

AMENDED CONSOLIDATED SERVICE PLAN
FOR
TIMNATH RANCH METROPOLITAN DISTRICT NOS. 1, 2, 3 AND 4
TOWN OF TIMNATH, COLORADO

Prepared

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I. INTRODUCTION

A. Purpose and Intent.

This Amended Consolidated Service Plan (the "Service Plan"), submitted in accordance with the requirements of the Special District Control Act (the "Act") (Section 32-1-101, *et seq.*, of the Colorado Revised Statutes). This Service Plan amends, restates and supersedes the Consolidated Service Plan for the Timnath Ranch Metropolitan Districts Nos. 1, 2, 3 and 4 dated August 18, 2006, which was revised and resubmitted July 5, 2007 and approved by resolution of the Town Council on August 8, 2007. This Service Plan is submitted to correct errors in the legal descriptions and maps for the initial boundaries of the Timnath Ranch Metropolitan Districts Nos. 1-4 (collectively the "Districts" or individually the "District") which legal descriptions contained technical errors and did not match currently filed and approved plats for the property contained within the proposed Districts. The Districts are independent units of local government, separate and distinct from the Town, and, except as may otherwise be provided for by State or local law or this Service Plan, their activities are subject to review by the Town only insofar as they may deviate in a material matter from the requirements of this Service Plan or the Act. The proposed Districts are located wholly within the Town of Timnath, Colorado ("Town" or "Timnath"), and the Districts are generally located east of Interstate 25 and Larimer County Road 3, North of Larimer County Road 36, South of Harmony Road, and West of Larimer County Road 1.

It is the intention of this Service Plan to provide the general structure for the provision of public improvements ("Public Improvements") necessary and appropriate for the development of a project within the Town of Timnath (the "Town") to be known as Timnath Ranch (the "Project"), to provide for the on-going day-to-day operation of the Districts to the extent allowed by this Service Plan, and to accurately reflect the current boundaries of the Districts to match the current plat filings approved by the Town. The Public Improvements will be constructed for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of these Public Improvements.

District No. 1 is to be the Operating District, and will to coordinate the financing, construction, operations and maintenance of all Public Improvements. The Operating District will be permitted to provide public services and facilities throughout the Districts pursuant to the Service Plan. The Operating District will be responsible for managing the construction and operation of facilities and Public Improvements for the Project as well as coordinating the financing and management of the public facilities and services as approved by the Town throughout the Project.

District Nos. 2, 3 and 4 is to be the Financing Districts which are expected to include all of the future residential and/or non-residential development comprising the Project. The Financing Districts will be responsible for producing property tax and other revenue sufficient to pay the costs of operations and debt service expenses incurred for the Public Improvements, until such obligations are discharged, creating mutual benefits for Timnath Ranch and the Town. It is currently planned that District No. 2 will contain residential development,

District No. 3 will contain commercial development, and District No. 4 will contain commercial - industrial development.

B. Need for the Districts.

There are currently no other governmental entities, including the Town, located in the immediate vicinity of the Districts that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, installation, ownership, operation, maintenance, relocation, redevelopment and/or financing of the Public Improvements needed for the Project. Formation of the Districts is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

C. District Functions Generally.

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, financing, ownership, operation, maintenance, relocation and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the Districts, and from other legally available revenues. All Debt that is payable from a pledge of property taxes is expected to be repaid by a tax mill levy no higher than the Maximum Debt Mill Levy. Debt which is issued within these parameters will insulate property owners from excessive tax burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

The Districts expect to own, operate and maintain certain Public Improvements not dedicated to the Town or other governmental entities. A general description of the Public Improvements expected to be retained, operated and maintained by the Districts is further described in Section V.A.1. It is expected that certain Public Improvements will be dedicated to either the Town or to other governmental entities according to the applicable procedures for the specific entity (including but not limited to standards relating to construction). The Districts are authorized to own, operate and maintain Public Improvements that are not dedicated to the Town or other governmental entities.

The Town shall have and will exercise sole and exclusive jurisdiction over land use and building, e.g., zoning, subdivision, building permit, and decisions affecting development of property within the boundaries of the Districts. Construction of all Public Improvements shall be subject to applicable ordinances, codes and regulations of the Town.

It is the intent of the Districts to consolidate and/or dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt, and if any District has authorized operating functions under an intergovernmental agreement with the Town, to retain only the power necessary to impose and collect taxes or fees to pay for these costs and to perform these functions.

D. Multiple District Structure.

It is anticipated that the Districts, may separately or cooperatively undertake the financing, construction, integration, coordination and management of the infrastructure, services

and facilities, both within and outside of their boundaries. Using funds provided by and through the Districts, certain public services and facilities necessary to serve the Project will be constructed, owned and operated by the Districts or will be dedicated to other entities and/or service providers, as appropriate. The nature of the functions and services to be provided by each District shall be clarified in a Master IGA (defined below) between the Districts. The Master IGA will establish a mechanism whereby the Districts may cooperatively fund, construct, install, operate and maintain the Public Improvements. The Master IGA will be designed to help assure the orderly development of the Public Improvements and essential services in accordance with the requirements of the Service Plan for the Districts. The execution of such a Master IGA by the Districts is essential to the orderly implementation of the Service Plan. Said Master IGA may be amended by mutual agreement of the Districts without the need to amend this Service Plan.

The use of a consolidated Service Plan for the Districts will help assure proper coordination of the powers and authorities of the independent Districts, and will help avoid confusion regarding the separate, but coordinated, purposes of the Districts which could arise if separate service plans were used. Unless otherwise specifically noted herein, general provisions of this Service Plan apply to all Timnath Ranch Metropolitan Districts. Where possible, however, specific reference is made to an individual District to help distinguish the powers and authorities of each District.

This multiple district structure is proposed because it provides several benefits to the inhabitants of the Project and the Town. Multiple districts will assure that: (1) the necessary services and improvements can be financed in the most favorable and efficient manner; (2) all the services and improvements needed for the Project will be available when needed through managed development; and (3) a reasonable mill levy and reasonable tax burden on all residential property within the Districts will be maintained through managed financing and coordinated completion of infrastructure improvements.

II. DEFINITIONS

In this Service Plan, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Approved Development Plan: means a development plan or other process established by the Town (including, but not limited to approval of a site plan, preliminary plat, or minor development plat for any phase of the Project by the Town planning commission or by the Town Council) for identifying, among other things, Public Improvements necessary for facilitating development for property within the Districts as approved by the Town pursuant to the Town Code and as amended pursuant to the Town Code from time to time.

Board: means the board of directors of one District or the boards of directors of all Districts, in the aggregate, as is contextually appropriate.

Debt: means bonds or other obligations not subject to annual appropriation for the payment of which any District has promised to impose an *ad valorem* property tax mill

levy, to impose rates, fees, tolls, penalties or charges as permitted by applicable law, or to pay from any other legally available revenues of the District, or any combination thereof.

Developer: means Timnath Ranch, LLC, a Colorado limited liability company, and its affiliates, successors or assigns.

Development Fee: means the one-time development or system development fee imposed by the Districts on a single family equivalent (residential) or per square-foot (non-residential) basis at the time of lot sale to assist with the planning and development of the Public Improvements, subject to the limitations set forth in Section VI of the Service Plan. The Development Fee may be used to finance, pay Debt service, plan, acquire, and construct, operate and maintain the Public Improvements.

District: means any one of the Timnath Ranch Metropolitan Districts No. 1 through 4.

District No. 1: means the Timnath Ranch Metropolitan District No. 1.

District No. 2: means the Timnath Ranch Metropolitan District No. 2.

District No. 3: means the Timnath Ranch Metropolitan District No. 3.

District No. 4: means the Timnath Ranch Metropolitan District No. 4.

District Pool: means a swimming pool or pools, together with related recreational facilities, constructed, installed, acquired, funded or financed by one or more of the Districts.

Districts: means District No. 1, District No. 2, District No. 3 and District No. 4 collectively.

Districts Boundaries: means the boundaries of the area described in the Districts Boundaries Map.

Districts Boundaries Map: means the map attached hereto as **Exhibit C**, describing the boundaries of the Districts.

Fees: means any fee, toll, rate, penalties, or charges imposed by the Districts for services, programs or facilities, operation and maintenance provided by the Districts, as authorized in Section 32-1-1001(1), C.R.S., as amended from time to time.

Financial Plan: means the Financial Plan described in Section VI and attached as **Exhibit E** which describes (i) how the Public Improvements are to be financed; (ii) how the Debt is expected to be incurred; (iii) the estimated operating revenue derived from property taxes for the first budget year; and (iv) proposed sources of revenue and projected expenses of the Districts.

Financing District: means Districts Nos. 2, 3 & 4.

Inclusion Area Boundaries: (not applicable)

Inclusion Area Boundary Map: (not applicable)

Master IGA: means one or more agreements between the Districts that establish the mechanisms whereby the Districts will fund, construct, install, acquire, operate and maintain Public Improvements.

Maximum Debt Mill Levy: means the maximum mill levy any of the Districts is permitted to impose for payment of Debt as set forth in Section VI.C below.

Operating District: means District No. 1.

Project: means the development or property commonly referred to as Timnath Ranch.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped, operated, maintained and financed as generally described in the Special District Act, except as specifically limited in Section V below, to serve the future taxpayers and inhabitants of the Service Area as determined by the Board of one or more of the Districts.

Service Area: means the property within the Districts Boundaries which may be legally served.

Service Plan: means this service plan for the Districts approved by the Town Council.

Service Plan Amendment: means an amendment to the Service Plan approved by the Town Council in accordance with the Town's ordinances and the applicable state law.

Special District Act or the "Act": means Section 32-1-101, *et seq.*, of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

TABOR: means Article 10 Section 20 of the Colorado Constitution, as may be amended from time to time.

Taxable Property: means real or personal property within the Districts' boundaries which is subject to ad valorem taxes imposed by the Districts.

Timnath Development Authority Intergovernmental Agreement: means the intergovernmental agreement between the Districts and the Timnath Development Authority regarding the revenue and tax sharing between the Districts and Timnath Development Authority substantially in the form attached hereto as **Exhibit G**.

Total Debt Issuance Limitation: means the aggregate principal amount of Debt the Districts may issue, which amount shall be Twenty-Five Million Dollars (\$25,000,000), unless otherwise approved by the Town.

Town: means the Town of Timnath, Colorado.

Town Code: means the Town Code of the Town.

Town Council: means the Town Council of the Town of Timnath, Colorado.

Town Intergovernmental Agreement or Town IGA: means the intergovernmental agreement between the Districts and the Town as required by Town Code substantially in the form attached hereto as **Exhibit F**.

III. BOUNDARIES

A. Boundary Descriptions and Maps.

The area of the Districts Boundaries includes approximately five hundred fifty-eight and five hundred forty one one-thousandths (558.540) acres. A legal description of the District Boundaries for each District is attached hereto as **Exhibit A**. A vicinity map is attached hereto as **Exhibit B**. A map of the Districts Boundaries is attached hereto as **Exhibit C**. It is anticipated that the Districts' internal boundaries may change from time to time as they undergo inclusions and exclusions pursuant to Section 32-1-401, *et seq.*, C.R.S., and Section 32-1-501, *et seq.*, C.R.S., subject to the limitations set forth below.

B. Changes in Boundaries.

Each District shall be entitled to change its boundaries through inclusion and exclusion of property as its Board may determine is in the best interests of such District without the Town's consent and its property owners, subject to the following limitations:

1. No property may subject to the mill levy of more than one District.
2. No property may be included into the boundaries of any District unless the property is within the corporate limits of the Town.
3. All District boundary changes must be made in compliance with the Special District Act.
4. The Inclusion Area Boundaries may not be expanded without prior approval of the Town.

Any inclusion or exclusion, which does not comply with the provisions of this Article III shall be subject to administrative review by the Town Manager, who will determine whether such boundary change constitutes a material modification of the Service Plan.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION

The Districts' Service Area consists of approximately 558.540 acres of residential, commercial and light industrial land. The current assessed valuation of the Service Area is assumed to be approximately zero dollars (\$0.00) for purposes of this Service Plan and, at build out, is expected to be sufficient to reasonably discharge the Debt under the proposed Financial Plan. The Operating District will contain neither residential nor commercial/industrial development. The Development is currently estimated to contain 1,569 residential units, 285,754 square feet of commercial space, and 364,815 square feet of industrial space. These residential and non-residential projections are initial estimates only and actual build out and development will coincide with the final Approved Development Plans submitted to and approved by the Town. The population of the Districts at build-out is currently estimated to be approximately 4,707 persons, based on an approximation of 3.0 persons per residential unit.

Approval of this Service Plan by the Town does not imply approval of the development of a specific area within the Districts, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. General Powers of the Districts.

The Districts shall have the power and authority to provide the Public Improvements and related operation and maintenance services within and without the boundaries of the Districts as such power and authority is described in the Special District Act, other applicable statutes, common law and the Constitution of the State of Colorado, and may include, but not be limited to, streets, traffic and safety controls, drainage, sanitation, water, parks and recreation, transportation, mosquito and pest control, television relay and translation, security services and covenant enforcement, subject to the limitations set forth herein. The Operating District may also use one or more enterprises and/or authorities, as provided by state statute, to support the planning, design, acquisition, construction, installation, financing, operation and maintenance of the Public Improvements.

1. **Operations and Maintenance Limitation.** The primary purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. All Public Improvements will be constructed in accordance with Town Codes, regulations, and requirements and/or other applicable public entity rules, regulations and requirements. Once the construction of the Public Improvements are completed, it is the intent of the Districts or the Developer and builders on behalf of the Districts to dedicate those Public Improvements to the Town or other appropriate jurisdiction or owners' association in a manner consistent with the Approved Development Plans of the Town.

a. **Public Improvements to be Dedicated to the Town.** The Districts shall be permitted to construct, install, acquire, finance and fund all of the Public Improvements

need in the Districts. Upon completion of the Public Improvements the Districts shall dedicate to the Town all street, traffic, safety protection, certain drainage improvements, storm water facilities, parks, regional trails and mosquito control improvements.

b. Public Improvements to be dedicated to Others. The Districts shall convey all sanitary sewer improvements to South Fort Collins Sanitation District for ownership, operation and maintenance. The Districts shall convey to Fort Collins – Loveland Water District all potable water facilities for ownership, operation and maintenance. The Districts may convey security and covenant enforcement improvements to a homeowners association or other governmental entity according to the applicable procedures for that specific entity if the Districts are unable or unwilling to provide those services.

c. Public Improvements that may be Owned, Operated, and Maintained by the Operating District. The Operating District may own, operate, and maintain the following:

1. Greenbelts, open spaces, common areas, and certain pocket parks as depicted on the final plat;
2. Landscaped medians, monuments, entry features, fencing, identification markers, landscape buffers, setbacks, irrigated and non irrigated turf and native grasses, subdivision identification markers, trees and other landscape features and streetscape design;
3. District Pools, clubhouse, recreation center, meeting rooms, civic centers and other related recreational facilities,
4. Ponds, lakes, water features, trails, paths and walkways not otherwise dedicated to the Town;
5. Non-potable water facilities, including detention ponds and drainage facilities servicing the Districts' open spaces;
6. Covenant enforcement and security services and any related facilities not otherwise provided by a homeowners association or other governmental entity; and

Any such operations and maintenance of the Districts shall be funded through the imposition of a mill levy or by appropriate user fees imposed by the Districts. The Districts shall be authorized, but not obligated to, operate and maintain park and recreation improvements, including the District Pools, clubhouse and recreation facilities without an intergovernmental agreement with the Town, provided that any Fee imposed by the Districts for access to such park and recreation improvements shall not result in Non-District Timnath residents paying a user fee that is greater than, or otherwise disproportionate to, similar fees and taxes paid by residents of the Districts. However, the Districts shall be entitled to impose an administrative Fee as necessary to cover additional expenses associated with Non-District

Timnath residents to ensure that such costs are not the responsibility of Districts residents. All such Fees shall be based upon the Districts' determination that such Fees do not exceed reasonable annual market fees for users of such facilities. Notwithstanding the foregoing, all parks and trails shall be open to the general public and Non-District Timnath residents free of charge.

2. Construction Standards Limitation. The Districts will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the Town and of other governmental entities having proper jurisdiction and of those special districts that qualify as "interested parties" under Section 32-1-204(1), C.R.S., as applicable. The Districts will obtain the Town's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

3. District Swimming Pool Operations Limitations. The Districts, individually or collectively, may undertake the financing, construction, acquisition, installation, ownership, operation and maintenance of a District Pool. Any District Pool shall be constructed in accordance with plans submitted to and approved by the Town. The Districts may not cease or abandon the operation of, and may not change the use of the swimming pool as a District Pool, without prior consent of the Town, which consent shall not be unreasonably withheld, delayed or denied. The Districts Pool shall be operated and maintained in a manner similar to similar size and types of swimming pools operated by metropolitan districts in other communities. The Districts Pool shall be subject to Town regulatory authority as permitted by state law. The Town shall provide written notice of any default in the operation and maintenance of the District Pool. If any such default continues for more than thirty (30) days after receipt of a written notice from the Town, the Town shall have the right to enforce by specific performance the maintenance of the District Pool. Should the default continue after notice, opportunity to cure and refusal to cure the default, the Town shall have the right to operate and maintain the Districts Pool and collect and use any District Pool fees unless and until the Districts demonstrate a willingness and ability to operate the District Pool in accordance with applicable standards. Any maintenance and operations costs incurred by the Town to perform these functions, after written notice of default and failure of the Districts to cure the default, shall be reimbursed by the Districts.

4. Current Town Residential Property Owners' Access to Park and Recreation Facilities and Improvements. All open space tracts, trails, and park improvements shall be open and available to the general public and Town citizens free of charge. It is acknowledged that the Town intends to explore the possibility of constructing a Town pool. Until such Town pool is constructed, the Districts shall allow Town residents who currently reside within property owner addresses as of November 1, 2005 as described in **Exhibit H**, and their families who may reside at the address, including any family member added through birth, marriage, adoption or a parents marriage thereafter, access to any District constructed pool at reduced rates as defined in the Intergovernmental Agreement with the Town on the same terms as if they owned homes within the Districts. A list defining the current residential property owner addresses which shall be provided this access is attached hereto as **Exhibit H**. Future residents of the addresses in **Exhibit H**, other than those defined above, who purchase or rent in these addresses after May 31, 2006, will not be entitled to this provision. Once a Town pool is

constructed, the access and reduced rate as required by the Town for Town residential property owners as defined in **Exhibit H** shall be rescinded.

5. Town Access and Maintenance Easement to Greenbelts, Open Space, Ponds and Drainage Improvements. The Districts will grant a perpetual, non-exclusive access easement to the Town for non-motorized pedestrian access to the Districts greenbelts and open space improvements as defined on the final plat approved by the Town. The Districts shall maintain greenbelts, open space, ponds and drainage improvements in accordance with the plans approved by the Town and subject to Town regulatory authority as provided by state law. The Districts shall grant an easement to the Town for purposes of routine inspections of pond and drainage improvements. The Districts shall also grant the Town emergency access for maintenance purposes to the pond and drainage improvements when necessary to preserve the health, safety and welfare of the Districts' property owners and residents, and guests. The Town shall provide written notice of any default in the maintenance of District owned, operated and maintained Public Improvements in accordance with the approved plans, which if continued for more than thirty (30) days after receipt of a written notice of default from the Town to the Districts, the Town shall have access for purposes of maintenance of these improvements by the Town. Any maintenance performed by the Town, after written notice of default and failure of the Districts to cure within thirty (30) days of receipt, shall be reimbursed by the Districts.

6. Initial Debt Limitation. On or before the effective date of approval by the Town of an Approved Development Plan, the Districts shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any fees used for the purpose of repayment of Debt.

7. Total Debt Issuance Limitation. The Districts shall not issue Debt in excess of Twenty-Five Million Dollars (\$25,000,000) without approval of the Town. The obligations of the Districts in any intergovernmental agreement (including the Master IGA) concerning the funding and/or operations of the Districts' Public Improvements and services, for which voter approval will be obtained to the extent required by law, will not count against the Total Debt Issuance Limitation, nor shall any revenue obligations payable from rates, fees, tolls and charges issued by the Districts. Increases necessary to accomplish a refunding, reissuance or restructuring of Debt shall also not count against the Total Debt Issuance Limitation.

8. Consolidation Limitation. District No. 1 shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the Town, unless such consolidation is with District No. 2, District No. 3 or District No. 4.

9. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, and the Fees have been established under the authority of the Town to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) are, together with all other requirements of Colorado law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the Town as part of a Service Plan Amendment.

10. Service Plan Amendment Requirement. This Service Plan is general in nature and does not include specific detail in some instances because development plans have not been finalized. This Service Plan has been designed with sufficient flexibility to enable the Districts to provide required services and facilities under evolving circumstances without the need for numerous amendments. Modification of the general types of services and facilities making up the Public Improvements, and changes in proposed configurations, locations or dimensions of the Public Improvements shall be permitted to accommodate development needs consistent with the then-current final Approved Development Plan(s) for the Project. The Districts are independent units of local government, separate and distinct from the Town, and their activities are subject to review by the Town only insofar as they may deviate in a material manner from the requirements of this Service Plan. Any material change in the Service Plan will be submitted to the Town, and if the Town determines that such change constitutes a “material modification” of this Service Plan pursuant to Section 32-1-207, C.R.S., it shall be subject to approval by the Town in accordance with the provisions of the Act. Any material change to the final approved plat for any phase of the Project requiring non-administrative approval of the Town Board that also results in changes to the Public Improvements to a level that the Town determines to be a “material modification” to the Service Plan pursuant to Section 32-1-207, C.R.S., shall be subject to approval by the Town or Service Plan amendment in accordance with the Act. For those actions of the Districts, which violate the limitations set forth herein and which the Town deems to be a material modification to this Service Plan, the Town shall be entitled to all remedies available under State and local law to enjoin such action(s).

B. Enterprise

District No. 1 may establish one or more enterprises to manage, fund, and operate such facilities, services, and programs as may qualify for enterprise status using the procedures and criteria provided by Article X, Section 20, Colorado State Constitution, and other applicable statutory provisions. To the extent permitted by law, any enterprise created by the District will remain under the control of the Board.

C. Preliminary Engineering Survey/Capital Plan.

The Districts shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, operation, maintenance and financing of the Public Improvements and facilities needed to serve the Project either directly or by contract or

acquisition from the Developer or other public or private entities, within and without the boundaries of the Districts, to be more specifically defined in an Approved Development Plan. It is anticipated that the Districts will acquire the completed improvements from the Developer, and/or complete the construction of such improvements, and may then transfer certain improvements to the Town, as long as such improvements are constructed and accepted in accordance with Town regulations, the Fort Collins – Loveland Water District, for ownership, operation and maintenance of water systems in accordance with Town regulations and the Fort Collins – Loveland Water District regulations, the South Fort Collins Sanitation District, for ownership, operation and maintenance of sanitary sewer systems in accordance with South Fort Collins Sanitation District regulations, as applicable, while retaining, operating and maintaining all other public improvements not otherwise dedicated to other public agencies. If appropriate, the Districts may contract with other public and/or private entities to complete the Public Improvements and to affect such functions and activities, including without limitation funding, acquisition and reimbursement agreements with the Developer or other developers and builders.

A Capital Plan, including initial estimated costs of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, operated, maintained or financed was prepared based upon a preliminary engineering survey and estimates derived from what is anticipated to be the approved development on the property in the Service Area and is attached hereto as **Exhibit D**. It is important to note that the engineering information used to determine costs, pricing, and phasing of improvements referenced in the Service Plan is preliminary in nature and that modifications to the type, configuration, quantity, dimension, location and costs of Public Improvements may be necessary as development proceeds. Notwithstanding the cost estimate allocations set forth in **Exhibit D**, the Districts shall be permitted to reallocate costs between categories of improvements as they deem necessary in their discretion, acting in the best interests of their respective residents, property owners and taxpayers. The combined total estimated cost of Public Improvements which the Districts currently estimate will be constructed is anticipated to be approximately Thirty Six Million, Three Hundred Thirty-Eight Thousand, Three Hundred Forty-Five Dollars (\$36,338,345), inclusive of contingencies. The Districts may finance all or a portion of such improvements.

All of the Public Improvements will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the Town or any other entity that is intended to have ownership and/or operation and maintenance responsibility for the Public Improvements and shall be in accordance with the requirements of the final Approved Development Plan. All Public Improvements to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, the Town's requirements, and construction scheduling may require. All cost estimates will be inflated to then-current dollars at the time of issuance of Debt and construction. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

D. Facilities and/or Services to be provided by Other Entities.

The Districts propose to construct or acquire the Public Improvements necessary to serve the Districts' residents and taxpayers, but do not intend to provide ongoing water or sanitary sewer services, unless approved or directed by the Town. It is intended that Fort Collins

– Loveland Water District shall provide the water service in conjunction with the Town. The South Fort Collins Sanitation District shall provide sanitary sewer service, and Timnath shall provide law enforcement services and other municipal services, as appropriate. Appropriate agreements regarding provision of service by these entities have been or will be obtained prior to obtaining service including any necessary inclusion in the respective districts of the property within the Districts, with the exception of any portion of the Districts that is already included in another district providing the same type of service. Nothing herein shall limit or discharge the Districts' responsibilities for operation, maintenance, and repair of Public Improvements prior to their acceptance by the Town, Fort Collins – Loveland Water District, South Fort Collins Sanitation District, or their designee, or the Districts' warranty obligations.

E. Multiple District Structure.

The Districts, collectively, will undertake the financing and construction, maintenance and operation of the Public Improvements. The nature of the functions and services to be provided by each District shall be clarified in one or more Master IGA(s) by and between the Districts. The Master IGA(s) will be designed to help assure the orderly development of the Public Improvements and essential services in accordance with the requirements of this Service Plan. The Master IGA(s) may be amended by mutual agreement of the Districts without the need to amend this Service Plan.

VI. FINANCIAL PLAN

A. General Plan of Finance.

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation, financing, ownership, operation and maintenance and/or redevelopment of the Public Improvements from their revenues and by and through the proceeds of Debt to be issued by the Districts. The Financial Plan for the Districts shall be to issue such Debt as the Districts can reasonably pay from revenues derived from the Maximum Debt Mill Levy, Fees and other legally available revenues. The total Debt that the Districts shall be permitted to issue shall not exceed the Total Debt Issuance Limitation unless otherwise approved by the Town, and shall be permitted to be issued on a schedule and in such year or years as the Districts determine shall meet the needs of the Financial Plan referenced above and shall be phased to serve development as it occurs. A *pro forma* Financial Plan is attached hereto as **Exhibit E** demonstrates the issuance of bonds and the anticipated repayment based on the projected development within the boundaries of the Development. The Financial Plan demonstrates that, at projected levels of development, the Districts have the ability to finance the facilities identified herein and will be capable of discharging the proposed indebtedness on a reasonable basis. The attached Financial Plan is one illustration of how the Public Improvements and other services of the Districts may be financed; however, the final terms of such financing shall be determined by the Districts, subject to the parameters established within this Service Plan. All Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, including general *ad valorem* taxes and Fees to be imposed upon taxable property within the Districts. 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(1), C.R.S., as amended from time to time.

Prior to the issuance of long-term Debt, the Districts may issue bond anticipation notes or other multiple-fiscal year financial obligations secured by the revenues generated from property taxes, development fees, district fees, and any other District revenues collected by the Districts. Credit enhancement may be provided for any obligation of the Districts, if necessary. The Districts may make multiple-fiscal year financial obligation pledges secured by property taxes, specific ownership taxes and the development fee revenue to fund the acquisition and installation of the Public Improvements for the Project. Revenue from property taxes, specific ownership taxes and development fees and from other available sources will be used to retire District bonds, other Debt or multiple-fiscal year financial obligations.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. In the event of a default, the proposed maximum interest rate on any Debt is not expected to exceed fifteen percent (15%). The proposed maximum underwriting discount will be five percent (5%). Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

C. Total Combined Mill Levy.

The total mill levy in any of the Districts, combined to include both general operations, maintenance and debt service, shall not exceed fifty (50) mills unless approved by the Town; provided, however, in the event that the method of calculating assessed valuation is changed after the date of this Agreement by any change in law or method of calculation or by any change in the percentage of actual value used to determine assessed valuation pursuant to Section 39-1-104.2, C.R.S., and Article X, Section 3 of the State Constitution, the mill levy limitation shall be increased or decreased to reflect such change, as reasonably determined by the Boards of Directors of the Districts so that, to the greatest extent possible, the actual property tax revenues generated by the mill levy as adjusted are neither increased nor diminished as a consequence of such adjustment.

D. Maximum Debt Mill Levy.

With respect to each District, the "Maximum Debt Mill Levy" shall be the maximum mill levy a District is permitted to impose upon the taxable property within such District for payment of Debt. The Maximum Debt Mill Levy, shall be thirty-five (35.0) mills; provided that, on or after January 1, 2006, the thirty-five (35.0) mill tax rate for debt may be increased to compensate for any decreases in the assessed valuation of the property within the District necessitated by state law pursuant to Article X, Section 3 of the Colorado Constitution commonly referred to as the Gallagher Amendment or any other legislation causing a reduction in the assessed valuation of residential properties. In the event of legislation implementing changes in the ratio of actual valuation to assessed valuation for residential real property, pursuant to Article X, Section 3(1)(b) of the Colorado Constitution, the mill levy limitation provided herein will be increased or decreased as to all taxable property in the District to reflect

such changes; so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation. All Debt issued by the Districts must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State or Federal law.

Obligations of the Districts in the intergovernmental agreements discussed herein will not count against the Debt limitation, but will be subject to the Maximum Debt Mill Levy. Any change in the Debt limitation shall be considered a material modification of the Service Plan. The Debt limitation shall not otherwise be increased unless approved by the Town and as permitted by statute.

To the extent that a District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term "District" as used herein shall be deemed to refer to such District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

E. Debt Repayment Sources.

Each of the Districts may impose a mill levy on taxable property within their boundaries as a primary source of revenue for repayment of Debt service and for operations and maintenance. The Districts may also rely upon various other revenue sources authorized by law. At the Districts' discretion, these may include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time.

The Districts may also collect a Development Fee, provided that such Development Fee does not exceed the following limits:

1. For each single-family detached residential unit, the Development Fee shall not exceed Two Thousand Five Hundred Dollars (\$2,500.00).
2. For each single-family attached or multi-family residential unit, the Development Fee shall not exceed Two Thousand Dollars (\$2,000.00).
3. For a structure other than a single-family or multi-family residential structure, the Development Fee shall not exceed Twenty-Five Cents (\$0.25) per square foot of the structure.

The Development Fee set forth in this Service Plan may increase by up to the Consumer Price Index for Denver-Boulder, all items, all urban consumers (or its successor index for any years for which Consumer Price Index is not available) each year thereafter (as an inflation adjustment) commencing on January 1, 2008. The Development Fee shall be collected at the time of lot sale or prior to issuance of a building permit.

F. Security for Debt.

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

G. TABOR Compliance.

The Districts will comply with the provisions of TABOR. In the discretion of the Board, the Districts may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the Districts will remain under the control of the Districts' Boards.

H. Districts' Formation and First Year Operating Costs.

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the Districts' organization, are not anticipated to exceed One Hundred Sixty-Six Thousand Dollars (\$166,000), which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the Districts will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained. The Districts' first year's operating budget is estimated to be Two Hundred Fourteen Thousand, Four Hundred Thirty-Three Dollars (\$214,433), which is anticipated to be derived primarily from developer advances and available from property taxes and other revenues.

The Districts will impose a mill levy to be assessed on all taxable property within its boundaries as a primary source of revenue for operations and maintenance. In addition to the operations mill levy, the Districts may also rely upon various other revenue sources authorized by law and this Service Plan to offset the expense of capital construction and District No. 1's management, administrations, operations and maintenance. These will include revenues from other governmental entities and developers, as well as the power to assess fees, rates, tolls, penalties or charges as provided in Title 32, Article 1, C.R.S., as amended.

The Maximum Debt Mill Levy does not apply to the Districts' ability to increase their mill levy as necessary for provision of operation and maintenance services to the property within its boundaries. However, there are statutory and constitutional limits on a District's ability to increase its mill levy for operation and maintenance services without an election. The proponents of the Districts intend to seek the Districts' electoral approval to waive the revenue and spending limits of Article X, Section 20 of the Colorado Constitution, as well as the 5.5% limitation set forth in Section 29-1-301, C.R.S.

Prior to the Districts having sufficient revenue to cover their ongoing operations and maintenance expenses, the Developer will advance funds to the Districts. The Districts will

have the authority to repay the developer for amounts advanced for operations and maintenance expenses, together with interest thereon.

VII. ANNUAL REPORT

A. General.

Upon the request of the Town, each of the Districts shall be responsible for submitting an annual report to the Town Manager's Office no later than August 1st of each year following the year in which the Order and Decree creating the District has been issued.

B. Reporting of Significant Events.

The annual report shall include information as to any of the following:

1. Boundary changes made to the District's boundaries as of December 31 of the prior year.
2. Intergovernmental Agreements with other governmental entities either entered into or proposed as of December 31 of the prior year.
3. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the Town as of December 31 of the prior year.
4. The assessed valuation of the Districts for the current year.
5. Current year budget including a description of the Public Improvements to be constructed in such year.
6. Audit of the Districts' financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.
7. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.
8. Reasonable information requested by the Town pertaining to usage of any District facilities, including the District Pool, and costs related to such usage, operation and maintenance of such facilities.

VIII. CONSOLIDATION/DISSOLUTION

The consolidation of any District with any other special district shall be subject to the approval of the Town, unless such consolidation is with another Timnath Ranch Metropolitan District. Each District will take all action necessary to dissolve pursuant to Title 32, Article 1,

Part 7, C.R.S., as amended from time to time, at such time as it does not need to remain in existence to discharge its financial obligations or perform its services.

IX. DISCLOSURE TO PURCHASERS

The Districts will use reasonable efforts to assure that all developers of the property located within the Districts provide written notice to all purchasers of property in the Districts regarding the Maximum Debt Mill Levy, as well as a general description of the Districts' authority to impose and collect rates, fees, tolls and charges.

X. INTERGOVERNMENTAL AGREEMENTS

A. Town IGA. The form of the intergovernmental agreement required relating to the limitations imposed on the Districts' activities is attached hereto as **Exhibit F**. The Districts shall approve the intergovernmental agreement substantially in the form attached as **Exhibit F** at their first Board meetings after their organizational elections. The Town Council shall approve the intergovernmental agreement in the form attached as **Exhibit F** at the public hearing approving the Service Plan.

B. Master IGA. The relationship between the Operating District and the Financing Districts, including the means for approving, financing, constructing, and operating the public services and improvements needed to serve the Project may be established by means of the Master IGA. The Master IGA is expected to generally provide that the Financing Districts will pay to and/or reimburse the Operating District over a period of years the costs of (1) the construction, acquisition, installation and financing of certain public facilities and services, and (2) the operation and maintenance of the facilities. Under the Master IGA, the Financing Districts are expected to covenant to levy the taxes necessary, together with other available funds, to meet the payment obligations set forth in the Master IGA. In return for the payment under the agreement, the Operating District would agree to (1) acquire, construct and equip the facilities, (2) provide for their operation and maintenance, and (3) provide service to the property within the Districts or convey facilities to other appropriate entities which will provide service.

