

COPY

FIRST MODIFICATION TO THE
CONSOLIDATED SERVICE PLAN
FOR
TALLYN'S REACH METROPOLITAN DISTRICTS NOS. 1, 2 AND 3
CITY OF AURORA, COLORADO

Prepared for

Tallyn's Reach Metropolitan Districts Nos. 1, 2 and 3

by

White and Associates Professional Corporation
1805 Shea Center Drive, Suite 100
Highlands Ranch, Colorado 80129

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I. INTRODUCTION

The following introductory text shall supplement rather than supercede or restate the information as set forth in the Introduction in the Original Consolidated Service Plan unless otherwise stated. Pursuant to an Order issued by the Arapahoe County Court dated March 31, 1999, Promontory Metropolitan District Nos. 1-3 have changed their names to Tallyn's Reach Metropolitan District Nos. 1-3, respectively.

Formation of Tallyn's Reach Metropolitan District Nos. 1-3 (the "Districts") was approved by the Aurora City Council in conjunction with approval of a Consolidated Service Plan on November 6, 1998, (the "Original Consolidated Service Plan"). The relationship between the Districts is set forth within the Original Consolidated Service Plan and generally states that Tallyn's Reach Metropolitan District No. 1 "(Service District)" is responsible for managing the construction and operation of facilities and improvements and that Tallyn's Reach Metropolitan Districts Nos. 2 and 3 ("Financing Districts") are responsible for raising revenues necessary to support the financing of the capital improvements and any necessary operations.

The Original Consolidated Service Plan authorizes the Financing Districts to issue general obligation debt in the aggregate not-to-exceed amount of \$31,500,000, of which \$22,700,000 is designated as Senior Bonds and the remainder as Subordinate Bonds. Pursuant to the Original Consolidated Service Plan, all general obligation bonds issued by the Districts will be paid from an ad valorem tax of not more than 40 mills, subject to adjustment as permitted therein. The Original Consolidated Service Plan requires that all debt authorization above \$31,500,000 and any adjustments to the debt service mill levy limitation of 40 mills which are not otherwise permitted pursuant to the Original Consolidated Service Plan, be approved by the City of Aurora as a material modification.

The purposes of this First Modification are to make certain modifications to the information contained in the Original Consolidated Service Plan relating to the estimated costs of improvements and to the Financial Plan of the Districts. This First Modification accomplishes the following objectives: (1) it sets forth a revised, increased estimated cost of improvements, and (2) it increases the authorized debt limitation to coincide with such increased costs. This First Modification also divides the debt authorization for Tallyn's Reach Metropolitan District No. 2 and Tallyn's Reach Metropolitan District No. 3, respectively.

The Boards of Directors of the Districts hereby respectfully request that after public hearing conducted pursuant to Section 32-1-201, et seq., C.R.S., the Aurora City Council adopt a resolution of approval of this First Modification to the Original Consolidated Service Plan based upon the information tendered herewith, together with the information already in the official record made before the City Council in connection with approval of the Original Consolidated Service Plan on November 6, 1998. All of the information necessary to satisfy the statutory requirements for approval of this First Modification to the Original Consolidated Service Plan, as contained in Section 32-1-203(2), C.R.S., are fully satisfied.

I E. DEFINITIONS

A new section I.E. shall be added to this First Modification as follows:

In this service plan, the following terms have the following respective meanings unless the context hereof clearly requires otherwise:

Alternative Financing Plan: for purposes of this definition, an Alternative Financing Plan may be one that includes, but is not limited to, any of the following:

- (a) a revision of more than four years in the issue date of any Non-Developer Debt;
- (b) an amortization schedule for Non-Developer Debt whereby the weighted average life is longer than 75% of the final maturity;
- (c) any scheduled Debt payment which would cause the ad valorem property tax levy to exceed the Mill Levy Cap if such cap were in effect, whether or not such Cap is actually in effect; and
- (d) an amortization schedule for any Debt that cannot reasonably be expected to be fully amortized by its final maturity date.

For the purposes of subparagraph (c) above, the District shall refer to the most recent Financing Plan approved by Aurora, which Plan may be modified to reflect previously issued District Debt.

Aurora: the City of Aurora, Colorado.

Aurora City Code: the City Code of the City of Aurora, Colorado.

Contractual Obligations: any contract, agreement, or other financial obligation, whether of a multiple fiscal year or annually appropriated nature, between the Districts themselves, pursuant to the intergovernmental agreement between the Districts attached hereto as Exhibit "K." Such intergovernmental agreement may be amended from time to time as deemed necessary by legal counsel to the Districts to most fully realize the intent of the relationship of the Districts as described herein and more specifically set forth in the intergovernmental agreement or as otherwise required by law so long as the amendment does not materially change the rights or responsibilities of any party to the agreement.

Debt: any bonds, notes, contracts or other financial obligations, whether of a multiple fiscal year or annually appropriated nature, incurred by any of the Districts and payable in whole or in part from ad valorem property taxes for the purposes of financing, acquiring, constructing or improving any of the Improvements contemplated in this Service Plan. All Debt shall be classified as either Developer Debt or Non-Developer Debt. For the purposes of this definition, when ad valorem property taxes are used to pay Contractual Obligations, such payment shall be considered ad valorem property taxes.

Debt Limit: the total cumulative Debt, including, without limitation, both Developer Debt and Non-Developer Debt, that the District may incur under this Service Plan. The Debt Limit shall be inclusive of costs of issuance, organizational costs, inflation, and other similar costs. Contractual Obligations payable from sources other than ad valorem property taxes shall not count against the Debt Limit.

Developer: Carma Colorado, Inc., as developer of the Project.

Developer Contribution: the portion of the funds used to pay for the facilities and improvements contemplated in this Service Plan that shall not be eligible for repayment or reimbursement by the Districts.

Developer Debt: any Debt that, upon its issuance, is more than 50% owned by the Developer/Landowner or a related person. For purposes of this definition, a person is a related person to the Developer/Landowner if (i) the relationship between such person and the Developer/Landowner would result in a disallowance of losses under Section 267 or 707(b) of the Internal Revenue Code, or (ii) such person and the Developer/Landowner are members of the same controlled group of corporations as defined in Section 1563(a) of the Internal Revenue Code, except that "more than 50 percent" shall be substituted for "at least 80 percent" each place it appears therein.

Districts: the Tallyn's Reach Metropolitan District Nos. 1, 2 and 3.

Financing Plan: the Financing Plan of the Districts contained in Section V of this Service Plan and Exhibit "G" thereto.

Landowner: any owner of real property within the boundaries of the Districts other than the Developer.

Mill Levy Cap: the maximum mill levy the Districts can impose for all purposes, including, without limitation, the payment of Debt and operation and maintenance expenses.

Non-Developer Debt: any Debt not considered to be Developer Debt.

Operating District: Tallyn's Reach Metropolitan District No. 1.

Project: the development commonly referred to as Tallyn's Reach.

Revenue Obligations: any bonds, notes, contracts or other financial obligations, whether of a multiple fiscal year or annually appropriated nature, incurred by any of the Districts and payable solely from sources other than ad valorem property taxes for the purposes of financing, acquiring, constructing or improving any of the Improvements contemplated in this Service Plan.

Service Plan: the service plan for the Districts.

Substantial Quinquennial Compliance: for purposes of this definition, the Districts shall be deemed in Substantial Quinquennial Compliance if each of the Districts demonstrate that, as of the date of their application for quinquennial review:

- (a) the Districts have expended at least 75% of the money projected in the Financing Plan on infrastructure improvements; and
- (b) the total cost of the Improvements remaining to be financed and constructed by the Districts and the amount of advances outstanding to be paid by the Districts generally correspond with the amount of remaining Voted Authorization available to the Districts for such purposes.

Financing Districts: Tallyn's Reach Metropolitan District Nos. 2 and 3.

Voted Authorization: the maximum amount of general obligation debt that the District has been or will be authorized to issue by its voters. For purposes of this definition, general obligation debt shall not include Contractual Obligations.

II. PURPOSE OF AND NEED FOR THE PROPOSED DISTRICTS

This section of the Original Consolidated Service Plan is not modified.

III. BOUNDARIES; POPULATION AND ASSESSED VALUATION ESTIMATES

A. General.

With the exception of the following and the inclusion of a revised boundary map, this subsection of the Original Consolidated Service Plan is not modified.

Since the time of the Original Consolidated Service Plan, certain boundary adjustments have been made as permitted under the Original Consolidated Service Plan. Further boundary adjustments are proposed in order to conform to the City's proposed Guidelines for Metro District Financial Plan Modifications in order to ensure that the increase in debt proposed herein does not burden current residents or property owners that have not been otherwise notified of the increases requested herein and which are not comprised by developer or builder interests. Completion of such boundary adjustments shall be a condition to the financial authorization herein and proof of the same shall be presented to the City prior to the date upon which Non-Developer Debt described herein is issued.

B. Changes in Boundaries.

A revised boundary map is attached as Exhibit D.

C. Configuration of Districts.

This sub-section of the Original Consolidated Service Plan is not modified.

D. Population and Assessed Valuation Estimates.

This sub-section of the Original Consolidated Plan shall be amended and restated as follows:

An amended estimate of projected assessed valuations within the Districts is set forth in Exhibit G which contains the Financing Plan for the Districts.

1. Tallyn's Reach Metropolitan District No. 1. Tallyn's Reach Metropolitan District No. 1 shall consist of open space and public park and recreation improvements. There will be no residential component within the boundaries of Tallyn's Reach Metropolitan District No. 1. The 2002 assessed valuation for all property within the boundaries of Tallyn's Reach Metropolitan District No. 1 was approximately \$890.

2. Tallyn's Reach Metropolitan District No. 2. At buildout, the population of Tallyn's Reach Metropolitan District No. 2 is estimated to be approximately 1,275 persons. The 2002 assessed valuation for all property within the boundaries of Tallyn's Reach Metropolitan District No. 2 was approximately \$12,699,515.

3. Tallyn's Reach Metropolitan District No. 3. At buildout, the population of Tallyn's Reach Metropolitan District No. 3 is estimated to be 3,225 persons. The 2002 assessed valuation for all property within the boundaries of Tallyn's Reach Metropolitan District No. 3 was approximately \$335,010.

IV. DESCRIPTION OF PROPOSED FACILITIES

This section of the Original Consolidated Service Plan is amended only by the amended and restated Amended Exhibit G and the following supplemental text.

Amended Exhibit G, attached hereto depicts an updated summary of the estimated costs of the public improvements which the Districts shall be authorized to finance and construct. Such increases are in conformance with Guidelines of the City permitting increases in authorized general obligation debt and are largely due to (1) inflation and costs for infrastructure identified in the Original Service Plan that could not have been reasonably anticipated; and, (2) new infrastructure which has been required after the date of the Original Service Plan and which could not have been reasonably anticipated.

The following text shall be added to IV. H of the Original Consolidated Service Plan, entitled "Ownership/Operation of Facilities by Districts".

Any recreation facility fee imposed upon non-District Aurora residents shall be determined in accordance with the following calculation:

(Average Assessed Valuation per Single Family Equivalent within the Districts as reported as of January 1 of the year in question times mill levy) plus Monthly Recreation Fee x 12 month) = Annual Fee for Outside Users.

Such fee shall not result in non-District Aurora residents paying a user fee that is greater than, or otherwise disproportionate to, similar fees paid by residents of the District. However, the District shall be entitled to impose an administrative fee as necessary to cover additional expenses associated with non-District Aurora residents to ensure that such costs are not the responsibility of District residents. All such fees shall be based upon the District's determination that such fee does not exceed a reasonable annual market fee for users of such facilities. Notwithstanding the foregoing, all parks and trails shall be open the general public and non-District Aurora residents free of charge.

The following text shall amend and restate section IV. I of the Original Consolidated Service Plan, entitled "Acquisition of Land for Public Improvements and Easements".

The Districts agree to acquire by easement or plat dedication, at no cost, or cause the dedication to Aurora of all land required by Aurora for construction of public improvements being provided by the Districts. Exceptions must be approved by Aurora in writing. Failure to comply with this provision shall be deemed to be a material modification of this Service Plan.

The Districts, at their sole cost and expense, shall acquire all property required by Aurora for the construction of public improvements to be provided by the Districts pursuant to this Service Plan; provided, however, that, in accordance with Section 32-1-1001(1)(f), C.R.S., the District shall not pay for any interest in real property that must otherwise be dedicated for public use or the Districts' use in accordance with any governmental ordinance, regulation, or law. Exceptions must be approved by Aurora in writing. Any failure of the District to comply with the requirements of this Section shall be deemed to be a material modification of this Service Plan.

The following text shall be added to IV. K of the Original Consolidated Service Plan, entitled "Services of the District".

With respect to any improvements acquired by the District from the Developer, the District shall ask the Developer to utilize one of the following three procedures to verify the costs of the improvements, which procedure shall be selected at the Developer's sole discretion:

1. Prior to awarding a construction contract for any improvements in excess of \$25,000, the Developer shall obtain a minimum of three (3) written bids such contract. The Developer shall provide the District with copies of all bids received for the improvements prior to awarding the contract. In the event the Developer determines that the lowest responsible bidder is not the lowest bidder on a contract, the Developer shall provide documentation acceptable to the District for the Developer's choice of contractor prior to awarding the contract;

2. Prior to requesting that the District acquire any improvements, the Developer shall obtain a certification of an independent engineer that the costs for the design, construction, and completion of the improvements are reasonable and comparable for similar projects as constructed in the Denver Metropolitan Area; or

3. The improvements shall be publicly bid in accordance with all statutory requirements for public improvements, including Section 32-1-1001(1)(d), C.R.S., and all rules and regulations appurtenant thereto.

The following text shall amend and restate section IV. L of the Original Consolidated Service Plan, entitled "Limitation on Use of Funds".

The District agrees that no District revenues will be used to pay water transmission development fees, sewer interceptor development fees, storm drainage development fees, water or sewer system connection fees, park development fees, E-470 impact fees, traffic impact fees, or any other development or impact fee imposed by Aurora, with the exception of such irrigation water system connection fees that are deemed necessary for the irrigation of those public lands which are to be owned, operated, and maintained by the District.

V. FINANCIAL PLAN

Section V shall be restated in its entirety as follows:

A. General Plan of Finance.

Pursuant to the Master IGA contemplated herein, the Operating District shall be responsible for construction of the facilities described herein to the extent the Financing Districts have the financial resources to provide funding to the Operating District for construction of such facilities. None of the revenues received by either Financing District shall be transferred to the other Financing District or used to satisfy financial obligations of the other Financing District. The Financing Districts shall be prohibited from jointly entering into agreements or other obligations under which they would be jointly and severally liable for such obligations. It is currently anticipated that the Districts will issue Debt (as herein defined) in amounts sufficient to permit the Operating District to construct needed facilities. It is also currently anticipated that the Developer will make contributions to the Districts to provide funding for the construction of the facilities described herein. The Districts shall be responsible for the construction of the facilities and improvements described herein to the extent the Districts have the financial resources to provide funding for such construction. The timing of issuance of bonds of the Districts, as depicted in the Financing Plan, attached hereto as Exhibit "G," will be adjusted from time to time to meet development requirements.

B. Debt Limit.

The Debt Limit of the Financing Districts shall be \$7,740,000 and \$52,000,000 for District No. 2 and District No. 3, respectively. In no event, however, shall the combined amount

of Debt of the Districts exceed an aggregate of \$66,350,000. Issuance of Non-Developer Debt necessary to accomplish a refunding, re-issuance or restructuring of Developer Debt shall not count against the Debt Limit except to the extent that such issuance exceeds the principal amount of such Developer Debt. All compound interest, other than on defaulted Non-Developer Debt, shall count against the Debt Limit. To the extent the actual total Non-Developer Debt issued does not include reserve funds or capitalized interest in the aggregate amount shown in the Financing Plan, the Debt Limit shall be decreased by the unused reserve fund amount or unused capitalized interest, respectively.

The Debt Limit shall not be increased unless approved by Aurora and as permitted by statute. Any increase in the Debt Limit shall be considered a material modification of the Service Plan, unless otherwise permitted herein. The Districts may request a Revenue Obligation limit authorization as a further material modification to the Service Plan.

Notwithstanding anything contained herein to the contrary, all Debt incurred by the Districts shall mature no later than forty (40) years from the date of organization of the Districts. The Financing Districts shall certify property taxes in a manner consistent with that shown in the Financing Plan.

A written non-binding underwriting engagement letter from a lender or investment banking firm is attached as Exhibit "L." for all Non-Developer Debt anticipated to be issued within five years of the District's formation.

C. Developer Debt.

The Districts are anticipated to receive initial funding for both capital and ongoing administrative requirements from Developer Debt. Such Developer Debt shall be subject to the Districts' obligation to reimburse the same, as shall be evidenced by reimbursement agreements between the Operating District and the Developer. Such Developer Debt shall be limited to a twenty-year term and shall be subject to a maximum allowable interest rate of 300 basis points above the 20-year 'AAA' Municipal Market Data rate in effect at the time such Developer Debt is incurred.

Developer Debt shall count against the Debt Limit. It is estimated that any and all Developer Debt shall be repaid by the Districts from Non-Developer Debt proceeds or other legally available sources of revenue. Developer Debt shall be subordinate to the Districts' Non-Developer Debt. Refinancing of Developer Debt shall not require approval by Aurora, except to the extent that such Developer Debt is subject to the provisions of Section VII(I) of this Service Plan. Developer Debt that refunds other Developer Debt shall not lengthen the maturity beyond the twenty year term as required in this section. Additionally, Developer Debt that refunds other Developer Debt shall not bear interest at a rate which exceeds the interest rate of the Developer Debt being refunded. Any such refunding debt issued by the Districts above and beyond the principal amount of Developer Debt refunded shall count against the Debt Limit of the Districts. Any amount of outstanding principal and accrued interest on such Developer Debt that remains unpaid after the final maturity date shall be deemed to be forever discharged and satisfied in full. The total Developer Debt is anticipated to be \$59,052,446.

D. Non-Developer Debt.

District No. 2 anticipates that it will issue Non-Developer Debt in the amount of \$7,740,000 in 2003 and District No. 3 anticipates that it will issue Non-Developer Debt in the amount of \$10,000,000 in 2003 with subsequent issues thereafter. All Non-Developer Debt issued by the Districts shall have no more than a thirty (30) year maximum term, and may be payable from any and all legally available revenues of the Districts, including general ad valorem property taxes to be imposed upon all taxable property within the Financing Districts; subject to the limitations described herein. Substantial or otherwise material deviations from the bond amortization schedules provided in the Financing Plan may constitute an Alternative Financing Plan and require approval as described in Section VII(L) of this Service Plan.

E. Developer Contributions.

Developer Contributions are anticipated to be \$5,701,418. To the extent that the aggregate bond issues of the District generate actual net construction dollars in an amount varying from that set forth in the Financing Plan, the Developer contribution shall be adjusted upward or downward, accordingly, such that the construction requirements of the District, as identified herein, are fully met. The adjustment stated in this Section shall not constitute a material modification of the Service Plan, but the amount thereof shall be reported pursuant to the Annual Report required under to Section VI(B).

F. Mill Levy Cap.

The maximum mill levy the Tallyn's Reach Metropolitan District No. 2 and Tallyn's Reach Metropolitan District No. 3 can impose for all purposes, including without limitation for the payment of Debt and for operations and maintenance shall be 42.59 mills, (the "Mill Levy Cap"). The Mill Levy Cap may be eliminated for payment of Non-Developer debt at such time as the face amount of all outstanding Non-Developer debt within such Financing District does not exceed fifty percent (50%) of such Financing District's assessed valuation. The foregoing Mill Levy Cap shall be subject to adjustment if the laws of the State change with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation changes, or other similar changes occur on or after April 1, 2003. In any of these events, the Mill Levy Cap shall be automatically adjusted so that the tax liability of individual property owners neither increases nor decreases as a result of any such changes, thereby maintaining a constant level of tax receipts of the respective Financing District and overall tax payments from property owners. If the Mill Levy Cap is adjusted in accordance with this section, such Financing District will provide Aurora with written notice that such an adjustment has been made pursuant to the annual report required in Section VI(B) of this Service Plan.

In order for the District to issue Non-Developer Debt that is not subject to the Mill Levy Cap, the total outstanding amount of Non-Developer Debt, upon the issuance of such Debt, must be less than fifty percent (50%) of such Financing District's assessed valuation. Additionally, any general obligation debt exceeding fifty percent (50%) of the valuation for assessment of the taxable property in the respective Financing District must be issued in compliance with Colorado law, and specifically, Section 32-1-1101(6), C.R.S.

Once the Mill Levy Cap is removed pursuant to the above requirements so that the respective Financing District is entitled to pledge to its payment an unlimited ad valorem property tax mill levy, such Financing District may provide that such debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in the debt to assessed ratio.

G. Identification of District Revenue.

In addition to revenues from ad valorem property taxes, the Districts anticipate revenue from the following sources in the following amounts over time:

Tallyn's Reach Metropolitan District No. 2

<u>Revenue</u>	<u>Years Collected</u>	<u>Total Amount</u>
Specific Ownership Taxes	2004-2023	\$ 1,236,316
Facility Fees	2000-2007	\$ 1,260,467
Interest Income	2003-2023	\$ 45,375

Tallyn's Reach Metropolitan District No. 3

<u>Revenue</u>	<u>Years Collected</u>	<u>Total Amount</u>
Specific Ownership Taxes	2004-2038	\$ 9,799,468
Facility Fees	2002-2007	\$ 5,649,158
Interest Income	2004-2038	\$ 1,757,091

The Districts will also rely upon various other revenue sources authorized by law. These will include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(I), C.R.S., as amended from time to time. All financing sources shown in the Financing Plan to support the payment of Debt or Revenue Obligations are explicitly pledged to the payment of such Debt or Revenue Obligations.

H. Security for Debt.

The Districts shall not pledge any revenue or property of Aurora as security for the indebtedness set forth in this Service Plan. Approval of this Service Plan shall not be construed as a guarantee by Aurora of payment of any District obligation; nor shall anything in the Service Plan be construed so as to create any responsibility or liability on the part of Aurora in event of default by the Districts in the payment of any such obligation.

I. Refinancing of District Bonds.

The Districts agree that any refinancing of outstanding bonds of the Districts that could shorten or extend the maturity of such bonds, or increase the total debt service thereon, shall be subject to the prior approval of the Aurora City Council as evidenced by a resolution after a public hearing thereon. Notwithstanding the foregoing, such prior approval need not be obtained where the refunding or restructuring of Non-Developer Debt of the Districts is being undertaken

for the purpose of preventing or averting a default or terminating a condition of default on such Non-Developer Debt.

J. Quinquennial Review.

Approval of this First Modification shall constitute satisfactory completion of any and all quinquennial requirements since the date of the Districts' organization through the date upon which this First Modification is approved. In accordance with the procedures set forth in Section 32-1-1101.5(1.5), C.R.S., the Districts shall submit an application for a quinquennial finding of reasonable diligence in every fifth calendar year after the calendar year in which the electors of the Districts first approve a ballot issue to incur general obligation indebtedness, notwithstanding any subsequent elections. Upon such application, Aurora shall determine whether:

- (1) an administrative review to ensure that the Districts' conduct is in conformance with the provisions of Sections 122-35(b) and (c) of the Aurora City Code is necessary, or
- (2) alternatively, determine whether the Districts are in Substantial Quinquennial Compliance with its Financing Plan, in which case an administrative review will not be conducted by Aurora.

In the event Aurora determines an administrative review is necessary under this Section, the Districts shall pay an administrative fee for any review required by Aurora. In the event that Aurora determines that a public hearing is necessary on such application, such hearing shall be held in accordance with Section 32-1-1101.5(2)(a), C.R.S., and a determination for continuation of the authority of the board of the Districts to incur any remaining authorized Debt shall be made at that time.

K. Anticipated Development.

The future development projections of the District are set forth in the Market Research Report attached hereto as Exhibit "J." All development projections are based upon reasonable and realistic assumptions as evidenced by an Opinion Letter from a market analyst acceptable to Aurora. These assumptions, in turn, are based upon the zoning and building densities approved by Aurora for all property within the District.

L. Financial Analysis.

The Financing Plan has been prepared in accordance with the standards established by the American Institute of Certified Public Accountants and certified by the preparer.

The Financing Plan includes a complete forecasted statement of sources and uses of District revenue, extending through the discharge of all proposed indebtedness. Separate amortization schedules showing annual principal and interest payments are provided for each proposed issue of Non-Developer Debt. Insofar as different classes of debt are proposed, the total

debt service for each class of Non-Developer Debt is shown. A Sources and Uses statement is also provided for each proposed issue of Non-Developer Debt.

The Financing Plan demonstrates one method that may be used by the Districts to finance the cost of facilities. An Alternative Financing Plan may be employed and utilized by the Districts. Each Alternative Financing Plan shall be submitted to Aurora in advance for administrative review regarding overall consistency of such Plan with this Service Plan.

Aurora shall determine whether or not an Alternative Financing Plan constitutes a material economic deviation from the scope of this Service Plan and the Financing Plan contained therein. Any material economic deviation of the Alternative Financing Plan from the scope of this Service Plan and the Financing Plan contained therein shall be deemed a material modification hereof and shall be subject to the provisions of the Aurora City Code governing the approval of such modifications. At Aurora's sole discretion, the Districts shall pay an administrative fee for any review required to determine whether material modifications to the Service Plan are being proposed and whether the same are acceptable under the standards set forth for the approval of such modifications in the Aurora City Code.

M. Risk Disclosure.

The ability of the Districts to meet the projections upon which the Financial Plan is premised is subject to various risks and uncertainties, including, but not necessarily limited to, actual development that occurs within the Districts' boundaries, the sale of lots and the construction of residential units or commercial or industrial buildings as might occur within the area, and the actual market valuation of property within the Districts' boundaries. Development in the Districts will be impacted by many factors, including governmental policies regarding land development, the availability of utilities, construction costs, interest rates, competition from other developments and other political, legal and economic conditions.

VI. GENERAL MATTERS

A. Elections. This section of the Original Consolidated Service Plan is not modified.

B. Annual Report. Section VI.B. shall be restated in its entirety as follows:

1. General.

The Districts shall be responsible for submitting an annual report to Aurora no later than March 1 of each year that the Districts are in existence.

2. Reporting of Significant Events.

The annual report shall include information as to any of the following events that occurred during the preceding calendar year:

- (i) Boundary changes made or proposed.
- (ii) Intergovernmental Agreements with other governmental entities entered into or proposed.
- (iii) Changes or proposed changes in the Districts' policies.
- (iv) Changes or proposed changes in the Districts' operations.
- (v) Any changes in the financial status of the Districts including revenue projections, or operating costs.
- (vi) A summary of any litigation, which involves the Districts.
- (vii) Proposed plans for the year immediately following the year summarized in the annual report.
- (viii) Status of Districts' Public Improvement Construction Schedule.
- (ix) A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by Aurora.
- (x) Summary of current assessed valuation in the Districts.

3. Summary of Financial Information.

In addition, the annual report shall include a one-page summary of the following information:

- (i) Assessed value of taxable property within the Districts.
- (ii) Total acreage of property within the Districts.
- (iii) The Districts' indebtedness (stated separately for each class of debt).
- (iv) The Districts' debt service (stated separately for each class of debt).
- (v) The Districts' tax revenue.
- (vi) Other revenues of the Districts.
- (vii) Public improvement expenditures.
- (viii) Other District expenditures.

Such information shall be presented in the following format: Projected; Year-End Actual; Variance. For purposes of this section, "projected" means as originally projected in the Financing Plan and exhibits, as the same may from time to time be amended. If the comparison between projected and year-end actual numbers is based upon a projection contained in an amendment to the Service Plan, the amendment should be clearly identified and the date of Aurora's approval referenced.

VII. CONSERVATION TRUST FUND

This section of the Original Consolidated Service Plan is not modified.

VIII. CONSOLIDATION

This section of the Original Consolidated Service Plan is not modified

IX. MODIFICATION OF SERVICE PLAN

This section of the Original Consolidated Service Plan is not modified

X. FAILURE TO COMPLY WITH SERVICE PLAN

This section of the Original Consolidated Service Plan is not modified

XI. RESOLUTION OF APPROVAL

This section of the Original Consolidated Service Plan is not modified

XII. DISCLOSURE

The following shall replace and restate in its entirety Article XII of the Original Consolidated Service Plan, entitled "Disclosure."

The petitioners and the District will assure that all developers of the property located within the District provide written notice to all purchasers of property in the District regarding the existence of, and the additional taxes, charges, or assessments that may be imposed by, the District. Such disclosure shall include, but not necessarily be limited to the following matters:

- (a) The authorized Debt of the District, anticipated issuance schedule, and terms thereof, including maximum term and maximum interest rate, if applicable;
- (b) A list and description of the facilities to be operated and maintained by the District;
- (c) The Mill Levy Cap of the District and the procedure for any adjustment thereto;
- (d) A general description of the infrastructure to be paid for by the District and the expected cost of such infrastructure;
- (e) An estimate of the annual ad valorem property tax to be paid by a representative property within the District;
- (f) Any District fees applicable to property owners and a statement that such fees are separate from any applicable homeowners' association fees; and
- (g) A statement that the most recent Service Plan and Financial Plan are available from the District.

Upon approval of the disclosure by Aurora, the District shall record the disclosure in the real property records of the County of Arapahoe, State of Colorado.

XIII. INTERGOVERNMENTAL AGREEMENTS

This section of the Original Consolidated Service Plan is not modified

XIV. CONCLUSION

The following shall amend Article XIV of the Original Consolidated Service Plan, entitled "Conclusion."

It is submitted that this First Modification for the Districts, as required by Sections 32-1-203 (2), C.R.S., and Section 122-35 of the Aurora City Code has established that:

(a) There is sufficient existing and projected need for organized service in the area that is serviced by the Districts;

(b) The existing service in the area to be served by the Districts is inadequate for present and projected needs;

(c) The Districts are capable of providing economical and sufficient service to the area within their proposed boundaries;

(d) The Districts have, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;

(e) Adequate service is not, and will not be, available to the area through Aurora, or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

(f) The facility and service standards of the Districts are compatible with the facility and service standards of Aurora;

(g) The amendment is in substantial compliance with a comprehensive plan adopted pursuant to Section 146-206 of the Aurora Code;

(h) The amendment is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area; and

(i) The amendment to the Original Consolidated Service Plan of the Districts is in the best interests of the area proposed to be served; and

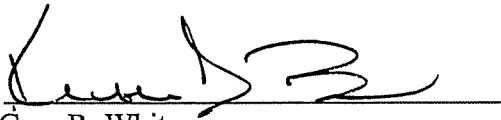
(j) The development application required by Chapter 146 of the Aurora City Code for the area to be included in the District has been filed with and approved by Aurora; and

(k) The development proposed for the area within the District will enhance the quality of the entire community.

Therefore, it is requested that the Aurora City Council, which has jurisdiction to approve this First Modification to the Original Consolidated Service Plan by virtue of § 32-1-201, C.R.S., et seq., as amended, adopt a resolution which approves this First Modification to the Original Consolidated Service Plan for the Districts as submitted.

Respectfully submitted,

WHITE AND ASSOCIATES

By: 

Gary R. White
Kristen D. Bear
Counsel to Petitioners

FIRST ADDENDUM TO THE CONSOLIDATED SERVICE PLAN

FOR

TALLYN'S REACH METROPOLITAN DISTRICTS NOS. 1, 2 and 3

Pursuant to the Resolution of Approval as adopted by the Aurora City Council on September 14, 1998, the Consolidated Service Plan is hereby modified to include the following language:

Upon the request of the City, the Districts shall be required to fund one-half of all costs associated with the acquisition and installation of an emergency warning siren if the installation of such siren within the service area of the Districts is deemed necessary by the City.

EXHIBIT A-1

City Council Resolution of Approval
of Original Service Plan

[NO CHANGE]

EXHIBIT A-2

City Council Resolution of Approval
For First Modification

EFFECTIVE DATE: 08-11-03RESOLUTION NO. R2003- 51

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, CONDITIONALLY APPROVING THE FIRST MODIFICATION TO THE CONSOLIDATED SERVICE PLAN FOR TALLYN'S REACH METROPOLITAN DISTRICT NOS. 1, 2, AND 3

WHEREAS, the City Council (the "Council") of the City of Aurora, Colorado (the "City"), in order to protect the health, safety, prosperity, security, and general welfare of City residents, has adopted Chapter 122 of the City Code of the City (the "Code"), which Chapter establishes procedures for the review and approval of proposals regarding the formation of, and the modification of service plans for, title 32 districts within City boundaries; and

WHEREAS, in exercising the authority granted by state and local law with regard to title 32 districts, the Council has declared its intent to minimize the likelihood of excessive tax burdens upon City residents within title 32 districts and to prevent the shifting of development risk to non-developers; and

WHEREAS, in furtherance of its declaration of intent, the Council has authorized the City Manager to prepare and adopt a model title 32 district service plan; and

WHEREAS, to ensure compliance with the provisions of Chapter 122, each title 32 district service plan shall substantially comply with the form and content of the City's model service plan; and

WHEREAS, pursuant to Sections 32-1-204.5 and 207, C.R.S., as amended, and Section 122-30 of the Code, the Tallyn's Reach Metropolitan District Nos. 1, 2, and 3 (the "Districts") have submitted the First Modification to their Consolidated Service Plan (the "First Modification") to the Council for review and approval; and

WHEREAS, in accordance with the provisions of Title 32, Article 1, C.R.S., as amended, and Chapter 122 of the Code, the Council has held a public hearing at tonight's meeting regarding the First Modification; and

WHEREAS, notice of the hearing before the Council was duly published in the Aurora Sentinel, a newspaper of general circulation in the City, on June 26, 2003, as required by law, and forwarded to all interested persons, including the owners of record of all property within the Districts, the Colorado Division of Local Government, and the governing body of each municipality and special district that has levied an ad valorem tax within the next preceding tax year and that has boundaries within a radius of three miles of the Districts; and

WHEREAS, the Council has considered the First Modification, the report presented by City staff, and all other testimony and evidence presented at the hearing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO:

Section 1. The Council hereby finds and determines that:

- a. Each of the requirements of Title 32, Article 1, Part 2, C.R.S., as amended, and Chapter 122 of the Code relating to the filing of the First Modification for the Districts have been fulfilled and that notice of the hearing was given in the time and manner required by law;
- b. All pertinent facts, matters and issues were submitted at the public hearing, that all interested parties were heard or had the opportunity to be heard, and that evidence satisfactory to the Council of each of the following was presented:
 - (1) There is still sufficient existing and projected need for organized service in the area served by the Districts;
 - (2) The existing service in the area served by the Districts remains inadequate for present and projected needs;
 - (3) The Districts are capable of providing economical and sufficient services to the area within their respective boundaries;
 - (4) The area included within the Districts has, or will have the financial ability to discharge the additional indebtedness proposed by the First Modification on a reasonable basis;
 - (5) The development application required by Chapter 146 of the Code for the area included in the Districts has been filed with and approved by the City;
 - (6) Adequate service is not, and will not be available to the area through the City or other existing municipal or quasi-municipal corporations, including existing title 32 districts, within a reasonable time and on a comparable basis;
 - (7) The facility and service standards of the Districts are compatible with the facility and service standards of the City;
 - (8) The First Modification is in substantial compliance with the comprehensive master plan adopted by the City;
 - (9) The First Modification is in compliance with any duly adopted long-range water quality management for the area; and
 - (10) The residential development approved for the area included within the Districts will enhance the quality of the entire community;

- (11) The First Modification is in the best interests of the present and future citizens of the geographical area served by the Districts.

Section 2. The First Modification to the Consolidated Service Plan for the Tallyn's Reach Metropolitan Districts Nos. 1, 2, and 3 is hereby approved, subject to each of the conditions set forth in this Resolution.


Section 3. The Tallyn's Reach Metropolitan Districts Nos. 1, 2, and 3 shall not be authorized to certify an ad valorem tax, or to issue general obligation bonds pursuant to the First Modification until such time as the Districts have fully complied with each of the conditions set forth below and the City Manager has issued his certificate to the Council stating that Districts have achieved such level of compliance. Such conditions shall be that:

- a. The Districts shall submit a final version of the Financing Plan attached to the First Modification as Amended Exhibit G; and
- b. The Financing Plan shall be submitted to the City's financial consultant for review. Said consultant shall certify to the City that the Financing Plan is mathematically correct in all material respects.

Within a reasonable time thereafter, certified copies of this Resolution and the City Manager's certificate shall be provided to the Districts for the purpose of undertaking those filings necessary and required by Title 32 of the Colorado Revised Statutes.

Section 4. All prior Resolutions or any parts that are inconsistent herewith are hereby rescinded.

RESOLVED AND PASSED this 11th day of August, 2003.



