

SPRING VALLEY METROPOLITAN DISTRICT NO. 2

FIRE PROTECTION FEE RESOLUTION

WHEREAS, Spring Valley Metropolitan District No. 2 (the "District") is situated in Elbert County (the "County"), State of Colorado, and within the boundaries of the Elizabeth Fire Protection District ("EFPD") and the Rattlesnake Fire Protection District ("RFPD"), as more fully described in the legal description attached hereto as **Exhibit A**, which legal description may be amended from time to time, pursuant to the inclusion and/or exclusion of property into the District (the "Property"); and

WHEREAS, pursuant to the District's Service Plan, the District has authority to provide limited fire protection services; and

WHEREAS, the Service Plan contemplates that the District will assist with the payment for the construction of certain fire protection facilities which will benefit the residents of the District, through imposition of a Fire Protection Fee on each residential unit constructed within the District; and

WHEREAS, the adoption of services and facilities rates in the form of a "Fire Protection Fee" will serve a public purpose and promote the health, safety and general welfare of the District by providing for the orderly payment of the costs associated with the construction of certain fire protection facilities that will benefit the residents of the District; and

WHEREAS, the District Board of Directors finds that such a Fire Protection Fee is authorized by Section 32-1-1001(1)(j)(I), C.R.S.

NOW, THEREFORE, be it resolved by the Board of Directors of the Spring Valley Metropolitan District No. 2:

1. The following words and phrases used herein shall have the following meaning:
 - a. Fire Protection Facilities: those certain fire protection facilities which will be constructed and installed by EFPD and RFPD, which will benefit the residents of the District.
 - b. Dwelling Unit: a residential building located on the Property, intended for occupancy by one or more individuals and consisting of one self-contained living unit whether attached or detached, as reasonably determined by the District.
 - c. Fire Protection Costs: the costs associated with the construction of certain fire protection facilities to be constructed by EFPD and RFPD, which facilities will benefit the residents of the District.

- d. Fire Protection Fee: the payment made or to be made by the owner(s) of the Property to the District for each Dwelling Unit constructed within the District in the amount of \$500 per residential unit constructed therein.

2. There shall be assessed and charged a Fire Protection Fee pursuant to Section 32-1-1001(1)(j)(I), C.R.S., upon the Property for costs incurred for the construction of the Fire Protection Facilities. The owners of all land within the District, other than non-profit organization or governmental owners, shall be subject to the Fire Protection Fee.

3. The Fire Protection Fee shall be imposed at a rate of Five Hundred Dollars (\$500) per Dwelling Unit beginning in 2002, which amount may increase or decrease. The Fire Protection Fee for commercial parcels shall be negotiated on a case by case basis.

4. The Fire Protection Fee due with respect to any Dwelling Unit shall be due and payable on or before the date of issuance of a certification of occupancy by Elbert County for such Dwelling Unit.

5. The Fire Protection Fee shall constitute a statutory and perpetual charge and lien upon the Property pursuant to Section 32-1-1001(1)(j)(I), C.R.S., in the District from the date the same becomes due and payable until paid, and such lien may be foreclosed by the District in the same manner as provided by the laws of Colorado for the foreclosure of mechanics' liens. The Resolution shall be recorded in the real property records of the Clerk and Recorder of Elbert County, Colorado.

6. Failure to make payment of the Fire Protection Fee due hereunder shall constitute a default in the payment of such Fire Protection Fees. Upon a default, interest shall accrue on such total amount of Fire Protection Fees due at the rate of 12% per annum and the District shall be entitled to institute such remedies and collection proceedings as may be authorized under Colorado law, including, but not limited to, foreclosure of its perpetual lien. The defaulting property owner shall pay all costs, including attorneys' fees, incurred by the District in connection with the foregoing. In foreclosing its lien, the District will enforce the lien only to the extent necessary to collect unpaid Fire Protection Fees, accrued interest thereon and costs of collection (including, but not limited to, reasonable attorneys' fees).