C. Timnath Development Authority IGA. The form of the intergovernmental agreement describing the relationship between the Timnath Development Authority and the Districts in relation to property tax and revenue sharing between the Timnath Development Authority and the Districts' Public Improvement financing, operations and maintenance is attached hereto as **Exhibit G**. The Districts shall approve this "Timnath Development Authority IGA" substantially in the form attached as **Exhibit G** as soon as practical after formation of the Districts on the terms and conditions substantially described in the form attached hereto. The Town Council and/or the Timnath Development Authority Board shall approve the Timnath Development Authority IGA in substantially the form attached as **Exhibit G** at the public hearing approving the Service Plan.

D. Development Fee Agreement. The Districts and/or any enterprises may enter into a development Fee Agreements with the Developer and other landowners, developers and/or

builders to install the Public Improvements to be furnished by the Districts. Under the Development Fee Agreement, the Developer and other landowners, developers and/or builders benefited by the Public Improvements will be obligated to pay a developer fee in the amounts set forth in Section VI.F. above based upon a per lot or single family equivalent unit calculation. The Operating District may increase the Development Fee as necessary to fund the capital costs of the public improvements. If a Development Fee Agreement is entered into, the development fee will constitute an unconditional obligation of, and statutory lien against, the property benefited.

E. Other Agreements/Authority. To the extent necessary, the Operating District may enter into additional intergovernmental and private agreements to ensure the long-term provision of the public facilities and services needed for the Project and for the effective management of District affairs. Agreements may also be entered into with the Developer, other developers and/or builders, owner associations, and other service providers to discharge any facility or service responsibility of the Districts.

XI. CONCLUSION

It is submitted that this Service Plan for the Districts, as required by Section 32-1-203(2), and Section 32-1-204.5, C.R.S., establishes that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the Districts;
2. The continued existence of the Districts is needed to ensure that the existing service in the area to be served by the Districts is addressed as the existing service in the area is inadequate for present and projected needs;
3. The Districts are capable of providing economical and sufficient service to the area within its proposed boundaries; and
4. The area to be included in the Districts does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.
5. Adequate service is not, and will not be, available to the area through the Town or county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.
6. The facility and service standards of the Districts are compatible with the facility and service standards of the Town within which the special districts are to be located and each public entity which is an interested party under Section 32-1-204(1), C.R.S.
7. The proposal is in substantial compliance with a comprehensive plan adopted pursuant to the Town Code.

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

9. The creation of the Districts and their continued existence pursuant to this Service Plan of the Districts is in the best interests of the area proposed to be served by the Districts.

Therefore, it is hereby respectfully requested that the Town Council of the Town of Timnath, Colorado, which has jurisdiction to approve this Service Plan by virtue of Section 32-1-204.5, C.R.S., *et seq.*, as amended, adopt a resolution, which approves this "Amended Consolidated Service Plan for Timnath Ranch Metropolitan District No. 1, No. 2, No. 3, and No. 4" as submitted.

Respectfully submitted this 14th day of September, 2007.

CORBETTA & O'LEARY, P.C.

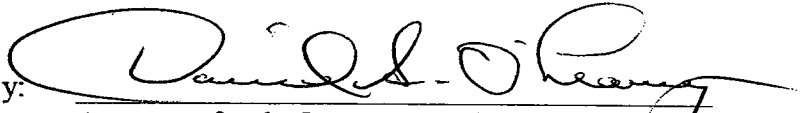
By: 
Attorneys for the Proponents of
Timnath Ranch Metropolitan Districts Nos. 1-4

EXHIBIT A

Legal Descriptions for Timnath Ranch Metropolitan Districts Nos. 1 - 4



**NORTHERN
ENGINEERING**

ADDRESS:
200 S. College Ave. Suite 100
Fort Collins, CO 80524

PHONE: 970.221.4158

FAX: 970.221.4159

WEBSITE:
www.northernengineering.com

DESCRIPTION: TIMNATH RANCH METRO DISTRICT No. 1

A portion of Tract P, Timnath Ranch Subdivision Third Filing, located in Section 1, Township 6 North, Range 68 West of the 6th Principal Meridian, Town of Timnath, County of Larimer, State of Colorado being more particularly described as follows:

Considering the North line of the Northwest Quarter of said Section 1 as bearing South 89°33'31" East and with all bearings contained herein relative thereto:

Commencing at the Northwest Corner of said Section 1; thence, South 66°07'12" East, 2649.99 feet to a point on the Westerly right-of-way line of Club Drive, said point also being the **POINT OF BEGINNING**; thence along said Westerly line South 25°17'30" East, 236.39 feet; thence, South 16°01'32" West, 6.60 feet to a point on the Northerly right-of-way line of School House Drive; thence along said Northerly line and along a non-tangent curve concave to the Southeast having a central angle of 06°54'37" with a radius of 580.00 feet, an arc length of 69.95 feet and the chord of which bears South 53°53'15" West, 69.91 feet; thence departing said Northerly line, North 39°34'04" West, 245.00 feet; thence along a non-tangent curve concave to the Southeast having a central angle of 09°01'42" with a radius of 825.00 feet, an arc length of 130.00 feet and the chord of which bears North 54°56'47" East, 129.86 feet; thence South 72°54'56" East, 7.39 feet to the Point of Beginning.

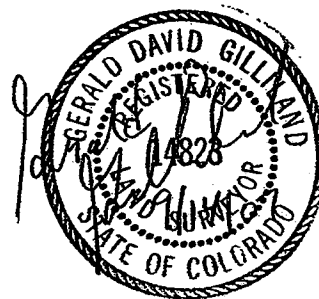
The above described tract of land contains 25,681 square feet or 0.590 acres, more or less and is subject to all easements and rights-of-way now on record or existing.

September 10, 2007

L. Mayer

103-001.09

S:\Survey Jobs\TM3\METRO-DIST\DESCRIPTIONS\TM-MET-DIST_1_9-10-07.doc





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DESCRIPTION: TIMNATH RANCH METRO DISTRICT No. 2

Tracts of land located in Section 1, Township 6 North, Range 68 West of the 6th Principal Meridian, Town of Timnath, County of Larimer, State of Colorado being more particularly described as follows:

NORTHERN TRACT:

Tract B, Timnath Ranch Subdivision Second Filing and a portion of Timnath Ranch Subdivision Third Filing being more particularly described as follows:

Considering the North line of the Northwest Quarter of said Section 1 as bearing South 89°33'31" East and with all bearings contained herein relative thereto:

Commencing at the Northwest Corner of said Section 1; thence, South 36°11'43" East, 87.23 feet to the **POINT OF BEGINNING**, said point being on the South right-of-way line of Harmony Road (Larimer County Road No. 38); thence, along said South right-of-way line, South 89°33'31" East, 181.71 feet to a point on Tract A, Timnath Ranch Subdivision Third Filing; thence along said tract the following fifteen (15) courses and distances, South 44°24'38" East, 805.04 feet; thence along a non-tangent curve concave to the Southwest having a central angle of 20°36'47", a radius of 773.69 feet, an arc length of 278.35 feet and the chord of which bears South 33°38'32" East, 276.85 feet; thence, South 89°33'31" East, 1,145.83 feet; thence, South 39°34'04" East, 278.00 feet; thence along a non-tangent curve concave to the Southeast having a central angle of 09°25'52", a radius of 883.00 feet, an arc length of 145.35 feet and the chord of which bears North 55°08'52" East, 145.18 feet; thence, North 20°24'30" East, 6.40 feet; thence, North 25°17'30" West, 43.51 feet; thence along a tangent curve concave to the Southwest having a central angle of 16°23'27", a radius of 125.00 feet, an arc length of 35.76 feet and the chord of which bears North 33°29'13" West, 35.64 feet; thence along a reverse curve concave to the East having a central angle of 74°17'47", a radius of 205.00 feet, an arc length of 265.83 feet and the chord of which bears North 04°32'03" West, 247.59 feet; thence along a reverse curve concave to the Southwest having a central angle of 122°10'21", a radius of 65.00 feet, an arc length of 138.60 feet and the chord of which bears North 28°28'21" West, 113.80 feet; thence, North 89°33'31" West, 101.76 feet; thence, North 00°26'29" East, 100.00 feet; thence, South 89°33'31" East, 92.53 feet; thence along a tangent curve concave to the Northwest having a central angle of 89°56'31", a radius of 80.00 feet, an arc length of 125.58 feet and the chord of which bears North 45°28'13" East, 113.08 feet; thence, North 00°29'58" East, 308.07 feet; thence, North 44°31'46" West, 28.30 feet to a point on the South right-of-way line of Harmony Road (Larimer County Road No. 38); thence, along said South right-of-way line, South 89°33'31" East, 311.90 feet; thence, South 89°33'48" East, 863.33 feet to a point on the Westerly line of that tract of land being recorded at Reception No. 93029603 on file at the office of the Larimer County Clerk and Recorder; thence, along said Westerly and Southerly line of said Tract of land by the following nine (9) courses and distances, South 46°31'54" East, 299.82 feet; thence, South 49°09'56" East, 223.17 feet; thence, South 41°28'44" East, 198.69 feet; thence, South 65°54'46" East, 187.51 feet; thence, South 59°47'45" East, 91.71 feet; thence, South 51°28'02" East, 233.76 feet; thence, South 64°52'04" East, 87.62 feet; thence, South 00°14'28" East, 450.00 feet;



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thence, South 89°34'04" East, 689.76 feet to a point on the West right-of-way line of Larimer County Road No. 901 (Weld County Road No. 13); thence, along said West right-of-way line by the following two (2) courses and distances, South 00°13'55" East, 1,330.49 feet; thence, South 00°14'06" East, 2595.90 feet to a point on the North right-of-way line of Larimer County Road No. 36; thence, along said North line, North 88°01'18" West, 1,432.22 feet to a point being on the Northerly right-of-way line of the Colorado Southern Railroad; thence, along said Northerly right-of-way line, North 50°23'30" West, 3411.36 feet; thence departing said Northerly right-of-way line and along a curve concave to the Northeast having a central angle of 50°22'04" with a radius of 905.37 feet, an arc length of 795.90 feet and the chord of which bears North 25°11'02" West, 770.51 feet; thence, North 00°00'00" East, 1,179.68 feet; thence, along a curve concave to the West having a central angle of 43°56'55" with a radius of 623.69 feet, an arc length of 478.40 feet and the chord of which bears North 21°58'28" West, 466.76 feet; thence, North 44°24'38" West, 909.42 feet to a point on the East right-of-way line of Larimer County Road No. 3; thence, along said East right-of-way line, North 01°13'26" West, 30.95 feet to the POINT OF BEGINNING.

EXCEPT for a portion of Tract P of Timnath Ranch Subdivision Third Filing being more particularly described as follows:

Commencing at the Northwest Corner of said Section 1; thence, South 66°07'12" East, 2649.99 feet to a point on the Westerly right-of-way line of Club Drive, said point also being the **POINT OF BEGINNING**; thence along said Westerly line South 25°17'30" East, 236.39 feet; thence, South 16°01'32" West, 6.60 feet to a point on the Northerly right-of-way line of School House Drive; thence along said Northerly line and along a non-tangent curve concave to the Southeast having a central angle of 06°54'37" with a radius of 580.00 feet, an arc length of 69.95 feet and the chord of which bears South 53°53'15" West, 69.91 feet; thence departing said Northerly line, North 39°34'04" West, 245.00 feet; thence along a non-tangent curve concave to the Southeast having a central angle of 09°01'42" with a radius of 825.00 feet, an arc length of 130.00 feet and the chord of which bears North 54°56'47" East, 129.86 feet; thence South 72°54'56" East, 7.39 feet to the Point of Beginning.

The Northern tract Contains 16,536,203 square feet or 379.619 acres, more or less.





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SOUTHERN TRACT:

A portion of Timnath Ranch Subdivision First Filing Amended Final Plat being more particularly described as follows:

Commencing at the Southwest Corner of said Section 1; thence, North 37°57'05" East, 79.32 feet to a point on the East right-of-way line of Larimer County Road No. 3, said point also being the **POINT OF BEGINNING**; thence along said East right-of-way line, North 01°07'35" West, 2,586.76 feet; thence, North 01°13'26" West, 222.08 feet to a point on the Southwesterly right-of-way line of the Colorado and Southern Railroad; thence, along said Southwesterly right-of-way line, South 50°23'30" East, 4,616.63 feet to a point on the North right-of-way line of Larimer Country Road No.36; thence, along said North right-of-way line, North 88°01'18" West, 941.14 feet; thence, North 88°01'30" West, 395.41 feet; thence, North 46°58'26" East, 21.26 feet; thence, North 01°58'24" East, 65.43 feet; thence along a tangent curve concave to the East having a central angle of 14°29'55", a radius of 192.00 feet, an arc length of 48.59 feet and the chord of which bears North 09°13'21" East, 48.46 feet; thence, North 16°28'19" East, 41.06 feet; thence along a tangent curve concave to the West having a central angle of 09°54'53", a radius of 103.00 feet, an arc length of 17.82 feet and the chord of which bears North 11°30'52" East, 17.80 feet; thence along a reverse curve concave to the East having a central angle of 12°23'52", a radius of 1,046.00 feet, an arc length of 226.34 feet and the chord of which bears North 12°45'22" East, 225.90 feet; thence, North 26°35'12" West, 21.41 feet; thence along a non-tangent curve concave to the South having a central angle of 15°53'42", a radius of 350.00 feet, an arc length of 97.10 feet and the chord of which bears North 80°04'33" West, 96.79 feet; thence, North 88°01'24" West, 186.12 feet; thence continue along said line, North 88°01'24" West, 488.08 feet; thence along a tangent curve concave to the North having a central angle of 15°26'02", a radius of 400.00 feet, an arc length of 107.75 feet and the chord of which bears North 80°18'23" West, 107.42 feet; thence, South 65°11'56" West, 20.16 feet; thence, South 22°59'15" West, 6.71 feet; thence along a tangent curve concave to the East having a central angle of 21°00'42", a radius of 690.00 feet, an arc length of 253.04 feet and the chord of which bears South 12°28'54" West, 251.62 feet; thence, South 01°58'33" West, 176.64 feet; thence, South 41°05'53" East, 20.50 feet; thence, North 88°01'30" West, 1,289.80 feet; thence along a tangent curve concave to the Northeast having a central angle of 86°53'55", a radius of 15.00 feet, an arc length of 22.75 feet and the chord of which bears North 44°34'32" West, 20.63 feet to the Point of Beginning.

The Southern tract Contains 4,537,494 square feet or 104.167 acres more or less.

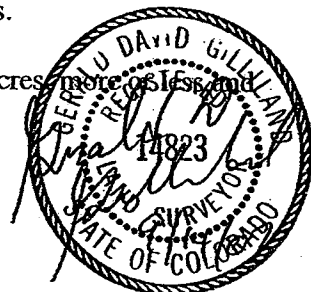
The above described tracts of land contain 21,073,697 square feet or 483.786 acres more or less and is subject to all easements and rights-of-way now on record or existing.

September 10, 2007

L. Mayer

103-001.09

S:\Survey Jobs\TM 3\METRO-DIST\DESCRIPTIONS\TM-MET-DIST_2_9-10-07.doc





**NORTHERN
ENGINEERING**

ADDRESS: 200 S. College Ave. Suite 100 Fort Collins, CO 80524	PHONE: 970.221.4158	WEBSITE: www.northernengineering.com
	FAX: 970.221.4159	

DESCRIPTION: TIMNATH RANCH METRO DISTRICT No. 3

Tracts of land located in Section 1, Township 6 North, Range 68 West of the 6th Principal Meridian, Town of Timnath, County of Larimer, State of Colorado being more particularly described as follows:

NORTHERN TRACT:

All of Tract A, Timnath Ranch Subdivision Third Filing.

The Northern tract contains 1,393,689 square feet or 31.995 acres more or less.

ALSO:

SOUTHERN TRACT:

All of Tract C and Tract D, Timnath Ranch Subdivision First Filing Amended Final Plat.

The Southern tract contains 399,112 square feet or 9.162 acres more or less.

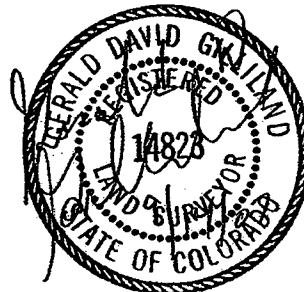
The above described tracts of land contain 1,792,801 square feet or 41.157 acres, more or less and is subject to all easements and rights-of-way now on record or existing.

September 10, 2007

L. Mayer

103-001.09

S:\Survey Jobs\TM 3\METRO-DIST\DESCRIPTIONS\TM-MET-DIST_9-10-07.doc





**NORTHERN
ENGINEERING**

ADDRESS: 200 S. College Ave. Suite 100 Fort Collins, CO 80524	PHONE: 970.221.4158	WEBSITE: www.northernengineering.com
	FAX: 970.221.4159	

DESCRIPTION: TIMNATH RANCH METRO DISTRICT No. 4

A tract of land being all of Timnath Ranch Subdivision Fourth Filing, located in Section 1, Township 6 North, Range 68 West of the 6th Principal Meridian, Town of Timnath, County of Larimer, State of Colorado.

The above described tract of land contains 1,437,845 square feet or 33.008 acres, more or less and is subject to all easements and rights-of-way now on record or existing.

September 10, 2007

L. Mayer

103-001.09

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EXHIBIT B

Timnath Vicinity Map

TIMNATH RANCH METROPOLITAN DISTRICT

VICINITY MAP (NOT TO SCALE)

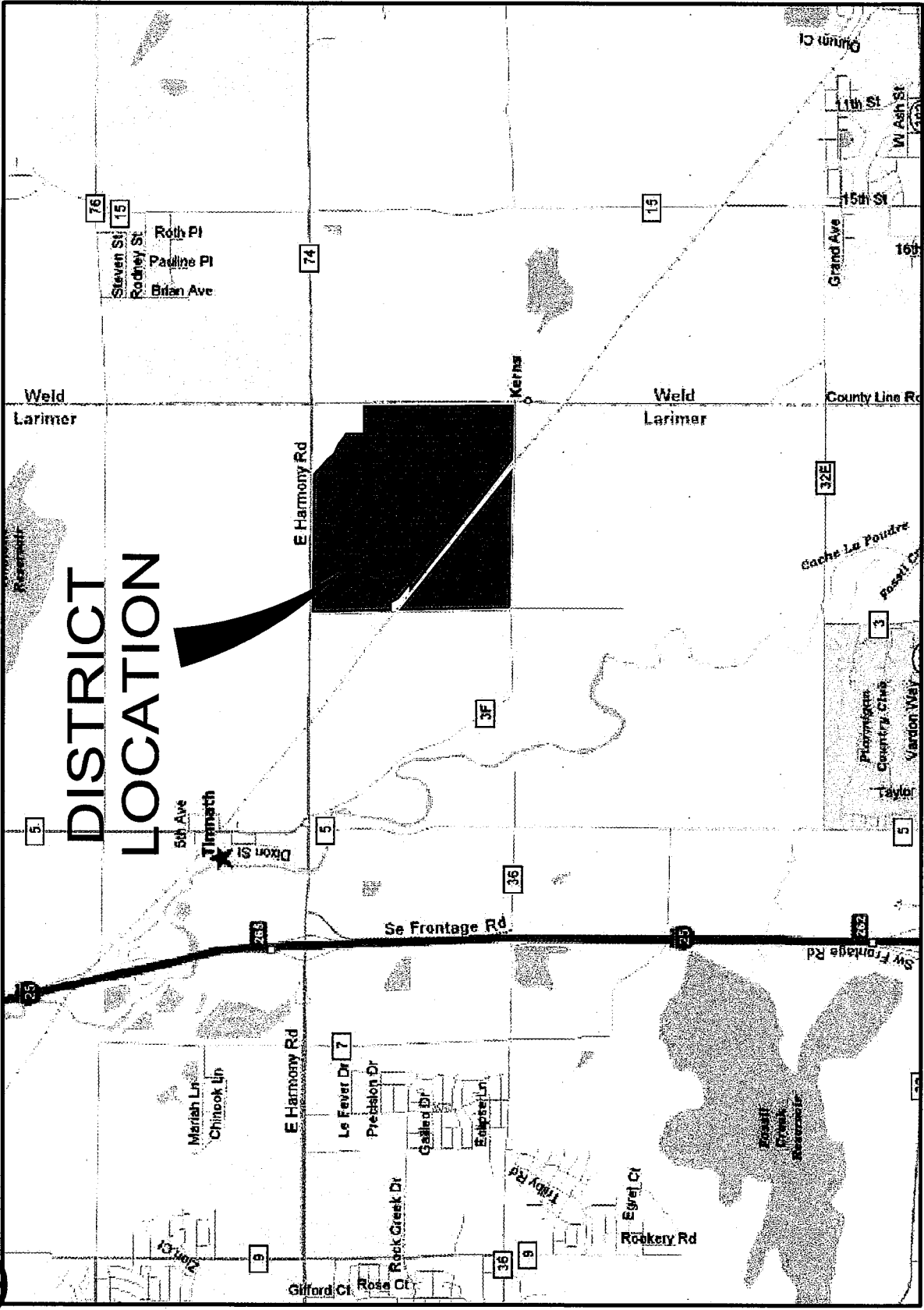
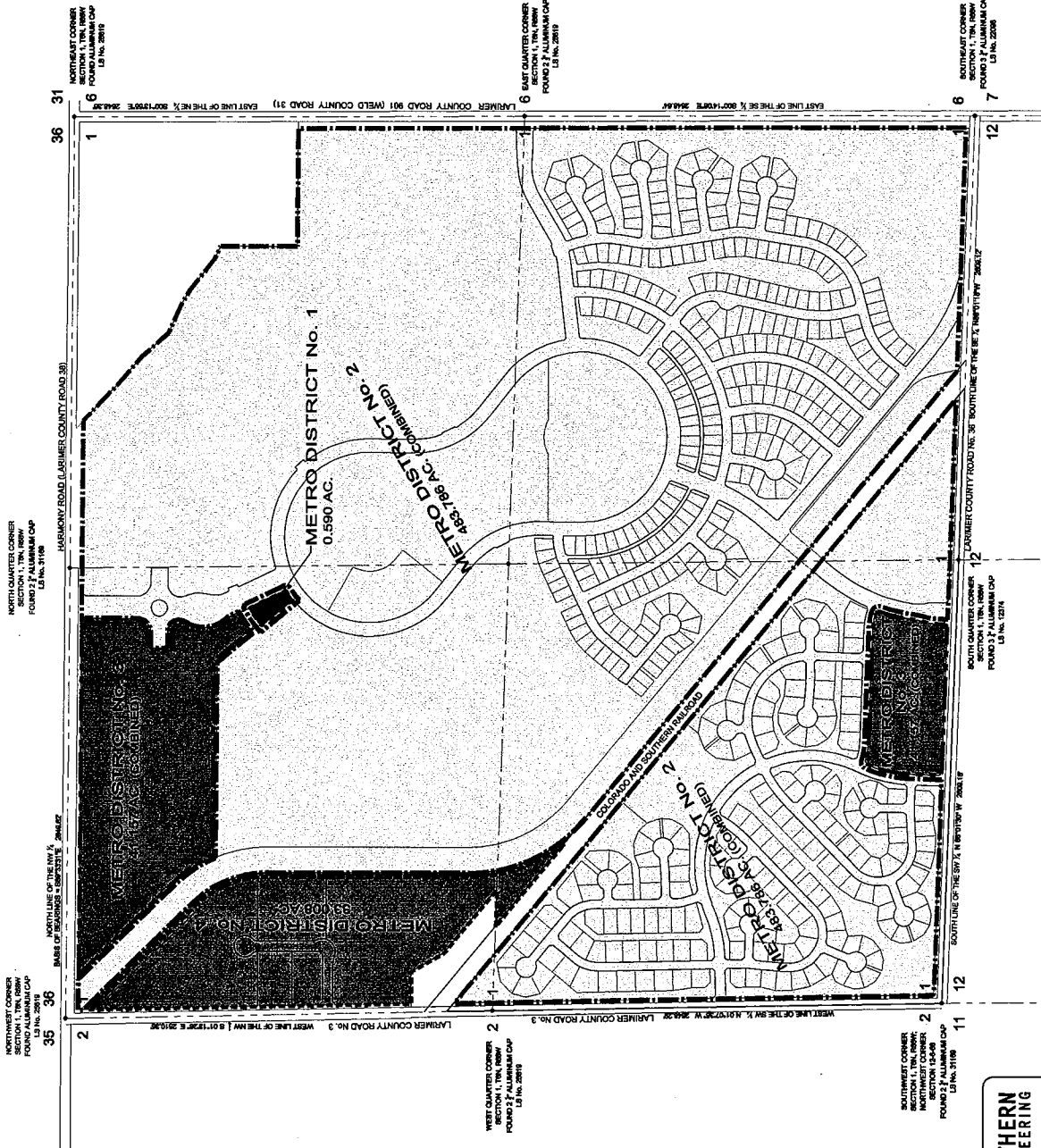


EXHIBIT C

Districts Boundaries Map

TIMNATH RANCH METROPOLITAN DISTRICT MAP

LOCATED IN SECTION 1, TOWNSHIP 6 NORTH, RANGE 68 WEST,
TOWN OF TIMNATH, COUNTY OF LARIMER, STATE OF COLORADO

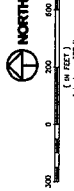


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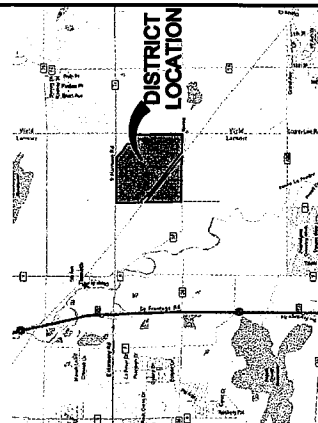
- 12 -Section Corner
- 13 -Metro District No.1
- 14 -Metro District No.2
- 15 -Metro District No.3
- 16 -Metro District No.4

DISTRICT ACREAGE:

TOWN	RANGE	METRO DISTRICT	LAND DISTRIBUTION TABLE	AC	% OF TOTAL
		PARCEL	SF		
		METRO DIST #1	25,681	0.590	0.11
		METRO DIST #2	21,073,697	483,786	86.62
		METRO DIST #3	1,792,801	41,157	7.37
		METRO DIST #4	1,437,845	33,008	5.91
		SUM	24,330,024	568,540	100.00



SEPTEMBER 10, 2007



VICINITY MAP
N.T.S.

TIMNATH RANCH

Metropolitan District

DISTRICT MAP



NORTHERN ENGINEERING
Professional Engineers and Surveyors
1000 West 10th Street, Suite 100
Timnath, Colorado 80559
Phone: 970.824.1111
Fax: 970.824.1112
www.northerneng.com

EXHIBIT D

Capital Plan

Estimate of Construction Costs

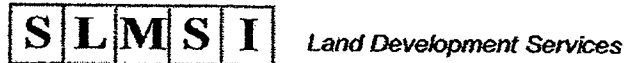
Project Name: Timnath Ranch

Date: July 20, 2006

Filing 1 (Estate Lots)

Lot Count: (180)

LAND, LEGAL & ACCOUNTING	Owner Input Required
SITE OPERATIONS (engineering, management, plans, etc.)	\$ 334,820.00
PERMITS / FEES (WQCD, dust, access, etc.)	\$ 1,550.00
SOILS & SURVEY	\$ 160,950.00
EARTHWORK	\$ 737,540.00
SITE UTILITIES (sanitary sewer, water, storm)	\$ 2,482,964.00
ROADWAY - STREETS (concrete, asphalt paving, signage, striping, etc.)	\$ 1,354,474.00
ROADWAY - STREETS (off-site improvements, includes reimbursement for 1/2 const.)	\$ 557,576.00
EROSION CONTROL	\$ 107,967.00
PUBLIC UTILITIES (Elect, Gas, Tele, Conduits, Etc.)	\$ 913,550.00
LANDSCAPE (open space, tracts, mainline piping, pumps, pond lining, proj. signage, etc.)	\$ 1,156,260.00
Contingencies	6% \$468,459.00
Total	\$ 8,276,110.00



Summit Land Management Services, Inc.

1166 Silver Fir Dr. • Loveland, CO. 80538 • Ofc: (970) 207-1511 • Fax: (970) 207-9780
 Email: andy@slmsi.com • Web: www.slmsi.com

Estimate of Construction Costs

Project Name: **Timnath Ranch**

Date: July 20, 2006

Filing 2 (Industrial)

Lot Count: (5)

	Owner Input Required
LAND, LEGAL & ACCOUNTING	
SITE OPERATIONS (engineering, management, plans, etc.)	\$ 64,258.00
PERMITS / FEES (WQCD, dust, access, etc.)	\$ 1,550.00
SOILS & SURVEY	\$ 10,100.00
EARTHWORK	\$ 97,342.00
SITE UTILITIES (sanitary sewer, water, storm)	\$ 239,874.00
ROADWAY - STREETS (concrete, asphalt paving, signage, striping, etc.)	\$ 92,086.00
ROADWAY - STREETS (off-site improvements, includes reimbursement for 1/2 const.)	\$ 107,250.00
EROSION CONTROL	\$ 8,330.00
PUBLIC UTILITIES (Elect, Gas, Tele, Conduits, Etc.)	\$ 121,918.00
LANDSCAPE (open space, tracts, mainline piping, pumps, pond lining, proj. signage, etc.)	\$ 96,000.00
Contingencies	6% \$50,322.00
Total	\$ 889,030.00

Estimate of Construction Costs

Project Name: Timnath Ranch

Date: July 20, 2006

Filing 3 (Phases 1 - 15)

Lot Count: (579)

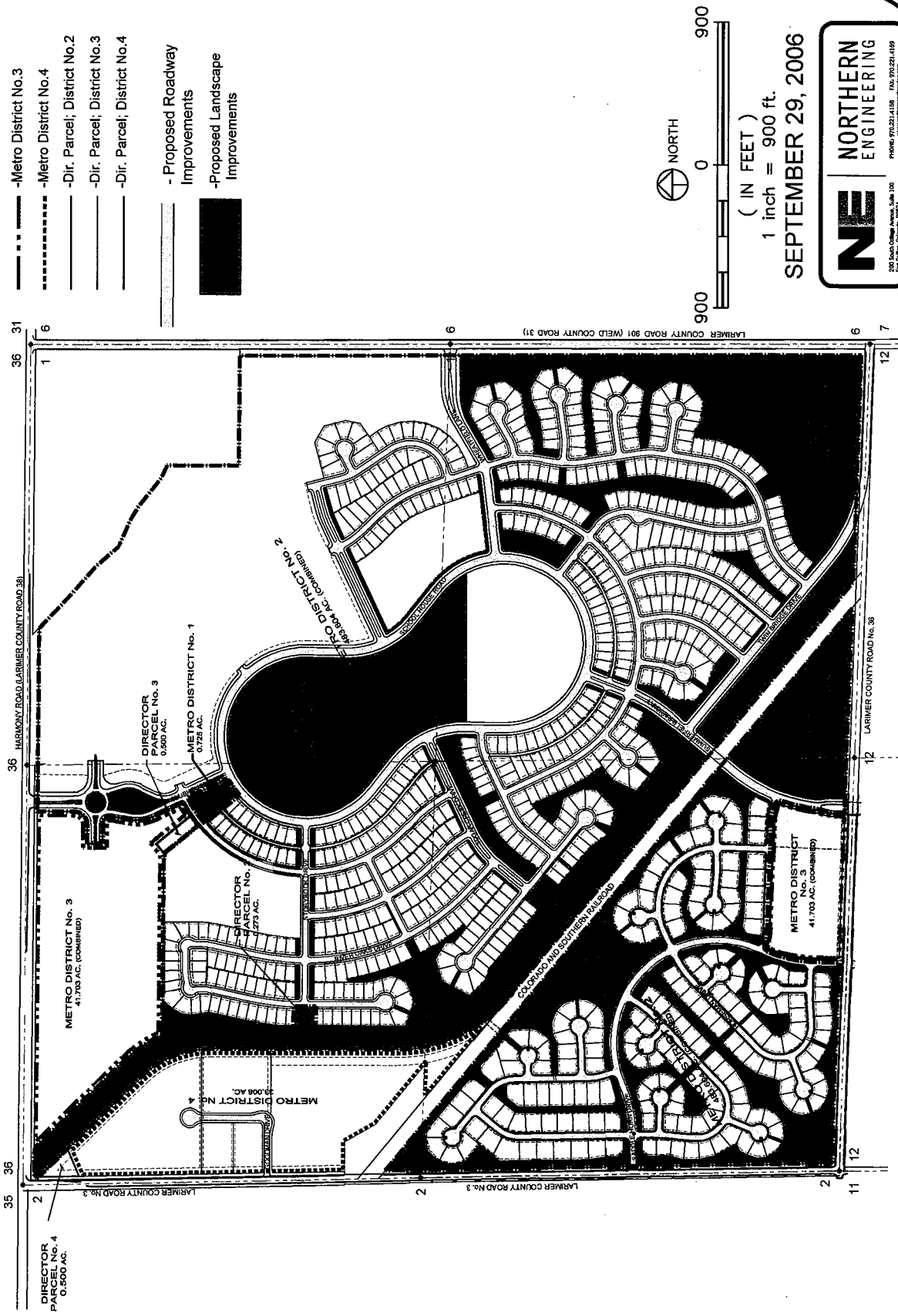
LAND, LEGAL & ACCOUNTING	Owner Input Required
SITE OPERATIONS (engineering, management, plans, etc.)	\$ 1,440,912.00
PERMITS / FEES (WQCD, dust, access, etc.)	\$ 17,850.00
SOILS & SURVEY	\$ 310,828.00
EARTHWORK	\$ 4,150,828.00
DITCH REALIGNMENT	\$ 600,000.00
SITE UTILITIES (sanitary sewer, water, storm)	\$ 4,858,683.00
ROADWAY - STREETS (concrete, asphalt paving, signage, striping, etc.)	\$ 4,982,638.00
ROADWAY - STREETS (off-site improvements)	\$ 1,661,250.00
EROSION CONTROL	\$ 100,337.00
PUBLIC UTILITIES (Elect, Gas, Tele, Conduits, Etc.)	\$ 2,478,096.00
PUBLIC UTILITIES (off-site improvements)	\$ 500,000.00
LANDSCAPE (open space, tracts, mainline piping, pumps, pond lining, proj. signage, etc.)	\$ 4,533,677.00
Contingencies	6% \$1,538,106.00
Total	\$ 27,173,205.00

EXHIBIT

TIMNATH RANCH METRO DISTRICT LANDSCAPING IMPROVEMENTS
 LOCATED IN SECTION 1, TOWNSHIP 6 NORTH, RANGE 68 WEST,
 TOWN OF TIMNATH, COUNTY OF LARIMER, STATE OF COLORADO

LEGEND:

- ◆ -Section Corner
- -Metro District No.1
- -Metro District No.2
- -Metro District No.3
- -Metro District No.4
- -Dir. Parcel; District No.2
- -Dir. Parcel; District No.3
- -Dir. Parcel; District No.4
- - Proposed Roadway Improvements
- -Proposed Landscape Improvements



900 0 900
 NORTH
 (IN FEET)
 1 inch = 900 ft.