PAUL E. TAUER, Mayor

ATTEST:



DEBRA JOHNSON, City Clerk


APPROVED AS TO FORM: 

EXHIBIT A

LEGAL DESCRIPTION

Promontory Metropolitan District No. 1
 Legal Description

Date Prepared: 7/6/1998

Prepared From AutoCAD Drawing: 886-metrodist-legal.dwg

Promontory Metropolitan District No. 1

A parcel of land situated in Sections 29 and 30, Township 5 South, Range 65 West, of the 6th Principal Meridian, City of Aurora, Arapahoe County, Colorado, described as follows:

Commencing at the Southwest corner of the Southwest $\frac{1}{4}$ of said Section 29;
 thence N 33°47'31" W for 1386.43 feet to the Point of Beginning, said point being the beginning of a horizontal curve, the radius point of which bears S 59°46'31" E, 474.19 feet;
 thence northeasterly along said curve, through a central angle of 12°42'22" for 105.16 feet;
 to the beginning of a horizontal curve, the radius point of which bears S 47°04'09" E, 6122.37 feet;
 thence northeasterly along said curve, through a central angle of 1°28'37" for 157.82 feet;
 to the beginning of a horizontal curve, the radius point of which bears S 45°35'32" E, 404.45 feet;
 thence northeasterly along said curve, through a central angle of 48°48'02" for 344.49 feet;
 to the beginning of a horizontal curve, the radius point of which bears N 3°12'30" E, 1471.82 feet;
 thence northeasterly along said curve, through a central angle of 11°51'42" for 304.70 feet;
 to the beginning of a horizontal curve, the radius point of which bears N 8°39'12" W, 1471.82 feet, said point also lying on the west line of said Southwest $\frac{1}{4}$ of said Section 29;
 thence leaving said west line northeasterly along said curve, through a central angle of 19°28'04" for 500.09 feet;
 to the beginning of a horizontal curve, the radius point of which bears S 7°12'03" E, 43.73 feet;
 thence N 0°00'00" E for 310.60 feet to the beginning of a horizontal curve, the radius point of which bears N 4°38'27" W, 1594.02 feet;
 thence northwesterly along said curve, through a central angle of 11°00'41" for 306.35 feet;
 to the beginning of a horizontal curve, the radius point of which bears S 6°22'13" W, 310.03 feet;
 thence southwesterly along said curve, through a central angle of 38°58'42" for 210.91 feet;
 to the beginning of a horizontal curve, the radius point of which bears S 32°36'28" E, 310.03 feet, said point also lying on the west line of said Southwest $\frac{1}{4}$ of said Section 29;
 thence southwesterly along said curve, through a central angle of 20°37'21" for 111.59 feet;
 to the beginning of a horizontal curve, the radius point of which bears N 53°13'49" W, 716.39 feet;
 thence southwesterly along said curve, through a central angle of 25°35'40" for 320.02 feet;
 to the beginning of a horizontal curve, the radius point of which bears N 27°38'09" W, 429.48 feet;
 thence southwesterly along said curve, through a central angle of 54°38'54" for 409.64 feet;
 to the beginning of a horizontal curve, the radius point of which bears S 27°00'45" W, 241.84 feet;
 thence southwesterly along said curve, through a central angle of 191°31'02" for 808.37 feet;
 to the beginning of a horizontal curve, the radius point of which bears S 15°29'43" W, 160.74 feet;
 thence southeasterly along said curve, through a central angle of 33°49'22" for 94.89 feet;
 to the beginning of a horizontal curve, the radius point of which bears N 49°19'05" E, 12.13 feet;
 thence southeasterly along said curve, through a central angle of 126°00'17" for 26.67 feet;
 to the point of beginning.

Containing 12.251 acres, more or less.

EXHIBIT B-2

Promontory Metropolitan District No. 2

Legal Description

Date Prepared: 7/6/1998

Prepared From AutoCAD Drawing: 886-metrodist-legal.dwg

Promontory Metropolitan District No. 2

A parcel of land situated in Sections 29, 30, 31 and 32, Township 5 South, Range 65 West, of the 6th Principal Meridian, City of Aurora, Arapahoe County, Colorado, described as follows:

Beginning at the Center $\frac{1}{4}$ corner of said Section 30;
 thence along the north line of the Southeast $\frac{1}{4}$ of said Section 30, S 89°15'32" E for 2643.31 feet to the Northeast corner of the Southeast $\frac{1}{4}$ of said Section 30;
 thence along the west line of the Northwest $\frac{1}{4}$ of said Section 29, N 0°43'21" E for 1073.66 feet;
 thence leaving said west line N 56°45'56" E for 976.27 feet;
 thence N 78°49'40" E for 636.77 feet; to the beginning of a horizontal curve, the radius point of which bears S 62°03'53" W, 3205.96 feet, said point lying on the South right-of-way line of Smoky Hill Road;
 thence along said South right-of-way line southeasterly along said curve, through a central angle of 2°52'01" for 160.42 feet;
 thence continuing along said South right-of-way line S 25°04'06" E for 2549.91 feet; to the beginning of a horizontal curve, the radius point of which bears N 64°55'54" E, 3455.00 feet;
 thence continuing along said South right-of-way line southeasterly along said curve, through a central angle of 8°03'18" for 485.73 feet;
 thence continuing along said South right-of-way line S 33°07'24" E for 1736.80 feet to a point on the south line of the Southeast $\frac{1}{4}$ of said Section 29;
 thence along said south line S 89°39'38" W for 1168.37 feet to the South $\frac{1}{4}$ corner of said Section 29;
 thence along the north line of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 32 S 89°40'22" W for 1327.62 feet to the Northwest corner of said Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 32;
 thence along the north line of the East $\frac{1}{2}$ of Northwest $\frac{1}{4}$ of said Northwest $\frac{1}{4}$ of said Section 32 S 89°41'11" W for 662.28 feet to the Northeast corner of the West $\frac{1}{2}$ of said Northwest $\frac{1}{4}$ of said Northwest $\frac{1}{4}$ of said Section 32;
 thence along the east line of said West $\frac{1}{2}$ of said Northwest $\frac{1}{4}$ of said Northwest $\frac{1}{4}$ of said Section 32 S 0°40'36" W for 1315.42 feet to the Southeast corner of said West $\frac{1}{2}$ of said Northwest $\frac{1}{4}$ of said Northwest $\frac{1}{4}$ of said Section 32;
 thence along the south line of said West $\frac{1}{2}$ of said Northwest $\frac{1}{4}$ of said Northwest $\frac{1}{4}$ of said Section 32 S 89°41'57" W for 661.69 feet to the Southwest corner of said West $\frac{1}{2}$ of said Northwest $\frac{1}{4}$ of said Northwest $\frac{1}{4}$ of said Section 32;
 thence along the west line of said West $\frac{1}{2}$ of said Northwest $\frac{1}{4}$ of said Northwest $\frac{1}{4}$ of said Section 32 N 0°40'49" E for 1314.62 feet to the Northeast corner of said Section 32;
 thence along the north line of the Northeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of said Section 31 N 89°29'43" W for 1319.13 feet to the Northeast corner of the Northwest $\frac{1}{4}$ of said Northeast $\frac{1}{4}$ of said Section 31;
 thence along the east line of said Northwest $\frac{1}{4}$ of said Northeast $\frac{1}{4}$ of said Section 31 S 0°38'31" W for 1317.16 feet to the Southeast corner of said;
 thence along the south line of said Northwest $\frac{1}{4}$ of said Northeast $\frac{1}{4}$ of said Section 31 N 89°38'01" W for 1320.34 feet to the Southwest corner of said Northwest $\frac{1}{4}$ of said Northeast $\frac{1}{4}$ of said Section 31;
 thence along the west line of said Northwest $\frac{1}{4}$ of said Northeast $\frac{1}{4}$ of said Section 31 N 0°37'05" E for 1320.63 feet to the South $\frac{1}{4}$ corner of Section 30;
 thence along the south line of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 30 N 89°34'56" W for 1314.78 feet to the Southwest corner of said Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 30;
 thence along the west line of said Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 30 N 0°27'09" E for 1320.24 feet to the Northwest corner of said Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 30;

thence S 75°12'20" E for 639.79;

thence N 31°08'12" E for 903.19 feet to the beginning of a horizontal curve, the radius point of which bears N 58°51'48" W, 898.00 feet;

thence northeasterly along said curve, through a central angle of 30°35'50" for 479.55 feet;

thence N 0°32'23" E for 238.66 feet to a point on the north line of the Southwest $\frac{1}{4}$ of said Section 30;

thence S 89°15'06" E for 111.93 feet to the end point of this description.

Excepting the parcel describing Promontory Metropolitan District No. 1.

Containing 489.120 acres, more or less.

EXHIBIT B-2
 Promontory Metropolitan District No. 2, continued
 Legal Descriptions

PROPERTY DESCRIPTION

NW ¼ NW ¼ SECTION 30, TOWNSHIP 5 SOUTH, RANGE 65 WEST OF THE 6TH P.M., EXCEPT THAT PART CONVEYED BY SPECIAL WARRANTY DEED RECORDED FEBRUARY 12, 1997 AT RECEPTION NO. A7018304, EXCEPT THAT PART CONVEYED BY ACCESS DEED RECORDED FEBRUARY 12, 1997 AT RECEPTION NO A7018305, COUNTY OF ARAPAHOE, STATE OF COLORADO, CONTAINING 39.452 ACRES, MORE OR LESS.

TOGETHER WITH

WEST ONE-HALF (W ½) OF THE SOUTH ONE-HALF (S ½) OF THE NORTHEAST QUARTER (NE ¼) OF SECTION 30, TOWNSHIP 5 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EXCEPT THAT PART CONVEYED IN DEED TO PUBLIC SERVICE RECORDED JANUARY 17, 1961 IN BOOK 1238 AT PAGE 391, COUNTY OF ARAPAHOE, STATE OF COLORADO, CONTAINING 34.309 ACRES, MORE OR LESS.

TOGETHER WITH

EAST ONE-HALF (E ½) OF THE SOUTH ONE-HALF (S ½) OF THE NORTHEAST QUARTER (NE ¼) OF SECTION 30, TOWNSHIP 5 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF ARAPAHOE, STATE OF COLORADO, CONTAINING 41.014 ACRES, MORE OR LESS.

TOGETHER WITH

PARCEL I:

ALL OF THE SOUTHEAST ¼ OF SECTION 19, TOWNSHIP 5 SOUTH, RANGE 65 WEST OF THE 6TH P.M., WHICH LIES NORTH OF SMOKY HILL ROAD, EXCEPT THE WEST 1980 FEET THEREOF, COUNTY OF ARAPAHOE, STATE OF COLORADO, CONTAINING 40.832 ACRES, MORE OR LESS.

TOGETHER WITH

PARCEL II:

THE NORTHEAST ¼ OF SECTION 25, TOWNSHIP 5 SOUTH, RANGE 66 WEST OF THE 6TH P.M., EXCEPT THOSE PORTION SET FORTH IN THE DEEDS RECORDED AUGUST 6, 1997 AT RECEPTION NOS. A7096789, A7096770, A7096771 AND A7096772, COUNTY OF ARAPAHOE, STATE OF COLORADO, CONTAINING 7.784 ACRES, MORE OR LESS.

TOGETHER WITH

PARCEL III:

THE SOUTHEAST ¼ OF SECTION 25, TOWNSHIP 5 SOUTH, RANGE 66 WEST OF THE 6TH P.M., EXCEPT THOSE PORTIONS SET FORTH IN THE DEEDS RECORDED AUGUST 6, 1997 AT RECEPTION NOS. A7096769, A7096770, A7096771 AND A7096772, COUNTY OF ARAPAHOE, STATE OF COLORADO, AND EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:
 A PARCEL OF LAND IN THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 5 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF ARAPAHOE, STATE OF COLORADO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
 BEGINNING AT THE SOUTHEAST CORNER OF SAID SECTION 25 AND CONSIDERING THE SOUTHERLY LINE OF SAID SOUTHEAST QUARTER OF SECTION 25 TO BEAR N89°58'56" W WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO; THENCE N89°58'56" W ALONG SAID SOUTHERLY LINE A DISTANCE OF 707.89 FEET; THENCE ALONG THE EASTERLY RIGHT-OF-WAY LINE OF THE E-470 PUBLIC HIGHWAY AUTHORITY THE FOLLOWING FOUR (4) COURSES:
 1. N28°01'59" E A DISTANCE OF 307.52 FEET;
 2. ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 22°25'59", A RADIUS OF 3015.00 FEET AND AN ARC LENGTH OF 1180.47 FEET;
 3. N03°36'00" E A DISTANCE OF 106.53 FEET;
 4. N00°36'00" E A DISTANCE OF 407.40 FEET;
 THENCE S89°23'53" E A DISTANCE OF 280.37 FEET; THENCE S00°32'51" W ALONG THE EASTERLY LINE OF THE NORTHEAST QUARTER OF SAID SOUTHEAST QUARTER OF SECTION 25 A DISTANCE OF 597.18 FEET; THENCE S00°32'47" W ALONG THE EASTERLY LINE OF THE SOUTHEAST QUARTER OF SAID SOUTHEAST QUARTER OF SECTION 25 A DISTANCE OF 1324.16 FEET TO THE POINT OF BEGINNING.
 CONTAINING 2.478 ACRES, MORE OR LESS.

TOGETHER WITH

PARCEL IV:

THE NORTHWEST ¼ AND THE NORTH ¼ OF THE NORTHEAST ¼ OF SECTION 30, TOWNSHIP 5 SOUTH, RANGE 66 WEST OF THE 6TH P.M., EXCEPT THE NORTHWEST ¼ OF THE NORTHWEST ¼ AND EXCEPT THE WEST 210 FEET OF THE NORTHEAST ¼ AND EXCEPT THOSE PORTIONS SET FORTH IN THE DEEDS RECORDED AUGUST 6, 1997 AT RECEPTION NOS. A7096771, A7096772, COUNTY OF ARAPAHOE, STATE OF COLORADO.

Promontory Metropolitan District No. 3 EXHIBIT B-3
Legal Descriptions

Date Prepared: 7/6/1998

Prepared From AutoCAD Drawing: 886-metrodist-legal.dwg

Parcel No. 1, Promontory Metropolitan District No. 3

A parcel of land situated in Section 30, Township 5 South, Range 65 West; of the 6th Principal Meridian, City of Aurora, Arapahoe County, Colorado, described as follows:

Beginning at the Northwest corner of the Southwest $\frac{1}{4}$ of said Section 30,
thence S 89°15'06" E for 2524.49 feet along the north line of said Southwest $\frac{1}{4}$ of said Section 30;
thence leaving said north line S 0°32'23" W for 238.66 feet to the beginning of a horizontal curve to the right, the radius point of which bears N 89°27'37" W, 898.00 feet;
thence southwesterly along said curve, through a central angle of 30°35'50" for 479.55 feet;
thence S 31°08'12" W for 903.19 feet;
thence N 75°12'20" W for 639.79 feet to the Center 1/16 corner of said Southwest $\frac{1}{4}$ of said Section 30;
thence N 89°25'07" W for 1319.82 feet to the West 1/16 corner of said Southwest $\frac{1}{4}$ of said Section 30;
thence N 0°32'54" E for 1324.26 feet along the west line of said Southwest $\frac{1}{4}$ of said Section 30 to the end point of this description.

Containing 73.001 acres, more or less.

Parcel No. 2, Promontory Metropolitan District No. 3

A parcel of land situated in Section 29, Township 5 South, Range 65 West, of the 6th Principal Meridian, City of Aurora, Arapahoe County, Colorado, described as follows:

Beginning at a point on the west line of the Northwest $\frac{1}{4}$ of said Section 29, said point bearing S0°43'21" W, 735.14 feet from the Northwest corner of said Section 29, said point also lying on the South right-of-way line of Smoky Hill Road, said point also being the beginning of a horizontal curve, the radius point of which bears N 24°21'31" E, 1565.98 feet;
thence along said South right-of-way line southeasterly along said curve, through a central angle of 9°21'00" for 255.55 feet;
thence continuing along said South right-of-way line S 74°59'29" E for 665.25 feet to the beginning of a horizontal curve, the radius point of which bears S 15°00'31" W, 1120.00 feet;
thence continuing along said South right-of-way line southeasterly along said curve, through a central angle of 17°30'40" for 342.30 feet to the beginning of a horizontal curve, the radius point of which bears S 32°31'11" W, 573.00 feet;
thence continuing along said South right-of-way line southeasterly along said curve, through a central angle of 28°07'12" for 281.22 feet to the beginning of a horizontal curve, the radius point of which bears S 60°38'23" W, 3205.96 feet;
thence continuing along said South right-of-way line southeasterly along said curve, through a central angle of 1°25'30" for 79.74 feet;
thence leaving said South right-of-way line S 78°49'40" W for 636.77 feet;
thence S 56°45'56" W for 976.27 feet;
thence N 0°43'21" E for 1326.41 feet along said West line of said Northwest $\frac{1}{4}$ of said Section 29 to the end point of this description.

Containing 22.321 acres, more or less.

EXHIBIT B

Legal Descriptions
(B-1; B-2; B-3)

[NO CHANGE]

EXHIBIT C

Aurora Vicinity Map

[NO CHANGE]

EXHIBIT B

Legal Descriptions
(B-1; B-2; B-3)

[NO CHANGE]

EXHIBIT C

Aurora Vicinity Map

[NO CHANGE]

AMENDED EXHIBIT D

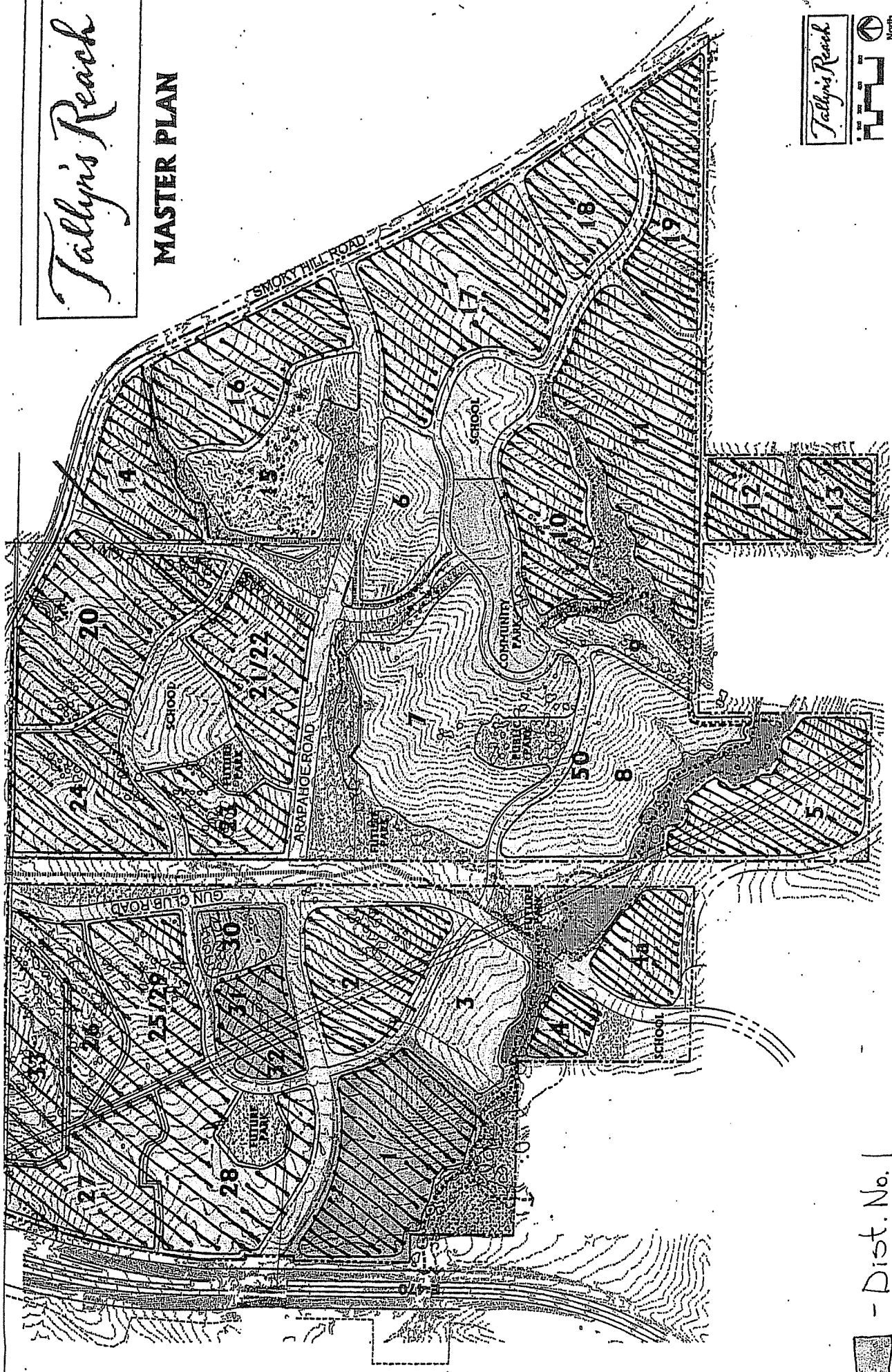
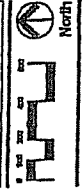
Boundary Maps
(D-1; D-2)

EXHIBIT D-1

Original Boundary Map

Tally's Reach

MASTER PLAN

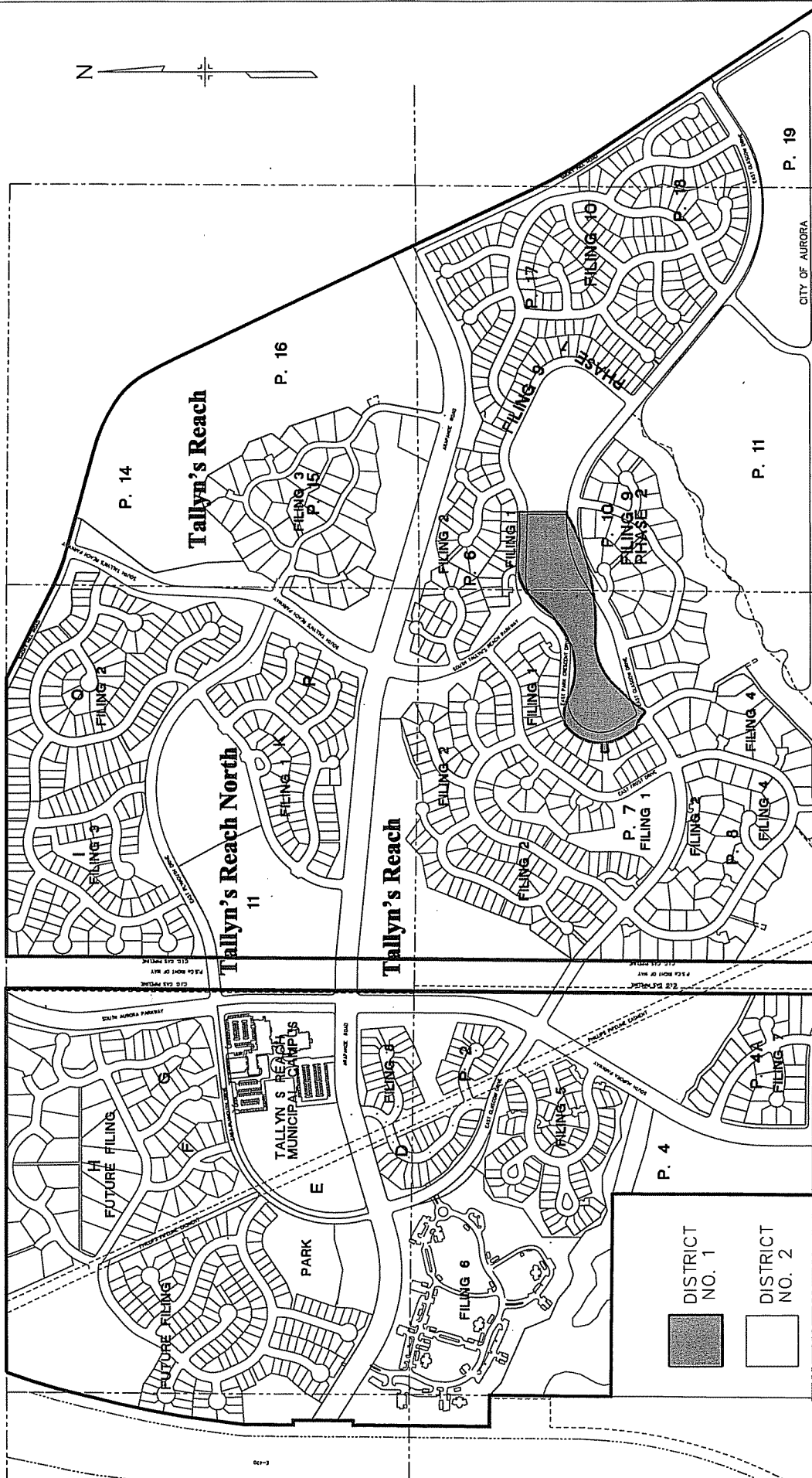
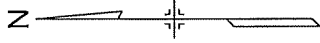


- Dist. No. 1
- Dist. No. 2
- Dist. No. 3

Current

EXHIBIT D-2

Amended Boundary Map



Stantec

TALLYN'S REACH
METROPOLITAN DISTRICTS MAP

CAD OPR. JLR/AGW	PROJECT # 87068600	DATE: 8/08/03	SHEET: 1 of 1
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P. 5	P. 4
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-  DISTRICT NO. 1
-  DISTRICT NO. 2
-  DISTRICT NO. 3

EXHIBIT E

Statutory Contents of Service Plan

[NO CHANGE]

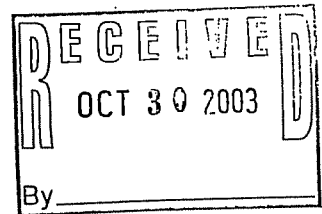
EXHIBIT F

Facilities Diagrams
(F-1; F-2; F-3; F-4; F-5)

[NO CHANGE]

AMENDED
EXHIBIT G

Financing Plan



TALLYN'S REACH METROPOLITAN DISTRICTS
I, II and III

FORECAST OF CASH RECEIPTS

AND DISBURSEMENTS

October 9, 2003

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L. PAUL GOEDECKE P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors Tallyn's Reach Metropolitan Districts I, II and III

950 WADSWORTH BLVD.
SUITE 204
LAKEWOOD, COLORADO 80214
TELEPHONE (303) 232-2866
FAX (303) 232-9452
lpcpa@uswest.net

We have compiled the accompanying forecasted cash surplus balances and cash receipts and disbursements of the Tallyn's Reach Metropolitan Districts I, II and III for the combination of the General, Debt Service and Capital Projects Fund as of January 1, 2000 and annually through December 31, 2023 for Districts I & II and as of January 1, 2002 through December 31, 2038 for District III in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of a forecast, information that is the representation of the Board of Directors of the Districts and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and accordingly, do not express an opinion or any other form of assurance on the accompanying statements or assumptions. However, we did become aware of departures from the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants, which is described in the following paragraph. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

As discussed in Note 4, the forecast is presented on the cash basis of accounting with the above mentioned funds combined, whereas the historical financial statements for the forecasted period are expected to be presented in conformity with generally accepted accounting principles on the modified accrual basis and with financial statements for all the funds of the District by fund type. Guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants require disclosure of the differences resulting from the use of a different basis of accounting in the forecast than that expected to be used in the historical financial statements for the periods. If the AICPA presentation guidelines were followed, the forecast would indicate that the presentation reflects the cash received and disbursed rather than the revenue and expenditures that would be recognized under generally accepted accounting principles based on the modified accrual basis of accounting and fund balance rather than cash balances.

This report and the accompanying forecasted cash surplus balances, cash receipts and disbursements are limited to use by the District Board of Directors for submittal to the City of Aurora with their requested service plan amendment.

L. Paul Goedecke P.C.

October 9, 2003

TALLYN'S REACH METROPOLITAN DISTRICTS I, II & III
SUMMARY OF SIGNIFICANT FORECASTED ASSUMPTIONS
AND ACCOUNTING POLICIES

NOTE 1) NATURE AND LIMIT OF FORECAST

This forecast of financial information is for the purpose of a financial analysis of the proposed Financial Plan of Tallyn's Reach Metropolitan Districts I II and III. It displays how the operations of the General Fund, Debt Service and Capital Projects Funds will be provided and financed.

This financial forecast presents, to the best knowledge and belief of the Board of Directors and the manager of the District, the District's expected cash position and results of cash receipts and disbursements for the forecasted periods for the combined General, Debt Service and Capital Projects Fund. Accordingly, the forecast reflects the judgment of the Board of Directors and its manager as of October 9, 2003, the date of this forecast, and the expected conditions and the District's expected course of action for these combined funds.

The activity of the Capital Projects Fund has been included in the forecast as a part of District I. District I will construct the entire infrastructure. Proceeds from any bond issues as issued by Districts II and III are transferred to District I and then reimbursed to the developer of the Districts for cash advanced to complete infrastructure within the Districts. It is assumed that the bond proceeds and any interest earnings thereon will be used to pay the bond issue costs and all of the eligible capital outlay as described in the Service Plan up to the limits described therein.

The assumptions disclosed herein are those that the Board of Directors and the manager of the District believe are significant to the forecast. There will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The forecast is express in terms of 2003 dollars. However the estimated operating expenses have been inflated at a compounded rate of 3% per year after the year 2003.

TALLYN'S REACH METROPOLITAN DISTRICT I II & III
SUMMARY OF SIGNIFICANT FORECASTED ASSUMPTIONS
AND ACCOUNTING POLICIES

NOTE 2) ORGANIZATION

The Districts are quasi-municipal corporations established under Title 32 of the Colorado Revised Statutes. The Districts were established to provide storm sewer, drainage, sanitary sewer and water facilities as well as roadway improvements for the inhabitants of the Districts.

NOTE 3) BOARD OF DIRECTORS

The Board of Directors initially will be controlled by members affiliated with Carma Colorado the developer of property within the District. These members may have conflicts of interest with respect to certain transactions which come before the Board.

NOTE 4) BASIS OF ACCOUNTING

The basis of accounting for this forecast is the cash basis which is a basis of accounting that is different from the generally accepted accounting principles under which the District will prepare their financial statements.

NOTE 5) PROPERTY TAXES

The primary source of cash receipts will be ad valorem property taxes and facility fees. Property taxes are determined annually by the District's Board of Directors and set by the County commissioners as to rate or levy based upon the assessed valuation of the property within the District. The forecast assumes the District's mill levy will not exceed 48.99 mills which equates to the existing 42.59 mill levy cap adjusted for the Gallagher amendment.

The assessed valuation for the District is dependent upon the buildout schedule supplied by the developer of the vacant property within the District. The developer has determined the forecasted buildout schedule. The projected market values have been estimated by the developer as presented in a separate schedule C. The assessed value of the additional buildout is 7.96% of the estimated market value for residential property and 29% for commercial property. The mill levy will be adjusted for any changes in the assessment rate.

TALLYN'S REACH METROPOLITAN DISTRICT I, II & III
SUMMARY OF SIGNIFICANT FORECASTED ASSUMPTIONS
AND ACCOUNTING POLICIES

NOTE 5) PROPERTY TAXES (continued)

The beginning assessed valuation in District II is comprised of existing homes, unfinished lots including a commercial parcel and personal property as listed in Schedule B-1. This information was derived from the detailed property records on a property by property basis (by schedule number) received from Arapahoe County. The amount of land value was identified on a property by property basis and those properties being transferred to District III were specifically identified and their corresponding land values have been transferred to District III. The remaining land values in District II are being reduced as the units are built in the District. The forecast has assumed an average land value based on the remaining land in the District divided by the number of lots remaining to be developed. District III assumes that the beginning assessed valuation of \$335,010 plus the amount of land transferred from District II in the amount of \$7,038,850 divided by the remaining 1,383 lots to be developed as a per lot cost to be reduced over Districts IIIs estimated build out schedule.

The assessed valuation has been increased biannually at a rate of 3% to reflect reassessment by the County.

The treasurer's fees charged by the County for collecting property taxes have been estimated as 1.5% of the property taxes collected.

Specific ownership taxes are set by the State and collected by the County Treasurer primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County treasurer to all taxing authorities within the County. The forecast estimates specific ownership taxes to approximate 10% of the property tax collections

NOTE 6) FACILITY FEES

The Districts established facility fees to be imposed upon the single family, Multifamily and Townhome development in the District. For purposes of this forecast the fees are based on the 2000 fees of \$3,000 per single family dwelling and 1/2 of that fee or \$1,500 per MultiFamily and \$750.00 per each Apartment unit beginning in the year 2000. These fees are inflated at 5% per year. Any unused facility fees are transferred to District I and then reimbursed to the developer of the District for capital improvements.

TALLYN'S REACH METROPOLITAN DISTRICT I, II & III
SUMMARY OF SIGNIFICANT FORECASTED ASSUMPTIONS
AND ACCOUNTING POLICIES

NOTE 7) INTEREST INCOME

Interest earnings are estimated at 2% per annum based on the previous years ending balance.

NOTE 8) OPERATIONS

Operations include the costs to operate and maintain the Districts which consist mainly of administration costs, legal, accounting and insurance as well as all maintenance fees and landscaping expenses in the year 2002. The forecast estimates these costs at \$500,000 beginning in the year 2003 paid by District I.

These costs have been allocated between Districts II and III based on the relative fees produced by home owners fees imposed on properties within the Districts. District II assumes 35.00% of the operating expenses and District III has assumed approximately 65.00%. The operating costs of the current year 2002 have been assumed to be incurred by District I and were advanced by the developer in the year ended 2002 in the amount of \$169,752. The District has imposed an assessment fee for the year 2003 currently at \$45 per unit per month assuming 93 existing homes in District II. The fee has been reduced in Districts II and III in subsequent years to closely approximate the operating costs of the District on an annual basis. Operations costs have been inflated annually at 3%. Any operating shortfalls have been funded directly by developer advances to be reimbursed in the future. The forecast assumes the advances are repaid by the collection of homeowner fees, which are reduced, when the advances have been repaid in full. The forecast estimates these advances to be repaid by the year 2009. Since operating costs are inflated at 3% annually the fees have been adjusted to closely approximate operating costs. The plan produces annual surpluses of \$5,630 beginning in the year 2009 and these surpluses remain in the District as reserves for any contingencies.

TALLYN'S REACH METROPOLITAN DISTRICT I, II & III
SUMMARY OF SIGNIFICANT FORECASTED ASSUMPTIONS
AND ACCOUNTING POLICIES

NOTE 9) DEBT SERVICE

The forecasts anticipate Districts II and III will issue their own general obligation debt and upon such issuance will transfer the net construction proceeds, after issuance costs and capitalized interest to District I which has been responsible for the construction of the infrastructure within the Tallyn's Reach Districts.

District II assumes general obligation bonds in the amount of 7,740,000 dated January 6, 2004. The 2004 issue is assumed to bear interest at 6.5%. The 2003 bond issue carries a maximum annual debt payment of \$857,325. The 2004 bond issue is estimated to net \$7,335,200 in capital construction funds.

District III assumes general obligation bonds issued in 2004 in the amount of \$10,000,000, a 2005 bond issue in the amount of \$10,000,000, a 2007 issue of \$10,000,000 and a 2009 issue of \$22,000,000. The 2004 issue assumes an interest rate of 6.5% and the 2005, 2007 and 2009 issues assume interest rates of 6%. All issues approximate level debt service after the first two initial years. The 2004 issue carries a maximum debt service payment of \$857,325. The 2005 issue carries a maximum debt service payment of \$739,200. The 2007 issue carries a maximum debt service payment of \$739,200 and the 2009 carries a maximum debt service payment of \$1,643,400. The 2004 bond issue is estimated to net \$8,400,000 in capital construction funds, the 2005 issue nets \$8,500,000, 2007 issues nets \$8,500,000 and the 2009 issue nets \$21,460,000.

Closing costs on the District II bonds are estimated at approximately 3.3%. Closing costs on the District III \$10 million issues are estimated at 3% and 2.4% on the \$22 million issue in 2009.

TALLYN'S REACH METROPOLITAN DISTRICTS
II

FORECAST OF CASH RECEIPTS
AND DISBURSEMENTS

October 9, 2003

TALLYNS REACH METROPOLITAN DISTRICTS II
 COMBINED DEBT SERVICE AND GENERAL FUNDS ONLY
 ECATED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD 2000 THROUGH 2023

Filename: SCHEDULE B
 09-Oct-03
 Forecast

RESIDENTIAL (2 YR LAG) ADDED				MULTI FAMILY AND RENTAL ASSESSED		ANNUAL ASSESSED		LAND VALUE INCLUDED IN AND REMOVED		ADJUST TO ACTUAL (Note 2) & BI ANNUAL RE-ASS 3%		TOTAL ASSESSED VALUE	YEAR
S	ASSESSED VALUE	RENTAL APTS	AVG PRICE	ADDTL MKT VALUE	ASSESSED %	VALUE ADDED	VALUE ADDED	FROM ASV	PERSONAL PROPERTY				
%					7.96%							0	1998
%					7.96%							0	1999
%	0				7.96%	0	0					0	2000
%	0			0	7.96%	0						0	2001
%	1,173,463			0	7.96%	0	1,173,463					0	2002
%	3,110,786			0	7.96%	0	3,110,786					12,616,000	2003
%	1,972,938			0	7.96%	0	1,972,938	2,739,130	223,343			9,219,669	2004
%	2,100,957			0	7.96%	0	2,100,957	-1,294,482		1,099,840		11,062,975	2005
%	565,303			0	7.96%	0	565,303	-246,568		331,889		11,713,599	2006
%	0	408	100,000	40,800,000	7.96%	0	0	0				11,713,599	2007
%	0				7.96%	0	0	0		351,408		12,065,007	2008
%	0				7.96%	3,247,680	3,247,680	-1,198,080				14,114,607	2009
						0	0				423,438	14,538,045	2010
						0	0					14,538,045	2011
						0	0				436,141	14,974,187	2012
						0	0					14,974,187	2013
						0	0				449,226	15,423,412	2014
						0	0					15,423,412	2015
						0	0				462,702	15,886,115	2016
						0	0					15,886,115	2017
						0	0				476,583	16,362,698	2018
						0	0					16,362,698	2019
						0	0				490,881	16,853,579	2020
						0	0					16,853,579	2021
						0	0				505,607	17,359,186	2022
						0	0					17,359,186	2023
	8,923,447	408		40,800,000	7.96%	3,247,680	12,171,127	0	223,343	4,964,717			

This report has been prepared by the office of the auditor of the County of Alameda, California, and is based on the information furnished to the auditor by the County of Alameda, California. The auditor is not responsible for the accuracy of the information furnished to the auditor by the County of Alameda, California. The auditor is not responsible for the accuracy of the information furnished to the auditor by the County of Alameda, California. The auditor is not responsible for the accuracy of the information furnished to the auditor by the County of Alameda, California.

