

RESOLUTION NO. 2020-09-01

**JOINT RESOLUTION OF
SPRING VALLEY METROPOLITAN DISTRICT NO. 1
AND
SPRING VALLEY METROPOLITAN DISTRICT NO. 2
AUTHORIZING COLLECTION OF CAPITAL COMPONENT OF TAP FEES FOR
REPAYMENT OF LOAN**

A. Spring Valley Metropolitan District No. 1 (“**District No. 1**”) and Spring Valley Metropolitan District No. 2 (“**District No. 2**”) (collectively, the “**Districts**”) are quasi-municipal corporations and political subdivisions of the State of Colorado located in Elbert County, State of Colorado; and

B. The Districts are authorized pursuant to Section 32-1-1001(1)(j)(I), C.R.S. to fix fees, rates and charges as appropriate and necessary to enable the Districts to pay expenses incurred in the provision of water and sewer improvements, facilities and services; and

C. The service area of District No. 1 is described in the legal description attached hereto as **Exhibit A-1**, and the boundaries of District No. 2 are described in the legal description attached hereto as **Exhibit A-2** (the “**District No. 2 Property**”). The District No. 2 Property is within the Service Area of District No. 1 and, accordingly, is subject to the Rules and Regulations and District No. 1 2020 Fee Resolution adopted by the Board of Directors of District No. 1, as more particularly described below; and

D. The purpose for which the Districts were formed is the design, acquisition, construction, installation, financing, and operation and maintenance of, *inter alia*, certain water and sanitation (including storm and sanitary sewer) facilities and services (“**Public Improvements**”), all in accordance with their respective Service Plans approved by the Elbert County Board of County Commissioners in 2004, as the same may be amended and/or modified from time to time; and

E. The Districts entered into a Facilities Funding, Construction and Operation Agreement dated July 19, 2007, as amended and restated by the First Amended and Restated Facilities Funding, Construction and Operation Agreement dated November 21, 2019, and as amended by a certain First Amendment to the Amended and Restated Facilities Funding, Construction and Operation Agreement, dated the same date as this Joint Resolution (together the “**FFCOA**”). Pursuant to the FFCOA District No. 1 is responsible for providing the design, acquisition, construction, installation, and financing of the Public Improvements for the benefit of itself and District No. 2; and

F. Pursuant to their Service Plans and the FFCOA, the Districts are authorized to finance the Public Improvements that benefit, *inter alia*, the District No. 2 Property; and

G. District No. 2 will benefit from the Public Improvements; and

H. District No. 2 intends to enter a Loan Agreement to take on a Series 2020 Loan Agreement and Promissory Note to, in part, fund these Public Improvements (the “**District No. 2 Loan**”); and

I. Pursuant to the Rules and Regulations with Design Standards adopted by District No. 1 on January 19, 2006, as the same has been and may be amended or supplemented (“**Rules and Regulations**”), District No. 1 has established a fee and service charge rate; and

J. District No. 1 set the System Development Fee (herein, “**Tap Fee**”) for 2020 by that certain Resolution No. 2020-09-0_ adopted and effective as of September 16, 2020 (“**District No. 1 2020 Fee Resolution**”); and

K. Pursuant to Section 32-1-1001(1)(j), C.R.S., the District No. 1 2020 Fee Resolution set the Capital Component of the Tap Fee (“**Capital Component**”) at \$16,200 and the Operation and Maintenance Component of the Tap Fee at \$0 (“**O&M Component**”), for a total of \$16,200; and

L. These Tap Fees and Facilities Fees are due, as a one-time payment on each Lot at the time a permit is issued by Elbert County.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARDS OF DIRECTORS OF THE SPRING VALLEY METROPOLITAN DISTRICT NO. 1 AND SPRING VALLEY METROPOLITAN DISTRICT NO. 2, ELBERT COUNTY, COLORADO:

1. The Board of Directors of District No. 2 hereby finds, determines and declares that it is in the best interests of District No. 2, its inhabitants and taxpayers to exercise its power by imposing and collecting the Capital Component of the Tap Fee as set forth on the attached Schedule A from the District No. 2 Property, which Capital Component of the Tap Fee will be pledged by District No. 2 to the repayment of the District No. 2 Loan.