SEPTEMBER 29, 2006

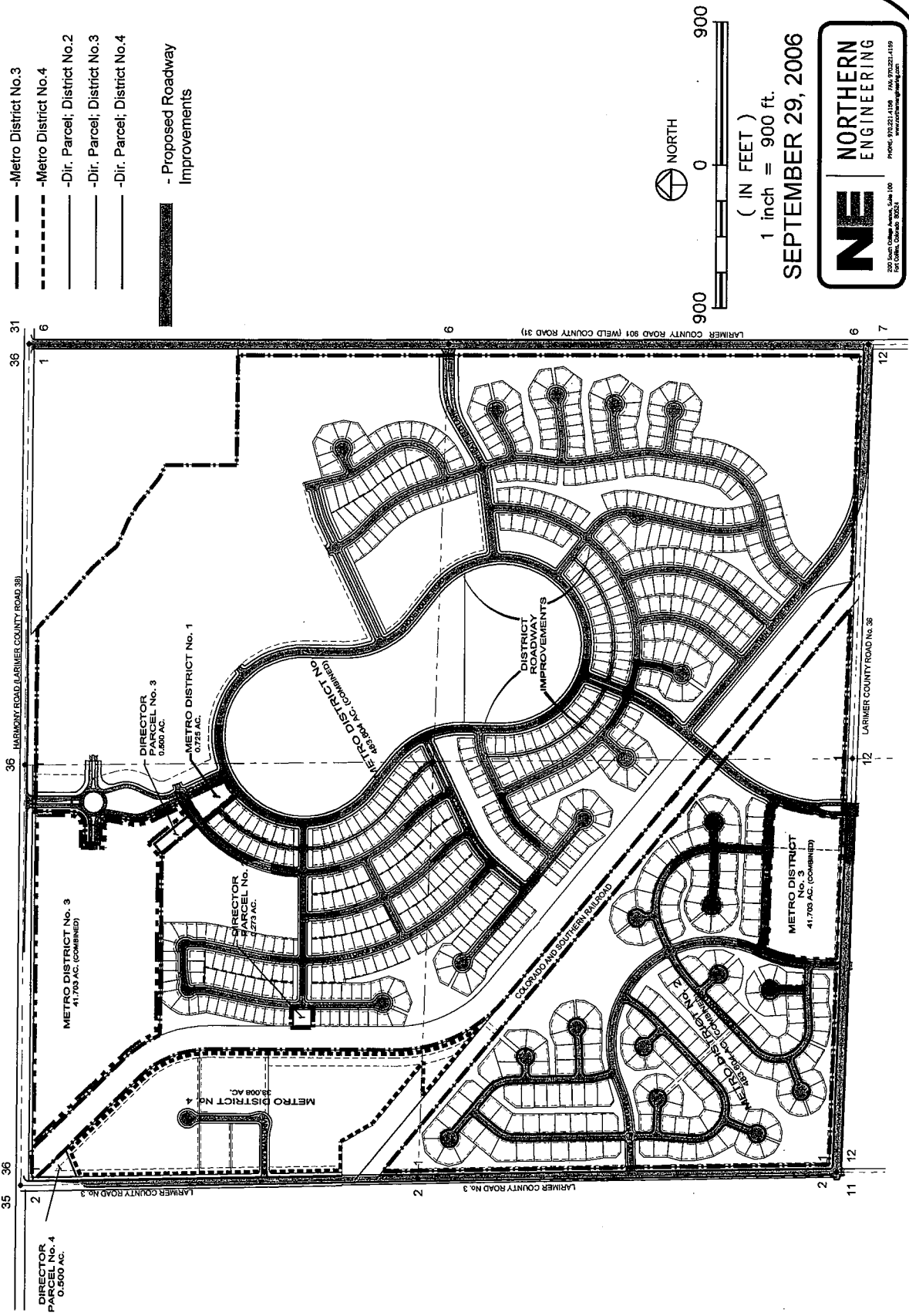
NE NORTHERN ENGINEERING
 200 South Corner in West, Suite 110
 1100 North Lincoln, CO 80501
 PHONE: 970.221.4158 FAX: 970.221.4159
 www.northerneng.com

EXHIBIT

TIMNATH RANCH METRO DISTRICT ROADWAY IMPROVEMENTS
 LOCATED IN SECTION 1, TOWNSHIP 6 NORTH, RANGE 68 WEST,
 TOWN OF TIMNATH, COUNTY OF LARIMER, STATE OF COLORADO

LEGEND:

- ◆ -Section Corner
- - - Metro District No.1
- - - Metro District No.2
- - - Metro District No.3
- - - Metro District No.4
- - - Dir. Parcel; District No.2
- - - Dir. Parcel; District No.3
- - - Dir. Parcel; District No.4
- ▬ - Proposed Roadway Improvements



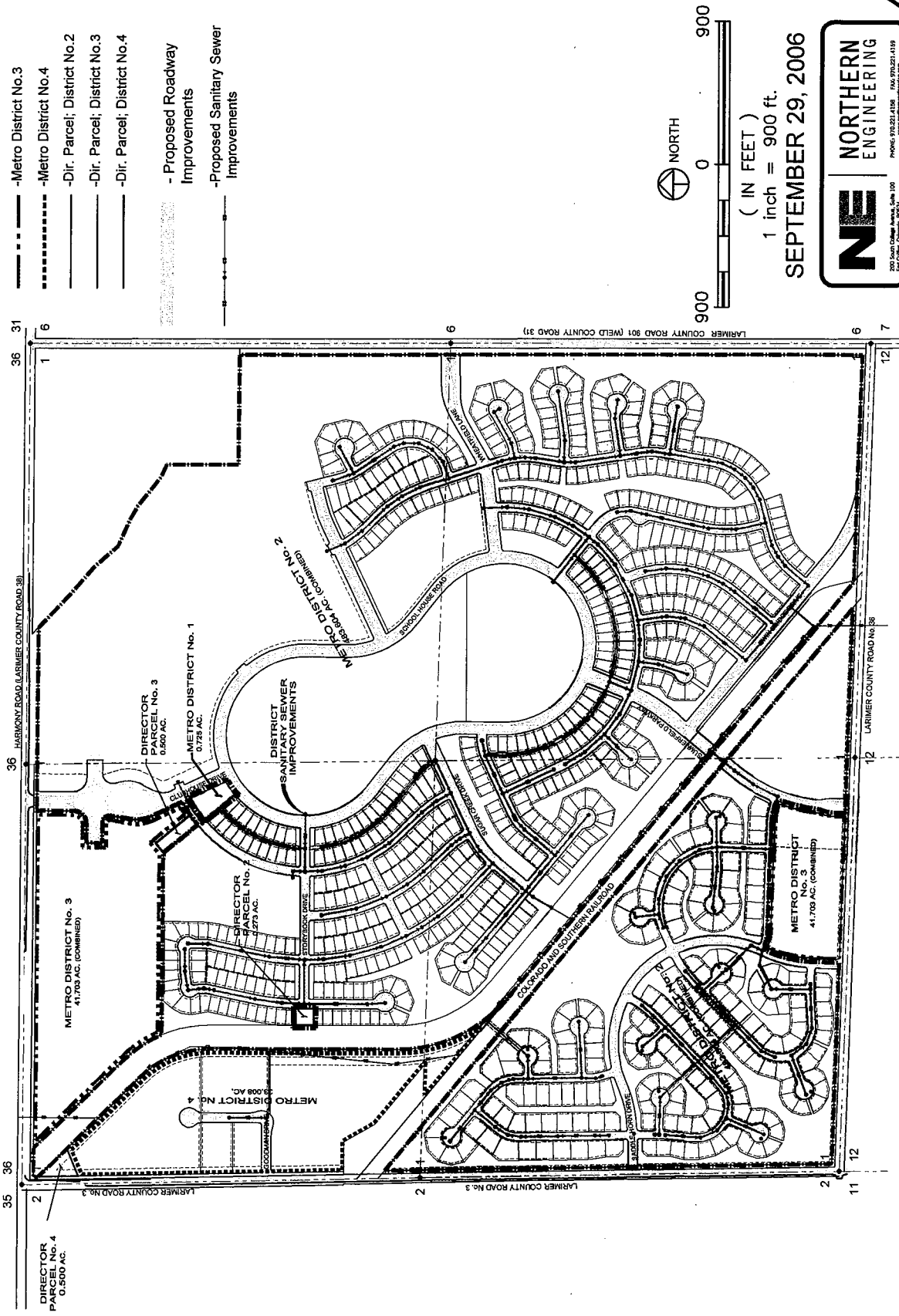
JOB 103.001.09

EXHIBIT

TIMNATH RANCH METRO DISTRICT SANITARY SEWER IMPROVEMENTS LOCATED IN SECTION 1, TOWNSHIP 6 NORTH, RANGE 68 WEST, TOWN OF TIMNATH, COUNTY OF LARIMER, STATE OF COLORADO

LEGEND:

- ◆ -Section Corner
- - - - -Metro District No.1
- - - - -Metro District No.2
- - - - -Metro District No.3
- - - - -Metro District No.4
- - - - -Dir. Parcel; District No.2
- - - - -Dir. Parcel; District No.3
- - - - -Dir. Parcel; District No.4
- Proposed Roadway Improvements
- Proposed Sanitary Sewer Improvements



JOB 103.001.09

SEPTEMBER 29, 2006

NE NORTHERN ENGINEERING
 200 South Cooper Street, Suite 100
 Fort Collins, Colorado 80501
 PHONE: 970.221.4158 FAX: 970.221.4159
 WWW.NORTHERNENGINEERING.COM

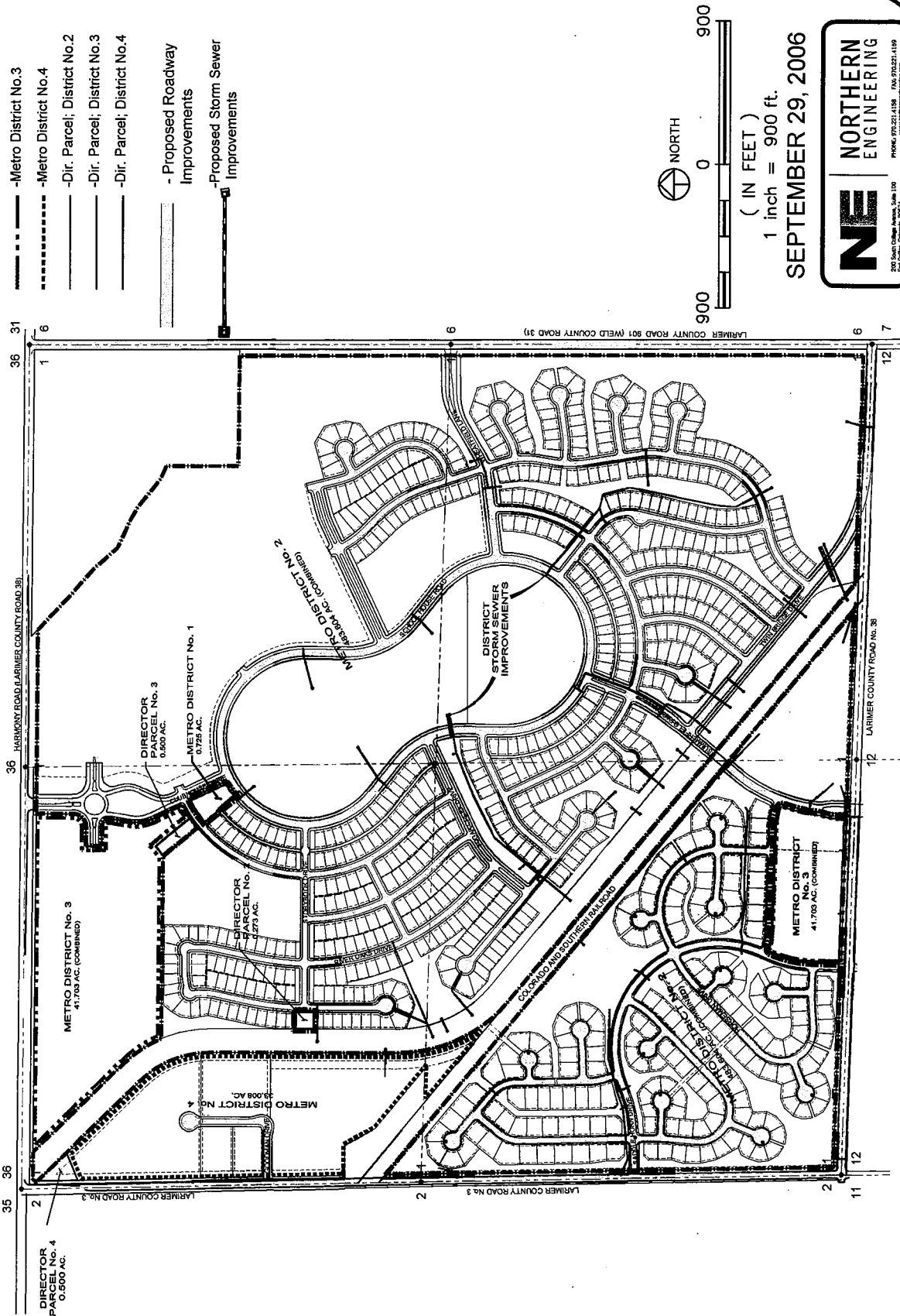
EXHIBIT

TIMNATH RANCH METRO DISTRICT STORM SEWER IMPROVEMENTS

LOCATED IN SECTION 1, TOWNSHIP 6 NORTH, RANGE 68 WEST,
TOWN OF TIMNATH, COUNTY OF LARIMER, STATE OF COLORADO

LEGEND:

- ◆ -Section Corner
- -Metro District No.1
- -Metro District No.2
- -Metro District No.3
- -Metro District No.4
- -Dir. Parcel; District No.2
- -Dir. Parcel; District No.3
- -Dir. Parcel; District No.4
- - Proposed Roadway Improvements
- -Proposed Storm Sewer Improvements

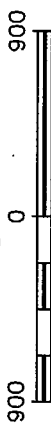


NE NORTHERN ENGINEERING

207 South College Avenue, Suite 110
Littleton, Colorado 80120
PHONE 970.221.4198 FAX 970.221.4199
www.northerneng.com

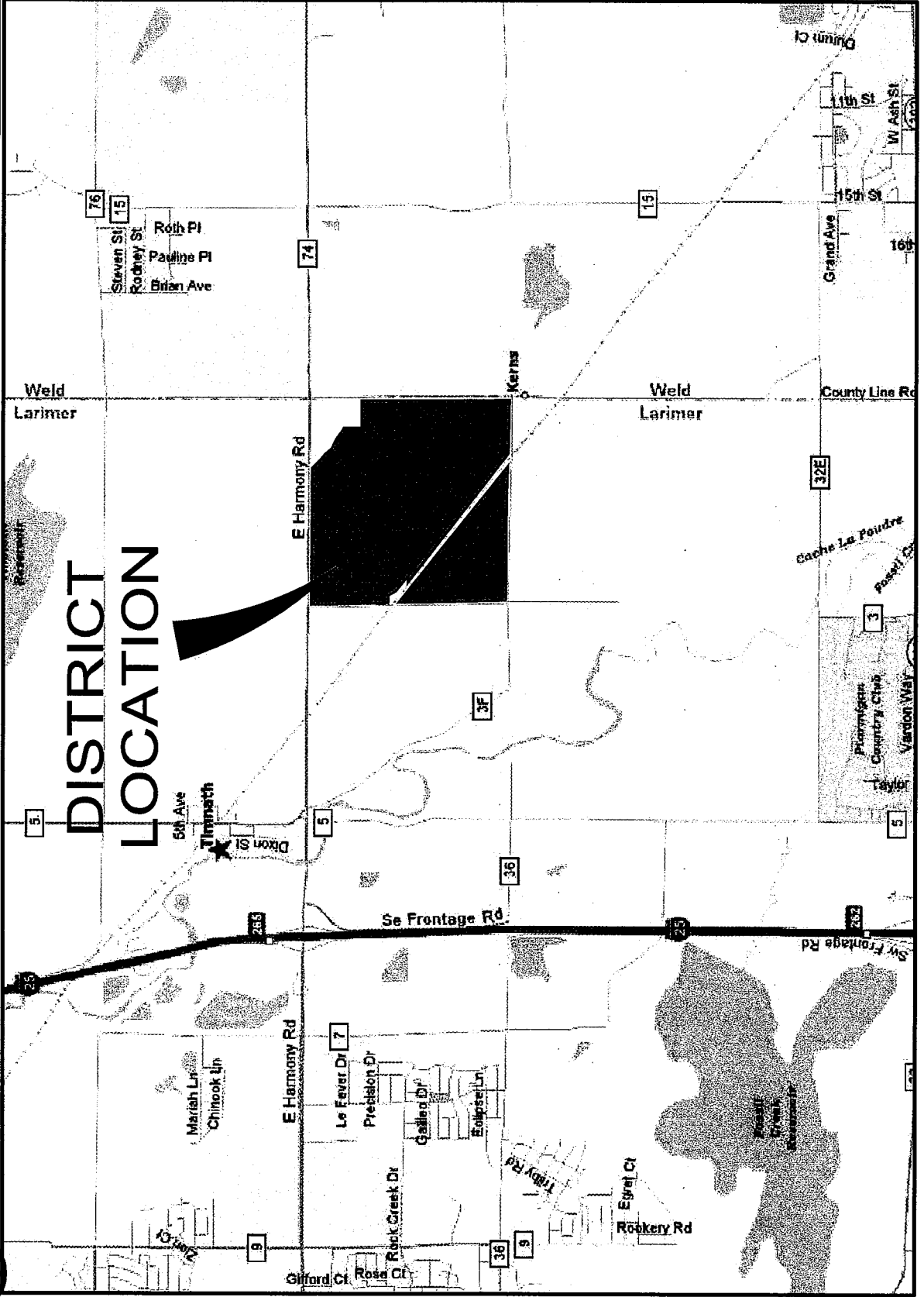
SEPTEMBER 29, 2006

1 inch = 900 ft.
(IN FEET)



TIMNATH RANCH METROPOLITAN DISTRICT

VICINITY MAP (NOT TO SCALE)

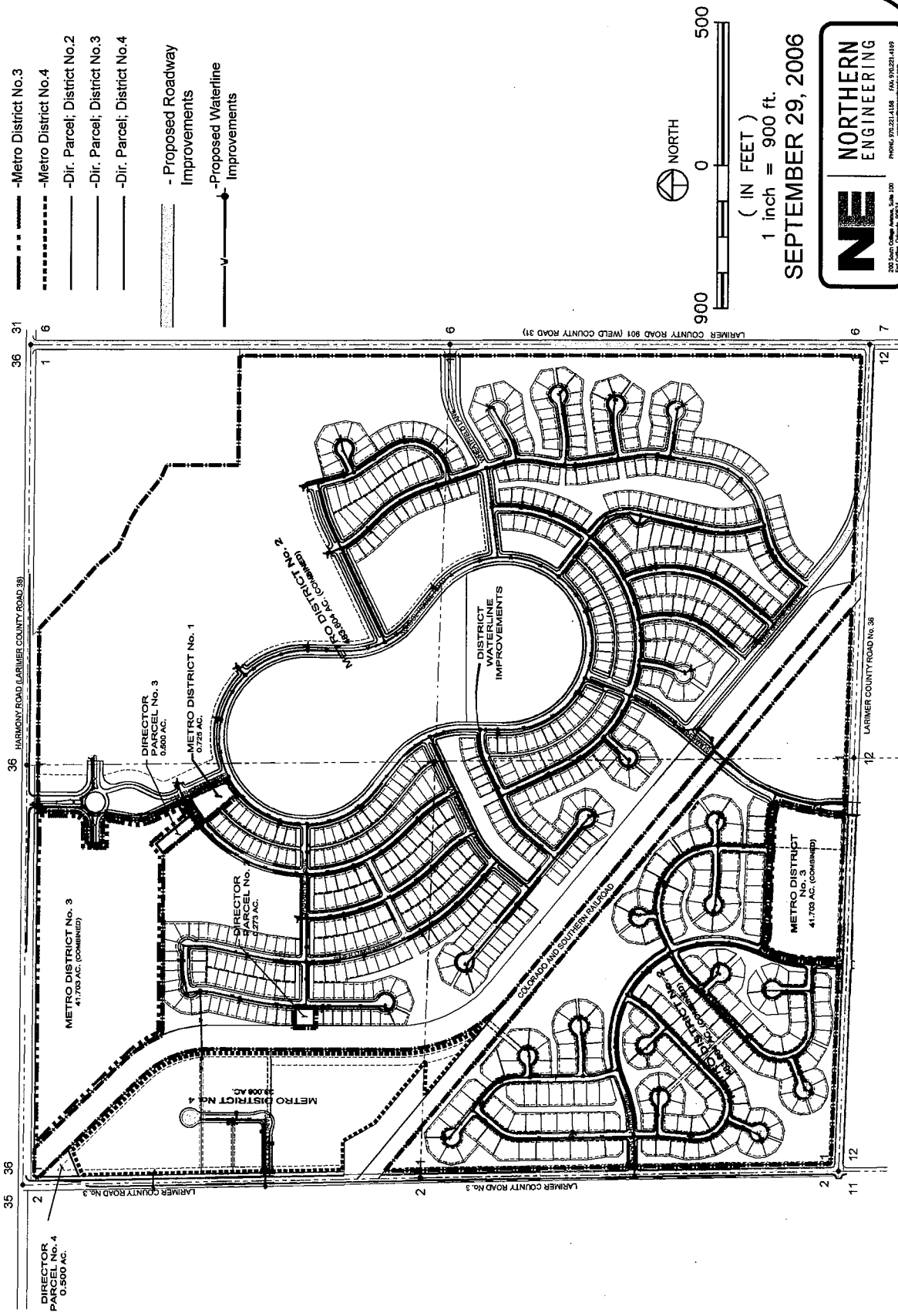


EXHIBIT

TIMNATH RANCH METRO DISTRICT WATERLINE IMPROVEMENTS
 LOCATED IN SECTION 1, TOWNSHIP 6 NORTH, RANGE 68 WEST,
 TOWN OF TIMNATH, COUNTY OF LARIMER, STATE OF COLORADO

LEGEND:

- ◆ -Section Corner
- -Metro District No.1
- -Metro District No.2
- -Metro District No.3
- -Metro District No.4
- -Dir. Parcel; District No.2
- -Dir. Parcel; District No.3
- -Dir. Parcel; District No.4
- Proposed Roadway Improvements
- Proposed Waterline Improvements



NE NORTHERN ENGINEERING

PHONE: 970.221.4158 FAX: 970.221.4159
 200 South Cooper Ave. Suite 100
 Fort Collins, Colorado 80521

SEPTEMBER 29, 2006

(IN FEET)

1 inch = 900 ft.



JOB 103.001.09

EXHIBIT E

Financial Plan

Stan Bernstein and Associates, Inc.

Financial Planners and Consultants

For Local Governments, Municipal Bond Underwriters, and Real Estate Developers

8400 East Prentice Ave., Penthouse

Greenwood Village, Colorado 80111

Phone: 303-409-7611 Fax: 303-409-7612 Email: Stanplan@Earthlink.net

MEMORANDUM

TO: David O'Leary, Esq., Pogue, Corbetta & O'Leary, P.C.
Peggy Dowswell, CPA, Pinnacle Consulting Group, Inc.

FROM: Stan Bernstein
Amy Bernstein

DATE: August 16, 2006

SUBJECT: Final Draft – Financial Model – Timnath Ranch Metropolitan Districts #1
- #4

INTRODUCTION AND SCOPE

Stan Bernstein and Associates, Inc. has assembled Financial Models for Timnath Ranch Metropolitan Districts #1 - #4 based upon key assumptions provided by officials of Timnath Ranch, LLC and its consultants Pinnacle Consulting Group, Inc. The Financial Models were assembled in order to provide a conceptual understanding of (i) the amount of General Obligation Bonds (presumably unlimited tax) that could ultimately be supported by Financing Districts #2 - #4 (as presented on Exhibits II - IV); (ii) how the Service District could fund its General Fund administrative and operating expenditures, Swimming Pool Fund administrative and operating expenditures, and Recreation Center Fund administrative and operating expenditures (as presented on Exhibits I, IA, and IB); (iv) and how the Service District could fund its infrastructure requirements (as presented on Exhibit V). Detailed land use, values, and buildout assumptions (as well as related assessed valuation estimates) for Financing Districts #2 - #4 were provided by Timnath Ranch, LLC (the Developer) and Pinnacle Consulting Group, Inc., and are presented on Schedules 2 - 4.

The Financial Models present, to the best knowledge and belief of the Developer (based upon assumptions provided by the Developer), the Districts' expected cash position and results of cash receipts and disbursements for the forecast period. Accordingly, the Financial Models reflect the Developer's judgment, as of the date of this report, of the expected conditions within the Districts' boundaries and the Districts' expected course of action. The assumptions disclosed in the Financial Models are those of the Developer and have not been independently reviewed by Stan Bernstein and Associates, Inc.

FUTURE RATES OF RESIDENTIAL AND COMMERCIAL BUILDOUT AND RELATED ASSESSED VALUATION, AND BONDING CAPACITY

The financial planning concept is that as the construction of future residential and commercial product occurs within the boundaries of the Financing Districts, incremental assessed valuation will generate property tax revenues for the Financing Districts.

For financial planning purposes it is assumed that a portion of the property tax revenues generated from the 45.0 mills assumed to be levied by Financing District #2 and the 25.0 mills assumed to be levied by Financing Districts #3 and #4 will be transferred to the Service District's General Fund and used to fund administrative and operating expenditures (for Financing District #2, 19 mills and for Financing District #3 and #4, 15 mills). The property tax revenues not transferred to the General Fund (for Financing District #2, 26 mills and for Financing Districts #3 and #4, 10 mills) will be available to make annual interest and principal payments on outstanding unlimited tax General Obligation Bonds.

This draft indicates that Financing District #2 could support unlimited tax General Obligation Bonds as presented below (based upon buildout and assessed valuations presented on Schedule 1):

- December 1, 2010 \$2,550,000
- December 1, 2013 \$2,400,000
- December 1, 2016 \$2,500,000
- December 1, 2021 \$4,000,000
- December 1, 2026 \$2,300,000

Total Bonds Issued \$14,100,000

This draft also indicates that Financing District #3 could support unlimited tax General Obligation Bonds as presented below (based upon buildout and assessed valuations presented on Schedule 3).

- December 1, 2020 \$1,200,000
 - December 1, 2024 \$ 850,000
- Total Bonds Issued \$2,050,000**

This draft also indicates that Financing District #4 could support unlimited tax General Obligation Bonds in the amount of \$1,750,000 on 12/1/2015 (based upon buildout and assessed valuations presented on Schedule 4).

It is possible that the timing of these bond issues could be accelerated by using various forms of credit enhancement. These alternative financing structures can be modeled in future drafts based upon input from the Districts' investment bankers. It is assumed that the bonds would be issued at average interest rates of 7.00% and mature serially over a 30-year period. Costs of Bond Issuance have been estimated to be 4.0% of the par amount of the bonds. It is also possible that if buildout rates and assessed valuations lag expectations, and/or if administrative and operating expenditures exceed expectations, the amount of the bonds that could be supported will be less than shown on the previous page, and the timing of the issuance of these bonds will not occur as soon as indicated.

It is assumed that the net proceeds of the unlimited tax General Obligation Bonds will be used to reimburse the Developer for a portion of the infrastructure costs expected to be originally funded by the Developer (as presented on Exhibit V).

The key assumptions with respect to future residential and commercial buildout, and related assessed valuation buildup, within the boundaries of the Financing Districts are presented in detail on Schedules 2 - 4. These assumptions were provided by officials of the Developer. The assessed valuation estimates assume an average annual inflationary increase of approximately 1% (2% biennially - this assumptions was provided by Pinnacle Consulting Group, Inc.)

The Financial Model is based upon a total of 1,569 residential units completed by the end of 2025 (Financing District #2), 285,754 square feet of commercial space being completed by the end of 2023 (Financing District #3), and 364,815 of industrial space being completed by the end of 2014 (Financing District #4). The Developer has provided the information contained in Schedules 2 - 4, and believes these assumptions to be reasonable and appropriate to use for financial modeling purposes at this time.

Memorandum
August 16, 2006
Page iv

FINANCING DISTRICT #2 – CASH FLOW – EXHIBIT II, PAGE 12

Exhibit II presents the estimated revenues and expenditures for Financing District #2 (residential).

The primary revenue source consists of property tax revenues generated from a 45.0 mill levy. Other sources of revenue include specific ownership tax revenues (estimated to be 8.0% of property tax revenues per Pinnacle Consulting Group, Inc.) and interest earnings.

Exhibit II expenditures include an annual transfer of 19.0 mills beginning in 2008, to the Service District's General Fund. A 2.0% County Treasurer's collection fee has also been assumed. The annual debt service requirements relating to the Series 2010, 2013, 2016, 2021, and 2026 unlimited tax General Obligation Bonds are also presented on this Exhibit (and are shown in detail on Schedule 1). Average interest rates of 7.0% and up to 30-year amortization have been assumed.

FINANCING DISTRICT #3 – CASH FLOW – EXHIBIT III, PAGE 23

Exhibit III presents the estimated revenues and expenditures for Financing District #3 (commercial).

The primary revenue source consists of property tax revenues generated from a 25.0 mill levy. Other sources of revenue include specific ownership tax revenues (estimated to be 8.0% of property tax revenues per Pinnacle Consulting Group, Inc.) and interest earnings.

Exhibit III expenditures include an annual transfer of 15.0 mills beginning in 2008 to the Service District's General Fund. A 2.0% County Treasurer's collection fee has also been assumed. The annual debt service requirements relating to the Series 2020, and 2024 unlimited tax General Obligation Bonds are also presented on this Exhibit. Average interest rates of 7.0% and up to 30-year amortization have been assumed.

FINANCING DISTRICT #4 – CASH FLOW – EXHIBIT IV, PAGE 29

Exhibit IV presents the estimated revenues and expenditures for Financing District #4 (industrial).

The primary revenue source consists of property tax revenues generated from a 25.0 mill levy. Other sources of revenue include specific ownership tax revenues (estimated to be 8.0% of property tax revenues per Pinnacle Consulting Group, Inc.) and interest earnings.

Exhibit IV expenditures include an annual transfer of 15.0 mills beginning in 2008 to the Service District's General Fund. A 2.0% County Treasurer's collection fee has also been assumed. The annual debt service requirements relating to the Series 2015 unlimited tax General Obligation Bonds are also presented on this Exhibit. Average interest rates of 7.0% and up to 30-year amortization have been assumed.

Memorandum
August 16, 2006
Page v

SERVICE DISTRICT GENERAL FUND - CASH FLOW – EXHIBIT I, PAGE 1

Exhibit I presents the estimated revenues and expenditures for the Service District's General Fund (Service District #1).

The primary ongoing general fund revenue source is assumed to be property tax revenue transfers of 19.0 mills beginning in 2008 from Financing District #2 and 15.0 mills beginning in 2008 from Financing Districts #3 - #4. Additional revenue sources include (i) Development Fees of \$2,500 per single family unit (ii) and interest income.

Service District General Fund expenditures (which were developed by Pinnacle Consulting Group, Inc.) are presented on Exhibit I, and include landscaping, accounting, audit, district management and administration, insurance, and dues. All administrative, operating, and maintenance costs have been inflated 5% annually beginning in 2012 through 2025, and inflated 2% annually beginning in 2026.

SERVICE DISTRICT SWIMMING POOL FUND - CASH FLOW – EXHIBIT IA, PAGE 4

Exhibit IA presents the estimated revenues and expenditures for the Service District's Swimming Pool Fund.

The primary ongoing Swimming Pool Fund revenue source is an assumed annual pool user fee of \$325 in year 2012, \$300 in years 2013 – 2015, \$250 in years 2016 – 2020 and \$225 in years 2021 and beyond per home (assumed that 80% of all homes participate). The pool is assumed to be operational beginning in 2012.

Swimming pool expenditures (which were developed by Pinnacle Consulting Group, Inc.) are presented on Exhibit IA, and include equipment, supplies, labor, cleaning and activities. All administrative, operating, and maintenance costs have been inflated 5% annually beginning in 2012 through 2025, and inflated 2% annually beginning in 2026.

SERVICE DISTRICT RECREATION CENTER FUND - CASH FLOW – EXHIBIT IB, PAGE 8

Exhibit IB presents the estimated revenues and expenditures for the Service District's Recreation Center Fund.

Memorandum
August 16, 2006
Page vi

The primary ongoing Recreation Center Fund revenue source is an assumed annual recreation center user fee of \$400 in year 2012, \$325 in year 2013, \$300 in years 2014 – 2019, and \$250 in years 2020 and beyond per home (assumed that 80% of all homes participate). The recreation center is assumed to be operational beginning in 2012.

Recreation center expenditures (which were developed by Pinnacle Consulting Group, Inc.) are presented on Exhibit IB, and include equipment, supplies, labor, cleaning and activities. All administrative, operating, and maintenance costs have been inflated 5% annually beginning in 2012 through 2025, and inflated 2% annually beginning in 2026.

SERVICE DISTRICT CAPITAL PROJECTS FUND – CASH FLOW – EXHIBIT V,
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Exhibit V presents the capital infrastructure requirements, and the funding plan, for the public infrastructure required to service property within the boundaries of the Combined Financing Districts. Pursuant to an Intergovernmental Agreement (IGA) the Service District, through its Capital Projects Fund, will account for these capital expenditures and related funding sources.

The detailed capital expenditure requirements are presented by year. It is assumed that all capital expenditures will initially be funded from Developer Contributions (i.e., Loans). It is assumed that these Developer Contributions/Loans (the cumulative amount of the Developer Contributions/Loans without interest appears on the bottom line of Exhibit V) will be reimbursed to the Developer from net general obligation bond proceeds.

DISCLAIMER AND LIMITATIONS

The assumptions disclosed in the Financial Models are those of the Developer and have not been independently reviewed by Stan Bernstein and Associates, Inc. Those assumptions identified are believed to be the significant factors in determining financial feasibility; however, they are likely not to be all-inclusive. 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. Key assumptions – like those relating to market values of real property improvements and the buildout schedule of such property – are particularly sensitive in terms of the timing necessary to create the tax base for the Financing Districts. A small variation in these variables, and to their timing, can have a large effect on the forecasted results. There is a high probability that the forecasted results will differ from realized future tax base

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factors. Additionally, other key assumptions relating to inflation, assessment ratios, interest rates, debt service coverage requirements, and infrastructure, administrative and operating costs may, and likely will, vary from those assumed.

Because Stan Bernstein and Associates, Inc. has not independently evaluated or reviewed the assumptions that the Financial Models are based upon, we do not vouch for the achievability of the information presented on Exhibits I - V and on Schedules 1 - 4. Furthermore, because of the inherent nature of future events, which are subject to change and variation as events and circumstances change, the actual results may vary materially from the results presented on Exhibits I - V and on Schedules 1 - 4. Stan Bernstein and Associates, Inc. has no responsibility or obligation to update this information or these Financial Models for events occurring after the date of this memorandum.