Significant forecasted assumptions and accounting policies

SCHEDULE C

TALLYNS REACH METROPOLITAN DISTRICT II
ESTIMATE OF DEVELOPMENT BY YEAR AND PLANNING AREA

Denver Land
Assess Values - Proposed Bond Issue
As of August 30 2003 supplied by Carma

Changed
carma bid/ot
To agree with county records

Planning area	Dist #	Total # existing	Average Lot	Est House Value	Value on Total Units	Year of completion 1 yr after lot sale									
						2003 market value	2004 market value	2005 market value	2006 market value	2007 market value	2008 market value				
PA 1	3	0	0	100,000	0	0	0	0	0	0	0				
PA 2	3	0	37,298	325,000	0	0	0	0	0	0	0				
PA 3	2	0	63,245	341,738	0	0	0	0	0	0	0				
PA 3 JAYMAN MODELS partial	2	31	0	385,000	11,935,000	0	2	685,023	21	5,072,747	0				
PA 4	2	0	25,000	225,000	0	0	0	0	0	0	0				
PA 5	3	0	92,500	450,000	0	0	0	0	0	0	0				
PA 6 wall mckenzie	2	8	59,255	450,000	2,700,000	1	450,000	0	5	5,095,290	0				
PA 6 Engle	2	15	60,000	411,106	6,186,590	0	0	0	15	2,803,595	0				
PA 6 Preserve	2	2	77,400	425,000	850,000	0	0	0	2	414,354	0				
PA 7	2	0	63,000	325,000	0	0	0	0	0	0	0				
PA 7 WRITER	2	50	496,144	496,144	23,307,200	15	9,390,892	13	9,059,972	19	9,005,410				
PA 7 LENNAR	2	58	325,300	325,300	18,887,400	2	850,600	14	4,824,200	12	3,903,600				
PA 7 ASHCROFT	2	6	550,000	550,000	4,400,000	0	0	0	0	0	0				
PA 7 ASHCROFT M	2	6	589,900	589,900	3,589,400	0	0	0	0	0	0				
PA 8 J&T (listed)	2	2	159,037	975,754	1,951,508	0	0	2	1,881,508	0	0				
PA 89 GOLDEN DESGN	2	6	1,100,000	6,600,000	8,600,000	0	0	2	2,300,000	0	0				
PA 89 MILLER BURTON	2	6	683,000	683,000	8,147,000	0	0	0	0	0	0				
PA 9	2	0	895,000	895,000	0	0	0	0	0	0	0				
PA 10	2	0	1,000,000	1,000,000	0	0	0	0	0	0	0				
PA 11	3	0	130,000	850,000	0	0	0	0	0	0	0				
PA 12	3	0	80,000	475,000	0	0	0	0	0	0	0				
PA 13	3	0	515,000	1,500,000	0	0	0	0	0	0	0				
PA 14	3	0	281,000	1,500,000	0	0	0	0	0	0	0				
PA 15 GREENTREE	2	14	86,942	700,000	8,800,000	0	0	0	0	0	0				
PA 15 GREENTREE	2	23	623,227	623,227	14,334,221	0	15	5,971,852	5	5,447,465	0				
PA 16	3	0	90,000	450,000	550,000	0	0	0	0	0	0				
PA 17	2	2	60,708	275,000	0	0	0	0	0	0	0				
PA 18	3	0	65,000	325,000	0	0	0	0	0	0	0				
PA 19	3	0	125,000	600,000	0	0	0	0	0	0	0				
PA 20	3	0	75,000	375,000	0	0	0	0	0	0	0				
PA 21/22	2	10	85,000	375,000	3,750,000	0	0	0	0	0	0				
PA 23 townhomes	3	0	24,333	300,000	0	0	0	0	0	0	0				
PA 24	3	0	70,000	350,000	0	0	0	0	0	0	0				
PA 25/29	3	0	90,000	450,000	0	0	0	0	0	0	0				
PA 26	3	0	275,000	1,100,000	0	0	0	0	0	0	0				
PA 27	3	0	90,000	450,000	0	0	0	0	0	0	0				
PA 28	3	0	25,000	225,000	0	0	0	0	0	0	0				
PA 32	3	0	11,500	75,000	0	0	0	0	0	0	0				
PA 33	3	0	87,778	1,200,000	0	0	0	0	0	0	0				
PA 40	2	3	82,500	642,211	1,928,633	0	0	0	2	1,284,422	0				
PA 50 Windham	2	1	1,307,000	1,307,000	1,307,000	0	1	1,482,864	0	0	0				
PA 50	2	2	1,287,500	1,287,500	2,575,000	0	2	2,575,000	0	0	0				
PA 50	2	4	1,312,700	1,312,700	5,250,800	4	5,250,800	0	0	0	0				
TOTAL		252			128,017,752	25	14,741,992	68	39,080,229	88	24,785,653	63	28,393,931	12	7,101,800

The shaded areas have been adjusted to agree with Arapahoe County Assessor's records

see accompanying summary of significant forecasted assumptions and accounting policies

TALLYN'S REACH METROPOLITAN DISTRICTS
I

FORECAST OF CASH RECEIPTS
AND DISBURSEMENTS

October 9, 2003

TALLYNS REACH METROPOLITAN DISTRICT I
 FORECASTED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD 2000 THROUGH 2023

YEAR	NET BOND PROCEEDS DISTRICT II	NET BOND PROCEEDS DISTRICT III	TRSF FACILITY FEES DISTRICTS II & III	HOME OWNERS FEES DISTRICT II	HOME OWNERS FEES DISTRICT III	NET AVAILABLE	REIMBURSE DEVELOPER CONSTRUCTION ADVANCES	OPERATING EXPENSES	ANNUAL SURPLUS	DEVELOPER OPERATING ADVANCES (REPAYMENT)	CUMULATIVE SURPLUS	YEAR
2000			75,000			75,000		75,000	0	0	0	2000
2001			207,900			207,900		207,900	0	0	0	2001
2002			403,515			403,515	403,515	169,752	(169,752)	169,752	0	2002
2003	7,335,200	8,400,000	854,327	95,580	19,440	16,704,547	16,589,527	500,000	(384,980)	384,980	0	2003
2004			1,101,249	129,600	118,260	1,349,109	1,101,249	515,000	(267,140)	267,140	0	2004
2005			843,300	136,080	274,860	9,754,240	9,343,300	530,450	(119,510)	119,510	0	2005
2006			0	136,080	444,150	580,230	0	546,364	33,867	(33,867)	0	2006
2007			430,573	136,080	619,650	9,686,303	8,930,573	562,754	192,976	(192,976)	0	2007
2008			0	356,400	638,240	994,640	0	579,637	415,002	(415,002)	0	2008
2009	21,460,000		367,092	367,092	657,387	22,484,479	21,460,000	597,026	427,453	(299,538)	127,915	2009
2010			223,082	223,082	399,494	622,576	0	614,937	7,639	0	135,554	2010
2011			229,774	229,774	411,479	641,253	0	633,385	7,868	0	143,422	2011
2012			236,667	236,667	423,823	660,491	0	652,387	8,104	0	151,526	2012
2013			243,768	243,768	436,538	680,305	0	671,958	8,347	0	159,873	2013
2014			251,081	251,081	449,634	700,714	0	692,117	8,597	0	168,470	2014
2015			258,613	258,613	463,123	721,736	0	712,880	8,855	0	177,326	2015
2016			266,371	266,371	477,017	743,388	0	734,267	9,121	0	186,447	2016
2017			274,362	274,362	491,327	765,690	0	756,295	9,395	0	195,841	2017
2018			282,593	282,593	506,067	788,660	0	778,984	9,677	0	205,518	2018
2019			291,071	291,071	521,249	812,320	0	802,353	9,967	0	215,485	2019
2020			299,803	299,803	536,886	836,690	0	826,424	10,266	0	225,751	2020
2021			308,797	308,797	552,993	861,790	0	851,217	10,574	0	236,325	2021
2022			318,061	318,061	569,583	887,644	0	876,753	10,891	0	247,216	2022
2023	7,335,200	46,860,000	3,915,863	5,168,560	9,597,868	72,877,492	57,828,163	14,790,895	258,433	(0)	258,433	2023

see accompanying summary of significant forecasted assumptions and accounting policies

TALLYS REACH METROPOLITAN DISTRICT II
 COMBINED DEBT SERVICE AND GENERAL FUNDS ONLY
 FORECASTED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD 2000 THROUGH 2023

SUMMARY

YEAR	TOTAL ASSESSED VALUE	MILL LEVY	PROPERTY TAXES REVENUE	FACILITY FEES	PER/UNIT MONTHLY FEE	2.00% INT ON SURPLUS	10.00% SPECIFIC OWNERSHIP	PROCEEDS FROM BOND ISSUE	CAPITAL EXPEND & ISSUE COSTS	NET AVAILABLE	7,740,000 8.50% BOND DEBT IN 2004	TRANSFER OPERATING FEE TO DISTRICT I	1.50% TREASURERS FEES	ANNUAL SURPLUS	TRANSFER FACILITY FEE TO DISTRICT I FOR CONST.	CUMULATIVE SURPLUS	YI
1998																	0
1999	0	0.00	0	0	0	0	0				0	0	0	0	0	0	0
2000	0	0.00	0	75,000		0	0				75,000	0	0	75,000	(75,000)	0	0
2001	0	0.00	0	207,900		0	0				207,900	0	0	207,900	(207,900)	0	0
2002	0	0.00	0	284,445		0	0				284,445	0	0	284,445	(284,445)	0	0
2003	12,616,000	0.00	0	218,791		95,580	0				314,371	0	95,580	0	218,791	0	0
2004	9,219,660	48.99	451,671	43,758	129,600	0	45,167	7,740,000	(7,590,000)	820,196	519,188	129,600	6,775	164,634	(43,758)	120,876	0
2005	11,062,975	48.99	541,975	0	136,080	2,418	54,198			734,670	613,875	136,080	8,130	(23,414)	0	97,461	0
2006	11,713,599	48.99	573,849	0	136,080	1,949	57,385			769,263	646,400	136,080	8,608	(21,824)	0	75,637	0
2007	11,713,599	48.99	573,849	430,573	136,080	1,513	57,385			1,199,400	646,325	136,080	8,608	408,387	(430,573)	53,451	0
2008	12,065,007	48.99	591,065	0	136,080	1,969	59,106			1,007,640	665,600	136,080	8,866	(23,226)	0	30,225	0
2009	14,114,607	45.50	642,215	0	136,080	367,092	636			1,074,133	667,925	367,092	9,633	29,482	0	59,708	0
2010	14,538,045	45.50	661,481	0	136,080	223,082	1,194			951,905	689,275	223,082	9,922	29,626	0	89,334	0
2011	14,538,045	45.50	661,481	0	136,080	229,774	1,787			959,190	693,350	229,774	9,922	26,144	0	115,477	0
2012	14,974,187	45.00	673,838	0	136,080	236,567	2,310			980,199	716,125	236,567	10,108	17,259	0	132,777	0
2013	14,974,187	45.00	673,838	0	136,080	243,768	2,656			987,645	716,300	243,768	10,108	17,470	0	150,247	0
2014	15,423,412	45.00	694,054	0	136,080	251,081	3,025			1,017,544	740,175	251,081	10,411	15,878	0	166,125	0
2015	15,423,412	45.00	694,054	0	136,080	258,613	3,322			1,025,394	746,125	258,613	10,411	10,246	0	176,371	0
2016	15,886,115	44.00	714,875	0	136,080	266,371	3,527			1,056,261	770,125	266,371	10,723	9,042	0	185,412	0
2017	15,886,115	44.00	698,989	0	136,080	274,362	3,708			1,046,959	770,875	274,362	10,485	(8,764)	0	176,649	0
2018	16,362,688	44.00	719,959	0	136,080	282,593	3,533			1,078,081	794,675	282,593	10,799	(9,997)	0	166,652	0
2019	16,362,688	44.00	719,959	0	136,080	291,071	3,333			1,086,359	799,900	291,071	10,799	(15,412)	0	151,250	0
2020	16,853,579	44.00	741,557	0	136,080	299,903	3,025			1,118,542	827,525	299,903	11,123	(19,910)	0	131,340	0
2021	16,853,579	44.00	741,557	0	136,080	308,797	2,677			1,127,137	830,925	308,797	11,123	(23,700)	0	107,632	0
2022	17,359,186	44.00	763,804	0	136,080	318,061	2,153			1,160,399	856,400	318,061	11,427	(25,520)	0	82,112	0
2023	17,359,186	42.00	729,086	0	136,080	327,603	1,642			1,131,240	857,325	327,603	10,936	(64,625)	0	17,487	0
	13,263,157		1,260,467		5,168,560	45,375	1,326,316	7,740,000	(7,590,000)	21,213,874	14,568,413	5,168,560	196,947	1,277,954	(1,260,467)		

see accompanying summary of significant forecasted assumptions and accounting policies

TALLYNS REACH METROPOLITAN DISTRICTS II SCHEDULE D
 FORECASTED STATEMENT OF CASH RECEIPTS 09-Oct-03
 AND DISBURSEMENTS
 GENERAL OBLIGATION DEBT SCHEDULE

GENERAL OBLIGATION BONDS SERIES 2004 ASSUMED DATED JANUARY 6 2004				NET DEBT SERVICE
YEAR	RATE	PRINCIPAL	INTEREST	
2004	6.50%	\$65,000	454,188	519,188
2005	6.50%	\$115,000	498,875	613,875
2006	6.50%	\$155,000	491,400	646,400
2007	6.50%	\$165,000	481,325	646,325
2008	6.50%	\$195,000	470,600	665,600
2009	6.50%	\$210,000	457,925	667,925
2010	6.50%	\$245,000	444,275	689,275
2011	6.50%	\$265,000	428,350	693,350
2012	6.50%	\$305,000	411,125	716,125
2013	6.50%	\$325,000	391,300	716,300
2014	6.50%	\$370,000	370,175	740,175
2015	6.50%	\$400,000	346,125	746,125
2016	6.50%	\$450,000	320,125	770,125
2017	6.50%	\$480,000	290,875	770,875
2018	6.50%	\$535,000	259,675	794,675
2019	6.50%	\$575,000	224,900	799,900
2020	6.50%	\$640,000	187,525	827,525
2021	6.50%	\$685,000	145,925	830,925
2022	6.50%	\$755,000	101,400	856,400
2023	6.50%	\$805,000	52,325	857,325
7,740,000			6,828,413	14,568,413

GROSS BOND PROCEEDS	7,740,000
LESS: CAPITALIZED INTEREST	(150,000)
BOND ISSUE COSTS	(254,800)
NET CONSTRUCTION FUNDS	7,335,200

SEE ACCOMPANYING SUMMARY OF SIGNIFICANT FORECASTED ASSUMPTIONS
AND ACCOUNTING POLICIES

TALLYNS REACH METROPOLITAN DISTRICTS II
COMBINED DEBT SERVICE AND GENERAL FUNDS ONLY
FORECASTED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

SCHEDULE OF FORECASTED FACILITY FEES

YEAR	SINGLE FAMILY UNITS ADDED	FACILITY FEE	ANNUAL SINGLE FAMILY UNITS FACILITY FEE	MULTI FAMILY AND TOWNHOMES ADDED	MULTI FAMILY & TOWNHOME FACILITY FEE	MULTI FAMILY TOWNHOME UNITS FACILITY FEE	TOTAL FACILITY FEES	HOME OWNERS FEE	YEAR
1998	0	0	0	0	0	0	0	0	1998
1999	0	0	0	0	0	0	0	0	1999
2000	25	3,000	75,000	0	750	0	75,000	0	2000
2001	66	3,150	207,900	0	788	0	207,900	0	2001
2002	86	3,308	284,445	0	827	0	284,445	0	2002
2003	63	3,473	218,791	0	868	0	218,791	95,580	2003
2004	12	3,647	43,758	0	912	0	43,758	129,600	2004
2005	0	3,829	0	0	957	0	0	136,080	2005
2006	0	4,020	0	0	1,005	0	0	136,080	2006
2007	0	4,221	0	408	1,055	430,573	430,573	136,080	2007
2008	0	4,432	0	0	1,108	0	0	356,400	2008
2009								367,092	2009
2010								223,082	2010
2011								229,774	2011
2012								236,667	2012
2013								243,768	2013
2014								251,081	2014
2015								258,613	2015
2016								266,371	2016
2017								274,362	2017
2018								282,593	2018
2019								291,071	2019
2020								299,803	2020
2021								308,797	2021
2022								318,061	2022
2023								327,603	2023
	252		829,894	408	8,270	430,573	1,260,467	5,168,560	

see accompanying summary of significant forecasted assumptions and accounting policies

TALLYN'S REACH METROPOLITAN DISTRICTS
III

FORECAST OF CASH RECEIPTS
AND DISBURSEMENTS

October 9, 2003

Talllys' Reach Metropolitan District III
 Forecasted statement of Cash Receipts and Disbursements
 For the Period 2002 through 2038

SCHEDULE B
 09-Oct-03
 Forecast

YEAR	RESID UNITS IN DIST	(schedule C) ADDTL MKT VALUE	RESIDENTIA (2 YR LAG) ADDED ASSESSED VALUE	MARKET VALUE (11 ACRES) Commercial PROPERTY	COMMERCIAL (2 YR LAG) ADDED ASSESSED VALUE	ANNUAL ASSESSED VALUE ADDED	LAND VALUE TRSF FROM II AND REMOVED FROM ASV	TRANSFER FROM BUILDING FROM DISTRICT II	BI-ANNUAL RE-ASSESSED 3.00% VALUE	TOTAL ASSESSED VALUE	YEAR
2002	36	13,131,030	7.96%							0	2002
2003	183	75,950,000	7.96%	0			335,010		ACTUAL	335,010	2003
2004	290	114,920,000	7.96%	1,045,230			7,038,850	1,045,230	137,040	8,558,130	2004
2005	286	121,000,000	7.96%	6,045,620	TRANSFER FROM DISTRICT II	6,045,620	-975,717		290,740	13,916,473	2005
2006	325	140,480,000	7.96%	9,147,632		9,147,632	-1,546,218		417,454	21,935,381	2006
2007	299	153,425,000	7.96%	9,631,600		9,631,600	-1,524,891			30,042,091	2007
2008			7.96%	11,182,208		14,971,928	-1,732,830		901,263	44,182,451	2008
2009			7.96%	12,212,630		12,212,630	-1,594,204			54,800,877	2009
2010						0	0		1,644,026	56,444,903	2010
2011						0	0			56,444,903	2011
2012									1,693,347	58,138,250	2012
2013										58,138,250	2013
2014									1,744,148	59,882,398	2014
2015										59,882,398	2015
2016									1,796,472	61,678,870	2016
2017										61,678,870	2017
2018									1,850,366	63,529,236	2018
2019										63,529,236	2019
2020									1,905,877	65,435,113	2020
2021										65,435,113	2021
2022									1,963,053	67,398,166	2022
2023										67,398,166	2023
2024									2,021,945	69,420,111	2024
2025										69,420,111	2025
2026									2,082,603	71,502,715	2026
2027										71,502,715	2027
2028									2,145,081	73,647,796	2028
2029										73,647,796	2029
2030									2,209,434	75,857,230	2030
2031										75,857,230	2031
2032									2,275,717	78,132,947	2032
2033										78,132,947	2033
2034									2,343,988	80,476,935	2034
2035										80,476,935	2035
2036									2,414,308	82,891,243	2036
2037										82,891,243	2037
2038									2,486,737	85,377,981	2038
1,419	518,906,030	49,264,920	13,068,000	3,789,720	52,009,410	1,045,230	0	32,323,341			

Note 1: The beginning assessed valuation has been adjusted to the actual detailed property records from Arapahoe County
 See attached summary of assessed valuations
 Note 2: The assessed valuation has been adjusted by \$290,440 to reflect those units which were only partially assessed by the County
 and are estimated to become fully assessed in the year 2004 for collection 2005

TALLYS REACH METROPOLITAN DISTRICT III
ESTIMATE OF DEVELOPMENT BY YEAR AND PLANNING AREA
FOR THE PERIOD 2001 THROUGH 2007

PLANNING AREA	Dist #	Total # of Units	Average Lot	Est House Value	Value on Total Units	Year of completion 1 yr after lot sale		Assess per County	2003 market value	2004 market value	2005 market value	2006 market value	2007 market value						
						2001 market value	2002 market value												
PA 1	3	0		100,000	0	0	0	0	0	0	0	0	0						
PA 2	3	57	37,298	350,000	19,950,000	0	0	0	0	17	5,950,000	36	12,600,000	4	1,400,000	0	0		
PA 3	3	38	83,245	340,000	12,240,000	0	0	7	1,464,950	29	9,860,000	18	6,000,000	0	0	0	0		
PA 4	3	22	25,000	375,000	8,250,000	0	0	0	0	8	2,250,000	16	6,000,000	0	0	0	0		
PA 5	3	44	97,500	500,000	22,000,000	0	0	0	0	0	0	0	0	0	0	0	0		
PA 6 Wall	3	20	58,255	375,000	7,500,000	0	0	4	773,689	10	3,750,000	6	2,250,000	0	0	0	44	22,000,000	
PA 6 Engle	3	4	60,000	375,000	1,500,000	0	0	2	252,164	2	650,000	0	0	0	0	0	0	0	
PA 7	3	22	60,000	340,000	7,480,000	0	0	3	481,164	11	3,740,000	6	2,720,000	0	0	0	0	0	
PA 7 Welton	3	28	77,400	425,000	11,900,000	0	0	0	1,622,840	0	0	0	0	0	0	0	0	0	
PA 8 Preserve	3	8	63,000	325,000	2,600,000	0	0	6	2,307,663	0	0	0	0	0	0	0	0	0	
PA 9	3	43	159,037	900,000	38,700,000	0	0	3	134,422	12	10,800,000	12	10,800,000	12	10,800,000	4	3,500,000	0	
PA 10	3	34	130,000	850,000	28,900,000	0	0	0	0	0	0	18	15,300,000	18	13,600,000	0	0	0	
PA 11	3	103	80,000	475,000	48,925,000	0	0	0	0	0	0	36	17,100,000	36	17,100,000	31	14,725,000	0	
PA 12	3	0	515,000	1,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
PA 13	3	0	291,000	1,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
PA 14	3	35	90,000	550,000	19,250,000	0	0	0	0	0	0	0	0	0	0	0	0	0	
PA 15	3	9	86,342	700,000	6,300,000	0	0	0	0	9	8,300,000	0	0	0	0	0	0	0	
PA 16	3	79	90,000	500,000	39,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	
PA 17	3	158	60,708	350,000	55,300,000	0	0	0	0	38	12,600,000	38	12,600,000	36	12,600,000	14	4,900,000	0	
PA 18	3	68	85,000	350,000	23,800,000	0	0	0	0	36	12,600,000	30	10,500,000	0	0	0	0	0	
PA 19	3	28	125,000	700,000	19,600,000	0	0	0	0	0	0	10	7,000,000	10	7,000,000	8	5,800,000	0	
PA 20	3	109	75,000	400,000	43,600,000	0	0	0	0	0	0	18	7,200,000	36	14,400,000	55	22,000,000	0	
PA 21/22	3	68	65,000	375,000	25,500,000	0	0	3	227,261	18	6,750,000	18	6,750,000	24	8,000,000	5	1,875,000	0	
PA 23 townhomes	3	60	24,333	275,000	16,500,000	0	0	0	0	0	0	0	0	30	8,250,000	30	8,250,000	0	
PA 24	3	90	70,000	350,000	31,500,000	0	0	0	0	0	0	18	6,300,000	36	12,600,000	0	0	0	
PA 25/29	3	46	90,000	475,000	21,850,000	0	0	0	0	0	0	0	0	0	0	0	0	0	
PA 26	3	10	275,000	1,100,000	11,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	
PA 27	3	45	90,000	475,000	21,375,000	0	0	0	0	0	0	0	0	0	0	0	0	0	
PA 28	3	151	25,000	280,000	42,300,000	0	0	0	0	0	0	60	18,600,000	60	18,600,000	31	8,660,000	0	
PA 32 commercial	3	0	11,500	75,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
PA 33 -	3	18	67,778	1,200,000	21,600,000	0	0	0	0	0	0	0	0	0	0	0	0	0	
PA 48	3	27	97,500	475,000	12,825,000	0	0	2	1,179,823	14	6,850,000	11	5,225,000	0	0	0	0	0	
PA 50	3	1	118,125	945,000	945,000	0	0	1	1,345,854	0	0	0	0	0	0	0	0	0	
TOTALS		1,419			610,920,000	0	0	36	13,131,030	183	75,990,000	290	114,920,000	298	121,000,000	325	140,480,000	299	153,425,000

Summed and rounded to actual values per Arapahoe County 2/21/03

Com'nv assessed 1,045,230

TALLYNS REACH METROPOLITAN DISTRICTS III
 COMBINED DEBT SERVICE AND GENERAL FUNDS ONLY
 FORECASTED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

SCHEDULE E
 Filename: 09-Oct-03
 Forecast

SCHEDULE OF FORECASTED FACILITY FEES

YEAR	SINGLE FAMILY UNITS ADDED	ANNUAL			TOTAL FACILITY FEES	45/MONTH HOME OWNERS FEE	COMMERCIAL MONTHLY FEE	YEAR
		FACILITY FEE	SINGLE FAMILY UNITS FACILITY FEE	COMMERCIAL FEE				
2002	36	3,308	119,070		119,070	0		2002
2003	183	3,473	635,536		635,536	19,440		2003
2004	290	3,647	1,057,490		1,057,490	118,260		2004
2005	286	3,829	1,095,050	173,250	1,268,300	274,860		2005
2006	325	4,020	1,306,593		1,306,593	429,300	14,850	2006
2007	299	4,221	1,262,169		1,262,169	604,800	14,850	2007
2008	0	4,432	0		0	622,944	15,296	2008
2009						641,632	15,754	2009
2010						389,920	9,574	2010
2011						401,618	9,861	2011
2012						413,666	10,157	2012
2013						426,076	10,462	2013
2014						438,858	10,776	2014
2015						452,024	11,099	2015
2016						465,585	11,432	2016
2017						479,552	11,775	2017
2018						493,939	12,128	2018
2019						508,757	12,492	2019
2020						524,020	12,867	2020
2021						539,740	13,253	2021
2022						555,933	13,650	2022
2023						572,611	14,060	2023
2024						589,789	14,481	2024
2025						607,483	14,916	2025
2026						625,707	15,363	2026
2027						644,478	15,824	2027
2028						663,813	16,299	2028
2029						683,727	16,788	2029
2030						704,239	17,292	2030
2031						725,366	17,810	2031
2032						747,127	18,345	2032
2033						769,541	18,895	2033
2034						792,627	19,462	2034
2035						816,406	20,046	2035
2036						840,898	20,647	2036
2037						866,125	21,266	2037
2038						892,109	21,904	2038
	1,419		5,475,908		5,649,158	20,342,969	493,672	

see accompanying summary of significant forecasted assumptions and accounting policies

Tallyn's Reach Metropolitan Districts 1-3
2003 Assessed Valuations

District	Land	Building	Personal	S.A.	Other	Total
Per Tax Roll:						
1	90			800		890
2	9,777,980	7,302,360	156,940	66,170	290	17,303,740
3	456,250			15,800		472,050
	<u>10,234,320</u>	<u>7,302,360</u>	<u>156,940</u>	<u>82,770</u>	<u>290</u>	<u>17,776,680</u>

Per New District Boundaries:						
1	90			800		890
2	2,739,130	6,257,130	156,940	66,170	290	9,219,660
3	7,495,100	1,045,230		15,800		8,556,130
	<u>10,234,320</u>	<u>7,302,360</u>	<u>156,940</u>	<u>82,770</u>	<u>290</u>	<u>17,776,680</u>

Total land remaining in district II	2,739,130
Land attributed to apartments	-1,198,080
Remaining land attributed to SF	<u>1,541,050</u>
Number of units remaining	<u>75</u>
Land to be removed per unit	<u>20,547</u>

	Land	Building	Personal	S.A.	Other	Total
Transfer from II	7,038,850	1,045,230	0	0	0	8,084,080

EXHIBIT H

Aurora Intergovernmental Agreement

[NO CHANGE]

AMENDED
EXHIBIT I

Estimated Capital Costs and Engineer Letter

R. M. HASSETT & CO.

REAL ESTATE CONSULTANTS

July 17, 2003

Department of Development Services
City of Aurora
15151 E. Alameda Pkwy
Aurora, Colorado 80012

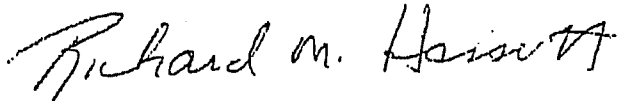
Re: Tallyn's Reach Metropolitan District Nos. 1, 2, 3

To Whom It May Concern,

R. M. HASSETT & CO. compiled the cost opinions used for the proposed Service Plan Amendment. The costs opinions are based upon quantities taken from various plans, which include preliminary design plans, preliminary construction plans and approved construction plans where available. The unit prices used are based upon 2002 unit prices for proposed improvements and actual costs for those improvements completed. A contingency has been applied to the costs based upon the status of the specific improvement. A contingency of 15% has been applied to proposed improvements, 10% for improvements under construction and 5% for those improvements in the warranty period. In addition, an inflation factor has been applied to costs of the proposed improvements at a rate of 5% per year.

In my opinion, the cost opinions for the Tallyn's Reach Metropolitan District are reasonable and comparable to similar projects.

Very Truly Yours,
R. M. HASSETT & CO.



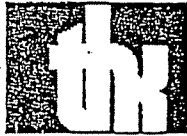
Richard M. Hassett P. E.

cc: Marcie Cassell, White & Associates

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EXHIBIT J

Letter in Support of Market Projections



associates, inc.

market research planning landscape architecture golf feasibility / valuation

July 10, 2003

Ms. Dana Smith
Controller
Carma Colorado
9110 East Nichols Avenue, Suite 180
Englewood, Colorado 80112

Dear Ms. Smith:

THK has been requested to provide a review of your projected absorption and pricing estimates for the Tallyns Reach community, specifically the area encompassed by Tallyns Reach Metropolitan Districts II and III.

The Tallyns Reach community is located east of E-470, south of Smoky Hill Road and is bisected by Arapahoe Road. E-470, Arapahoe Road, and Smoky Hill Road provide excellent regional access. Major employment centers such as the Denver Tech Center, Meridian, Inverness, and other major business parks are all within an easy 15 to 20 minute commute from Tallyns Reach. The area is also attractive due to Cherry Creek Schools and in fact a new \$60 million dollar high school is scheduled to open this fall at the eastern edge of the community. Recreational amenities include Saddle Rock golf course (public), Heritage at Eagle Bend golf course (semi-private), Murphy Creek golf course (public), and the Aurora Reservoir. Major shopping is emerging at Smoky Hill Road and E-470 with a new grocery store, home improvement center, and other retail tenants. A major regional retail center is proposed at the northeast intersection of E-470 and Smoky Hill Road. All of these attributes positively affect the Tallyns Reach community and its ability to compete favorably in the market place. The Smoky Hill Road E-470 corridors are among the most desirable for residential communities in all of the Denver metro area and should remain so for many years.

Within the Tallyns Reach Metropolitan District II there will be a total of 252 single-family homes and 408 rental apartment units. All but eight of the lots for single-family homes have been sold to builders. The 408 unit apartment site has been sold to Simpson Homes. Simpson Homes plans to begin construction in late 2004 or early 2005, when vacancy and rental rates are expected to be significantly improved from current conditions.

Tallyns Reach Metropolitan District III will contain 1,418 residential units at build-out. In 2002 approximately 192 lots were sold to builders and numerous homes are under construction.

Ms. Dana Smith
July 10, 2003

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In order to review and critique absorption and pricing for the two metropolitan districts, THK surveyed several residential subdivisions that are active in the immediate area of the Tallyns Reach community. The subdivisions reviewed were: The Farm, Greenfield, Saddle Rock, and Tuscany South. The key findings are as follows:

- Average Project Size = 900 units
- Typical Lot Size = 10,873 sq. ft.
- Base Price Range, before options and premiums = \$144,950 (condo) to \$582,990
- Average Price Range, before options and premiums = \$318,674 to \$398,880
- Average Home Size Range = 2,232 sq. ft. to 3,211 sq. ft.
- Monthly Sales Pace Range per Individual Subdivision = 5.57
- Monthly Sales Pace per Total Development/Community = 5.51 at Tuscany South to 22.6 at The Farm

Optional features (upgrades, extra garage, decks, fireplaces, cabinets, carpet, etc) average 15% to 20% of the base home price and premiums (mountain views, golf frontage/view, open space, cul-de-sac, etc.) average \$25,000 to \$35,000 per home. With options and premiums, the average home price is from \$404,440 to \$498,685.

The service plan for the Tallyns Reach Metropolitan District II calls for the remainder of the lots, approximately 8 to be sold this year, with the construction of home by the end of 2004.

Based on activity within Tallyns Reach and the representative communities surveyed, THK would concur that the remaining lots will be absorbed in a very short time frame. The proposed Simpson apartment project, 408 units are scheduled to be constructed late 2004 or early 2005. There are other rental apartment projects in the vicinity of the subject site, most notably Stonebriar @ Saddle Rock (304 units), Greenbriar @ Saddle Rock (304 units), and Saddle Ridge Village (319 units). These projects are performing surprisingly well given overall market conditions in the Denver area. All three projects report vacancy rates of less than 10% and reductions in concessions offered to tenants. With the addition of the high school, a major retail/power center, and continued construction activity in the area, the demand for rental apartments should remain strong in years to come and we believe that the addition of rental units to the environs will be feasible according to the schedule in the Tallyns Reach Metropolitan District II service plan.

The Tallyns Reach Metropolitan District III has 1,226 lots remaining to be sold. Both the Farm and Saddle Rock communities are achieving annual sales of 265 to 275 units/lots. Of the four communities inventoried, these two are considered to be the most similar to Tallyns Reach. It is important to point out that this performance has been realized in a fairly severe recession in the Denver metropolitan region. The economy is beginning to improve and positive job growth is again being realized in the region. It is likely that the housing market and sales of new homes will also recover to previous levels before the recessionary period. The service plan for Tallyns Reach



Ms. Dana Smlth
July 10, 2003

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Metropolitan District III calls for the sale of approximately 300 units/lots per year over the next four years. With economic conditions improving and the processing requirements for new communities becoming longer and more difficult, this projection of sales is reasonable given the performance of other communities and the attributes of Tallyns Reach. The average home value of \$437,235 called for in the service plan is also in-line with the current market.

There is also a small neighborhood commercial parcel centrally located in the Tallyns Reach community/District III. This parcel will accommodate neighborhood retailers to serve the existing and future residents of Tallyns Reach. Development of this parcel is reasonable by 2006.

Based on the attributes of the Tallyns Reach community, its' location, and comparative communities, we would suggest the pricing and absorption set forth in the service plan for Tallyns Reach Metropolitan Districts II and III, are reasonable and achievable.

If you have any questions or require further assistance, please do not hesitate to contact us.

