

AMENDED AND RESTATED
SERVICE PLAN
FOR
SPRING VALLEY
METROPOLITAN DISTRICT NO. 2
(ELBERT COUNTY, COLORADO)

Submittal Date: September 24, 2003

Resubmittal Date: February 25, 2004

Approved: March 10, 2004

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**AMENDED AND RESTATED SERVICE PLAN FOR THE
SPRING VALLEY METROPOLITAN DISTRICT NO. 2**

I. INTRODUCTION

The Board of County Commissioners (“BOCC”) for Elbert County, Colorado (“County”) approved the Service Plan for the Spring Valley Metropolitan District No. 2 (the “District”) on July 18, 2001 (“Original Service Plan”). The BOCC also approved the Service Plan for the Spring Valley Metropolitan District No. 1 (“District No. 1”) on July 18, 2001. The District and District No. 1 were duly formed and organized by order of the Elbert County District Court. When the District and District No. 1 were organized, it was anticipated that a multiple district structure would be used to serve the Spring Valley development (“Development”).

In order to assure that the long-range infrastructure plans for the Development can be effectuated and to accommodate an increase in the density of the Development, an additional district, Spring Valley Metropolitan District No. 3 (“District No. 3”), is being organized. The District desires to amend and restate the Original Service Plan to acknowledge the existence of District No. 3, to incorporate changes in the Financial Plan, as hereinafter defined, and certain other matters.

This document is being presented pursuant to Section 32-1-207, C.R.S., and shall supercede and replace in its entirety the Original Service Plan and shall be referred to as the Amended and Restated Service Plan (“Service Plan”).

Pursuant to the requirements of the Special District Control Act, Section 32-1-201, *et seq.*, C.R.S., this Service Plan consists of a financial analysis and an engineering plan showing

how the proposed facilities and services of the District will be provided and financed. The following items are included in this Service Plan:

- A. A description of the proposed services;
- B. A financial plan showing how the proposed services are to be financed, including the proposed operating revenue derived from property taxes for the first budget year of the District and a schedule indicating the year or years during which proposed indebtedness is scheduled to be issued;
- C. A preliminary engineering analysis showing how the proposed services are to be provided;
- D. A map of the special district boundaries and an estimate of the population and valuation for assessment of the special district;
- E. A general description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of the special district are compatible with facility and service standards of the County and of any municipalities and special districts which are interested parties pursuant to Section 32-1-204(1), C.R.S.;
- F. A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, 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
- G. 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.

II. PURPOSE OF THE DISTRICT

Services will be provided to the Development by two existing metropolitan districts, District No. 1 and the District, and by District No. 3, which will be created pursuant to Section 32-1-201, *et seq.*, C.R.S. The District, District No. 1, and District No. 3 are sometimes hereinafter referred to collectively as the “Districts.” In reviewing the service needs of the Development, it was determined that the water and sewer services and facilities are distinct from the street improvements, parks and recreation, safety protection, transportation, television relay and translation, mosquito control, and limited fire protection services (“Secondary Services and Facilities”). Due to the requirements of the County for a centralized water system and sanitary sewer system, it is contemplated that District No. 1 will serve as a regional water and sewer provider, which is in the best interests of the County for the following reasons:

- A. Water and sanitary sewer service can be provided to new developing areas without burdening the taxpayers of the existing communities.
- B. The provision of water and sanitary sewer service to new developing areas and existing areas can be analyzed on the basis of the costs of providing such service, not on issues related to Secondary Services and Facilities or growth issues.
- C. New and existing developments will not be expected to pay taxes if they do not want or need any of the Secondary Services and Facilities.
- D. Extraterritorial service arrangements can be utilized to customize plans for water and sanitary sewer service to new and existing developments.

The District and District No. 3 will have the primary functions of providing Secondary Services and Facilities as follows: (a) providing street improvements and related facilities; (b) providing parks and recreation facilities; (c) providing safety protection facilities and

improvements; (d) providing transportation facilities and improvements; (e) providing television relay and translation facilities and services, (f) providing mosquito control; and (g) providing limited fire protection facilities and services within and without their respective boundaries.

The District and District No. 3 will also have the authority to construct and operate water and sanitary sewer improvements. However, it is anticipated that they will contract with District No. 1 for the provision of such services to properties within their boundaries. The District and District No. 3 are expected to finance the construction of the Secondary Services and Facilities for the Development as described in this Service Plan.

The major purpose of the District is to finance and construct the Secondary Services and Facilities within its boundaries and to dedicate, when appropriate, such public improvements to the County or to such other entity as appropriate for the use and benefit of the District's taxpayers.

The Districts will enter into a Regional Facilities Agreement ("Regional Facilities Agreement"), which agreement will provide, among other things, the following: (a) District No. 1 will provide water and sanitary sewer service to the Development; (b) the District and District No. 3 shall agree to assist District No. 1 in the assessment, collection, and administration of any fees, rates, tolls, assessments and user charges for water and sewer services and the Secondary Services and Facilities within and outside the Districts; (c) the Districts shall agree to coordinate construction projects to increase the efficiency of the public bidding process; (d) the Districts shall agree to coordinate their efforts with respect to financing the infrastructure improvements; and (e) the District and District No. 3 will provide Secondary Services and Facilities to the Development.

III. DISTRICT BOUNDARIES/MAPS

The District is generally located in the County north of Singing Hills Road/County Road 166, south of County Road 174, west of County Road 29, and east of County Road 17-21. The total area to be initially included in the District is approximately 834.28 acres ("Property"). A legal description of the Property is attached hereto as Exhibit A and a map of the boundaries of the Property is attached as Exhibit A-1. A vicinity map which indicates all of the boundaries of all of the Districts is attached as Exhibit B.

The area to be served by the Districts comprises one thousand eight hundred eleven (1,811) acres. The one thousand eight hundred eleven (1,811) acres are comprised of property within the boundaries of District No. 1, the District, and District No. 3 (61.322 acres + 834.28 acres + 915.178 acres = 1,811 acres).

The Development also includes an eighteen-hole golf course, with plans to expand to thirty-six holes ("Golf Course Property"). The Golf Course Property has not been included within the boundaries of the Districts. It is anticipated that the Golf Course Property will enhance the value of the property within the District. It is intended that the Golf Course Property will be a part of the service area of District No. 1 and will pay tap fees, service charges and any other rates, fees, tolls or charges imposed by District No. 1 for the use of its services. However, because it is not part of the District's boundaries, the Golf Course Property will not be subject to the District's mill levy.

It is anticipated that the District's boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to Parts 4 and 5 of Article 1, Title 32, C.R.S. The number, scope, and terms of inclusions of additional property will be determined by the Board of Directors of the District ("Board") at the time of consideration.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS

The Development is currently zoned for a planned unit development (“PUD”) of 678 single-family residences, a 36-hole golf course, and limited commercial use. Running Creek Associates, LLC (the “Developer”) has submitted an application to the County to amend the PUD to allow for the Development of 1,186 single-family residences, 514 of which will be located within the District's boundaries. The Development is now vacant and is not presently served with the facilities and/or services proposed to be provided by the District, nor does the County or any other special district have any plans to provide such services within a reasonable time and on a comparable basis.

The Financial Plan assumes the development of approximately 1,186 single-family lots within the Development. Based upon an estimated 2.846 persons per dwelling unit, the projected population within the Development at final build out is approximately three thousand three hundred seventy-five (3,375) persons. The projected density for the District is anticipated to be one thousand four hundred sixty-three (1,463) persons, based on 514 single-family lots within the District. In order to facilitate the development within all of the Districts as planned, organized provision of facilities and services proposed to be provided by all of the Districts will be necessary.

V. DESCRIPTION OF PROPOSED SERVICES

The following paragraphs provide a description of the proposed services to be provided by the District.

A. Types of Improvements.

The District shall have the authority to provide for the design, acquisition, construction, completion, installation, relocation, financing, and the operation and maintenance

of certain water, sanitation, street, safety protection, transportation, television relay and translation, mosquito control, park and recreation and limited fire protection facilities improvements and services within and without the boundaries of the District. This Service Plan generally describes those improvements anticipated for construction in the following paragraphs. Exhibit C lists the improvements currently planned to be provided as well as their estimated costs (the "Improvements"). The Improvements generally depicted and described in Exhibits D-1 through D-4 have been presented for illustration only, as based on assumptions in the preliminary plat submittal. The exact design, subphasing of construction and location of the Improvements will be determined at the time of final platting for each phase.

B. Parks and Recreation Improvements.

The District shall have the power to provide for the design, acquisition, construction, completion, installation, relocation, financing, and/or operation and maintenance of parks and recreational facilities, including, but not limited to, parks, clubhouse, bike paths and pedestrian ways, equestrian trails, open space, landscaping, cultural activities, community recreational facilities, water bodies, 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 without the boundaries of the District. The parks and recreational facilities described in this Service Plan will be owned, operated and maintained by the District. The Property lies within the boundaries of the Elizabeth Park and Recreation District ("Park and Recreation District"). The Park and Recreation District has requested that the District and District No. 3 assist with the payment of costs incurred by the Park and Recreation District in connection with the provision of park and recreation services to the Development. The District will agree to impose a fee on each

residential unit constructed within the District (provided that such property is included within the boundaries of the Park and Recreation District) in the amount of \$350 per residential unit ("Park and Recreation Fee"). The District shall cause the Park and Recreation Fee to be paid to the Park and Recreation District on or before the issuance of a building permit by the County. The District, District No. 3 and the Park and Recreation District intend to enter into an intergovernmental agreement with respect to the imposition and collection of the Park and Recreation Fee. The Park and Recreation District has agreed to serve the Development and intends to adopt a resolution consenting to the District's provision of certain park and recreation services.

C. Street Improvements.

The District shall have the power to provide for the design, acquisition, construction, completion, installation, relocation, financing, and/or operation and maintenance of street improvements, both on-site and off-site, including curbs, gutters, culverts and other drainage facilities, realignment of railroad tracks necessitated by construction, underground conduits, sidewalks, bridges, overpasses, bike paths and pedestrian ways, median islands, grading, landscaping, irrigation, parking lots and structures, and a system of traffic and safety controls and devices on streets and highways, including signalization, together with all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the boundaries of the District.

In addition, as part of its street powers, the District shall undertake storm drainage improvements and have the power to provide for the design, acquisition, construction, completion, installation, relocation, financing, and/or operation and maintenance of a complete storm drainage system. The system may include, but shall not be limited to, flood and surface

drainage facilities and systems, including detention/retention ponds, settling ponds and associated landscaping and irrigation facilities and all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to the system within and without the boundaries of the District.

It is anticipated that, following acceptance by the County, the street and street-related storm drainage improvements within each of the Districts' boundaries will be dedicated to the County for operation and maintenance. The District may supplement the County's maintenance as it deems necessary or desirable to benefit its taxpayers and service users. In the event the street and storm drainage improvements are not accepted by the County, the District or District No. 3 shall operate and maintain such improvements. All streetscaping improvements will be maintained by the District or District No. 3, or an association of landowners within the Development, or a combination thereof.

D. Safety Protection.

The District shall have the power to provide for the design, acquisition, construction, completion, installation, relocation, financing, and/or operation and maintenance of facilities and/or services for a system of traffic and safety controls and devices on streets and highways, including signalization, signing and striping, together with all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the boundaries of the District. Following acceptance, all safety protection improvements will be dedicated to the County for ownership and operation and maintenance.

E. Transportation.

The District shall have the power to provide for the design, acquisition, construction, completion, installation, relocation, financing, and/or operation and maintenance of transportation system improvements, including transportation equipment, park and ride facilities and public parking lots, structures, roofs, covers and facilities, together with all necessary incidental and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the boundaries of the District; provided however, that the design, acquisition, construction, installation, and/or operation and maintenance of public transportation system improvements shall, where applicable, be subject to the entry into authorizing contracts pursuant to the provisions of Part 2, of Article I of Title 29, C.R.S. Such public transportation improvements may be owned, operated and maintained by the District or District No. 3 or dedicated to the County or regional transportation district, as appropriate.

F. Television Relay and Translation.

The District shall have the power to provide for the design, acquisition, construction, completion, installation, relocation, financing, and/or operation and maintenance of television relay and translation facilities, cable and communication facilities, fiber optic conduit network, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities within and without the boundaries of the District.

The District may undertake, with the County's prior written consent, on its own or pursuant to a contract with a third party, the establishment, and operation and maintenance of a cable television system utilizing translator and relay facilities. The exact configuration of the

projected television relay improvements is not currently known, but will depend upon the actual pace and scope of the construction within the District.

G. Mosquito Control.

The District shall have the power to provide for the eradication and control of mosquitoes, including but not limited to elimination or treatment of breeding grounds and purchase, lease, contracting or other use of equipment or supplies for mosquito control.

H. Water Improvements.

The District shall have the power to provide for the design, acquisition, construction, completion, installation, relocation, financing, and/or operation and maintenance of a complete potable and non-potable local water supply, storage, transmission, and distribution system, which may include, but shall not be limited to, transmission lines, distribution mains and laterals, treatment facilities, storage facilities, land and easements, and all necessary, incidental, and appurtenant facilities, together with extensions of and improvements to said system within and without the boundaries of the District. It is anticipated that the water improvements described herein shall be dedicated to and operated and maintained by District No. 1. The owner of the Development will convey all currently adjudicated water rights underlying the Development to the District No. 1.

I. Sanitation Improvements.

The District shall have the power to provide for the design, acquisition, construction, completion, installation, relocation, financing, and/or operation and maintenance of a complete local sanitary sewage collection and transmission system which may include, but shall not be limited to, collection mains and laterals, lift stations, transmission lines, treatment facilities, and/or storm sewer, culverts, flood and surface drainage facilities and systems,

including 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 system within and without the boundaries of the District. It is anticipated that the sanitary sewer improvements described herein shall be dedicated to and operated and maintained by District No. 1.