The actual amount of General Obligation Bonds that could be supported by the Districts will depend on the rate of buildout and the related increases in assessed valuation, interest rates and debt service coverage requirements, and the actual amounts needed to pay for the Districts' administrative and operating costs. In the event that the Districts' actual operating and administrative expenses are more than anticipated on Exhibit I, the amount of General Obligation Bonds that could actually be supported by the Districts could be less than shown, and if assessed valuation levels are more than anticipated it could be possible for the Districts to issue additional General Obligation Bonds than shown.

EXHIBIT I (SERVICE DISTRICT #1)
 TIMMATH RANCH METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS - GENERAL FUND
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2031

FINAL DRAFT
 SUBJECT TO REVISION
 16-AUG-08
 SEE CONSULTANTS' DISCLAIMER

KEY ASSUMPTIONS	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
ASSESSED VALUATION - TRMD #1	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
INCREMENTAL RESIDENTIAL UNITS ADDED - TRMD #2 (SCH. 1)	0	30	90	140	100	100	100	100	100	100	100
CUMULATIVE RESIDENTIAL UNITS - TRMD #2	0	30	120	260	360	460	560	660	760	860	960
ASSESSED VALUATION TRMD #2 (SCH. 1)	0	0	300,000	1,135,800	3,716,084	7,684,472	9,918,737	11,989,163	14,340,740	16,452,644	18,939,933
ASSUMED MILL LEVY TRANSFER FROM TRMD #2	0.00	0.00	18.00	19.00	19.00	19.00	19.00	18.00	19.00	19.00	19.00
INCREMENTAL COMMERCIAL SQ. FT. ADDED - TRMD #3 (SCH. 2)	0	0	0	35,000	0	35,000	0	35,000	0	35,000	0
CUMULATIVE COMMERCIAL SQ. FT. - TRMD #3	0	0	0	35,000	35,000	70,000	70,000	105,000	105,000	140,000	140,000
ASSESSED VALUATION TRMD #3 (SCH. 2)	0	0	0	0	308,000	1,600,125	1,632,125	2,892,135	3,011,178	4,937,485	4,444,737
ASSUMED MILL LEVY TRANSFER FROM TRMD #3	0.00	0.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
INCREMENTAL INDUSTRIAL SQ. FT. ADDED - TRMD #4 (SCH. 3)	0	25,000	50,000	50,000	50,000	50,000	50,000	50,000	39,815	0	0
CUMULATIVE INDUSTRIAL SQ. FT. - TRMD #4	0	25,000	75,000	125,000	175,000	225,000	275,000	325,000	364,815	364,815	364,815
ASSESSED VALUATION TRMD #4 (SCH. 3)	0	0	300,000	852,500	2,302,650	3,633,750	5,084,147	6,421,869	7,935,183	9,920,059	10,631,293
ASSUMED MILL LEVY TRANSFER FROM TRMD #4	0.00	0.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
ASSUMED SYSTEM DEVELOPMENT FEE COMMERCIAL (ONE TIME AT PERMIT)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ASSUMED SYSTEM DEVELOPMENT FEE RESIDENTIAL (ONE TIME AT PERMIT)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
CASH FLOW											
OPERATING REVENUES											
PROPERTY TAXES @ 45 MILLS	0	225	225	225	225	225	225	225	225	225	225
SPECIFIC OWNERSHIP TAXES @ 8% OF PROPERTY TAXES	0	18	18	18	18	18	18	18	18	18	18
IGA PROPERTY TAX TRANSFERS FROM TRMD #2	0	0	5,700	21,690	70,805	146,198	188,456	227,794	272,474	312,898	399,777
IGA PROPERTY TAX TRANSFERS FROM TRMD #3	0	0	0	0	4,590	24,002	44,482	44,282	45,168	65,364	66,671
IGA PROPERTY TAX TRANSFERS FROM TRMD #4	0	0	4,500	14,288	34,540	54,508	75,992	96,328	119,028	139,801	169,469
DEVELOPER OPERATING CONTRIBUTION	0	140,000	40,000	0	85,000	250,000	25,000	0	(50,000)	(100,000)	(100,000)
SYSTEM DEVELOPMENT FEES RESIDENTIAL (\$2,500 @ PERMIT)	0	75,000	225,000	580,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
INTEREST EARNINGS @ 4% OF BEG. FUNDS	0	0	388	920	1,238	1,841	2,010	2,559	3,608	4,245	4,920
TOTAL REVENUES	0	215,243	275,831	386,731	456,216	556,587	568,153	621,205	640,618	672,252	741,080
OPERATING EXPENDITURES (Including Contingency G/L)											
CAPITAL IMPROVEMENT MANAGEMENT	0	21,240	21,240	21,240	21,240	21,240	0	0	0	0	0
LANDSCAPE	0	85,471	98,207	163,878	229,149	311,767	327,355	343,723	360,909	376,955	397,902
IRRIGATION WATER SYSTEM	0	6,100	12,150	20,248	28,349	38,570	40,499	42,523	44,650	46,882	49,226
ADMINISTRATION	0	16,035	20,043	24,052	24,240	25,452	26,725	28,061	29,464	30,937	32,484
ACCOUNTING	0	24,872	31,091	37,309	37,800	39,480	41,454	43,527	45,703	47,988	50,388
FACILITY MANAGEMENT	0	49,990	82,487	74,984	75,570	79,349	83,316	87,482	91,856	96,449	101,271
LEGAL	0	2,778	3,473	4,167	4,200	4,410	4,662	4,914	5,105	5,360	5,628
INSURANCE	0	6,261	11,578	13,892	14,000	14,700	15,435	16,207	17,017	17,868	18,761
MISCELLANEOUS	0	7,806	9,767	11,709	11,800	12,390	13,010	13,660	14,343	15,060	15,813
CONTINGENCY FOR ADMINISTRATION	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENDITURES	0	205,552	270,023	371,272	446,148	547,355	562,423	585,043	624,597	655,413	687,865
EXCESS OPERATING REVENUES OVER EXPENDITURES	0	9,691	5,807	15,459	10,068	9,232	13,730	26,161	16,021	16,840	53,216
BEGINNING FUND BALANCE - JANUARY 1	0	0	9,691	15,498	30,949	41,017	50,248	63,976	80,138	106,159	122,888
ENDING FUND BALANCE - DECEMBER 31	0	9,691	15,498	30,949	41,017	50,248	63,976	80,138	106,159	122,888	176,214

INCREASE AFTER
 2011, DROPS TO 2% IN
 2026

EXHIBIT I (SERVICE DISTRICT #1)
 TIMMATH RANCH METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS - GENERAL FUND
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2031

KEY ASSUMPTIONS	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
ASSESSED VALUATION - TRMD #1	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
INCREMENTAL RESIDENTIAL UNITS ADDED - TRMD #2 (SCH. 1)	100	100	108	50	50	50	50	50	50	0	0
CUMULATIVE RESIDENTIAL UNITS - TRMD #2	1,060	1,160	1,268	1,316	1,366	1,416	1,466	1,516	1,562	1,562	1,562
ASSESSED VALUATION TRMD #2 (SCH. 1)	21,089,875	23,708,592	25,906,710	28,664,888	31,094,200	32,401,850	33,087,615	34,448,648	35,148,328	36,564,762	36,962,516
ASSUMED MILL LEVY TRANSFER FROM TRMD #2	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
INCREMENTAL COMMERCIAL SQ FT ADDED - TRMD #3 (SCH. 2)	35,000	0	35,000	0	35,000	0	40,754	0	0	0	0
CUMULATIVE COMMERCIAL SQ FT - TRMD #3	175,000	175,000	210,000	210,000	245,000	245,000	285,754	285,754	285,754	285,754	285,754
ASSESSED VALUATION TRMD #3 (SCH. 2)	5,818,073	5,834,434	7,335,237	7,491,842	8,970,760	9,088,875	10,649,370	10,787,288	12,136,730	12,379,465	12,379,465
ASSUMED MILL LEVY TRANSFER FROM TRMD #3	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
INCREMENTAL INDUSTRIAL SQ FT ADDED - TRMD #4 (SCH. 3)	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE INDUSTRIAL SQ FT - TRMD #4	364,815	364,815	364,815	364,815	364,815	364,815	364,815	364,815	364,815	364,815	364,815
ASSESSED VALUATION TRMD #4 (SCH. 3)	10,831,293	10,843,919	10,843,919	11,060,797	11,060,797	11,282,013	11,282,013	11,507,664	11,553,166	11,379,279	11,379,279
ASSUMED MILL LEVY TRANSFER FROM TRMD #4	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
ASSUMED SYSTEM DEVELOPMENT FEE COMMERCIAL (ONE TIME AT PERMIT)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ASSUMED SYSTEM DEVELOPMENT FEE RESIDENTIAL (ONE TIME AT PERMIT)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
CASH FLOW											
OPERATING REVENUES											
PROPERTY TAXES @ 4% MILLS	225	225	225	225	225	225	225	225	225	225	225
SPECIFIC OWNERSHIP TAXES @ 8% OF PROPERTY TAXES	18	18	18	18	18	18	18	18	18	18	18
IGA PROPERTY TAX TRANSFERS FROM TRMD #2	400,704	480,463	492,208	544,833	590,790	615,935	628,665	654,628	687,818	684,731	702,288
IGA PROPERTY TAX TRANSFERS FROM TRMD #3	87,271	99,017	110,029	112,229	133,661	136,335	168,198	161,358	182,051	185,692	185,692
IGA PROPERTY TAX TRANSFERS FROM TRMD #4	159,469	162,669	162,669	165,912	165,912	169,230	169,230	172,615	167,342	170,689	170,689
DEVELOPER OPERATING CONTRIBUTION	(130,000)	0	0	0	0	0	0	0	0	0	0
SYSTEM DEVELOPMENT FEES RESIDENTIAL (\$2,500 @ PERMIT)	250,000	250,000	265,000	125,000	125,000	125,000	125,000	125,000	132,500	0	0
INTEREST EARNINGS @ 4% OF BEG FUNDS	7,049	9,181	17,315	27,404	33,038	39,942	48,621	53,138	59,325	65,223	68,588
TOTAL REVENUES	774,736	981,542	1,047,454	975,421	1,048,642	1,086,385	1,127,954	1,166,865	1,209,280	1,116,578	1,125,468
OPERATING EXPENDITURES (Proprietary Consulting Org)											
CAPITAL IMPROVEMENT MANAGEMENT	0	0	0	0	0	0	0	0	0	0	0
LANDSCAPE	417,798	438,667	460,622	483,663	507,836	533,227	559,869	587,893	617,277	629,823	642,215
IRRIGATION WATER SYSTEM	61,697	54,272	66,986	69,896	82,826	89,968	99,286	72,729	76,398	77,893	79,451
ADMINISTRATION	34,108	35,814	37,604	39,484	41,459	43,532	45,708	47,984	50,393	51,401	52,429
ACCOUNTING	62,807	55,562	59,330	61,246	64,309	67,524	70,900	74,445	78,166	79,791	81,328
FACILITY MANAGEMENT	106,335	111,651	117,234	123,096	129,250	136,713	142,498	149,823	157,105	160,247	163,452
LEGAL	5,910	6,205	6,516	6,841	7,183	7,543	7,920	8,316	8,731	8,906	9,084
INSURANCE	19,699	20,664	21,719	22,805	23,945	25,142	26,399	27,719	28,105	29,667	30,281
MISCELLANEOUS	16,604	17,434	18,306	19,221	20,182	21,191	22,251	23,363	24,531	25,022	25,622
CONTINGENCY FOR ADMINISTRATION	16,893	17,398	17,811	18,448	19,002	19,672	20,369	20,158	20,158	20,000	15,000
TOTAL OPERATING EXPENDITURES	721,930	757,689	795,226	834,623	875,992	919,411	964,990	1,012,232	1,061,835	1,092,310	1,098,760
EXCESS OPERATING REVENUES OVER EXPENDITURES	52,806	203,853	252,228	140,792	172,650	166,974	162,964	154,633	147,444	34,068	26,737
BEGINNING FUND BALANCE - JANUARY 1	176,214	229,020	432,873	685,101	925,893	998,543	1,165,517	1,328,461	1,483,133	1,630,578	1,664,646
ENDING FUND BALANCE - DECEMBER 31	228,020	432,873	885,101	925,893	998,543	1,165,517	1,328,461	1,483,133	1,630,578	1,664,646	1,681,383

INCREASE AFTER
 2011, DROPS TO 2% IN
 2026

EXHIBIT I (SERVICE DISTRICT #1)
 TIMNATH RANCH METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS - GENERAL FUND
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2031

KEY ASSUMPTIONS	2028	2029	2030	2031	TOTALS
ASSESSED VALUATION - TRMD #1	5,000	5,000	5,000	5,000	19,000
INCREMENTAL RESIDENTIAL UNITS ADDED - TRMD #2 (SCH. 1)	0	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS - TRMD #2	1,569	1,569	1,569	1,569	1,569
ASSESSED VALUATION TRMD #2 (SCH. 1)	37,701,766	38,455,802	38,455,802	38,455,802	151,063,170
ASSUMED MILL LEVY TRANSFER FROM TRMD #2	19.00	19.00	19.00	19.00	76.00
INCREMENTAL COMMERCIAL SQ FT ADDED - TRMD #3 (SCH. 2)	0	0	0	0	0
CUMULATIVE COMMERCIAL SQ FT - TRMD #3	285,754	285,754	285,754	285,754	285,754
ASSESSED VALUATION TRMD #3 (SCH. 2)	12,827,054	12,827,054	12,827,054	12,827,054	51,138,166
ASSUMED MILL LEVY TRANSFER FROM TRMD #3	15.00	15.00	15.00	15.00	60.00
INCREMENTAL INDUSTRIAL SQ FT ADDED - TRMD #4 (SCH. 3)	0	0	0	0	0
CUMULATIVE INDUSTRIAL SQ FT - TRMD #4	384,815	384,815	384,815	384,815	384,815
ASSESSED VALUATION TRMD #4 (SCH. 3)	11,808,984	11,808,984	11,808,984	11,808,984	47,136,756
ASSUMED MILL LEVY TRANSFER FROM TRMD #4	15.00	15.00	15.00	15.00	60.00
ASSUMED SYSTEM DEVELOPMENT FEE COMMERCIAL (ONE TIME AT PERMIT)	0.00	0.00	0.00	0.00	0.00
ASSUMED SYSTEM DEVELOPMENT FEE RESIDENTIAL (ONE TIME AT PERMIT)	2,500	2,500	2,500	2,500	10,000

CASH FLOW	2028	2029	2030	2031	TOTALS
OPERATING REVENUES	225	225	225	225	899
PROPERTY TAXES @ 45 MILLS	18	18	18	18	72
SPECIFIC OWNERSHIP TAXES @ 8% OF PROPERTY TAXES	716,334	716,334	730,860	730,860	2,874,388
IGA PROPERTY TAX TRANSFERS FROM TRMD #2	189,408	189,408	193,194	193,194	765,204
IGA PROPERTY TAX TRANSFERS FROM TRMD #3	174,103	174,103	177,685	177,685	703,576
IGA PROPERTY TAX TRANSFERS FROM TRMD #4	0	0	0	0	0
DEVELOPER OPERATING CONTRIBUTION	0	0	0	0	0
SYSTEM DEVELOPMENT FEES RESIDENTIAL (\$2,500 @ PERMIT)	0	0	0	0	0
INTEREST EARNINGS @ 4% OF BEG FUNDS	87,655	88,748	89,892	89,423	355,918
TOTAL REVENUES	1,147,741	1,148,833	1,170,681	1,171,105	4,638,457

INCREASE AFTER
 2011 DROPS TO 2% IN
 2026

OPERATING EXPENDITURES (Pinnacle Consulting, Gro)	2028	2029	2030	2031	TOTALS
CAPITAL IMPROVEMENT MANAGEMENT	0	0	0	0	0
LANDSCAPE	855,060	868,181	881,524	895,155	3,499,920
IRRIGATION WATER SYSTEM	81,040	82,681	84,314	86,000	334,035
ADMINISTRATION	53,478	54,547	55,638	56,751	220,414
ACCOUNTING	82,952	84,811	86,303	88,030	342,096
FACILITY MANAGEMENT	166,721	170,085	173,458	176,925	707,189
LEGAL	9,266	9,461	9,640	9,833	38,199
INSURANCE	30,886	31,504	32,134	32,777	127,301
MISCELLANEOUS	26,033	26,554	27,085	27,628	107,299
CONTINGENCY FOR ADMINISTRATION	15,000	15,000	15,000	15,000	60,000
TOTAL OPERATING EXPENDITURES	1,120,436	1,142,544	1,160,085	1,173,087	4,596,152

EXCESS OPERATING REVENUES OVER EXPENDITURES	27,305	6,289	10,596	(1,982)	42,228
BEGINNING FUND BALANCE - JANUARY 1	1,691,393	1,716,688	1,724,977	1,735,563	6,868,621
ENDING FUND BALANCE - DECEMBER 31	1,718,698	1,724,977	1,735,563	1,733,570	6,912,808

EXHIBIT 1A- SWIMMING POOL OPERATING FUND (SERVICE DISTRICT #1)
 TIMNATH RANCH METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2031

FINAL DRAFT
 SUBJECT TO REVISION
 16-Aug-08
 SEE CONSULTANTS' DISCLAIMER

KEY ASSUMPTIONS

	2006	2007	2008	2009	2010	2011	2012	2013
INCREMENTAL RESIDENTIAL UNITS ADDED - TRMD #2 (SCH. 1)	0	30	90	140	100	100	100	100
CUMULATIVE RESIDENTIAL UNITS - TRMD #2	0	30	120	260	360	460	560	660
ASSUMED ANNUAL POOL USER FEES	0	0	0	0	0	0	325	300
ASSUMED # OF HOMES FOR ANNUAL POOL FEES (80%)	0	0	24	96	208	288	368	448

CASH FLOW

	2006	2007	2008	2009	2010	2011	2012	2013
REVENUES								
POOL MEMBERSHIP FEE (ONE-TIME @ \$0/LOT @ PERMIT)	0	0	0	0	0	0	0	0
POOL USER FEES @ \$300 (ASSUME 80% OF HOMES)	0	0	0	0	0	0	119,600	134,400
DEVELOPER OPERATING CONTRIBUTION	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 4% OF BEG. FUNDS	0	0	0	0	0	0	0	108
TOTAL REVENUES	0	0	0	0	0	0	119,600	134,508

EXPENDITURES - POOL ONLY (5% annual increases, decrease to 2% in 2026)

EQUIPMENT, SUPPLIES, LABOR, CLEANING, ACTIVITIES, RESERVE	0	0	0	0	0	0	116,893	122,737
MAJOR REFURBISH	0	0	0	0	0	0	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENDITURES	0	0	0	0	0	0	116,893	122,737

EXCESS REVENUES & BONDS OVER EXPENDITURES	0	0	0	0	0	0	2,708	11,771
BEGINNING FUND BALANCE - JANUARY 1	0	0	0	0	0	0	0	2,708
ENDING FUND BALANCE - DECEMBER 31	0	0	0	0	0	0	2,708	14,479

EXHIBIT IA- SWIMMING POOL OPERATING FUND (SERVICE DISTRICT #1)
 TIMMATH RANCH METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2031

KEY ASSUMPTIONS	2014	2015	2016	2017	2018	2019	2020	2021	2022
INCREMENTAL RESIDENTIAL UNITS ADDED - TRMD #2 (SCH. 1)	100	100	100	100	100	100	50	50	50
CUMULATIVE RESIDENTIAL UNITS - TRMD #2	780	880	980	1,080	1,180	1,280	1,310	1,360	1,410
ASSUMED ANNUAL POOL USER FEES	300	300	250	250	250	250	250	225	225
ASSUMED # OF HOMES FOR ANNUAL POOL FEES (80%)	528	908	688	788	848	928	1,013	1,053	1,093
CASH FLOW									
REVENUES									
POOL MEMBERSHIP FEE (ONE-TIME@ \$0/LOT @ PERMIT)	0	0	0	0	0	0	0	0	0
POOL USER FEES @ \$300 (ASSUME 80% OF HOMES)	158,400	182,400	172,000	192,000	212,000	232,000	259,200	236,880	245,880
DEVELOPER OPERATING CONTRIBUTION	0	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 4% OF BEG. FUNDS	579	783	1,698	1,870	2,585	3,758	5,448	7,692	2,991
TOTAL REVENUES	158,979	183,183	173,698	193,870	214,585	235,758	258,648	244,572	248,871
EXPENDITURES - POOL ONLY (5% annual increases, decrease to 2% in 2026)									
EQUIPMENT, SUPPLIES, LABOR, CLEANING, ACTIVITIES, RESERVE	128,874	135,318	142,084	149,188	156,647	164,479	172,703	181,339	190,406
MAJOR REFURBISH	0	0	0	0	0	0	0	150,000	0
CONTINGENCY	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669
TOTAL OPERATING EXPENDITURES	153,874	161,068	168,608	176,506	184,785	193,461	202,555	362,085	222,075
EXCESS REVENUES & BONDS OVER EXPENDITURES	5,105	22,115	5,092	17,365	29,780	42,295	56,093	(117,514)	26,796
BEGINNING FUND BALANCE - JANUARY 1	14,479	19,584	41,700	46,761	84,128	93,908	136,201	192,294	74,781
ENDING FUND BALANCE - DECEMBER 31	19,584	41,700	46,791	84,128	93,908	136,201	192,294	74,781	101,577

**EXHIBIT IA- SWIMMING POOL OPERATING FUND (SERVICE DISTRICT #1)
TIMNATH RANCH METROPOLITAN DISTRICT #1
CASH FLOW FORECASTS
FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2031**

KEY ASSUMPTIONS

INCREMENTAL RESIDENTIAL UNITS ADDED - TRMD #2 (SCH. 1)
CUMULATIVE RESIDENTIAL UNITS - TRMD #2

ASSUMED ANNUAL POOL USER FEES
ASSUMED # OF HOMES FOR ANNUAL POOL FEES (80%)

CASH FLOW

REVENUES

POOL MEMBERSHIP FEE (ONE-TIME@ \$0/LOT @ PERMIT)
POOL USER FEES @ \$300 (ASSUME 80% OF HOMES)
DEVELOPER OPERATING CONTRIBUTION
INTEREST EARNINGS @ 4% OF BEG.FUNDS
TOTAL REVENUES

EXPENDITURES - POOL ONLY (5% annual increases, decrease to 2% in 2026)

EQUIPMENT, SUPPLIES, LABOR, CLEANING, ACTIVITIES, RESERVE
MAJOR REFURBISH
CONTINGENCY
TOTAL OPERATING EXPENDITURES

EXCESS REVENUES & BONDS OVER EXPENDITURES

BEGINNING FUND BALANCE - JANUARY 1

ENDING FUND BALANCE - DECEMBER 31

	2023	2024	2025	2026	2027	2028	2029	2030	2031
INCREMENTAL RESIDENTIAL UNITS ADDED - TRMD #2 (SCH. 1)	50	50	53	0	0	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS - TRMD #2	1,466	1,618	1,669	1,669	1,569	1,569	1,569	1,569	1,569
ASSUMED ANNUAL POOL USER FEES	225	225	225	225	225	225	225	225	225
ASSUMED # OF HOMES FOR ANNUAL POOL FEES (80%)	1,133	1,173	1,213	1,255	1,255	1,255	1,255	1,255	1,255
REVENUES									
POOL MEMBERSHIP FEE (ONE-TIME@ \$0/LOT @ PERMIT)	0	0	0	0	0	0	0	0	0
POOL USER FEES @ \$300 (ASSUME 80% OF HOMES)	254,880	263,880	272,880	282,420	282,420	282,420	282,420	282,420	282,420
DEVELOPER OPERATING CONTRIBUTION	0	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 4% OF BEG.FUNDS	4,063	5,119	6,138	7,098	8,274	9,288	10,131	10,792	11,257
TOTAL REVENUES	258,943	268,999	279,018	289,518	290,694	291,708	292,551	293,212	295,677
EXPENDITURES - POOL ONLY (5% annual increases, decrease to 2% in 2026)									
EQUIPMENT, SUPPLIES, LABOR, CLEANING, ACTIVITIES, RESERVE	199,926	209,922	220,418	224,827	229,323	233,910	238,588	243,360	248,227
MAJOR REFURBISH	0	0	0	0	0	0	0	0	0
CONTINGENCY	32,619	33,598	34,606	35,298	36,004	36,724	37,458	38,208	38,972
TOTAL OPERATING EXPENDITURES	232,545	243,520	255,024	260,125	265,327	270,634	276,046	281,567	287,199
EXCESS REVENUES & BONDS OVER EXPENDITURES	26,398	25,479	23,994	29,393	25,367	21,075	16,505	(188,356)	(1,521)
BEGINNING FUND BALANCE - JANUARY 1	101,577	127,976	153,454	177,448	206,841	232,208	253,283	269,788	31,432
ENDING FUND BALANCE - DECEMBER 31	127,976	153,454	177,448	206,841	232,208	253,283	269,788	31,432	79,911

**EXHIBIT IA- SWIMMING POOL OPERATING FUND (SERVICE DISTRICT #1)
 TIMNATH RANCH METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2031**

KEY ASSUMPTIONS

INCREMENTAL RESIDENTIAL UNITS ADDED - TRMD #2 (SCH. 1)
 CUMULATIVE RESIDENTIAL UNITS - TRMD #2

ASSUMED ANNUAL POOL USER FEES
 ASSUMED # OF HOMES FOR ANNUAL POOL FEES (80%)

TOTALS
 1,589
 1,589

CASH FLOW

REVENUES

POOL MEMBERSHIP FEE (ONE-TIME@ \$0/LOT @ PERMIT)
 POOL USER FEES @ \$300 (ASSUME 80% OF HOMES)
 DEVELOPER OPERATING CONTRIBUTION
 INTEREST EARNINGS @ 4% OF BEG.FUNDS
 TOTAL REVENUES

TOTALS
 0
 4,624,920
 0
 91,622
 4,716,542

EXPENDITURES - POOL ONLY (5% annual increases, decrease to 2% in 2026)

EQUIPMENT, SUPPLIES, LABOR, CLEANING, ACTIVITIES, RESERVE
 MAJOR REFURBISH
 CONTINGENCY

TOTAL OPERATING EXPENDITURES

3,709,167
 350,000
 577,465
 4,636,631

EXCESS REVENUES & BONDS OVER EXPENDITURES

79,911

BEGINNING FUND BALANCE - JANUARY 1

0

ENDING FUND BALANCE - DECEMBER 31

79,911

EXHIBIT 1B- RECREATION CENTER OPERATING FUND (SERVICE DISTRICT #1)
 TIMMATH RANCH METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2031

FINAL DRAFT
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KEY ASSUMPTIONS	2006	2007	2008	2009	2010	2011	2012	2013
INCREMENTAL RESIDENTIAL UNITS ADDED - TRMD #2 (SCH. 2)	0	30	90	140	100	100	100	100
CUMULATIVE RESIDENTIAL UNITS - TRMD #2	0	30	120	260	360	460	560	660
ASSUMED ANNUAL REC CENTER USER FEES	0	0	0	0	0	0	400	325
ASSUMED # OF HOMES FOR REC CENTER FEES (80%)	0	0	24	96	208	288	368	448
CASH FLOW								
REVENUES	2006	2007	2008	2009	2010	2011	2012	2013
REC CENTER MEMBERSHIP FEE (ONE-TIME @ \$0/LOT @ PERMIT)	0	0	0	0	0	0	0	0
REC CENTER USER FEES @ \$300 (ASSUME 80% OF HOMES)	0	0	0	0	0	0	147,200	145,600
DEVELOPER OPERATING CONTRIBUTION	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 4% OF BEG. FUNDS	0	0	0	0	0	0	0	565
TOTAL REVENUES	0	0	0	0	0	0	147,200	146,165
EXPENDITURES - POOL ONLY (5% annual increase, decrease to 2% in 2026)	0	0	0	0	0	0	133,068	139,721
EQUIPMENT, SUPPLIES, LABOR, CLEANING, ACTIVITIES, RESERVE	0	0	0	0	0	0	0	0
MAJOR REFURBISH	0	0	0	0	0	0	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENDITURES	0	0	0	0	0	0	133,068	139,721
EXCESS REVENUES & BONDS OVER EXPENDITURES	0	0	0	0	0	0	14,132	6,444
BEGINNING FUND BALANCE - JANUARY 1	0	0	0	0	0	0	0	14,132
ENDING FUND BALANCE - DECEMBER 31	0	0	0	0	0	0	14,132	20,576

EXHIBIT 1B - RECREATION CENTER OPERATING FUND (SERVICE DISTRICT #1)
 TIMNATH RANCH METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2031

KEY ASSUMPTIONS

	2014	2015	2016	2017	2018	2019	2020	2021
INCREMENTAL RESIDENTIAL UNITS ADDED - TRMD #2 (SCH. 2)	100	0	0	0	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS - TRMD #2	760	860	960	1,060	1,160	1,266	1,316	1,368
ASSUMED ANNUAL REC CENTER USER FEES	300	300	300	300	300	300	250	250
ASSUMED # OF HOMES FOR REC CENTER FEES (80%)	528	608	688	768	848	928	1,013	1,063

CASH FLOW

	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES								
REC CENTER MEMBERSHIP FEE (ONE-TIME @ \$0/LOT @ PERMIT)	0	0	0	0	0	0	0	0
REC CENTER USER FEES @ \$300 (ASSUME 80% OF HOMES)	188,400	182,400	206,400	230,400	264,400	278,400	253,200	263,200
DEVELOPER OPERATING CONTRIBUTION	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 4% OF BEG. FUNDS	823	1,324	1,611	2,308	3,720	5,784	8,415	9,740
TOTAL REVENUES	189,223	183,724	207,911	232,708	268,120	284,184	261,615	272,940

EXPENDITURES - POOL ONLY (5% annual increase, decrease to 2% in 2026)								
EQUIPMENT, SUPPLIES, LABOR, CLEANING, ACTIVITIES, RESERVE	146,707	154,043	161,745	169,832	178,324	187,240	196,602	206,432
MAJOR REFURBISH	0	0	0	0	0	0	0	125,000
CONTINGENCY	0	25,000	26,250	27,563	28,941	30,388	31,907	33,502
TOTAL OPERATING EXPENDITURES	146,707	179,043	187,995	197,395	207,264	217,628	228,509	364,935

EXCESS REVENUES & BONDS OVER EXPENDITURES	12,516	4,681	19,916	35,313	50,856	66,527	33,106	(91,995)
BEGINNING FUND BALANCE - JANUARY 1	20,576	33,091	37,772	57,688	93,001	143,857	210,383	243,489
ENDING FUND BALANCE - DECEMBER 31	33,091	37,772	57,688	93,001	143,857	210,383	243,489	151,494

EXHIBIT IB- RECREATION CENTER OPERATING FUND (SERVICE DISTRICT #1)
 TIMNATH RANCH METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2031

KEY ASSUMPTIONS	2022	2023	2024	2025	2026	2027	2028	2029
INCREMENTAL RESIDENTIAL UNITS ADDED - TRMD #2 (SCH. 2)	0	0	0	0	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS - TRMD #2	1,416	1,486	1,516	1,569	1,569	1,569	1,568	1,569
ASSUMED ANNUAL REC CENTER USER FEES	250	250	250	250	250	250	250	250
ASSUMED # OF HOMES FOR REC CENTER FEES (80%)	1,093	1,133	1,173	1,213	1,255	1,255	1,255	1,255
CASH FLOW								
REVENUES								
REC CENTER MEMBERSHIP FEE (ONE-TIME @ \$0/LOT @ PERMIT)	0	0	0	0	0	0	0	0
REC CENTER USER FEES @ \$300 (ASSUME 80% OF HOMES)	273,200	283,200	283,200	309,200	313,800	313,800	313,800	313,800
DEVELOPER OPERATING CONTRIBUTION	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 4% OF BEG. FUNDS	6,060	7,163	8,186	9,131	9,969	11,010	11,866	12,512
TOTAL REVENUES	279,260	290,363	301,386	312,331	323,769	324,810	325,666	326,312
EXPENDITURES - POOL ONLY (5% annual increase, decrease to 2% in 2029)								
EQUIPMENT, SUPPLIES, LABOR, CLEANING, ACTIVITIES, RESERVE	218,754	227,891	238,971	250,920	255,938	261,057	266,278	271,603
MAJOR REFURBISH	0	0	0	0	0	0	0	0
CONTINGENCY	36,178	36,936	38,783	40,722	41,637	42,368	43,215	44,079
TOTAL OPERATING EXPENDITURES	254,931	264,826	277,754	291,642	297,475	303,424	309,493	315,682
EXCESS REVENUES & BONDS OVER EXPENDITURES	27,329	25,536	23,632	20,689	26,294	21,386	16,173	10,630
BEGINNING FUND BALANCE - JANUARY 1	151,494	178,823	204,648	228,280	248,969	275,263	298,639	312,812
ENDING FUND BALANCE - DECEMBER 31	178,823	204,648	228,280	248,969	275,263	298,639	312,812	323,441

**EXHIBIT 1B- RECREATION CENTER OPERATING FUND (SERVICE DISTRICT #1)
 TIMNATH RANCH METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2031**

KEY ASSUMPTIONS

INCREMENTAL RESIDENTIAL UNITS ADDED - TRMD #2 (SCH. 2)
 CUMULATIVE RESIDENTIAL UNITS - TRMD #2

	2030	2031	TOTALS
	0	0	760
	1,569	1,569	1,569

ASSUMED ANNUAL REC CENTER USER FEES
 ASSUMED # OF HOMES FOR REC CENTER FEES (80%)

	2030	2031	TOTALS
	250	250	250
	1,255	1,255	1,255

CASH FLOW

REVENUES

REC CENTER MEMBERSHIP FEE (ONE-TIME @ \$0/LOT @ PERMIT)
 REC CENTER USER FEES @ \$300 (ASSUME 80% OF HOMES)
 DEVELOPER OPERATING CONTRIBUTION
 INTEREST EARNINGS @ 4% OF BEG. FUNDS
 TOTAL REVENUES

	2030	2031	TOTALS
	0	0	0
	313,800	313,800	6,165,200
	0	0	0
	12,938	7,127	130,101
	326,738	320,927	5,285,301

EXPENDITURES - POOL ONLY (5% ANNUAL INCREASE, DECREASE TO 2% IN 2026)

EQUIPMENT, SUPPLIES, LABOR, CLEANING, ACTIVITIES, RESERVE
 MAJOR REFURBISH
 CONTINGENCY
 TOTAL OPERATING EXPENDITURES

	2030	2031	TOTALS
	277,036	282,576	4,222,438
	160,000	0	275,000
	44,861	45,860	817,189
	471,896	328,436	5,114,627

EXCESS REVENUES & BONDS OVER EXPENDITURES

	2030	2031	TOTALS
	(145,258)	(7,609)	170,674

BEGINNING FUND BALANCE - JANUARY 1

	2030	2031	TOTALS
	323,441	178,183	0

ENDING FUND BALANCE - DECEMBER 31

	2030	2031	TOTALS
	178,183	170,674	170,674

EXHIBIT II (RESIDENTIAL FINANCING DISTRICT #2)
 TIMNATH RANCH METROPOLITAN DISTRICT #2
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