Sincerely,



E. Peter Elzi, Jr.
Principal

EPE/drb



Comparable Residential Product in the Tallyn's Reach Environs

Project Name Location Builder Name	Type of Unit/ Style	# of Units		Price Range	Square Footage Range	Price per Square Foot	Typical Lot Size	Start Date	Overall Sales Pace
		Planned	# of Units Built						
[The Farm]									
1 Hillcrest Arapahoe Rd. & Waco St. Golden Design Group	Detached Traditional	15	15	\$457,990 - \$470,990	3,100 - 4,030	\$147.74 - \$118.27	10,000	6/1/2000	0.41
2 Hillcrest (Silverton Collection) Arapahoe Rd. & Waco St. Falcon Homes	Detached Traditional	36	33	\$339,000 - \$388,000	2,549 - 3,174	\$132.99 - \$122.24	14,000	4/15/2000	0.76
3 Hillcrest/ Ashcroft Arapahoe Rd. & Waco St. Ashcroft Homes	Detached Traditional	30	30	\$383,500 - \$455,000	2,303 - 3,539	\$166.52 - \$128.57	8,450	1/1/2000	0.69
4 Hillcrest/ OLC Arapahoe Rd. & Waco St. Colorado Land Company	Detached Traditional	23	23	\$491,000 - \$508,000	3,067 - 3,652	\$160.09 - \$139.10	12,000	2/1/2000	0.21
5 Hillcrest/ Sheffield Arapahoe Rd. & Waco St. Sheffield Homes	Detached Traditional	15	15	\$339,950 - \$366,950	1,923 - 2,867	\$176.78 - \$127.99	8,500	6/1/2002	0.60
6 Ballantrae Arapahoe Rd. & Cuatro St. Esprit Homes	Detached Traditional	79	39	\$379,950 - \$423,950	2,649 - 3,136	\$143.43 - \$135.19	8,500	7/1/2001	0.48
7 Highridge Arapahoe Rd. & S. Ouray Wy. Oakwood Homes	Detached Traditional	74	19	\$305,500 - \$436,000	2,507 - 4,491	\$121.86 - \$97.08	11,000	10/26/2001	0.99
8 Homestead/ Carriage Arapahoe Rd. & Tower Rd. Sanford Homes	Detached Traditional	117	117	\$281,900 - \$323,900	2,140 - 2,824	\$131.73 - \$114.70	9,500	3/11/1999	2.45
9 Homestead/ Regency Arapahoe Rd. & Tower Rd. Sanford Homes	Detached Traditional	168	168	\$363,900 - \$440,900	2,486 - 3,481	\$146.38 - \$126.66	9,600	3/11/1999	2.86
10 Homestead/ Windsor Arapahoe Rd. & Waco St. Sanford Homes	Detached Traditional	26	26	\$341,000 - \$578,000	3,160 - 4,210	\$107.91 - \$137.29	42,000	9/7/1999	0.49
11 Prairie Collection Arapahoe Rd. & Waco St. Sanford Homes	Detached Traditional	80	38	\$316,900 - \$411,900	2,407 - 3,350	\$131.66 - \$122.96	10,000	2/1/2002	1.64
12 Summersfield/ Heritage Orchard Rd. & Tower Rd. Richmond American Homes	Detached Traditional	200	122	\$292,900 - \$429,000	2,282 - 4,308	\$128.35 - \$99.58	8,000	6/19/1999	2.62

Project Name Location Builder Name	Type of Unit/ Style	# of Units Planned	# of Units BUILT	# of Units Solid	Price Range	Square Footage Range	Price per Square Foot	Typical Lot Size	Start Date	Overall Sales Price
13 Summerfield/ Infinity Orchard Rd. & Tower Rd. Richmond American Homes	Detached Traditional	300	256	253	\$256,000 - \$337,000	2,018 - 2,728	\$126.86 - \$123.53	8,000	6/18/1999	5.57
14 Willow/ Classic Caley Ave. & Buckley Rd. Melody Homes	Detached Split-Level	163	64	61	\$305,450 - \$337,450	2,067 - 3,251	\$147.77 - \$103.80	10,000	6/2/2001	2.70
The Farm Total		1,326	965	842						22.55
The Farm Average		95	69	60	\$346,781 - \$422,503	2,476 - 3,504	\$140.08 - \$120.57	12,111		1.61
Greenfield										
15 Benchmark & Haven Smokey Hill Rd. & Liverpool St. Village Homes	Detached Contemporary	65	65	65	\$268,000 - \$326,000	1,714 - 2,792	\$156.36 - \$116.76	75,000	6/15/1997	0.94
16 Club Smokey Hill Rd. & Liverpool St. Village Homes	Attached Traditional	56	38	31	\$219,500 - \$274,500	1,426 - 2,067	\$153.93 - \$132.80	2,500	3/10/2001	1.26
17 Garden Palms Smokey Hill Rd. & Liverpool St. Village Homes	Detached Traditional	55	20	14	\$257,000 - \$282,000	1,486 - 1,999	\$172.95 - \$141.07	5,000	4/1/2001	0.58
18 Landmark Smokey Hill Rd. & Liverpool St. Village Homes	Detached Traditional	153	153	153	\$272,000 - \$309,500	2,415 - 2,655	\$112.63 - \$116.57	7,150	6/1/1997	2.19
19 Monogram Smokey Hill Rd. & Liverpool St. Village Homes	Detached Traditional	161	161	154	\$320,500 - \$396,500	2,091 - 3,042	\$153.28 - \$130.34	9,000	3/10/1995	1.59
20 Signature Smokey Hill Rd. & Liverpool St. Village Homes	Detached Contemporary	142	142	123	\$379,000 - \$457,500	2,988 - 3,733	\$126.84 - \$122.56	10,400	2/4/1995	1.26
Greenfield Total		632	579	540						7.82
Greenfield Average		105	97	90	\$286,800 - \$341,000	2,020 - 2,715	\$141.58 - \$125.61	18,175		1.30
Saddle Rock										
21 Bay Hill Easter Ave. & Shamnee Wy. Colorado Pacific Homes	Detached CA Traditional	94	35	25	\$335,653 - \$371,253	1,900 - 3,177	\$176.66 - \$116.86	6,500	7/19/2000	0.77
22 Fairway Six Apache Rd. & East 470 Infinity Homes	Detached Traditional	63	63	49	\$347,000 - \$424,900	2,181 - 3,550	\$159.10 - \$119.69	8,000	7/1/2000	1.49

Project Name Location Builder Name	Type of Unit/ Style	# of Units		Price Range	Square Footage Range	Price per Square Foot	Typical Lot Size	Start Date	Overall Sales Pace
		Planned	Built						
23 Laureate Smokey Hill Rd. & Saddle Rock Trail South U.S. Home Corporation	Detached Contemporary	178	154	\$467,950 - \$514,950	3,244 - 4,405	\$144.25 - \$116.90	9,375	12/7/1996	2.01
24 Moon Shadow/ Condos Arapahoe Rd. & Garrettl Wy. Metropolitan Homes	Attached Traditional	96	74	\$148,900 - \$193,900	1,116 - 1,577	\$133.42 - \$122.95	-	4/17/2001	2.98
25 Moon Shadow/ Townhomes Arapahoe Rd. & Garrettl Wy. Metropolitan Homes	Attached Traditional	21	21	\$234,900 - \$234,900	1,296 - 1,510	\$181.25 - \$155.56	2,500	4/17/2001	0.77
26 Oak Hill/ Richmond American Liverpool St. & Easter Ave. Richmond American Homes	Detached Traditional	18	18	\$346,000 - \$434,000	2,617 - 4,017	\$132.21 - \$108.04	7,500	9/27/1999	0.56
27 Panorama Pointe Shawnee St. & Costilla Dr. Alpert Homes	Detached Traditional	25	20	\$319,900 - \$430,900	2,207 - 4,032	\$144.95 - \$109.10	9,500	7/15/2002	0.67
28 Panorama Pointe/ Pebble Beach E-470 & Garrettl Rd. D.R. Horton Homes	Detached Traditional	102	102	\$315,900 - \$562,900	2,000 - 4,072	\$157.95 - \$138.24	9,000	10/20/2000	1.84
29 Prairie Ridge Arapahoe Rd. & Ponderosa Trail Trinmark Comm.	Attached Traditional	172	100	\$144,950 - \$179,950	1,034 - 1,575	\$140.18 - \$114.25	-	1/5/2002	4.91
30 Saddle Vista Arapahoe Rd. & Shawnee St. Equinox Group, LLC	Attached Traditional	116	8	\$259,900 - \$288,900	1,384 - 1,732	\$195.01 - \$172.58	2,880	10/26/2002	0.00
31 Shadow Creek/ Villas Liverpool St. & Easter Ave. Genesee Company, LLC	Attached Traditional	6	6	\$212,990 - \$241,990	1,466 - 1,900	\$145.29 - \$127.36	2,500	12/1/2001	0.43
32 Star Pass/ Padios Arapahoe Rd. & Garrettl Wy. Metropolitan Homes	Detached Traditional	137	35	\$265,900 - \$295,900	1,532 - 2,141	\$173.56 - \$138.21	5,500	4/17/2001	1.45
33 The Cottages Arapahoe Rd. & Liverpool St. Alpert Homes	Detached Traditional	27	27	\$203,900 - \$364,500	1,686 - 2,921	\$168.59 - \$124.92	7,000	6/1/1999	0.68
34 The Falls Smokey Hill Rd. & Saddle Rock Trail Beryth Builders	Detached Contemporary	17	17	\$362,900 - \$499,000	2,590 - 3,643	\$140.12 - \$136.98	6,200	5/31/1998	0.34
35 Timberline Arapahoe Rd. & East 470 Infinity Homes	Detached Traditional	32	32	\$413,000 - \$474,900	2,946 - 3,706	\$140.19 - \$128.14	10,000	7/1/2000	0.58

Project Name Location Builder Name	Type of Unit/ Style	# of Units		Price Range	Square Footage Range	Price per Square Foot	Typical Lot Size	Start Date	Overall Sales Pace
		Planned	# of Units Built						
36 Troon Creek Liverpool St. & Castilla Dr. Alpert Homes	Detached Contemporary	121	121	110	2,269 - 3,578	\$119.61 - \$135.27	7,000	12/1/1996	1.45
37 Turnberry Easter Ave. & Liverpool St. Larsen Homes	Detached Traditional	65	28	22	1,764 - 2,082	\$173.46 - \$161.38	6,000	9/25/1999	0.52
Saddle Rock Total		1,290	861	703					21.45
Saddle Rock Average		76	51	41	1,955 - 2,919	\$151.88 - \$128.02	6,630		1.26
Tuscany South									
38 Siena Orchard Rd. & Tower Rd. Golden Design Group	Detached Contemporary	63	63	61	3,300 - 4,860	\$142.72 - \$119.96	11,700	8/29/1998	1.11
39 Siena/ Regency & Windsor Orchard Rd. & Biscay St. Sanford Homes (Beazer Homes)	Detached Contemporary	58	58	58	2,985 - 4,210	\$97.12 - \$126.35	11,700	9/5/1998	1.46
40 Siena/ Richmond American Orchard Rd. & Biscay St. Richmond American Homes	Detached Traditional	228	195	166	2,997 - 4,394	\$122.12 - \$119.94	11,700	7/18/1998	2.94
Tuscany South Total		349	316	285					5.51
Tuscany South Average		116	105	95	3,094 - 4,488	\$121.41 - \$121.95	11,700		1.84
Overall Total		7,121	5,342	4,646					
Overall Average		153	116	101	2,227 - 3,199	\$142.83 - \$124.25	10,977		2.46

Source: THK Associates, Inc.

EXHIBIT J

Letter in Support of Market Projections

EXHIBIT K

District Facilities Construction Services Agreement

**DISTRICT FACILITIES CONSTRUCTION
AND SERVICE AGREEMENT**

DISTRICT FACILITIES CONSTRUCTION AND SERVICE AGREEMENT entered into and dated as of January 1, 2002, by and between Tallyn's Reach Metropolitan District No. 1, Tallyn's Reach Metropolitan District No. 2 and Tallyn's Reach Metropolitan District No. 3.

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DISTRICT FACILITIES CONSTRUCTION AND SERVICE AGREEMENT

This DISTRICT FACILITIES CONSTRUCTION AND SERVICE AGREEMENT (the "Agreement") is made and entered into and dated as of January 1, 2002, by and between TALLYN'S REACH METROPOLITAN DISTRICT NO. 1 ("the Operating District"), TALLYN'S REACH METROPOLITAN DISTRICT NO. 2, and TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 ("the Taxing District"), individually and/or collectively referred to as "the District" or "the Districts," as the context indicates. Said Districts are quasi-municipal corporations and political subdivisions of the State of Colorado.

RECITALS

WHEREAS, the formation of the Districts was approved by the City of Aurora in conjunction with the approval of their service plan in September, 1998 ("the Service Plan"); as amended from time to time as permitted herein; and

WHEREAS, under the Service Plan, the Districts are intended to work together and coordinate their activities with respect to construction, operation and maintenance of public improvements and financing of public improvements; and

WHEREAS, the Districts were organized with the approval of the City of Aurora, State of Colorado, and with the approval of their respective electors, such approvals fully contemplating cooperation between the Districts as provided herein and in the Service Plan; and

WHEREAS, pursuant to the Colorado Constitution Article XIV, Section 18(2)(a), and Section 29-1-203, C.R.S., the Districts may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each, and any such contract may provide for the sharing of costs, the imposition of taxes, and the incurring of debt; and

WHEREAS, the Service Plan has been prepared for the Districts pursuant to Sections 32-1-201, C.R.S. et seq., and all required governmental approvals have been obtained therefor; and

WHEREAS, the purposes for which the Districts were formed include the provision of water, street, traffic and safety, television relay and translator, transportation, park and recreation, and sanitation facilities, programs, and services, all in accordance with the Service Plan; and

WHEREAS, the Service Plan discloses and establishes the necessity for and desirability of an intergovernmental agreement or intergovernmental agreements between the Districts concerning the manner in which the Districts shall coordinate the financing, construction, operation and maintenance of facilities contemplated in the Service Plan and concerning the provision of essential services in the community to be served by the Districts; and

WHEREAS, at an election of the qualified electors of the Taxing District duly called for and held on November 3, 1998, in accordance with law and pursuant to due notice, a majority of

eligible electors who voted at such election voted in favor of the Taxing District to incur indebtedness in an amount not to exceed \$ 42,000,000 for District No. 1, \$42,000,000 for District No. 2 and \$42,000,000 for District No. 3 by entering into an agreement containing terms as set forth herein with the Operating District; and

WHEREAS, the Service Plan describes certain "Facilities" to be financed in accordance with a general plan of finance described therein or in accordance with plans of finance permitted therein, from the proceeds of indebtedness to be issued by the Taxing District and/or from other funds held or obtained by the Taxing District and to be made available for the purposes of fulfilling the Taxing District's commitments hereunder; and

WHEREAS, the Districts agree that the Facilities are needed by the Districts and that the Facilities will benefit the residents and property owners in the Districts in terms of cost, quality, level of service, and management and operation of such Facilities; and

WHEREAS, the Districts have agreed, and the Service Plan provides, that the Operating District will own (subject to discretionary transfer to other governmental entities or authorities), operate, maintain, and construct the Facilities benefiting the Districts, and that the Taxing District will pay all costs related to the construction, operation, and maintenance of such Facilities by the Operating District as set forth in and in accordance with the terms of this Agreement; such payments may include, but not be limited to, payments to the Operating District for debt service requirements of revenue bonds issued by the Operating District for such capital costs; and

WHEREAS, the Service Plan describes the amount of money estimated to be necessary to fund the financing, construction and/or acquisition of the Facilities, and describes the anticipated timing of financing and construction of the facilities, which amounts and timing may be amended as contemplated by the Service Plan, as permitted under governing law, and/or pursuant to the terms of this Agreement; and

WHEREAS, the Service Plan describes the amount of money estimated to be necessary to fund the operation, maintenance and administrative services to be provided to the Taxing District by the Operating District, which amounts and timing may be amended as contemplated by the Service Plan, as permitted under governing law, and/or pursuant to the terms of this Agreement; and

WHEREAS, the Districts desire to provide in this Agreement for the implementation of principles and objectives set forth in the Service Plan regarding the financing, construction, operation and maintenance of the Facilities, and regarding administration of the affairs of the Districts including the collection, management and expenditure of funds of the Districts; and

WHEREAS, the Districts understand that it may be necessary for additional agreements to be executed between them regarding matters addressed herein, but desire at this time to establish by this Agreement the general framework for implementation of the provisions of the Service Plan; and

WHEREAS, all amendments to this Agreement made pursuant hereto and not in specific conflict with specific limits of the ballot questions which authorized the debt represented by this Agreement shall be deemed part of this Agreement and fully authorized by such ballot questions.

COVENANTS

NOW, THEREFORE, for and in consideration of the promises and the mutual covenants and stipulations herein, the Districts agree as follows:

ARTICLE I

GENERAL PROVISIONS

1.1 Interpretation. In this Agreement, unless the context expressly indicates otherwise, the words defined below shall have the meanings set forth below:

a. The term "herein," "hereunder," "hereby," "hereto," "hereof" and any similar term, refer to this Agreement as a whole and not to any particular article, section, or subdivision hereof; the term "heretofore" means before the date of execution of the Agreement; and the term "hereafter" means after the date of execution of this Agreement.

b. All definitions, terms, and words shall include both the singular and the plural, and all capitalized words or terms shall have the definitions set forth in Section 2.1 hereof.

c. Words of the masculine gender include correlative words of the feminine and neuter genders, and words importing the singular number include the plural number and vice versa.

d. The captions or headings of this Agreement are for convenience, only and in no way define, limit, or describe the scope or intent of any provision, article, or section of this Agreement.

e. All schedules, exhibits, and addenda referred to herein are incorporated herein by this reference.

1.2 Effective Date and Term. This Agreement shall be effective as of January 1, 2002 upon execution hereof by the Districts and shall represent the valid, binding and legally enforceable obligation of the Districts until such time as each of the terms and conditions hereof has been performed in their entirety, or until this Agreement is terminated by mutual written agreement of the Districts as permitted herein or as otherwise might be provided herein.

1.3 Purpose and Scope of Agreement. This Agreement shall be governed and interpreted, in general, by the following provisions in this Section 1.3. It is agreed by the Districts that the statements of intention set forth in this Section 1.3 are essential to the proper interpretation of this Agreement and are intended to clarify the general intent of specific

provisions contained herein. The following statements are illustrative of the Districts' intentions and while they are to be used to construe and govern this Agreement, they are not intended to constitute an all-inclusive statement of the intentions of the Districts. Reference shall also be made to the Service Plan for purposes of construing this Agreement and the intent of the Districts manifested by the Districts' course of conduct or other extrinsic evidence. The Districts agree that any District shall be entitled to any remedy, order, judgment or action which is or may be necessary in order to make operative the intentions of the Districts as expressed herein:

a. The Service Plan states that the Operating District will be responsible for managing the financing, construction, operation and maintenance of the Facilities for the benefit of the Districts. The Service Plan describes the nature of the relationship between the Districts and contemplates that this Agreement would be executed by the Districts to effectuate that relationship.

b. The Service Plan further states that the Operating District will have little or no assessed valuation within its boundaries from which general obligation bonds could be paid, and consequently contemplate that the Taxing District will issue bonds appropriately secured or credit-enhanced by third parties. Alternatively, the Service Plan allows for or does not prevent the Operating District from issuing secured or credit-enhanced revenue bonds for capital costs, the debt service requirements of which are expressly intended to be paid from payments made by the Taxing District hereunder. In the event that the Operating District issues revenue bonds, the Districts intend that at the times at which adequate assessed valuation exists within the Taxing District, the Taxing District will issue general obligation indebtedness sufficient to fully retire said revenue bonds. The Service Plan contemplates that virtually all assessed valuation of property to be developed within the Districts' service areas will be located within the boundaries of the Taxing District and that the Taxing District will issue general obligation bonds or revenue bonds at various points in time described in the Service Plan, and will use the proceeds thereof to pay its obligations contained in this Agreement to the Operating District. Proceeds from bonds will be used to construct the Facilities for the Taxing District consistent with the "Operating and Taxing Districts" philosophy described in the Service Plan. The Taxing District will issue general obligation bonds to capture the tax value of increases in the tax base within the Taxing District caused, to a significant degree, by the availability of Service and Facilities from the Operating District. The transfer of general obligation bond proceeds from the Taxing District to the Operating District is intended to result in an equitable allocation of the costs of all the Facilities to all properties within the Taxing District which are benefited by those Facilities.

c. The Service Plan contemplates that the essential terms of this Agreement between the Operating District and the Taxing District consisting of the amount of debt represented hereby for the costs of acquiring, constructing, or otherwise providing, and the costs of operating and maintaining, certain water, street, traffic safety, television relay and translation, transportation, park and recreation and sanitation facilities and improvements, all as further set forth herein would be voted upon by the electorate of the Taxing District at the organizational election of the Taxing District. The Districts recognize that numerous amendments and adjustments to this Agreement may be necessary over time; subject, however, to the requirement that any increase in the monetary amount of the obligations of the Taxing District to make

payments to the Operating District, or any increase in the maximum annual tax increase or the total repayment cost of the debt evidenced by this Agreement beyond the amount set forth in ballot questions presented to the electorate of the Taxing District on November 3, 1998, may require additional voter authorization. The Districts agree that individuals who voted to grant the authorization set forth in said ballot question shall be deemed to have agreed that no further authorization of the electorate will be required to authorize other substantive changes to this Agreement.

d. The Taxing District acknowledges that, as might be necessary, the Operating District will negotiate for and obtain certain security or credit enhancement for the Operating or Taxing District's bonds from Persons which as of the date hereof own property within the Taxing District and Operating District, and that substantial damage will result to such Persons in the event this Agreement is breached by the Taxing District in any material manner. Consequently, the Districts agree that neither the Operating District nor the Taxing District shall be entitled to terminate this Agreement except pursuant to the express provisions of Article VIII below, and that this Agreement is intended to be strictly enforced to the maximum extent permitted by law.

e. The purpose of this Agreement is to set forth the rights and obligations of the Taxing District to fully fund, and of the Operating District to construct, own, or transfer, and to operate and maintain, public facilities and services of benefit to both Districts. This Agreement shall in all circumstances be interpreted consistent with the Service Plan and the intentions expressed therein regarding the role of each District in implementing the Service Plan. The Districts acknowledge that performance of this Agreement for the full term hereof is key to full implementation of the Service Plan by the Districts and that any material departure herefrom by any District, or any attempt by any District to terminate this Agreement or materially alter its terms except in accordance herewith, by judicial action or otherwise, is acknowledged to be and shall constitute a "material departure" from the Service Plan which, in addition to all other remedies set forth herein, the aggrieved District shall be entitled to seek to enjoin in accordance with Section 32-1-207, C.R.S., as amended from time to time. Notwithstanding the foregoing agreements regarding "material departures" from the Service Plan, the agreements and acknowledgements of the Parties relative thereto are expressed solely for the benefit of the Parties to aid in their efforts to enforce this Agreement and shall not constitute or be admissible as admissions by any Party in efforts which may be taken by any other Person to enjoin activities by any District under state law.

f. It is agreed by the Districts that the Operating District is not, and shall not be considered or deemed in the future, a service company, nor a regulated public utility as defined in Section 40-1-103(1)(a), C.R.S., nor as such terms are defined in any constitutional provision, statute, or law of the State of Colorado, nor as defined in any rule or regulation of any entity or Person asserting jurisdiction in matters relating to this Agreement or the subject matter hereof. The Districts further agree that in the event the Operating District is ever determined by a third party to be a public utility as defined in Section 40-1-103(1)(a), C.R.S., then the Operating District is intended to be exempt from any regulation by the Public Utilities Commission or any other special commission, pursuant to the Colorado Constitution, Article

XXV, and Article V Section 35, and Sections, 32-1-1001(j)(k) and 32-1-1006, C.R.S., and other applicable statutes.

g. It is not the intention of the Operating District to offer or provide service by this Agreement to members of the general public outside of the Districts; rather, it is the Operating District's intention to offer and provide certain services to the Operating District and the Taxing District in accordance with the Service Plan.

h. It is the intention of the Districts to enter into this Agreement to further their interests and to comply with the Service Plan as municipalities conducting business in the State of Colorado.

i. It is not the intention of the Districts, and the Districts expressly disavow any claim or attempt, to dedicate any of their property to a public use outside of the Districts, or to make any offer to provide service to the public outside of the Districts, or to make any representation that any District is capable of providing service to the public at large. The Operating District does not desire to offer, and shall not be construed as offering, to furnish service to the public or any individual resident or property owner outside the Operating District or the Taxing District.

j. This Agreement shall be construed as a private intergovernmental agreement between the Districts. It is expressly agreed by the Districts that no Person other than the Taxing District shall obtain hereby any enforceable rights to service from the Operating District, and to this end it is expressly declared by the Districts that no Person shall be construed as a third party beneficiary of any kind of this Agreement except as expressly stated herein.

k. Users in the Taxing District shall receive Service from and/or use of the Facilities owned by the Operating District only upon payment of Development Fees, User Fees, and other Charges and/or taxes to or for the benefit of the Operating District or its designee, and subject to the terms and conditions contained herein. No portion of the Facilities or capacity therein shall be dedicated for the private use or benefit of any Person or Customer. Furthermore, Users within the Taxing District shall have no legally enforceable right to demand the Facilities or Service from the Operating District. The Taxing District shall have all such rights and remedies as are available under this Contract. All Service and Facilities contemplated herein shall be provided to the Taxing District only in accordance with the express agreements and limitations contained herein.

l. The Operating District shall be considered and deemed a contract carrier and not a common carrier.

m. The Districts agree that no effort shall be undertaken by any District to request supervision, control, or regulation of this Agreement, of any District, or of the property of any District, by the Public Utilities Commission of the State of Colorado, or any other regulatory authority or any other entity claiming jurisdiction of the subject matter hereof. The Taxing District shall assist the Operating District in defending against any claim of such jurisdiction.

n. In the event that the Operating District defaults in payments of its own Bonds, if any, and if as a result thereof or as a result of any action arising subsequent thereto, the maximum term for repayment of the Operating District's Bonds is increased in any manner from the maximum term set forth when such Bonds were issued, the obligations of the Taxing District hereunder shall nevertheless continue in full force and effect subject to termination of such obligations as they relate to said Bonds at the date and time at which the Taxing District's obligations hereunder would have terminated had the Operating District not defaulted on its Bonds or taken such other course of action which has the affect to increasing the maximum term of the Taxing District's obligations under this Agreement. The intention of the foregoing is that this provision shall arise only in the event that Bonds issued by the Operating District are restructured in any manner other than for a normal refunding, or a refunding in the ordinary course of business.

ARTICLE II

DEFINITIONS

2.1 Definitions. As used herein, unless the context expressly indicates otherwise, the words defined below and capitalized throughout the text of this Agreement shall have the respective meanings set forth below:

a. "Accounts" shall mean and refer to Construction Account and Service Account collectively.

b. "Actual Capital Costs" shall mean those costs which are to be incurred by the Operating District for the purpose of planning, designing, constructing and acquiring, including the costs and fees of issuance of Bonds, a portion or all of the Facilities including, but not limited to:

1. All costs of materials attributable to the actual construction or acquisition of the Facilities, including all costs incurred to acquire the Facilities from third Persons and all related components and materials used therein, all costs incurred for the acquisition of water rights, all costs of organization of the Districts, and all other costs or fees due or paid under cost recovery or other agreements with third Persons, together with all costs incurred to obtain financing for the Facilities. For those items for which any construction contract provides that payment is to be made on a per unit basis, the construction cost shall be that amount actually paid pursuant to the construction contract so providing, which sum should reflect the cost of the actual quantities used;

2. All labor costs incurred in the actual construction or acquisition of the Facilities;

3. All costs attributable to the construction or acquisition of the Facilities or any part or component thereof incurred as a result of change orders approved in accordance with any construction contract;

4. All costs incurred for design, planning, engineering, construction, management, landscape architecture and engineering, soil testing and inspection, and line and systems testing and inspection attributable to the Facilities;

5. Site and right-of-way acquisition costs, including legal fees;

6. All legal and accounting costs incurred in connection with the financing, construction or acquisition of the Facilities;

7. All costs for construction administration, financial, inspection and other professional fees together with any site, right-of-way, permit, or easement acquisition costs;

8. Any other costs, expenses or expenditures associated with the furtherance of the construction of the Facilities; and

9. Any funds retained or payments accrued and owing by the Operating District for construction completed but not yet paid during that Budget Year.

c. "Actual Service Costs" shall mean all operation, maintenance, and administrative costs incurred by the Operating District in the performance of the duties and services required by this Agreement.

d. "Agreement" shall mean this Agreement and any amendment hereto made in accordance herewith.

e. "Annual Payment Option" shall mean the option which may be elected by the Taxing District pursuant to Section 3.2 hereof to make payments for Actual Capital Costs as specifically permitted herein, except as such amounts are modified and adjusted pursuant to the terms hereof.

f. "Authorized Voted Capital Costs" are capital costs derived from the Service Plan and inflated to account for contingencies and inflation. The Authorized Voted Capital Costs are costs approved by the District voters at an election held on November 3, 1998 and such costs shall not exceed \$40,000,000, except as otherwise amended as permitted herein.

g. "Authorized Voted Service Costs" are service costs derived from the Service Plan and inflated to account for contingencies and inflation. The Authorized Voted Service Costs are costs approved by the District voters at an election held on November 3, 1998 and such costs shall not exceed \$2,000,000, except as otherwise amended as permitted herein.

h. "Board" or "Boards" shall mean the lawfully organized Boards of Directors of the Districts.

i. "Bonds" shall be defined in specific sections of this Agreement and may have different meanings depending upon the specific context in which the term is used.

j. "Budget Elements" shall mean the specific elements of the Operating District's budget documents setting forth the anticipated capital costs of provision of the Facilities proposed to be constructed during the Budget Year, and shall also mean the specific elements of Service to be provided by the Operating District during the Budget Year.

k. "Budget Year" shall mean the year (immediately following the Planning Year) during which Actual Capital Costs and Actual Service Costs are to be incurred.

l. "Charges" shall mean all rates, fees, tolls, charges or penalties imposed by the Districts with the exception of Development Fees, ad valorem property taxes, or User Fees.

m. "Commencement Date" shall mean the first business day of that month in which operation of any portion of the Facilities begins.

n. "Construction" shall include, but not be limited to, design engineering, construction, expansion, acquisition, maintenance, repair, and replacement of the Facilities, and all appurtenances thereto necessary or convenient to the completion, use, and operation of the Facilities.

o. "Construction Account" shall mean the account created by the Operating District on its financial records for the purpose of holding funds to be expended for the Construction of the Facilities and for other purposes contemplated in this Agreement

p. "Construction Schedule" shall mean the schedule showing the anticipated Facilities planned for Construction during the Budget Year.

q. "Development Fees" shall mean the fees imposed and collected by the Operating District or Taxing District, including pre-paid fees, for the right of residents and property owners in the Taxing District to connect to or gain access to the Facilities provided pursuant to this Agreement.

r. "Districts" shall mean the Operating District and the Taxing District collectively, including any duly authorized representative, officer, director, employee, agent, engineer or attorney of any District, if applicable.

s. "Emergency Repair" shall mean any repair or replacement of the Facilities which in the opinion of the Operating District, require immediate action in order to avoid damage to the Facilities, unscheduled interruption of service, or danger to District's residents or property owners.

t. "Estimated Capital Costs" shall mean the estimated costs for constructing or acquiring Facilities for the Budget Year, derived in accordance with Section IV and as set forth in the Service Plan, subject to such modification as is contemplated by the Service Plan.

u. "Estimated Service Costs" shall mean the estimated costs for operation and maintenance of the Facilities, and administration of the Districts for the Budget Year derived in accordance with Section 5.7 hereof.

v. "Event of Default" shall mean one of the events or the existence of one of the conditions set forth in Article VIII hereof.

w. "Facilities" shall mean the facilities and improvements generally described in the Service Plan subject to such modification as is contemplated by the Service Plan.

x. "Final Budget" shall generally mean the final budget established by the Operating District pursuant to the provisions of Article IV regarding Construction of the Facilities and pursuant to the provisions of Article V regarding Service. The term shall derive its specific meaning from the context in which it is used.

y. "Major Repairs or Replacement" shall mean any single repair or replacement of any portion of the Facilities which requires an estimated total expenditure in excess of Twenty-Five Thousand Dollars (\$25,000).

z. "Operating District" shall mean Tallyn's Reach Metropolitan District No. 1.

aa. "Operations and Maintenance," and/or "Operations" or "Maintenance" shall mean, whether such terms are used together or separately, the provision by the Operating District of such services as are necessary to assure the orderly and proper function of all the Facilities in order to provide Service as contemplated herein, and shall also include all general, administrative, accounting, legal, and other similar services required by the Operating District to maintain the proper organization and existence of the Operating District and the Taxing District, as well as the proper functioning of all the Facilities, the issuance of bonds, and all other costs set forth by the Operating District and portions of its budget in any year which are not specifically designated as Capital Costs or Debt Service Costs.

bb. "Parks and Recreation" shall mean the "Park and Recreation" facilities described in the Service Plan, as modified as contemplated by the Service Plan.

cc. "Party" or "the Parties" shall mean the Districts.

dd. "Person" shall mean any individual, corporation, joint venture, estate, trust, partnership, association, or other legal entity, including governmental entities, other than the Districts.

ee. "Planning Year" shall mean the year immediately preceding the corresponding Budget Year.

ff. "Plans" shall mean the plans, documents, drawings, and other specifications prepared by or for the Operating District for the Construction, installation, acquisition of, or connection to any Facilities, including any addendum thereto, and any change order, revision, and/or modification thereof.

gg. "Preliminary Budget Documents" shall mean those documents prepared by the Operating District for submission to the Taxing District during the Planning Year which may include a schedule for deposits into the Construction Fund Account and Service Account and may include a proposed Construction Schedule for the Budget Year.

hh. "Sanitation" shall mean the "Sanitation" improvements described in the Service Plan, as modified as contemplated in the Service Plan.

ii. "Service" shall mean the provision by the Operating District of operations, maintenance and administrative services to the Taxing District, and the provision by the Operating District of water, sewer and such other services for which the Operating District shall be entitled to a User Fee.

jj. "Service Fund" shall be that account owned and established by the Operating District into which the Taxing District shall deposit the full amount of the Estimated Service Costs and Actual Service Costs for the Facilities and Services.

kk. "Service Plan" shall mean the Service Plan for Promontory Metropolitan District (n.k.a. Tallyn's Reach Metropolitan District) Nos. 1-3 as approved by the City of Aurora, dated September 2, 1998, as the same may be amended from time to time.

ll. "Streets" shall mean the "Street" improvements described in the Service Plan, as modified as contemplated in the Service Plan.

mm. "Taxing District" shall mean Tallyn's Reach Metropolitan District Nos. 2 and 3.

nn. "Television Relay and Translator" shall mean the "Television Relay and Translator" facilities described in the Service Plan and as modified as contemplated in the Service Plan.

oo. "Traffic and Safety Controls" shall mean the "Traffic and Safety Controls" described in the Service Plan as modified as contemplated in the Service Plan.

pp. "Transportation Systems" shall mean the "Transportation" facilities described in the Service Plan as modified as contemplated in the Service Plan.

qq. "Users" shall mean the residents, property owners, or Persons served by or receiving Service from the Operating District.

π. "User Fees" shall mean the periodic fees, if any, imposed and collected by the Operating District from residents and property owners in the Taxing District for the monthly or other periodic Service provided by the Operating District.

ss. "Water Distribution System" shall mean the "Water" facilities described in the Service Plan, as modified as contemplated in the Service Plan.

ARTICLE III

FINANCING OF THE FACILITIES AND OPERATIONS, MAINTENANCE AND ADMINISTRATIVE SERVICES GENERAL TERMS

3.1 No Additional Electoral Approval Required. The authorization for issuance of debt, fiscal year spending, revenue collections and other constitutional matters requiring voter approval for purposes of this Agreement, as well as the construction of the Facilities, and the provision of operation, maintenance and administrative services pursuant to the terms hereof, were approved at elections held for the Districts on November 3, 1998, in accordance with law and pursuant to due notice. The performance of the terms of this Agreement requires no further electoral approval. To the extent that further voter authorization is required to give effect to any provision of this Agreement, the Taxing District agrees to use best efforts to obtain voter approval for such additional authorization and, if necessary, obtain approval of an amendment to the Service Plan at the request of the Operating District. In the event such authorization is not obtained, or if any claim is filed in a court of competent jurisdiction by a person with standing to do so, seeking to have this Agreement or any of its obligations declared void or unenforceable, or in any manner otherwise affecting this Agreement which could have a material adverse effect on any bonds issued by the Districts, or any District, or on the ability of the Operating District to conduct the activities contemplated herein, the Taxing District shall immediately issue Bonds and other obligations to provide immediate funds to the Operating District to enable it to perform all executory obligations hereunder. The Taxing District shall also vigorously oppose such claims and shall take all such other curative action requested by the Operating District.

3.2 Payments for Capital and Service Costs. The Districts acknowledge and agree that the maximum amount of Authorized Voted Capital Costs and Authorized Voted Service Costs which could become due under this Agreement are not permitted to exceed an amount in excess of the Districts' respective voted authorization at any point in time or other authorizations set forth in the Service Plan. In the event the Operating District determines that inflation, contingencies or other unforeseen matters require an increase in the maximum amount of Authorized Voted Capital Costs or Authorized Voted Service Costs necessary for the Districts, and additional authorization is necessary to implement the terms of this Agreement to meet such requirements, the Taxing District agrees to use best efforts to obtain additional voted authorization, and if necessary, to obtain approval of an amendment to the Service Plan. If, despite best efforts to do so, the Taxing District is not able to obtain such additional voted authorization and/or any necessary amendment to the Service Plan, the Operating District may, in its sole discretion, make downward adjustments and reallocations between Authorized Voted Capital Costs and Authorized Voted Service Costs as necessary to equal the aggregate amount of

voted authorization at that time. In the event such downward adjustments and reallocations are made to Authorized Voted Capital Costs and Authorized Voted Service Costs by the Operating District, the Operating District shall notify the Taxing District of the revised amounts within thirty (30) days thereafter. Authorized Voted Capital Costs and Authorized Voted Service Costs which could become due under this Agreement shall be paid by the Taxing District upon the execution of this Agreement in payments to the Construction Account and Service Account, respectively, unless the following options are exercised:

Recognizing that this Agreement is written using the term "Taxing Districts" to refer to Tallyn's Reach Metropolitan District No. 2 and Tallyn's Reach Metropolitan District No. 3, it may be required from time to time, to ascertain the specific obligations of each District hereunder with respect to monetary amounts owed to Tallyn's Reach Metropolitan District No. 1. The Taxing Districts and Operating District hereby set forth their agreement that the maximum financial obligations of each of the taxing Districts hereunder shall be determined by taking the then remaining balance of Total Actual Capital Costs and Total Actual Service Costs which could become due under this Agreement and allocating portions thereof to each Taxing District by comparing the total projected assessed valuation of property at build-out in each of the Taxing Districts to the whole of the assessed valuation of the Tallyn's Reach development, and then allocating such amounts as could become due hereunder to each of the Taxing Districts on a proportionate basis. In the event of any dispute between the Taxing Districts as to their respective allocation hereunder, the Operating District shall be the sole and final arbiter of such disputes as relates to the allocation of amounts due hereunder to the Operating District.

a. Annual Payment Option for Capital Costs. At the option of the Taxing District, the Taxing District may pay the portion of Authorized Voted Capital Costs which become due hereunder in payments to the Construction Account made annually in amounts determined in accordance with Article IV hereof, payable without interest except in cases of an Event of Default. The Taxing District will have the option each year in conjunction with the preparation of budgets under Article IV hereof to either pay in full the then remaining balance of the maximum amount of Actual Capital Costs, in an amount not to exceed the Authorized Voted Capital Costs which could become due under this Agreement or to elect the Annual Payment Option and pay the Estimated Capital Costs for the next succeeding year as determined hereunder, subject to the provisions of Section 3.2.c. and Section 3.9 hereof. Election by the Taxing District of the Annual Payment Option shall be made by delivery of a notice to the Operating District at the time budget review and approval is conducted pursuant to Article IV hereof and shall be deemed to have occurred in the absence of such notice upon adoption of a budget for the Budget Year in question by the Taxing District. The amount of payment due for the Annual Payment Option shall not be less than the greater of the amounts set forth in the Service Plan for capital construction costs or in the Final Budget of any given year, except as such amounts are adjusted and modified as permitted or required herein or in the Service Plan. The Districts recognize that the amounts set forth in the Service Plan are expressed in 1998 dollars which, in accordance with the Service Plan, may be adjusted for numerous factors subject to the overall limitation of the amount of debt of the Taxing District represented by this Agreement as set forth in Section 2.1.f hereof.

b. Annual Payment Option for Service Costs. At the option of the Taxing District, the Taxing District may pay the portion of the maximum amount of Authorized Voted Service Costs which could become due hereunder in payments to Service Account made annually in amounts determined in accordance with Article V hereof, payable without interest except in cases of an Event of Default. The Taxing District will have the option each year in conjunction with preparation of budgets in accordance with Section 5.7.c hereof to either pay in full the then remaining balance of the maximum amount of Actual Service Costs, in an amount not to exceed the Authorized Voted Service Costs which could become due hereunder or to elect the Annual Payment Option and pay Estimated Service Costs as derived in accordance with Section 5.7.c. hereof for the next succeeding year. Election by the Taxing District of the Annual Payment Option shall be made by delivery of a notice to the Operating District at the time budget review and approval is conducted pursuant to Section 5.7.c hereof and shall be deemed to have occurred in the absence of such notice upon adoption of a budget for the Budget Year in question by the Taxing District. The amount of payment due under the Annual Payment Option shall be not less than the greater of the amount set forth in the Service Plan for Service Costs or in the Final Budget of any given year, except as such amounts are adjusted and modified as permitted herein or in the Service Plan. The Districts recognize that the amounts set forth in the Service Plan are expressed in 1998 dollars which, in accordance with the Service Plan, may be adjusted for numerous factors subject to the overall limitation of the amount of debt of the Taxing District represented by this Agreement, as set forth in Section 2.1.g. hereof.

c. Bond Payments. The Districts agree that at the points in time identified in the District's financial model contained in the Service Plan for issuance of general obligation bonds by the Taxing District, as such financial model may be amended from time to time by the Districts with or without a formal Service Plan amendment, the Taxing District shall use its best efforts to issue general obligation bonds as contemplated therein, and if bonds are issued, it shall pay the proceeds thereof to the Operating District in full or partial satisfaction of the Taxing District's obligation to pay Actual Capital Costs. All payments received by the Operating District in the form of bond proceeds transferred from the Taxing District shall be applied to reduce the then remaining balance of the maximum amount of Actual Capital Costs which could become due under this Agreement to the Operating District. Any revenues received by the Taxing District under agreements with the owner of a substantial portion of property within the Taxing District which are specifically designated for pass-through to the Operating District, and for which the Taxing District does not incur any obligation to repay such amounts, shall not in any way diminish or increase the maximum amount of Actual Capital Costs or Actual Service Costs which become due hereunder to the Operating District, it being the intent of the Taxing District that such pass-through payments shall not have any effect whatsoever on the obligations or duties of the Parties hereunder.