2. The Board of Directors of District No. 1 hereby finds and determines that notwithstanding the Rules and Regulations and the District No. 1 2020 Fee Resolution, the Capital Component of the Tap Fee payable with respect to District No. 2 Property shall be payable to District No. 2, and the payment by a Lot owner to District No. 2 of such Capital Component of the Tap Fee fully satisfies the Lot owner’s obligations for payment of the Capital Component of the Tap Fees under District No. 1’s Rules and Regulations (and entitles the Lot owner to the services of District No. 1 to be provided in connection therewith under District No. 1’s Rules and Regulations); provided, however, that District No. 1 reserves the right to impose and collect the Capital Component of the Tap Fees as necessary in accordance with the following paragraph, and the lien established by the Rules and Regulations and the District No. 1 2020 Fee Resolution with respect thereto shall not be deemed waived or released for any Lot until the full payment of such Capital Component of the Tap Fees due with respect to such Lot.

3. In the event that any portion of this Joint Resolution is determined to be unenforceable, or a Lot owner fails to pay to District No. 2 the Capital Component of the Tap Fees when due for District No. 2 Property, District No. 1 shall continue to have the authority to collect such Capital Component of the Tap Fees, and District No. 1 hereby agrees for the benefit of District No. 2 and the owners of the District No. 2 Loan, to collect and remit the same to

District No. 2 for application to payment on the District No. 2 Loan. The foregoing shall constitute a contractual obligation of District No. 1 made for the benefit of District No. 2, in exchange for the funding by District No. 2 of certain Public Improvements through the District No. 2 Loan and may be amended or waived only with the consent of District No. 2.

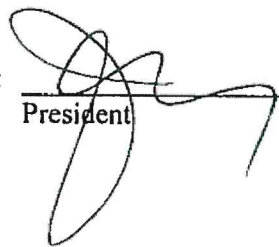
4. Any unpaid amount of Tap Fees when due shall constitute a statutory and perpetual lien against the applicable real property pursuant to Section 32-1-1001(1)(j)(I), C.R.S., such lien being a charge imposed for the provision of the services and facilities to the District No. 2 Property. The lien shall be perpetual in nature as defined by the laws of the State of Colorado on the property and shall run with the land. This Joint Resolution shall be recorded in the offices of the Clerk and Recorder of the County.

5. This Joint Resolution shall take effect immediately upon its adoption and approval.

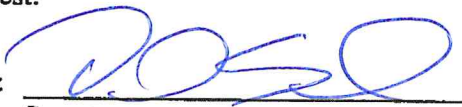
[SIGNATURE PAGE TO FOLLOW]

**[SIGNATURE PAGE TO RESOLUTION NO. 2020-09-01 JOINT RESOLUTION OF
SPRING VALLEY METROPOLITAN DISTRICT NO. 1 AND SPRING VALLEY
METROPOLITAN DISTRICT NO. 1 AUTHORIZING COLLECTION OF CAPITAL
COMPONENT OF TAP FEES FOR REPAYMENT OF LOAN]**

**SPRING VALLEY METROPOLITAN
DISTRICT NO. 1**, a quasi-municipal corporation
and political subdivision of the State of Colorado

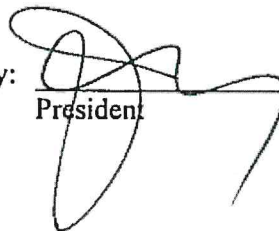
By: 

President

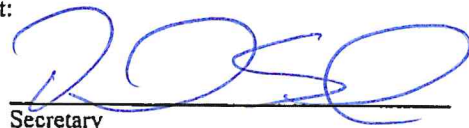
Attest:
By: 

Secretary

**SPRING VALLEY METROPOLITAN
DISTRICT NO. 2**, a quasi-municipal corporation
and political subdivision of the State of Colorado

By: 

President

Attest:
By: 

Secretary

EXHIBIT A-1

Legal Description District No. 1

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

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.