FINAL DRAFT
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 16-Aug-06
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KEY ASSUMPTIONS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
ASSESSED VALUATION (SCH. 2)	0	0	300,000	1,135,800	3,716,064	7,694,472	9,918,757	11,989,153	14,340,740	16,452,544	18,935,635
TOTAL DISTRICT MILL LEVY	0.00	0.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
ASSUMED MILL LEVY TRANSFER TO TRMD #1 FOR OPS	0.00	0.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
INCREMENTAL RESIDENTIAL UNITS ADDED (SCH. 2)	0	30	90	140	100	100	100	100	100	100	100
CUMULATIVE RESIDENTIAL UNITS (SCH. 2)	0	30	120	260	360	460	560	660	760	860	960

CASH FLOW

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES	0	0	13,500	51,111	167,223	346,261	446,344	539,512	646,333	740,364	852,104
PROPERTY TAXES	0	0	1,080	4,089	13,378	27,700	35,708	43,161	51,627	59,229	68,168
SPECIFIC OWNERSHIP TAXES @ 8% OF PROPERTY TAXES	0	0	0	344	862	4,339	4,357	6,773	11,722	11,704	14,281
INTEREST EARNINGS @ 4% OF BEGINNING FUNDS	0	0	14,580	55,544	181,463	378,250	488,408	589,446	709,662	811,288	934,563
TOTAL REVENUES	0	0	14,580	55,544	181,463	378,250	488,408	589,446	709,662	811,288	934,563

EXPENDITURES

IGA PAYMENT TO TRMD #1 FOR OPS (SERVICE DISTRICT)	0	0	5,700	21,580	70,605	146,195	188,456	227,794	272,474	312,598	359,777
COUNTY TREASURER 2.0% COLLECTION FEE	0	0	270	1,022	3,344	6,925	8,927	10,780	12,907	14,807	17,042
ADMINISTRATIVE ALLOWANCE	0	0	0	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,587
TOTAL EXPENDITURES	0	0	5,970	42,602	94,550	174,338	219,238	261,094	308,566	351,287	401,417
FUNDS AVAILABLE FOR DEBT SERVICE	0	0	8,610	12,942	86,913	203,912	267,170	328,352	400,115	480,011	533,106

LIMITED GO BONDS DEBT SERVICE

SERIES 2010 G.O. NON-RATED DEBT SERVICE (SCH. 2)	0	0	0	0	0	203,600	206,750	204,650	207,550	205,100	207,650
SERIES 2013 G.O. NON-RATED DEBT SERVICE (SCH. 2)	0	0	0	0	0	0	0	0	193,000	191,250	194,500
SERIES 2016 G.O. NON-RATED DEBT SERVICE (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
SERIES 2020 G.O. NON-RATED DEBT SERVICE (SCH. 2) (Note 1)	0	0	0	0	0	0	0	0	0	0	0
SERIES 2025 G.O. NON-RATED DEBT SERVICE (SCH. 2) (Note 1)	0	0	0	0	0	0	0	0	0	0	0
SERIES 20 G.O. NON-RATED DEBT SERVICE (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
TOTAL LIMITED G.O. BONDS DEBT SERVICE (SCH. 2)	0	0	0	0	0	203,600	206,750	204,650	400,550	396,350	402,150

EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE

G.O. BONDS ISSUED	0	0	0	0	86,913	462	60,420	123,702	(435)	63,681	130,958
COSTS OF BOND ISSUANCE @4%	0	0	0	0	2,550,000	0	0	2,400,000	0	0	2,500,000
TRANSFER OF NET BOND PROCEEDS TO TRMD #1 FOR CAPITAL IMPROVEMENTS	0	0	0	0	102,000	0	0	98,000	0	0	100,000
BEGINNING FUND BALANCE - JANUARY 1	0	0	0	0	2,448,000	0	0	2,304,000	0	0	2,400,000
ENDING FUND BALANCE - DECEMBER 31	0	0	0	0	108,465	108,917	189,337	293,039	292,605	356,266	487,222

TOTAL G.O. BONDS OUTSTANDING @ 12/31

% OF OUTSTANDING G.O. BONDS/ASSESSED VALUATION	0.00%	0.00%	0.00%	0.00%	33.14%	25.46%	20.81%	33.92%	29.21%	25.06%	34.02%
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(Note 1) Series 2020 and 2025 bond issues assumed to be paid by 2046

EXHIBIT II (RESIDENTIAL FINANCING DISTRICT #2)
 TIMNATH RANCH METROPOLITAN DISTRICT #2
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

KEY ASSUMPTIONS

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
ASSESSED VALUATION (SCH. 2)	21,089,875	23,709,890	26,805,710	28,884,888	31,094,200	32,401,850	33,087,815	34,448,648	35,149,329	36,584,785
TOTAL DISTRICT MILL LEVY	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
ASSUMED MILL LEVY TRANSFER TO TRMD #1 FOR OPS	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
INCREMENTAL RESIDENTIAL UNITS ADDED (SCH. 2)	100	100	100	50	50	50	50	50	50	0
CUMULATIVE RESIDENTIAL UNITS (SCH. 2)	1,060	1,160	1,268	1,316	1,388	1,416	1,468	1,516	1,569	1,569

CASH FLOW

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
REVENUES										
PROPERTY TAXES	949,035	1,066,887	1,166,757	1,289,920	1,399,239	1,458,083	1,488,943	1,650,198	1,581,676	1,846,414
SPECIFIC OWNERSHIP TAXES @ 8% OF PROPERTY TAXES	76,923	85,951	93,281	103,194	111,939	116,847	119,115	124,016	128,534	131,633
INTEREST EARNINGS @ 4% OF BEGINNING FUNDS	19,489	19,378	22,302	27,850	38,858	48,817	48,905	49,451	51,808	54,989
TOTAL REVENUES	1,044,447	1,171,813	1,281,328	1,421,063	1,548,036	1,623,547	1,658,963	1,723,665	1,760,115	1,832,047

EXPENDITURES

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
IGA PAYMENT TO TRMD #1 FOR OPS (SERVICE DISTRICT)	400,704	450,463	492,208	544,633	590,790	615,635	628,865	664,528	667,818	694,731
COUNTY TREASURER 2.0% COLLECTION FEE	19,981	21,338	23,316	26,798	27,985	29,162	29,779	31,004	31,633	32,908
ADMINISTRATIVE ALLOWANCE	25,335	26,085	26,878	27,685	28,515	29,371	30,252	31,159	32,094	33,057
TOTAL EXPENDITURES	445,020	497,886	542,402	598,116	647,290	674,167	688,695	716,691	731,546	760,696

FUNDS AVAILABLE FOR DEBT SERVICE

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
LIMITED GO BONDS DEBT SERVICE										
SERIES 2010 G.O. NON-RATED DEBT SERVICE (SCH. 2)	204,860	207,060	203,900	205,750	207,250	203,400	209,550	205,000	205,450	205,550
SERIES 2013 G.O. NON-RATED DEBT SERVICE (SCH. 2)	192,400	195,300	192,850	195,400	192,600	194,800	191,850	193,500	195,000	191,150
SERIES 2016 G.O. NON-RATED DEBT SERVICE (SCH. 2)	200,000	203,250	201,150	199,050	201,950	199,600	202,050	199,250	201,450	203,300
SERIES 2020 G.O. NON-RATED DEBT SERVICE (SCH. 2) (Note 1)	0	0	0	0	0	349,500	351,350	347,850	349,350	350,500
SERIES 2025 G.O. NON-RATED DEBT SERVICE (SCH. 2) (Note 1)	0	0	0	0	0	0	0	0	0	0
SERIES 20 G.O. NON-RATED DEBT SERVICE (SCH. 2)	0	0	0	0	0	0	0	0	0	0
TOTAL LIMITED G.O. BONDS DEBT SERVICE (SCH. 2)	597,260	605,610	597,900	600,200	601,800	947,200	954,600	945,600	951,250	950,500

EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
G.O. BONDS ISSUED	0	0	0	0	4,350,000	0	0	0	0	2,300,000
COSTS OF BOND ISSUANCE @ 4%	0	0	0	0	174,000	0	0	0	0	92,000
TRANSFER OF NET BOND PROCEEDS TO TRMD #1 FOR CAPITAL IMPROVEMENTS	0	0	0	0	4,176,000	0	0	0	0	2,208,000
BEGINNING FUND BALANCE - JANUARY 1	487,222	489,399	557,716	698,740	921,487	1,220,435	1,222,615	1,236,282	1,287,656	1,374,975
ENDING FUND BALANCE - DECEMBER 31	489,399	557,716	698,740	921,487	1,220,435	1,222,615	1,236,282	1,297,656	1,374,975	1,495,826
TOTAL G.O. BONDS OUTSTANDING @ 12/31	7,080,000	6,870,000	6,860,000	6,740,000	10,960,000	10,780,000	10,580,000	10,375,000	10,150,000	12,210,000
% OF OUTSTANDING G.O. BONDS/ASSESSED VALUATION	29.86%	29.91%	23.93%	21.66%	33.83%	32.58%	30.71%	29.52%	27.76%	33.03%

(Note 1) Series 2020 and 2025 bond issues assumed to be paid by 2046

EXHIBIT II (RESIDENTIAL FINANCING DISTRICT #2)
 TIMNATH RANCH METROPOLITAN DISTRICT #2
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

KEY ASSUMPTIONS

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
ASSESSED VALUATION (SCH. 2)	38,862,618	37,701,766	37,701,766	38,455,802	38,455,802	39,224,918	39,224,918	40,009,418	40,009,418	40,809,804
TOTAL DISTRICT MILL LEVY	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
ASSUMED MILL LEVY TRANSFER TO TRMD #1 FOR OPS	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
INCREMENTAL RESIDENTIAL UNITS ADDED (SCH. 2)	0	0	0	0	0	0	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS (SCH. 2)	1,569	1,569	1,569	1,569	1,569	1,569	1,569	1,569	1,569	1,569

CASH FLOW

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
REVENUES										
PROPERTY TAXES	1,663,313	1,696,679	1,696,679	1,730,511	1,730,511	1,765,121	1,765,121	1,800,424	1,800,424	1,836,432
SPECIFIC OWNERSHIP TAXES @ 8% OF PROPERTY TAXES	133,066	135,726	135,726	138,441	138,441	141,210	141,210	144,034	144,034	146,915
INTEREST EARNINGS @ 4% OF BEGINNING FUNDS	59,833	57,909	56,701	55,241	54,458	53,775	54,139	54,593	55,217	56,335
TOTAL REVENUES	1,856,211	1,890,215	1,889,006	1,924,193	1,923,409	1,960,106	1,960,470	1,999,020	1,999,020	2,039,682

EXPENDITURES

IGA PAYMENT TO TRMD #1 FOR OPS (SERVICE DISTRICT)	702,288	716,334	716,334	730,660	730,660	745,273	745,273	760,179	760,179	775,382
COUNTY TREASURER 2.0% COLLECTION FEE	33,266	33,932	33,932	34,610	34,610	35,302	35,302	36,008	36,008	36,729
ADMINISTRATIVE ALLOWANCE	34,049	35,070	36,122	37,208	38,322	39,472	40,658	41,878	43,132	44,426
TOTAL EXPENDITURES	769,603	785,335	786,387	802,478	803,593	820,048	821,232	838,063	839,319	858,537
FUNDS AVAILABLE FOR DEBT SERVICE	1,086,608	1,104,880	1,102,619	1,121,717	1,119,815	1,140,058	1,139,238	1,160,957	1,160,355	1,183,145

LIMITED GO BONDS DEBT SERVICE

SERIES 2010 G.O. NON-RATED DEBT SERVICE (SCH. 2)	205,300	204,700	203,750	207,450	205,450	203,100	205,400	207,000	202,900	203,450
SERIES 2013 G.O. NON-RATED DEBT SERVICE (SCH. 2)	192,300	193,100	193,550	193,650	193,400	192,800	191,850	195,550	193,550	191,200
SERIES 2016 G.O. NON-RATED DEBT SERVICE (SCH. 2)	199,800	201,300	202,460	203,260	203,700	198,800	198,900	203,650	202,700	201,400
SERIES 2020 G.O. NON-RATED DEBT SERVICE (SCH. 2) (Note 1)	351,300	351,750	351,850	351,800	351,000	350,050	348,750	352,100	348,750	352,050
SERIES 2025 G.O. NON-RATED DEBT SERVICE (SCH. 2) (Note 1)	186,000	184,250	187,500	185,400	183,300	186,200	183,750	186,300	183,600	185,700
SERIES 20 G.O. NON-RATED DEBT SERVICE (SCH. 2)	0	0	0	0	0	0	0	0	0	0
TOTAL LIMITED G.O. BONDS DEBT SERVICE (SCH. 2)	1,134,700	1,135,100	1,138,100	1,141,350	1,136,850	1,130,950	1,128,650	1,144,800	1,132,400	1,133,800

EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE

G.O. BONDS ISSUED	0	0	0	0	0	0	0	0	0	0
COSTS OF BOND ISSUANCE @4%	0	0	0	0	0	0	0	0	0	0
TRANSFER OF NET BOND PROCEEDS TO TRMD #1 FOR CAPITAL IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0

BEGINNING FUND BALANCE - JANUARY 1

BEGINNING FUND BALANCE - JANUARY 1	1,495,828	1,447,735	1,417,515	1,381,034	1,381,401	1,344,368	1,353,474	1,354,063	1,380,420	1,408,375
ENDING FUND BALANCE - DECEMBER 31	1,447,735	1,417,515	1,381,034	1,381,401	1,344,368	1,353,474	1,354,063	1,380,420	1,408,375	1,457,720

TOTAL G.O. BONDS OUTSTANDING @ 12/31

TOTAL G.O. BONDS OUTSTANDING @ 12/31	11,990,000	11,630,000	11,305,000	10,955,000	10,598,000	10,195,000	9,780,000	9,320,000	8,840,000	8,325,000
% OF OUTSTANDING G.O. BONDS/ASSESSED VALUATION	31.64%	30.85%	29.40%	28.49%	26.99%	25.99%	24.44%	23.28%	21.66%	20.40%

(Note 1) Series 2020 and 2025 bond issues assumed to be paid by 2046

EXHIBIT II (RESIDENTIAL FINANCING DISTRICT #2)
 TIMNATH RANCH METROPOLITAN DISTRICT #2
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

KEY ASSUMPTIONS	2037	2038	2039	2040	2041	2042	TOTALS
ASSESSED VALUATION (SCH. 2)	40,809,804	41,625,797	41,625,797	42,458,313	42,458,313	43,307,479	
TOTAL DISTRICT MILL LEVY	45.00	45.00	45.00	45.00	43.00	43.00	
ASSUMED MILL LEVY TRANSFER TO TRMD #1 FOR OPS	19.00	19.00	19.00	19.00	19.00	19.00	
INCREMENTAL RESIDENTIAL UNITS ADDED (SCH. 2)	0	0	0	0	0	0	1,569
CUMULATIVE RESIDENTIAL UNITS (SCH. 2)	1,569	1,569	1,569	1,569	1,569	1,569	1,569

CASH FLOW

REVENUES	2037	2038	2039	2040	2041	2042	TOTALS
PROPERTY TAXES	1,836,432	1,873,161	1,873,161	1,910,824	1,825,707	1,892,222	46,083,217
SPECIFIC OWNERSHIP TAXES @ 8% OF PROPERTY TAXES	146,915	149,863	149,863	152,860	146,057	149,978	3,685,057
INTEREST EARNINGS @ 4% OF BEGINNING FUNDS	55,309	60,350	63,095	66,160	70,408	75,042	1,390,148
TOTAL REVENUES	2,041,656	2,083,384	2,086,109	2,129,834	2,042,172	2,090,242	51,138,421

EXPENDITURES

IGA PAYMENT TO TRMD #1 FOR OPS (SERVICE DISTRICT)	775,382	790,890	790,890	806,708	806,708	822,842	19,521,338
COUNTY TREASURER 2.0% COLLECTION FEE	36,729	37,463	37,463	38,212	38,514	37,244	921,284
ADMINISTRATIVE ALLOWANCE	45,759	47,131	48,545	50,002	51,502	53,047	1,154,804
TOTAL EXPENDITURES	857,870	875,485	876,898	894,922	894,724	913,133	21,597,206
FUNDS AVAILABLE FOR DEBT SERVICE	1,183,786	1,207,879	1,209,211	1,234,712	1,147,449	1,177,108	29,541,214

LIMITED GO BONDS DEBT SERVICE

SERIES 2010 G.O. NON-RATED DEBT SERVICE (SCH. 2)	203,900	207,460	205,660	197,950	0	0	6,165,700
SERIES 2013 G.O. NON-RATED DEBT SERVICE (SCH. 2)	193,500	195,100	191,000	191,550	191,400	390,650	5,797,450
SERIES 2016 G.O. NON-RATED DEBT SERVICE (SCH. 2)	199,750	202,750	200,090	202,000	203,250	896,800	5,933,500
SERIES 2020 G.O. NON-RATED DEBT SERVICE (SCH. 2) (Note 1)	348,650	349,900	350,450	350,300	349,450	872,900	7,880,400
SERIES 2025 G.O. NON-RATED DEBT SERVICE (SCH. 2) (Note 1)	187,550	194,060	185,650	186,700	187,500	617,960	3,401,200
SERIES 20 G.O. NON-RATED DEBT SERVICE (SCH. 2)	0	0	0	0	0	0	0
TOTAL LIMITED G.O. BONDS DEBT SERVICE (SCH. 2)	1,132,750	1,139,250	1,132,600	1,128,500	931,600	2,780,200	29,188,250

EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE

G.O. BONDS ISSUED	51,038	98,628	76,611	106,212	215,849	(1,603,092)	372,984
COSTS OF BOND ISSUANCE @4%	0	0	0	0	0	0	14,100,000
TRANSFER OF NET BOND PROCEEDS TO TRMD #1 FOR CAPITAL IMPROVEMENTS	0	0	0	0	0	0	584,000

BEGINNING FUND BALANCE - JANUARY 1

BEGINNING FUND BALANCE - JANUARY 1	1,457,720	1,508,756	1,577,385	1,653,986	1,760,207	1,876,056	0
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ENDING FUND BALANCE - DECEMBER 31

ENDING FUND BALANCE - DECEMBER 31	1,508,756	1,577,385	1,653,986	1,760,207	1,876,056	372,984	372,984
TOTAL G.O. BONDS OUTSTANDING @ 12/31	7,775,000	7,180,000	6,550,000	5,880,000	5,360,000	2,955,000	2,955,000
% OF OUTSTANDING G.O. BONDS/ASSESSED VALUATION	18.68%	17.25%	15.43%	13.85%	12.39%	12.38%	

(Note 1) Series 2020 and 2025 bond issues assumed to be paid by 2046

SCHEDULE 1 (RESIDENTIAL FINANCING DISTRICT #2)
 TIMNATH RANCH METROPOLITAN DISTRICT #2
 GENERAL OBLIGATION BOND ISSUES AND DEBT SERVICE REQUIREMENTS
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2042

BOND ISSUES

SIZE OF GENERAL OBLIGATION BOND ISSUES			
BOND ISSUE DATE	NET PROCEEDS	OTHER COSTS	GROSS BOND ISSUE
12/1/2010 NON-RATED	2,448,000	102,000	2,550,000
12/1/2013 NON-RATED	2,304,000	98,000	2,400,000
12/1/2016 NON-RATED	2,400,000	100,000	2,500,000
12/1/2021 NON-RATEC	4,176,000	174,000	4,350,000
12/1/2028 NON-RATED	2,508,000	92,000	2,300,000
TOTALS	13,836,000	564,000	14,100,000

ANNUAL DEBT SERVICE REQUIREMENTS

	2008	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
G.O. BONDS DEBT SERVICE	0	0	0	0	0	178,660	176,760	174,660	172,660	170,100	167,660	164,850	162,050
SERIES 12/1/2010 @ 7.0%	0	0	0	0	0	25,000	30,000	30,000	35,000	35,000	40,000	40,000	45,000
INTEREST @ 7.0%	0	0	0	0	0	203,660	206,760	204,660	193,000	206,100	207,660	204,850	207,050
PRINCIPAL REDUCTION	0	0	0	0	0	2,650,000	2,495,000	2,485,000	2,430,000	2,395,000	2,355,000	2,315,000	2,270,000
TOTAL DEBT SERVICE	0	0	0	0	2,650,000	2,673,660	2,680,660	2,685,000	2,660,000	2,650,000	2,650,000	2,629,850	2,655,000
G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	0	0
SERIES 12/1/2013 @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	0	0
SERIES 12/1/2016 @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	0	0
SERIES 12/1/2021 @ 7.0% (Note 1)	0	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	0	0
SERIES 12/1/2028 @ 7.0% (Note 1)	0	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL G.O. BONDS DEBT SERVICE	0	0	0	0	2,650,000	2,673,660	2,680,660	2,685,000	2,660,000	2,650,000	2,650,000	2,629,850	2,655,000
TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	0	0

(Note 1) Series 2020 and 2025 bond issues assumed to be paid by 2048

SCHEDULE 1 (RESIDENTIAL FINANCING DISTRICT #2)
 TIMNATH RANCH-METROPOLITAN DISTRICT #2
 GENERAL OBLIGATION BOND ISSUES AND DEBT SERVICE
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH

BOND ISSUES

SIZE OF GENERAL OBLIGATION BOND ISSUES		OTHER COSTS		GROSS BOND ISSUE	
BOND ISSUE DATE	NET PROCEEDS				
12/1/2010 NON-RATED	2,448,000	102,000		2,550,000	
12/1/2013 NON-RATED	2,904,000	96,000		2,400,000	
12/1/2016 NON-RATED	2,400,000	100,000		2,500,000	
12/1/2021 NON-RATEC	4,176,000	174,000		4,350,000	
12/1/2026 NON-RATED	2,208,000	92,000		2,300,000	
TOTALS	13,836,000	564,000		14,100,000	

G.O. BONDS DEBT SERVICE

SERIES 12/1/2010 @ 7.0%

INTEREST @ 7.0%

PRINCIPAL REDUCTION

TOTAL DEBT SERVICE

G.O. BONDS OUTSTANDING @ 12/31

SERIES 12/1/2013 @ 7.0%

INTEREST @ 7.0%

PRINCIPAL REDUCTION

TOTAL DEBT SERVICE

G.O. BONDS OUTSTANDING @ 12/31

SERIES 12/1/2016 @ 7.0%

INTEREST @ 7.0%

PRINCIPAL REDUCTION

TOTAL DEBT SERVICE

G.O. BONDS OUTSTANDING @ 12/31

SERIES 12/1/2021 @ 7.0% (Note 1)

INTEREST @ 7.0%

PRINCIPAL REDUCTION

TOTAL DEBT SERVICE

G.O. BONDS OUTSTANDING @ 12/31

SERIES 12/1/2026 @ 7.0% (Note 1)

INTEREST @ 7.0%

PRINCIPAL REDUCTION

TOTAL DEBT SERVICE

G.O. BONDS OUTSTANDING @ 12/31

TOTAL G.O. BONDS DEBT SERVICE

TOTAL G.O. BONDS OUTSTANDING @ 12/31

	2018	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
203,900	203,900	205,750	207,250	203,400	209,550	205,000	205,450	205,550	205,300	204,700	203,750
192,850	192,850	195,400	192,600	194,800	191,850	193,500	195,000	191,150	192,300	193,100	193,550
201,150	201,150	199,050	201,950	199,500	202,050	199,250	201,450	203,300	199,800	201,300	202,450
0	0	0	0	349,500	351,350	347,850	349,350	350,500	351,300	351,750	351,850
597,900	600,200	601,800	947,200	954,600	946,600	951,250	950,500	1,134,700	1,135,100	1,139,100	
158,900	155,750	152,250	148,400	144,550	140,000	136,450	130,550	125,300	119,700	113,750	
45,000	50,000	55,000	55,000	55,000	55,000	55,000	70,000	75,000	80,000	85,000	
203,800	205,750	207,250	203,400	208,550	205,000	205,450	205,450	205,300	204,700	203,750	
2,225,000	2,173,000	2,120,000	2,065,000	2,000,000	1,935,000	1,865,000	1,790,000	1,710,000	1,625,000	1,535,000	
167,850	155,400	152,600	148,800	146,650	143,500	140,000	140,000	136,150	132,300	128,100	
35,000	40,000	40,000	45,000	45,000	45,000	55,000	55,000	55,000	50,000	55,000	
192,850	195,400	192,600	194,800	191,850	193,500	195,000	195,000	191,150	192,300	193,100	
2,220,000	2,180,000	2,140,000	2,095,000	2,050,000	2,000,000	1,945,000	1,890,000	1,830,000	1,765,000	1,695,000	
171,150	169,050	166,950	164,500	162,050	159,250	156,450	153,300	148,800	146,300	142,450	
30,000	30,000	35,000	35,000	40,000	40,000	45,000	45,000	50,000	50,000	55,000	
201,150	199,050	201,950	199,500	202,050	199,250	201,450	203,300	199,800	201,300	202,450	
2,415,000	2,365,000	2,350,000	2,315,000	2,275,000	2,235,000	2,190,000	2,140,000	2,090,000	2,035,000	1,975,000	
0	0	0	304,500	301,350	297,850	284,350	280,500	286,300	281,750	276,850	
0	0	0	45,000	50,000	50,000	55,000	55,000	55,000	70,000	75,000	
0	0	0	349,500	351,350	347,850	349,350	350,500	351,300	351,750	351,850	
0	0	4,350,000	4,305,000	4,255,000	4,205,000	4,150,000	4,090,000	4,025,000	3,955,000	3,880,000	
0	0	0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	0	0	
597,900	600,200	601,800	947,200	954,600	946,600	951,250	950,500	1,134,700	1,135,100	1,139,100	
6,860,000	6,740,000	10,960,000	10,780,000	10,580,000	10,375,000	10,150,000	12,210,000	11,930,000	11,630,000	11,305,000	

(Note 1) Series 2020 and 2025 bond issues assumed to be paid by 2046

**SCHEDULE 1 (RESIDENTIAL FINANCING DISTRICT #2)
TIMNATH RANCH METROPOLITAN DISTRICT #2
GENERAL OBLIGATION BOND ISSUES AND DEBT SERVICE
FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH**

BOND ISSUES

SIZE OF GENERAL OBLIGATION BOND ISSUES			
BOND ISSUE DATE	NET PROCEEDS	OTHER COSTS	GROSS BOND ISSUE
12/1/2010 NON-RATED	2,448,000	102,000	2,550,000
12/1/2013 NON-RATED	2,304,000	98,000	2,400,000
12/1/2016 NON-RATED	2,400,000	100,000	2,500,000
12/1/2021 NON-RATEE	4,176,000	174,000	4,350,000
12/1/2026 NON-RATED	2,208,000	92,000	2,300,000
TOTALS	13,536,000	564,000	14,100,000

G.O. BONDS DEBT SERVICE

SERIES	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
SERIES 12/1/2010 @ 7.0%											
INTEREST @ 7.0%	107,450	100,450	93,100	85,400	77,000	67,900	58,450	48,300	37,450	25,550	12,950
PRINCIPAL REDUCTION	100,000	105,000	110,000	120,000	130,000	135,000	145,000	155,000	170,000	180,000	185,000
TOTAL DEBT SERVICE	207,450	205,450	203,100	205,400	207,000	202,900	203,450	203,300	207,450	205,550	197,950
G.O. BONDS OUTSTANDING @ 12/31	1,435,000	1,330,000	1,220,000	1,100,000	970,000	835,000	690,000	535,000	365,000	185,000	0
SERIES 12/1/2013 @ 7.0%											
INTEREST @ 7.0%	118,650	113,400	107,800	101,650	95,650	88,550	81,200	73,500	65,100	56,000	46,550
PRINCIPAL REDUCTION	75,000	80,000	85,000	90,000	100,000	105,000	110,000	120,000	130,000	135,000	145,000
TOTAL DEBT SERVICE	193,650	193,400	192,800	191,650	195,650	193,550	191,200	193,500	195,100	191,000	191,550
G.O. BONDS OUTSTANDING @ 12/31	1,620,000	1,540,000	1,455,000	1,365,000	1,265,000	1,180,000	1,050,000	930,000	800,000	685,000	520,000
SERIES 12/1/2016 @ 7.0%											
INTEREST @ 7.0%	138,250	133,700	128,800	123,900	118,650	112,700	108,400	99,750	92,750	85,050	77,000
PRINCIPAL REDUCTION	85,000	70,000	70,000	75,000	85,000	90,000	95,000	100,000	110,000	115,000	125,000
TOTAL DEBT SERVICE	203,250	203,700	198,800	198,900	203,650	202,700	201,400	199,750	202,750	200,050	202,000
G.O. BONDS OUTSTANDING @ 12/31	1,910,000	1,840,000	1,770,000	1,695,000	1,610,000	1,520,000	1,425,000	1,325,000	1,215,000	1,100,000	975,000
SERIES 12/1/2021 @ 7.0% (Note 1)											
INTEREST @ 7.0%	271,600	266,000	260,050	253,750	247,100	239,750	232,050	223,650	214,900	205,450	195,300
PRINCIPAL REDUCTION	80,000	85,000	90,000	95,000	105,000	110,000	120,000	125,000	135,000	145,000	155,000
TOTAL DEBT SERVICE	351,600	351,000	350,050	348,750	352,100	349,750	352,050	348,650	349,900	350,450	350,300
G.O. BONDS OUTSTANDING @ 12/31	3,800,000	3,715,000	3,625,000	3,530,000	3,425,000	3,315,000	3,195,000	3,070,000	2,935,000	2,790,000	2,635,000
SERIES 12/1/2026 @ 7.0% (Note 1)											
INTEREST @ 7.0%	155,400	153,300	151,200	148,750	146,300	143,500	140,700	137,550	134,050	130,550	126,700
PRINCIPAL REDUCTION	30,000	30,000	35,000	35,000	40,000	40,000	45,000	50,000	50,000	55,000	60,000
TOTAL DEBT SERVICE	185,400	183,300	186,200	183,750	186,300	183,500	185,700	187,550	184,050	185,550	186,700
G.O. BONDS OUTSTANDING @ 12/31	2,190,000	2,180,000	2,125,000	2,090,000	2,050,000	2,010,000	1,965,000	1,915,000	1,865,000	1,810,000	1,750,000
TOTAL G.O. BONDS DEBT SERVICE	1,141,350	1,136,850	1,130,950	1,128,650	1,144,900	1,132,400	1,133,800	1,132,750	1,139,250	1,132,600	1,128,600
TOTAL G.O. BONDS OUTSTANDING @ 12/31	10,855,000	10,585,000	10,195,000	9,780,000	9,320,000	8,840,000	8,325,000	7,775,000	7,180,000	6,550,000	5,860,000

(Note 1) Series 2020 and 2025 bond issues assumed to be paid by 2046

SCHEDULE 1 (RESIDENTIAL FINANCING DISTRICT #2)
 TIMNATH RANCH METROPOLITAN DISTRICT #2
 GENERAL OBLIGATION BOND ISSUES AND DEBT SERVICE
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH

BOND ISSUES

SIZE OF GENERAL OBLIGATION BOND ISSUES				
BOND ISSUE DATE	NET PROCEEDS	OTHER COSTS	GROSS BOND ISSUE	
12/1/2010 NON-RATED	2,448,000	102,000	2,550,000	
12/1/2013 NON-RATED	2,304,000	96,000	2,400,000	
12/1/2016 NON-RATED	2,400,000	100,000	2,500,000	
12/1/2021 NON-RATED	4,178,000	174,000	4,350,000	
12/1/2028 NON-RATED	2,208,000	92,000	2,300,000	
TOTALS	13,536,000	564,000	14,100,000	

	2041	2042 TOTALS
	0	0
	191,400	390,550
	203,250	898,800
	349,450	872,900
	187,600	617,950
	931,600	2,780,200
		29,168,250

G.O. BONDS DEBT SERVICE

SERIES 12/1/2010 @ 7.0%

INTEREST @ 7.0%

PRINCIPAL REDUCTION

TOTAL DEBT SERVICE

G.O. BONDS OUTSTANDING @ 12/31

	0	0	3,806,700
	0	0	2,550,000
	0	0	5,156,700
	0	0	0

SERIES 12/1/2013 @ 7.0%

INTEREST @ 7.0%

PRINCIPAL REDUCTION

TOTAL DEBT SERVICE

G.O. BONDS OUTSTANDING @ 12/31

	36,400	25,550	3,397,450
	155,000	366,000	2,400,000
	181,400	390,850	5,797,450
	365,000	0	0

SERIES 12/1/2016 @ 7.0%

INTEREST @ 7.0%

PRINCIPAL REDUCTION

TOTAL DEBT SERVICE

G.O. BONDS OUTSTANDING @ 12/31

	68,250	58,800	3,433,500
	135,000	840,000	2,500,000
	203,250	898,800	5,933,500
	840,000	0	0

SERIES 12/1/2021 @ 7.0% (Note 1)

INTEREST @ 7.0%

PRINCIPAL REDUCTION

TOTAL DEBT SERVICE

G.O. BONDS OUTSTANDING @ 12/31

	184,450	172,900	5,300,400
	165,000	700,000	2,580,000
	349,450	872,900	2,880,400
	2,470,000	1,770,000	1,770,000

SERIES 12/1/2028 @ 7.0% (Note 1)

INTEREST @ 7.0%

PRINCIPAL REDUCTION

TOTAL DEBT SERVICE

G.O. BONDS OUTSTANDING @ 12/31

	122,600	117,950	2,288,200
	65,000	590,000	1,115,000
	187,600	617,950	3,401,200
	1,685,000	1,185,000	1,185,000

TOTAL G.O. BONDS DEBT SERVICE

TOTAL G.O. BONDS OUTSTANDING @ 12/31

	931,600	2,780,200	29,168,250
	5,360,000	2,955,000	

(Note 1) Series 2020 and 2025 bond issues assumed to be paid by 2048

**SCHEDULE 2 (RESIDENTIAL FINANCING DISTRICT #2)
TIMNATH RANCH METROPOLITAN DISTRICT #2
PROJECTED ASSESSED VALUATION - BUILDOUT
FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2027**

**WORKING DRAFT
SUBJECT TO REVISION
16-Aug-08
SEE CONSULTANTS' DISCLAIMER**

Description of Unit	Planned Number of Homes	Average Price	Total Gross Unit Volume
Residential:			
Single Family Residential Filing 1	160	350,000	63,000,000
Single Family Residential 4	566	350,000	205,100,000
Multi Family Residential Filing 4	803	150,000	120,450,000
Total Residential - Incr.	1,568	247,642	388,550,000
Total Residential - Cumulative			

Actual Values:

Single Family Residential Filing 1	0	10,500,000	21,000,000	31,500,000	0	0	0	0	0	0	0
Single Family Residential 4	0	0	10,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000
Multi Family Residential Filing 4	0	0	0	0	0	0	0	0	0	0	0
Total Actual Values - Incremental	0	10,500,000	31,500,000	48,000,000	48,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Total Actual Values - Cumulative	0	10,500,000	42,000,000	91,000,000	116,000,000	141,000,000	166,000,000	191,000,000	216,000,000	241,000,000	266,000,000

Assessed Values (Residential @ 7.96%):

Single Family Residential Filing 1	0	835,800	1,671,600	2,507,400	2,507,400	0	0	0	0	0	0
Single Family Residential 4	0	0	835,800	1,393,000	1,393,000	1,393,000	1,393,000	1,393,000	1,393,000	1,393,000	1,393,000
Multi Family Residential Filing 4	0	0	0	0	0	0	0	0	0	0	0
Total Assessed Value	0	835,800	2,507,400	3,900,400	3,900,400	1,990,000	1,990,000	1,990,000	1,990,000	1,990,000	1,990,000
Total Assessed Valuation Vacant Land	300,000	0	0	0	0	0	0	0	0	0	0
Total Assessed Valuation - Incremental	300,000	835,800	2,507,400	3,900,400	3,900,400	1,990,000	1,990,000	1,990,000	1,990,000	1,990,000	1,990,000
Total Assessed Valuation - Cumulative	300,000	1,135,800	3,643,200	7,543,600	9,533,600	11,523,600	13,513,600	15,503,600	17,493,600	19,483,600	21,473,600
Total Assessed Values - Cum. 2% Biennial Net Increases after 2009	300,000	1,135,800	3,716,084	7,694,472	9,918,757	11,989,163	14,340,740	16,452,544	18,395,635	20,181,120	21,816,605

Year Assessed Valuation Certified To TRMD #2
Year Taxes Received By TRMD #2

2007	2008	2009	2010	2011	2012	2013	2014	2015
2008	2009	2010	2011	2012	2013	2014	2015	2016

**SCHEDULE 2 (RESIDENTIAL FINANCING DISTRICT #2)
TIMNATH RANCH METROPOLITAN DISTRICT #2
PROJECTED ASSESSED VALUATION - BUILDOUT
FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2027**

Description of Unit	Planned Number of Homes	Average Price Per Unit	Pinnacle Consulting Group, Inc.)	
			Total Gross Unit Volume	Total Gross Unit Volume
Residential				
Single Family Residential Filing 1	180	350,000	63,000,000	
Single Family Residential Filing 4	586	350,000	205,100,000	
Multi Family Residential Filing 4	803	150,000	120,450,000	
Total Residential - Incom.	1,569	247,642	388,550,000	
Total Residential - Cumulat.	860			

Actual Values:

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Single Family Residential Filing 1	0	0	0	0	0	0	0	0	0	0	0
Single Family Residential Filing 4	17,500,000	17,500,000	17,500,000	17,500,000	19,600,000	0	0	0	0	0	0
Multi Family Residential Filing 4	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
Total Actual Values - Incremental	25,000,000	25,000,000	25,000,000	25,000,000	27,100,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
Total Actual Values - Cumulative	241,000,000	266,000,000	291,000,000	316,000,000	343,100,000	350,600,000	358,100,000	365,600,000	373,100,000	373,100,000	373,100,000

Assessed Values (Residential @ 7.95%):

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Single Family Residential Filing 1	0	0	0	0	0	0	0	0	0	0	0
Single Family Residential Filing 4	1,393,000	1,393,000	1,393,000	1,393,000	1,560,160	0	0	0	0	0	0
Multi Family Residential Filing 4	597,000	597,000	597,000	597,000	597,000	597,000	597,000	597,000	597,000	597,000	597,000
Total Assessed Value	1,990,000	1,990,000	1,990,000	1,990,000	2,157,160	597,000	597,000	597,000	597,000	597,000	597,000
Total Assessed Valuation Vacant Land	0	0	0	0	0	0	0	0	0	0	0
Total Assessed Valuation - Incremental	1,990,000	1,990,000	1,990,000	1,990,000	2,157,160	597,000	597,000	597,000	597,000	597,000	597,000
Total Assessed Valuation - Cumulative	19,483,800	21,473,800	23,463,800	25,453,800	27,610,760	28,207,760	28,804,760	29,401,760	29,998,760	30,595,760	31,192,760
Total Assessed Values - Cum. 2% Biennial Net Increases after 2009	21,089,875	23,708,850	26,905,710	28,684,888	31,084,200	32,401,850	33,087,615	34,448,848	35,148,322	35,148,322	35,148,322

Year Assessed Valuation Certified To TRMD #2
Year Taxes Received By TRMD #2

**SCHEDULE 2 (RESIDENTIAL FINANCING DISTRICT #2)
 TIMNATH RANCH METROPOLITAN DISTRICT #2
 PROJECTED ASSESSED VALUATION - BUILDOUT
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2027**

Description of Unit	Planned Number of Homes	Average Price Per Unit	Pinnacle Consulting Group, Inc.	
			Total Gross Unit	Volume
Residential:				
Single Family Residential Filing 1	180	350,000	63,000,000	
Single Family Residential 4	586	350,000	205,100,000	
Multi Family Residential Filing 4	803	180,000	120,450,000	
Total Residential - Incr.	1,569	247,642	388,550,000	
Total Residential - Cumulat.				