3.3 Accounts.

a. Upon the execution of this Agreement, the maximum amount of Actual Capital Costs and Actual Service Costs which could become due under this Agreement, or all the Estimated Capital Costs and all Estimated Service Costs for the year of execution hereof shall be paid by the Taxing District to the Accounts. The total cumulative deposits into the Accounts by the Taxing District over the life of this Agreement to cover Actual Capital Costs and Actual

Service Costs shall not exceed the maximum amount of Authorized Voted Capital Costs and Authorized Voted Service Costs which could become due hereunder, except as the same may be revised from time to time pursuant to or as permitted herein. The Districts specifically agree that in any given Budget Year, the payments required hereby (whether for that portion of the maximum amount of Actual Capital Costs or Actual Service Costs which could become due hereunder, or the minimum payment required under the Annual Payment Option for the Estimated Capital Costs or Estimated Service Costs for the Budget Year) may be more or less than the amounts required under the Final Budget as a result of adjustments to such amounts as permitted or required under Articles IV and VI hereof or elsewhere in this Agreement.

b. The Operating District may borrow funds or issue revenue bonds secured by the obligation of the Taxing District to faithfully perform its obligations under this Agreement. Accordingly, and pursuant to the authorization approved by the electors of the Taxing District at an election held November 3, 1998 and pursuant to Sections 3.6 and 3.7 hereof, the Taxing District hereby pledges its full faith and credit to the punctual performance of the obligations, financial or otherwise, imposed upon the Taxing District by this Agreement, and accordingly, the Taxing District agrees that this Agreement constitutes a general obligation indebtedness of the Taxing District lawfully approved by its electorate and lawfully and properly entered into by its Board.

In the event the validity or enforceability of this Agreement is challenged, or if the Taxing District fails or refuses to perform its obligations under this Agreement in any material way, the Operating District shall have full authority to terminate all Services to the Taxing District and its residents and Property Owners until full performance hereof by the Taxing District resumes and until all such challenges are resolved in favor of the Operating District. If this Agreement is declared void or unenforceable for any reason, all Services may remain terminated until the Taxing District takes all action necessary to deliver or assure to the Operating District the full benefit of the bargained for performance of the Taxing District's obligations contained herein and/or as expressed in the Service Plan.

3.4 Disbursements of Funds. The Operating District shall have the sole authority to withdraw monies from the Accounts and shall account to the Taxing District upon request for the funds withdrawn and payments made from the Accounts. Funds deposited by the Taxing District into the Accounts, together with interest earned thereon, shall be used only to pay Actual Capital Costs and Actual Service Costs incurred by the Operating District pursuant to this Agreement. By its execution hereof, the Districts covenant, promise and agree not to undertake any act or commit any omission with respect to the Accounts, the moneys therein, or the Facilities, which would adversely affect the tax-exempt status of the interest paid on any tax-exempt bonds issued by the Districts for the purpose of funding the Accounts or constructing or acquiring the Facilities.

3.5 Total Capital Costs Carry-Forward. Except as set forth herein or unless specifically agreed otherwise by the Districts, the portion of the Estimated Capital Costs set forth in the Final Budget which exceeds the limits described in Section 4.4.b. hereof in any Budget Year and which cannot be paid by the Taxing District in such Budget Year because of such limits shall automatically "carry forward" to the next Budget Year and shall become due as part

of the next year's Estimated Capital Costs under such year's Final Budget. Such carry forwards shall continue to occur, and carry forward amounts shall continue to accrue, from year to year until all previous and current Estimated Capital Costs are paid in full to the Operating District and shall be paid by the Taxing District in accordance with the payment procedures set forth herein.

3.6 Pledge of Security for Payment. The financial obligations of the Taxing District assumed hereunder shall be general obligations of the Taxing District and shall be payable from ad valorem property taxes generated as a result of the certification by the Taxing District of a mill levy except as such obligations may actually be paid from any and all other revenues lawfully permitted to be used for such purpose. The full faith and credit of the Taxing District, as limited hereby, is hereby pledged to the punctual payment of all amounts to be paid hereunder. The amounts to be paid hereunder shall, to the extent necessary, be paid out of the general revenues of the Taxing District or out of any funds legally available for that purpose. For the purpose of reimbursing such general revenues, and for the purpose of providing the necessary funds to pay the amounts to be paid hereunder as the same become due, the Board of the Taxing District shall annually determine, fix and certify a rate of levy for ad valorem property taxes to the board of county commissioners of the county in which the Districts are located, which, when levied on all of the taxable property in the Taxing District, shall raise direct ad valorem property tax revenues which, when added to other funds of the Taxing District legally available therefor, will be sufficient to pay promptly and fully the amounts to be paid hereunder, as well as all other general obligation indebtedness of the Taxing District, as the same become due. The Taxing District covenants to levy such mills that are from time to time lawful and necessary, together with other moneys of the Taxing District, to pay the amounts to be paid hereunder along with all other general indebtedness of the Taxing District, as the same becomes due. The Taxing District further covenants to maintain a schedule of rates, fees, tolls and charges with respect to the provision of public services by the Operating District which shall be sufficient, together with the proceeds of general ad valorem property taxes, to pay the amounts to be paid hereunder, along with all other general obligation indebtedness of the Taxing District. Revenues received by the Taxing District under agreements with the owner of a substantial portion of property within the Taxing District that are specifically designated for pass-through to the Operating District, and for which the Taxing District does not incur any obligation to repay such amounts, shall not in any way diminish or increase the maximum of Actual Capital Costs or Actual Service Costs that could become due hereunder to the Operating District, it being the intent of the Taxing District and the Operating District that such pass-through payments shall not have any effect whatsoever on the obligations or duties of the Parties hereunder.

3.7 Effectuation of Pledge of Security, Current Appropriation. The sums herein required to pay the amounts due hereunder are hereby appropriated for that purpose, and said amounts for each year shall be included in the annual budget and the appropriation resolution or measures to be adopted or passed by the Board of the Taxing District in each year while any of the obligations herein authorized are outstanding and unpaid. No provisions of any constitution, statute, resolution or other order or measure enacted after the execution of this Agreement shall in any manner be construed as limiting or impairing the obligation of the Taxing District to levy ad valorem property taxes, or as limiting or impairing the obligation of the Taxing District to

levy, administer, enforce and collect the ad valorem property taxes as provided herein for the payment of the obligations hereunder.

It shall be the duty of the Taxing District annually at the time and in the manner provided by law for the levying of the Taxing District's taxes, if such action shall be necessary to effectuate the provisions of this Agreement, to ratify and carry out the provisions hereof with reference to the levy and collection of the ad valorem property taxes herein specified, and to require the officers of the Taxing District to cause the appropriate officials of the county in which the Districts are located, to levy, extend and collect said taxes in the manner provided by law for the purpose of providing funds for the payment of the amounts to be paid hereunder promptly as the same, respectively, become due. Said tax, when collected, shall be applied only to the payment of the amounts to be paid hereunder and to other general obligation indebtedness of the Taxing District, as herein specified.

The Districts recognize that at the time of preparation of this Agreement it was anticipated that changes or modifications to this Agreement might be made necessary as a result of requirements or regulations of the State Securities Commission or other regulatory authorities. This Agreement may be modified, and shall be deemed to be modified, as necessary to obtain authorization or consent from such Persons for this Agreement to be executed and continue in legal force and effect. This statement of permitted modification and amendment shall be deemed to supersede any contrary provision contained herein or in the Service Plan, if any, but shall not be deemed to limit the rights or powers of the Districts to modify or amend this Agreement as otherwise permitted herein or in the Service Plan.

3.8 Limited Defenses: Specific Performance. It is understood and agreed by the Taxing District that its obligations hereunder are absolute, irrevocable, and unconditional except as specifically stated herein, and so long as any obligation of the Taxing District hereunder remains unfulfilled, the Taxing District agrees that notwithstanding any fact, circumstance, dispute, or any other matter, it will not assert any rights of setoff, counterclaim, estoppel, or other defenses to its payment obligations, or take or fail to take any action which would delay a payment to the Operating District or impair the Operating District's ability to receive payments due hereunder. The Taxing District acknowledges that the Operating District may issue bonds or notes in order to enable the Operating District to fulfill its obligations hereunder and in so doing, the Operating District will rely upon performance of the Taxing District of its payment obligations hereunder, to produce revenue for the Operating District sufficient to enable the Operating District to pay its Bonds.

Furthermore, the Taxing District acknowledges that the Operating District may obtain financial commitments and security for its Bonds from third parties who shall be entitled to rely on the payment obligations of the Taxing District contained hereunder with respect to obligations that the Operating District makes in connection with such security. Accordingly, it is acknowledged by the Districts that the purpose of this Section 3.8 is to ensure that the Operating District receives all payments due herein in a timely manner in order to enable the Operating District to pay debt service on its Bonds for the benefit of bondholders and such third parties. Notwithstanding that the bondholders are not in any manner third party beneficiaries of this Agreement and do not have any rights in or rights to enforce, or consent to amendments of, this

Agreement, the Taxing District acknowledges and agrees that unless payments are made to the Operating District during the pendency of any litigation which may arise hereunder in connection with alleged defenses other than those specifically set forth in this Section 3.8, all payments shall be made by the Taxing District for the purpose of enabling the Operating District to make payments on its Bonds until such claims have been adjudicated. Notwithstanding that this Agreement specifically prohibits and limits defenses and claims of the Taxing District, in the event the Taxing District believes that it has valid defenses, setoffs, counterclaims, or other claims other than specifically permitted by this Section 3.8, it shall, nevertheless, make all payments to the Operating District as described herein and then may attempt or seek to recover such payments by actions at law or in equity for damages or specific performance, respectively.

In addition, and without limiting the generality of the foregoing, the obligations of the Taxing District to transfer funds to the Operating District for each payment described herein shall survive any Court determination of the invalidity of this Agreement as a result of a failure, or alleged failure, of any of the directors of the Districts to properly disclose, pursuant to Colorado law, any potential conflicts of interest related hereto in any way, provided that such disclosure is made on the record of Districts' meetings as set forth in their official minutes.

3.9 The Taxing District's General Obligation Bonds. The Taxing District acknowledges that the Service Plan permit the Taxing District to issue general obligation bonds or other instruments of debt solely for purposes of performing the Service Plan requirements. The Taxing District further acknowledges and agrees that the Service Plan contemplates that general obligation bonds or other evidences of debt will be issued by the Taxing District solely for purposes of paying Actual Capital Costs to the Operating District. Accordingly, unless the Service Plan is amended as permitted therein not in contravention hereof, the Taxing District agrees to and shall pay all proceeds of its bonds to the Operating District immediately upon receipt thereof by the Taxing District or shall provide the Operating District with the right to requisition such funds as may be required pursuant to any indenture or other document entered in connection with the issuance of general obligation bonds, which amounts, when received by the Operating District, shall be allocated to the payment of Authorized Voted Capital Costs and/or Authorized Voted Service Costs as directed by the Taxing District. The Taxing District shall not be entitled to retain for its own use any of such proceeds except to reimburse its general funds for the reasonable costs of issuance of such Bonds or other indebtedness until all obligations hereunder have been performed.

ARTICLE IV

FINANCING OF THE FACILITIES; ANNUAL CONSTRUCTION BUDGET; CONSTRUCTION OF THE FACILITIES

4.1 Preliminary Budget Process. During each year, the Operating District, in consultation with the Taxing District, shall prepare and submit to the Taxing District, upon request, a set of the Preliminary Budget Documents for the forthcoming Budget Year. If requested, the Operating District shall deliver the Preliminary Budget Documents to the Taxing District on or before September 15 of each Planning Year. The Preliminary Budget Documents

shall set forth the Estimated Capital Costs for the Budget Year in accordance with generally accepted accounting principles. Those portions of the Facilities that are included in the Preliminary Budget Documents for planned construction shall be determined by the Operating District in consideration of the place and location of development in the Districts and after consultation with the Taxing District. The Estimated Capital Costs for each Budget Element shall include the Operating District's current best estimates of the cost of constructing those Budget Elements contemplated in the proposed budget, including, all costs incurred in the furtherance of the Construction of the Facilities.

4.2 Budget Review and Approval. On or before October 15 of the Planning Year, the Taxing District shall review the Preliminary Budget Documents and either: (a) approve the Preliminary Budget Documents (in which case the Preliminary Budget Documents shall become the Final Budget for the Budget Year), or (b) propose in writing to the Operating District additions to and/or deletions from the Preliminary Budget Documents. Subject to the obligation of the Taxing District to pay Authorized Voted Capital Costs or the Estimated Capital Costs to the Operating District, the Taxing District may, as set forth in Section 4.3 below, propose additions to and/or deletions of items from those portions of the Preliminary Budget Documents which directly obligate the Taxing District to appropriate and expend funds during the Budget Year.

4.3 Budget Revision. The Districts shall discuss, and attempt to reach an agreement with respect to the Preliminary Budget Documents. In the event that no agreement can be reached between the Operating District and the Taxing District with regard to any proposed additions and/or deletions to the Preliminary Budget Documents, then the Preliminary Budget Documents shall be the Final Budget, and budgeting, appropriation, and payment of the amounts by the Taxing District required for hereunder shall be determined by reference to this Agreement; provided that, absent the consent of the Board of Directors of each District as set forth in a written resolution of each such Board duly adopted on or before November 30 of a Planning Year, and except as set forth below in Sections 4.4 and 4.6, the Taxing District's obligation to deposit funds to the Construction Account shall equal the maximum amount of Authorized Voted Capital Costs which could become due hereunder or, if the Taxing District elects to pay the Estimated Capital Costs annually, the minimum payment required for the Budget Year in question.

4.4 Automatic Budget Revision.

a. If the Taxing District (a) fails to approve the Preliminary Budget Documents, or (b) fails to provide written proposals for additions and/or deletions to the Preliminary Budget Documents in a timely fashion, or (c) proposes written proposals for additions and/or deletions to the Preliminary Budget Documents in a timely fashion, but no resolution is adopted by the Board of the Taxing District concerning said proposals in a timely fashion, then the Preliminary Budget Documents for the Estimated Capital Costs shall be the Final Budget only insofar as the amounts budgeted therein for Budget Elements do not exceed the amounts allocated for the Budget Year in the Service Plan (as amended from time to time). By way of example, should the Facilities be proposed for the Budget Year and no proposal is submitted or resolution of the Board of the Taxing District is approved in a timely fashion, then

the Facilities in question shall be deemed approved and budgeted if and to the extent that money adequate to complete said Facilities is or has been allocated on the schedule and as set forth within the Service Plan (as amended) for any and all Facilities for the year in question.

b. Notwithstanding anything set forth above to the contrary in this Article IV, in the event that the Taxing District elects to pay the Estimated Capital Costs on an annual basis, the Taxing District shall only be required to fund in any year the payment of that amount of Actual Capital Costs that the Taxing District would be capable of funding through the issuance of general obligation bonds at the time payment is due such that the total principal amount of general obligation debt of the Taxing District shall not at the time of issuance of such debt exceed the greater of two million dollars (\$2,000,000) or fifty percent (50%) of the assessed value of the taxable property lying within the boundaries of the Taxing District as set forth in Section 32-1-1101, C.R.S. For purposes of determining the amount of general obligation debt outstanding at the time such calculations are made, only the amount of the payment of Actual Capital Costs to be made by the Taxing District at the time of the calculation shall be relevant to the calculation (as opposed to the then remaining portion of the maximum amount of Total Actual Costs or Authorized Voted Service Costs which could become due hereunder. Further, for the purposes of construing the intent of the Districts regarding this Section 4.4.b., the Districts agree that notwithstanding that this Agreement constitutes general obligation debt (subject to the limits contained herein) and is deemed issued and outstanding at the time of execution hereof, the amount of debt represented by the execution of this Agreement shall not be included in the calculation of the total general obligation debt outstanding at the time any payment of Actual Capital Costs is due.

The foregoing limitation regarding fifty percent (50%) of the "assessed value" or two million dollars (\$2,000,000) shall be subject to automatic increase, but not decrease, in the event applicable Colorado law increases either numerical amount with respect to which general obligation debt may be issued. By way of example, if the assessed value of taxable property within the Taxing District in any given year is ten million dollars (\$10,000,000) and the Operating District has at that time outstanding general obligation bonds in the amount of four million dollars (\$4,000,000), then the maximum amount of Actual Capital Costs that the Taxing District would be required to fund in the next Budget Year would be one million (\$1,000,000) regardless of the amount of money scheduled to be funded under the Final Budget as the Estimated Capital Costs for the same Budget Year. Should the maximum amount to be funded under the operation of this subparagraph b. be less than the Estimated Capital Costs scheduled in the Final Budget then the Final Budget shall be amended automatically in the manner set forth in Section 3.5 above and Section 4.6 below. Regardless of the amount that could be funded under the operation of this subparagraph b., in no event shall the Taxing District be required to fund an amount for Actual Capital Costs in excess of Actual Capital Costs for the Budget Year in question except as such amount is amended and modified as specifically contemplated herein or in the Service Plan.

c. It is anticipated that the funds for Actual Capital Costs will be provided through the issuance of general obligation bonds by the Taxing District in amounts sufficient to enable the Taxing District to pay the Actual Capital Costs or, at the Taxing District's option the Estimated Capital Costs set forth in the Final Budget for each Budget Year, as the same may be

adjusted as set forth in Section 3.5 above and Section 4.6 below; provided, however, that the Taxing District shall retain the discretion and authority to provide for and raise said funds in any manner lawfully available to the Taxing District including but not limited to: (i) the issuance of bonds (whether general obligation bonds or revenue bonds), debentures, notes, certificates, anticipation notes, and such other general or special obligations of the Taxing District (including lines of credit) as the Taxing District shall in its sole discretion determine to issue or incur; (ii) the utilization of the Taxing District's power to raise funds in respect of the property and facilities located within its boundaries, as, for example, through the imposition of fees, charges, and general ad valorem property taxes; and/or (iii) the creation and maintenance of debt reserve and contingency funds. The Taxing District shall not be deemed to have surrendered or delegated any powers with respect to the determination of the manner in which the financial obligations imposed by this Agreement are to be satisfied and otherwise discharged.

4.5 Appropriation of and Provision for Capital Fund. Following the preparation of Final Budget for the Budget Year pursuant to Sections 4.1 through 4.4 above, and if the Taxing District issues Bonds as contemplated in Sections 3.2.c and 3.9 hereof, the Taxing District shall budget, appropriate and transfer funds to Construction Account for the Budget Year as required under Final Budget and under Sections 3.2.c. and 3.9 to meet the full amount of Final Budget and its Sections 3.2.c and 3.9 obligations during the forthcoming Budget Year.

4.6 Adjustment of Annual Payment. If the Taxing District has selected to make the Annual Payment Option of the Estimated Capital Costs, the Districts may, as set forth in Sections 4.2, 4.3 and 4.4 above, agree to increase or reduce the deposit by the Taxing District into Construction Account. The Taxing District may also elect to increase the Annual Payment Option in any year. To the extent any Annual Payment Option is reduced or increased pursuant to this Agreement, or in the event Bond proceeds have been transferred to the Operating District pursuant to Sections 3.2.c. and 3.9 hereof, the remaining amount of Actual Capital Costs due under this Agreement shall be adjusted proportionate to such reduction or increase in an annual payment. Unless otherwise agreed by the Districts after due authorization, in no event shall any reduction or increase result in a reduction or increase in the obligation on the part of the Taxing District to pay the maximum amount of Actual Capital Costs to the Operating District which could become due hereunder.

4.7 Deposit and Funding of Actual Capital Costs. If the Taxing District has elected to pay the Estimated Capital Costs for the Budget Year, upon determination of Final Budget and no later than March 1 of the applicable Budget Year, the Taxing District shall make a deposit into Construction Account to be used exclusively by the Operating District for funding the construction of the Facilities in an amount equal to the Estimated Capital Costs for the said Budget Year, subject to limitations as set forth herein. The Operating District shall account for the funds withdrawn from Construction Account. If, and in the event, cost estimates as budgeted shall not be sufficient to cover Actual Capital Costs incurred for the portions of the Facilities included in Final Budget, and in the event construction contract change orders and similar such causes shall increase the costs incurred for the Facilities Construction, the Operating District shall call for such supplemental deposits to be placed into Construction Account by the Taxing District as may be necessary to cover such increased costs. The Taxing District shall make supplemental deposits into Construction Account within thirty (30) days of such a call by the

Operating District; provided that in no event shall any such call result in a reduction or increase in the obligation on the part of the Taxing District to pay to the Operating District the maximum amount of Actual Capital Costs which could become due hereunder as defined in Section 2.1 hereof.

Any interest earned on funds in Construction Account shall be first applied toward payment of Construction costs. Any excess of the Estimated Capital Costs deposited by the Taxing District (and earned interest not expended for Construction as provided herein) shall be returned to the Taxing District within 180 days following final payment of all costs relating to the completion of all of the Facilities listed in Final Budget.

4.8 Construction Account Ownership and Fiscal Year Spending. All funds deposited by the Taxing District into Construction Account shall at all times remain the funds of the Taxing District until disbursed from Construction Account but upon deposit shall be deemed to be part of the fiscal year spending of the Taxing District pursuant to Colorado Constitution Article X, Section 20. Funds expended from Construction Account shall not be part of the fiscal year spending of the Operating District, which is acting as owner and manager, and which is receiving no funds from the Taxing District other than to provide Services, Facilities, and programs for the Taxing District.

All funds deposited by the Operating District into Construction Account under this Agreement shall at all times remain the funds of the Operating District until disbursed from Construction Account and shall be deemed to be part of the fiscal year spending of the Operating District pursuant to Article X, Section 20 of the Colorado Constitution, but the Operating District's funds expended from Construction Account shall not be part of the fiscal year spending of the Taxing District, which is receiving no funds from the Operating District.

4.9 Limitation of Authorization. The Districts recognize that certain obligations imposed upon the Districts by this Article IV constitute "debt" (as defined in the Constitution of the State of Colorado). At a duly called and noticed election held on November 3, 1998, the electorate of the Taxing District authorized the incurring of indebtedness by the Taxing District in an amount sufficient to fund the various obligations imposed by this Agreement, and also approved entry into this Agreement by each District. In no event shall any commitment, covenant, promise, or other obligation under this Agreement require the issuance or incurring of indebtedness by the Districts in excess of their respective voted indebtedness authorization.

4.10 Operating District to Construct and Acquire Improvements. The Operating District will, on behalf of the Taxing District, contract for and supervise the construction and acquisition of the Facilities described in the Service Plan and the applicable Final Budget for each Budget Year in such manner as the Operating District shall reasonably determine to be in the best interests of the Districts. Pursuant to this Agreement, the Operating District shall schedule, phase, and configure the Facilities to accurately and adequately provide for the needs of Districts' residents and property owners as reflected in development plans for the community, as the same may be revised officially from time to time and as development demands require. All construction shall be subject to good faith efforts of the Operating District to obtain all necessary governmental approvals. The Operating District shall exercise its best efforts to

comply with Colorado and other applicable rules, laws, regulations and orders in its contractual undertakings concerning construction and acquisition of the Facilities.

4.11 Final Plans and Specifications.

a. Prior to the construction and/or acquisition of any specific portion of the Facilities, the Operating District shall prepare and submit Plans to the Taxing District for specific Facilities. If no objection to the Plans is received within fifteen (15) days from the date of submittal, the Taxing District shall be deemed to have approved such Plans. If, within fifteen (15) days from the date of submittal of such Plans, the Taxing District provides written notice to the Operating District of objections to such Plans, the Operating District and the Taxing District shall meet to resolve and arrive at any agreement with regard to those objections. Objections to and revision to such Plans, as submitted by the Operating District, may only be made by the Taxing District if the objection alleges one or more of the following violations of standards:

1. Such Plans are not in substantial compliance with generally accepted architectural and/or engineering standards.

2. Such Plans are not in substantial compliance with any final plat as approved by the City of Aurora or other regulatory agency having approval authority over a final plat of property within the Taxing District or the Operating District.

3. Such Plans are not in substantial compliance with design standards of City of Aurora applicable to the Districts or any other regulatory agency having jurisdiction over the matters concerned in such Plans.

If any agreement is not reached between the Operating District and the Taxing District within fifteen (15) days from the date of notice of objection as provided herein, the matter shall be submitted to an appropriate professional as may be agreed upon by the Districts, who shall, at the expense of the Taxing District, review such Plans for compliance with regard to the standards set forth in subparagraphs 1, 2, and 3 immediately above, and whose decision regarding compliance, or regarding adjustments to accomplish compliance, shall be final. In the event such engineer finds that the objections are invalid then the Operating District may commence Construction. In the event adjustments are needed to overcome valid objections, the Operating District may make such adjustments and thereafter commence Construction. In the event that the Operating District disagrees with the suggested adjustments, then the Operating District may either (a) elect not to build that portion of the Facilities at that time, or (b) the Operating District may prepare alternate Plans and resubmit them to the Taxing District for approval as provided in this Section 4.11 hereof, or (c) review such Plans with the engineer to work out alternatives acceptable to the Operating District and the engineer utilizing, sound engineering practice, and then revise such Plans to satisfy all valid objections. In the event that the engineer approves alternatives, the Operating District may make the changes to such Final Plans and proceed to construct the Facilities pursuant to this Agreement.

4.12 Construction Contracts. The Operating District shall cause Construction of the Facilities to be commenced on a timely basis subject to receipt of all necessary governmental

approvals and the terms of this Agreement. The Operating District shall make available to the Taxing District copies of any and all construction contracts and related documents concerning the Facilities. The Operating District shall diligently and continuously prosecute to completion the Construction of the Facilities. Approval of any change orders for which funds are or may be made available pursuant hereto shall be in the sole discretion of the Operating District after informational consultation with the Taxing District. The Taxing District shall have the right upon written request to review in advance all proposed change orders that will result in an increase in the total amount, taken in the aggregate, of the amount budgeted, appropriated and paid by the Taxing District into the Accounts for the Budget Year in question. Nothing in this or any other paragraph, Article or Section of this Agreement shall be construed to mean that any change order, or change orders, shall effect an expansion of any District's total financing obligation under this Agreement except as specifically permitted herein or in the Service Plan. The Taxing District shall not direct any Construction activities.

4.13 Completion of Construction. Prior to the final acceptance of any portion of the Facilities by the Operating District and prior to the issuance of a final certificate of payment under the terms of any construction contract, the Operating District shall take into account opinion expressed by the Taxing District, if any, and shall approve final payment and issue a final certificate of payment if the Operating District believes in good faith and pursuant to generally accepted standards of engineering and construction review, that construction has been accomplished in compliance with the conditions and terms of the construction contract involved.

4.14 Construction Claims. The Operating District agrees that it shall, to the extent it is practical and cost-effective as reasonably determined by the Operating District, assert against any contractor involved in constructing any Facilities which are contemplated by this Agreement any claim that the Operating District may have against the contractor according to the terms of any construction contract and/or construction guarantee and/or warranty.

4.15 Waiver of Requirements. The Districts agree that for so long as the Districts are holding joint Board meetings, the requirements of this Article IV with respect to the submission, review and approval of various documents shall be waived; provided, however that the minutes of the Districts' Board meetings reasonably reflect a cooperative effort of the Districts to prepare and adopt budgets, review and approve construction plans, and conduct other activities required by this Article IV.

ARTICLE V

OWNERSHIP AND OPERATION OF THE FACILITIES PAYMENT FOR SERVICES

5.1 The Facilities. Except as otherwise provided herein, the Operating District shall own all the Facilities and shall be responsible for the operation and maintenance of all the Facilities.

5.2 Sale of the Facilities. Notwithstanding any provision hereof to the contrary, in the event that the Operating District finds it is in the best interests of the Operating District and the

Taxing District to sell, transfer, lease, dedicate, or otherwise convey any interest in any Facilities, or a part thereof, to another governmental, quasi-governmental, private, or utility service supplier, the Operating District may do so upon such reasonable terms as are determined by the Operating District consistent with the Service Plan and provided that tax-exempt bonds of the Districts are not negatively affected. The Districts agree and acknowledge that the Service Plan contemplates that water, wastewater, roads, and other facilities may be transferred or leased to other governmental entities for operation and maintenance purposes, and that such entities shall have the right to impose and collect service charges for services they provide. Nothing contained herein shall constrain the ability of the Operating District to enter into and perform such agreements or enter into and perform singular agreements for coordinated provision of services among various governments.

5.3 Management Services. The Operating District shall perform the following services for the Taxing District:

- a. Serve as the "official custodian" and repository for the Taxing District's records, and emergency communication services for the Operating District's Facilities, file space, incidental office supplies and photocopying, meeting facilities and reception services.
- b. Coordination of all Board meetings to include:
 1. Preparation and distribution of agenda and information packets.
 2. Preparation and distribution of meeting minutes.
 3. Attendance at Board meetings.
 4. Preparation, filing and posting of legal notices required in conjunction with the meeting.
 5. Other details incidental to meeting preparation and follow-up.
- c. Ongoing maintenance of an accessible, secure, organized and complete filing system for the Taxing District's official records.
- d. Monthly preparation of checks and coordination of postings with an accounting firm.
- e. Periodic coordination with an accounting firm for financial report preparation and review of financial reports.
- f. Insurance administration, including evaluating risks, comparing coverage, processing claims, completing applications, monitoring expiration dates, processing routine written and telephone correspondence, etc. Ensure that all contractors and subcontracts maintain required coverage for the Taxing District's benefit.

- g. Election administration, including preparation of election materials, publications, legal notices, pleadings, conducting training sessions for election judges, and generally assisting in conducting the election.
- h. Budget preparation, including preparation of proposed budget in coordination with an accounting firm, preparation of required and necessary publications, legal notices, resolutions, certifications, notifications and correspondence associated with the adoption of the annual budget and certification of the tax levy.
- i. Response to inquiries, questions and requests for information from the Taxing District's property owners and residents and others.
- j. Drafting proposals, bidding contract and construction administration, and supervision of contractors.
- k. Analysis of financial condition and alternative financial approaches, and coordination of bond issue preparation.
- l. Oversee investment of District funds based on investment policies established by the Board but in any case in accordance with state law.
- m. Provide liaison and coordination with other governments.
- n. Coordinate activities and provide information as requested to an external auditor engaged by the Board.
- o. Establish and maintain system for selling and recording water and sewer taps including an inventory management system.
- p. Supervise and ensure contract compliance of all Taxing District's service contractors, including the establishment and maintenance of preventive maintenance programs.
- q. Coordinate legal, accounting, engineering and other professional services to the Taxing District.
- r. Perform other services with respect to the operation and management of the Taxing District as requested by their Boards.

In addition to these services, when other services are necessary in the opinion of the Operating District, the Operating District shall recommend the same to the Taxing District, or perform such services and report to the Taxing District the nature of such services, the reason they were required, and the result achieved. The Operating District may, with the approval of the Taxing District, provide professional services and operation and maintenance services to the Taxing District in lieu of retaining consultants or contractors to provide those services.

5.4 Record Keeping and Financial Planning.

a. In connection with the Construction, acquisition, operation, maintenance, and administration of the Facilities, the Operating District shall maintain accounts for the Taxing District in accordance with generally accepted accounting principles, and present regular financial reports, including summaries of receipts and disbursements. These materials shall be available for examination by the Taxing District during regular business hours upon written request. If the Taxing District causes an audit of the books of account and financial reports maintained pursuant to this Section and said audit shall lead to a legal determination of negligence, fraud, or knowing misconduct in the performance of the duties required of the Operating District by this Agreement, the Operating District shall promptly reimburse the Taxing District for the cost of the audit as well as for any additional sums deemed payable as a result of the audit. Otherwise, the costs of such audit shall be borne by the Taxing District.

b. The Operating District shall also:

1. Assist any auditors hired by the Taxing District in the preparation of its yearly audit as required by the laws of the State of Colorado; and

2. Assist the Taxing District in analyzing the Taxing District's long and short-term capital improvements needs and assist in the development of long and short-term capital improvement plans to meet those needs; and

3. Advise and assist the Taxing District by analyzing the Taxing District's long and short-term financial needs and presenting the Taxing District with long and short-term financial proposals to meet those needs; and

4. Keep and maintain accurate files of all contracts concerning the Facilities, and all other records necessary to the orderly administration and operation of the Facilities which are required to be kept by statute or by regulation of the State of Colorado or the United States; and

5. Advise and assist the Taxing District in making applications for and in administering various state and federal grant programs, and operate and maintain the Facilities in accordance with the requirements of such programs and in accordance with all federal, state, and local laws and regulations; and

6. Perform such other services as may from time to time be reasonably necessary to assure that the Taxing District is in compliance with all applicable federal and state statutes and regulations and with county and local laws applicable to the operation of the Facilities; provided, however, that all such expenditures shall be made and reimbursed in accordance with this Agreement.

5.5 The Operating District to Provide Operators. The Operating District shall provide operators, which operators shall perform duties including, but not necessarily limited to the following:

a. Operation and maintenance of the Facilities to be operated and maintained by the Operating District.

b. Cooperation with state, county, and federal authorities in providing such tests, as are necessary to maintain compliance with appropriate governmental standards.

c. Permitting and supervising the connection of lines to private developments.

d. Coordinating construction with various utility companies to ensure minimum interference with the Facilities.

e. Performing normal maintenance and normal repairs necessary to continue the efficient operation of the Facilities.

f. Providing for the services of subcontractors necessary to maintain and continue the efficient operation of the Facilities.

g. Providing for emergency preparedness, consisting of a centralized telephone number maintained to provide adequate response to emergencies, including but not limited to, interruption of service because of line breaks, freeze-ups, or other mechanical problems.

5.6 Major Repairs and Replacements. The Operating District shall maintain and operate the Facilities including the procuring of all inventory, chemicals, parts, tools, equipment, and other supplies necessary to perform the services required under this Article. Major Repairs or Replacement to the Facilities shall be paid by the Taxing District. Such payments shall be made within thirty (30) days from the date on which the Operating District presents an itemized estimate of the cost of the Major Repairs or Replacement. Except for Emergency Repairs, and any Major Repairs or Replacements which are not funded by the Taxing District, all Major Repairs or Replacements must be previously approved by the Taxing District.

5.7 Financial Matters.

a. Payment of Service Costs. Unless the Taxing District pays the maximum amount of Actual Service Costs that could become due hereunder upon execution hereof, the Taxing District shall pay all Actual Service Costs in accordance with this Article V. It is the desire and intent of the Districts that, to the extent possible, the operation, maintenance, and administration costs incurred by the Operating District in the performance of the duties and services required by this Agreement be paid through the operation of this Article by the imposition by the Taxing District of taxes against the taxable property lying within their boundaries, thus and to that extent avoiding the necessity for the Operating District to exercise its power to assess fees, rates, tolls and/or charges for the purpose of paying all or any part of such costs directly on Users. Nevertheless, nothing herein shall be construed as a limitation on the powers granted to the Operating District by Colorado law, and/or as restated in this Agreement,

to recoup all or any portion of such operation, maintenance, and administration costs which are not paid through the operation of this Article, and whether or not they exceed the Actual Service Costs, through the use of such alternative measures as the Operating District may be authorized by Colorado law to utilize for that purpose.

b. Preliminary Budget Process. During each year, the Operating District, in consultation with the Taxing District and in the same manner as is provided in Article IV, above, shall prepare and submit to Taxing District a set of Preliminary Budget Documents for the forthcoming Budget Year. The Operating District shall deliver the Preliminary Budget Documents to the Taxing District on or before September 15 of each Planning Year. The Preliminary Budget Documents shall set forth the Estimated Service Costs for the Budget Year in accordance with generally accepted accounting principles. Estimated Service Costs for each Budget Element shall include the Operating District's current best estimates of the operation, maintenance, and administration costs to be incurred by the Operating District in the performance of the Service required by this Agreement.

c. Budget Review and Approval. On or before October 15 of the Planning Year, the Taxing District shall either: (a) approve the Preliminary Budget Documents (in which case the Preliminary Budget Documents shall become Final Budget for the Budget Year), or (b) propose in writing to the Operating District additions to and/or deletions from the Preliminary Budget Documents. Subject to the obligation to pay the maximum amount of Total Actual Services Costs which could become due hereunder or Estimated Service Costs to the Operating District, as set forth herein, the Taxing District may propose such additions to and/or deletions from those portions of the Preliminary Budget Documents which directly obligate the Taxing District to appropriate and expend funds for services during the Budget Year.

d. Budget Revision. The Districts shall discuss and attempt to reach an agreement with respect to the Preliminary Budget Documents. In the event that no agreement can be reached between the Operating District and the Taxing District with regard to any proposed additions and/or deletions to the Preliminary Budget Documents, then the Preliminary Budget Documents shall be Final Budget, and budgeting, appropriation, and payment of the amounts called for hereunder shall be determined by reference to this Agreement; provided that absent the consent of Boards of the Districts as set forth in a written resolution of each such Board duly adopted on or before November 30 of a Planning Year, and except as set forth below, the Taxing District's obligation to deposit funds to Service Account shall equal the maximum amount of Actual Service Costs which could become due hereunder, or if elected, Estimated Service Costs required for the Budget Year in question.

e. Automatic Budget Revision.

1. If the Taxing District (a) fails to approve the Preliminary Budget Documents, or (b) fails to provide written proposal for additions and/or deletions to the Preliminary Budget Documents in a timely fashion, or (c) proposes written proposal for additions and/or deletions to the Preliminary Budget Documents in a timely fashion but no resolution by each Board concerning said proposals is adopted in a timely fashion; then the Preliminary

Budget Documents and Estimated Service Costs shall be Final Budget, and Estimated Service Costs for the Budget Year shall be paid in accordance with this Article V.