J. Fire Protection.

The District shall have the power to provide for the financing of and design, acquisition, construction, completion, and installation of facilities and equipment for limited fire protection, including fire stations, ambulance and emergency medical response and rescue services and diving and grappling stations and all necessary, incidental and appurtenant facilities, land and easements, together with extensions of and improvements to said systems within and without the boundaries of the District. The Development lies within the boundaries of the Elizabeth Fire Protection District (“EFPD”) and the Rattlesnake Fire Protection District (“RFPD”). Both fire districts have agreed to serve the Development. The District's authority to provide limited fire protection services and facilities shall be subject to an agreement between all of the Districts and each of the fire districts pursuant to § 32-1-107(3)(b)(IV), C.R.S.

RFPD and EFPD have requested the District and District No. 3 assist with the payment of the construction of certain fire protection facilities which will benefit the residents of the Development. The District has imposed and District No. 3 will agree to impose a fee on each residential unit constructed within each of the Districts in the amount of \$1,000.00 per residential unit (“Fire Protection Fee”). The District and District No. 3 shall cause the Fire Protection Fee to be paid to RFPD or EFPD, as applicable, on or before the date of issuance of a certificate of occupancy by the County. The District, District No. 3 and each of the fire districts intend to

enter into an intergovernmental agreement with respect to the imposition and collection of the Fire Protection Fee. It is the express intent of this Service Plan that the District's authority to provide limited fire protection services and facilities shall be exercised cooperatively with the existing fire protection districts, rather than authorize the creation of an independent fire department as part of this District.

K. Other Powers.

In addition to the enumerated powers, the Board shall also have the following authority:

1. Plan Amendments. To amend the Service Plan as needed, subject to the appropriate statutory procedures.

2. Phasing, Deferral. Without amending this Service Plan, to defer, forego, reschedule, or restructure the financing and construction of certain improvements and facilities, to better accommodate the pace of growth, resource availability, and potential inclusions of property within the District.

3. Additional Services. Except as specifically provided herein, to provide such additional services and exercise such powers as are expressly or impliedly granted by Colorado law. The District shall have the authority pursuant to Section 32-1-1101(1)(f), C.R.S. and Sections 32-1-1101(1.5)(a) – 1.5(f), C.R.S. to divide the District into one or more areas consistent with the services, programs, and facilities to be furnished herein. The exercise of such authority shall not be deemed a material modification of this Service Plan.

4. 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 the aforementioned intergovernmental agreements and any other 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 of the County.

VI. NEED FOR THE DISTRICT

The Property within the District is entirely within the boundaries of the County and the Park and Recreation District. Neither the County nor the Park and Recreation District consider it feasible or practical to provide the Property with certain parks and recreation, water, sanitation, street, safety protection, transportation, mosquito control, limited fire protection, and television relay and translation facilities and services. Therefore, it is necessary that the District be organized to provide its inhabitants with those parks and recreation, water, sanitation, street, safety protection, transportation, mosquito control, limited fire protection, and television relay and translation facilities services which the County or the Park and Recreation District have determined it they cannot feasibly or practically provide within the area of the District. It is anticipated that the RFPD and the EFPD will provide fire protection services to District residents.

VII. ASSESSED VALUATION

The current assessed valuation of the Property is assumed to be \$ - 0 - as set forth in the Financial Plan section of this Service Plan.

VIII. PRELIMINARY ENGINEERING STANDARDS AND ANALYSIS

A. Facilities to be Constructed and/or Acquired.

The District proposes to provide and/or acquire those facilities generally described in Article V. Description of Proposed Services above. A general description and

preliminary engineering survey of the facilities to be constructed and/or acquired are shown on Exhibits D-1 through D-4 attached hereto.

B. Standards of Construction/Statement of Compatibility.

1. All water system facilities and improvements will be designed, constructed, maintained and operated in accordance with the standards of the Colorado Department of Health, the County, and in accordance with applicable local, state, or federal rules and regulations.

2. All sanitation facilities will be designed, constructed, maintained and operated in accordance with the standards of the Colorado Department of Health, the County, and in accordance with applicable local, state or federal rules and regulations.

3. All streets, safety protection and storm drainage facilities will be designed and constructed in accordance with the standards and specifications of the County, the Colorado Department of Transportation, Urban Drainage and Flood Control, and in accordance with applicable local, state or federal rules and regulations.

4. All parks and recreational facilities and/or services will be designed, constructed, maintained and operated in accordance with County standards and specifications and in accordance with applicable local, state or federal rules and regulations.

5. All transportation facilities and/or services will be designed, constructed, maintained and operated in accordance with the standards and specifications of the County and in accordance with applicable local, state or federal rules and regulations.

6. All television relay and translation facilities will be designed, constructed, maintained and operated in accordance with the standards and specifications of the Federal

Communications Commission, the County, and in accordance with applicable local, state or federal rules and regulations.

7. All mosquito eradication and control facilities will be designed, constructed, maintained and operated in accordance with the standards and specifications of the Colorado Department of Health, the County, and in accordance with applicable local, state or federal rules and regulations.

8. All fire protection facilities will be designed and constructed in accordance with the standards and specifications of the County, RFPD and EFPD and in accordance with applicable local, state or federal rules and regulations.

Based on an analysis of jurisdictions which are interested parties in the Service Plan proceedings according to Colorado 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.

C. Estimated Costs of Facilities.

The estimated costs of the facilities to be constructed, installed and/or acquired by the District are set forth in Exhibit C attached hereto. A map and preliminary drawings are included in Exhibits D-1 through D-4. The total estimated cost for all facilities to serve the Development, including contingencies, is Thirty-Six Million One Hundred Forty-Nine Thousand Four Hundred Ninety Dollars (\$36,149,490). To the extent that the cost of the Improvements cannot be financed by the District, the Developer will pay or caused to be paid the cost of such Improvements.

D. Operation and Maintenance/Estimated Costs.

Subject to the applicable warranty, the District intends to dedicate certain facilities constructed or acquired to the appropriate jurisdiction for operations and maintenance. Facilities completed by the District or others within its boundaries may be owned, operated and/or maintained by the District, pursuant to approvals being obtained from the appropriate jurisdiction(s).

The District will prepare an initial budget and, to the extent there are insufficient funds from the mill levy of five (5) mills, the Developer will advance funds to pay operation and maintenance expenses. The District shall have the authority to repay the Developer for amounts advanced for operation and maintenance expenses, together with interest thereon, and to seek electorate approval for such obligation to be deemed a multiple-fiscal year obligation, provided such obligation shall be subordinate to the District's bonds issued for capital improvements and payment of annual operation and maintenance expenses. The District also may impose a system of fees, rates, tolls, penalties or charges in connection with its provision of services.

Although not shown in the Financial Plan, District No. 1 intends to impose service charges for use of the water and sanitary sewer system. Upon formation, District No. 1 intends to obtain a rate study and will charge fees for water and sanitary sewer services commensurate with such rate study sufficient to pay such operation and maintenance expenses.

IX. FINANCIAL PLAN

A. Financial Plan/Proposed Indebtedness.

The Financial Plan attached hereto as Exhibit E describes how the proposed facilities and/or services are to be financed, including the estimated costs of 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 operation of the District. The Financial Plan demonstrates the issuance of general obligation bonds and the anticipated repayment based on the projected development within the boundaries of the Development. The Financial Plan demonstrates that, at projected levels of development, the District has the ability to finance the facilities identified herein, and will be capable of discharging the proposed indebtedness on a reasonable basis.

It is anticipated that three series of general obligation bonds will be issued, one in each of the years 2004, 2007, and 2010. Prior to that time, the organizational expenses and the construction costs for necessary improvements will be advanced by the Developer, subject to subsequent acquisition by the District of the completed Improvements and reimbursement to Developer of such organizational expenses and advanced construction costs. Any multiple-fiscal-year obligations issued or otherwise contracted for to reimburse Developer for the organizational expenses and advanced construction costs shall be included within the debt limits described below.

B. General Obligation Bonds.

The proposed total maximum amount of bonds that may be issued by the District shall be Thirty-Five Million Dollars (\$35,000,000) (exclusive of operation and maintenance debt). Such limitation shall not be applicable to refunding of the bonds authorized to be issued hereunder. It is proposed that the District seek authority from its electorate to incur a multiple-fiscal year obligation to remit property tax revenue to District No. 1 in an aggregate amount not to exceed Thirty-Five Million Dollars (\$35,000,000.00).

The amount to be voted exceeds the amount of bonds anticipated to be sold, as shown in the Financial Plan, to allow for unforeseen contingencies and increases in construction

costs due to inflation, expansion of the District's boundaries, and to cover all issuance costs, including capitalized interest, reserve funds, discounts, legal fees and other incidental costs of issuance. The maximum voted interest rate is eighteen percent (18%) per annum. The term, maximum rates, and discounts will be determined at the time the bonds are sold by the District and will reflect market conditions at the time of sale. The District may also issue notes, certificates, debentures, or other evidence of indebtedness, which issuance shall be subject to the limitations set forth in this Service Plan.

The District will assume a mill levy on all taxable property within its boundaries as the primary source of revenue for repayment of debt service of any general obligation bonds that are issued by the District or through a pledge of tax revenues to District No. 1. Although the mill levy may vary depending upon the elected Board's decision to fund the projects contemplated in this Service Plan, it is estimated that a mill levy of forty (40) mills will produce revenue sufficient to support the debt retirement and operations and maintenance expenses. In addition, the District may capitalize interest as may be considered necessary or appropriate by the Board. Interest income through the reinvestment of construction funds, capitalized interest and annual tax receipts will provide additional funds. These revenue sources should be sufficient to retire the proposed indebtedness if growth occurs as projected; otherwise, increases in the mill levy and/or the imposition of rates, tolls, fees and charges may be necessary; but in no event shall the debt service mill levy exceed the Mill Levy Cap as defined below.

The "Mill Levy Cap" shall be the maximum mill levy the District is permitted to promise to impose for payment of general obligation debt and shall be determined as follows:

1. For debt which exceeds 50% of the District's assessed valuation, the Mill Levy Cap shall be fifty (50) mills; provided however, that in the event the method of calculating

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

2. For debt which is equal to or less than 50% of the District's assessed valuation, either on the date of issuance or at any time thereafter, the Mill Levy Cap shall be such amount as may be necessary to pay the debt service on such debt, without limitation of rate.

For purposes of the foregoing, once debt has been determined to be within B.2. above so that the District is entitled to pledge to its payment an unlimited *ad valorem* mill levy, the District may provide that such debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent reduction in the assessed valuation of the District.

C. Revenue Bonds.

Some of the facilities to be provided by the District may be partially financed through the issuance of revenue bonds secured from various revenue sources, including, but not limited to *ad valorem* tax revenue of the District and District No. 3, Tap Fees, as hereinafter defined and Facilities Fees, as hereinafter defined. The Financial Plan shows a facility fee of \$3,500 per single family unit (increasing each year by 2.0%), which will be used to finance costs related to the street and park and recreation improvements ("Facility Fees"), and a water and sanitation tap fee ("Tap Fee") in the amount of \$15,000 per single family unit (increasing each year by 2.0%). Actual fees to be imposed will vary with the actual costs of design, acquisition,

completion, installation, construction, operation, maintenance, and replacement of the facilities. It is anticipated that District No. 1 will impose the Tap Fee and that District No. 2 and District No. 3 will impose the Facilities Fee on all property located within the boundaries of the Districts. The Financial Plan anticipates that all Tap Fees and Facilities Fees shall be collected prior to the issuance by the County of a building permit for the property upon which such fees are being imposed.

In the event the bonds are sold as revenue bonds (without a general obligation pledge of the District), such bonds shall never constitute debt or indebtedness of the District within the meaning of any provision or limitation of the laws of Colorado or the state Constitution and shall not constitute nor give rise to a pecuniary liability of the District or charge against its general credit or taxing powers. The exact interest rates, discounts and their form will be determined at the time the bonds are sold by the District, and will reflect market conditions at the time of sale. It is projected that the payments received from Tap Fees and Facilities Fees, together with *ad valorem* taxes, will be sufficient to retire all bonds issued by the District.

It is anticipated that a total of Thirty-Five Million Dollars (\$35,000,000.00) in revenue bonds may be issued. The revenue bonds issued shall bear interest at a rate such that the net effective interest rate of the issue of bonds does not exceed the maximum net effective interest rate of eighteen percent (18%) per annum. The resolution authorizing the issuance of such bonds shall specify the maximum net effective interest rate. Such bonds may be issued in one or more series, may bear such date, may mature at such time, may be in such denominations, may carry such registration privileges, may be subject to such terms of redemption in advance of maturity in such order or by lot or otherwise at such time with or without a premium, may be executed in such manner, may bear such privileges for re-issuance in the same or other

denominations, may be so reissued, and may be in such form as may be provided by the Board. The District may capitalize interest as may be considered necessary or appropriate by the Board. Interest income through the reinvestment of construction funds will provide additional income. The projected revenue sources will retire the proposed bonds if growth occurs as projected.

Prior to the issuance of the revenue bonds, construction costs for the Improvements may be advanced by the Developer within the District subject to subsequent acquisition by the District of the completed Improvements and reimbursement to the Developer of such advanced costs together with interest thereon.

D. Cost Summary and Bond Development.

The Financial Plan reflects the total amount of bonds to be sold to finance the design, construction, completion, acquisition and/or installation of the proposed facilities, including all costs and expenses related to the anticipated bond issuances. The amount of bonds sold will be based upon the final engineering estimates and/or actual construction contracts. Organizational costs, including legal fees, and capitalized engineering costs are to be paid from the proceeds of each bond issue. The interest rates as set forth in the Financial Plan are based upon the advice of Kirkpatrick, Pettis, Smith, Polian, Inc., financial advisor to the District.

The Financial Plan projects the anticipated flow of funds and is based upon estimates of construction and project needs for bond proceeds to finance the District's Improvements. The District's engineer has evaluated the timing and cost estimate of the District's Improvements which are necessary to support the proposed absorptions of development as projected in the Financial Plan and has concurred with the assumptions.