Description of Unit	2024	2025	2026	2027	2028	2029	TOTAL
Actual Values:							
Single Family Residential Filing 1	0	0	0	0	0	0	63,000,000
Single Family Residential 4	0	0	0	0	0	0	205,100,000
Multi Family Residential Filing 4	7,500,000	7,950,000	0	0	0	0	120,450,000
Total Actual Values - Incremental	7,500,000	7,950,000	0	0	0	0	388,550,000
Total Actual Values - Cumulative	380,600,000	388,550,000	388,550,000	388,550,000	388,550,000	388,550,000	388,550,000

Description of Unit	2024	2025	2026	2027	2028	2029	TOTAL
Assessed Values (Residential @ 7.96%):							
Single Family Residential Filing 1	0	0	0	0	0	0	5,014,800
Single Family Residential 4	0	0	0	0	0	0	16,326,960
Multi Family Residential Filing 4	597,000	632,820	0	0	0	0	9,587,820
Total Assessed Value	597,000	632,820	0	0	0	0	30,928,580
Total Assessed Valuation Vacant Land	0	(300,000)	0	0	0	0	0
Total Assessed Valuation - Incremental	597,000	332,820	0	0	0	0	30,928,580
Total Assessed Valuation - Cumulative	30,595,760	30,928,580	30,928,580	30,928,580	30,928,580	30,928,580	30,928,580
Total Assessed Values - Cum. 2% Biennial Net Increases after 2009	36,564,765	36,962,518	37,701,768	37,701,768	37,701,768	37,701,768	37,701,768

Year Assessed Valuation Certified To TRMD #2
 Year Taxes Received By TRMD #2

EXHIBIT III (COMMERCIAL FINANCING DISTRICT #3)
 TIMNATH RANCH METROPOLITAN DISTRICT #3
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

FINAL DRAFT
 SUBJECT TO REVISION
 16-Aug-06
 SEE CONSULTANTS' DISCLAIMER

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
KEY ASSUMPTIONS												
ASSESSED VALUATION (SCH. 1)	0	0	0	0	306,000	1,600,125	1,692,128	2,952,135	3,011,178	4,357,955	4,444,737	5,818,073
TOTAL DISTRICT MILL LEVY	0.00	0.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
ASSUMED MILL LEVY TRANSFER TO TRMD #1 FOR OPS	0.00	0.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
INCREMENTAL COMMERCIAL SQ. FT. ADDED (SCH. 2)	0	0	0	35,000	0	35,000	0	35,000	0	35,000	0	35,000
CUMULATIVE COMMERCIAL SQ. FT. ADDED (SCH. 2)	0	0	0	35,000	70,000	70,000	70,000	105,000	105,000	140,000	140,000	175,000
CASH FLOW												
REVENUES												
PROPERTY TAXES	0	0	0	0	7,660	40,003	40,803	75,803	75,279	108,940	111,118	148,452
SPECIFIC OWNERSHIP TAXES @ 8% OF PROPERTY TAXES	0	0	0	0	612	3,200	3,264	5,904	6,022	8,715	8,889	11,636
INTEREST EARNINGS @ 4% OF BEGINNING FUNDS	0	0	0	0	0	141	82	1,669	3,093	4,602	5,731	9,984
TOTAL REVENUES	0	0	0	0	8,262	43,344	44,950	81,376	84,395	122,257	126,739	169,072
EXPENDITURES												
IGA PAYMENT TO TRMD #1 FOR OPS (SERVICE DISTRICT)	0	0	0	0	4,590	24,002	24,482	44,282	45,168	66,364	66,671	87,271
COUNTY TREASURER 2.0% COLLECTION FEE	0	0	0	0	163	800	816	1,475	1,608	2,179	2,222	2,909
ADMINISTRATIVE ALLOWANCE	0	0	0	0	0	0	0	0	0	1,600	1,600	1,600
TOTAL EXPENDITURES	0	0	0	0	4,743	24,802	25,298	45,758	46,773	69,043	70,393	91,680
FUNDS AVAILABLE FOR DEBT SERVICE	0	0	0	0	3,519	18,542	19,652	35,618	37,722	53,214	56,345	74,392
G.O. BONDS DEBT SERVICE												
SERIES 12/1/2020 @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	0
SERIES 12/1/2024 @ 7.0% (Note 1)	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL G.O. BONDS DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	0	0	0	0	3,519	18,542	19,652	35,618	37,722	53,214	56,345	74,392
G.O. BONDS ISSUED												
COSTS OF BOND ISSUANCE @ 4%	0	0	0	0	0	0	0	0	0	0	0	0
TRANSFER OF NET BOND PROCEEDS TO TRMD #1 FOR CAPITAL IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0
BEGINNING FUND BALANCE - JANUARY 1	0	0	0	0	0	3,519	22,061	41,713	77,331	115,053	168,267	224,612
ENDING FUND BALANCE - DECEMBER 31	0	0	0	0	3,519	22,061	41,713	77,331	115,053	168,267	224,612	289,005
TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	0
% OF OUTSTANDING G.O. BONDS/ASSESSED VALUATION	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

EXHIBIT III (COMMERCIAL FINANCING DISTRICT #3)
 TIMNATH RANCH METROPOLITAN DISTRICT #3
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

KEY ASSUMPTIONS

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
ASSESSED VALUATION (SCH. 1)	5,934,434	7,335,237	7,481,962	8,910,780	9,088,973	10,546,370	10,757,298	12,136,730	12,379,488	12,379,488	12,627,054
TOTAL DISTRICT MILL LEVY	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
ADJUSTED MILL LEVY TRANSFER TO TRMD #1 FOR OPS	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
INCREMENTAL COMMERCIAL SQ FT ADDED (SCH. 2)	0	35,000	0	35,000	0	40,754	0	0	0	0	0
CUMULATIVE COMMERCIAL SQ FT ADDED (SCH. 2)	172,190	210,000	210,000	245,000	245,000	285,754	285,754	285,754	285,754	285,754	285,754

CASH FLOW

REVENUES	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
PROPERTY TAXES	148,361	183,391	167,049	222,769	227,224	263,659	268,932	303,418	309,487	309,487	315,876
SPECIFIC OWNERSHIP TAXES @ 8% OF PROPERTY TAXES	11,869	14,670	14,964	17,822	18,178	21,093	21,515	24,273	24,759	24,759	25,254
INTEREST EARNINGS @ 4% OF BEGINNING FUNDS	11,990	16,108	18,867	22,878	23,720	24,713	26,452	28,393	28,393	28,178	28,129
TOTAL REVENUES	172,190	213,160	220,889	263,469	269,122	309,465	316,899	356,084	362,646	362,646	369,060

EXPENDITURES

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
IGA PAYMENT TO TRMD #1 FOR OPS (SERVICE DISTRICT)	89,017	110,029	112,229	133,661	136,335	158,198	161,359	182,051	185,692	185,692	189,406
COUNTY TREASURER 2.0% COLLECTION FEE	2,867	3,668	3,741	4,465	4,544	5,273	5,379	6,068	6,190	6,190	6,314
ADMINISTRATIVE ALLOWANCE	1,800	5,000	5,160	5,305	5,484	5,628	5,798	6,068	6,149	6,334	6,524
TOTAL EXPENDITURES	93,484	118,698	121,120	143,421	146,343	169,098	172,534	194,030	198,031	198,216	202,243
FUNDS AVAILABLE FOR DEBT SERVICE	78,706	94,464	99,779	120,047	122,780	140,369	144,365	161,995	164,515	164,209	166,817

G.O. BONDS DEBT SERVICE

SERIES 12/1/2020 @ 7.0%	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
INTEREST @ 7.0%	0	0	0	84,000	82,950	81,900	80,850	79,800	78,750	77,350	75,950
PRINCIPAL REDUCTION	0	0	0	15,000	15,000	15,000	15,000	15,000	15,000	20,000	20,000
TOTAL DEBT SERVICE	0	0	0	99,000	97,950	96,900	95,850	94,800	93,750	97,350	95,950
G.O. BONDS OUTSTANDING @ 12/31	0	0	1,200,000	1,185,000	1,170,000	1,155,000	1,140,000	1,125,000	1,105,000	1,085,000	1,065,000

SERIES 12/1/2024 @ 7.0% (Note 1)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
INTEREST @ 7.0%	0	0	0	0	0	0	0	59,500	59,800	58,100	57,400
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	10,000	10,000	10,000	10,000
TOTAL DEBT SERVICE	0	0	0	0	0	0	0	69,500	69,800	68,100	67,400
G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	850,000	840,000	830,000	820,000	810,000
TOTAL G.O. BONDS DEBT SERVICE	0	0	0	99,000	97,950	96,900	95,850	94,800	93,750	97,350	95,950

EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	78,706	94,464	99,779	21,047	24,830	43,469	48,515	(2,305)	(3,035)	(1,241)	3,467

G.O. BONDS ISSUED

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
COSTS OF BOND ISSUANCE @ 4%	0	0	1,200,000	0	0	0	850,000	0	0	0	0
TRANSFER OF NET BOND PROCEEDS TO TRMD #1 FOR CAPITAL IMPROVEMENTS	0	0	45,000	0	0	0	34,000	0	0	0	0
BEGINNING FUND BALANCE - JANUARY 1	299,005	377,711	472,175	571,954	593,001	617,831	661,300	709,815	707,509	704,474	703,233
ENDING FUND BALANCE - DECEMBER 31	377,711	472,175	571,954	593,001	617,831	661,300	709,815	707,509	704,474	703,233	706,700

TOTAL G.O. BONDS OUTSTANDING @ 12/31

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	0	0	1,200,000	1,185,000	1,170,000	1,155,000	1,140,000	1,125,000	1,105,000	1,085,000	1,065,000

% OF OUTSTANDING G.O. BONDS/ASSESSED VALUATION

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	0.00%	0.00%	13.47%	13.04%	11.09%	10.74%	16.40%	15.97%	15.63%	15.09%	14.85%

EXHIBIT III (COMMERCIAL FINANCING DISTRICT #3)
 TIMMATH RANCH METROPOLITAN DISTRICT #3
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2042

KEY ASSUMPTIONS	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
ASSESSED VALUATION (SCH. 1)	12,627,054	12,879,595	12,878,595	13,137,187	13,137,187	13,399,931	13,399,931	13,667,930	13,667,930	13,941,288	13,941,288
TOTAL DISTRICT MILL LEVY	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
ASSUMED MILL LEVY TRANSFER TO TRMD #1 FOR OPS	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
INCREMENTAL COMMERCIAL SQ FT ADDED (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE COMMERCIAL SQ. FT ADDED (SCH. 2)	285,754	285,754	285,754	285,754	285,754	285,754	285,754	285,754	285,754	285,754	285,754

CASH FLOW

REVENUES	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
PROPERTY TAXES	315,676	321,990	321,990	328,430	328,430	334,998	334,998	341,698	341,698	348,532	348,532
SPECIFIC OWNERSHIP TAXES @ 8% OF PROPERTY TAXES	25,254	25,759	25,759	26,274	26,274	26,800	26,800	27,338	27,338	27,883	27,883
INTEREST EARNINGS @ 4% OF BEGINNING FUNDS	389,198	376,237	376,459	383,534	383,850	391,238	391,750	399,435	399,856	407,822	408,610
TOTAL REVENUES	1,045,000	1,020,000	995,000	970,000	940,000	910,000	875,000	840,000	800,000	760,000	715,000

EXPENDITURES

IGA PAYMENT TO TRMD #1 FOR OPS (SERVICE DISTRICT)	189,406	193,194	193,194	197,058	197,058	200,999	200,999	205,019	205,019	209,119	209,119
COUNTY TREASURER 2.0% COLLECTION FEE	6,314	6,440	6,440	6,569	6,569	6,700	6,700	6,834	6,834	6,971	6,971
ADMINISTRATIVE ALLOWANCE	6,720	6,921	7,129	7,343	7,563	7,790	8,024	8,264	8,512	8,768	9,031
TOTAL EXPENDITURES	202,439	206,555	206,763	210,969	211,189	215,489	215,722	220,117	220,365	224,857	225,121
FUNDS AVAILABLE FOR DEBT SERVICE	186,780	189,883	189,896	172,565	172,681	174,749	176,027	179,318	179,591	182,884	183,490

G.O. BONDS DEBT SERVICE

SERIES 12/1/2020 @ 7.0%	74,560	73,150	71,400	69,650	67,900	66,150	63,700	61,250	58,800	56,000	53,200
INTEREST @ 7.0%	20,000	25,000	25,000	25,000	30,000	30,000	35,000	35,000	40,000	40,000	45,000
PRINCIPAL REDUCTION	94,560	98,150	98,400	94,650	97,900	95,800	98,700	98,250	98,800	96,000	98,200
TOTAL DEBT SERVICE	1,045,000	1,020,000	995,000	970,000	940,000	910,000	875,000	840,000	800,000	760,000	715,000

SERIES 12/1/ 2024 @ 7.0% (Note 1)

INTEREST @ 7.0%	56,700	56,000	55,300	54,250	53,200	52,150	51,100	50,050	48,850	47,250	45,850
PRINCIPAL REDUCTION	10,000	10,000	15,000	15,000	15,000	15,000	15,000	20,000	20,000	20,000	20,000
TOTAL DEBT SERVICE	800,000	790,000	775,000	760,000	745,000	730,000	715,000	695,000	675,000	655,000	635,000

TOTAL G.O. BONDS DEBT SERVICE

TOTAL G.O. BONDS DEBT SERVICE	181,250	184,150	186,700	183,900	186,100	182,950	184,800	186,300	187,450	189,250	184,050
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EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE

EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	5,510	5,533	2,896	8,665	6,681	12,799	11,227	13,018	12,141	19,714	19,440
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G.O. BONDS ISSUED

G.O. BONDS ISSUED	0	0	0	0	0	0	0	0	0	0	0
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COSTS OF BOND ISSUANCE @4%

COSTS OF BOND ISSUANCE @4%	0	0	0	0	0	0	0	0	0	0	0
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TRANSFER OF NET BOND PROCEEDS TO TRMD #1 FOR CAPITAL IMPROVEMENTS

TRANSFER OF NET BOND PROCEEDS TO TRMD #1 FOR CAPITAL IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0
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BEGINNING FUND BALANCE - JANUARY 1

BEGINNING FUND BALANCE - JANUARY 1	706,700	712,209	717,742	720,738	729,402	735,993	748,792	760,020	773,037	785,178	804,892
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ENDING FUND BALANCE - DECEMBER 31

ENDING FUND BALANCE - DECEMBER 31	712,209	717,742	720,738	729,402	735,993	748,792	760,020	773,037	785,178	804,892	824,332
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TOTAL G.O. BONDS OUTSTANDING @ 12/31

TOTAL G.O. BONDS OUTSTANDING @ 12/31	1,845,000	1,810,000	1,770,000	1,730,000	1,685,000	1,640,000	1,590,000	1,535,000	1,475,000	1,415,000	1,350,000
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% OF OUTSTANDING G.O. BONDS/ASSESSED VALUATION

% OF OUTSTANDING G.O. BONDS/ASSESSED VALUATION	14.92%	14.09%	13.47%	13.17%	12.67%	12.24%	11.63%	11.23%	10.58%	10.19%	9.49%
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EXHIBIT III (COMMERCIAL FINANCING DISTRICT #3)
 TIMNATH RANCH METROPOLITAN DISTRICT #3
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

	2040	2041	2042	TOTALS
KEY ASSUMPTIONS				
ASSESSED VALUATION (SCH. 1)	14,220,114	14,220,114	14,504,616	
TOTAL DISTRICT MILL LEVY	20.00	20.00	20.00	
ASSUMED MILL LEVY TRANSFER TO TRMD #1 FOR OPS	15.00	15.00	15.00	
INCREMENTAL COMMERCIAL SQ FT ADDED (SCH. 2)	0	0	0	
CUMULATIVE COMMERCIAL SQ FT ADDED (SCH. 2)	285,754	285,754	285,754	
CASH FLOW				
REVENUES				
PROPERTY TAXES	284,402	284,402	290,080	7,888,360
SPECIFIC OWNERSHIP TAXES @ 8% OF PROPERTY TAXES	22,752	22,752	23,207	628,489
INTEREST EARNINGS @ 4% OF BEGINNING FUNDS	32,973	30,887	28,961	703,112
TOTAL REVENUES	340,128	338,021	341,958	9,200,841
EXPENDITURES				
IGA PAYMENT TO TRMD #1 FOR OPS (SERVICE DISTRICT)	213,302	213,302	217,668	4,848,850
COUNTY TREASURER 2.0% COLLECTION FEE	5,688	5,688	5,802	167,367
ADMINISTRATIVE ALLOWANCE	9,301	9,681	9,888	178,132
TOTAL EXPENDITURES	228,291	228,670	233,237	5,185,350
FUNDS AVAILABLE FOR DEBT SERVICE	111,837	109,451	108,721	4,015,591
G.O. BONDS DEBT SERVICE				
SERIES 12/1/2020 @ 7.0%				
INTEREST @ 7.0%	50,050	46,900	43,400	1,497,300
PRINCIPAL REDUCTION	45,000	50,000	520,000	1,200,000
TOTAL DEBT SERVICE	95,050	96,900	953,400	2,697,300
G.O. BONDS OUTSTANDING @ 12/31	570,000	520,000	0	0
SERIES 12/1/2024 @ 7.0% (Note 1)				
INTEREST @ 7.0%	44,450	42,700	40,860	932,400
PRINCIPAL REDUCTION	25,000	25,000	30,000	295,000
TOTAL DEBT SERVICE	69,450	67,700	70,860	1,227,400
G.O. BONDS OUTSTANDING @ 12/31	610,000	585,000	555,000	555,000
TOTAL G.O. BONDS DEBT SERVICE	164,500	164,600	734,350	3,924,700
EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	(52,663)	(55,149)	(625,628)	90,891
G.O. BONDS ISSUED				
COSTS OF BOND ISSUANCE @ 4%	0	0	0	2,050,000
TRANSFER OF NET BOND PROCEEDS TO TRMD #1 FOR CAPITAL IMPROVEMENTS	0	0	0	92,000
BEGINNING FUND BALANCE - JANUARY 1	824,332	771,689	716,620	0
ENDING FUND BALANCE - DECEMBER 31	771,689	716,520	90,891	90,891
TOTAL G.O. BONDS OUTSTANDING @ 12/31	1,280,000	1,205,000	555,000	555,000
% OF OUTSTANDING G.O. BONDS/ASSESSED VALUATION	9.00%	8.31%	9.00%	9.00%

**SCHEDULE 3 (COMMERCIAL FINANCING DISTRICT #3)
TIMNATH RANCH METROPOLITAN DISTRICT #3
PROJECTED ASSESSED VALUATION - BUILDOUT
FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2015**

**FINAL DRAFT
SUBJECT TO REVISION
16-Aug-06
SEE CONSULTANTS' DISCLAIMER**

Description of Unit	Planned Number of Sq. Ft.	Average Per Sq. Ft.	Pinnacle Consulting Group, Inc.)	
			Total Gross Unit	Total Volume
Commercial Filing 3	285,754	125	35,719,250	
Total Commercial - Increrm.	285,754	125	35,719,250	
Total Commercial - Cumulative	285,754			
Total Project Value				35,719,250

Actual Values:

Commercial Filing 3
Total Actual Values - Incremental
Total Actual Values - Cumulative

Assessed Values (Commercial @ 29%):

Commercial Filing 3
Total Assessed Value
Total Assessed Valuation Vacant Land
Total Assessed Valuation - Incremental
Total Assessed Valuation - Cumulative
Total Assessed Values - Cum. 2% Biennial Net Increases after 2009

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Commercial Filing 3	0	0	0	0	0	35,000	0	35,000	0	35,000	0	35,000	0	35,000
Total Actual Values - Incremental	0	0	0	0	0	35,000	0	35,000	0	35,000	0	35,000	0	35,000
Total Actual Values - Cumulative	0	0	0	0	35,000	70,000	70,000	105,000	105,000	140,000	140,000	175,000	175,000	175,000
Commercial Filing 3	0	0	0	0	0	4,375,000	0	4,375,000	0	4,375,000	0	4,375,000	0	4,375,000
Total Assessed Value	0	0	0	0	0	4,375,000	0	4,375,000	0	4,375,000	0	4,375,000	0	4,375,000
Total Assessed Valuation Vacant Land	0	0	0	0	0	8,750,000	0	13,125,000	13,125,000	17,500,000	17,500,000	21,875,000	21,875,000	21,875,000
Total Assessed Valuation - Incremental	0	0	0	0	0	13,125,000	0	17,500,000	13,125,000	17,500,000	17,500,000	21,875,000	21,875,000	21,875,000
Total Assessed Valuation - Cumulative	0	0	0	0	13,125,000	26,250,000	26,250,000	43,375,000	43,375,000	60,875,000	60,875,000	78,375,000	78,375,000	78,375,000
Total Assessed Values - Cum. 2% Biennial Net Increases after 2009	0	0	0	0	1,632,128	2,952,136	3,011,178	4,357,585	4,444,737	5,318,073	5,834,434	7,355,237	7,355,237	7,355,237

Year Assessed Valuation Certified To TRMD #3
Year Taxes Received By TRMD #3

**SCHEDULE 3 (COMMERCIAL FINANCING DISTRICT #3)
 TIMNATH RANCH METROPOLITAN DISTRICT #3
 PROJECTED ASSESSED VALUATION - BUILDOUT
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2015**

Description of Unit	Planned Number of Sq. Ft.	Average Per Sq. Ft.	Total Gross Unit Volume												
				2018	2019	2020	2021	2022	2023	2024	2025	TOTAL			
Commercial Filing 3	285,754	125	35,719,250	0	35,000	0	35,000	0	40,754	0	0	0	0	0	285,754
Total Commercial - Incremental	285,754	125	35,719,250	0	35,000	0	35,000	0	40,754	0	0	0	0	0	285,754
Total Commercial - Cumulal.	285,754			175,000	210,000	245,000	245,000	245,000	245,000	245,754	245,754	245,754	245,754	245,754	285,754
Total Project Value			35,719,250												

Actual Values:

Commercial Filing 3	0	4,375,000	0	4,375,000	0	5,094,250	0	5,094,250	0	0	0	0	0	0	35,719,250
Total Actual Values - Incremental	0	4,375,000	0	4,375,000	0	5,094,250	0	5,094,250	0	0	0	0	0	0	35,719,250
Total Actual Values - Cumulative	21,875,000	28,250,000	28,250,000	30,625,000	30,625,000	35,719,250	35,719,250	35,719,250	35,719,250	35,719,250	35,719,250	35,719,250	35,719,250	35,719,250	35,719,250

Assessed Values (Commercial @ 29%):

Commercial Filing 3	0	1,268,750	0	1,268,750	0	1,477,333	0	1,477,333	0	0	0	0	0	0	10,358,583
Total Assessed Value	0	1,268,750	0	1,268,750	0	1,477,333	0	1,477,333	0	0	0	0	0	0	10,358,583
Total Assessed Valuation Vacant Land	0	0	0	0	0	(300,000)	0	(300,000)	0	0	0	0	0	0	0
Total Assessed Valuation - Incremental	0	1,268,750	0	1,268,750	0	1,177,333	0	1,177,333	0	0	0	0	0	0	10,358,583
Total Assessed Valuation - Cumulative	5,843,750	7,812,500	7,812,500	9,181,250	9,181,250	10,358,583	10,358,583	10,358,583	10,358,583	10,358,583	10,358,583	10,358,583	10,358,583	10,358,583	10,358,583
Total Assessed Values - Cum. 2% Biennial Net Increases after 2009	7,451,842	8,910,750	9,088,875	10,548,372	10,548,372	12,136,730	12,136,730	12,136,730	12,136,730	12,136,730	12,136,730	12,136,730	12,136,730	12,136,730	12,379,455

Year Assessed Valuation Certified To TRMD #3
 Year Taxes Received By TRMD #3

EXHIBIT IV INDUSTRIAL FINANCING DISTRICT #4)
 TIMNATH RANCH METROPOLITAN DISTRICT #4
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

FINAL DRAFT
 SUBJECT TO REVISION
 16-Aug-08
 SEE CONSULTANT'S DISCLAIMER

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
KEY ASSUMPTIONS										
ASSESSED VALUATION (SCH. 3)	0	0	300,000	992,500	2,302,850	3,833,750	5,064,147	6,421,868	7,935,183	9,320,059
TOTAL DISTRICT MILL LEVY	0.00	0.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
ASSUMED MILL LEVY TRANSFER TO TRMD #1 FOR OPS	0.00	0.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
INCREMENTAL INDUSTRIAL SQ FT ADDED (SCH. 2)	0	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	0
CUMULATIVE INDUSTRIAL SQ FT ADDED (SCH. 2)	0	25,000	75,000	125,000	175,000	225,000	275,000	325,000	384,815	384,815
CASH FLOW										
REVENUES										
PROPERTY TAXES	0	0	7,500	23,813	57,566	90,844	126,604	160,547	198,380	233,001
SPECIFIC OWNERSHIP TAXES @ 8% OF PROPERTY TAXES	0	0	600	1,905	4,605	7,288	10,128	12,844	16,870	18,840
INTEREST EARNINGS @ 4% OF BEGINNING FUNDS	0	0	0	78	458	1,488	3,128	5,510	8,608	12,522
TOTAL REVENUES	0	0	8,100	25,756	62,629	99,572	139,860	178,901	222,858	264,363
EXPENDITURES										
IGA PAYMENT TO TRMD #1 FOR OPS (SERVICE DISTRICT)	0	0	4,500	14,288	34,540	54,508	75,862	96,328	119,028	139,801
COUNTY TREASURER 2.0% COLLECTION FEE	0	0	180	476	1,181	1,817	2,532	3,211	3,988	4,660
ADMINISTRATIVE ALLOWANCE	0	0	1,800	1,573	1,654	1,738	1,823	1,914	2,010	2,111
TOTAL EXPENDITURES	0	0	6,150	16,339	37,345	58,080	80,319	101,453	125,005	146,572
FUNDS AVAILABLE FOR DEBT SERVICE	0	0	1,950	9,417	25,283	41,519	59,549	77,447	97,852	117,592
G.O. BONDS DEBT SERVICE										
SERIES 12/1/2015 @ 7.0%	0	0	0	0	0	0	0	0	0	0
INTEREST @ 7.0%	0	0	0	0	0	0	0	0	0	0
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0
G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	1,750,000
SERIES 12/1/ @ 7.0%										
INTEREST @ 7.0%	0	0	0	0	0	0	0	0	0	0
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0
LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0
TOTAL G.O. BONDS DEBT SERVICE	0	0	0	0	0	0	0	0	0	0
EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	0	0	1,950	9,417	25,283	41,519	59,549	77,447	97,852	117,592
G.O. BONDS ISSUED										
COSTS OF BOND ISSUANCE @ 4%	0	0	0	0	0	0	0	0	0	1,750,000
TRANSFER OF NET BOND PROCEEDS TO TRMD #1 FOR CAPITAL IMPROVEMENTS	0	0	0	0	0	0	0	0	0	70,000
BEGINNING FUND BALANCE - JANUARY 1	0	0	0	1,950	11,407	38,690	78,209	137,752	215,199	313,051
ENDING FUND BALANCE - DECEMBER 31	0	0	1,950	11,407	38,690	78,209	137,752	215,199	313,051	430,643
TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	1,750,000
% OF OUTSTANDING G.O. BONDS/ASSESSED VALUATION	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	18.46%

EXHIBIT IV INDUSTRIAL FINANCING DISTRICT #4)
 TIMNATH RANCH METROPOLITAN DISTRICT #4
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

KEY ASSUMPTIONS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
ASSESSED VALUATION (SCH. 3)	10,891,283	10,891,293	10,843,819	10,843,819	11,060,797	11,060,797	11,282,013	11,282,013	11,607,684	11,158,158
TOTAL DISTRICT MILL LEVY	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
ASSUMED MILL LEVY TRANSFER TO TRMD #1 FOR OPS	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
INCREMENTAL INDUSTRIAL SQ FT ADDED (SCH. 2)	0	0	0	0	0	0	0	0	0	0
CUMULATIVE INDUSTRIAL SQ FT ADDED (SCH. 2)	364,815	364,815	364,815	364,815	364,815	364,815	364,815	364,815	364,815	364,815

CASH FLOW

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
REVENUES										
PROPERTY TAXES	265,782	265,782	271,098	271,098	276,520	276,520	282,050	282,050	287,681	278,904
SPECIFIC OWNERSHIP TAXES @ 8% OF PROPERTY TAXES	21,263	21,263	21,688	21,688	22,122	22,122	22,564	22,564	23,016	22,312
INTEREST EARNINGS @ 4% OF BEGINNING FUNDS	17,428	17,017	16,887	16,558	16,558	16,438	16,190	16,090	16,074	16,238
TOTAL REVENUES	304,471	304,061	309,673	309,613	315,098	315,098	320,794	320,705	326,781	317,455

EXPENDITURES

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
IGA PAYMENT TO TRMD #1 FOR OPS (SERVICE DISTRICT)	159,469	159,469	162,669	162,669	165,912	165,912	169,230	169,230	172,615	167,342
COUNTY TREASURER 2.0% COLLECTION FEE	5,316	5,316	5,422	5,422	5,530	5,530	5,641	5,641	5,754	5,678
ADMINISTRATIVE ALLOWANCE	2,218	2,327	2,443	2,443	2,550	2,550	2,664	2,664	2,786	2,710
TOTAL EXPENDITURES	167,001	167,112	170,534	173,081	178,692	178,692	180,335	180,335	184,165	178,891

FUNDS AVAILABLE FOR DEBT SERVICE

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
G.O. BONDS DEBT SERVICE	137,269	138,949	139,112	138,632	138,605	138,333	140,452	140,208	142,618	138,553
SERIES 12/1/2016 @ 7.0%	128,500	121,100	119,700	118,300	116,550	114,900	112,700	110,600	108,500	106,400
INTEREST @ 7.0%	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
PRINCIPAL REDUCTION	142,500	141,100	139,700	138,300	141,550	144,900	142,700	140,600	138,500	141,400
TOTAL DEBT SERVICE	1,730,000	1,710,000	1,690,000	1,669,000	1,648,000	1,610,000	1,580,000	1,560,000	1,520,000	1,488,000

SERIES 12/1/ @ 7.0%

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
INTEREST @ 7.0%	0	0	0	0	0	0	0	0	0	0
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0
LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0

TOTAL G.O. BONDS DEBT SERVICE

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
TOTAL G.O. BONDS DEBT SERVICE	142,500	141,100	139,700	138,300	141,550	144,800	142,700	140,600	138,500	141,400
EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	(5,231)	(4,161)	(588)	(6,758)	(2,945)	(6,467)	(2,241)	(384)	4,118	(2,855)

G.O. BONDS ISSUED

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
COSTS OF BOND ISSUANCE @4%	0	0	0	0	0	0	0	0	0	0
TRANSFER OF NET BOND PROCEEDS TO TRMD #1 FOR CAPITAL IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0
BEGINNING FUND BALANCE - JANUARY 1	490,643	425,413	421,282	420,674	413,907	410,862	404,485	402,254	401,860	405,876
ENDING FUND BALANCE - DECEMBER 31	425,413	421,282	420,674	419,507	410,862	404,485	402,254	401,860	405,876	403,141
TOTAL G.O. BONDS OUTSTANDING @ 12/31	1,730,000	1,710,000	1,690,000	1,669,000	1,648,000	1,610,000	1,580,000	1,560,000	1,520,000	1,488,000
% OF OUTSTANDING G.O. BONDS/ASSESSED VALUATION	16.27%	15.77%	15.58%	15.05%	14.63%	14.27%	14.00%	13.47%	13.62%	13.05%

EXHIBIT IV INDUSTRIAL FINANCING DISTRICT #4)
 TIMMATH RANCH METROPOLITAN DISTRICT #4
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2042

KEY ASSUMPTIONS.