2. Notwithstanding anything set forth above to the contrary in this Article V, in the event that the Taxing District does not pay the maximum amount of Actual Service Costs which could become due hereunder upon execution hereof, the Taxing District shall only be required to fund, on an annual basis, the payment of that amount of Estimated Service costs that the Taxing District would be capable of funding through tax revenues resulting from the certification by the Taxing District against the assessed value of the taxable property lying within the boundaries of the Taxing District, (as such boundaries exist on the date of this Agreement or as they may, from time to time, be changed,) of forty mills without regard for obligations due under Article IV or VI hereof. The foregoing limitations expressed as "forty mills" shall be subject to automatic increase, but not decrease, in the event Colorado law regarding the assessment of property changes.

In all events, the mill levies described above will be automatically adjusted upwards by the same proportion as any decrease by the legislature of the State of Colorado of the ratio for assessment of commercial or residential property from the present ratios of 29% and 9.74% respectively, in order to produce for the Operating District the same payment under this Agreement from the imposition of mill levies by the Taxing District from the imposition of forty-nine mills had the valuation of property in the Taxing District not been changed as a result of changes in Colorado law. By way of example, if the assessed value of taxable property within the Taxing District in any given year is \$10 million, then the maximum amount of Actual Service Costs that the Taxing District would be required to fund in the next Budget Year would be \$490,000 regardless of the amount of Estimated Service Costs set forth in Final Budget. Should the maximum amount to be funded under the operation of this subparagraph 2 be less than Estimated Service Costs, then the "carry-forward" concepts of Section 3.5 hereof for Actual Capital Costs shall likewise apply for Estimated Service Costs.

3. It is anticipated that the funds for Actual Service Costs will be provided through the levying of ad valorem property taxes by the Taxing District in amounts sufficient to enable the Taxing District to pay the maximum amount of Actual Service Costs which could become due hereunder or, at the Taxing District's option, Estimated Service Costs for each Budget Year; provided, however that the Taxing District shall retain the discretion and authority to provide for and raise said funds in any manner lawfully available to the Taxing District including, but not limited to: (i) the issuance of bonds (whether general obligation bonds or revenue bonds), debentures, notes, certificates, anticipation notes, and such other general or special obligations of the Taxing District (including lines of credit) as the Taxing District shall in its discretion determine to issue or incur; (ii) the utilization of the Taxing District's power to raise funds in respect of the property and facilities located within its boundaries, as, for example, through the imposition of fees and charges; and/or (iii) the creation and maintenance of operations reserves and contingency funds. The Taxing District shall not be deemed to have surrendered or delegated any powers with respect to the determination of the manner in which the financial obligations imposed by this Agreement are to be satisfied and otherwise discharged. It is specifically contemplated and agreed by the Districts that the Taxing District's obligation to pay Actual Service Costs in the maximum amount set forth in Section 2.1 hereof is a general

obligation indebtedness of the Taxing District subject to limitations expressed herein, and that mill levies imposed by the Taxing District for such costs shall be treated and constitute debt service mill levies for all legal and constitutional purposes. Revenues received by the Operating District shall be deemed and constitute revenues for Services provided.

5.8 Appropriation of and Provision for Service Fund. Following the preparation of Final Budget for the Budget Year pursuant to Section 5.7 above, the Taxing District shall budget, appropriate and prepare to transfer funds to Service Account for the Budget Year as required under Section 5.10 and as required under Final Budget to meet the full amount of Final Budget during the forthcoming Budget Year, or such portion thereof as may be funded through the imposition of forty mills, as described in Section 5.7.e.2, above, whichever is the lesser amount.

5.9 Adjustment of Annual Payment. If the Taxing District does not pay the maximum amount of Actual Service Costs set forth in Section 2.1 hereof upon execution hereof, it shall be deemed to have made a continuing election to pay Estimated Service Costs on an annual basis until such time as the Taxing District affirmatively elects to pay and actually pays the then remaining balance of the maximum amount of Actual Service Costs set forth in Section 2.1 hereof. The Districts may, as set forth in Section 5.7 above, agree to increase or reduce the deposit by the Taxing District into Service Account on an annual basis for Estimated Service Costs. The Taxing District may also unilaterally decide to increase the payment in any year. Unless otherwise agreed by the Districts after due authorization, in no event shall any reduction or increase result in a reduction or increase in the obligation on the part of the Taxing District to pay the maximum amount of Actual Service Costs defined in Section 2.1 hereof to the Operating District.

5.10 Service Accounts.

a. Deposit. In accordance with Article III above, unless otherwise agreed by the Operating District and the Taxing District, the Taxing District will have deposited into Service Account the maximum amount of Actual Service Costs which could become due hereunder or, if not paid, will have deposited (or shall be required to make a deposit for the initial Budget Year of this Agreement, Estimated Service Costs in the amount of one-hundred thousand dollars (\$100,000). Commencing in the Budget Year which immediately follows the initial Budget Year and continuing thereafter, the Taxing District shall deposit Estimated Service Costs for such Budget Year into Service Account in such amounts as the Districts may agree to in the preparation of Final Budget, but unless otherwise agreed, such deposit shall be in an amount not less than Estimated Service Costs in the Final Budget for the Budget Year in question. Said deposit shall be made on or before March 1 of the Budget Year. The Operating District shall have the authority to make withdrawals or payments from Service Account, and the funds deposited in Service Account, together with interest earned thereon, shall be used solely for the purpose of paying Actual Service Costs for the Budget Year.

b. Adjustments for Deficiencies. If it appears to the Operating District that Actual Service Costs for the Budget Year will exceed the amount deposited into Service Account by the Taxing District, the Operating District may, by written notice, call for supplemental deposits to cover such increased costs and the Taxing District shall make such supplemental

deposits into Service Account within ten (10) days after receipt of such written notice. If and in the event Actual Service Costs exceed the amount deposited in Service Account or exceed the amount of Estimated Service Costs permitted to be paid under Section 5.7.e.2. hereof, and/or a call for supplemental deposits would result in a deposit by the Taxing District that exceeds permitted payment amounts for the year in question, the Operating District may fund the deficiency through its powers to impose rates, fees, tolls, penalties, and charges under Colorado law directly on all Users with or without the consent of the Taxing District.

c. Accounting. All deposits and/or withdrawals made with respect to Service Account shall be separately accounted for by the Operating District. In all cases, the Operating District shall use its best efforts in the operation, maintenance, and administration of the Facilities to not exceed Estimated Service Costs for Service during the Budget Year.

5.11 Service Account Ownership and Fiscal Year Spending. All funds deposited by the Taxing District into Service Account at all times shall remain the funds of the Taxing District until disbursed from said Account but upon deposit shall be deemed to be part of the fiscal year spending of the Taxing District pursuant to Colorado Constitution Article X, Section 20. Funds expended from Service Account shall not be part of the fiscal year spending of the Operating District, which is acting as owner and manager, and which is receiving no funds from the Taxing District other than to provide services, facilities, and programs for the Taxing District.

All funds deposited by the Operating District into Service Account at all times shall remain the funds of the Operating District until disbursed from said Account and shall be deemed to be part of the fiscal year spending of the Operating District's pursuant to Article X, Section 20 of the Colorado Constitution, but the Operating District's funds expended from Service Account shall not be part of the fiscal year spending of the Taxing District, which are receiving no funds from the Operating District.

5.12 Limitation of Authorization. The Districts recognize that certain obligations imposed upon the Taxing District by this Article constitute "debt" (as defined in the Constitution of the State of Colorado). At duly called and noticed elections held on November 3, 1998 respectively, the electorate of the Taxing District authorized the incurring of indebtedness by the Taxing District in an amount sufficient to fund the various obligations imposed by this Agreement, and also approved entry into this Agreement by the Taxing District. In no event shall any commitment, covenant, promise, or other obligation under this Agreement require the issuance or incurring of indebtedness by the Districts in excess of their respective voted indebtedness authorization.

5.13 Waiver of Requirements. The Districts agree that for so long as the Districts are holding joint Board meetings, the requirements of this Article V with respect to the submission, review and approval of various documents shall be waived; provided, however, that the Minutes of the Districts' Board meetings reasonably reflect a cooperative effort of the Districts to prepare and adopt budgets, review and approve maintenance and other plans, and conduct other activities required by this Article V.

ARTICLE VI

CONTRACT SERVICES; SPECIAL PROVISIONS

6.1 Contract Service Area. For purposes of this Agreement, and to clarify the continuing obligation of the Operating District to provide Service to the Taxing District and its inhabitants, the territory currently within the boundaries of the Taxing District (as the same is enlarged or reduced from time to time) is hereinafter referred to as the "Contract Service Area." No enlargement or reduction of Contract Service Area or any other amendment of this Agreement may be made except by mutual agreement entered into with the same formality as that employed in the execution of this Agreement. Nothing herein shall be construed to provide the Operating District with a veto power over inclusions or exclusions of land approved by the Board of the Taxing District's but the Operating District shall hold a veto power over any Taxing District's inclusion from becoming a part of Contract Service Area under this Agreement.

6.2 General Provision Regarding Service: Charges.

a. Contract Service. The Operating District agrees to provide Service contemplated by the Service Plan to the Taxing District provided that the Taxing District observes and performs the covenants and agreements hereof. Service shall be provided pursuant to duly adopted rules and regulations of the Operation District. The Operating District shall be permitted to enter into such agreements with other entities or Persons for the provision of water and sanitation services. Such arrangements shall be permitted, as deemed appropriate by the Operating District, which are reasonably necessary, consistent with the Service Plan, to secure necessary Service for the Taxing District.

b. Maintenance Services. The Operating District shall maintain all the Facilities in such manner as is necessary in its sole discretion to provide Service to the Taxing District of the quality contemplated in the Service Plan. The Taxing District agrees that the Operating District shall be entitled to provide Service to any Facilities by contract with lawfully authorized service providers.

c. Rights of the Operating District. The Taxing District grants to the Operating District the right to construct, own, use, connect, disconnect, modify, renew, extend, enlarge, replace, convey, abandon or otherwise dispose of any and all of the real property, improvements thereto, the Facilities or appurtenances thereto, and any and all other interests in property, real, personal or otherwise within the Taxing District's control to enable the Operating District to perform its obligations to provide Service to the Taxing District. The Taxing District grants to the Operating District the right to occupy any place, public or private, which the Taxing District might occupy for the purpose of fulfilling the obligations of the Operating District as set forth herein. To implement the purposes of this Agreement, the Taxing District agrees to exercise such authority, to do such acts, and to grant such easements as may reasonably be requested by the Operating District, provided that any legal, engineering, technical or other services required, or costs incurred, for the performance of this obligation shall be performed by a Person or Persons in the employment of or under contract with, and paid by, the Operating District.

d. User Fees and Development Fees. The Operating District may establish, revise, impose and collect (or assign collection of) all fees, rates, tolls and charges permitted by Colorado Law for Services or Facilities provided within the Taxing District by the Operating District either directly or by contract through other entities, including surcharges for Service provided under contracts or other arrangements developed by the Operating District. All such charges shall be referred to as and be "User Fees." In addition, the Operating District may at any time impose, set or change the rate of, and/or waive or discontinue, system development charges, tap fees, participation charges, and such other rates, fees, tolls, charges, penalties, or combinations thereof, which are utilized for any purpose, and may waive any such fees or charges for classes of Users. User Fees and Development Fees are separate charges and one does not include the other or any part thereof. Development Fees shall be uniform among members of each class of Users within the contract Service Area as "class" is defined by the Operating District. User Fees and Development Fees shall remain in full force and effect until the Operating District shall deem it necessary to raise or lower either or both of such charges. The Taxing District agrees that it shall not permit any connection to or use of the Facilities by any Person without the Operating District's written consent unless this Agreement has been voluntarily terminated by the Districts in accordance with the provisions hereof. In no event shall connection to the Facilities be permitted unless an appropriate tap permit has been received by Persons desiring to connect to the Facilities and unless the Operating District consents thereto, which consent shall not be unreasonably withheld.

e. Fee Imposition and Collection; Reserves. User Fees and Development Fees established by the Operating District shall be reasonably related to the overall cost of Service and Facilities for which such rates, fees, tolls, and charges are imposed. Methods of collection and schedules of charges for Service may be applied uniformly among Users similarly situated. Methods of collection and schedules of connection charges for Contract Service Area shall be determined by the Operating District. The Operating District shall have the right to delegate or assign its fee imposition and collection power to a billing or service entity of its choice.

f. Taxing District's Surcharge. The Operating District shall have sole authority to impose all charges for Service; provided, however, that for the purpose only of satisfying its obligations to the Operating District hereunder, or retiring the Taxing District's general obligation or other indebtedness, and the interest thereon outstanding as of the date hereof or as the same may be issued or refunded from time to time, the Taxing District may request that the Operating District impose surcharges on the Operating District's User Fees and Development Fees for the purpose of supplementing other revenues of the Taxing District in the payment by the Taxing District of any such general obligation or other indebtedness. Conditional upon granting its consent to such request, the Operating District hereby agrees to and shall impose and collect such surcharges in the same manner along with its own charges and shall remit the same to the Taxing District as and when collected.

g. Right to Provide Service. The Taxing District agrees that it shall not attempt to provide services or facilities of any kind to its residents and property owners without first offering the Operating District the opportunity to provide such services or facilities, and in

no event shall services or facilities be provided by the Taxing District which are intended under the Service Plan to be provided by the Operating District. The Taxing District further agrees that it shall not impose any fee or charge of any kind on any person without consent of the Operating District which may be denied by the Operating District if it believes, in its sole and reasonable discretion, that such fee or charge would materially adversely affect the financial structure of the Operating District or interfere with the Operating District's performance of this Agreement, including payment of its bonds or other obligations. In no event shall the Taxing District be entitled to impose any fee or charge of any kind with respect to any element of any Service or Facility, or the availability thereof, which is the subject of this Agreement.

h. Changes in Fees. It is mutually agreed that the duration of this Agreement is such that the passage of time will require changes in the charges to be made for Service to be rendered hereunder in the Contract Service Area. The Operating District may modify the schedule of charges for Services provided hereunder, from time to time, in its discretion, provided:

1. Such modification will become effective not earlier than thirty (30) days after any changed schedule of charges shall be adopted by the Operating District.

2. The Operating District will take reasonable steps to notify the Taxing District and each Customer in Contract Service Area of such change within a reasonable time after such change has been adopted.

i. Rules and Regulations. All rules and regulations, and amendments thereto, placed in force by the Operating District from time to time concerning the operation of the Facilities and provision of any Service shall be as fully enforceable in Contract Service Area as inside the Operating District. The Taxing District retains the full right to make and enforce rules not inconsistent with the Operating District's rules to govern Users in Contract Service Area. The Taxing District agrees to exercise any rule making or police power it may have to assist the Operating District in enforcing the Operating District's rules and regulations.

j. Variable Water Supply. The Districts agree and recognize that resources needed for Service for Contract Service Area are dependent upon resources with respect to which the supply is variable in quantity and beyond the control of the Operating District. No liability shall attach to the Operating District on account of any failure to accurately anticipate availability of the water supply, or the possibility that it may be expended, or because of an actual failure of the water supply due to occurrences beyond the reasonable control of the Operating District.

k. Limitation of Services. The Districts agree that in order to comply with any applicable law, rule, directive or order, and to enable it to provide adequate Service to the Operating District and the Taxing District, as well as other Users of the Operating District in time of shortage or other practical or legal limitations on the ability of the Operating District to provide the Service contemplated hereby, the Operating District may limit the delivery of Service.

1. Suspension of Construction of the New Facilities. In order to reduce the likelihood of the limitation of delivery of Service to Users, the Operating District may suspend the construction of the Facilities in Contract Service Area. The Operating District agrees to give six- (6) month's written notice to the Taxing District of such suspension, unless the Operating District reasonably determines that circumstances require a shorter period.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

7.1 General Representations. In addition to the other representations, warranties and covenants made by the Districts herein, the Districts make the following representations, warranties and covenants to each other, and may be held liable for any loss suffered as a consequence of any misrepresentation or breach under this Article VII:

a. Each District has the full right, power and authority to enter into, perform and observe this Agreement.

b. Neither the execution of this Agreement, the consummation of the transactions contemplated hereunder, nor the fulfillment of or by the compliance with the terms and conditions of this Agreement by each District will conflict with or result in a breach of any terms, conditions, or provisions of, or constitute a default under, or result in the imposition of any prohibited lien, charge, or encumbrance of any nature under any agreement, instrument, indenture, or any judgment order, or decree to which any District is a party of by which any District is bound.

c. This Agreement is the valid, binding and legally enforceable obligation of the Districts and is enforceable in accordance with its terms.

d. The Districts shall keep and perform all of the covenants and agreements contained herein and shall take no action that could have the effect of rendering this Agreement unenforceable in any manner.

ARTICLE VIII

DEFAULT, REMEDIES AND ENFORCEMENT

8.1 Events of Default. The violation of any provision of this Agreement by any District, the occurrence of any one or more of the following events, and/or the existence of any one or more of the following conditions shall constitute an Event of Default under this Agreement.

a. The failure to pay any payment when the same shall become due and payable as provided herein and to cure such failure within three (3) business days of receipt of notice from the Operating District of such failure;

b. The failure to perform or observe any other covenants, agreements, or conditions in this Agreement on the part of any District and to cure such failure within ten (10) days of receipt of notice from the other District of such failure;

c. The filing of a voluntary petition under federal or state bankruptcy or insolvency laws by the Taxing District or the Operating District or the appointment of a receiver for any of the Taxing District's assets which is not remedied or cured within thirty (30) days of such filing or appointment;

d. Assignments by the Taxing District for the benefit of a creditor and a failure to cure such assignments within ten (10) days of receipt of written notice from the Operating District; or

e. The dissolution, insolvency, or liquidation of the Taxing District or the Operating District and a failure to cure such dissolution, insolvency or liquidation within ten (10) days of receipt of written notice.

8.2 Remedies on Occurrence of Events of Default.

a. Statement of Damages. It is agreed that the damage to the Operating District for failure of the Taxing District to perform this Agreement in all its essential parts will be not less than the reproduction cost of the Facilities installed, replaced or used by the Operating District to supply Service to Contract Service Area less the capital costs previously paid by the Taxing District, which damage the Taxing District agrees to pay immediately upon demand by the Operating District.

b. Rights and Remedies. Upon the occurrence of an Event of Default, the Districts hereto shall have the following rights and remedies that may be pursued hereof:

1. In the event of breach of any provision of this Agreement, including but not limited to the failure of the Taxing District to appropriate funds after a Final Budget is determined, and the failure of the Operating District to commence Construction, if not prohibited by law, regulation or other circumstances beyond the Operating District's control, within a reasonable time after the start of each Budget Year for which funds were appropriated for Construction, in addition to contractual remedies, any District may ask a court of competent jurisdiction to enter a writ of mandamus to compel the Board of the defaulting District to perform its duties under this Agreement, and any District may seek from a court of competent jurisdiction temporary and/or permanent injunctions, or orders of specific performance, to compel the other to perform in accordance with the obligations set forth under this Agreement.

2. The Districts may protect and enforce their rights under this Agreement by such suit, action, or special proceedings as they shall deem appropriate, including without limitation any proceedings for specific performance of any covenant or agreement contained herein, for the enforcement of any other appropriate legal or equitable remedy, or for the recovery of damages caused by breach of this Agreement, including attorney's fees and all other costs and expenses incurred in enforcing this Agreement. If, at any time, there shall cease

to be electors in the Operating District, or if no electors of the Operating District are willing to act as directors of the Operating District, the Taxing District may ask a court of competent jurisdiction to designate the proper persons to assume control of the Operating District for purposes of causing the performance of the Operating District's obligations under this Agreement.

3. To foreclose any and all liens in the manner specified by law.

4. To terminate this Agreement as provided herein; and

5. The Operating District shall have the right to accelerate any remaining unpaid amounts up to a maximum of the aggregate of the then-unpaid balance of the maximum amount of Authorized Voted Capital Costs which could become due hereunder, as well as the maximum amount of Authorized Voted Service Costs which could become due, both through the remainder of the term of this Agreement to make all such amounts immediately due and payable to the Operating District; and

6. To take or cause to be taken such other actions as they reasonably deem necessary.

c. Delay or Omission No Waiver. No delay or omission of any District to exercise any right or power accruing upon any Event of Default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such Event of Default, or acquiescence therein.

d. No Waiver of One Default to Affect Another; All Remedies Cumulative. No waiver of any Event of Default hereunder by any District shall extend to or affect any subsequent or any other then existing Event of Default or shall impair any rights or remedies consequent thereon. All rights and remedies of the Districts provided herein may be exercised with or without notice, shall be cumulative, may be exercised separately, concurrently or repeatedly, and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

e. No Affect on Rights. Except as otherwise provided by law, no recovery of any judgment by the Districts shall in any manner or to any extent affect any rights, powers, and remedies of the Districts hereunder, but such rights, powers, and remedies of the Districts shall continue unimpaired as before.

f. Discontinuance of Proceedings on Default: Position of Parties Restored. In case any District shall have proceeded to enforce any right under this Agreement and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such District, then and in every such case the Districts shall be restored to their former positions and rights hereunder, and all rights, remedies, and powers of the Districts shall continue as if no such proceedings had been taken.

g. Termination. This Agreement may be terminated by the Districts or a court of competent jurisdiction only upon the provision of one (1) year's written notice and upon the date of such termination, the Districts shall thereafter have no further obligations, duties, or rights hereunder; provided, however, that:

1. As a condition precedent to termination by the Taxing District and in recognition of the integrated nature and need for the continued funding of the Facilities, as well as the possibility that the Operating District may borrow against the anticipated performance by the Taxing District of the payment and financial obligations set forth herein, the Districts agree that prior to the time of termination, all remaining payments and financial obligations set forth in this Agreement shall be paid into the Accounts by the Taxing District; and

2. As a condition precedent to termination by the Operating District and in recognition of the need on the part of the Taxing District for the continued provision of all of the Services contemplated hereby, the Operating District shall either (1) transfer to the Taxing District, free and clear of encumbrances and in its entirety, its interest in the Facilities and in each and every one and all of the water rights, contracts, leases, easements, properties held in fee, and any other personal, real or intangible property then held or owned by the Operating District and necessary for the continued provision of the Services contemplated hereby at the level then provided, or (2) make said transfer to another governmental entity or entities pursuant to such terms and conditions as may be satisfactory to the Board of the Taxing District or, in the event said transfer is to be made pursuant to a plan for dissolution of the Operating District, in accordance with Colorado law, as may be held in accordance with that law by the District Court in and for Arapahoe County, Colorado, or such other ruling body as may at the time have jurisdiction.

ARTICLE IX

INSURANCE AND INDEMNIFICATION

9.1 Indemnification. To the extent permitted by law, the Operating District agrees to hold the Taxing District harmless from the claims of third persons arising out of the Operating District's operation, maintenance, extension and enlargement of the Facilities under color of this Agreement and to defend, at its expense, all actions for damages arising out of such action which may be brought against the Taxing District by third persons. In the event of an occurrence or loss out of which a claim arises or could arise, the Taxing District agrees to transmit in writing and at once, any notice of information received or learned by the Taxing District concerning such claim. Except at its own cost, the Taxing District agrees not to voluntarily make any payment, assume any obligation or incur any expense in connection with the subject matter of this paragraph. No claim shall lie against the Operating District hereunder unless as a condition precedent thereto, the Taxing District has fully complied with the provisions of this Agreement nor until the amount of the Taxing District's obligation to pay shall have been fully determined.

9.2 Insurance. The Districts shall each maintain the following types of insurance coverage with companies and in amounts acceptable to each District's Board, the cost of which

for the Operating District shall be a component of Actual Service Costs budgeted annually in accordance with Article V, above:

a. General liability coverage in the minimum amount of \$150,000 per person/per occurrence and \$600,000 total per occurrence, or in an amount reflecting the current level of governmental immunity exceptions provided by statute, whichever is greater, protecting the Districts and their officers, directors, and employees against any loss, liability, or expense whatsoever from personal injury, death, property damage, or otherwise, arising from or in any way connected with management, administration, and operations.

b. Directors and officers liability coverage (errors and omissions) in the minimum amount of \$150,000 per person/per occurrence and \$600,000 total per occurrence, or in an amount reflecting the current level of governmental immunity provided by statute, whichever is greater, protecting the Districts and their directors and officers against any loss, liability, or expense whatsoever arising from the actions and/or inaction's of the Districts and their directors and officers in the performance of their duties.

c. Operations coverage designed to insure against injury to the property of third parties or the person of those third parties caused by the operations by the parties in the minimum amount of \$150,000 per person/per occurrence and \$600,000 total per occurrence, or in the amount reflecting the current level of governmental immunity provided by statute, whichever is greater.

9.3 Worker's Compensation. The Operating District shall make provisions for worker's compensation insurance, social security employment insurance and unemployment compensation for its employees performing this Agreement as required by any law of the State of Colorado or the federal government and shall, upon written request, exhibit evidence thereof to the Taxing District.

9.4 Certificates. Within thirty (30) days of a written request, each District shall furnish to the other, certificates or memoranda of insurance showing compliance with the foregoing requirements. Said certificates or memoranda of each District shall state that the policy or policies will not be canceled or altered without at least thirty (30) days prior written notice to each District.

ARTICLE X

MISCELLANEOUS

10.1 Relationship of Parties. This Agreement does not and shall not be construed as creating a joint venture, partnership, or employer-employee relationship between the Districts. The Districts intend that this Agreement be interpreted as creating an independent contractor relationship. Pursuant to that intent, it is agreed that the conduct and control of the work required by this Agreement shall lie solely with the Operating District which shall be free to exercise reasonable discretion in the performance of its duties under this Agreement. Neither

District shall, with respect to any activity, be considered an agent or employee of the other District.

10.2 Liability of the Districts. No provision, covenant or agreement contained in this Agreement, nor any obligations herein imposed upon any District nor the breach thereof, nor the issuance and sale of any bonds by any District, shall constitute or create an indebtedness or other financial obligation of the other District within the meaning of any Colorado constitutional provision or statutory limitation, subject however, to the obligation of the Taxing District to pay bond proceeds to the Operating District pursuant to Section 3.2.c. and Section 3.9 hereof.

10.3 Assignment. Except as set forth herein or as contemplated in the Service Plan, neither this Agreement, nor any of any District's rights, obligations, duties or authority hereunder may be assigned in whole or in part by any District without the prior written consent of the other District which consent shall not be unreasonably withheld. Any such attempt of assignment shall be deemed void and of no force and effect. Consent to one assignment shall not be deemed to be consent to any subsequent assignment, nor the waiver of any right to consent to such subsequent assignment.

10.4 Modification. This Agreement may be modified, amended, changed or terminated, except as otherwise provided herein, in whole or in part, only by an agreement in writing duly authorized and executed by the Districts. No consent of any third party shall be required for the negotiation and execution of any such agreement.

10.5 Integration. This Agreement contains the entire agreement between the Districts and no statement, promise or inducement made by either District or the agent of any District that is not contained in this Agreement shall be valid or binding.

10.6 Severability. Invalidation of any of the provisions of this Agreement or of any paragraph, sentence, clause, phrase, or word herein, or the application thereof in any given circumstance, shall not affect the validity of any other provision of this Agreement.

10.7 District Dissolution. In the event any District seeks to dissolve pursuant to Section 32-1-701 C.R.S., et seq., as amended, it shall provide written notification of the filing or application for dissolution to the other District concurrently with such filing.

10.8 Survival of Obligations. Unfulfilled obligations of the Districts arising under this Agreement shall be deemed to survive the expiration of this Agreement, the completion of the Facilities that are subject of this Agreement, or termination of this Agreement by court order. Said obligations shall be binding upon and inure to the benefit of the Districts and their respective successors and permitted assigns.

10.9 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado.

10.10 Headings for Convenience Only. The headings, captions and titles contained herein are intended for convenience and reference only and are not intended to construe the provisions hereof.

10.11 Debt Must Comply with Law. Nothing herein shall be deemed nor construed to authorize or require the Taxing District or the Operating District to issue bonds, notes, or other evidences of indebtedness on terms, in amounts, or for purposes other than as authorized by Colorado law.

10.12 Colorado Constitutional Matters. If any provision hereof is declared void or unenforceable due to a purported violation of Article X, Section 20 of the Colorado Constitution, the District involved in such violation shall perform such tasks as may be necessary to cure such violation, including but not limited to acquiring such voter approvals, either in advance of, or following, an action as may be allowed by law.

10.13 Time Is of the Essence. Time is of the essence hereof; provided, however, that if the last day permitted or the date otherwise determined for the performance of any act required or permitted under this Agreement falls on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next succeeding business day, unless otherwise expressly stated.

10.14 Persons Interested Herein. Except as expressly provided in Section 1.3 thereof, nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any Person other than the Districts, any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all of the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the Districts shall be for the sole and exclusive benefit of the Districts.

10.15 Notices. Except as otherwise provided herein, all notices or payments required to be given under this Agreement shall be in writing and shall be hand delivered or sent by certified mail, return receipt requested, or air freight, to the following addresses:

Mailing Address for Tallyn's Reach Metropolitan District Nos. 1, 2 and 3

Tallyn's Reach Metropolitan District Nos. 1, 2 and 3
9110 E. Nichols Avenue, Suite 180
Englewood, CO 80112
Attn: Thomas P. Morton, President

cc: District Counsel

Gary R. White, Esq.
White and Associates Professional Corporation
8005 South Chester Street, Suite 125
Englewood, CO 80112

Hand Delivery Address for Tallyn's Reach Metropolitan District Nos. 1, 2 and 3

Tallyn's Reach Metropolitan District Nos. 1, 2 and 3
9110 E. Nichols Avenue, Suite 180
Englewood, CO 80112
Attn: Thomas P. Morton, President

cc: District Counsel

Gary R. White, Esq.
White and Associates Professional Corporation
8005 South Chester Street, Suite 125
Englewood, CO 80112

All notices or documents delivered or required to be delivered under the provisions of this Agreement shall be deemed received one (1) day after hand delivery or three (3) days after mailing. Any District by written notice so provided may change the address to which future notices shall be sent.

10.16 District Records. The Districts shall have the right to access and review each other's records and accounts, at reasonable times during District's regular office hours, for purposes of determining compliance by the Districts with the terms of this Agreement. Such access shall be subject to the provisions of Public Records Act of the State of Colorado contained in Article 72 of Title 24, C.R.S. In the event of disputes or litigation between the Parties hereto, all access and requests for such records shall be made in compliance with the Public Records Act.

10.17 Impairment of Credit. None of the obligations of any District hereunder shall impair the credit of the other Party.

10.18 Recovery of Costs. In the event of any litigation between the Districts hereto concerning the subject matter hereof, the prevailing District in such litigation shall be entitled to receive from the losing District, in addition to the amount of any judgment or other award entered therein, all reasonable costs and expenses incurred by the prevailing District in such litigation, including reasonable attorney fees.

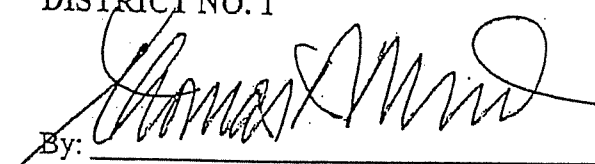
10.19 Compliance with Law. The Districts agree to comply with all federal, state and local laws, rules and regulations which are now, or in the future may become applicable to the Districts, to their business or operations, or to services required to be provided by this Agreement.

10.20 Instruments of Further Assurance. The Districts each covenant that they will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

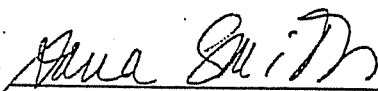
10.21 Taxes. Each District assumes responsibility for itself, and any of its employees, for payment of all federal, state and local taxes or contributions imposed or required under unemployment insurance, worker's compensation, social security and income tax laws.

IN WITNESS WHEREOF, the Districts hereto have executed this Agreement as of the day and year first above written.

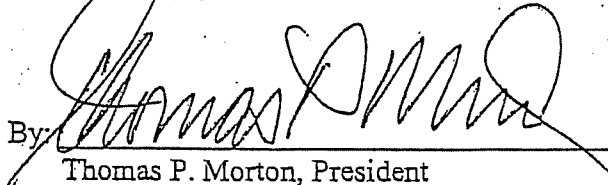
TALLYN'S REACH METROPOLITAN
DISTRICT NO. 1

By: 
Thomas P. Morton, President

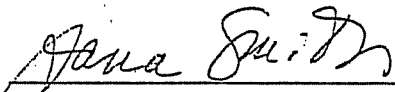
ATTEST:

By: 
Dana Smith, Secretary

TALLYN'S REACH METROPOLITAN
DISTRICT NO. 2

By: 
Thomas P. Morton, President

ATTEST:

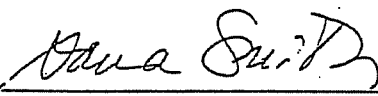
By: 
Dana Smith, Secretary

TALLYN'S REACH METROPOLITAN
DISTRICT NO. 3

By: 

Thomas P. Morton, President

ATTEST:

By: 

Dana Smith, Secretary

AMENDED
EXHIBIT L

Underwriting Letter

Kirkpatrick, Pettis, Smith, Polian Inc.
1600 Broadway
Suite 1100
Denver, CO 80202-4922
303-764-6000
800-942-7557

Kirkpatrick Pettis
A Mutual of Omaha Company

May 28, 2003

Thomas P. Morton, President
Tallyn's Ranch Metropolitan District Nos. 1-3
9110 E. Nichols Avenue, Suite 180
Englewood, CO 80112

Re: *Engagement for Investment Banking Services*
Tallyn's Reach Development (the "Development")

Dear Mr. Morton:

The purpose of this letter is to confirm the engagement of Kirkpatrick Pettis (the "Underwriter") by yourselves on an exclusive basis to render investment banking services to you in connection with the structuring and underwriting of one or more series of tax-exempt bonds relating to infrastructure for the Tallyn's Reach Metropolitan Districts (the "District" or "Districts").

Section 1. Services to be Rendered. The Underwriter will perform the following investment banking services)

- a) The Underwriter will familiarize itself to the extent it deems appropriate and feasible with the business, operations, assets, liabilities and financial condition of the Carma Corporation (the "Developer") and the Districts, it being understood that the Underwriter shall, in the course of such familiarization, rely entirely upon available information as may be supplied by the Developer and the District without independent investigation;
- b) The Underwriter will advise and assist the District in considering the proposed bond financing transactions and, if requested, the general desirability of other possible alternatives available to the District;
- c) The Underwriter will advise and assist the District in the course of its application and negotiation with prospective debt investors, it being understood that all such contact should be conducted exclusively through the Underwriter;
- d) The Underwriter will source financial institutions and assist in the financial solicitation to obtain a letter of credit or other credit enhancement or bond rating, if deemed advisable; and
- e) The Underwriter will render such other financial advisory and investment banking services as may, from time to time, be agreed upon by the Underwriter and the District.

In consideration of the Underwriter assisting the client in its financing plan, the District agrees to pay the Underwriter the fees outlined herein.

Section 2. Fees. The District shall pay to the Underwriter for its services hereunder a cash fee, contingent upon settlement, as set forth below:

Bond Placement/Underwriting Fees:

<u>Par</u>	<u>Non-Rated Spread</u>	<u>Rated Spread</u>
\$3 - 5 MM	2.00%	1.35%
\$5 - 10 MM	1.90%	1.25%
\$10 - 20 MM	1.60%	1.15%

Note: Fees for short-term (1 year or less) investment grade notes shall be 1% of par. Annual remarketing fees, if necessary, are to be 1/8 of 1% (0.125%).

Section 3. Expenses. The District will pay all associated expenses for the transaction, including without limitation as may be applicable, attorneys' fees (for example, bond counsel, underwriter's counsel, district's counsel and investor's counsel, if required), legal publication costs, placement memoranda or official statements, printing and mailing costs, real estate costs (appraisals, etc.), reports and studies (feasibility, environmental, etc.), bond printing costs, credit enhancement (and counsel therefore), rating and/or insurance costs and related travel, which have been incurred on the District's behalf (and have been approved in advance).

Section 4. Communications to the Public. If a transaction is completed, the Underwriter may at its option and expense, place announcements in such newspapers and periodicals that they may choose, stating that the Underwriter has acted as agent for the District in connection therewith. Such announcements shall be subject to approval by the District as to form (which approval shall not be unreasonably withheld).

Section 5. Term of Engagement. The Underwriter shall act for the Districts as provided in Section 1 to and including January 1, 2004, unless extended by mutual consent of the Underwriter and the Districts in writing.

Section 6. Exclusivity. During the time of this Agreement the District agrees that the Underwriter will be the exclusive agent for the Districts in connection with the matters covered by this Agreement.

Section 7. Notice. All notices, requests, demands, waivers and other communications ("Notices") required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or mailed, certified or registered mail with postage pre-paid, or sent by telegram or telecopier, to the address specified on the first page hereof or to any such other persons or addresses as the party shall specify by notice in writing to the other party. All Notices shall be deemed to have been received on the earlier of the date of delivery or on the third business day after the mailing thereof, except that any notice of change or of address shall be effective only upon actual receipt.

Section 8. Agreement to Purchase Bonds to be Evidenced by Underwriting Agreement. It is understood that this letter does not constitute an Agreement by the Underwriter to purchase bonds. Such Agreement shall be embodied in a Bond Purchase Agreement to be entered into on mutually acceptable terms prior to settlement on the bonds.

Section 9. Transfer or Sale of Development. This Agreement shall relate to the debt financing for the Districts and shall obligate all successors in interest to the Developer. If, for whatever reason prior to the expiration of this Agreement, the Developer's interest in the Development is transferred or sold out of the

control of the Developer, this Agreement shall continue to obligate the Districts as provided herein and all references to "Developer" shall apply to any successor in interest.

Section 10. Miscellaneous. This Agreement is made solely for the benefit of the Developer, the Districts and the Underwriter and their respective successors, assigns and heirs, and no other person shall acquire or have any right hereunder or by virtue of this Agreement.

It is understood that we will not limit our assistance or services to anything specifically enumerated in this Agreement, but that we will extend our services and assistance in a reasonable and professional fashion to ensure the provision of high quality capital markets services and financial advice to the Districts.

If the foregoing meets with your approval and sets forth the entirety of our understanding with respect to our exclusive engagement on your behalf, please indicate your acceptance on the enclosed duplicate copy and return it to the undersigned.