All issuances of general obligation bonds shall be deemed to be in compliance with the Financial Plan so long as the Minimum Criteria, as hereinafter defined, have been met.

Minimum Criteria shall mean that the general obligation bonds are: (1) subject to a Mill Levy Cap, if required by this Service Plan; (2) together with other outstanding general obligation bonds, not in excess of the general obligation debt authorization set forth in this Service Plan, as may be amended from time to time; and (3) together with other outstanding general obligation bonds, not in excess of the general obligation debt authority approved by the District's electorate.

E. Enterprise.

The Board may set up enterprises to manage, fund, and operate such facilities, services, and programs as may qualify for enterprise status using the procedures and criteria provided by COLO. CONST. Art. X, § 20. To the extent permitted by law, any enterprise created by the District will remain under the control of the Board.

F. Economic Viability.

The Financial Plan illustrates the estimated income and expenses for the District over a thirty-seven (37) year period presuming issuance of three series of general obligation bonds maturing within a thirty-seven (37) year period. The analysis reflects a total build-out period of thirteen (13) years for the development, an initial Tap Fee of \$15,000 (increasing each year by 2.0%), a Facility Fee of \$3,500 (increasing each year by 2.0%), and a mill levy of forty (40) mills for operation and maintenance and debt service. It is also assumed that the increase in the assessed valuation from new construction will be realized one year after such construction and that tax collections will be realized two years after such construction. The Financial Plan contained in this Service Plan demonstrates the economic viability of the District.

X. CONCLUSION

It is submitted that this Service Plan for the Spring Valley Metropolitan District No. 2, as required by Section 32-1-203(2), C.R.S., establishes that:

A. There is sufficient existing and projected need for organized service in the area to be serviced by the District.

B. The existing service in the area to be served by the District is inadequate for present and projected needs.

C. The District is capable of providing economical and sufficient service to the area within its boundaries.

D. The area to be included in the District does have or will have the financial ability to discharge the proposed indebtedness on a reasonable basis.

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

F. The facility and service standards of the District are compatible with the facility and service standards of each county within which the Districts are located and each municipality which is an interested party under Section 32-1-204(1), C.R.S.

G. The proposal is in compliance with a master plan adopted pursuant to Section 30-23-106, C.R.S.

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

I. The creation of the District will be in the best interests of the area proposed to be served.

EXHIBIT A

Legal Description of the District

SPRING VALLEY METROPOLITAN DISTRICT NO. 2
PROPERTY DESCRIPTION

A PARCEL OF LAND BEING SECTION 33, TOGETHER WITH A PARCEL OF LAND SITUATED IN SECTION 32 OF TOWNSHIP 6 SOUTH AND BEING THE W1/2 OF SECTION 4, TOWNSHIP 7 SOUTH, RANGE 64 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF ELBERT, STATE OF COLORADO; SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 33, A 3-1/4" ALUMINUM CAP L.S.#10377 IN PLACE, THE POINT OF BEGINNING; THENCE N 89°52'37" W ALONG THE SOUTHERLY LINE OF SAID SECTION 33 A DISTANCE OF 2619.44 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 33, ALSO BEING THE NORTH QUARTER CORNER OF SECTION 4, A 2" ALUMINUM CAP L.S. #23032 IN PLACE; THENCE LEAVING SAID SOUTHERLY LINE S 00°34'31" W ALONG THE NORTH-SOUTH CENTERLINE OF SAID SECTION 4 A DISTANCE OF 5212.97 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 4, A 3-1/4" ALUMINUM CAP L.S. #10377 IN PLACE; THENCE N 89°59'14" W ALONG THE SOUTHERLY LINE OF SAID SECTION 4 A DISTANCE OF 2598.61 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 4, A 2-1/2" ALUMINUM CAP L.S. #10377 IN PLACE; THENCE N 00°25'06" E ALONG THE WESTERLY LINE OF SAID SECTION 4 A DISTANCE OF 2635.25 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 4, A 3-1/4" ALUMINUM CAP L.S. #10377 IN PLACE; THENCE CONTINUING ALONG SAID WESTERLY LINE N 00°16'16" E A DISTANCE OF 2582.64 FEET TO THE NORTHWEST CORNER OF SAID SECTION 4, SAID POINT ALSO BEING THE SOUTHEAST CORNER OF SECTION 32, A 3-1/4" ALUMINUM CAP L.S. #10377 IN PLACE; THENCE N 89°37'37" W ALONG THE SOUTHERLY LINE OF SAID SECTION 32 A DISTANCE OF 2653.62 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 32, A 2-1/2" ALUMINUM CAP L.S. #6935 IN PLACE; THENCE CONTINUING ALONG SAID SOUTHERLY LINE N 89°38'02" W A DISTANCE OF 82.39 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY COUNTY ROAD 17-21; THENCE LEAVING SAID SOUTHERLY LINE ALONG SAID RIGHT-OF-WAY THE FOLLOWING NINE (9) COURSES:

- 1.) N06°14'25"E A DISTANCE OF 670.27 FEET
- 2.) ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 2,450.00 FEET AND A CENTRAL ANGLE OF 12°38'51" A DISTANCE OF 540.82 FEET (CHORD BEARS N12°33'51"E 539.72 FEET)
- 3.) N18°53'16"E A DISTANCE OF 378.31 FEET
- 4.) ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 3,050.00 feet AND A CENTRAL ANGLE OF 04°53'18" A DISTANCE OF 260.21 FEET (CHORD BEARS N21°19'55"E 260.14 FEET)
- 5.) N23°25'34"E A DISTANCE OF 1,607.92 FEET
- 6.) ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 725.00 FEET AND A CENTRAL ANGLE OF 48°06'03" A DISTANCE OF 608.65 FEET (CHORD

BEARS N46°46'53"E 590.93 FEET)

7.) N70°49'54"E A DISTANCE OF 598.65 FEET

8.) ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 1,030.00 FEET AND A CENTRAL ANGLE OF 70°28'07" A DISTANCE OF 1,266.81 FEET (CHORD BEARS N35°35'51"E 1,188.46 FEET)

9.) N00°21'47"E A DISTANCE OF 436.03 FEET TO A POINT ON THE NORTHERLY LINE OF SAID SECTION 32; THENCE LEAVING SAID RIGHT-OF-WAY S 89°36'48" E ALONG SAID NORTHERLY LINE A DISTANCE OF 44.00 FEET TO THE NORTHEAST CORNER OF SAID SECTION 32, A 2-1/2" ALUMINUM CAP L.S. #7361 IN PLACE; THENCE S 89°36'42" E ALONG THE NORTHERLY LINE OF SECTION 33 A DISTANCE OF 2634.04 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 33, A 2-1/2" ALUMINUM CAP L.S. #7361 IN PLACE; THENCE CONTINUING ALONG THE NORTHERLY LINE OF SAID SECTION 33 S 89°37'14" E A DISTANCE OF 2635.58 FEET TO THE NORTHEAST CORNER OF SAID SECTION 33, A 2-1/2" ALUMINUM CAP L.S. #7361 IN PLACE; THENCE S 00°49'33" W ALONG THE EASTERLY LINE OF SAID SECTION 33 A DISTANCE OF 2633.18 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 33, A 2-1/2" ALUMINUM CAP L.S. #7361 IN PLACE; THENCE CONTINUING ALONG THE EASTERLY LINE OF SAID SECTION 33 S 00°49'31" W A DISTANCE OF 2633.20 FEET TO THE POINT OF BEGINNING; SAID PARCEL CONTAINING A GROSS ACREAGE OF 1,149.591 ACRES, MORE OR LESS.

EXCEPTING FROM THE ABOVE DESCRIBED PARCEL THE SPRING VALLEY GOLF COURSE, AS SHOWN IN RECEPTION NO. 353734 OF THE ELBERT COUNTY CLERK AND RECORDER'S OFFICE; RESULTING IN A NET ACREAGE OF 84.416 ACRES LYING WESTERLY OF SAID GOLF COURSE AND 838.395 ACRES LYING EASTERLY OF SAID GOLF COURSE.

EXCEPTING FROM

A PARCEL OF LAND SITUATED IN SECTION 33, TOWNSHIP 6 SOUTH, RANGE 64 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF ELBERT, STATE OF COLORADO, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SECTION 33, A 2 1/4" ALUMINUM CAP L.S. #7361 IN PLACE; THENCE S77°10'21"W, A DISTANCE OF 1,138.81 FEET TO THE POINT OF BEGINNING; THENCE S20°33'00"W A DISTANCE OF 98.35 FEET; THENCE S26°56'28"E A DISTANCE OF 404.85 FEET; THENCE S07°47'10"E A DISTANCE OF 633.65 FEET; THENCE S01°28'41"E A DISTANCE OF 820.62 FEET; THENCE S17°12'42"W A DISTANCE OF 501.85 FEET; THENCE S09°56'36"E A DISTANCE OF 927.93 FEET; THENCE S18°18'55"E A DISTANCE OF 747.54 FEET; THENCE S01°30'30"E A DISTANCE OF 208.07 FEET; THENCE S45°50'53"E A DISTANCE OF 206.30 FEET; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 360.00 FEET AND A CENTRAL ANGLE OF 40°25'50" A DISTANCE OF 254.03 FEET (CHORD BEARS 64°22'02"W 248.79 FEET); THENCE N25°15'08"W A DISTANCE OF 265.24 FEET;

THENCE N82°39'48"W A DISTANCE OF 251.14 FEET; THENCE N39°32'12"W A DISTANCE OF 369.61 FEET; THENCE N12°00'16"W A DISTANCE OF 484.20 FEET; THENCE N09°56'36"W A DISTANCE OF 860.48 FEET; THENCE N75°11'25"W A DISTANCE OF 238.33 FEET; THENCE S83°35'23"W A DISTANCE OF 411.53 FEET; THENCE S32°04'44"W A DISTANCE OF 156.17 FEET; THENCE N16°10'37"W A DISTANCE OF 68.33 FEET; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 605.00 FEET AND A CENTRAL ANGLE OF 19°11'09" A DISTANCE OF 202.59 FEET (CHORD BEARS N06°35'03"W 201.64 FEET); THENCE N03°00'32"E A DISTANCE OF 571.68 FEET; THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 845.00 FEET AND A CENTRAL ANGLE OF 04°12'08" A DISTANCE OF 61.97 FEET (CHORD BEARS N00°54'28"E 61.96 FEET); THENCE S79°57'09"E A DISTANCE OF 648.93 FEET; THENCE N69°15'27"E A DISTANCE OF 167.79 FEET; THENCE N17°35'05"E A DISTANCE OF 179.03 FEET; THENCE N01°10'03"W A DISTANCE OF 467.46 FEET; THENCE N19°38'37"W A DISTANCE OF 325.46 FEET; THENCE N01°59'58"E A DISTANCE OF 675.03 FEET; THENCE N39°24'35"W A DISTANCE OF 166.59 FEET; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 400.00 FEET AND A CENTRAL ANGLE OF 19°23'30" A DISTANCE OF 135.38 FEET (CHORD BEARS N53°45'28"E 134.73 FEET); THENCE N63°27'12"E A DISTANCE OF 43.48 FEET; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 420.00 FEET AND A CENTRAL ANGLE OF 49°35'39" A DISTANCE OF 363.55 FEET (CHORD BEARS N88°15'02"E 352.30 FEET), TO THE POINT OF BEGINNING. SAID PARCEL CONTAINS 67.782 ACRES, MORE OR LESS.

EXCEPTING

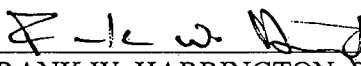
A PARCEL OF LAND SITUATED IN SECTION 33, TOWNSHIP 6 SOUTH, RANGE 64 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF ELBERT, STATE OF COLORADO, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

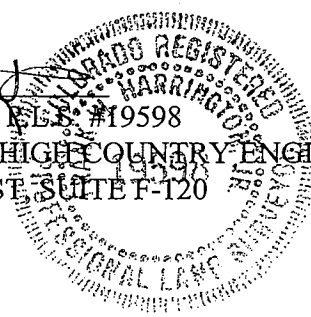
COMMENCING AT THE NORTHEAST CORNER OF SECTION 33, A 2 1/4" ALUMINUM CAP L.S. #7361 IN PLACE; THENCE S64°49'28"W, A DISTANCE OF 4,455.40 FEET TO THE POINT OF BEGINNING; THENCE S57°02'21"E A DISTANCE OF 600.35 FEET; THENCE S84°04'52"E A DISTANCE OF 672.43 FEET; THENCE N87°41'15"E A DISTANCE OF 522.07 FEET; THENCE S03°00'32"W A DISTANCE OF 416.30 FEET; THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 675.00 FEET AND A CENTRAL ANGLE OF 11°31'16" A DISTANCE OF 135.73 FEET (CHORD BEARS S02°45'06"E 135.50 FEET); THENCE S87°41'15"W A DISTANCE OF 524.07 FEET; THENCE N84°04'52"W A DISTANCE OF 1048.51 FEET; THENCE N22°38'46"W A DISTANCE OF 132.99 FEET; THENCE N22°38'46"W A DISTANCE OF 435.56 FEET; THENCE N33°08'27"W A DISTANCE OF 361.44 FEET TO THE POINT OF BEGINNING. SAID PARCEL CONTAINING 20.749 ACRES, MORE OR LESS.

NET ACREAGE FOR SPRING VALLEY METROPOLITAN DISTRICT NO. 2 EQUALS
834.280 ACRES, MORE OR LESS.

SURVEYOR'S STATEMENT

I, FRANK W. HARRINGTON, A PROFESSIONAL LAND SURVEYOR IN THE STATE OF
COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION WAS
PREPARED UNDER MY RESPONSIBLE CHARGE, AND ON THE BASIS OF MY
KNOWLEDGE, INFORMATION AND BELIEF, IS CORRECT.