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
ASSESSED VALUATION (SCH. 3)	11,379,279	11,379,279	11,606,884	11,606,884	11,639,002	11,639,002	12,075,782	12,075,782	12,317,297	12,317,297
TOTAL DISTRICT MILL LEVY	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
INCREASED MILL LEVY TRANSFER TO TRMD #1 FOR OPS	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
INCREMENTAL INDUSTRIAL SQ FT ADDED (SCH. 2)	0	0	0	0	0	0	0	0	0	0
CUMULATIVE INDUSTRIAL SQ FT ADDED (SCH. 2)	364,815	364,815	364,815	364,815	364,815	364,815	364,815	364,815	364,815	364,815

CASH FLOW

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
REVENUES										
PROPERTY TAXES	284,482	284,482	290,172	290,172	295,975	295,975	301,695	301,695	307,932	307,932
SPECIFIC OWNERSHIP TAXES @ 8% OF PROPERTY TAXES	22,759	22,759	23,214	23,214	23,678	23,678	24,152	24,152	24,635	24,635
INTEREST EARNINGS @ 4% OF BEGINNING FUNDS	18,128	18,201	18,347	18,436	18,536	18,732	18,989	17,298	17,550	18,085
TOTAL REVENUES	325,369	325,442	329,559	329,733	336,089	336,405	345,045	343,342	350,117	350,652

EXPENDITURES

IGA PAYMENT TO TRMD #1 FOR OPS (SERVICE DISTRICT)	170,689	170,689	174,103	174,103	177,565	177,565	181,137	181,137	184,759	184,759
COUNTY TREASURER 2.0% COLLECTION FEE	5,690	5,690	5,803	5,803	5,920	5,920	6,038	6,038	6,159	6,159
ADMINISTRATIVE ALLOWANCE	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563	7,792	8,024
TOTAL EXPENDITURES	182,428	182,713	186,430	186,626	190,426	190,633	194,617	194,738	198,708	198,942
FUNDS AVAILABLE FOR DEBT SERVICE	142,941	142,729	143,129	143,107	145,663	145,772	148,528	148,605	151,409	151,710

G.O. BONDS DEBT SERVICE

SERIES 12/1/2015 @ 7.0%										
INTEREST @ 7.0%	103,950	101,500	98,700	95,900	92,760	89,600	86,100	82,250	78,050	73,850
PRINCIPAL REDUCTION	35,000	40,000	40,000	45,000	45,000	50,000	55,000	60,000	60,000	65,000
TOTAL DEBT SERVICE	138,950	141,500	138,700	140,900	137,760	139,600	141,100	142,250	138,050	138,850
G.O. BONDS OUTSTANDING @ 12/31	1,450,000	1,410,000	1,370,000	1,325,000	1,280,000	1,230,000	1,175,000	1,116,000	1,055,000	990,000

SERIES 12/1/ @ 7.0%

INTEREST @ 7.0%	0	0	0	0	0	0	0	0	0	0
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0
LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0

TOTAL G.O. BONDS DEBT SERVICE

TOTAL G.O. BONDS DEBT SERVICE	138,950	141,500	138,700	140,900	137,760	139,600	141,100	142,250	138,050	138,850
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EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE

EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	1,881	(771)	4,955	2,207	2,913	6,172	7,428	6,355	13,358	12,860
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G.O. BONDS ISSUED

G.O. BONDS ISSUED	0	0	0	0	0	0	0	0	0	0
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COSTS OF BOND ISSUANCE @ 4%

COSTS OF BOND ISSUANCE @ 4%	0	0	0	0	0	0	0	0	0	0
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TRANSFER OF NET BOND PROCEEDS TO TRMD #1 FOR CAPITAL IMPROVEMENTS

TRANSFER OF NET BOND PROCEEDS TO TRMD #1 FOR CAPITAL IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0
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BEGINNING FUND BALANCE - JANUARY 1

BEGINNING FUND BALANCE - JANUARY 1	403,141	403,028	404,258	406,663	410,890	418,803	424,475	432,403	438,757	452,117
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ENDING FUND BALANCE - DECEMBER 31

ENDING FUND BALANCE - DECEMBER 31	405,028	404,258	408,683	410,890	418,803	424,475	432,403	438,757	452,117	464,877
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TOTAL G.O. BONDS OUTSTANDING @ 12/31

TOTAL G.O. BONDS OUTSTANDING @ 12/31	1,450,000	1,410,000	1,370,000	1,325,000	1,280,000	1,230,000	1,175,000	1,116,000	1,055,000	990,000
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% OF OUTSTANDING G.O. BONDS ASSESSED VALUATION

% OF OUTSTANDING G.O. BONDS ASSESSED VALUATION	12.72%	12.15%	11.80%	11.18%	10.81%	10.19%	9.75%	9.05%	8.57%	7.89%
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EXHIBIT IV INDUSTRIAL FINANCING DISTRICT #4)
 TIMNATH RANCH METROPOLITAN DISTRICT #4
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2042

KEY ASSUMPTIONS.

	2036	2037	2038	2039	2040	2041	2042	TOTALS
ASSESSED VALUATION (SCH. 3)	12,663,643	12,663,643	12,814,916	12,814,916	13,071,215	13,071,215	13,332,639	
TOTAL DISTRICT MILL LEVY	25.00	25.00	25.00	25.00	20.00	20.00	20.00	
ASSUMED MILL LEVY TRANSFER TO TRMD #1 FOR OPS	15.00	15.00	15.00	15.00	15.00	15.00	15.00	
INCREMENTAL INDUSTRIAL SQ FT ADDED (SCH. 2)	0	0	0	0	0	0	0	
CUMULATIVE INDUSTRIAL SQ FT ADDED (SCH. 2)	364,815	364,815	364,815	364,815	364,815	364,815	364,815	

CASH FLOW

	2036	2037	2038	2039	2040	2041	2042	TOTALS
REVENUES.								
PROPERTY TAXES	314,091	314,091	320,373	320,373	261,424	261,424	266,653	6,675,091
SPECIFIC OWNERSHIP TAXES @ 8% OF PROPERTY TAXES	25,127	25,127	25,830	25,830	20,914	20,914	21,332	694,007
INTEREST EARNINGS @ 4% OF BEGINNING FUNDS	18,698	18,220	19,861	20,624	21,440	19,463	17,462	501,690
TOTAL REVENUES	357,917	356,438	366,064	366,828	303,778	301,802	305,447	9,870,988

EXPENDITURES.

IGA PAYMENT TO TRMD #1 FOR OPS (SERVICE DISTRICT)	188,455	188,455	192,224	192,224	196,068	196,068	199,990	5,323,460
COUNTY TREASURER 2.0% COLLECTION FEE	6,282	6,282	6,407	6,407	5,228	5,228	5,333	173,602
ADMINISTRATIVE ALLOWANCE	8,284	8,112	8,788	9,031	9,301	9,581	9,888	193,443
TOTAL EXPENDITURES	203,021	203,249	207,399	207,662	210,598	210,872	215,191	5,690,424
FUNDS AVAILABLE FOR DEBT SERVICE	154,817	153,189	158,665	159,166	93,180	90,924	90,257	4,180,564

G.O. BONDS DEBT SERVICE

SERIES 12/1/2015 @ 7.0%								
INTEREST @ 7.0%	69,300	64,400	59,150	53,660	47,800	40,960	33,960	2,422,700
PRINCIPAL REDUCTION	70,000	75,000	80,000	85,000	95,000	100,000	105,000	1,760,000
TOTAL DEBT SERVICE	139,300	139,400	139,150	138,660	142,800	140,960	138,960	4,172,700
G.O. BONDS OUTSTANDING @ 12/31	920,000	845,000	766,000	690,000	595,000	495,000	0	0

SERIES 12/1/ @ 7.0%

INTEREST @ 7.0%	0	0	0	0	0	0	0	0
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0
LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0

TOTAL G.O. BONDS DEBT SERVICE

TOTAL G.O. BONDS DEBT SERVICE	139,300	139,400	139,150	138,660	142,800	140,960	138,960	4,172,700
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EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE

EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	15,617	15,789	19,305	20,415	(49,420)	(50,026)	(428,693)	7,664
G.O. BONDS ISSUED	0	0	0	0	0	0	0	1,750,000
COSTS OF BOND ISSUANCE @ 4%	0	0	0	0	0	0	0	70,000
TRANSFER OF NET BOND PROCEEDS TO TRMD #1 FOR CAPITAL IMPROVEMENTS	0	0	0	0	0	0	0	1,680,000

BEGINNING FUND BALANCE - JANUARY 1

BEGINNING FUND BALANCE - JANUARY 1	484,977	480,499	486,283	516,568	536,003	486,583	436,587	0
ENDING FUND BALANCE - DECEMBER 31	480,499	486,283	516,568	536,003	486,583	436,587	7,864	7,864

TOTAL G.O. BONDS OUTSTANDING @ 12/31

TOTAL G.O. BONDS OUTSTANDING @ 12/31	920,000	845,000	766,000	690,000	595,000	495,000	0	0
% OF OUTSTANDING G.O. BONDS/ASSESSED VALUATION	7.32%	6.69%	5.97%	5.20%	4.48%	3.64%	0.00%	0.00%

**SCHEDULE 4 (INDUSTRIAL FINANCING DISTRICT #4)
TIMNATH RANCH METROPOLITAN DISTRICT #4
PROJECTED ASSESSED VALUATION - BUILDOUT
FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2015**

**WORKING DRAFT
SUBJECT TO REVISION
4-Aug-06
SEE CONSULTANTS' DISCLAIMER**

Description of Unit	Planned Number of Sq. Ft.	Average Per Sq. Ft.	Total Gross Unit Volume
Commercial			
Industrial Filing 3	364,815	90	32,833,350
Total Commercial - Inorem.	364,815	90	32,833,350
Total Commercial - Cumulat.	364,815		
Total Project Value			32,833,350

	2005	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
0	0	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	39,815
0	0	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	39,815
0	0	25,000	75,000	125,000	175,000	225,000	275,000	325,000	325,000	325,000	364,815

Actual Values:

Industrial Filing 3
Total Actual Values - Incremental
Total Actual Values - Cumulative

0	2,250,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	3,583,350
0	2,250,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	3,583,350
0	2,250,000	6,750,000	11,250,000	15,750,000	20,250,000	24,750,000	29,250,000	33,750,000	38,250,000	42,750,000	32,833,350

Assessed Values (Commercial @ 2%):

Industrial Filing 3
Total Assessed Value
Total Assessed Valuation Vacant Land
Total Assessed Valuation - Incremental
Total Assessed Valuation - Cumulative
Total Assessed Values - Cum. 2% Biennial Net Increases after 2009

0	652,500	1,305,000	1,305,000	1,305,000	1,305,000	1,305,000	1,305,000	1,305,000	1,305,000	1,305,000	1,039,172
0	652,500	1,305,000	1,305,000	1,305,000	1,305,000	1,305,000	1,305,000	1,305,000	1,305,000	1,305,000	1,039,172
300,000	0	0	0	0	0	0	0	0	0	0	0
300,000	652,500	1,305,000	1,305,000	1,305,000	1,305,000	1,305,000	1,305,000	1,305,000	1,305,000	1,305,000	1,039,172
300,000	952,500	2,257,500	3,562,500	4,867,500	6,172,500	7,477,500	8,782,500	10,087,500	11,392,500	12,697,500	9,821,672
300,000	952,500	2,302,650	3,693,750	5,084,147	6,421,869	7,935,183	9,320,059	10,631,293	11,942,527	13,253,761	10,631,293

Year Assessed Valuation Certified To TRMD #4
Year Taxes Received By TRMD #4

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
2008	2009	2010	2011	2012	2013	2014	2015	2016	2016

**SCHEDULE 4 (INDUSTRIAL FINANCING DISTRICT #4)
TIMINATH RANCH METROPOLITAN DISTRICT #4
PROJECTED ASSESSED VALUATION - BUILDOUT
FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2015**

Description of Unit	Planned Number of Sq. Ft.	Average Par Sq. Ft.	Total	
			Gross Unit Volume	
Commercial				
Industrial Filing 3	364,815	90	32,833,350	
Total Commercial - Incrment.	364,815	90	32,833,350	
Total Commercial - Cumulat.	364,815		364,815	364,815
Total Project Value			32,833,350	

Actual Values:

Industrial Filing 3	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Actual Values - Incremental	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Actual Values - Cumulative	32,833,350	32,833,350	32,833,350	32,833,350	32,833,350	32,833,350	32,833,350	32,833,350	32,833,350	32,833,350	32,833,350	32,833,350	32,833,350

Assessed Values (Commercial @ 29%):

Industrial Filing 3	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assessed Value	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assessed Valuation Vacant Land	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assessed Valuation - Incremental	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assessed Valuation - Cumulative	9,821,872	9,821,872	9,821,872	9,821,872	9,821,872	9,821,872	9,821,872	9,821,872	9,821,872	9,821,872	9,821,872	9,821,872	9,821,872
Total Assessed Values - Cum. 2% Biennial Net Increases after 2009	10,831,293	10,843,919	10,843,919	11,060,797	11,060,797	11,282,013	11,282,013	11,282,013	11,282,013	11,282,013	11,282,013	11,282,013	11,607,854

Year Assessed Valuation Certified To TRMD #4

Year Assessed Valuation Certified To TRMD #4	2016	2017	2018	2019	2020	2021	2022	2023	2024
Year Taxes Received By TRMD #4	2017	2018	2019	2020	2021	2022	2023	2024	

**SCHEDULE 4 (INDUSTRIAL FINANCING DISTRICT #4)
 TIMNATH RANCH METROPOLITAN DISTRICT #4
 PROJECTED ASSESSED VALUATION - BUILDOUT
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2016**

Description of Unit	Planned Number of Sq. Ft.	Average Per Sq. Ft.	Total Gross Unit Volume	
			2023	2024
Commercial			0	0
Industrial Filing 3	364,815	90	364,815	364,815
Total Commercial - Incr.	364,815	90	364,815	364,815
Total Commercial - Cumulat.	364,815		364,815	364,815
Total Project Value				32,833,350

Actual Values:

Industrial Filing 3	0	0	0	32,833,350
Total Actual Values - Incremental	0	0	0	32,833,350
Total Actual Values - Cumulative	32,833,350	32,833,350	32,833,350	32,833,350

Assessed Values (Commercial @ 28%):

Industrial Filing 3	0	0	0	9,521,672
Total Assessed Value	0	0	0	9,521,672
Total Assessed Valuation Vacant Land	(300,000)	0	0	0
Total Assessed Valuation - Incremental	(300,000)	0	0	9,521,672
Total Assessed Valuation - Cumulative	9,521,672	9,521,672	9,521,672	9,521,672
Total Assessed Values - Cum. 2% Biennial Net Increases after 2009	11,158,158	11,379,278	11,379,278	11,379,278

Year Assessed Valuation Certified To TRMD #4	2024	2025	2026	2027
Year Taxes Received By TRMD #4				

EXHIBIT V
 TIMNATH RANCH METROPOLITAN DISTRICTS #1 - #4
 CAPITAL EXPENDITURES (SERVICE DISTRICT CAPITAL PROJECTS FUND)
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2027

FINAL DRAFT
 SUBJECT TO REVISION
 16-Aug-06
 SEE CONSULTANTS' DISCLAIMER

CAPITAL EXPENDITURES (SOURCE PINNACLE CONSULTING GROUP, INC.)

TIMNATH RANCH	TOTALS	2006	2007	2008	2009	2010	2011	2012	2013	2014
FILING I	8,276,110	0	0	0	0	0	0	0	0	0
FILING II	889,030	0	0	0	0	0	0	0	0	0
FILING III	27,173,206	0	0	0	0	0	0	0	0	0
DISTRICT FORMATION AND ORGANIZATION	166,000	0	0	0	0	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES BY YEAR	<u>36,504,345</u>	<u>860,806</u>	<u>2,084,417</u>	<u>3,242,427</u>	<u>2,316,019</u>	<u>2,316,019</u>	<u>2,316,019</u>	<u>2,316,019</u>	<u>2,316,019</u>	<u>2,316,019</u>
CAPITAL EXPENDITURE FUNDING SOURCES:										
DEVELOPER CAPITAL LOANS	36,504,345	860,806	2,084,417	3,242,427	2,316,019	2,316,019	2,316,019	2,316,019	2,316,019	2,316,019
REPAYMENT OF DEVELOPER CAPITAL LOANS	(36,504,345)	0	0	0	(2,448,000)	0	0	0	(2,304,000)	0
NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 2	13,636,000	0	0	0	0	2,448,000	0	0	2,304,000	0
NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 3	1,968,000	0	0	0	0	0	0	0	0	0
NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 4	1,680,000	0	0	0	0	0	0	0	0	0
DEVELOPER PERMANENT CONTRIBUTION	19,320,345	0	0	0	0	0	0	0	0	0
TOTAL CAPITAL EXPENDITURE FUNDING SOURCES	<u>36,504,345</u>	<u>860,806</u>	<u>2,084,417</u>	<u>3,242,427</u>	<u>2,316,019</u>	<u>2,316,019</u>	<u>2,316,019</u>	<u>2,316,019</u>	<u>2,316,019</u>	<u>2,316,019</u>
EXCESS FUNDING SOURCES OVER CAPITAL EXPENDITURES	0	0	0	0	0	0	0	0	0	0
FUND BALANCE - JANUARY 1	0	0	0	0	0	0	0	0	0	0
FUND BALANCE - DECEMBER 31	0	0	0	0	0	0	0	0	0	0
CUMULATIVE DEVELOPER CAPITAL LOANS OUTSTANDING (w/o inter	0	<u>860,806</u>	<u>2,945,223</u>	<u>6,187,651</u>	<u>8,503,670</u>	<u>9,371,689</u>	<u>10,687,709</u>	<u>13,003,728</u>	<u>13,016,748</u>	<u>15,331,767</u>

EXHIBIT V
 TIMNATH RANCH METROPOLITAN DISTRICTS #1 - #4
 CAPITAL EXPENDITURES (SERVICE DISTRICT CAPITAL PROJECTS F)
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2027

CAPITAL EXPENDITURES (SOURCE PINNACLE CONSULTING GROUP)

TIMNATH RANCH	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
FILING I	0	0	0	0	0	0	0	0	0	0
FILING II	0	0	0	0	0	0	0	0	0	0
FILING III	0	0	0	0	0	0	0	0	0	0
DISTRICT FORMATION AND ORGANIZATION	0	0	0	0	0	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES BY YEAR	2,316,019	2,316,019	2,316,019	2,454,981	1,158,010	1,158,010	1,158,010	1,158,010	1,158,010	1,227,490
CAPITAL EXPENDITURE FUNDING SOURCES:										
DEVELOPER CAPITAL LOANS	2,316,019	2,316,019	2,316,019	2,454,981	1,158,010	1,158,010	1,158,010	1,158,010	1,158,010	1,227,490
REPAYMENT OF DEVELOPER CAPITAL LOANS	(1,680,000)	(2,400,000)	0	0	0	(1,152,000)	(4,176,000)	0	0	(816,000)
NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 2	0	2,400,000	0	0	0	0	4,176,000	0	0	0
NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 3	0	0	0	0	0	1,152,000	0	0	0	816,000
NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 4	1,680,000	0	0	0	0	0	0	0	0	0
DEVELOPER PERMANENT CONTRIBUTION	0	0	0	0	0	0	0	0	0	0
TOTAL CAPITAL EXPENDITURE FUNDING SOURCES	2,316,019	2,316,019	2,316,019	2,454,981	1,158,010	1,158,010	1,158,010	1,158,010	1,158,010	1,227,490
EXCESS FUNDING SOURCES OVER CAPITAL EXPENDITURES	0	0	0	0	0	0	0	0	0	0
FUND BALANCE - JANUARY 1	0	0	0	0	0	0	0	0	0	0
FUND BALANCE - DECEMBER 31	0	0	0	0	0	0	0	0	0	0
CUMULATIVE DEVELOPER CAPITAL LOANS OUTSTANDING (w/o Inter)	15,987,787	15,893,806	18,199,825	20,654,806	21,812,816	21,818,826	18,809,835	19,858,845	21,116,855	21,528,345

EXHIBIT V
 TIMMATH RANCH METROPOLITAN DISTRICTS #1 - #4
 CAPITAL EXPENDITURES (SERVICE DISTRICT CAPITAL PROJECTS F1
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2027

CAPITAL EXPENDITURES SOURCE PINNACLE CONSULTING GROUP

TIMMATH RANCH	2025	2026	2027	TOTALS
FILING I	0	0	0	8,276,110
FILING II	0	0	0	889,030
FILING III	0	0	0	27,173,205
DISTRICT FORMATION AND ORGANIZATION	0	0	0	188,000
TOTAL CAPITAL EXPENDITURES BY YEAR	0	0	0	36,504,345
CAPITAL EXPENDITURE FUNDING SOURCES:				
DEVELOPER CAPITAL LOANS	0	0	0	36,504,345
REPAYMENT OF DEVELOPER CAPITAL LOANS	0	(2,208,000)	(19,320,345)	(36,504,345)
NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 2	0	2,208,000	0	13,538,000
NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 3	0	0	0	1,988,000
NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 4	0	0	0	1,680,000
DEVELOPER PERMANENT CONTRIBUTION	0	0	19,320,345	19,320,345
TOTAL CAPITAL EXPENDITURE FUNDING SOURCES	0	0	0	36,504,345
EXCESS FUNDING SOURCES OVER CAPITAL EXPENDITURES	0	0	0	0
FUND BALANCE - JANUARY 1	0	0	0	0
FUND BALANCE - DECEMBER 31	0	0	0	0
CUMULATIVE DEVELOPER CAPITAL LOANS OUTSTANDING (w/o Inter 21,528,345	19,320,345	19,320,345	0	0

EXHIBIT F

Form of Intergovernmental Agreement
between the Districts and Town of Timnath

**INTERGOVERNMENTAL AGREEMENT BETWEEN
THE TOWN OF TIMNATH, COLORADO
AND
TIMNATH RANCH METROPOLITAN DISTRICTS NOS. 1, 2, 3 & 4**

THIS AGREEMENT is made and entered into to be effective as of the ___ day of _____, 2007, by and between the **TOWN OF TIMNATH**, a municipal corporation and political subdivision of the State of Colorado (“Town”), and **TIMNATH RANCH METROPOLITAN DISTRICT NO. 1, TIMNATH RANCH METROPOLITAN DISTRICT NO. 2, TIMNATH RANCH METROPOLITAN DISTRICT NO. 3 and TIMNATH RANCH METROPOLITAN DISTRICT NO. 4**, quasi-municipal corporations and political subdivisions of the State of Colorado (individually “District”, collectively the “Districts”). The Town and the Districts are collectively referred to as the Parties.

RECITALS

WHEREAS, the Districts were organized to provide certain capital facilities and services in connection with the development of property annexed to the Town under an annexation agreement (the “Timnath Ranch Annexation Agreement”); and

WHEREAS, the Districts are authorized to provide financing and to exercise powers as are more fully set forth in the Districts’ Amended Consolidated Service Plan approved by the Town on September 19, 2007 (“Service Plan”); and

WHEREAS, the Service Plan makes reference to the execution of an intergovernmental agreement between the Town and the Districts; and

WHEREAS, the Town and the Districts have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement (“Agreement”) to promote the coordinated development of the Timnath Ranch Annexation property.

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

COVENANTS AND AGREEMENTS

1. Definition of Terms. Terms not defined herein shall have the same meanings as given to such terms in the Service Plan.

2. Ownership, Operations and Maintenance of Facilities. The Districts shall dedicate the Public Improvements to the Town or other appropriate jurisdiction or owners association in a manner consistent with the final Approved Development Plan and other rules and regulations of the Town and applicable provisions of the Town Code. The Districts shall undertake ownership, operation and maintenance of those public facilities,

and shall furnish related services, or shall dedicate and convey to the Town, the Fort Collins - Loveland Water District, or the South Fort Collins Sanitation District those facilities shown for such dedication and conveyance as set forth the schedule of disposition of facilities attached hereto as **Exhibit A** and incorporated herein by reference. Except for those public improvements required to be dedicated to the Town, Fort Collins - Loveland Water District, or South Fort Collins Sanitation District, or their designees in accordance with the Approved Development Plan or this Agreement, the Districts shall be authorized to operate and maintain any part or all of the Public Improvements provided for in the Service Plan.

3. Construction Standards. The Districts will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the Town and of other governmental entities having proper jurisdiction and of those special districts that qualify as "interested parties" under Section 32-1-204(1), C.R.S., as applicable. The Districts will obtain the Town's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

4. District Swimming Pool Use and Operations Limitations. The Districts may undertake the financing, construction, installation, acquisition, ownership, operation and maintenance of a swimming pool. Any District swimming pool shall be constructed in accordance with plans submitted to and approved by the Town. If applicable, the Districts may not cease or abandon the operation of, and may not change the use of the swimming pool as a District Pool, without prior consent of the Town, which consent shall not be unreasonably withheld, delayed or denied. The District Pool shall be operated and maintained in a manner similar to similar size and types of swimming pools operated by metropolitan districts in other communities. Such District Pool shall be subject to Town regulatory authority as permitted by state law. The Town shall provide written notice of any default in the operation and maintenance of the District Pool. If any such default continues for more than thirty (30) days after receipt of a written notice from the Town, the Town shall have the right to enforce by specific performance the maintenance of the District Pool. Should the District's default continue after notice, opportunity to cure and refusal to cure the default, the Town shall have the right to operate and maintain the District Pool and collect and use the District Pool fees unless and until the Districts demonstrate a willingness and ability to operate the District Pool in accordance with applicable standards. Any maintenance and operations costs incurred by the Town to perform these functions, after written notice of default and failure of the Districts to cure the within thirty (30) days of receipt, shall be reimbursed by the Districts.

5. Current Town Residential Property Owners' Access to Park and Recreation Facilities and Improvements. All open space tracts, trails, and park improvements shall be open and available to the general public and Town citizens free of charge. It is acknowledged that the Town intends to explore the possibility of constructing a Town pool. Until such Town pool is constructed, the Districts shall allow Town residents who reside within property owner addresses as of November 1, 2005 as described in Exhibit H, and their families who may reside at the address, including any family member added through birth, marriage, adoption or a parents marriage thereafter,

access to any District Pool at Fee rate equivalent to 50% of the then current fee charged to in-District residents. A list defining the current residential property owner addresses which shall be provided this access is attached hereto as **Exhibit H**. Future residents of the addresses in **Exhibit H**, other than those defined above, who purchase or rent in these addresses after May 31, 2006, will not be entitled to this provision. Once a Town pool is constructed, the access and reduced rate as required by the Town for Town residential property owners as defined in **Exhibit H** shall be rescinded.

6. Town Access and Maintenance Easement to Greenbelts, Open Space, Ponds and Drainage Improvements. The Districts will grant a perpetual, non-exclusive access easement to the Town for non-motorized pedestrian access to the Districts greenbelts and open space improvements as defined on the final plat approved by the Town. The Districts shall maintain greenbelts, open space, ponds and drainage improvements in accordance with the plans approved by the Town and subject to Town regulatory authority as provided by state law. The Districts shall grant an easement to the Town for purposes of routine inspections of pond and drainage improvements. The Districts shall also grant the Town emergency access for maintenance purposes to the pond and drainage improvements when necessary to preserve the health, safety and welfare of the Districts' property owners and residents, and guests. The Town shall provide written notice of any default in the maintenance of District owned, operated and maintained Public Improvements in accordance with the approved plans, which if continued for more than thirty (30) days after receipt of a written notice of default from the Town to the Districts, the Town shall have access for purposes of maintenance of these improvements by the Town. Any maintenance performed by the Town, after written notice of default and failure of the Districts to cure within thirty (30) days of receipt, shall be reimbursed by the Districts.

7. Changes in Boundaries or Service Area. The Districts shall be entitled to change their internal boundaries through inclusions and exclusions of property between the Districts and Inclusion Area (if applicable) as their Boards may determine is in the best interests of each District and its property owners subject to the following limitations:

a. No property may be subject to the mill levy of more than one District.

b. No property may be included into the boundaries of the District unless the property is within the corporate limits of the Town.

c. All District boundary changes must be made in compliance with the Special District Act.

d. The boundaries of the Inclusion Area may not be expanded without prior approval of the Town.

e. The inclusion of property outside of the Districts boundaries or the Inclusion Area, shall be subject to the prior approval of the Town.

Any inclusion or exclusion which does not comply with the provisions of this Section 7 shall require review and approved by the Town Manager. No inclusion or exclusion of property conforming with this Section 7 shall constitute a material modification of the Service Plan.

8. Total Debt Issuance. Unless otherwise approved by the Town Board of Trustees, which approval will not be unreasonably withheld, delayed or conditioned, the Districts shall not issue Debt in excess of Twenty-Five Million Dollars (\$25,000,000).

9. Consolidation. The Districts shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the Town, unless such consolidation is with another Timnath Ranch Metropolitan District.

10. Bankruptcy. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy have been established under the authority of the Town to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

a. Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

b. Are, together with all other requirements of Colorado law, included in the "political or governmental powers" reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the "regulatory or electoral approval necessary under applicable nonbankruptcy law" as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the Town as part of a Service Plan Amendment.

11. Dissolution. Upon an independent determination of the Town Board of Trustees that the purposes for which the District was created have been accomplished, the District agrees to file petitions in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes and until such time as the District does not need to remain in existence to perform operations and maintenance services or has provided for those services through another public entity having jurisdiction.

12. Disclosure to Purchasers. The District will use reasonable efforts to assure that all developers of the property located within the District provide written notice to all purchasers of property in the District regarding the Maximum Debt Mill Levy, as well as a general description of the District's authority to impose and collect rates, Fees, tolls and charges. The form of notice shall be filed with the Town prior to the initial issuance of

the Debt of the District imposing the mill levy which is the subject of the Maximum Debt Mill Levy.

13. Service Plan Amendment Requirement. Actions of the Districts which violate the limitations set forth in the Service Plan shall be deemed to be material modifications to the Service Plan and the Town shall be entitled to all remedies available under State and local law to enjoin such actions of the Districts.

14. Multiple District Structure. It is anticipated that the Districts, collectively, will undertake the financing and construction of the Public Improvements. The nature of the functions and services to be provided by each District shall be clarified in an intergovernmental agreement between and among the Districts. Such intergovernmental agreement will be designed to help assure the orderly development of the Public Improvements and essential services in accordance with the requirements of the Service Plan. Implementation of such intergovernmental agreement is essential to the orderly implementation of the Service Plan. Accordingly, any determination of any Board to set aside said intergovernmental agreement without the consent of all of the Districts shall be a material modification of the Service Plan. Said intergovernmental agreement may be amended by mutual agreement of the Districts without the need to amend the Service Plan.

15. Annual Report. Upon request by the Town, the Districts shall be responsible for submitting an annual report to the Manager of the Office of Development Assistance of the Town Manager's Office no later than August 1st of each year following the year in which the Order and Decree creating the District has been issued, in accordance with applicable Town policies and pursuant to the Town Code and containing the information set forth in Section VIII of the Service Plan.

16. Maximum Debt Mill Levy. The "Maximum Debt Mill Levy" shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Debt. With respect to each District, the "Maximum Debt Mill Levy" shall be the maximum mill levy a District is permitted to impose upon the taxable property within such District for payment of Debt. The Maximum Debt Mill Levy, shall be thirty-five (35.0) mills; provided that, on or after January 1, 2006, the thirty-five (35.0) mill tax rate for debt may be increased to compensate for any decreases in the assessed valuation of the property within the District necessitated by state law pursuant to Article X, Section 3 of the Colorado Constitution commonly referred to as the Gallagher Amendment or any other legislation causing a reduction in the assessed valuation of residential properties. In the event of legislation implementing changes in the ratio of actual valuation to assessed valuation for residential real property, pursuant to Article X, Section 3(1)(b) of the Colorado Constitution, the mill levy limitation provided herein will be increased or decreased as to all taxable property in the District to reflect such changes; so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation. All Debt issued by the Districts must be

issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State or Federal law.

Obligations of the Districts in the IGAs discussed herein will not count against the Debt limitation, but will be subject to the Maximum Debt Mill Levy set forth herein. Any change in the Debt limitation shall be considered a material modification of the Service Plan. The Debt limitation shall not otherwise be increased unless approved by the Town and as permitted by statute.

To the extent that the District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term "District" as used herein shall be deemed to refer to the District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

17. Total Combined Mill Levy. The total mill levy in any of the Districts, combined to include both general operations, maintenance and debt service, shall not exceed fifty (50) mills unless approved by the Town; provided, however, in the event that the method of calculating assessed valuation is changed after the date of this Agreement by any change in law or method of calculation or by any change in the percentage of actual value used to determine assessed valuation pursuant to Section 39-1-104.2, C.R.S., and Article X, Section 3 of the State Constitution, the mill levy limitation shall be increased or decreased to reflect such change, as reasonably determined by the Boards of Directors of the Districts so that, to the greatest extent possible, the actual property tax revenues generated by the mill levy as adjusted are neither increased nor diminished as a consequence of such adjustment.

18. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the address or by courier delivery, via United Parcel Service or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the Districts: Timnath Ranch Metropolitan District Nos. 1- 4
c/o Pinnacle Consulting Group, Inc.
5110 Granite Street, Suite C
Loveland, Colorado 80538
Phone: 970-669-3611
Fax: 970-669-3612

with copy to: Corbetta & O'Leary, P.C.
Attn: David Sean O'Leary
821 17th Street, Suite 600-B
Denver, Colorado 80202
Phone: (303) 294-9100
Fax: (303) 294-9112

To the Town: Town of Timnath
4100 Main Street
P.O. Box 37
Timnath, Colorado 80547
Phone: (970) 224-3211
Fax: (970) 224-3217

with copy to: Murray Dahl Kuechenmeister & Renaud, LLP
Attn: Malcolm M. Murray
2401 15th Street, Suite 200
Denver, Colorado 80202
Phone: (303) 493-6670
Fax: (303) 477-0965

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with United Parcel Service or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

19. Precedence. Recognizing that full development of the Timnath Ranch property may take up to thirty (30) years, the Town approved the Service Plan with sufficient flexibility to accommodate and enable the Districts to respond to changed conditions over time, while still relying upon the provisions of this Agreement to enable it to exercise appropriate control and supervision of the Districts as provided by state law. Accordingly, any conflict or inconsistency between the Service Plan and this Agreement shall be resolved in favor of the provisions of this Agreement.