Best regards,



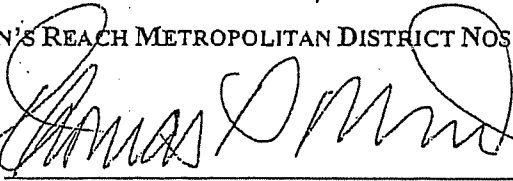
Andrew B. Kane
Senior Vice President

ABK/vc

ACCEPTED AND AGREED to this 9 day of June, 2003.

TALLYN'S REACH METROPOLITAN DISTRICT NOS. 1-3

By:



Thomas P. Morton

Its:

President

EXHIBIT M

Ballot Questions

OFFICIAL BALLOT FOR TALLYN'S REACH METROPOLITAN DISTRICT NO. 1, CITY OF AURORA, COUNTY OF ARAPAHOE, STATE OF COLORADO

November 7, 2000
Date of Election

/s/ K. Sean Allen
Facsimile of Signature of the Designated Election Official of the District

To vote, place crossmark (X) at the bottom of the ballot issue.

1-5-407(2), C.R.S.

WARNING: Any person who, by use of force or other means, unduly influences an eligible elector to vote in any particular manner or to refrain from voting, or who falsely makes, alters, forges, or counterfeits any mail ballot before or after it has been cast, or who destroys, defaces, mutilates, or tampers with a ballot is subject, upon conviction, to imprisonment, or to a fine, or both.

BALLOT ISSUE A:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$26,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$119,500,000 AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$30,680,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, STREET IMPROVEMENTS INCLUDING CURBS, GUTTERS, CULVERTS, OTHER DRAINAGE FACILITIES, SIDEWALKS, BRIDGES, PARKING FACILITIES, PAVING, LIGHTING, POWER LINE RELOCATION, GRADING, LANDSCAPING; AND OTHER STREET IMPROVEMENTS, TOGETHER WITH ALL

NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____
NO: _____

BALLOT ISSUE B:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$3,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$24,600,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$3,540,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM OF TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, INCLUDING TRAFFIC SIGNALS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A

NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE C:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$6,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$49,200,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$7,080,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE POTABLE AND NON-POTABLE WATER SUPPLY, STORAGE, TRANSMISSION, AND DISTRIBUTION SYSTEM, INCLUDING TRANSMISSION LINES, DISTRIBUTION MAINS AND LATERALS, IRRIGATION FACILITIES, AND STORAGE FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER

ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE D:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$5,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$41,000,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$7,080,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE LOCAL SANITARY SEWAGE COLLECTION AND TRANSMISSION SYSTEM, INCLUDING COLLECTION MAINS AND LATERALS, TRANSMISSION LINES, TREATMENT FACILITIES, STORM SEWER, FLOOD, AND SURFACE DRAINAGE FACILITIES AND SYSTEMS, AND DETENTION AND RETENTION PONDS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH

INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE E:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$9,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$73,800,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$10,620,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, PARKS AND RECREATIONAL FACILITIES, IMPROVEMENTS, AND PROGRAMS, INCLUDING PARKS, BIKE PATHS AND PEDESTRIAN WAYS, OPEN SPACE, LANDSCAPING, CULTURAL ACTIVITIES, COMMUNITY RECREATION CENTERS, WATER BODIES, IRRIGATION FACILITIES AND OTHER ACTIVE AND PASSIVE RECREATION FACILITIES AND PROGRAMS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE

NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE F:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$500,000, WITH A REPAYMENT COST OF NOT MORE THAN \$4,100,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$590,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM TO TRANSPORT THE PUBLIC BY BUS, RAIL, OR ANY OTHER MEANS OF CONVEYANCE, OR ANY COMBINATION THEREOF, INCLUDING PUBLIC TRANSPORTATION SYSTEM IMPROVEMENTS, TRANSPORTATION EQUIPMENT, PARK AND RIDE FACILITIES, PUBLIC PARKING LOTS, STRUCTURES, ROOFS, COVERS, AND FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM,

SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE G:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$2,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$16,400,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$2,360,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, TELEVISION RELAY AND TRANSLATION SYSTEM IMPROVEMENTS, INCLUDING EQUIPMENT, FACILITIES, AND STRUCTURES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED

OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____
NO: _____

BALLOT ISSUE H:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$2,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$16,400,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$2,360,000 ANNUALLY (SUCH TAX INCREASE TO BE NET OF ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF OPERATING AND MAINTAINING THE DISTRICTS SYSTEMS, FACILITIES, AND IMPROVEMENTS AND FOR THE PURPOSE OF CARRYING OUT THE OBJECTS AND PURPOSES FOR WHICH THE DISTRICT WAS ORGANIZED, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE

DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE I:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$55,500,000, WITH A REPAYMENT COST OF NOT MORE THAN \$455,100,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$65,490,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, ISSUED FOR THE PURPOSE OF REFUNDING, PAYING, OR DEFEASING, IN WHOLE OR IN PART, BONDS, NOTES OR OTHER FINANCIAL OBLIGATIONS OF THE DISTRICT; SUCH DEBT TO BEAR INTEREST AT A RATE TO BE DETERMINED BY THE DISTRICT, WHICH INTEREST RATE MAY BE HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED; SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT TO BE ISSUED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT

INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE J:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$250,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S OPERATIONS, MAINTENANCE, AND OTHER EXPENSES: SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNTS AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING THE DISTRICT'S OPERATIONS, MAINTENANCE, AND OTHER EXPENSES; AND SHALL THE PROCEEDS OF SUCH TAXES AND INVESTMENTS INCOME THEREON CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT IN 2000 AND IN EACH YEAR THEREAFTER WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR SECTION 29-1-301, COLORADO REVISED STATUTES?

YES: _____

NO: _____

BALLOT ISSUE K:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 1 BE AUTHORIZED TO ISSUE, CREATE, EXECUTE, AND DELIVER MORTGAGES, LIENS, AND OTHER ENCUMBRANCES ON DISTRICT REAL AND PERSONAL PROPERTY, WHETHER NOW OWNED OR HEREAFTER ACQUIRED, AND INCLUDING WATER AND WATER RIGHTS, SUCH ENCUMBRANCES TO BE IN THE TOTAL PRINCIPAL AMOUNT OF NOT MORE THAN \$10,000,000, PLUS INTEREST THEREON AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS TO BE NECESSARY OR APPROPRIATE IN CONNECTION WITH THE ISSUANCE OF BONDS, NOTES, CONTRACTS, OR OTHER FINANCIAL OBLIGATIONS OF THE DISTRICT; SUCH ENCUMBRANCES TO BE CREATED FOR THE PURPOSE OF PROVIDING ADDITIONAL SECURITY FOR DISTRICT FINANCIAL OBLIGATIONS, AND

TO BE CREATED AT ONE TIME OR FROM TIME TO TIME; SUCH MORTGAGES, LIENS, OR OTHER ENCUMBRANCES TO ENTITLE THE OWNER OR BENEFICIARY THEREOF TO FORECLOSE UPON AND TAKE TITLE TO AND POSSESSION OF THE DISTRICT PROPERTY SO ENCUMBERED, AND IN CONNECTION THEREWITH SHALL THE DISTRICT BE AUTHORIZED TO MAKE SUCH COVENANTS REGARDING THE USE OF THE ENCUMBERED PROPERTY AND OTHER MATTERS ARISING UNDER THE ENCUMBRANCES, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT?

YES: _____

NO: _____

OFFICIAL BALLOT FOR TALLYN'S REACH METROPOLITAN DISTRICT NO. 2, CITY OF AURORA, COUNTY OF ARAPAHOE, STATE OF COLORADO

November 7, 2000
Date of Election

/s/ K. Sean Allen
Facsimile of Signature of the Designated Election Official of the District

To vote, place crossmark (X) at the bottom of the ballot issue.

1-5-407(2), C.R.S.

WARNING: Any person who, by use of force or other means, unduly influences an eligible elector to vote in any particular manner or to refrain from voting, or who falsely makes, alters, forges, or counterfeits any mail ballot before or after it has been cast, or who destroys, defaces, mutilates, or tampers with a ballot is subject, upon conviction, to imprisonment, or to a fine, or both.

BALLOT ISSUE A:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$26,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$119,500,000 AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$30,680,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, STREET IMPROVEMENTS INCLUDING CURBS, GUTTERS, CULVERTS, OTHER DRAINAGE FACILITIES, SIDEWALKS, BRIDGES, PARKING FACILITIES, PAVING, LIGHTING, POWER LINE RELOCATION, GRADING, LANDSCAPING, AND OTHER STREET IMPROVEMENTS, TOGETHER WITH ALL

NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____
NO: _____

BALLOT ISSUE B:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$3,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$24,600,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$3,540,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM OF TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, INCLUDING TRAFFIC SIGNALS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A

NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE C:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$6,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$49,200,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$7,080,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE POTABLE AND NON-POTABLE WATER SUPPLY, STORAGE, TRANSMISSION, AND DISTRIBUTION SYSTEM, INCLUDING TRANSMISSION LINES, DISTRIBUTION MAINS AND LATERALS, IRRIGATION FACILITIES, AND STORAGE FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER

ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE D:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$5,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$41,000,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$7,080,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE LOCAL SANITARY SEWAGE COLLECTION AND TRANSMISSION SYSTEM, INCLUDING COLLECTION MAINS AND LATERALS, TRANSMISSION LINES, TREATMENT FACILITIES, STORM SEWER, FLOOD, AND SURFACE DRAINAGE FACILITIES AND SYSTEMS, AND DETENTION AND RETENTION PONDS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH

INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE E:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$9,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$73,800,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$10,620,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, PARKS AND RECREATIONAL FACILITIES, IMPROVEMENTS, AND PROGRAMS, INCLUDING PARKS, BIKE PATHS AND PEDESTRIAN WAYS, OPEN SPACE, LANDSCAPING, CULTURAL ACTIVITIES, COMMUNITY RECREATION CENTERS, WATER BODIES, IRRIGATION FACILITIES AND OTHER ACTIVE AND PASSIVE RECREATION FACILITIES AND PROGRAMS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE

NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE F:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$500,000, WITH A REPAYMENT COST OF NOT MORE THAN \$4,100,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$590,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM TO TRANSPORT THE PUBLIC BY BUS, RAIL, OR ANY OTHER MEANS OF CONVEYANCE, OR ANY COMBINATION THEREOF, INCLUDING PUBLIC TRANSPORTATION SYSTEM IMPROVEMENTS, TRANSPORTATION EQUIPMENT, PARK AND RIDE FACILITIES, PUBLIC PARKING LOTS, STRUCTURES, ROOFS, COVERS, AND FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM,

SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE G:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$2,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$16,400,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$2,360,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, TELEVISION RELAY AND TRANSLATION SYSTEM IMPROVEMENTS, INCLUDING EQUIPMENT, FACILITIES, AND STRUCTURES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED

OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE H:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$2,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$16,400,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$2,360,000 ANNUALLY (SUCH TAX INCREASE TO BE NET OF ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF OPERATING AND MAINTAINING THE DISTRICTS SYSTEMS, FACILITIES, AND IMPROVEMENTS AND FOR THE PURPOSE OF CARRYING OUT THE OBJECTS AND PURPOSES FOR WHICH THE DISTRICT WAS ORGANIZED, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE

DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE I:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$55,500,000, WITH A REPAYMENT COST OF NOT MORE THAN \$455,100,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$65,490,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, ISSUED FOR THE PURPOSE OF REFUNDING, PAYING, OR DEFEASING, IN WHOLE OR IN PART, BONDS, NOTES OR OTHER FINANCIAL OBLIGATIONS OF THE DISTRICT; SUCH DEBT TO BEAR INTEREST AT A RATE TO BE DETERMINED BY THE DISTRICT, WHICH INTEREST RATE MAY BE HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED; SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT TO BE ISSUED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT

INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE J:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$250,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S OPERATIONS, MAINTENANCE, AND OTHER EXPENSES: SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNTS AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING THE DISTRICT'S OPERATIONS, MAINTENANCE, AND OTHER EXPENSES; AND SHALL THE PROCEEDS OF SUCH TAXES AND INVESTMENTS INCOME THEREON CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT IN 2000 AND IN EACH YEAR THEREAFTER WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR SECTION 29-1-301, COLORADO REVISED STATUTES?

YES: _____

NO: _____

BALLOT ISSUE K:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 2 BE AUTHORIZED TO ISSUE, CREATE, EXECUTE, AND DELIVER MORTGAGES, LIENS, AND OTHER ENCUMBRANCES ON DISTRICT REAL AND PERSONAL PROPERTY, WHETHER NOW OWNED OR HEREAFTER ACQUIRED, AND INCLUDING WATER AND WATER RIGHTS, SUCH ENCUMBRANCES TO BE IN THE TOTAL PRINCIPAL AMOUNT OF NOT MORE THAN \$10,000,000, PLUS INTEREST THEREON AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS TO BE NECESSARY OR APPROPRIATE IN CONNECTION WITH THE ISSUANCE OF BONDS, NOTES, CONTRACTS, OR OTHER FINANCIAL OBLIGATIONS OF THE DISTRICT; SUCH ENCUMBRANCES TO BE CREATED FOR THE PURPOSE OF PROVIDING ADDITIONAL SECURITY FOR DISTRICT FINANCIAL OBLIGATIONS, AND

TO BE CREATED AT ONE TIME OR FROM TIME TO TIME; SUCH MORTGAGES, LIENS, OR OTHER ENCUMBRANCES TO ENTITLE THE OWNER OR BENEFICIARY THEREOF TO FORECLOSE UPON AND TAKE TITLE TO AND POSSESSION OF THE DISTRICT PROPERTY SO ENCUMBERED, AND IN CONNECTION THEREWITH SHALL THE DISTRICT BE AUTHORIZED TO MAKE SUCH COVENANTS REGARDING THE USE OF THE ENCUMBERED PROPERTY AND OTHER MATTERS ARISING UNDER THE ENCUMBRANCES, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT?

YES: _____

NO: _____

OFFICIAL BALLOT FOR TALLYN'S REACH METROPOLITAN DISTRICT NO. 3, CITY OF AURORA, COUNTY OF ARAPAHOE, STATE OF COLORADO

November 7, 2000
Date of Election

/s/ K. Sean Allen
Facsimile of Signature of the Designated Election Official of the District

To vote, place crossmark (X) at the bottom of the ballot issue.

1-5-407(2), C.R.S.

WARNING: Any person who, by use of force or other means, unduly influences an eligible elector to vote in any particular manner or to refrain from voting, or who falsely makes, alters, forges, or counterfeits any mail ballot before or after it has been cast, or who destroys, defaces, mutilates, or tampers with a ballot is subject, upon conviction, to imprisonment, or to a fine, or both.

BALLOT ISSUE A:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$26,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$119,500,000 AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$30,680,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, STREET IMPROVEMENTS INCLUDING CURBS, GUTTERS, CULVERTS, OTHER DRAINAGE FACILITIES, SIDEWALKS, BRIDGES, PARKING FACILITIES, PAVING, LIGHTING, POWER LINE RELOCATION, GRADING, LANDSCAPING, AND OTHER STREET IMPROVEMENTS, TOGETHER WITH ALL

NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____
NO: _____

BALLOT ISSUE B:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$3,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$24,600,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$3,540,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM OF TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, INCLUDING TRAFFIC SIGNALS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A

NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE C:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$6,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$49,200,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$7,080,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE POTABLE AND NON-POTABLE WATER SUPPLY, STORAGE, TRANSMISSION, AND DISTRIBUTION SYSTEM, INCLUDING TRANSMISSION LINES, DISTRIBUTION MAINS AND LATERALS, IRRIGATION FACILITIES, AND STORAGE FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER

ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE D:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$5,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$41,000,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$7,080,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE LOCAL SANITARY SEWAGE COLLECTION AND TRANSMISSION SYSTEM, INCLUDING COLLECTION MAINS AND LATERALS, TRANSMISSION LINES, TREATMENT FACILITIES, STORM SEWER, FLOOD, AND SURFACE DRAINAGE FACILITIES AND SYSTEMS, AND DETENTION AND RETENTION PONDS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH

INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE E:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$9,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$73,800,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$10,620,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, PARKS AND RECREATIONAL FACILITIES, IMPROVEMENTS, AND PROGRAMS, INCLUDING PARKS, BIKE PATHS AND PEDESTRIAN WAYS, OPEN SPACE, LANDSCAPING, CULTURAL ACTIVITIES, COMMUNITY RECREATION CENTERS, WATER BODIES, IRRIGATION FACILITIES AND OTHER ACTIVE AND PASSIVE RECREATION FACILITIES AND PROGRAMS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE

NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE F:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$500,000, WITH A REPAYMENT COST OF NOT MORE THAN \$4,100,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$590,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM TO TRANSPORT THE PUBLIC BY BUS, RAIL, OR ANY OTHER MEANS OF CONVEYANCE, OR ANY COMBINATION THEREOF, INCLUDING PUBLIC TRANSPORTATION SYSTEM IMPROVEMENTS; TRANSPORTATION EQUIPMENT, PARK AND RIDE FACILITIES, PUBLIC PARKING LOTS, STRUCTURES, ROOFS, COVERS, AND FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM,

SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE G:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$2,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$16,400,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$2,360,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, TELEVISION RELAY AND TRANSLATION SYSTEM IMPROVEMENTS, INCLUDING EQUIPMENT, FACILITIES, AND STRUCTURES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED

OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE H:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$2,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$16,400,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$2,360,000 ANNUALLY (SUCH TAX INCREASE TO BE NET OF ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF OPERATING AND MAINTAINING THE DISTRICTS SYSTEMS, FACILITIES, AND IMPROVEMENTS AND FOR THE PURPOSE OF CARRYING OUT THE OBJECTS AND PURPOSES FOR WHICH THE DISTRICT WAS ORGANIZED, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE

DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE I:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$55,500,000, WITH A REPAYMENT COST OF NOT MORE THAN \$455,100,000; AND SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$65,490,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, ISSUED FOR THE PURPOSE OF REFUNDING, PAYING, OR DEFEASING, IN WHOLE OR IN PART, BONDS, NOTES OR OTHER FINANCIAL OBLIGATIONS OF THE DISTRICT; SUCH DEBT TO BEAR INTEREST AT A RATE TO BE DETERMINED BY THE DISTRICT, WHICH INTEREST RATE MAY BE HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED; SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT TO BE ISSUED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT

INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE J:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$250,000 ANNUALLY (SUCH TAX INCREASE TO BE COLLECTED IN SUCH AMOUNT NOTWITHSTANDING ANY PROPERTY TAX CUT SPECIFIED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED), OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S OPERATIONS, MAINTENANCE, AND OTHER EXPENSES: SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNTS AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING THE DISTRICT'S OPERATIONS, MAINTENANCE, AND OTHER EXPENSES; AND SHALL THE PROCEEDS OF SUCH TAXES AND INVESTMENTS INCOME THEREON CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT IN 2000 AND IN EACH YEAR THEREAFTER WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR SECTION 29-1-301, COLORADO REVISED STATUTES?

YES: _____

NO: _____

BALLOT ISSUE K:

SHALL TALLYN'S REACH METROPOLITAN DISTRICT NO. 3 BE AUTHORIZED TO ISSUE, CREATE, EXECUTE, AND DELIVER MORTGAGES, LIENS, AND OTHER ENCUMBRANCES ON DISTRICT REAL AND PERSONAL PROPERTY, WHETHER NOW OWNED OR HEREAFTER ACQUIRED, AND INCLUDING WATER AND WATER RIGHTS, SUCH ENCUMBRANCES TO BE IN THE TOTAL PRINCIPAL AMOUNT OF NOT MORE THAN \$10,000,000, PLUS INTEREST THEREON AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS TO BE NECESSARY OR APPROPRIATE IN CONNECTION WITH THE ISSUANCE OF BONDS, NOTES, CONTRACTS, OR OTHER FINANCIAL OBLIGATIONS OF THE DISTRICT; SUCH ENCUMBRANCES TO BE CREATED FOR THE PURPOSE OF PROVIDING ADDITIONAL SECURITY FOR DISTRICT FINANCIAL OBLIGATIONS, AND

TO BE CREATED AT ONE TIME OR FROM TIME TO TIME; SUCH MORTGAGES, LIENS, OR OTHER ENCUMBRANCES TO ENTITLE THE OWNER OR BENEFICIARY THEREOF TO FORECLOSE UPON AND TAKE TITLE TO AND POSSESSION OF THE DISTRICT PROPERTY SO ENCUMBERED, AND IN CONNECTION THEREWITH SHALL THE DISTRICT BE AUTHORIZED TO MAKE SUCH COVENANTS REGARDING THE USE OF THE ENCUMBERED PROPERTY AND OTHER MATTERS ARISING UNDER THE ENCUMBRANCES, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT?

YES: _____

NO: _____

NO. 01

**OFFICIAL BALLOT FOR PROMONTORY METROPOLITAN DISTRICT NO. 1, CITY OF
AURORA, ARAPAHOE COUNTY, STATE OF COLORADO**

NOVEMBER 3, 1998

Date of Election

/s/ Tom Morton

Facsimile of Signature of the Designated Election Official of the District

To vote, place crossmark (X) at the right of the name of each candidate and ballot issue and ballot question.

1-5-407(2), C.R.S.

WARNING: Any person who, by use of force or other means, unduly influences an eligible elector to vote in any particular manner or to refrain from voting, or who falsely makes, alters, forges, or counterfeits any mail ballot before or after it has been cast, or who destroys, defaces, mutilates, or tampers with a ballot is subject, upon conviction, to imprisonment, or to a fine, or both.

BALLOT QUESTION A

FOR THE DIRECTORS OF PROMONTORY METROPOLITAN DISTRICT NO. 1

(VOTE FOR TWO DIRECTORS TO ACT UNTIL THEY OR THEIR SUCCESSORS ARE ELECTED AND QUALIFIED AT THE NEXT REGULAR SPECIAL DISTRICT ELECTION IN 2000, IF PROMONTORY METROPOLITAN DISTRICT NO. 1 IS ORGANIZED. PLACE A (X) OPPOSITE EACH OF THE NAMES BELOW OR WRITE IN THE NAME OR NAMES OF YOUR CHOICE).

BALLOT QUESTION B

FOR THE DIRECTORS OF PROMONTORY METROPOLITAN DISTRICT NO. 1

(VOTE FOR THREE DIRECTORS TO ACT UNTIL THEY OR THEIR SUCCESSORS ARE ELECTED AND QUALIFIED AT THE NEXT REGULAR SPECIAL DISTRICT ELECTION IN 2002, IF PROMONTORY METROPOLITAN DISTRICT NO. 1 IS ORGANIZED. PLACE A (X) OPPOSITE EACH OF THE NAMES BELOW OR WRITE IN THE NAME OR NAMES OF YOUR CHOICE).

BALLOT ISSUE C

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$500,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$2,500,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$100,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY GENERAL AND ADMINISTRATIVE COSTS OF THE DISTRICT AND TO PAY THE COSTS OF THE OPERATION AND MAINTENANCE OF CERTAIN CAPITAL FACILITIES AND IMPROVEMENTS WHICH THE DISTRICT HAS ACQUIRED, CONSTRUCTED, INSTALLED, COMPLETED, OR OTHERWISE PROVIDED INCLUDING BUT NOT LIMITED TO WATER, STREETS, TRAFFIC SAFETY, TELEVISION RELAY AND TRANSLATION, TRANSPORTATION, PARK AND RECREATION, AND SANITATION FACILITIES OR ANY COMBINATION THEREOF AND SHALL SUCH FINANCIAL OBLIGATION BE EVIDENCED BY AN AGREEMENT OR PROMISSORY NOTES MADE BY AND BETWEEN THE DISTRICT AND ONE OR MORE PRIVATE ENTITIES, WHICH AGREEMENT OR PROMISSORY NOTES PROVIDES FOR MONETARY ADVANCES OR LOANS BY THE DEVELOPER TO THE DISTRICT FOR FUNDING OF DISTRICT OPERATION AND MAINTENANCE COSTS OR SUCH OPERATIONS AND MAINTENANCE OBLIGATIONS TO BE PAID DIRECTLY BY THE DISTRICT THROUGH ALL LEGALLY AVAILABLE REVENUES OF THE DISTRICT IN FISCAL YEAR 1998, AND IN SUCH ANNUAL AMOUNTS INCREASED THEREAFTER AS MAY BE SUFFICIENT TO PAY SUCH OPERATION AND MAINTENANCE OBLIGATIONS IN EVERY YEAR THROUGH AND INCLUDING FISCAL YEAR 2038; AND IN CONNECTION THEREWITH, AS A VOTER-APPROVED REVENUE CHANGE, SHALL PROCEEDS OF THE AD VALOREM PROPERTY TAX MILL LEVY, AND ANY INVESTMENT EARNINGS THEREON, BE COLLECTED AND SPENT WITHOUT LIMITATION OF RATE OR CONDITION, AND WITHOUT LIMITING THE COLLECTION OR SPENDING OF OTHER REVENUES OR FUNDS BY THE DISTRICT UNDER ARTICLE X, SECTION 20 OF THE COLORADO

CONSTITUTION OR BY ANY OTHER LAW?

YES: _____

NO: _____

BALLOT ISSUE D

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$3,000,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$13,000,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$500,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF GENERAL OR LIMITED OBLIGATION OR REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING WATER FOR DOMESTIC AND OTHER PUBLIC AND PRIVATE PURPOSES BY ANY AVAILABLE MEANS, INCLUDING WITHOUT LIMITATION TRANSMISSION LINES, DISTRIBUTION MAINS AND LATERALS, RESERVOIRS, TREATMENT WORKS, AND ALL EQUIPMENT, LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH; SUCH OBLIGATIONS TO BE ISSUED AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18.00% PER ANNUM, WHICH INTEREST MAY BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE DETERMINED BY THE DISTRICT, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AT THE RATE BORNE BY THE OBLIGATIONS; SUCH OBLIGATIONS TO MATURE OR BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER ISSUANCE; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE GENERAL OR LIMITED OBLIGATION OR REVENUE REFUNDING BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, FOR THE PURPOSE OF REFUNDING THE AFOREMENTIONED DISTRICT OBLIGATIONS, WHICH REFUNDING BONDS OR OBLIGATIONS MAY BE ISSUED AT INTEREST RATES HIGHER THAN THE RATES BORNE BY THE OBLIGATIONS BEING REFUNDED BUT SUBJECT TO THE LIMITATIONS SET FORTH ABOVE REGARDING TOTAL DEBT, MAXIMUM REPAYMENT COST, AND MAXIMUM ANNUAL TAX INCREASE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S OBLIGATIONS; AND SHALL THE PROCEEDS OF SUCH OBLIGATIONS AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL

EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES : _____

NO : _____

BALLOT ISSUE E

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$26,000,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$119,500,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$2,000,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF GENERAL OR LIMITED OBLIGATION OR REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING STREET AND ROADWAY IMPROVEMENTS, INCLUDING WITHOUT LIMITATION CURBS, GUTTERS, CULVERTS, STORM SEWERS AND OTHER DRAINAGE FACILITIES, DETENTION PONDS, RETAINING WALLS AND ENTRY MONUMENTATION, SIDEWALKS, BRIDGES, PARKING FACILITIES, PAVING, LIGHTING, GRADING, LANDSCAPING, UTILITY RELOCATION, AND ALL EQUIPMENT, LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH; SUCH OBLIGATIONS TO BE ISSUED AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18.00% PER ANNUM, WHICH INTEREST MAY BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE DETERMINED BY THE DISTRICT, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AT THE RATE BORNE BY THE OBLIGATIONS; SUCH OBLIGATIONS TO MATURE OR BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER ISSUANCE; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE GENERAL OR LIMITED OBLIGATION OR REVENUE REFUNDING BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, FOR THE PURPOSE OF REFUNDING THE AFOREMENTIONED DISTRICT OBLIGATIONS, WHICH REFUNDING BONDS OR OBLIGATIONS MAY BE ISSUED AT INTEREST RATES HIGHER THAN THE RATES BORNE BY THE OBLIGATIONS BEING REFUNDED BUT SUBJECT TO THE LIMITATIONS SET FORTH ABOVE REGARDING TOTAL DEBT, MAXIMUM REPAYMENT COST, AND MAXIMUM ANNUAL TAX INCREASE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S OBLIGATIONS; AND SHALL THE PROCEEDS OF SUCH OBLIGATIONS AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER

LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____

NO: _____

BALLOT ISSUE F

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$1,500,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$6,500,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$500,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF GENERAL OR LIMITED OBLIGATION OR REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING SAFETY PROTECTION THROUGH TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, INCLUDING WITHOUT LIMITATION MAIN ENTRY BUILDINGS, ACCESS GATES, TRAFFIC SIGNALS AND SIGNS, AND ALL EQUIPMENT, LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH; SUCH OBLIGATIONS TO BE ISSUED AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18.00% PER ANNUM, WHICH INTEREST MAY BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE DETERMINED BY THE DISTRICT, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AT THE RATE BORNE BY THE OBLIGATIONS; SUCH OBLIGATIONS TO MATURE OR BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER ISSUANCE; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE GENERAL OR LIMITED OBLIGATION OR REVENUE REFUNDING BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, FOR THE PURPOSE OF REFUNDING THE AFOREMENTIONED DISTRICT OBLIGATIONS, WHICH REFUNDING BONDS OR OBLIGATIONS MAY BE ISSUED AT INTEREST RATES HIGHER THAN THE RATES BORNE BY THE OBLIGATIONS BEING REFUNDED BUT SUBJECT TO THE LIMITATIONS SET FORTH ABOVE REGARDING TOTAL DEBT, MAXIMUM REPAYMENT COST, AND MAXIMUM ANNUAL TAX INCREASE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S OBLIGATIONS; AND SHALL THE PROCEEDS OF SUCH OBLIGATIONS AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY

EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____

NO: _____

BALLOT ISSUE G

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$500,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$3,000,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$500,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF GENERAL OR LIMITED OBLIGATION OR REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING TELEVISION RELAY AND TRANSLATOR FACILITIES, INCLUDING WITHOUT LIMITATION CABLE TELEVISION AND COMMUNICATION FACILITIES, AND ALL EQUIPMENT, LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH; SUCH OBLIGATIONS TO BE ISSUED AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18.00% PER ANNUM, WHICH INTEREST MAY BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE DETERMINED BY THE DISTRICT, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AT THE RATE BORNE BY THE OBLIGATIONS; SUCH OBLIGATIONS TO MATURE OR BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER ISSUANCE; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE GENERAL OR LIMITED OBLIGATION OR REVENUE REFUNDING BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, FOR THE PURPOSE OF REFUNDING THE AFOREMENTIONED DISTRICT OBLIGATIONS, WHICH REFUNDING BONDS OR OBLIGATIONS MAY BE ISSUED AT INTEREST RATES HIGHER THAN THE RATES BORNE BY THE OBLIGATIONS BEING REFUNDED BUT SUBJECT TO THE LIMITATIONS SET FORTH ABOVE REGARDING TOTAL DEBT, MAXIMUM REPAYMENT COST, AND MAXIMUM ANNUAL TAX INCREASE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S OBLIGATIONS; AND SHALL THE PROCEEDS OF SUCH OBLIGATIONS AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER

LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____

NO: _____

BALLOT ISSUE H

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$500,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$3,000,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$500,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF GENERAL OR LIMITED OBLIGATION OR REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING A SYSTEM TO TRANSPORT THE PUBLIC BY BUS, RAIL OR ANY OTHER MEANS OF CONVEYANCE, OR ANY COMBINATION THEREOF, INCLUDING WITHOUT LIMITATION PARK AND RIDE FACILITIES, PARKING LOTS, PARKING STRUCTURES, ROOFS, COVERS, MAINTENANCE AND REPAIR FACILITIES, AND ALL EQUIPMENT, LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH; SUCH OBLIGATIONS TO BE ISSUED AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18.00% PER ANNUM, WHICH INTEREST MAY BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE DETERMINED BY THE DISTRICT, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AT THE RATE BORNE BY THE OBLIGATIONS; SUCH OBLIGATIONS TO MATURE OR BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER ISSUANCE; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE GENERAL OR LIMITED OBLIGATION OR REVENUE REFUNDING BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, FOR THE PURPOSE OF REFUNDING THE AFOREMENTIONED DISTRICT OBLIGATIONS, WHICH REFUNDING BONDS OR OBLIGATIONS MAY BE ISSUED AT INTEREST RATES HIGHER THAN THE RATES BORNE BY THE OBLIGATIONS BEING REFUNDED BUT SUBJECT TO THE LIMITATIONS SET FORTH ABOVE REGARDING TOTAL DEBT, MAXIMUM REPAYMENT COST, AND MAXIMUM ANNUAL TAX INCREASE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S OBLIGATIONS; AND SHALL THE PROCEEDS OF SUCH OBLIGATIONS AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY

EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____

NO: _____

BALLOT ISSUE I

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$9,000,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$39,500,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$1,000,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF GENERAL OR LIMITED OBLIGATION OR REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING PARKS OR RECREATIONAL FACILITIES OR PROGRAMS WITHIN THE DISTRICT, INCLUDING WITHOUT LIMITATION SWIMMING POOLS, SPAS, TENNIS COURTS, EXERCISE FACILITIES, BIKE PATHS, TRAILS AND BRIDGES, MALLS, FOUNTAINS, ART, BOTANICAL GARDENS, EQUESTRIAN FACILITIES, SKATING FACILITIES, COMMON AREA LANDSCAPING AND WEED CONTROL, OUTDOOR LIGHTING, COMMUNITY EVENT FACILITIES, AND ALL EQUIPMENT, LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH; SUCH OBLIGATIONS TO BE ISSUED AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18.00% PER ANNUM, WHICH INTEREST MAY BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE DETERMINED BY THE DISTRICT, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AT THE RATE BORNE BY THE OBLIGATIONS; SUCH OBLIGATIONS TO MATURE OR BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER ISSUANCE; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE GENERAL OR LIMITED OBLIGATION OR REVENUE REFUNDING BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, FOR THE PURPOSE OF REFUNDING THE AFOREMENTIONED DISTRICT OBLIGATIONS, WHICH REFUNDING BONDS OR OBLIGATIONS MAY BE ISSUED AT INTEREST RATES HIGHER THAN THE RATES BORNE BY THE OBLIGATIONS BEING REFUNDED BUT SUBJECT TO THE LIMITATIONS SET FORTH ABOVE REGARDING TOTAL DEBT, MAXIMUM REPAYMENT COST, AND MAXIMUM ANNUAL TAX INCREASE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S OBLIGATIONS; AND SHALL THE PROCEEDS

OF SUCH OBLIGATIONS AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____

NO: _____

BALLOT ISSUE J

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$1,000,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$4,000,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$500,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF GENERAL OR LIMITED OBLIGATION OR REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING STORM OR SANITARY SEWERS, OR BOTH, FLOOD AND SURFACE DRAINAGE, TREATMENT AND DISPOSAL WORKS AND FACILITIES, AND ALL EQUIPMENT, LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH; SUCH OBLIGATIONS TO BE ISSUED AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18.00% PER ANNUM, WHICH INTEREST MAY BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE DETERMINED BY THE DISTRICT, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AT THE RATE BORNE BY THE OBLIGATIONS; SUCH OBLIGATIONS TO MATURE OR BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER ISSUANCE; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE GENERAL OR LIMITED OBLIGATION OR REVENUE REFUNDING BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, FOR THE PURPOSE OF REFUNDING THE AFOREMENTIONED DISTRICT OBLIGATIONS, WHICH REFUNDING BONDS OR OBLIGATIONS MAY BE ISSUED AT INTEREST RATES HIGHER THAN THE RATES BORNE BY THE OBLIGATIONS BEING REFUNDED BUT SUBJECT TO THE LIMITATIONS SET FORTH ABOVE REGARDING TOTAL DEBT, MAXIMUM REPAYMENT COST, AND MAXIMUM ANNUAL TAX INCREASE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S OBLIGATIONS; AND SHALL THE PROCEEDS OF SUCH OBLIGATIONS AND THE

PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____

NO: _____

BALLOT ISSUE K

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$42,000,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$191,000,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$5,600,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF A CONTRACT WITH ONE OR MORE OTHER POLITICAL SUBDIVISIONS OF THE STATE, WHICH CONTRACT WILL CONSTITUTE A MULTIPLE FISCAL YEAR FINANCIAL OBLIGATION AND WHICH WILL OBLIGATE THE DISTRICT TO PAY THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING, AND THE COSTS OF OPERATING AND MAINTAINING, CERTAIN WATER, STREET, TRAFFIC SAFETY, TELEVISION RELAY AND TRANSLATION, TRANSPORTATION, PARK AND RECREATION, AND SANITATION FACILITIES AND IMPROVEMENTS, ALL AS MAY BE PROVIDED IN SUCH CONTRACT; SUCH CONTRACT TO BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER INCURRENCE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE FINANCIAL OBLIGATIONS INCURRED PURSUANT TO THE CONTRACT; AND SHALL ANY PROCEEDS OF SUCH CONTRACT AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____

NO: _____

BALLOT ISSUE L

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 1 BE PERMITTED TO IMPOSE A MILL LEVY, UNLIMITED AS TO RATE OR AMOUNT, AND MAY THE DISTRICT INCREASE SUCH LEVY FROM YEAR TO YEAR AND COLLECT, EXPEND AND RETAIN ANNUAL DISTRICT REVENUES GENERATED FROM SUCH MILL LEVY OR ANY OTHER LEGALLY AVAILABLE REVENUES IN 1998 AND EACH YEAR THEREAFTER THROUGH THE YEAR 2018 INCLUSIVE FOR THE PAYMENT OF OPERATIONS AND MAINTENANCE AND OTHER GENERAL OR ADMINISTRATIVE EXPENSES OF THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED IN § 29-1-301, C.R.S. OR ANY OTHER LAW?

YES: _____
NO: _____

BALLOT ISSUE M

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 1 BE PERMITTED TO MAINTAIN FISCAL YEAR SPENDING AND COLLECT ANNUAL DISTRICT REVENUES FROM SOURCES NOT EXCLUDED FROM FISCAL YEAR SPENDING IN 1998 AND EACH YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____
NO: _____

BALLOT QUESTION N

SHALL THE BOARD OF DIRECTORS OF PROMONTORY METROPOLITAN DISTRICT NO. 1 BE EMPOWERED AND AUTHORIZED TO ESTABLISH, MAINTAIN AND OPERATE A SYSTEM TO TRANSPORT THE PUBLIC BY BUS, RAIL OR ANY OTHER MEANS OF CONVEYANCE, OR ANY COMBINATION THEREOF?