FRANK W. HARRINGTON, P.L.S. #19598
FOR AND ON BEHALF OF HIGH COUNTRY ENGINEERING, INC.
14 INVERNESS DRIVE EAST, SUITE F-120
ENGLEWOOD, CO 80112



7/9/03
DATE

EXHIBIT A-1

District Map

SECTION 30

COUNTY RD. 174

SECTION 32

COUNTY ROAD 17-21

SECTION 33

SECTION 31

DISTRICT AREA
HATCHED

SECTION 4

COUNTY RD. 166

SPRING VALLEY METROPOLITAN DISTRICT NO. 2 BOUNDARY



HIGH COUNTRY ENGINEERING, INC.
14 INVERNESS DRIVE EAST, SUITE F-120
ENGLEWOOD, COLORADO 80112
PH (303) 925-0544 FX (303) 925-0547
METRO-VICIN

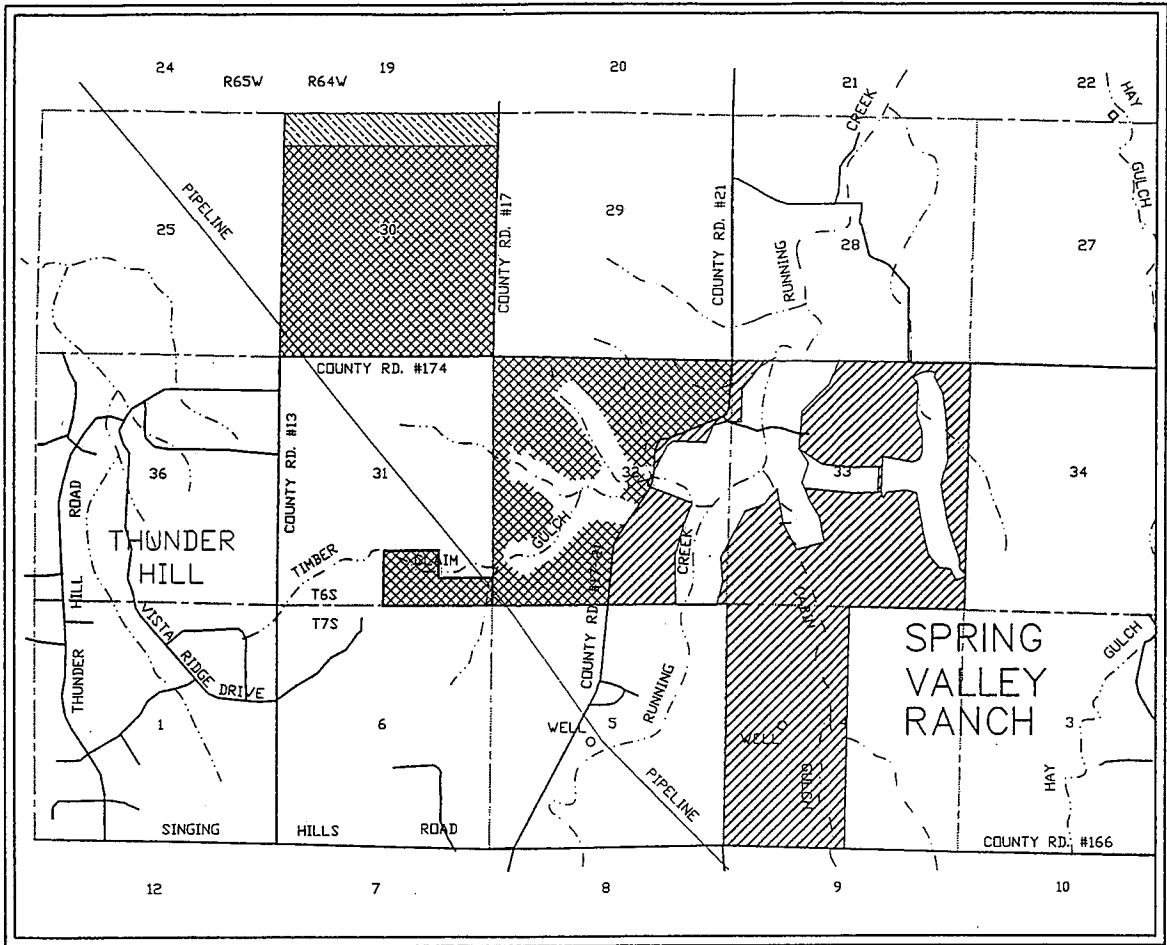
RUNNING CREEK
INVESTMENTS, LLC
ELBERT COUNTY, CO
SPRING VALLEY RANCH
VICINITY MAP

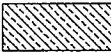


SCALE 1"=2000'

DES. TEW	CK.	FILE NO.	SHEET 1
DR. TEW	DATE 5/25/03	98201.01	OF 1

EXHIBIT B

Vicinity Map (including the boundaries of District No. 1, the District, and District No. 3)



-  METROPOLITAN DISTRICT NO. 1
-  METROPOLITAN DISTRICT NO. 2
-  METROPOLITAN DISTRICT NO. 3

SPRING VALLEY VICINITY MAP



HIGH COUNTRY ENGINEERING, INC.
 14 INVERNESS DRIVE EAST, SUITE F-120
 ENGLEWOOD, COLORADO 80112
 PH (303) 925-0544 FX (303) 925-0547
 METRO-VICIN

RUNNING CREEK INVESTMENTS, LLC
 ELBERT COUNTY, CO
 SPRING VALLEY RANCH VICINITY MAP

SCALE 1"=4000'		FILE NO:	SHEET 1
DES. TEW	CK.	98201.01	OF 1
DR. TEW	DATE 5/25/03		

EXHIBIT C

Facilities and Estimated Construction Costs

**SPRING VALLEY METROPOLITAN DISTRICT NO. 1
ENGINEERS OPINION OF PROBABLE CONSTRUCTION COSTS**

January 9, 2004

HCE JOB NO: 98201.01

j:\excel\98\98201\SPVLY METRO DIST 1.xls

ITEM	QUANTITY	UNIT	UNIT COST	COST
Water				
Water Treatment (Pumps, Pumphouse & Treatment)	1	Lump	Sum	\$360,000.00
Tank (1,200,000 Gallon)	1	Lump	Sum	\$480,000.00
Wells (First Well Site)	3	Lump	Sum	\$900,000.00
12" PVC Water Main	83061	LF	\$ 28.00	\$2,325,708.00
12" Gate Valves	5	EA	\$ 700.00	\$3,500.00
12" Fittings	5	EA	\$ 700.00	\$3,500.00
8" PVC Water Main	58409	LF	\$ 24.00	\$1,401,816.00
8" Gate Valves	146	EA	\$ 700.00	\$102,200.00
8" Fittings	66	EA	\$ 700.00	\$46,200.00
8"and 12" Gate Valves	83	EA	\$ 700.00	\$58,100.00
8"and 12" Fittings	76	EA	\$ 700.00	\$53,200.00
Air/Vacs	11	EA	\$ 1,500.00	\$16,500.00
Fire Hydrants	205	EA	\$ 2,250.00	\$461,700.00
			Sub Total	\$6,212,424.00
Raw Water System				
6" PVC Purple Pipe	141470	LF	\$ 20.00	\$2,829,400.00
Pumphouse	1	Lump	Sum	\$250,000.00
			Sub Total	\$3,079,400.00
Sewer				
Sewer Treatment Plant (600,000 gallon)	1	Lump	Sum	\$2,300,000.00
Lift Stations	4	EA	\$ 70,000.00	\$280,000.00
8" SDR 35 Sewer Main	138839	LF	\$ 26.00	\$3,609,814.00
4" HDPE Force Main	4433	LF	\$ 15.00	\$66,495.00
6" HDPE Force Main	814	LF	\$ 20.00	\$16,280.00
Gravity Sewer Manholes	350	EA	\$ 2,500.00	\$875,000.00
Force Main Manholes	15	EA	\$ 4,500.00	\$67,500.00
			Sub Total	\$7,215,089.00
Mobilization				
			5%	\$825,345.65
Assume 4% Engineering, Surveying, Etc.				\$693,290.35
Assume 2.5% Geotechnical Testing				\$450,638.72
10% Contingency				\$1,847,618.77
3% per Year Escalator	1	YR	3%	\$609,714.19
			TOTAL	\$20,933,520.69

This summary of probable construction cost was prepared for estimating purposes only. High Country Engineering, Inc. cannot be held responsible for variances from this estimate as actual costs may vary due to bid and market fluctuations.

**SPRING VALLEY METROPOLITAN DISTRICT NO. 2
ENGINEERS OPINION OF PROBABLE CONSTRUCTION COSTS**

January 13, 2004

HCE JOB NO: 98201.01

j:\excel\98\98201\SPVLY METRO DIST 2 - revised.xls

ITEM	QUANTITY	UNIT	UNIT COST	COST
Roadway				
Asphalt (24' Section ~ 4")	40591	SY	\$ 8.20	\$332,846.20
Lime Stabilized Subgrade 8" Thick	20851	SY	\$ 3.00	\$62,553.00
Asphalt (24' Section ~ 6")	68540	SY	\$ 12.30	\$843,042.00
Asphalt (24' Section ~ 5.5")	12231	SY	\$ 11.28	\$137,965.68
Asphalt (24' Section ~ 6") CR 21 to North of Project	63360	SY	\$ 12.30	\$779,328.00
Lime Stabilized Subgrade 12" Thick CR 21 North of Project	63360	SY	\$ 4.00	\$253,440.00
Class 6 (2~4' shoulder) CR 21 to North of Project	3520	CY	\$ 29.00	\$102,080.00
Lime Stabilized Subgrade 12" Thick	44892	SY	\$ 4.00	\$179,568.00
Subgrade Prep	55646	SY	\$ 1.00	\$55,646.00
12' Wide Fire Loop	3333	CY	\$ 29.00	\$96,657.00
Class 6 (2~4' shoulder)	11235	CY	\$ 24.70	\$277,504.50
Asphalt (24' Section ~ 7 1/2")	56246	SY	\$ 10.00	\$562,460.00
			Sub Total	\$3,683,090.38
Drainage and Erosion Control				
18" ADS N-12 Culvert	225	LF	\$ 35.00	\$7,875.00
18" CMP Mitered End Section	8	EA	\$ 150.00	\$1,200.00
24" ADS N-12 Culvert	1247	LF	\$ 42.00	\$52,374.00
24" CMP Mitered End Section	46	EA	\$ 200.00	\$9,200.00
30" ADS N-12 Culvert	1052	LF	\$ 48.00	\$50,496.00
30" CMP Mitered End Section	42	EA	\$ 250.00	\$10,500.00
36" ADS N-12 Culvert	123	LF	\$ 52.00	\$6,396.00
36" CMP Mitered End Section	4	EA	\$ 300.00	\$1,200.00
42" ADS N-12 Culvert	140	LF	\$ 55.00	\$7,700.00
42" CMP Mitered End Section	4	EA	\$ 350.00	\$1,400.00
48" ADS N-12 Culvert	211	LF	\$ 58.00	\$12,238.00
48" CMP Mitered End Section	8	EA	\$ 400.00	\$3,200.00
96" CMP Ultra-Flow Culvert	194	LF	\$ 115.00	\$22,310.00
96" Concrete Headwalls	2	EA	\$ 5,500.00	\$11,000.00
120" CMP Ultra-Flow Culvert	100	LF	\$ 300.00	\$30,000.00
120" Concrete Headwalls	2	EA	\$ 9,000.00	\$18,000.00
132" CMP Ultra-Flow Culvert	304	LF	\$ 400.00	\$121,600.00
132" Concrete Headwalls	8	EA	\$ 10,000.00	\$80,000.00
North American Green C-350 (Erosion Mat)	159826	SY	\$ 4.50	\$719,217.00
North American Green SC-150 (Erosion Mat)	38002	SY	\$ 3.50	\$133,007.00
Straw Waddles	950	EA	\$ 50.00	\$47,500.00
Silt Fence	78326	LF	\$ 2.09	\$163,852.00
Revegetation	132452	SY	\$ 1.00	\$132,452.00
			Sub Total	\$1,642,717.00
Parks and Recreation				
Trails	1	Lump	Sum	\$228,570.24
Fencing	1	Lump	Sum	\$234,284.00
Picnic Structures	1	Lump	Sum	\$285,714.28
Miscellaneous Structures/Landscaping	1	Lump	Sum	\$285,714.28
			Sub Total	\$1,034,282.80
Earthwork				
Earthwork (Cut/Fill)	1	Lump	Sum	\$759,246.00
			Sub Total	\$759,246.00
Mobilization				
			5%	\$355,966.81
Assume 4% Engineering, Surveying, Etc.				\$299,012.12
Assume 2.5% Geotechnical Testing				\$194,357.88

10% Contingency				\$796,867.30
3% per Year Escalator	1	YR	3%	\$262,966.21
TOTAL				\$9,028,506.49

This summary of probable construction cost was prepared for estimating purposes only. High Country Engineering, Inc. cannot be held responsible for variances from this estimate as actual costs may vary due to bid and market fluctuations.

