETTLEMENT STATEMENT

Seller(s): Toby Ronald Wells, as Trustee of The Emma A. Wells Trust dated 12/9/1991, and Toby Ronald Wells, as Trustee of The Delbert T. Wells Trust dated 12/9/1991  
Buyer(s): Nicholson Property Investments, LLC, a California limited liability company  
Property: 11190 Old Pueblo Road  
Fountain, CO 80817  
County of El Paso, State of Colorado

	DEBIT	CREDIT
Contract Sales Price		\$2,693,315.00
County Taxes 12/30 to 1/1/06		\$0.93
Commission Paid at Settlement	\$269,331.50	
\$134,665.75 to Grubb & Ellis/Quantum Commercial Group		
\$134,665.75 to Innovative Real Estate Group		
Settlement or closing fee to LandAmerica Lawyers Title	\$250.00	
Title Insurance to LandAmerica Lawyers Title	\$4,890.00	
Tax Information Services to LandAmerica Lawyers Title	\$50.00	
Drainage Easement to LandAmerica Lawyers Title	\$20.50	
Irrigation & Utility Easement to LandAmerica Lawyers Title	\$25.50	
Judgment & Decree to LandAmerica Lawyers Title	\$236.00	
Estimated 2005 Real Estate Taxes to El Paso County Treasurer	\$650.00	
Sub Total	\$275,453.50	\$2,693,315.93
Balance Due To Seller	\$2,417,862.43	
Total	\$2,693,315.93	\$2,693,315.93

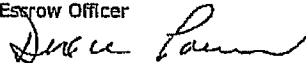
The above figures do not include sales or use taxes on personal property.


APPROVED AND ACCEPTED


Broker: Grubb & Ellis/Quantum Commercial Group

By: \_\_\_\_\_

Lawyers Title Insurance Corporation  
By: Dixie Powers  
Escrow Officer



  
Toby Ronald Wells, as Trustee of The Emma A. Wells Trust Dated December 9, 1991

  
Toby Ronald Wells, as Trustee of The Delbert T. Wells Trust Dated December 9, 1991

**EXHIBIT J**

**FORM OF HEARING NOTICE**

Exhibit J

**NOTICE OF SPECIAL DISTRICT DISCLOSURE**

**(to be provided to every purchaser of real property within the boundaries of the District)  
(upon successful completion of May 2006 election, to be recorded as a stand alone document  
against all property situated within the boundaries of the District)**

Name of District:	Ventana Metropolitan District
Initial Contact Information for District:	Ditz Brothers, LLC Attn: David Ditz 25 North Cascade Avenue, Suite 202 Colorado Springs, CO 80903-1643 Telephone: 719/667-0062
Type of District(s): (i.e. if dual or three districts concept - insert language regarding limited rights of property owners)	Metropolitan District
Identify District(s) Improvements Financed by Proposed Bonds (List by major categories, i.e. Streets, Safety Protection, Water, Sanitation, Storm Drainage, Parks and Recreation):	Water, sanitation, storm drainage, street, safety protection and parks and recreation improvements
Identify Services/Facilities Operated/Maintained by District(s):	Storm drainage and parks and recreation
Mill Levy Cap: (Describe Procedure for any Adjustments to Mill Levy Cap) <i>(Note: This District may or may not be certifying a mill levy at the time of your purchase. Please verify by contacting the District.)</i>	50 mills. The mill levy cap may be adjusted to take into account any change in law with respect to the assessment of the property for taxation purposes, any change in ratio for determining assessed valuation changes, or any similar change, utilizing tax year 2004 (for which an assessment ratio of 7.96% applied) as the base year for the calculation of any such adjustments.  Subject to the service plan, the district intends to levy 25 mills for debt service and 7 mills for operations and maintenance.
Authorized Debt of the District(s) per Service Plan:	\$15,000,000 limited tax general obligation bonds  Subject to the service plan, the district intends to issue less than the total voter authorized debt.
Voter Authorized Debt per Election:	\$15,000,000  Subject to the service plan, the district intends to issue less than the total voter authorized debt.
District Boundaries:	See attached map.

**Sample Calculation of Mill Levy Cap for a Residential Property**

**Assumptions:**

\$200,000 is the market value

Mill levy cap is 50 mills

Mill levy actually assessed is 32 mills

**Calculation:**

$\$200,000 \times .0796 = \$15,920$  (Assessed Valuation)

$\$15,920 \times .032$  mills = **\$509.44 per year in taxes owed solely to the Special District**

**Sample Calculation of Mill Levy Cap for a Commercial, Office or Industrial Property**

**Assumptions:**

\$750,000 is the market value

Mill levy cap is 50 mills

Mill levy cap actually assessed is 32 mills

**Calculation:**

$\$750,000 \times .29 = \$217,500$  (Assessed Valuation)

$\$217,500 \times .032$  mills = **\$6,960 per year in taxes owed solely to the Special District**

CITY OF FOUNTAIN PUBLIC NOTICE  
PROPOSED VENTANA METROPOLITAN DISTRICT SERVICE PLAN

NOTICE is hereby given that a Service Plan and related documents have been filed with the City of Fountain, Colorado for the proposed Ventana Metropolitan District.