YES: _____
NO: _____

BALLOT QUESTION O

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 1 BE ORGANIZED AS A SPECIAL DISTRICT PURSUANT TO ARTICLE 1 OF TITLE 32, C.R.S., AND, PURSUANT TO ITS SERVICE PLAN?

YES: _____
NO: _____

BALLOT QUESTION P

SHALL THE LIMITATIONS ON TERMS OF OFFICE OF THE ELECTED OFFICIALS PROMONTORY METROPOLITAN DISTRICT NO. 1, AS PROVIDED IN ARTICLE XVIII, SECTION 11 OF THE COLORADO CONSTITUTION, BE ELIMINATED?

YES: _____
NO: _____

NO. 01

**OFFICIAL BALLOT FOR PROMONTORY METROPOLITAN DISTRICT NO. 2, CITY OF
AURORA, ARAPAHOE COUNTY, STATE OF COLORADO**

NOVEMBER 3, 1998

Date of Election

/s/ Tom Morton

Facsimile of Signature of the Designated Election Official of the District

To vote, place crossmark (X) at the right of the name of each candidate and ballot issue and ballot question.

1-5-407(2), C.R.S.

WARNING: Any person who, by use of force or other means, unduly influences an eligible elector to vote in any particular manner or to refrain from voting, or who falsely makes, alters, forges, or counterfeits any mail ballot before or after it has been cast, or who destroys, defaces, mutilates, or tampers with a ballot is subject, upon conviction, to imprisonment, or to a fine, or both.

BALLOT QUESTION A

FOR THE DIRECTORS OF PROMONTORY METROPOLITAN DISTRICT NO. 2

(VOTE FOR TWO DIRECTORS TO ACT UNTIL THEY OR THEIR SUCCESSORS ARE

ELECTED AND QUALIFIED AT THE NEXT REGULAR SPECIAL DISTRICT ELECTION IN 2000, IF PROMONTORY METROPOLITAN DISTRICT NO. 2 IS ORGANIZED. PLACE A (X) OPPOSITE EACH OF THE NAMES BELOW OR WRITE IN THE NAME OR NAMES OF YOUR CHOICE).

BALLOT QUESTION B

FOR THE DIRECTORS OF PROMONTORY METROPOLITAN DISTRICT NO. 2

(VOTE FOR THREE DIRECTORS TO ACT UNTIL THEY OR THEIR SUCCESSORS ARE ELECTED AND QUALIFIED AT THE NEXT REGULAR SPECIAL DISTRICT ELECTION IN 2002, IF PROMONTORY METROPOLITAN DISTRICT NO. 2 IS ORGANIZED. PLACE A (X) OPPOSITE EACH OF THE NAMES BELOW OR WRITE IN THE NAME OR NAMES OF YOUR CHOICE).

BALLOT ISSUE C

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$500,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$2,500,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$100,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY GENERAL AND ADMINISTRATIVE COSTS OF THE DISTRICT AND TO PAY THE COSTS OF THE OPERATION AND MAINTENANCE OF CERTAIN CAPITAL FACILITIES AND IMPROVEMENTS WHICH THE DISTRICT HAS ACQUIRED, CONSTRUCTED, INSTALLED, COMPLETED, OR OTHERWISE PROVIDED INCLUDING BUT NOT LIMITED TO WATER, STREETS, TRAFFIC SAFETY, TELEVISION RELAY AND TRANSLATION, TRANSPORTATION, PARK AND RECREATION, AND SANITATION FACILITIES OR ANY COMBINATION THEREOF AND SHALL SUCH FINANCIAL OBLIGATION BE EVIDENCED BY AN AGREEMENT OR PROMISSORY NOTES MADE BY AND BETWEEN THE DISTRICT AND ONE OR MORE PRIVATE ENTITIES, WHICH AGREEMENT OR PROMISSORY NOTES PROVIDES FOR MONETARY ADVANCES OR LOANS BY THE DEVELOPER TO THE DISTRICT FOR FUNDING OF DISTRICT OPERATION AND MAINTENANCE COSTS OR SUCH OPERATIONS AND MAINTENANCE OBLIGATIONS TO BE PAID DIRECTLY BY THE DISTRICT THROUGH ALL LEGALLY AVAILABLE REVENUES OF THE DISTRICT IN FISCAL YEAR 1998, AND IN SUCH ANNUAL AMOUNTS INCREASED THEREAFTER AS MAY BE SUFFICIENT TO PAY SUCH OPERATION AND MAINTENANCE OBLIGATIONS IN EVERY YEAR THROUGH AND INCLUDING FISCAL YEAR 2038; AND IN CONNECTION THEREWITH, AS A VOTER-APPROVED REVENUE CHANGE, SHALL PROCEEDS OF THE AD VALOREM PROPERTY TAX MILL LEVY, AND ANY INVESTMENT EARNINGS THEREON, BE COLLECTED AND SPENT WITHOUT LIMITATION OF RATE OR CONDITION, AND WITHOUT LIMITING THE COLLECTION OR SPENDING OF OTHER REVENUES OR FUNDS BY THE DISTRICT UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR BY ANY OTHER LAW?

YES: _____
NO: _____

BALLOT ISSUE D

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$3,000,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$13,000,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$500,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF GENERAL OR LIMITED OBLIGATION OR REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING WATER FOR DOMESTIC AND OTHER PUBLIC AND PRIVATE PURPOSES BY ANY AVAILABLE MEANS, INCLUDING WITHOUT LIMITATION TRANSMISSION LINES, DISTRIBUTION MAINS AND LATERALS, RESERVOIRS, TREATMENT WORKS, AND ALL EQUIPMENT, LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH; SUCH OBLIGATIONS TO BE ISSUED AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18.00% PER ANNUM, WHICH INTEREST MAY BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE DETERMINED BY THE DISTRICT, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AT THE RATE BORNE BY THE OBLIGATIONS; SUCH OBLIGATIONS TO MATURE OR BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER ISSUANCE; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE GENERAL OR LIMITED OBLIGATION OR REVENUE REFUNDING BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, FOR THE PURPOSE OF REFUNDING THE AFOREMENTIONED DISTRICT OBLIGATIONS, WHICH REFUNDING BONDS OR OBLIGATIONS MAY BE ISSUED AT INTEREST RATES HIGHER THAN THE RATES BORNE BY THE OBLIGATIONS BEING REFUNDED BUT SUBJECT TO THE LIMITATIONS SET FORTH ABOVE REGARDING TOTAL DEBT, MAXIMUM REPAYMENT COST, AND MAXIMUM ANNUAL TAX INCREASE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S OBLIGATIONS; AND SHALL THE PROCEEDS OF SUCH OBLIGATIONS AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES : _____

NO : _____

BALLOT ISSUE E

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$26,000,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$119,500,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$2,000,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF GENERAL OR LIMITED OBLIGATION OR REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING STREET AND ROADWAY IMPROVEMENTS, INCLUDING WITHOUT LIMITATION CURBS, GUTTERS, CULVERTS, STORM SEWERS AND OTHER DRAINAGE FACILITIES, DETENTION PONDS, RETAINING WALLS AND ENTRY MONUMENTATION, SIDEWALKS, BRIDGES, PARKING FACILITIES, PAVING, LIGHTING, GRADING, LANDSCAPING, UTILITY RELOCATION, AND ALL EQUIPMENT, LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH; SUCH OBLIGATIONS TO BE ISSUED AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18.00% PER ANNUM, WHICH INTEREST MAY BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE DETERMINED BY THE DISTRICT, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AT THE RATE BORNE BY THE OBLIGATIONS; SUCH OBLIGATIONS TO MATURE OR BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER ISSUANCE; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE GENERAL OR LIMITED OBLIGATION OR REVENUE REFUNDING BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, FOR THE PURPOSE OF REFUNDING THE AFOREMENTIONED DISTRICT OBLIGATIONS, WHICH REFUNDING BONDS OR OBLIGATIONS MAY BE ISSUED AT INTEREST RATES HIGHER THAN THE RATES BORNE BY THE OBLIGATIONS BEING REFUNDED BUT SUBJECT TO THE LIMITATIONS SET FORTH ABOVE REGARDING TOTAL DEBT, MAXIMUM REPAYMENT COST, AND MAXIMUM ANNUAL TAX INCREASE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S OBLIGATIONS; AND SHALL THE PROCEEDS OF SUCH OBLIGATIONS AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO

CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____

NO: _____

BALLOT ISSUE F

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$1,500,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$6,500,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$500,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF GENERAL OR LIMITED OBLIGATION OR REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING SAFETY PROTECTION THROUGH TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, INCLUDING WITHOUT LIMITATION MAIN ENTRY BUILDINGS, ACCESS GATES, TRAFFIC SIGNALS AND SIGNS, AND ALL EQUIPMENT, LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH; SUCH OBLIGATIONS TO BE ISSUED AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18.00% PER ANNUM, WHICH INTEREST MAY BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE DETERMINED BY THE DISTRICT, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AT THE RATE BORNE BY THE OBLIGATIONS; SUCH OBLIGATIONS TO MATURE OR BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER ISSUANCE; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE GENERAL OR LIMITED OBLIGATION OR REVENUE REFUNDING BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, FOR THE PURPOSE OF REFUNDING THE AFOREMENTIONED DISTRICT OBLIGATIONS, WHICH REFUNDING BONDS OR OBLIGATIONS MAY BE ISSUED AT INTEREST RATES HIGHER THAN THE RATES BORNE BY THE OBLIGATIONS BEING REFUNDED BUT SUBJECT TO THE LIMITATIONS SET FORTH ABOVE REGARDING TOTAL DEBT, MAXIMUM REPAYMENT COST, AND MAXIMUM ANNUAL TAX INCREASE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S OBLIGATIONS; AND SHALL THE PROCEEDS OF SUCH OBLIGATIONS AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN

ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____

NO: _____

BALLOT ISSUE G

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$500,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$3,000,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$500,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF GENERAL OR LIMITED OBLIGATION OR REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING TELEVISION RELAY AND TRANSLATOR FACILITIES, INCLUDING WITHOUT LIMITATION CABLE TELEVISION AND COMMUNICATION FACILITIES, AND ALL EQUIPMENT, LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH; SUCH OBLIGATIONS TO BE ISSUED AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18.00% PER ANNUM, WHICH INTEREST MAY BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE DETERMINED BY THE DISTRICT, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AT THE RATE BORNE BY THE OBLIGATIONS; SUCH OBLIGATIONS TO MATURE OR BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER ISSUANCE; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE GENERAL OR LIMITED OBLIGATION OR REVENUE REFUNDING BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, FOR THE PURPOSE OF REFUNDING THE AFOREMENTIONED DISTRICT OBLIGATIONS, WHICH REFUNDING BONDS OR OBLIGATIONS MAY BE ISSUED AT INTEREST RATES HIGHER THAN THE RATES BORNE BY THE OBLIGATIONS BEING REFUNDED BUT SUBJECT TO THE LIMITATIONS SET FORTH ABOVE REGARDING TOTAL DEBT, MAXIMUM REPAYMENT COST, AND MAXIMUM ANNUAL TAX INCREASE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S OBLIGATIONS; AND SHALL THE PROCEEDS OF SUCH OBLIGATIONS AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO

CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____

NO: _____

BALLOT ISSUE H

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$500,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$3,000,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$500,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF GENERAL OR LIMITED OBLIGATION OR REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING A SYSTEM TO TRANSPORT THE PUBLIC BY BUS, RAIL OR ANY OTHER MEANS OF CONVEYANCE, OR ANY COMBINATION THEREOF, INCLUDING WITHOUT LIMITATION PARK AND RIDE FACILITIES, PARKING LOTS, PARKING STRUCTURES, ROOFS, COVERS, MAINTENANCE AND REPAIR FACILITIES, AND ALL EQUIPMENT, LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH; SUCH OBLIGATIONS TO BE ISSUED AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18.00% PER ANNUM, WHICH INTEREST MAY BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE DETERMINED BY THE DISTRICT, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AT THE RATE BORNE BY THE OBLIGATIONS; SUCH OBLIGATIONS TO MATURE OR BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER ISSUANCE; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE GENERAL OR LIMITED OBLIGATION OR REVENUE REFUNDING BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, FOR THE PURPOSE OF REFUNDING THE AFOREMENTIONED DISTRICT OBLIGATIONS, WHICH REFUNDING BONDS OR OBLIGATIONS MAY BE ISSUED AT INTEREST RATES HIGHER THAN THE RATES BORNE BY THE OBLIGATIONS BEING REFUNDED BUT SUBJECT TO THE LIMITATIONS SET FORTH ABOVE REGARDING TOTAL DEBT, MAXIMUM REPAYMENT COST, AND MAXIMUM ANNUAL TAX INCREASE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S OBLIGATIONS; AND SHALL THE PROCEEDS OF SUCH OBLIGATIONS AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN

ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____

NO: _____

BALLOT ISSUE I

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$9,000,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$39,500,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$1,000,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF GENERAL OR LIMITED OBLIGATION OR REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING PARKS OR RECREATIONAL FACILITIES OR PROGRAMS WITHIN THE DISTRICT, INCLUDING WITHOUT LIMITATION SWIMMING POOLS, SPAS, TENNIS COURTS, EXERCISE FACILITIES, BIKE PATHS, TRAILS AND BRIDGES, MALLS, FOUNTAINS, ART, BOTANICAL GARDENS, EQUESTRIAN FACILITIES, SKATING FACILITIES, COMMON AREA LANDSCAPING AND WEED CONTROL, OUTDOOR LIGHTING, COMMUNITY EVENT FACILITIES, AND ALL EQUIPMENT, LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH; SUCH OBLIGATIONS TO BE ISSUED AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18.00% PER ANNUM, WHICH INTEREST MAY BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE DETERMINED BY THE DISTRICT, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AT THE RATE BORNE BY THE OBLIGATIONS; SUCH OBLIGATIONS TO MATURE OR BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER ISSUANCE; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE GENERAL OR LIMITED OBLIGATION OR REVENUE REFUNDING BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, FOR THE PURPOSE OF REFUNDING THE AFOREMENTIONED DISTRICT OBLIGATIONS, WHICH REFUNDING BONDS OR OBLIGATIONS MAY BE ISSUED AT INTEREST RATES HIGHER THAN THE RATES BORNE BY THE OBLIGATIONS BEING REFUNDED BUT SUBJECT TO THE LIMITATIONS SET FORTH ABOVE REGARDING TOTAL DEBT, MAXIMUM REPAYMENT COST, AND MAXIMUM ANNUAL TAX INCREASE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S OBLIGATIONS; AND SHALL THE PROCEEDS OF SUCH OBLIGATIONS AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT

INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____

NO: _____

BALLOT ISSUE J

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$1,000,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$4,000,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$500,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF GENERAL OR LIMITED OBLIGATION OR REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING STORM OR SANITARY SEWERS, OR BOTH, FLOOD AND SURFACE DRAINAGE, TREATMENT AND DISPOSAL WORKS AND FACILITIES, AND ALL EQUIPMENT, LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH; SUCH OBLIGATIONS TO BE ISSUED AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18.00% PER ANNUM, WHICH INTEREST MAY BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE DETERMINED BY THE DISTRICT, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AT THE RATE BORNE BY THE OBLIGATIONS; SUCH OBLIGATIONS TO MATURE OR BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER ISSUANCE; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE GENERAL OR LIMITED OBLIGATION OR REVENUE REFUNDING BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, FOR THE PURPOSE OF REFUNDING THE AFOREMENTIONED DISTRICT OBLIGATIONS, WHICH REFUNDING BONDS OR OBLIGATIONS MAY BE ISSUED AT INTEREST RATES HIGHER THAN THE RATES BORNE BY THE OBLIGATIONS BEING REFUNDED BUT SUBJECT TO THE LIMITATIONS SET FORTH ABOVE REGARDING TOTAL DEBT, MAXIMUM REPAYMENT COST, AND MAXIMUM ANNUAL TAX INCREASE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S OBLIGATIONS; AND SHALL THE PROCEEDS OF SUCH OBLIGATIONS AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE

VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____
NO: _____

BALLOT ISSUE K

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$42,000,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$191,000,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$5,600,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF A CONTRACT WITH ONE OR MORE OTHER POLITICAL SUBDIVISIONS OF THE STATE, WHICH CONTRACT WILL CONSTITUTE A MULTIPLE FISCAL YEAR FINANCIAL OBLIGATION AND WHICH WILL OBLIGATE THE DISTRICT TO PAY THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING, AND THE COSTS OF OPERATING AND MAINTAINING, CERTAIN WATER, STREET, TRAFFIC SAFETY, TELEVISION RELAY AND TRANSLATION, TRANSPORTATION, PARK AND RECREATION, AND SANITATION FACILITIES AND IMPROVEMENTS, ALL AS MAY BE PROVIDED IN SUCH CONTRACT; SUCH CONTRACT TO BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER INCURRENCE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE FINANCIAL OBLIGATIONS INCURRED PURSUANT TO THE CONTRACT; AND SHALL ANY PROCEEDS OF SUCH CONTRACT AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____
NO: _____

BALLOT ISSUE L

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 2 BE PERMITTED TO IMPOSE A MILL LEVY, UNLIMITED AS TO RATE OR AMOUNT, AND MAY THE DISTRICT INCREASE SUCH LEVY FROM YEAR TO YEAR AND COLLECT, EXPEND AND RETAIN ANNUAL DISTRICT REVENUES GENERATED FROM SUCH MILL LEVY OR ANY OTHER LEGALLY AVAILABLE REVENUES IN 1998 AND EACH YEAR THEREAFTER THROUGH THE YEAR 2018 INCLUSIVE FOR THE PAYMENT OF OPERATIONS AND MAINTENANCE AND OTHER GENERAL OR ADMINISTRATIVE EXPENSES OF THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED IN § 29-1-301, C.R.S. OR ANY OTHER LAW?

YES: _____

NO: _____

BALLOT ISSUE M

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 2 BE PERMITTED TO MAINTAIN FISCAL YEAR SPENDING AND COLLECT ANNUAL DISTRICT REVENUES FROM SOURCES NOT EXCLUDED FROM FISCAL YEAR SPENDING IN 1998 AND EACH YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____

NO: _____

BALLOT QUESTION N

SHALL THE BOARD OF DIRECTORS OF PROMONTORY METROPOLITAN DISTRICT NO. 2 BE EMPOWERED AND AUTHORIZED TO ESTABLISH, MAINTAIN AND OPERATE A SYSTEM TO TRANSPORT THE PUBLIC BY BUS, RAIL OR ANY OTHER MEANS OF CONVEYANCE, OR ANY COMBINATION THEREOF?

YES: _____

NO: _____

BALLOT QUESTION O

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 2 BE ORGANIZED AS A SPECIAL DISTRICT PURSUANT TO ARTICLE 1 OF TITLE 32, C.R.S., AND, PURSUANT TO ITS SERVICE PLAN?

YES: _____

NO: _____

BALLOT QUESTION P

SHALL THE LIMITATIONS ON TERMS OF OFFICE OF THE ELECTED OFFICIALS PROMONTORY METROPOLITAN DISTRICT NO. 2, AS PROVIDED IN ARTICLE XVIII, SECTION 11 OF THE COLORADO CONSTITUTION, BE ELIMINATED?

YES: _____

NO: _____

PMD-2ELECTIONS-NOV98SAM1929090198
0456.0009 (NOV 1998)

NO. 01

**OFFICIAL BALLOT FOR PROMONTORY METROPOLITAN DISTRICT NO. 3, CITY OF
AURORA, ARAPAHOE COUNTY, STATE OF COLORADO**

NOVEMBER 3, 1998
Date of Election

/s/ Tom Morton
Facsimile of Signature of the Designated Election Official of the District

To vote, place crossmark (X) at the right of the name of each candidate and ballot issue and ballot question.

1-5-407(2), C.R.S.

WARNING: Any person who, by use of force or other means, unduly influences an eligible elector to vote in any particular manner or to refrain from voting, or who falsely makes, alters, forges, or counterfeits any mail ballot before or after it has been cast, or who destroys, defaces, mutilates, or tampers with a ballot is subject, upon conviction, to imprisonment, or to a fine, or both.

BALLOT QUESTION A

FOR THE DIRECTORS OF PROMONTORY METROPOLITAN DISTRICT NO. 3

(VOTE FOR TWO DIRECTORS TO ACT UNTIL THEY OR THEIR SUCCESSORS ARE

ELECTED AND QUALIFIED AT THE NEXT REGULAR SPECIAL DISTRICT ELECTION IN 2000, IF PROMONTORY METROPOLITAN DISTRICT NO. 3 IS ORGANIZED. PLACE A (X) OPPOSITE EACH OF THE NAMES BELOW OR WRITE IN THE NAME OR NAMES OF YOUR CHOICE).

BALLOT QUESTION B

FOR THE DIRECTORS OF PROMONTORY METROPOLITAN DISTRICT NO. 3

(VOTE FOR THREE DIRECTORS TO ACT UNTIL THEY OR THEIR SUCCESSORS ARE ELECTED AND QUALIFIED AT THE NEXT REGULAR SPECIAL DISTRICT ELECTION IN 2002, IF PROMONTORY METROPOLITAN DISTRICT NO. 3 IS ORGANIZED. PLACE A (X) OPPOSITE EACH OF THE NAMES BELOW OR WRITE IN THE NAME OR NAMES OF YOUR CHOICE).

BALLOT ISSUE C

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$500,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$2,500,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$100,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY GENERAL AND ADMINISTRATIVE COSTS OF THE DISTRICT AND TO PAY THE COSTS OF THE OPERATION AND MAINTENANCE OF CERTAIN CAPITAL FACILITIES AND IMPROVEMENTS WHICH THE DISTRICT HAS ACQUIRED, CONSTRUCTED, INSTALLED, COMPLETED, OR OTHERWISE PROVIDED INCLUDING BUT NOT LIMITED TO WATER, STREETS, TRAFFIC SAFETY, TELEVISION RELAY AND TRANSLATION, TRANSPORTATION, PARK AND RECREATION, AND SANITATION FACILITIES OR ANY COMBINATION THEREOF AND SHALL SUCH FINANCIAL OBLIGATION BE EVIDENCED BY AN AGREEMENT OR PROMISSORY NOTES MADE BY AND BETWEEN THE DISTRICT AND ONE OR MORE PRIVATE ENTITIES, WHICH AGREEMENT OR PROMISSORY NOTES PROVIDES FOR MONETARY ADVANCES OR LOANS BY THE DEVELOPER TO THE DISTRICT FOR FUNDING OF DISTRICT OPERATION AND MAINTENANCE COSTS OR SUCH OPERATIONS AND MAINTENANCE OBLIGATIONS TO BE PAID DIRECTLY BY THE DISTRICT THROUGH ALL LEGALLY AVAILABLE REVENUES OF THE DISTRICT IN FISCAL YEAR 1998, AND IN SUCH ANNUAL AMOUNTS INCREASED THEREAFTER AS MAY BE SUFFICIENT TO PAY SUCH OPERATION AND MAINTENANCE OBLIGATIONS IN EVERY YEAR THROUGH AND INCLUDING FISCAL YEAR 2038; AND IN CONNECTION THEREWITH, AS A VOTER-APPROVED REVENUE CHANGE, SHALL PROCEEDS OF THE AD VALOREM PROPERTY TAX MILL LEVY, AND ANY INVESTMENT EARNINGS THEREON, BE COLLECTED AND SPENT WITHOUT LIMITATION OF RATE OR CONDITION, AND WITHOUT LIMITING THE COLLECTION OR SPENDING OF OTHER REVENUES OR FUNDS BY THE DISTRICT UNDER ARTICLE X, SECTION 20 OF THE COLORADO

CONSTITUTION OR BY ANY OTHER LAW?

YES: _____

NO: _____

BALLOT ISSUE D

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$3,000,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$13,000,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$500,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF GENERAL OR LIMITED OBLIGATION OR REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING WATER FOR DOMESTIC AND OTHER PUBLIC AND PRIVATE PURPOSES BY ANY AVAILABLE MEANS, INCLUDING WITHOUT LIMITATION TRANSMISSION LINES, DISTRIBUTION MAINS AND LATERALS, RESERVOIRS, TREATMENT WORKS, AND ALL EQUIPMENT, LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH; SUCH OBLIGATIONS TO BE ISSUED AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18.00% PER ANNUM, WHICH INTEREST MAY BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE DETERMINED BY THE DISTRICT, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AT THE RATE BORNE BY THE OBLIGATIONS; SUCH OBLIGATIONS TO MATURE OR BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER ISSUANCE; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE GENERAL OR LIMITED OBLIGATION OR REVENUE REFUNDING BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, FOR THE PURPOSE OF REFUNDING THE AFOREMENTIONED DISTRICT OBLIGATIONS, WHICH REFUNDING BONDS OR OBLIGATIONS MAY BE ISSUED AT INTEREST RATES HIGHER THAN THE RATES BORNE BY THE OBLIGATIONS BEING REFUNDED BUT SUBJECT TO THE LIMITATIONS SET FORTH ABOVE REGARDING TOTAL DEBT, MAXIMUM REPAYMENT COST, AND MAXIMUM ANNUAL TAX INCREASE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S OBLIGATIONS; AND SHALL THE PROCEEDS OF SUCH OBLIGATIONS AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL

EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES : _____
NO : _____

BALLOT ISSUE E

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$26,000,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$119,500,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$2,000,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF GENERAL OR LIMITED OBLIGATION OR REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING STREET AND ROADWAY IMPROVEMENTS, INCLUDING WITHOUT LIMITATION CURBS, GUTTERS, CULVERTS, STORM SEWERS AND OTHER DRAINAGE FACILITIES, DETENTION PONDS, RETAINING WALLS AND ENTRY MONUMENTATION, SIDEWALKS, BRIDGES, PARKING FACILITIES, PAVING, LIGHTING, GRADING, LANDSCAPING, UTILITY RELOCATION, AND ALL EQUIPMENT, LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH; SUCH OBLIGATIONS TO BE ISSUED AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18.00% PER ANNUM, WHICH INTEREST MAY BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE DETERMINED BY THE DISTRICT, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AT THE RATE BORNE BY THE OBLIGATIONS; SUCH OBLIGATIONS TO MATURE OR BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER ISSUANCE; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE GENERAL OR LIMITED OBLIGATION OR REVENUE REFUNDING BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, FOR THE PURPOSE OF REFUNDING THE AFOREMENTIONED DISTRICT OBLIGATIONS, WHICH REFUNDING BONDS OR OBLIGATIONS MAY BE ISSUED AT INTEREST RATES HIGHER THAN THE RATES BORNE BY THE OBLIGATIONS BEING REFUNDED BUT SUBJECT TO THE LIMITATIONS SET FORTH ABOVE REGARDING TOTAL DEBT, MAXIMUM REPAYMENT COST, AND MAXIMUM ANNUAL TAX INCREASE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S OBLIGATIONS; AND SHALL THE PROCEEDS OF SUCH OBLIGATIONS AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER

LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____

NO: _____

BALLOT ISSUE F

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$1,500,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$6,500,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$500,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF GENERAL OR LIMITED OBLIGATION OR REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING SAFETY PROTECTION THROUGH TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, INCLUDING WITHOUT LIMITATION MAIN ENTRY BUILDINGS, ACCESS GATES, TRAFFIC SIGNALS AND SIGNS, AND ALL EQUIPMENT, LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH; SUCH OBLIGATIONS TO BE ISSUED AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18.00% PER ANNUM, WHICH INTEREST MAY BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE DETERMINED BY THE DISTRICT, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AT THE RATE BORNE BY THE OBLIGATIONS; SUCH OBLIGATIONS TO MATURE OR BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER ISSUANCE; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE GENERAL OR LIMITED OBLIGATION OR REVENUE REFUNDING BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, FOR THE PURPOSE OF REFUNDING THE AFOREMENTIONED DISTRICT OBLIGATIONS, WHICH REFUNDING BONDS OR OBLIGATIONS MAY BE ISSUED AT INTEREST RATES HIGHER THAN THE RATES BORNE BY THE OBLIGATIONS BEING REFUNDED BUT SUBJECT TO THE LIMITATIONS SET FORTH ABOVE REGARDING TOTAL DEBT, MAXIMUM REPAYMENT COST, AND MAXIMUM ANNUAL TAX INCREASE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S OBLIGATIONS; AND SHALL THE PROCEEDS OF SUCH OBLIGATIONS AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY

EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____

NO: _____

BALLOT ISSUE G

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$500,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$3,000,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$500,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF GENERAL OR LIMITED OBLIGATION OR REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING TELEVISION RELAY AND TRANSLATOR FACILITIES, INCLUDING WITHOUT LIMITATION CABLE TELEVISION AND COMMUNICATION FACILITIES, AND ALL EQUIPMENT, LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH; SUCH OBLIGATIONS TO BE ISSUED AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18.00% PER ANNUM, WHICH INTEREST MAY BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE DETERMINED BY THE DISTRICT, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AT THE RATE BORNE BY THE OBLIGATIONS; SUCH OBLIGATIONS TO MATURE OR BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER ISSUANCE; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE GENERAL OR LIMITED OBLIGATION OR REVENUE REFUNDING BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, FOR THE PURPOSE OF REFUNDING THE AFOREMENTIONED DISTRICT OBLIGATIONS, WHICH REFUNDING BONDS OR OBLIGATIONS MAY BE ISSUED AT INTEREST RATES HIGHER THAN THE RATES BORNE BY THE OBLIGATIONS BEING REFUNDED BUT SUBJECT TO THE LIMITATIONS SET FORTH ABOVE REGARDING TOTAL DEBT, MAXIMUM REPAYMENT COST, AND MAXIMUM ANNUAL TAX INCREASE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S OBLIGATIONS; AND SHALL THE PROCEEDS OF SUCH OBLIGATIONS AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER

LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____

NO: _____

BALLOT ISSUE H

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$500,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$3,000,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$500,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF GENERAL OR LIMITED OBLIGATION OR REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING A SYSTEM TO TRANSPORT THE PUBLIC BY BUS, RAIL OR ANY OTHER MEANS OF CONVEYANCE, OR ANY COMBINATION THEREOF, INCLUDING WITHOUT LIMITATION PARK AND RIDE FACILITIES, PARKING LOTS, PARKING STRUCTURES, ROOFS, COVERS, MAINTENANCE AND REPAIR FACILITIES, AND ALL EQUIPMENT, LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH; SUCH OBLIGATIONS TO BE ISSUED AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18.00% PER ANNUM, WHICH INTEREST MAY BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE DETERMINED BY THE DISTRICT, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AT THE RATE BORNE BY THE OBLIGATIONS; SUCH OBLIGATIONS TO MATURE OR BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER ISSUANCE; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE GENERAL OR LIMITED OBLIGATION OR REVENUE REFUNDING BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, FOR THE PURPOSE OF REFUNDING THE AFOREMENTIONED DISTRICT OBLIGATIONS, WHICH REFUNDING BONDS OR OBLIGATIONS MAY BE ISSUED AT INTEREST RATES HIGHER THAN THE RATES BORNE BY THE OBLIGATIONS BEING REFUNDED BUT SUBJECT TO THE LIMITATIONS SET FORTH ABOVE REGARDING TOTAL DEBT, MAXIMUM REPAYMENT COST, AND MAXIMUM ANNUAL TAX INCREASE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S OBLIGATIONS; AND SHALL THE PROCEEDS OF SUCH OBLIGATIONS AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY

EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____

NO: _____

BALLOT ISSUE I

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$9,000,000 WITH A REPAYMENT COST OF NOT TO EXCEED \$39,500,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$1,000,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF GENERAL OR LIMITED OBLIGATION OR REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING PARKS OR RECREATIONAL FACILITIES OR PROGRAMS WITHIN THE DISTRICT, INCLUDING WITHOUT LIMITATION SWIMMING POOLS, SPAS, TENNIS COURTS, EXERCISE FACILITIES, BIKE PATHS, TRAILS AND BRIDGES, MALLS, FOUNTAINS, ART, BOTANICAL GARDENS, EQUESTRIAN FACILITIES, SKATING FACILITIES, COMMON AREA LANDSCAPING AND WEED CONTROL, OUTDOOR LIGHTING, COMMUNITY EVENT FACILITIES, AND ALL EQUIPMENT, LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH; SUCH OBLIGATIONS TO BE ISSUED AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18.00% PER ANNUM, WHICH INTEREST MAY BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE DETERMINED BY THE DISTRICT, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AT THE RATE BORNE BY THE OBLIGATIONS; SUCH OBLIGATIONS TO MATURE OR BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER ISSUANCE; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE GENERAL OR LIMITED OBLIGATION OR REVENUE REFUNDING BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, FOR THE PURPOSE OF REFUNDING THE AFOREMENTIONED DISTRICT OBLIGATIONS, WHICH REFUNDING BONDS OR OBLIGATIONS MAY BE ISSUED AT INTEREST RATES HIGHER THAN THE RATES BORNE BY THE OBLIGATIONS BEING REFUNDED BUT SUBJECT TO THE LIMITATIONS SET FORTH ABOVE REGARDING TOTAL DEBT, MAXIMUM REPAYMENT COST, AND MAXIMUM ANNUAL TAX INCREASE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S OBLIGATIONS; AND SHALL THE PROCEEDS

OF SUCH OBLIGATIONS AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____

NO: _____

BALLOT ISSUE J

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$1,000,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$4,000,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$500,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF GENERAL OR LIMITED OBLIGATION OR REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING STORM OR SANITARY SEWERS, OR BOTH, FLOOD AND SURFACE DRAINAGE, TREATMENT AND DISPOSAL WORKS AND FACILITIES, AND ALL EQUIPMENT, LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH; SUCH OBLIGATIONS TO BE ISSUED AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18.00% PER ANNUM, WHICH INTEREST MAY BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE DETERMINED BY THE DISTRICT, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AT THE RATE BORNE BY THE OBLIGATIONS; SUCH OBLIGATIONS TO MATURE OR BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER ISSUANCE; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE GENERAL OR LIMITED OBLIGATION OR REVENUE REFUNDING BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, FOR THE PURPOSE OF REFUNDING THE AFOREMENTIONED DISTRICT OBLIGATIONS, WHICH REFUNDING BONDS OR OBLIGATIONS MAY BE ISSUED AT INTEREST RATES HIGHER THAN THE RATES BORNE BY THE OBLIGATIONS BEING REFUNDED BUT SUBJECT TO THE LIMITATIONS SET FORTH ABOVE REGARDING TOTAL DEBT, MAXIMUM REPAYMENT COST, AND MAXIMUM ANNUAL TAX INCREASE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S OBLIGATIONS; AND SHALL THE PROCEEDS OF SUCH OBLIGATIONS AND THE

PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____
NO: _____

BALLOT ISSUE K

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$42,000,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$191,000,000; AND SHALL PROMONTORY METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$5,600,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT; SUCH DEBT TO CONSIST OF A CONTRACT WITH ONE OR MORE OTHER POLITICAL SUBDIVISIONS OF THE STATE, WHICH CONTRACT WILL CONSTITUTE A MULTIPLE FISCAL YEAR FINANCIAL OBLIGATION AND WHICH WILL OBLIGATE THE DISTRICT TO PAY THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING, AND THE COSTS OF OPERATING AND MAINTAINING, CERTAIN WATER, STREET, TRAFFIC SAFETY, TELEVISION RELAY AND TRANSLATION, TRANSPORTATION, PARK AND RECREATION, AND SANITATION FACILITIES AND IMPROVEMENTS, ALL AS MAY BE PROVIDED IN SUCH CONTRACT; SUCH CONTRACT TO BE PAYABLE IN NOT MORE THAN 20 YEARS AFTER INCURRENCE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE FINANCIAL OBLIGATIONS INCURRED PURSUANT TO THE CONTRACT; AND SHALL ANY PROCEEDS OF SUCH CONTRACT AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____
NO: _____

BALLOT ISSUE L

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 3 BE PERMITTED TO IMPOSE A MILL LEVY, UNLIMITED AS TO RATE OR AMOUNT, AND MAY THE DISTRICT INCREASE SUCH LEVY FROM YEAR TO YEAR AND COLLECT, EXPEND AND RETAIN ANNUAL DISTRICT REVENUES GENERATED FROM SUCH MILL LEVY OR ANY OTHER LEGALLY AVAILABLE REVENUES IN 1998 AND EACH YEAR THEREAFTER THROUGH THE YEAR 2018 INCLUSIVE FOR THE PAYMENT OF OPERATIONS AND MAINTENANCE AND OTHER GENERAL OR ADMINISTRATIVE EXPENSES OF THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED IN § 29-1-301, C.R.S. OR ANY OTHER LAW?

YES: _____
NO: _____

BALLOT ISSUE M

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 3 BE PERMITTED TO MAINTAIN FISCAL YEAR SPENDING AND COLLECT ANNUAL DISTRICT REVENUES FROM SOURCES NOT EXCLUDED FROM FISCAL YEAR SPENDING IN 1998 AND EACH YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: _____
NO: _____

BALLOT QUESTION N

SHALL THE BOARD OF DIRECTORS OF PROMONTORY METROPOLITAN DISTRICT NO. 3 BE EMPOWERED AND AUTHORIZED TO ESTABLISH, MAINTAIN AND OPERATE A SYSTEM TO TRANSPORT THE PUBLIC BY BUS, RAIL OR ANY OTHER MEANS OF CONVEYANCE, OR ANY COMBINATION THEREOF?

YES: _____
NO: _____

BALLOT QUESTION O

SHALL PROMONTORY METROPOLITAN DISTRICT NO. 3 BE ORGANIZED AS A SPECIAL DISTRICT PURSUANT TO ARTICLE 1 OF TITLE 32, C.R.S., AND, PURSUANT TO ITS SERVICE PLAN?

YES: _____
NO: _____

BALLOT QUESTION P

SHALL THE LIMITATIONS ON TERMS OF OFFICE OF THE ELECTED OFFICIALS PROMONTORY METROPOLITAN DISTRICT NO. 3, AS PROVIDED IN ARTICLE XVIII, SECTION 11 OF THE COLORADO CONSTITUTION, BE ELIMINATED?

YES: _____
NO: _____

PMD-3/ELECTIONS-NOV98\SAM1932090198
0464.0009 (NOV 1998)