**SPRING VALLEY METROPOLITAN DISTRICT NO 3
ENGINEERS OPINION OF PROBABLE CONSTRUCTION COSTS**

January 13, 2004

HCE JOB NO: 98201.01

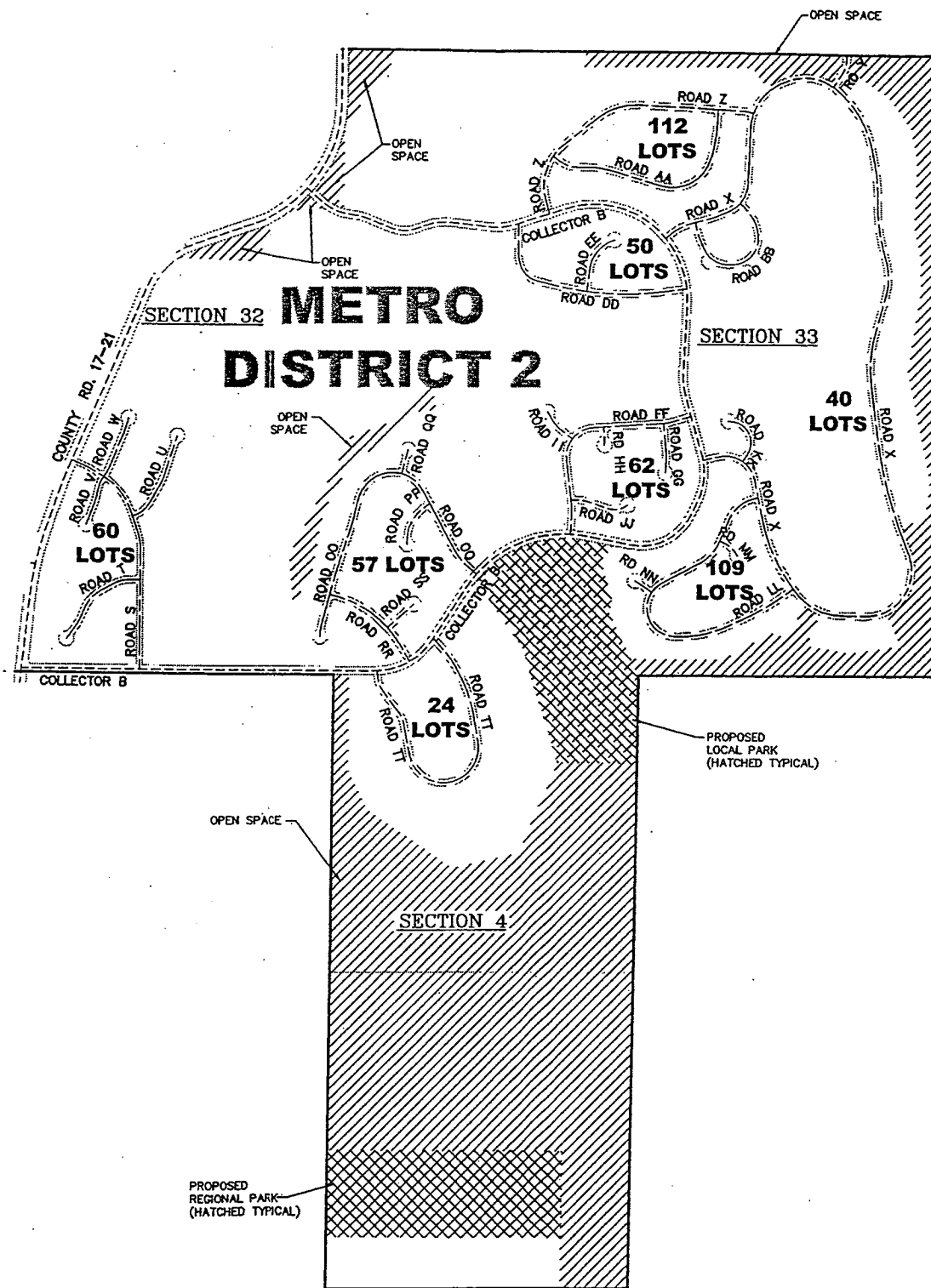
j:\excel\98\98201\SPVLY METRO DIST 3 - revised.xls

ITEM	QUANTITY	UNIT	UNIT COST	COST
Roadway				
Asphalt (24' Section ~ 7 1/2")	30020	SY	\$ 10.00	\$300,200.00
Class 6 (2~4' shoulder)	10518	CY	\$ 25.85	\$271,850.00
Asphalt (24' Section ~ 4")	190665	SY	\$ 8.20	\$1,563,453.00
Lime Stabilized Subgrade 8" Thick	51295	SY	\$ 4.00	\$205,180.00
Asphalt (24' Section ~ 6")	28120	SY	\$ 12.30	\$345,876.00
Lime Stabilized Subgrade 9" Thick	6752	SY	\$ 3.25	\$21,944.00
Lime Stabilized Subgrade 12" Thick	28120	SY	\$ 4.00	\$112,480.00
			Sub Total	\$2,820,983.00
Drainage and Erosion Control				
18" ADS N-12 Culvert	250	LF	\$ 35.00	\$8,750.00
18" CMP Mitered End Section	10	EA	\$ 150.00	\$1,500.00
24" ADS N-12 Culvert	874	LF	\$ 42.00	\$36,708.00
24" CMP Mitered End Section	26	EA	\$ 200.00	\$5,200.00
30" ADS N-12 Culvert	1424	LF	\$ 48.00	\$68,352.00
30" CMP Mitered End Section	48	EA	\$ 250.00	\$12,000.00
36" ADS N-12 Culvert	100	LF	\$ 52.00	\$5,200.00
36" CMP Mitered End Section	4	EA	\$ 300.00	\$1,200.00
48" ADS N-12 Culvert	150	LF	\$ 58.00	\$8,700.00
48" CMP Mitered End Section	6	EA	\$ 400.00	\$2,400.00
North American Green C-350 (Erosion Mat)	93506	SY	\$ 4.50	\$420,777.00
North American Green SC-150 (Erosion Mat)	12785	SY	\$ 3.50	\$44,747.50
Straw Waddles	887	EA	\$ 50.00	\$44,350.00
Silt Fence	61321	LF	\$ 2.23	\$137,042.00
Revegetation	84774	SY	\$ 1.00	\$84,774.00
			Sub Total	\$881,700.50
Parks and Recreation				
Trails	1	Lump	Sum	\$171,427.68
Fencing	1	Lump	Sum	\$175,713.00
Picnic Structures	1	Lump	Sum	\$214,285.71
Miscellaneous Structures/Landscaping	1	Lump	Sum	\$214,285.71
			Sub Total	\$775,712.10
Earthwork				
Earthwork (Cut/Fill)	1	Lump	Sum	\$501,694.00
			Sub Total	\$501,694.00
Mobilization				
			5%	\$210,218.88
Assume 4% Engineering, Surveying, Etc.				\$176,583.86
Assume 2.5% Geotechnical Testing				\$114,779.51
10% Contingency				\$548,167.18
3% per Year Escalator	1	YR	3%	\$157,623.81
			TOTAL	\$6,187,462.83

This summary of probable construction cost was prepared for estimating purposes only. High Country Engineering, Inc. cannot be held responsible for variances from this estimate as actual costs may vary due to bid and market fluctuations.

EXHIBIT D-1

Park and Recreation Facilities



SCALE: 1"=1400'

SPRING VALLEY RANCH
PARKS AND RECREATION

CALL FOR INFORMATION
CENTRE OF COLORADO
1-800-922-1987
OR 534-6700
CALL FOR MORE DATA BY ADVANCING
FOR THE SUBMITTER OF THIS PLAN

NO.	DATE	REVISION	BY

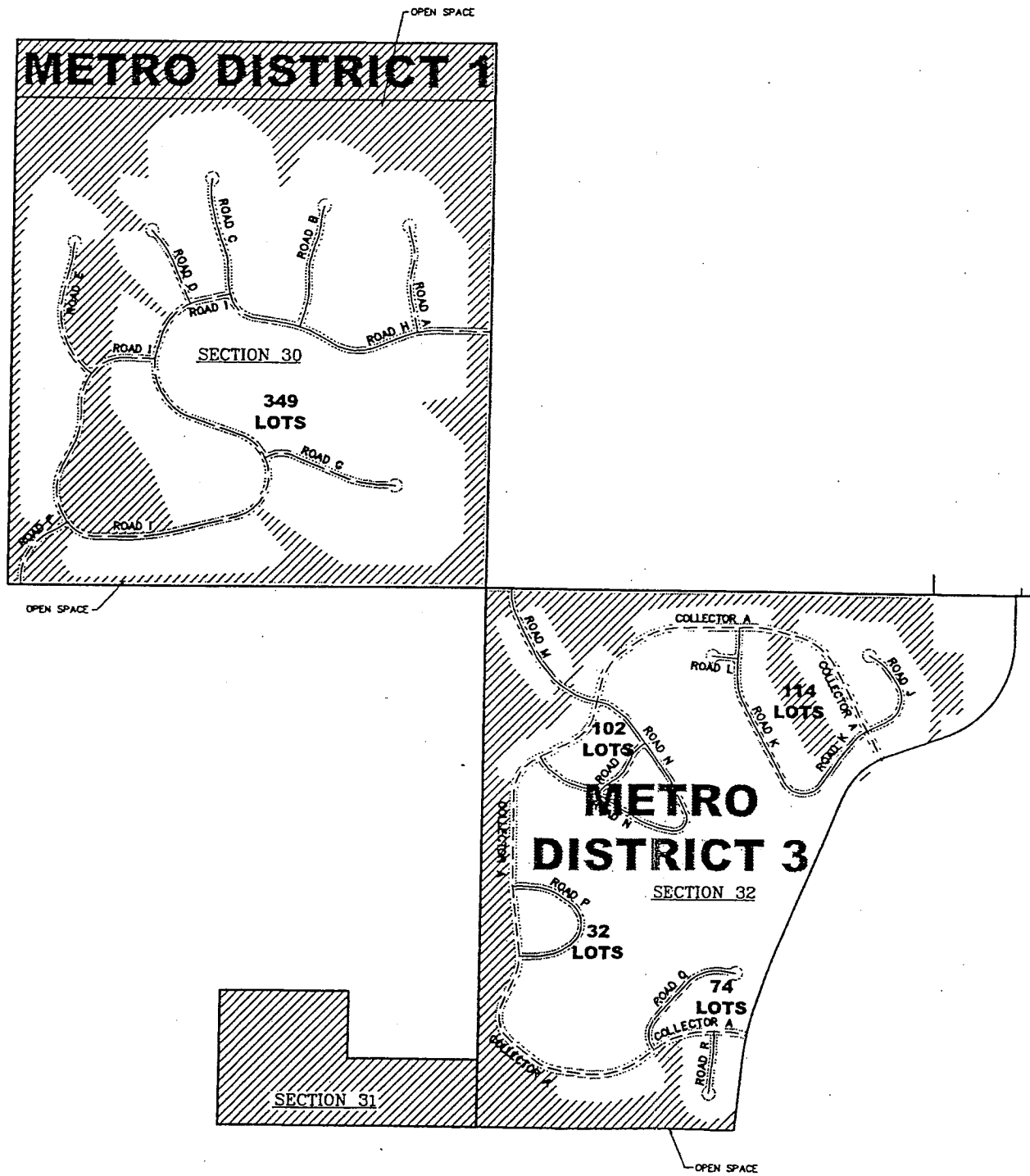
DES.	TEW	DR.	TEW	CK.	JDH	DATE	6/6/03	FILE	MD2-ST

HIGH COUNTRY ENGINEERING, INC.
14 WINDY DRIVE EAST, SUITE F-20
DENVER, CO 80202
PH: (303) 928-0844 FAX: (303) 928-0847



RUNNING CREEK INVESTMENTS, LLC
ELBERT COUNTY, COLORADO
SPRING VALLEY RANCH
PARKS AND RECREATION
METRO DISTRICT 2

PROJECT NO.
9820101



SCALE: 1"=1400'

SPRING VALLEY RANCH
PARKS AND RECREATION

STATE OF COLORADO
COUNTY OF COLORADO
1-800-922-1987
or 534-6700
ALL RIGHTS ARE RESERVED IN ADVANCE
FOR THE TOWN OF COLORADO

DES.	REV.	NO.	DATE	REVISION	BY
DR.	TEW				
CK.	JOH				
DATE: 1/2/04					
FILED: 03-PARK					

HCH COUNTRY ENGINEERING, INC.
14 MYERS DRIVE EAST, SUITE 100
ENGLEWOOD, CO 80122
PH: (303) 688-0644 FAX: (303) 688-0647



RUNNING CREEK INVESTMENTS, LLC
ELBERT COUNTY, COLORADO
SPRING VALLEY RANCH
PARKS AND RECREATION
METRO DISTRICT 3

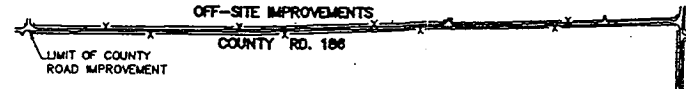
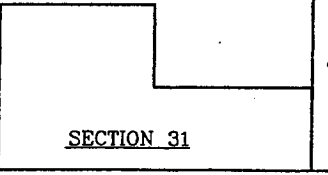
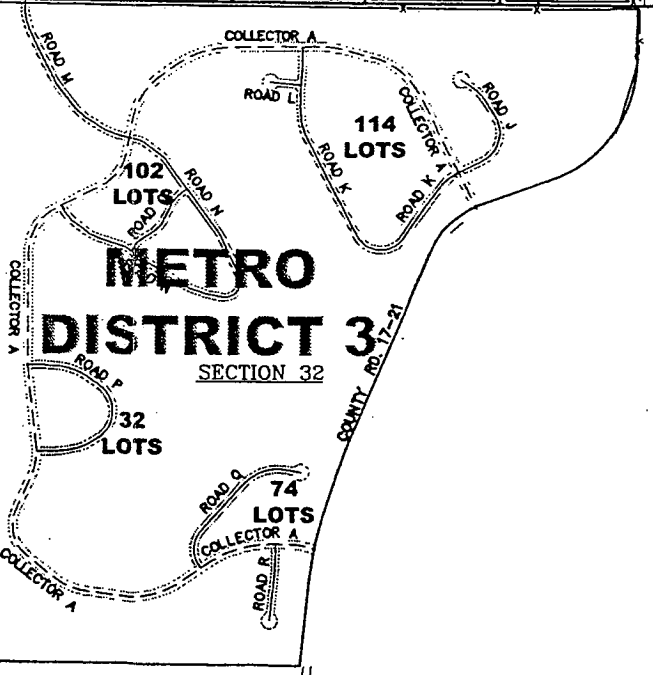
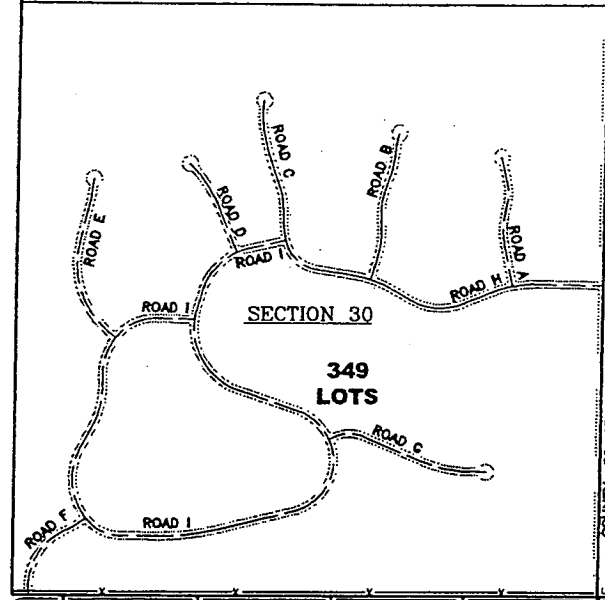
PROJECT NO.
9820101