EXHIBIT A-2

Legal Description District No. 2

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.

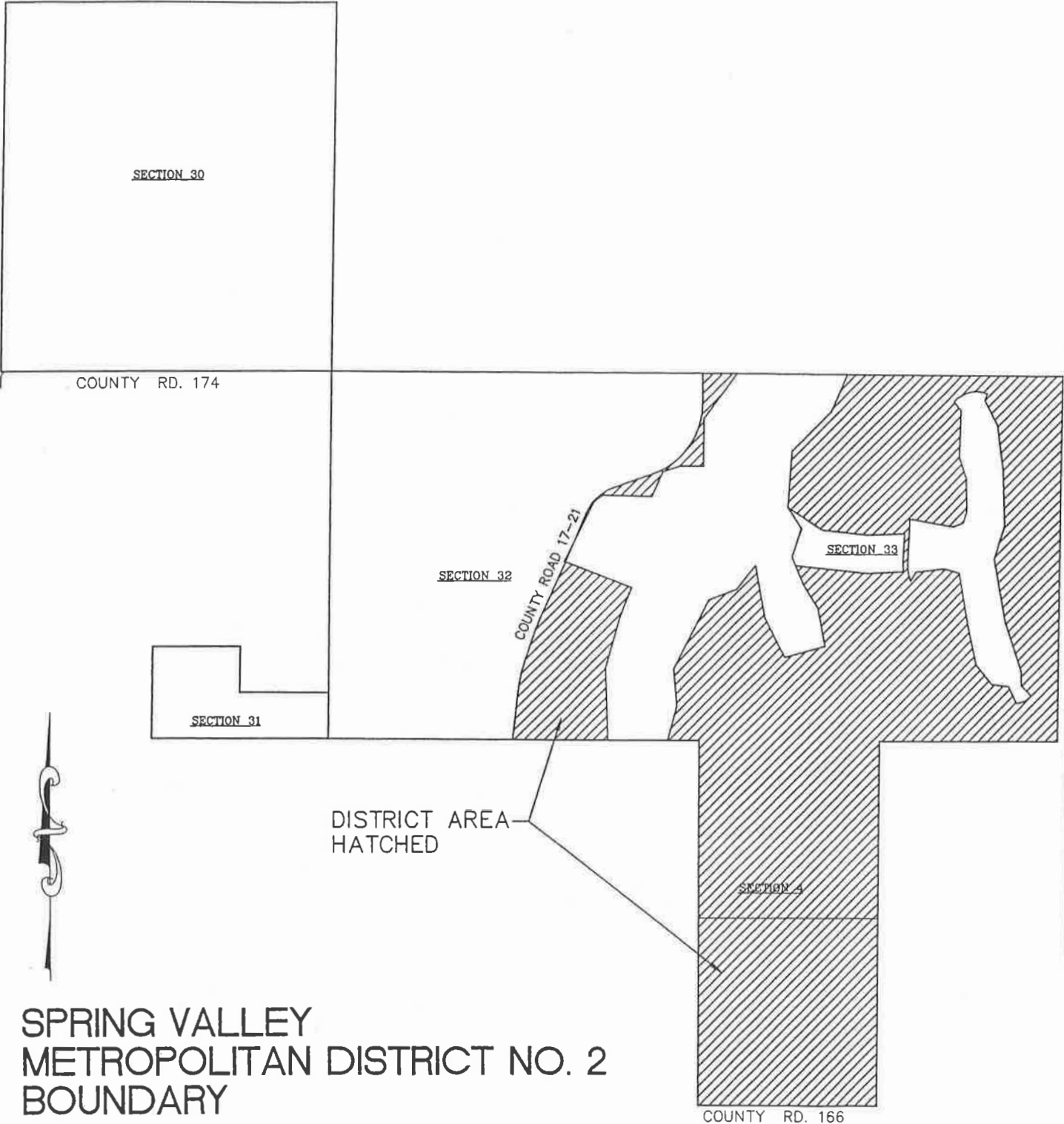
SURVEYOR'S STATEMENT

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



**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