7. Judicial invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase or word herein, or the application thereof in any given circumstances, shall not affect the validity of the remainder of this Resolution, unless such invalidation would act to destroy the intent or essence of this Resolution.

8. Any inquires pertaining to the Fire Protection Fee may be directed to the District's Accountant at: J.W. Simmons & Associates, 9155 E. Nichols Ave #330, Englewood, CO 80111-0834, 303-689-0833.

The Fire Protection Fee set forth herein is hereby approved and adopted by Resolution of the Spring Valley Metropolitan District No. 2 effective as of the 10th day of April, 2002.

SPRING VALLEY METROPOLITAN DISTRICT NO. 2

Rowel R. Haggmeier

President

Attest:

Mara Haggmeier

Secretary

EXHIBIT "A"
(Legal Description)

(Legal Description)

METROPOLITAN DISTRICT NO. 1
PROPERTY DESCRIPTION

A PARCEL OF LAND BEING THE NORTHERLY 560.00 FEET OF SECTION 30,
TOWNSHIP 6 SOUTH, RANGE 64 WEST OF THE SIXTH PRINCIPAL MERIDIAN,
COUNTY OF ELBERT, STATE OF COLORADO; SAID PARCEL OF LAND CONTAINING
61.322 ACRES, MORE OR LESS.

TOGETHER WITH

(Legal Description)

METROPOLITAN DISTRICT NO. 2

PROPERTY DESCRIPTION

A PARCEL OF LAND BEING SECTION 32 AND 33 OF TOWNSHIP 6 SOUTH AND 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 2653.71 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 32, A 2-1/2" ALUMINUM CAP L.S. #6935 IN PLACE; THENCE N 00°36'02" E ALONG THE WESTERLY LINE OF SAID SECTION 32 A DISTANCE OF 2640.65 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 32, A 2-1/2" ALUMINUM CAP L.S. #7361 IN PLACE; THENCE CONTINUING ALONG THE WESTERLY LINE OF SAID SECTION 32 N 00°34'12" E A DISTANCE OF 2651.85 FEET TO THE NORTHWEST CORNER OF SAID SECTION 32, A 3-1/4" ALUMINUM CAP L.S. #6935 IN PLACE; THENCE S 89°35'41" E ALONG THE NORTHERLY LINE OF SAID SECTION 32 A DISTANCE OF 2648.37 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 32, A 3-1/4" ALUMINUM CAP L.S. #6935 IN PLACE; THENCE CONTINUING ALONG SAID NORTHERLY LINE S 89°36'48" E A DISTANCE OF 2650.24 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 1592.880 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 527.705 ACRES LYING WESTERLY OF SAID GOLF COURSE AND 838.395 ACRES LYING EASTERLY OF SAID GOLF COURSE.

TOGETHER WITH

A PARCEL OF LAND BEING SECTION 30, 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 SOUTHEAST CORNER OF SECTION 30, A 3-1/4" ALUMINUM CAP L.S. NO. 6935 IN PLACE, THE POINT OF BEGINNING; THENCE S 89°57'46" W ALONG THE SOUTHERLY LINE OF SAID SECTION 30 A DISTANCE OF 2543.67 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 30, A 2-1/2" ALUMINUM CAP L.S. #6935 IN PLACE; THENCE CONTINUING ALONG THE SOUTHERLY LINE OF SAID SECTION 30 S 89°57'54" W A DISTANCE OF 2222.09 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 30, A 2-1/2" ALUMINUM CAP L.S. #6935 IN PLACE; THENCE N 00°38'15" E ALONG THE WESTERLY LINE OF SAID SECTION 30 A DISTANCE OF 2655.30 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 30, A 2-1/2" ALUMINUM CAP L.S. #29052 IN PLACE; THENCE CONTINUING ALONG THE WESTERLY LINE OF SAID SECTION 30 N 00°38'23" E A DISTANCE OF 2655.19 FEET TO THE NORTHWEST CORNER OF SAID SECTION 30, A 2-1/2" ALUMINUM CAP L.S. #29052 IN PLACE; THENCE S 89°58'52" E ALONG THE NORTHERLY LINE OF SAID SECTION 30 A DISTANCE OF 2225.83 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 30, A 2-1/2" ALUMINUM CAP L.S. #29052 IN PLACE; THENCE CONTINUING ALONG THE NORTHERLY LINE OF SAID SECTION 30 S 89°58'43" E A DISTANCE OF 2544.02 FEET TO THE NORTHEAST CORNER OF SAID SECTION 30, A 1-1/2" ALUMINUM CAP FOUND IN PLACE AND REPLACED WITH A 3-1/4" ALUMINUM CAP L.S. #19598; THENCE S 00°36'20" W ALONG THE EASTERLY LINE OF SAID SECTION 30 A DISTANCE OF 2652.90 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 30, A 3-1/4" ALUMINUM CAP L.S. #6935 IN PLACE; THENCE CONTINUING ALONG THE EASTERLY LINE OF SAID SECTION 30 S 00°45'41" W A