A public hearing on the Service Plan and related documents will be held by the City of Fountain City Council on Tuesday, February 28, 2006 at 7:00 p.m., or as soon thereafter as the Council may hear such matter, at 116 South Main Street, Fountain, Colorado 80817 or at such other place as may be designated by said City Council.

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

The proposed district boundaries are generally described as follows:

177.32 acres of real property in the City of Fountain, Colorado east of Old Pueblo Road and north of RMB Court.

The Service Plan and related documents, including a description of the property within the proposed district, are available for public inspection at the Office of the City Clerk, 116 South Main Street, Fountain, Colorado 80817.

Any person owning property in the proposed district may request that his property be excluded from the proposed district. The property owner shall submit such request for exclusion to the City of Fountain no later than ten (10) days prior to the February 28<sup>th</sup> hearing.



**TAXING ENTITIES LOCATED WITHIN THREE MILES OF THE PROPOSED  
CUMBERLAND GREEN METROPOLITAN DISTRICT**

City of Colorado Springs  
Manager-Comprehensive Planning  
City Administration Building  
P.O. Box 1575 Mail Code 320  
Colorado Springs, CO 80901

City of Fountain  
116 South Main Street  
Fountain, CO 80817

Colorado Centre Metropolitan District  
4770 Horizon View Drive  
Security, CO Colorado 80925

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

Cumberland Green Metropolitan District  
c/o Peter Susemihl, Esq.  
Susemihl, McDermott & Cowan  
660 Southpointe Court, Suite 210  
Colorado Springs, CO 80906

Fountain District No. 8  
425 West Alabama  
Fountain, CO 80817

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

Harrison School District  
1060 Harrison Road  
Colorado Springs, CO 80906

Lorson Ranch Metropolitan Districts  
% Landhuis Company  
212 North Wahsatch  
Colorado Springs, CO 80903

Mesa Ridge Metropolitan District No. 1 and No. 2

111 South Tejon  
Colorado Springs, CO 80903

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

Security Fire Protection District  
400 Security Blvd.  
Security, CO 80911

Security Sanitation District  
231 Security Blvd.  
Colorado Springs, CO 80911

Security Water District  
231 Security Blvd.  
Colorado Springs, CO 80911

Southeastern Colorado Water Conservancy District  
31717 United Avenue  
Pueblo, Colorado 81001

Widefield School District No. 3  
1820 Main Street  
Security, CO 80911

Widefield Water and Sanitation District  
37 Widefield Boulevard  
Colorado Springs, CO 80911

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Colorado Centre Metropolitan District  
4770 Horizon View Drive  
Security, CO 80925

Article Number  
(Transfer from service label)

7001 0320 0005 8122 1664

Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
*Stacy Good*  Agent  Addressee

B. Received by (Printed Name) C. Date of Delivery  
STACY GOOD 2/13/06

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

2. Article Number  
(Transfer from service label)

7001 0320 0005 8122 1695

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
*Stephanie Rod*  Agent  Addressee

B. Received by (Printed Name) C. Date of Delivery  
STEPHANIE ROD 2/13/06

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Fountain District No. 8  
425 West Alabama  
Fountain, CO 80817

Article Number  
(Transfer from service label)

7001 0320 0005 8122 2418

Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
*Stephanie Rod*  Agent  Addressee

B. Received by (Printed Name) C. Date of Delivery  
STEPHANIE ROD 2/13/06

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

2. Article Number  
(Transfer from service label)

7001 0320 0005 8122 2401

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
*Stephanie Rod*  Agent  Addressee

B. Received by (Printed Name) C. Date of Delivery  
STEPHANIE ROD 2/13/06

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 X *[Signature]*  Agent  Addressee

B. Received by (Printed Name) *L. C. LEVINGER* C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

Article Addressed to:

Lorson Ranch Metropolitan Districts  
 c/o Lanhuis Company  
 212 North Wahsatch  
 Colorado Springs, CO 80903

Article Number (Transfer from service label) 7001 0320 0005 8122 2388

S Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 X *[Signature]*  Agent  Addressee

B. Received by (Printed Name) *[Signature]* C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

1. Article Addressed to:

Mesa Ridge Metropolitan District No. 1  
 and No. 2  
 111 South Tejon  
 Colorado Springs, CO 80903

2. Article Number (Transfer from service label) 7001 0320 0005 8122 2371

PS Form 3811, August 2001 Domestic Return Receipt 102595-02

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 X *[Signature]*  Agent  Addressee

B. Received by (Printed Name) C. Date of Delivery *2-14-06*

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

Article Addressed to:

Security Fire Protection District  
 400 Security Blvd.  
 Security, CO 80911

Article Number (Transfer from service label) 7005 2570 0000 7374 1352

Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 X *[Signature]*  Agent  Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

1. Article Addressed to:

Security Sanitation District  
 231 Security Blvd.  
 Colorado Springs, CO 80911

2. Article Number (Transfer from service label) 7005 2570 0000 7374 1369

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee	
Article Addressed to: Security Water District 231 Security Blvd. Colorado Springs, CO 80911		B. Received by (Printed Name)	C. Date of Delivery
D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No		3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		Article Number (Transfer from service label) <u>7005 2570 0000 7374 1376</u>	
Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540			

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: Southeastern Colorado Water Conservancy District 31717 United Avenue Pueblo, Colorado 81001		B. Received by (Printed Name)	C. Date of Delivery
D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No		3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		2. Article Number (Transfer from service label) <u>7005 2570 0000 7374 1383</u>	
PS Form 3811, February 2004 Domestic Return Receipt 102595-0			

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee	
Article Addressed to: Widefield School District No. 3 1820 Main Street Security, CO 80911		B. Received by (Printed Name)	C. Date of Delivery
D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No		3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		Article Number (Transfer from service label) <u>7005 2570 0000 7374 1390</u>	
Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540			

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: Widefield Water and Sanitation District 37 Widefield Boulevard Colorado Springs, CO 80911		B. Received by (Printed Name)	C. Date of Delivery
D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No		3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		2. Article Number (Transfer from service label) <u>7005 2570 0000 7374 1406</u>	
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1			

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Cumberland Green Metropolitan District  
 c/o Peter Susemihl, Esq.  
 Susemihl, McDermott & Cavan, P.C.  
 660 Southpoint Court, Suite 210  
 Colorado Springs, CO 80906

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

*Peter Susemihl*  Agent  
 Addressee

B. Received by (Printed Name)

*Susemihl*  Agent  
 Addressee

C. Date of Delivery

*14 Feb 06*

D. Is delivery address different from item 1?  Yes

If YES, enter delivery address below:  No

3. Service Type

Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  G.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

Article Number

(Transfer from service label)

7005 2570 0000 7374 1413

Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540



**RESOLUTION 06-009**

**A RESOLUTION APPROVING THE SERVICE PLAN FOR VENTANA METROPOLITAN DISTRICT AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH**

WHEREAS, the City of Fountain, County of El Paso, State of Colorado (the "City"), is a political subdivision of the State, a body corporate and politic, and home-rule city pursuant to Article XX of the State Constitution; and

WHEREAS, pursuant to the provision of Part 2 of Article 1 of Title 32, C.R.S., as amended, (the "Act"), no special district shall be organized if its boundaries are wholly contained within the boundaries of a municipality, except upon adoption of a resolution of approval by the governing body of the municipality; and

WHEREAS, pursuant to the provision of the Act, petitioners proposing the organization of the Ventana Metropolitan District (the "District") have submitted to the City a service plan (the "Service Plan") for the proposed District; and

WHEREAS, notice of a public hearing regarding the organization of the proposed District was published on February 8, 2006 in the El Paso County News and Advertiser also known as the Fountain Valley News; and

WHEREAS, notice of a public hearing was mailed to all districts and municipalities within a three mile radius of the proposed District boundaries; and

WHEREAS, the City Council of the City held a public hearing on February 28, 2006 regarding approval of the organization of the District and approval of the Service Plan for the proposed District; and

WHEREAS, the City Council has considered the organization and Service Plan for the proposed District and all other testimony and evidence presented at the hearing; and

WHEREAS, it appears to the City Council that the Service Plan for the proposed District and the organization of the District should be approved.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Fountain, Colorado:

Section 1. That the City Council hereby determines that the requirements of the Act, relating to the filing of the Service Plan for the proposed District and organization of the proposed District have been fulfilled.

Section 2. That the City Council hereby finds and determines as follows:

(a) There is sufficient and existing and projected need for organized service in the area to be served by the proposed District;

(b) The existing service in the area to be served by the proposed District is not adequate for present and projected needs;

(c) The proposed District is capable of providing economic and sufficient service to the area within its proposed boundaries;

(d) The area to be included in the proposed District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

(e) Adequate services are not, and will not be available through the City, or other governmental organizations, including other Special Districts, within a reasonable time and on a comparable basis;

(f) The Facilities and Service Standards of the proposed District are, or will be compatible with the Facilities and Service Standards of the City:

(g) The creation of the proposed District will be in the best interests of the area to be served.

Section 3. That the Service Plan for the proposed Ventana Metropolitan District as attached to this Resolution as Exhibit "1" and presented to City Council on February 28, 2006 is hereby approved.

Section 4. That this Resolution is effective upon its adoption by the City Council.

Done this 28th day of February, 2006.



ATTEST:

Sharon S. Mackey  
City Clerk

CITY OF FOUNTAIN, COLORADO

Jeri C. Howell  
Mayor