20. Entire Agreement of the Parties. This written Agreement constitutes the entire agreement between the Parties and supersedes all prior written or oral agreements, negotiations, or representations and understandings of the Parties with respect to the subject matter contained herein.

21. Amendment. This Agreement may be amended, modified, changed, or terminated in whole or in part only by a written agreement duly authorized and executed by the Parties hereto and without amendment to the Service Plan. The need for formal amendment to the Service Plan shall be determined according to state law then in effect.

22. Assignment. No Party hereto shall assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent of all other Parties, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

23. Default/Remedies. In the event of a breach or default of this Agreement by any Party, the non-defaulting Parties shall be entitled to exercise all remedies available

at law or in equity, specifically including suits for specific performance and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof, the prevailing Party/Parties in such proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees.

24. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado.

25. Inurement. Each of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

26. Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

27. Parties Interested Herein. 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 and the Town any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the Districts and the Town shall be for the sole and exclusive benefit of the Districts and the Town. Except as otherwise stated herein, this Agreement is not intended to, and shall not limit in any ways the powers and responsibilities of the Town, the Districts, or any other entity not a party hereto.

28. Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

29. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

30. Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

31. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Service Plan.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the Districts and the Town have caused this Agreement to be duly executed to be effective as of the day first above written.

TIMNATH RANCH METROPOLITAN
DISTRICT NO. 1

By: _____
President

Attest:

Secretary

TIMNATH RANCH METROPOLITAN
DISTRICT NO. 2

By: _____
President

Attest:

Secretary

TIMNATH RANCH METROPOLITAN
DISTRICT NO. 3

By: _____
President

Attest:

Secretary

TIMNATH RANCH
METROPOLITAN DISTRICT NO. 4

By _____
President

Attest:

Secretary

TOWN OF TIMNATH, COLORADO

By: _____
_____, Mayor

Attest:
By: _____
Its: _____

APPROVED AS TO FORM:

Town Attorney

EXHIBIT A
SCHEDULE OF FACILITIES DISPOSITION

1. Streets and Roadways.

Upon acceptance, conveyed to the Town for ownership, operation and maintenance.

2. Traffic and Safety Protection.

Unless otherwise agreed to between Town and Districts, upon acceptance, conveyed to the Town for ownership, operation and maintenance.

3. Drainage/Stormwater Facilities.

Owned, operated and maintained by District unless accepted and conveyed to the Town or South Fort Collins Sanitation District for ownership, operation and maintenance.

4. Sanitation.

Upon acceptance, conveyed to South Fort Collins Sanitation District for ownership, operation and maintenance.

5. Water.

a. Potable water facilities: Upon acceptance, conveyed to Fort Collins - Loveland Water District for ownership, operation and maintenance.

b. Non-potable water facilities: Non-potable water facilities servicing the District's open space area(s) will be owned, operated and maintained by District.

6. Parks and Recreation.

Recreational facilities, including the District Pools, Recreation Center, as well as certain greenbelts, open spaces, landscaping and streetscaping features will be owned, operated and maintained by District or Town in accordance with the Approved Development Plan or otherwise agreed to by the Parties. Parks and trails shall be owned, operated and maintained by the Town.

7. Transportation.

(If applicable) Owned, operated and maintained by District unless accepted and conveyed to the Town for ownership, operation and maintenance.

8. Mosquito Control

Owned, operated and maintained by District unless accepted and conveyed to the Town.

9. Security Services and Covenant Enforcement

Owned, operated and maintained by District or upon acceptance, conveyed to a property owners association or other governmental entity.

EXHIBIT G

**Form of Intergovernmental Agreement between
the Districts and Timnath Development Authority**

**INTERGOVERNMENTAL AGREEMENT
BETWEEN THE TIMNATH DEVELOPMENT AUTHORITY AND
TIMNATH RANCH METROPOLITAN DISTRICTS NOS. 1, 2, & 4
REGARDING DISTRICT PROPERTY TAXES**

THIS INTERGOVERNMENTAL AGREEMENT REGARDING DISTRICT PROPERTY TAXES (this "Agreement") is made and entered into this ____ day of _____, 2007, by and between the TIMNATH DEVELOPMENT AUTHORITY, a body corporate and politic of the State of Colorado (the "Authority" or the "TDA"), and the TIMNATH RANCH METROPOLITAN DISTRICT NOS. 1, 2, 3, and 4, quasi-municipal corporations and political subdivisions of the State of Colorado (each a "District" and, collectively, the "Districts"). The Authority and the Districts are each referred to herein as a "Party" or collectively as the "Parties".

RECITALS

WHEREAS, the Districts were organized to provide certain public improvements and services to serve the Service Area (as shown on Exhibit A hereto) in connection with the development of property annexed to the Town; and

WHEREAS, the Districts are authorized to provide financing and to exercise powers as are more fully set forth in the Districts' Amended Consolidated Service Plan approved by the Town on September 19, 2007 (the "Amended Service Plan"); and

WHEREAS, pursuant to Resolution No. AJ-2004, adopted by the Town on November 10, 2004, the TDA was formed as a urban renewal authority, a body corporate and politic of the State of Colorado, to serve the Plan Area, having the powers of an urban renewal authority under the Urban Renewal Act (as defined herein); and

WHEREAS, development of the public improvements in the Service Area would be of substantial benefit to the Town and result in a net increase in the Town's revenues; and

WHEREAS, development of the Service Area is necessary and appropriate to facilitate proper growth and development of the Town in accordance with sound planning standards and community objectives and in accordance with the applicable general development plan approved by the Town and it is in the best interests of the Town for the Service Area to be developed; and

WHEREAS, considerable public infrastructure will be required to provide potable and non-potable water; to dispose of wastewater; to detain, retain and transport stormwater; to landscape public rights of way, public easements, and publicly dedicated or owned real properties; to provide curb, gutter, sidewalks, streets, trails and other access ways; to provide public parks, recreation facilities and open spaces; and to provide other public improvements necessary and/or reasonably required for development of the Service Area, and neither the Town nor the TDA is able to fund the total costs of all such

public improvements necessary or reasonably required for development of the Service Area within a reasonable period of time; and

WHEREAS, pursuant to the Service Plan, the Districts are permitted to impose a total mill levy (combined to include both general operations, maintenance and debt service) (the "District Mill Levy") not in excess of fifty (50) mills unless approved by the Town; provided, however, in the event that the method of calculating assessed valuation is changed after the date of this Agreement by any change in law or method of calculation or by any change in the percentage of actual value used to determine assessed valuation pursuant to Section 39-1-104.2, C.R.S., and Article X, Section 3 of the State Constitution, the mill levy limitation shall be increased or decreased (the "Gallagher Adjustment") to reflect such change, as reasonably determined by the Boards of Directors of the Districts so that, to the greatest extent possible, the actual property tax revenues generated by the mill levy as adjusted are neither increased nor diminished as a consequence of such adjustment; and further provided that, with respect to each District, the maximum mill levy a District is permitted to impose upon the taxable property within such District for payment of District Debt shall be thirty-five (35.0) mills, subject to the Gallagher Adjustment;

WHEREAS, in order to fund or refund certain of the Eligible Improvements, and in consideration for the pledge and assignment of the District Tax Increment to the Districts to fund Eligible Improvements, it is contemplated that one or more of the Districts will incur District Debt (as defined herein) payable from District capital fees and revenues resulting from the District Mill Levy ("District Mill Levy Revenues"); and

WHEREAS, as a result of the adoption of the Urban Renewal Plan, the parties hereto understand that, by operation of the Urban Renewal Law, the TDA is granted certain rights in revenues constituting "Tax Increment Revenues" (as defined herein), and intend to ensure that, in the event that any District Mill Levy Revenues constitute Tax Increment Revenues, such revenues continue to be made available to the Districts for the purpose of funding or refunding the provision of Eligible Improvements.

NOW THEREFORE, for and in consideration of the mutual promises and covenants herein contained and other good and valuable consideration, the receipt and adequacy of which are hereby confessed and acknowledged, the Parties agree as follows:

SECTION 1. DEFINITIONS

1.01 **"Base Valuation"** means, with respect to the Plan Area, the total assessed valuation of all taxable property last certified by the assessor prior to the effective date of the approval of the Urban Renewal Plan, as may be subsequently adjusted due to a general reassessment of taxable property in the Plan Area or if additional area is added to the original Plan Area.

1.02 **"County"** shall mean Larimer County, Colorado.

1.03 **"District Debt"** shall mean and refer to all bonds (including refunding bonds), notes, interim certificates or receipts, temporary bonds, certificates of indebtedness, debentures, promissory notes, contracts, agreements, leases, or other documents or instruments evidencing loans, advances, indebtedness, whether funded, refunded, assumed or otherwise, and all other obligations incurred by any District to finance or refinance, in whole or in part, the construction, installation, repair, replacement, improvement, maintenance and operation of any Eligible Improvements.

1.04 **"Designated District"** shall mean the District (or Districts) designated to receive all or any portion of the District Tax Increment pursuant to Section 2.03 hereof, as indicated in a certificate executed by a duly authorized officer of each of the Districts.

1.05 **"Developer"** shall mean and refer to Timnath Ranch, LLC.

1.06 **"District Tax Increment"** means the portion of Tax Increment Revenues attributable to any District Mill Levy imposed by the Districts on property located within the Plan Area.

1.07 **"Effective Date"** shall mean and refer to the date this Agreement is signed by all Parties.

1.08 **"Eligible Costs"** shall mean and refer to (i) expenditures made by any District, and expenditures made by the Developer, the Town or any other entity acting at the request of or on behalf of a District, and reimbursed by any District, to finance or refinance, in whole or in part, the construction, installation, repair, replacement, improvement, maintenance and operation of any Eligible Improvements; and (iii) principal, interest, premiums, reserves, trustee and rebate fees and all other amounts due or which may become due on or in connection with any District Debt.

1.09 **"Eligible Improvements"** shall mean and refer to any and all improvements that could be acquired, constructed, installed, owned, maintained, repaired, replaced, improved, funded, financed, and/or operated by the Districts for the benefit of the Service Area, to the maximum extent permitted by the Special District Act and the Service Plan, as presently existing or as amended from time to time; but only to the extent that such improvements could also be installed, constructed, or reconstructed by the TDA to the maximum extent permitted by the Urban Renewal Law as it presently exists or as it may be amended from time to time; regardless of whether such improvements are in fact acquired, constructed, installed, owned, maintained, repaired, replaced, improved, and/or operated by a District or the TDA; subject to any limitations of the Urban Renewal Plan.

1.10 **"Increment Valuation"** means, with respect to the Plan Area, the amount of assessed valuation, if any, which exceeds the Base Valuation.

1.11 **"Plan Area"** shall mean and refer to the area indicated in the Urban Renewal Plan, as shown on Exhibit B hereto.

1.12 **"Service Area"** shall mean and refer to the area included within the boundaries of the Districts as shown on the map attached as Exhibit A hereto, subject to addition of future inclusions and deletion of future exclusions.

1.13 **"Special District Act"** shall mean Title 32, Article 1, Colorado Revised Statutes, as amended from time to time.

1.14 **"Tax Increment Revenues"** means the amount of ad valorem property taxes collected on the Increment Valuation of all taxable property located in the Plan Area.

1.15 **"TDA"** shall mean and refer to the urban renewal authority for the Growth Management Area for the Town of Timnath, also referred to as the Timnath Urban Renewal Authority, or the Timnath Development Authority, a body corporate and politic of the State of Colorado, formed by Resolution No. AJ-2004, on November 10, 2004.

1.16 **"Urban Renewal Law"** shall mean and refer to the Colorado Urban Renewal Law, Colorado Revised Statutes, Title 31, Article 25, Part I, as amended from time to time.

1.17 **"Urban Renewal Plan"** shall mean and refer to the Urban Renewal Plan prepared for the Town, recommended by the Planning Commission on November 10, 2004, and approved and adopted by the Town's Board of Trustees December 15, 2004 by Resolution No. AS-2004.

SECTION 2. DISTRICT TAX INCREMENT

2.01 Deposit and Pledge of District Tax Increment. There shall be created and held by the TDA a special fund referred to herein as the "Timnath Ranch Special Fund." All of the District Tax Increment shall be allocated to, and when collected paid into, the Timnath Ranch Special Fund. All of the District Tax Increment, and all interest earned thereon, is hereby irrevocably pledged and assigned to the Districts for the purpose of funding and refunding Eligible Costs. The TDA agrees that, at such time as one or more of the Districts proposes to issue District Debt to fund Eligible Improvements, the TDA shall execute such additional documentation as may be necessary to further evidence such pledge and facilitate the issuance of such District Debt. Until terminated as provided in Section 2.04, the District Tax Increment collected from the TDA may not be allocated by the TDA for any use or purpose except as permitted by this Agreement.

2.02 Disbursement of District Tax Increment. All District Tax Increment collected and the balance in the Timnath Ranch Special Fund, including all interest thereon, shall be paid to or at the direction of the Designated District on dates established by the Designated District, but no more frequently than monthly, subject to the receipt by the TDA of the following at least 5 business days prior to the requested disbursement: (i) if to be applied to District Debt, a certificate of the District (provided at the time of issuance of such District Debt) indicating the Eligible Improvements to which net proceeds of such District Debt are to be applied and stating that all of such proceeds and the requested District Tax Increment will be applied to Eligible Costs, and providing specific instructions as to the time and place of payment; and (ii) if to be applied to Eligible Costs not constituting District Debt, a certificate of the District indicating the Eligible Costs to be funded with such District Tax Increment (which Eligible Costs need not have been incurred by a District if based upon budgeted operation and maintenance expenses of the District for the current year or, in the case of the funding of capital costs, the amount of any proposed contract) and stating that such District Tax Increment will be applied only to such Eligible Costs. The Districts shall make the final determination as to costs that constitute Eligible Costs; provided that such determination is in accordance with the definition set forth herein.

2.03 Termination of Tax Increment Financing. Allocation of the District Tax Increment to the Timnath Ranch Special Fund shall terminate twenty-five (25) years after the TDA Commencement Date.

2.04 Pledge of District Tax Increment. All of the District Tax Increment, and all interest earned thereon, due hereunder, is hereby irrevocably pledged and assigned by the TDA to the Districts for the purpose of funding and refunding Eligible Costs.

2.05 No Annual Appropriation. The obligations of the TDA hereunder constitute valid and binding obligations of the TDA, subject to any advice described in Section 2.01(b), and are expressly not subject to annual appropriation by the TDA.

SECTION 3. COVENANTS, ACKNOWLEDGEMENTS & AUTHORIZATIONS

3.01 Districts' Provision of Eligible Improvements. In exchange for the TDA's pledge and payment of the District Tax Increment in accordance with the foregoing provisions, the Districts hereby agree to provide the Eligible Improvements, or a portion thereof, to the extent the same may be funded by the District Tax Increment. The TDA hereby authorizes and delegates to the Districts, to the extent of available funds and to the extent the District has the legal authority to do so, to (i) design, install, maintain, repair, replace, construct, reconstruct, expand, operate and maintain Eligible Improvements in the Plan Area, including, without limitation, water, street, park, recreation, landscaping, sanitary sewer and drainage improvements and (ii) to incur indebtedness as necessary to pay the Eligible Costs.

3.02 TDA Debt. The TDA shall not be obligated by this Agreement to issue bonds, incur debt, pledge its credit, or otherwise incur financial risk under the Urban Renewal Plan except that the TDA shall irrevocably pledge, assign and pay the District Tax Increment, to the extent received by the TDA, in accordance with the provisions hereof.

3.03 District Debt. The TDA expressly acknowledges that District Debt will be incurred by the Districts in reliance upon the agreements set forth in Article 2.

3.04 Amendment of Plan. The Urban Renewal Plan shall not be amended or modified in any way if:

(a) such amendment or modification would reduce the District Tax Increment to be allocated to the Timnath Ranch Special Fund as originally approved, or reduce, delete, or exclude any real property from the TDA as originally established; or

(b) such amendment or modification would impair in any way any of the obligations of the TDA set forth in Section 2 hereof or District Debt.

3.05 Acknowledgement of Other Revenues. The parties hereto acknowledge that: (i) the Town may impose certain fees on property owners in connection with the annexation of their property to the Town, certain property tax levies on properties with the boundaries of the Town, and certain sales taxes on sales transactions occurring within the Town (collectively, the "Town Impositions"); (ii) the Districts may impose certain fees, rates and charges (collectively, "District Impositions") as are permitted by the Special District Act and the Service Plan for the purpose of funding Public Improvements (provided that such fees, rates and charges are not imposed on properties then-owned by the Town); and (iii) owners of property within the Districts, in particular commercial property, may choose to impose such private contractual fees on users of such property, including public improvement fees imposed on sales transactions, as are legally permitted by law ("Private Fees"). Nothing in this Agreement is intended to or shall prohibit or

restrict in any way, or alter the parties entitled to receipt of, and no provision of this Agreement is contingent upon the existence or non-existence of, such Town Impositions, District Impositions or Private Fees.

SECTION 4. REPRESENTATIONS AND WARRANTIES

4.01 By the Districts. Each District represents and warrants as follows:

(a) The District is a quasi-municipal corporation and political subdivision of the state of Colorado duly organized and validly existing under the Special District Act;

(b) The District has the power to enter into and has taken all actions required to authorize this Agreement and to carry out its obligations hereunder;

(c) There is no litigation, proceeding or investigation pending contesting the power and authority of the District or its officials to enter into or consummate the transactions contemplated by this Agreement and the District is unaware of any such litigation, proceeding or investigation that has been threatened;

(d) The execution and delivery of this Agreement and the documents required hereunder and the consummation of the transactions contemplated by this Agreement will not:

(i) conflict with or contravene any Regulation applicable to the District;

(ii) result in the breach of any of the terms or provisions of, or constituted default under, any agreement or other instrument to which the District is a party or by which it may be bound or affected; or

(iii) permit any party to terminate any such agreement or instruments or to accelerate the maturity of any indebtedness or other obligation of the District; and

(e) This Agreement constitutes a valid and binding obligation of the District, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity. The District will defend the validity of this Agreement in the event of any litigation arising hereunder that names the District as a party or which challenges the authority of the District to enter into or perform its obligations hereunder.

4.02 By the TDA. The TDA represents and warrants as follows:

(a) The TDA is a body corporate and politic and has the power to enter into, and has taken all actions to date required to authorize, this Agreement and to carry out its obligations hereunder;

(b) Neither the TDA does not know of any litigation, proceeding, initiative, referendum, investigation or threat of any of the same contesting the powers of the TDA or its officials with respect to this Agreement that has not been disclosed in writing to the Developer and the Districts;

(c) The execution and delivery of this Agreement and the documents required hereunder and the consummation of the transactions contemplated by this Agreement will not:

(i) conflict with or contravene any Regulation of, or applicable to, the TDA;

(ii) result in the breach of any of the terms or provisions of, or constitute a default under, any agreement or other instrument to which the TDA is a party or by which it may be bound or affected; or

(iii) permit any party to terminate any such agreement or instruments or accelerate the maturity of any indebtedness or other obligation of the TDA; and

(d) This Agreement constitutes a valid and binding obligation of the TDA, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity. The TDA will defend the validity of this Agreement in the event of any litigation arising hereunder that names the TDA as a party or which challenges the authority of the TDA to enter into or perform its obligations hereunder.

SECTION 5. MISCELLANEOUS

5.01 Amendment. This Agreement shall be amended only by an instrument signed by all of the Parties. It may not be amended or modified by course of conduct or by an oral understanding or agreement among any of the Parties.

5.02 Applicable Law. This Agreement shall be governed by, and its terms construed in accordance with, the laws of the state of Colorado.

5.03 Assignment. The Districts shall have the right to assign or transfer all or any of their interests, rights and obligations under this Agreement to any trustee for District Debt and/or to a Designated District without consent of the TDA. No other

assignment or assumption of this Agreement shall be permitted without the written consent of the parties hereto.

5.04 Execution and Counterparts. This Agreement may be executed in any number of counterpart copies. Facsimile signatures shall be accepted the same as originals.

5.05 Notice. Any notice required or desired to be given by one or more of the Parties to any other Party or Parties shall be in writing and may be personally delivered; mailed, certified mail, return receipt requested; sent by telephone facsimile with a hard copy sent by regular mail; sent by a nationally recognized receipted overnight delivery service, including, by example and not limitation, United Parcel Service, Federal Express, or Airborne Express for earliest delivery the next business day; or sent by electronic mail with a hard copy sent by regular mail. Any such notice shall be deemed given when personally delivered; if mailed, three (3) delivery days after deposit in the United States mail, postage prepaid; if sent by telephone facsimile or electronic mail, on the day sent if sent on a business day during regular business hours (9 a.m. to 5 p.m.) of the recipient, otherwise on the next business day; or if sent by overnight delivery service, one (1) business day after deposit in the custody of the delivery service. The addresses, telephone numbers, and electronic mail addresses for the mailing, transmitting, or delivering of notices shall be as follows:

If to TDA:	Timnath Development Authority ATTN: Executive Director 4100 Main Street P.O. Box 37 Timnath, Colorado 80547 Phone: (970) 224-3211 Fax: (970) 224-3217
With a copy to:	Murray Dahl Kuechenmeister & Renaud, LLP Attn: Malcolm M. Murray 2401 15 th Street, Suite 200 Denver, Colorado 80202 Phone: (303) 493-6670 Fax: (303) 477-0965
If to Developer:	Timnath Ranch, LLC ATTN: Jonathan A. Turner, Member-Manager 8020 S. LCR 5, #200 Windsor, Colorado 80528 Phone: (970) 204-9393 Fax: (970) 204-9396
With a copies to:	Corbetta & O'Leary, P.C. Attn: David Sean O'Leary, Esq. 821 17 th Street, Suite 600B

Denver, Colorado 80202
Phone: 303-294-9100
Fax: 303-294-9112

If to Districts: Timnath Ranch Metropolitan District Nos. 1 - 4
c/o Pinnacle Consulting Group, Inc.
5110 Granite Street, Suite C
Loveland, Colorado 80538
Phone: 970-669-3611
Fax: 970-669-3612

Notice of a change of address of a Party shall be given in the same manner as all other notices as hereinabove provided.

5.06 Contracting by Electronic Means. The Parties do not agree to contract by electronic means except for facsimile signatures on this Agreement and notices given by electronic means pursuant to Section 5.05.

5.07 Further Assurances. The Parties shall execute such documents or instruments and take such action as may be necessary or reasonably required to carry out the terms and provisions of this Agreement.

5.08 Default/Remedies. The Parties recognize that because the extent of damage caused by any breach of the provisions of this Agreement may be extremely difficult or impossible to determine, an action for specific performance may be necessary to provide an adequate remedy for such breach. Accordingly, in the event of a material breach or default by any Party in the performance of its obligations under this Agreement, and in the event such default is not cured within thirty (30) days after notice of default is given to the defaulting party, any nondefaulting Party shall have the right to an action for specific performance, injunctive relief, and/or damages.

5.09 Entire Agreement. This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes any prior agreements, understandings, discussions, representations or warranties made by any Party.

5.10 Good Faith. Except for any matters expressly stated to be in the sole discretion of a Party, the Parties shall act in good faith and shall not act unreasonably, arbitrarily or capriciously in the performance of their obligations under this Agreement. Any consent required to be given pursuant to the terms of this Agreement, unless stated to be in the sole discretion of one Party, shall not be unreasonably withheld, conditioned, delayed, or denied.

5.11 Incorporation of Exhibits. All exhibits attached to this Agreement are incorporated into and made a part of this Agreement as if fully set forth herein.

5.12 Third Party Beneficiaries. No rights created in favor of any Party shall be construed as benefiting any Person that is not a party to this Agreement, except the Bond Trustee. The trustee for any District Debt is an intended third party beneficiary of all of the terms and provisions of this Agreement and shall be entitled to enforce such terms and provisions the same as if it was a Party to the Agreement.

5.13 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable, in whole or in part, such provision shall be fully severable and this Agreement shall be construed and enforced, and shall not be affected by, the illegal, invalid or unenforceable provision or by the severance of such provision from this Agreement.

5.14 Titles of and References to Sections. The titles of sections of this Agreement are inserted for convenience of reference only and shall not be considered in construing or interpreting any section of this Agreement. References to section numbers are to sections or subsections of this Agreement.

5.15 No Partnership. Nothing contained in this Agreement shall be construed to create a partnership, joint venture or other joint enterprise between and among any of the Parties.

5.16 Waiver of Breach. No waiver of any one or more of the terms of this Agreement shall constitute a waiver of any other terms and no failure to enforce any of the terms or provisions of this Agreement shall be construed as a waiver of such terms or provisions.

5.17 Binding Effect. This Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors and assigns.

5.18 Term. This Agreement shall remain in full force and effect for a period of twenty-five (25) years from and after the Effective Date.

5.19 Construction. The terms and provisions of this Agreement have been negotiated among the Parties and shall not be construed in favor of or against the Party primarily responsible for the drafting of this Agreement. To the extent that any of the terms or provisions of this Agreement may conflict with any current or future Regulations, the terms and provisions of this Agreement shall govern and shall be deemed to have superseded such Regulations. Regulations shall be applicable only as expressly provided in this Agreement to the extent such Regulations are not in conflict with any of the terms or provisions of this Agreement.

5.20 Delegation of Authority. Nothing contained in this Agreement is intended to, or shall be construed to, constitute or require an unlawful delegation of authority by the TDA or an unlawful restraint on the legislative discretion of future TDA Boards.

5.21 Nonliability of Officials and Employees. No member of the TDA Board, of any District Board, or any official, employee, agent or consultant of any Party to this Agreement shall be personally liable for the performance of any of the terms or provisions of this Agreement or in the event of a breach or default by any Party.

5.22 Conflict of Interest. No Party shall allow or knowingly permit any of the following Persons to have any interest, direct or indirect, in this Agreement:

- (a) A member of the governing body of the TDA;
- (c) An employee of the Town or an employee of the TDA who exercises responsibility concerning the Urban Renewal Project; or
- (d) An individual or firm retained by the TDA that has performed consulting or other professional services in connection with the Urban Renewal Project.

No party shall willingly permit any of the above-described Persons to participate in any decision relating to this Agreement that affects his or her financial interest or the financial interest of any Person with whom or in which he or she is directly or indirectly interested. The parties hereto acknowledge that ownership of, or an interest in, a residential home in the Districts by any of the above-described persons will not constitute a prohibited interest in this Agreement for the purpose of this Section 5.23.

IN WITNESS WHEREOF, the Parties have executed this Agreement or counterpart copies thereof as of the Effective Date.

TIMNATH DEVELOPMENT AUTHORITY

By: _____
Donna Benson, Chair

ATTEST:

By: _____
Rebecca Davidson, Secretary/Executive Director

TIMNATH RANCH METROPOLITAN
DISTRICT NO. 1

By: _____
Its: _____
Date: _____, 2007

ATTEST:

By: _____

TIMNATH RANCH METROPOLITAN
DISTRICT NO. 2

By: _____
Its: _____
Date: _____, 2007

ATTEST:

By: _____

TIMNATH RANCH METROPOLITAN
DISTRICT NO. 3

By: _____
Its: _____
Date: _____, 2007

ATTEST:

By: _____

TIMNATH RANCH METROPOLITAN
DISTRICT NO. 4

By: _____
Its: _____
Date: _____, 2007

ATTEST:

By: _____

EXHIBIT A
DISTRICTS BOUNDARIES
(SERVICE AREA)

TIMNATH RANCH METROPOLITAN DISTRICT MAP

LOCATED IN SECTION 1, TOWNSHIP 6 NORTH, RANGE 68 WEST,
TOWN OF TIMNATH, COUNTY OF LARIMER, STATE OF COLORADO

LEGEND:

- 12 -Section Corner
- 6 -Metro District No.1
- 18 -Metro District No.2
- 18 -Metro District No.3
- 18 -Metro District No.4

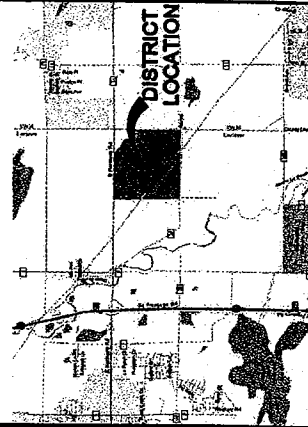
DISTRICT ACREAGE:

TIMNATH RANCH METRO DISTRICT LAND DISTRIBUTION TABLE			
PARCEL	SF	AC	% OF TOTAL
METRO DIST #1	35,684	0.830	0.11
METRO DIST #2	21,073,697	48,788	66.82
METRO DIST #3	1,792,801	41.157	7.37
METRO DIST #4	1,457,965	33.008	5.91
SUM #	24,330,024	66.644	100.00



0 200 400 600 800 Feet
1 inch = 200 ft.

SEPTEMBER 10, 2007

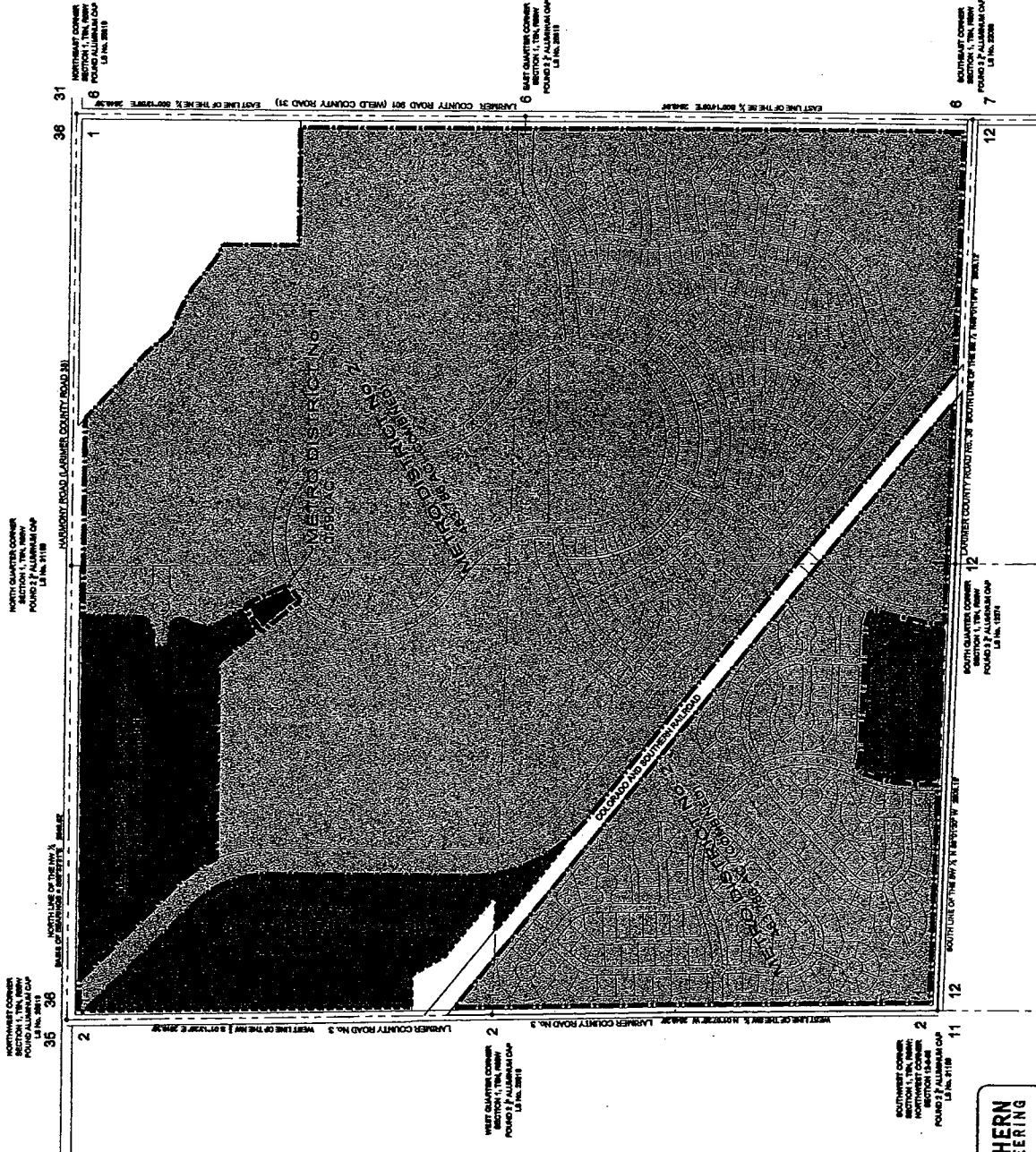


VICINITY MAP
N.T.R.

TIMNATH RANCH

Metropolitan District

DISTRICT MAP



NORTHWEST CORNER
SECTION 1, T16N, R68W
FOUNDER'S PLATT MAP
LA No. 2278

NORTHWEST CORNER
SECTION 1, T16N, R68W
FOUNDER'S PLATT MAP
LA No. 2278

NORTHWEST CORNER
SECTION 1, T16N, R68W
FOUNDER'S PLATT MAP
LA No. 2278

SOUTHWEST CORNER
SECTION 1, T16N, R68W
FOUNDER'S PLATT MAP
LA No. 2278

SOUTHWEST CORNER
SECTION 1, T16N, R68W
FOUNDER'S PLATT MAP
LA No. 2278

SOUTHWEST CORNER
SECTION 1, T16N, R68W
FOUNDER'S PLATT MAP
LA No. 2278

SOUTHWEST CORNER
SECTION 1, T16N, R68W
FOUNDER'S PLATT MAP
LA No. 2278



**EXHIBIT B
PLAN AREA**

Exhibit H
Timnath Ranch Metropolitan Districts
Town of Timnath Address List as of November 1, 2005

<u>Main Street</u>		<u>Dixon Street</u>	<u>Kern Street</u>
3721	4124	4208	4000
3733	4201	4208½	4001
3805	4120	4217	4004
3817	4217	4220	4006
3927	4229	4221	4009
4000	4233	4225	4016
4004	4237	4228	4017
4005	4241	4233	4020
4008	4301	4234	4025
4012	4309	4241	4033
4016	4317	4248	4101
4104	4321	4249	4105
4105	4325	4304	4113
4109	4329	4305	4121
4110	4333	4308	
4113	4401	4316	
4116	4405	4319	
4117	4409	4320	
		4324	
		4324	
		4332	

<u>Sugar Trail</u>	<u>3rd Avenue</u>	<u>4th Avenue</u>	<u>5th Avenue</u>
5101	5000	5124	5001
5103	5050	5200	5008
5105	5151	5250	5009
			5016
			5017
			5024
			5025
			5032
			5033
			5115
			5121