1 OF 1

EXHIBIT D-2

Street and Safety Protection Facilities

METRO DISTRICT 1



MATCH LINE "B"

OFF-SITE IMPROVEMENTS
COUNTY RD. 17-21

LIMIT OF COUNTY ROAD IMPROVEMENT
COUNTY RD. 174

COUNTY RD. 17

COUNTY RD. 174

COUNTY RD. 17-21

OFF-SITE IMPROVEMENTS
COUNTY RD. 17-21

SCALE: 1"=1400'

MATCH LINE "B"

SPRING VALLEY RANCH
STREETS AND SAFETY

COUNTY OF COLORADO
1-800-922-1987
or 534-6700
CALL YOUR AGENT IN ADVANCE
FOR THE LATEST CODE REVISIONS

DES.	REV.	NO.	DATE	REVISION	BY
DR.	TEW				
CK.	JDH				
DATE	1/9/04				
FILE	MD3-ST				

HOCH COMPANY ENGINEERS, INC.
14 WYNNESS DRIVE EAST, SUITE 200
ENGLEWOOD, CO 80152
PH: (303) 925-2644 FX: (303) 925-0647



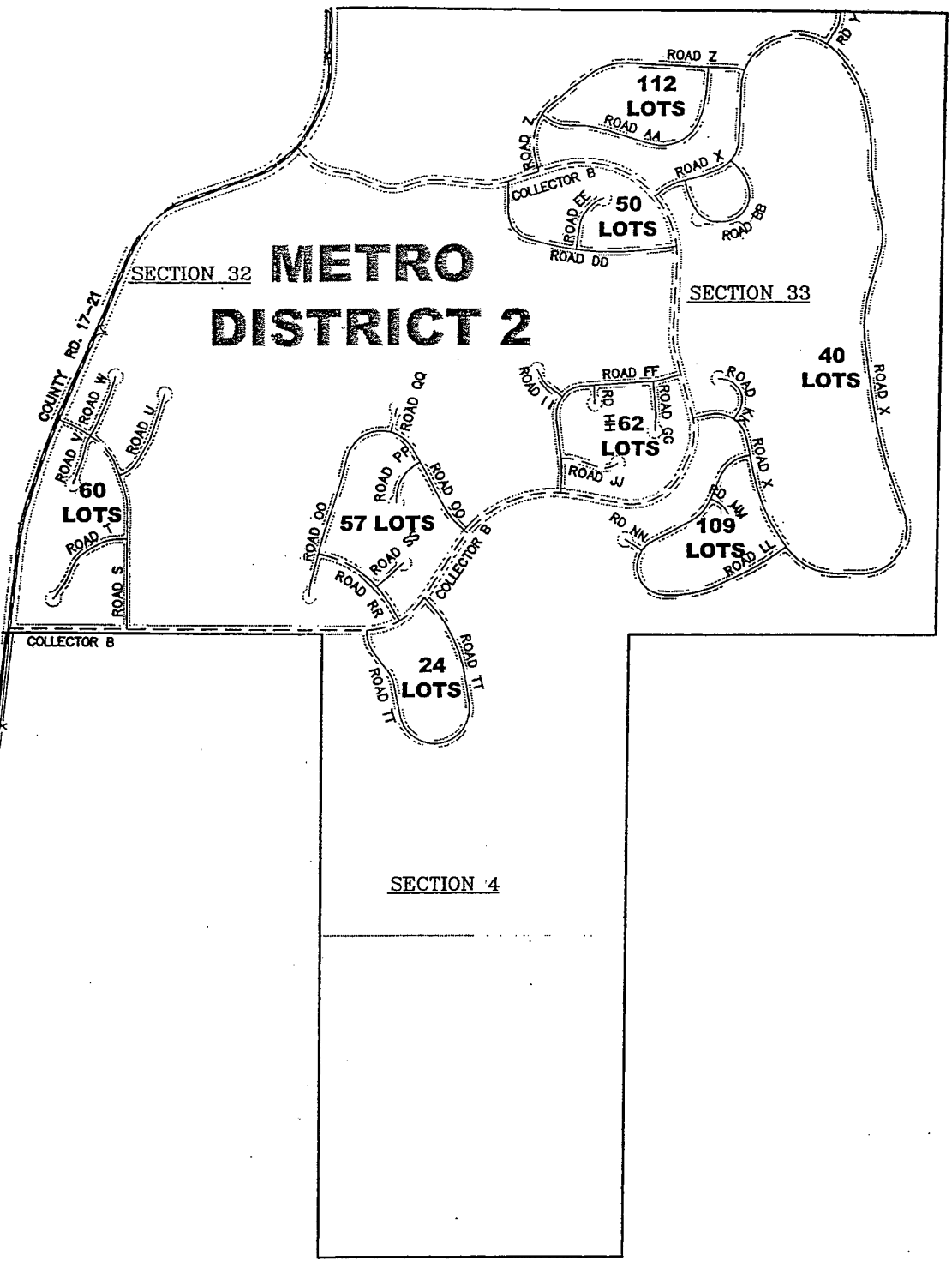
RUNNING CREEK INVESTMENTS, LLC
ELBERT COUNTY, COLORADO
SPRING VALLEY RANCH
STREETS AND SAFETY
METRO DISTRICT 3

PROJECT NO.
9820101

1 OF 1

LIMIT OF COUNTY ROAD IMPROVEMENT

OFF-SITE IMPROVEMENTS
COUNTY RD. 17-21



SCALE: 1"=1400'

SPRING VALLEY RANCH
STREETS AND SAFETY

CALL UTILITY NOTIFICATION
CENTER OF COLORADO
1-800-822-7987
CALL 48 HOURS IN ADVANCE
FOR THE LOCATION OF UTILITIES
FOR THE PROJECT

DES.	TEW	NO.	DATE	REVISION	BY
DR.	TEW				
CK.	JH				
DATE	8/8/03				
FILE	MD2-ST				

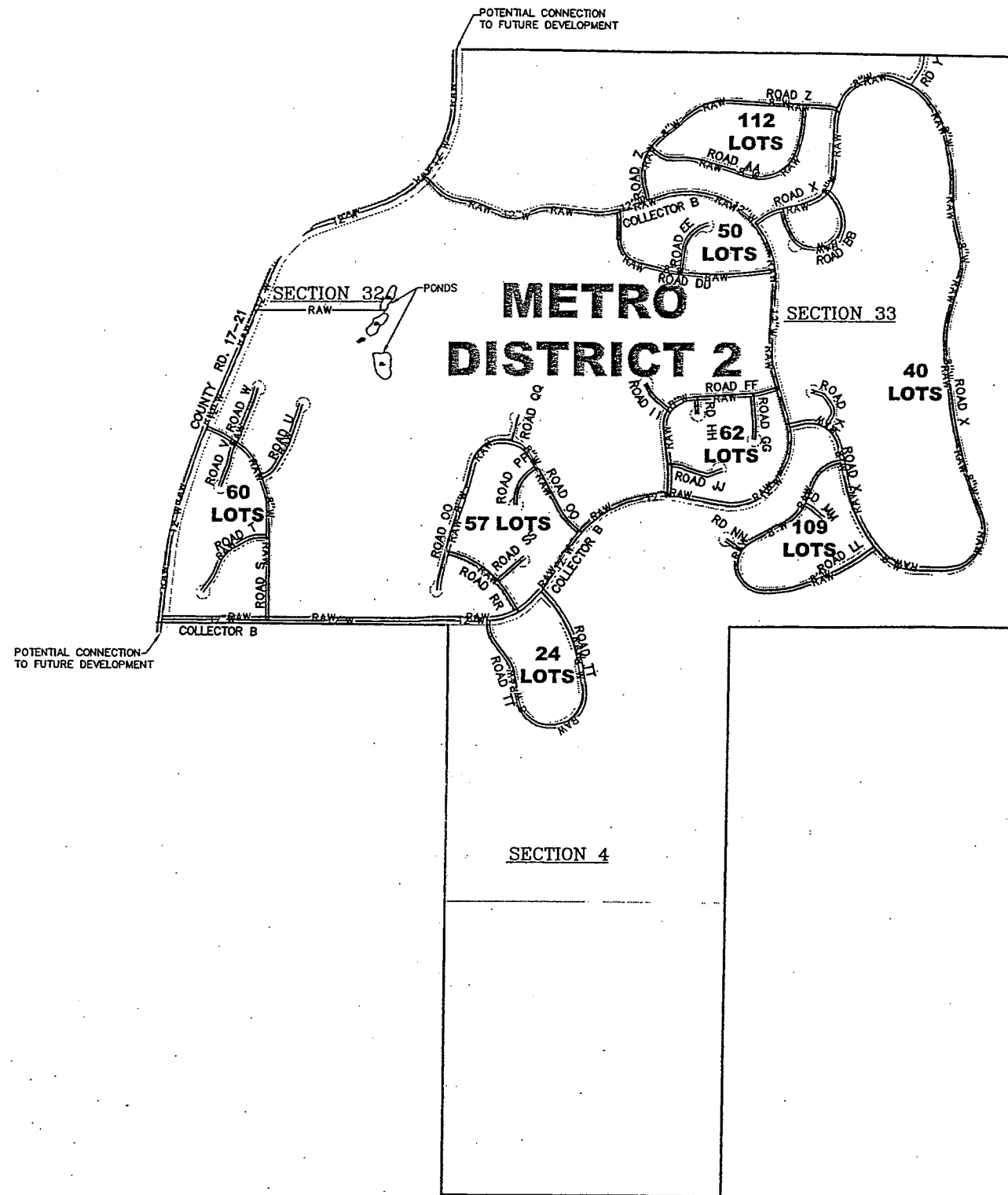
HGH COUNTRY ENGINEERING, INC.
14 RIVERSIDE DRIVE EAST, SUITE F-120
DENVER, COLORADO 80202
PH: (303) 925-0644 FAX: (303) 924-0647



RUNNING CREEK INVESTMENTS, LLC
ELBERT COUNTY, COLORADO
SPRING VALLEY RANCH
STREETS AND SAFETY
METRO DISTRICT 2

PROJECT NO.
98201.01

1 OF 1

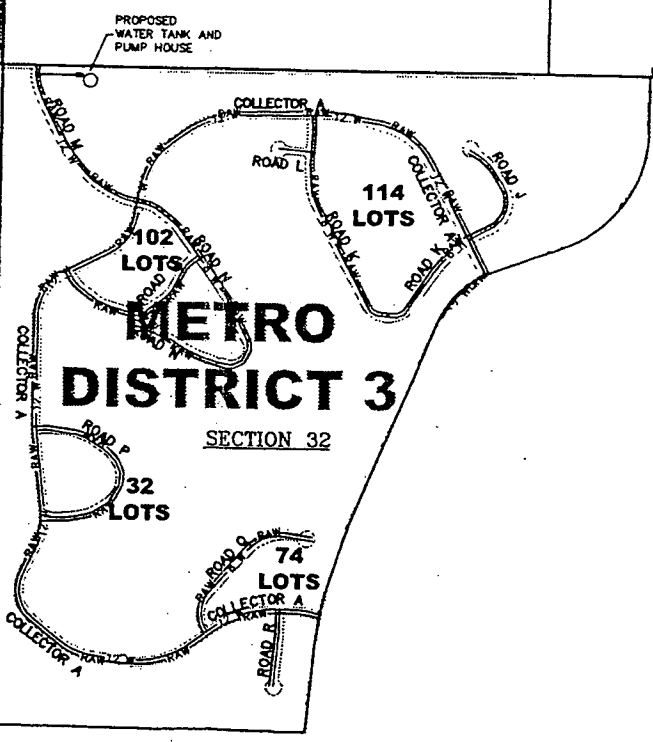
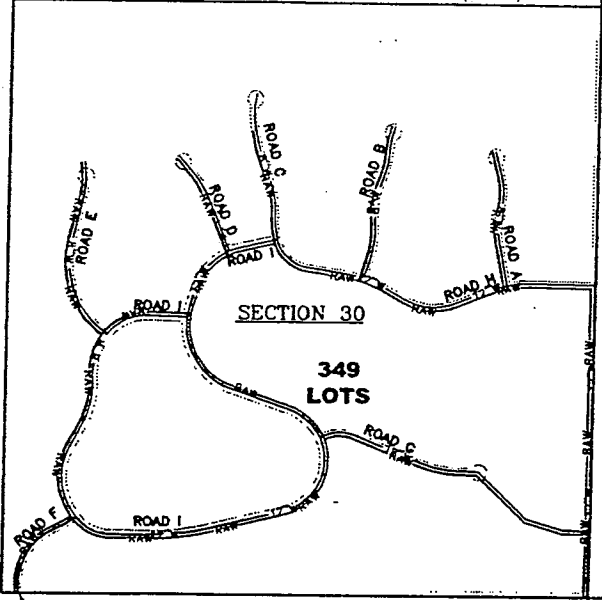


SCALE: 1"=1400'