DISTANCE OF 2652.96 FEET TO THE POINT OF BEGINNING; SAID PARCEL CONTAINING 581.187 ACRES, MORE OR LESS.

EXCEPTING FROM THE ABOVE DESCRIBED PROPERTY THE NORTHERLY 560.00 FEET THEREOF; SAID EXCEPTED PARCEL CONTAINING 61.322 ACRES, MORE OR LESS, RESULTING IN A NET ACREAGE OF 519.865 ACRES, MORE OR LESS

TOGETHER WITH

A PARCEL OF LAND BEING THE SW1/4SE1/4 AND THE S1/2SE1/4SE1/4 OF SECTION 31, 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 SOUTHEAST CORNER OF SAID SECTION 31, A 2-1/2" ALUMINUM CAP L.S. # 6935 IN PLACE, THE POINT OF BEGINNING; THENCE N 89°55'54" W ALONG THE SOUTHERLY LINE OF SAID SECTION 31 A DISTANCE OF 2567.23 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 31, A 2-1/2" ALUMINUM CAP L.S. # 6935 IN PLACE; THENCE LEAVING SAID SOUTHERLY LINE N 00°50'18" E ALONG THE NORTH-SOUTH CENTERLINE OF SAID SECTION 31 A DISTANCE OF 1320.65 FEET TO THE SOUTH-CENTER SIXTEENTH CORNER OF SAID SECTION 31, A 2-1/2" ALUMINUM CAP L.S. # 6935 IN PLACE; THENCE S 89°55'33" E ALONG THE NORTHERLY LINE OF THE SW1/4SE1/4 OF SAID SECTION 31 A DISTANCE OF 1280.88 FEET TO THE SOUTHEAST SIXTEENTH CORNER OF SAID SECTION 31, A 3-1/4" ALUMINUM CAP L.S. #19598 IN PLACE; THENCE S 00°43'10" W ALONG THE EASTERLY LINE OF SAID SW1/4SE1/4 A DISTANCE OF 660.24 FEET TO THE CENTER-SOUTH-SOUTHEAST SIXTYFORTH CORNER OF SAID SECTION 31, A 3-1/4" ALUMINUM CAP L.S. #19598 IN PLACE; THENCE S 89°55'44" E ALONG THE NORTHERLY LINE OF THE S1/2SE1/4SE1/4 OF SAID SECTION 31 A DISTANCE OF 1282.25 FEET TO THE SOUTH-SOUTH SIXTYFORTH CORNER OF SECTION 31 AND SECTION 32, A 3-1/4" ALUMINUM CAP L.S. #19598 IN PLACE; THENCE S 00°36'02" W ALONG THE EASTERLY LINE OF SAID SECTION 31 A DISTANCE OF 660.16 FEET TO THE POINT OF BEGINNING; SAID PARCEL CONTAINING 58.312 ACRES, MORE OR LESS.