SPRING VALLEY RANCH
PROPOSED WATER FACILITIES

CALL US TODAY FOR A FREE CONSULTATION 1-800-922-1987 OR 534-6700 CALL & RESERVE YOUR DATE IN ADVANCE FOR THE BEST OF SERVICE	
DES.	TEW
DR.	TEW
CK.	JOH
DATE	6/5/03
FILE	MD2-WAT
NO.	DATE
REVISION	BY
HIGH COUNTRY ENGINEERING, INC. 14 INVERNESS DRIVE EAST, SUITE F-120 BENTLEY, CO 80102 PH: (303) 925-0844 FX: (303) 925-0847	
RUNNING CREEK INVESTMENTS, LLC ELBERT COUNTY, COLORADO SPRING VALLEY RANCH PROPOSED WATER FACILITIES METRO DISTRICT 2	
PROJECT NO. 9820101	
1 OF 1	

METRO DISTRICT 1



CALL US FOR INFORMATION
 1-800-922-1987
 or 534-6700
 CALL US IN ADVANCE
 FOR A MAP OF COLORADO
 WATER UTILITIES

NO.	DATE	REVISION	BY

DES.	TEW	TEW
DR.	TEW	
CK.	JDH	
DATE	1/9/04	
FILE	MD3-WAT	

HCH COUNTRY ENGINEERS, INC.
 14 MYNERS DRIVE EAST, SUITE 1100
 ENGLEWOOD, CO 80150
 PH: (303) 925-0644 FX: (303) 925-0647



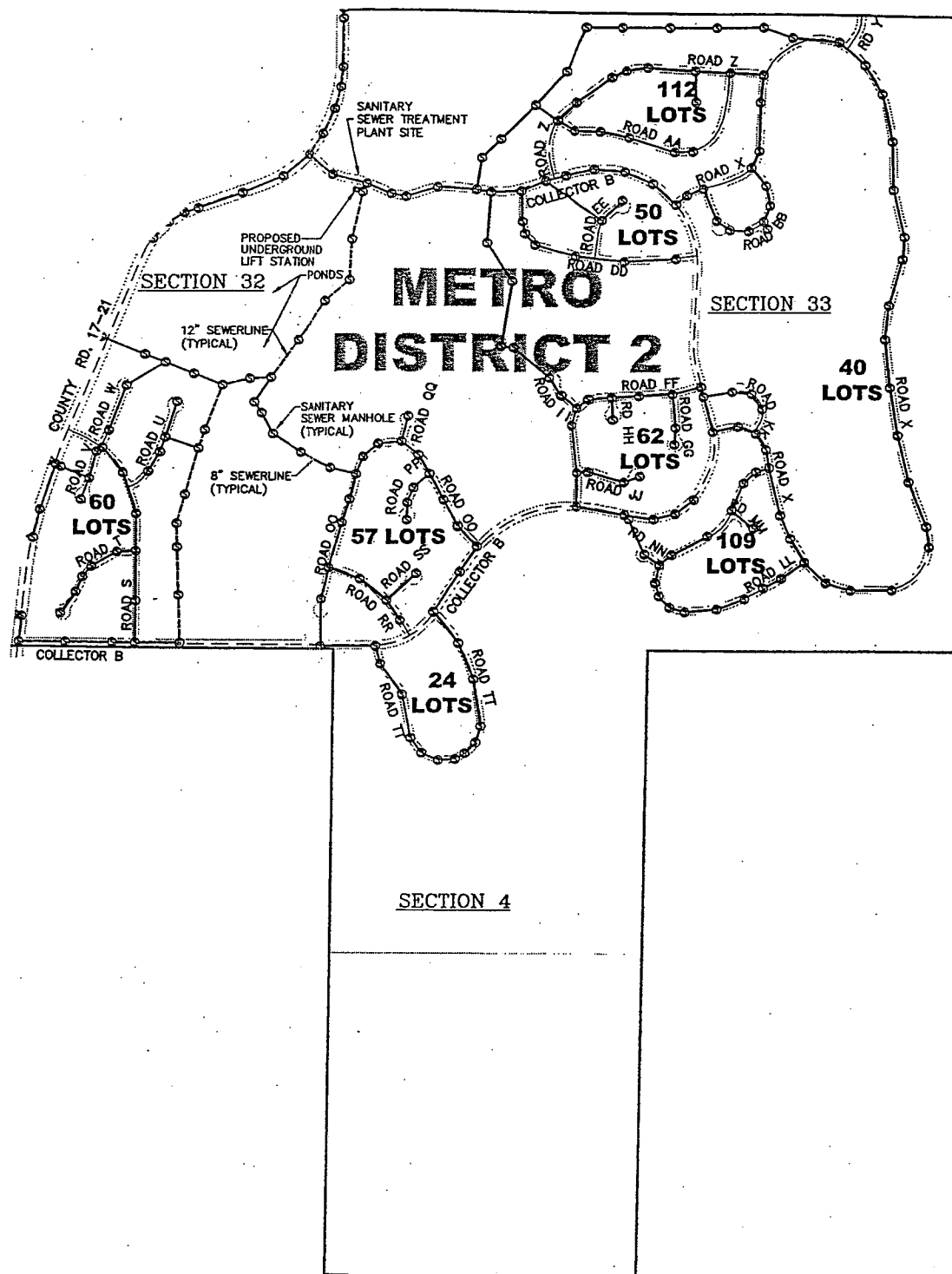
RUNNING CREEK INVESTMENTS, LLC
 ELBERT COUNTY, COLORADO
 SPRING VALLEY RANCH
 PROPOSED WATER FACILITIES
 METRO DISTRICT 3

PROJECT NO. 0820101	1 OF 1
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SCALE: 1"=1400'

SPRING VALLEY RANCH
 PROPOSED WATER FACILITIES

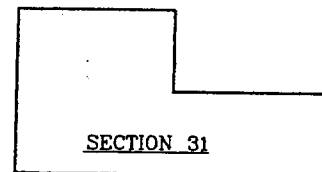
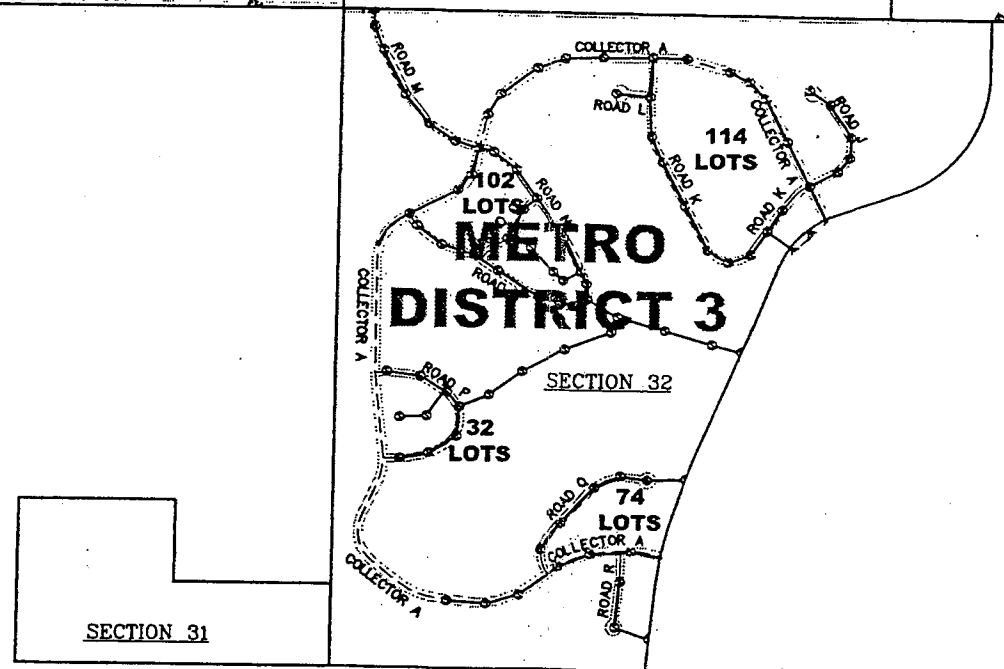
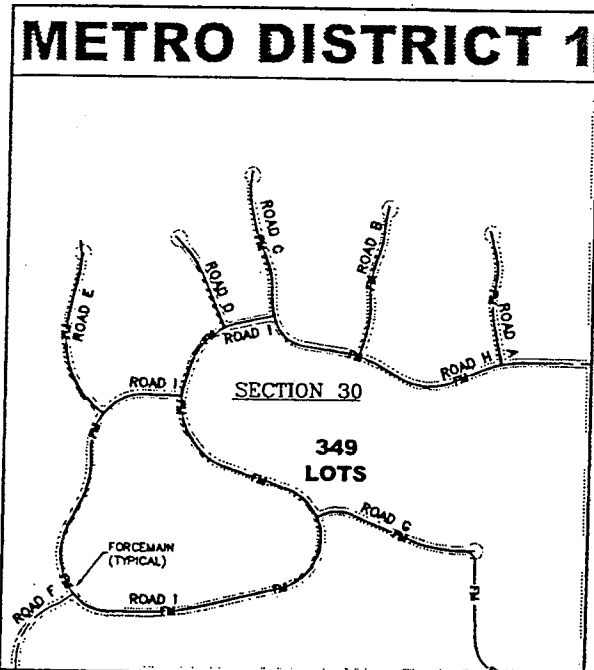
EXHIBIT D-4
Sanitation Facilities



SCALE: 1"=1400'

SPRING VALLEY RANCH
PROPOSED SEWER FACILITIES

HIGH COUNTRY ENGINEERING, INC. 14 WYNERSB CIRCLE EAST SUITE F-20 ENGLEWOOD, CO 80112 PH.(303) 925-0544 FX.(303) 925-0547		CALL UTILITY NOTIFICATION CENTER OF COLORADO 1-800-922-7987 or 934-6700 CALL 5 BUSINESS DAYS IN ADVANCE FOR THE LOCATION OF UTILITIES LABORER UTILITIES	
DES.	TEW	NO.	DATE
DR.	TEW		
CK.	JOH		
DATE	6/5/03		
FILE:	MD2-SS		
RUNNING CREEK INVESTMENTS, LLC ELBERT COUNTY, COLORADO SPRING VALLEY RANCH PROPOSED SEWER FACILITIES METRO DISTRICT 2		REVISION BY DATE	
PROJECT NO. 9820101		1 OF 1	



SCALE: 1"=1400'

SPRING VALLEY RANCH
PROPOSED SEWER FACILITIES

QUALITY OF DOCUMENT
1-800-922-1987
OR 534-8700
CALL BEFORE DAY IN ADVANCE
FOR THE TURNING OF THE PROJECT

DES.	REV.	NO.	DATE	REVISION	BY
DR.	TEW				
CA.	JCH				
DATE	1/8/04				
FILE	MD3-SS				

HOK COUNTRY ENGINEERING, INC.
14 HAWTHORNE DRIVE EAST, SUITE 200
ENGLEWOOD, CO 80150
PH: (303) 782-0644 FAX: (303) 782-0647



RUNNING CREEK INVESTMENTS, LLC
ELBERT COUNTY, COLORADO
SPRING VALLEY RANCH
PROPOSED SEWER FACILITIES
METRO DISTRICT 3

PROJECT NO.
9820101

1 OF 1

EXHIBIT E

Financial Plan

All issuances of general obligation bonds shall be deemed to be in compliance with the Financial Plan so long as the Minimum Criteria, as hereinafter defined, have been met.

Minimum Criteria shall mean that the general obligation bonds are: (1) subject to a Mill Levy Cap, if required by this Service Plan; (2) together with other outstanding general obligation bonds, not in excess of the general obligation debt authorization set forth in this Service Plan, as may be amended from time to time; and (3) together with other outstanding general obligation bonds, not in excess of the general obligation debt authority approved by the District's electorate.

SPRING VALLEY RANCH METROPOLITAN DISTRICTS 1, 2 & 3
 Development Projection updated 1/16/04

YEAR	District #2 Units (completed first)				District #3 Units (completed 2nd)				GRAND TOTAL		Annual Market Value +/- of Residential Platted & Developed Lots
	# Lots Devel'd	Incr/(Decr) in Finished Lot Value @ 10%	# Units Completed	Price Inflated @ 1%	# Lots Devel'd	Incr/(Decr) in Finished Lot Value @ 10%	# Units Completed	Price Inflated @ 1%	Residential Market Value	Total Single Fam Res'l Units	
2001	0	0	0	\$0	0	0	0	\$0	\$0	0	0
2002	0	0	0	0	0	0	0	0	\$0	0	0
2003	60	1,998,769	60	\$300,000	0	0	0	\$300,000	\$0	0	30
2004	100	1,332,513	60	325,000	0	0	0	325,000	\$19,500,000	60	80
2005	100	0	100	328,250	0	0	0	328,250	\$32,825,000	100	100
2006	100	0	100	331,533	0	0	0	331,533	\$33,153,250	100	100
2007	100	0	100	334,848	0	0	0	334,848	\$33,484,783	100	100
2008	54	(1,532,390)	100	338,196	46	1,625,574	0	338,196	\$33,819,630	100	100
2009	0	(1,798,892)	54	341,578	100	1,908,282	46	341,578	\$34,157,827	100	100
2010	0	0	0	344,994	100	0	100	344,994	\$34,499,405	100	100
2011	0	0	0	348,444	100	0	100	348,444	\$34,844,399	100	100
2012	0	0	0	351,928	100	0	100	351,928	\$35,192,843	100	100
2013	0	0	0	355,448	100	0	100	355,448	\$35,544,771	100	100
2014	0	0	0	359,002	100	0	100	359,002	\$35,900,219	100	100
2015	0	0	0	362,592	0	(2,615,054)	100	362,592	\$36,259,221	100	63
2016	0	0	0	366,218	0	(918,803)	26	366,218	\$9,521,672	26	13
	514	(0)	514	171,227,889	672	0	672	237,475,130	408,703,019	1,186	1,186
											(0)

SOURCES AND USES OF FUNDS

**SPRING VALLEY RANCH METROPOLITAN DISTRICTS 1, 2 & 3
SERIES 2004 G.O. BONDS**

Dated Date 02/17/2004
Delivery Date 02/17/2004

Sources:

Bond Proceeds:	
Par Amount	8,000,000.00
	<hr/>
	8,000,000.00
	<hr/>

Uses:

Project Fund Deposits:	
Construction Fund	7,680,000.00
Delivery Date Expenses:	
Cost of Issuance	320,000.00
	<hr/>
	8,000,000.00
	<hr/>

BOND DEBT SERVICE

**SPRING VALLEY RANCH METROPOLITAN DISTRICTS 1, 2 & 3
SERIES 2004 G.O. BONDS**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/17/2004			184,888.89	184,888.89	
06/01/2004			320,000.00	355,000.00	539,888.89
12/01/2004	35,000	8.000%	318,600.00	318,600.00	
06/01/2005			318,600.00	373,600.00	692,200.00
12/01/2005	55,000	8.000%	316,400.00	316,400.00	
06/01/2006			316,400.00	411,400.00	727,800.00
12/01/2006	95,000	8.000%	312,600.00	312,600.00	
06/01/2007			312,600.00	462,600.00	775,200.00
12/01/2007	150,000	8.000%	306,600.00	306,600.00	
06/01/2008			306,600.00	516,600.00	823,200.00
12/01/2008	210,000	8.000%	298,200.00	298,200.00	
06/01/2009			298,200.00	568,200.00	866,400.00
12/01/2009	270,000	8.000%	287,400.00	287,400.00	
06/01/2010			287,400.00	632,400.00	919,800.00
12/01/2010	345,000	8.000%	273,600.00	273,600.00	
06/01/2011			273,600.00	693,600.00	967,200.00
12/01/2011	420,000	8.000%	256,800.00	256,800.00	
06/01/2012			256,800.00	761,800.00	1,018,600.00
12/01/2012	505,000	8.000%	236,600.00	236,600.00	
06/01/2013			236,600.00	831,600.00	1,068,200.00
12/01/2013	595,000	8.000%	212,800.00	212,800.00	
06/01/2014			212,800.00	907,800.00	1,120,600.00
12/01/2014	695,000	8.000%	185,000.00	185,000.00	
06/01/2015			185,000.00	680,000.00	865,000.00
12/01/2015	495,000	8.000%	165,200.00	165,200.00	
06/01/2016			165,200.00	320,200.00	485,400.00
12/01/2016	155,000	8.000%	159,000.00	159,000.00	
06/01/2017			159,000.00	244,000.00	403,000.00
12/01/2017	85,000	8.000%	155,600.00	155,600.00	
06/01/2018			155,600.00	260,600.00	416,200.00
12/01/2018	105,000	8.000%	151,400.00	151,400.00	
06/01/2019			151,400.00	266,400.00	417,800.00
12/01/2019	115,000	8.000%	146,800.00	146,800.00	
06/01/2020			146,800.00	276,800.00	423,600.00
12/01/2020	130,000	8.000%	141,600.00	141,600.00	
06/01/2021			141,600.00	281,600.00	423,200.00
12/01/2021	140,000	8.000%	136,000.00	136,000.00	
06/01/2022			136,000.00	296,000.00	432,000.00
12/01/2022	160,000	8.000%	129,600.00	129,600.00	
06/01/2023			129,600.00	304,600.00	434,200.00
12/01/2023	175,000	8.000%	122,600.00	122,600.00	
06/01/2024			122,600.00	317,600.00	440,200.00
12/01/2024	195,000	8.000%	114,800.00	114,800.00	
06/01/2025			114,800.00	324,800.00	439,600.00
12/01/2025	210,000	8.000%	106,400.00	106,400.00	
06/01/2026			106,400.00	346,400.00	452,800.00
12/01/2026	240,000	8.000%	96,800.00	96,800.00	
06/01/2027			96,800.00	351,800.00	448,600.00
12/01/2027	255,000	8.000%	86,600.00	86,600.00	
06/01/2028			86,600.00	371,600.00	458,200.00
12/01/2028	285,000	8.000%	75,200.00	75,200.00	
06/01/2029			75,200.00	385,200.00	460,400.00
12/01/2029	310,000	8.000%	62,800.00	62,800.00	
06/01/2030			62,800.00	407,800.00	470,600.00
12/01/2030	345,000	8.000%	49,000.00	49,000.00	
06/01/2031			49,000.00	419,000.00	468,000.00
12/01/2031	370,000	8.000%	34,200.00	34,200.00	
06/01/2032			34,200.00	444,200.00	478,400.00
12/01/2032	410,000	8.000%	17,800.00	17,800.00	
06/01/2033			17,800.00	462,800.00	480,600.00
12/01/2033	445,000	8.000%			
	8,000,000		10,416,888.89	18,416,888.89	18,416,888.89

SOURCES AND USES OF FUNDS

**SPRING VALLEY RANCH METROPOLITAN DISTRICTS 1, 2 & 3
SERIES 2007 G.O. BONDS**

Dated Date 12/01/2007
Delivery Date 12/01/2007

Sources:

Bond Proceeds:	
Par Amount	9,000,000.00
	<hr/>
	9,000,000.00
	<hr/>

Uses:

Project Fund Deposits:	
Construction Fund	8,640,000.00
Delivery Date Expenses:	
Cost of Issuance	360,000.00
	<hr/>
	9,000,000.00
	<hr/>

BOND DEBT SERVICE

**SPRING VALLEY RANCH METROPOLITAN DISTRICTS 1, 2 & 3
SERIES 2007 G.O. BONDS**

Dated Date 12/01/2007
Delivery Date 12/01/2007

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2007	-	-	-	-	-
06/01/2008	-	-	360,000	360,000	-
12/01/2008	195,000	8.000%	360,000	555,000	915,000
06/01/2009	-	-	352,200	352,200	-
12/01/2009	265,000	8.000%	352,200	617,200	969,400
06/01/2010	-	-	341,600	341,600	-
12/01/2010	340,000	8.000%	341,600	681,600	1,023,200
06/01/2011	-	-	328,000	328,000	-
12/01/2011	420,000	8.000%	328,000	748,000	1,076,000
06/01/2012	-	-	311,200	311,200	-
12/01/2012	510,000	8.000%	311,200	821,200	1,132,400
06/01/2013	-	-	290,800	290,800	-
12/01/2013	605,000	8.000%	290,800	895,800	1,186,600
06/01/2014	-	-	266,600	266,600	-
12/01/2014	720,000	8.000%	266,600	986,600	1,253,200
06/01/2015	-	-	237,800	237,800	-
12/01/2015	485,000	8.000%	237,800	722,800	960,600
06/01/2016	-	-	218,400	218,400	-
12/01/2016	100,000	8.000%	218,400	318,400	536,800
06/01/2017	-	-	214,400	214,400	-
12/01/2017	20,000	8.000%	214,400	234,400	448,800
06/01/2018	-	-	213,600	213,600	-
12/01/2018	35,000	8.000%	213,600	248,600	462,200
06/01/2019	-	-	212,200	212,200	-
12/01/2019	40,000	8.000%	212,200	252,200	464,400
06/01/2020	-	-	210,600	210,600	-
12/01/2020	55,000	8.000%	210,600	265,600	476,200
06/01/2021	-	-	208,400	208,400	-
12/01/2021	55,000	8.000%	208,400	263,400	471,800
06/01/2022	-	-	206,200	206,200	-
12/01/2022	70,000	8.000%	206,200	276,200	482,400
06/01/2023	-	-	203,400	203,400	-
12/01/2023	75,000	8.000%	203,400	278,400	481,800
06/01/2024	-	-	200,400	200,400	-
12/01/2024	95,000	8.000%	200,400	295,400	495,800
06/01/2025	-	-	196,600	196,600	-
12/01/2025	95,000	8.000%	196,600	291,600	488,200
06/01/2026	-	-	192,800	192,800	-
12/01/2026	115,000	8.000%	192,800	307,800	500,600
06/01/2027	-	-	188,200	188,200	-
12/01/2027	125,000	8.000%	188,200	313,200	501,400
06/01/2028	-	-	183,200	183,200	-
12/01/2028	145,000	8.000%	183,200	328,200	511,400
06/01/2029	-	-	177,400	177,400	-
12/01/2029	155,000	8.000%	177,400	332,400	509,800
06/01/2030	-	-	171,200	171,200	-
12/01/2030	180,000	8.000%	171,200	351,200	522,400
06/01/2031	-	-	164,000	164,000	-
12/01/2031	195,000	8.000%	164,000	359,000	523,000
06/01/2032	-	-	156,200	156,200	-
12/01/2032	220,000	8.000%	156,200	376,200	532,400
06/01/2033	-	-	147,400	147,400	-
12/01/2033	235,000	8.000%	147,400	382,400	529,800
06/01/2034	-	-	138,000	138,000	-
12/01/2034	755,000	8.000%	138,000	893,000	1,031,000
06/01/2035	-	-	107,800	107,800	-
12/01/2035	815,000	8.000%	107,800	922,800	1,030,600

BOND DEBT SERVICE

**SPRING VALLEY RANCH METROPOLITAN DISTRICTS 1, 2 & 3
SERIES 2007 G.O. BONDS**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2036	-	-	75,200	75,200	-
12/01/2036	905,000	8.000%	75,200	980,200	1,055,400
06/01/2037	-	-	39,000	39,000	-
12/01/2037	975,000	8.000%	39,000	1,014,000	1,053,000
	9,000,000		12,625,600	21,625,600	21,625,600

SOURCES AND USES OF FUNDS

**SPRING VALLEY RANCH METROPOLITAN DISTRICTS 1, 2 & 3
SERIES 2010 G.O. BONDS**

Dated Date 12/01/2010
Delivery Date 12/01/2010

Sources:

Bond Proceeds:	
Par Amount	10,900,000.00
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	10,900,000.00
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Uses:

Project Fund Deposits:	
Construction Fund	10,464,000.00
Delivery Date Expenses:	
Cost of Issuance	436,000.00
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	10,900,000.00
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BOND DEBT SERVICE

**SPRING VALLEY RANCH METROPOLITAN DISTRICTS 1, 2 & 3
SERIES 2010 G.O. BONDS**

Dated Date 12/01/2010
Delivery Date 12/01/2010

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2010	-	-	-	-	-
06/01/2011	-	-	436,000	436,000	-
12/01/2011	900,000	8.000%	436,000	1,336,000	1,772,000
06/01/2012	-	-	400,000	400,000	-
12/01/2012	900,000	8.000%	400,000	1,300,000	1,700,000
06/01/2013	-	-	364,000	364,000	-
12/01/2013	900,000	8.000%	364,000	1,264,000	1,628,000
06/01/2014	-	-	328,000	328,000	-
12/01/2014	900,000	8.000%	328,000	1,228,000	1,556,000
06/01/2015	-	-	292,000	292,000	-
12/01/2015	900,000	8.000%	292,000	1,192,000	1,484,000
06/01/2016	-	-	256,000	256,000	-
12/01/2016	900,000	8.000%	256,000	1,156,000	1,412,000
06/01/2017	-	-	220,000	220,000	-
12/01/2017	900,000	8.000%	220,000	1,120,000	1,340,000
06/01/2018	-	-	184,000	184,000	-
12/01/2018	500,000	8.000%	184,000	684,000	868,000
06/01/2019	-	-	164,000	164,000	-
12/01/2019	-	-	164,000	164,000	328,000
06/01/2020	-	-	164,000	164,000	-
12/01/2020	-	-	164,000	164,000	328,000
06/01/2021	-	-	164,000	164,000	-
12/01/2021	-	-	164,000	164,000	328,000
06/01/2022	-	-	164,000	164,000	-
12/01/2022	-	-	164,000	164,000	328,000
06/01/2023	-	-	164,000	164,000	-
12/01/2023	-	-	164,000	164,000	328,000
06/01/2024	-	-	164,000	164,000	-
12/01/2024	-	-	164,000	164,000	328,000
06/01/2025	-	-	164,000	164,000	-
12/01/2025	-	-	164,000	164,000	328,000
06/01/2026	-	-	164,000	164,000	-
12/01/2026	5,000	8.000%	164,000	169,000	333,000
06/01/2027	-	-	163,800	163,800	-
12/01/2027	-	-	163,800	163,800	327,600
06/01/2028	-	-	163,800	163,800	-
12/01/2028	10,000	8.000%	163,800	173,800	337,600
06/01/2029	-	-	163,400	163,400	-
12/01/2029	15,000	8.000%	163,400	178,400	341,800
06/01/2030	-	-	162,800	162,800	-
12/01/2030	20,000	8.000%	162,800	182,800	345,600
06/01/2031	-	-	162,000	162,000	-
12/01/2031	25,000	8.000%	162,000	187,000	349,000
06/01/2032	-	-	161,000	161,000	-
12/01/2032	30,000	8.000%	161,000	191,000	352,000
06/01/2033	-	-	159,800	159,800	-
12/01/2033	35,000	8.000%	159,800	194,800	354,600
06/01/2034	-	-	158,400	158,400	-
12/01/2034	45,000	8.000%	158,400	203,400	361,800
06/01/2035	-	-	156,600	156,600	-
12/01/2035	50,000	8.000%	156,600	206,600	363,200
06/01/2036	-	-	154,600	154,600	-
12/01/2036	55,000	8.000%	154,600	209,600	364,200
06/01/2037	-	-	152,400	152,400	-
12/01/2037	60,000	8.000%	152,400	212,400	364,800
06/01/2038	-	-	150,000	150,000	-
12/01/2038	1,145,000	8.000%	150,000	1,295,000	1,445,000

BOND DEBT SERVICE

**SPRING VALLEY RANCH METROPOLITAN DISTRICTS 1, 2 & 3
SERIES 2010 G.O. BONDS**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2039	-	-	104,200	104,200	-
12/01/2039	1,240,000	8.000%	104,200	1,344,200	1,448,400
06/01/2040	-	-	54,600	54,600	-
12/01/2040	1,365,000	8.000%	54,600	1,419,600	1,474,200
	10,900,000		11,718,800	22,618,800	22,618,800