



**METROPOLITAN DISTRICT**

**Town of Gypsum**

**Service Plan**

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*Approved:  
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## I. INTRODUCTION

This Service Plan ("Service Plan") is submitted in accordance with § 32-1-201, *et seq.*, C.R.S., for the Valagua Metropolitan District (the "District"). The District will serve the needs of a new community to be known as Valagua Planned Unit Development (the "Community"). The District will provide essential public improvements and services.

The Community was annexed by the Town of Gypsum (the "Town") under the terms of an Amended and Restated Annexation Agreement recorded in the real property records of Eagle County, Colorado on September 7, 2000 at Reception No. 738542 (the "Annexation Agreement"). A copy of the Annexation Agreement is attached as Exhibit G. The District contains 963 acres of undeveloped land three miles south of the Town. At final build-out, the District will contain 535 residential units, a twenty-seven hole golf course, a club house, fishing lodge, artisans work space, convenience store, equestrian center, tennis facility and open space.

The Organizer of the District is Imprimis Corporation, a California corporation. This Service Plan has been prepared by the Organizer and its consultants.

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## **II. PURPOSE, INTENT, NEED AND GENERAL POWERS OF THE DISTRICT**

A. Purpose and Intent. The District will provide essential facilities and services for public use and benefit. The District will cooperate with the Town to serve and promote the health, safety, prosperity, security and general welfare of its citizens. A resolution approving this Service Plan will be obtained from the Town Council and will be attached as Exhibit A, in accordance with § 32-1-204.5(1), C.R.S.

B. Need for District. The Town does not consider it practical to finance the construction, acquisition or installation of the public improvements described on Exhibit E. There is no other public or private entity willing and able to design, finance, construct, acquire or install the public improvements needed for the Community. The district is capable of financing the construction, acquisition and installation of the public improvements in a cost effective manner and will thereafter provide for the operation and maintenance of only those public improvements that are not dedicated and conveyed to the Town or its designee.

C. General Powers. The installation of improvements and the provision of services by the District shall be undertaken strictly in accordance with and pursuant to the procedures, conditions and limitations set forth in the Special District Act (§ 32-1-101, *et seq.*, C.R.S.), other state statutes, and, in particular, this Service Plan.

1. Powers Regarding Services and Facilities. The District shall have the authority to provide the following services and facilities within the District's boundaries and outside of the District's boundaries where specifically stated in this Service Plan or approved in writing by the Town or its manager:

a. Water. The design, acquisition, installation, construction, and relocation, if necessary, of a complete potable water distribution system and non-potable irrigation system, including water rights, water supply, wells, meters, storage facilities, transmission and distribution lines, pumping stations, reservoirs, retention ponds, lakes, treatment works, hydrants, facilities and equipment and related landscaping and irrigation improvements, together with incidental and appurtenant facilities, equipment, land and easements acquired by condemnation or otherwise, and extensions of and improvements to such facilities;

b. Sanitation. The design, acquisition, installation, construction, relocation, operation, maintenance, and regulation of storm and sanitary sewer system improvements, including individual sewage disposal systems, storage facilities, collection and transmission lines, pumping stations, retention and settling ponds, sludge-drying beds, composting facilities, treatment works, facilities and equipment, related landscaping and irrigation improvements and all necessary and appurtenant facilities, equipment, land and easements acquired by condemnation or otherwise, and extensions of and improvements to such facilities;

c. Streets. The design, acquisition, installation, construction, relocation, operation and maintenance of roadway improvements, curbs, gutters, culverts, storm sewers, drainage facilities, sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, snow removal, utility relocation, monumentation, signage, utility lines and related landscaping and irrigation improvements, together with all necessary, incidental and appurtenant facilities, equipment, land and easements acquired by condemnation or otherwise, and extensions of and improvements to such facilities;

d. Parks and Recreation. The design, acquisition, installation, construction, relocation, regulation, operation and maintenance of park and recreation facilities or programs including open space, golf courses, bike paths, hiking trails, pedestrian trails, pedestrian bridges, ponds, water features, signage, public sculpture, art, equestrian trails and centers, swimming pools and spas, tennis courts, exercise facilities, picnic areas, playgrounds, park shelters, community events, common area forestry management, landscaping and weed control, outdoor lighting, fencing and related landscaping and irrigation improvements, incidental and appurtenant facilities, equipment, land and easements acquired by condemnation

or otherwise, and extensions of and improvements to such facilities;

e. Traffic and Safety Controls. The design, acquisition, installation, construction, relocation, operation and maintenance of traffic and safety protection facilities and services through traffic and safety controls and devices on streets and highways and at railroad crossings, including traffic signals and signage, environmental monitoring, traffic-related computer systems, traffic signs, area identification signs, directional assistance, driver information and community identification and direction signs with related landscaping and irrigation improvements, together with all necessary, incidental and appurtenant facilities, equipment, land and easements acquired by condemnation or otherwise, and extensions of and improvements to such facilities;

f. Telecommunication Systems and Services. The design, acquisition, installation, construction, relocation, operation and maintenance of television relay and translator facilities, including without limitation, digital, satellite and cable television, communication systems and other technologies, together with all incidental and appurtenant facilities, land and easements acquired by condemnation or otherwise, and extensions of and improvements to such facilities;

g. Transportation. The design, acquisition, installation, construction, relocation, operation and maintenance of public transportation system improvements, including transportation equipment, park and ride facilities, parking lots, shuttle facilities, parking structures, signage, roofs, covers, bicycle racks, and related landscaping and irrigation improvements, together with all incidental and appurtenant facilities, land and easements acquired by condemnation or otherwise, and extensions of and improvements to such facilities;

h. Mosquito and Pest Control. The design, acquisition, installation, construction, relocation, operation and maintenance of programs and methods for the elimination and control of mosquitoes, rodents and other pests; and

i. Fire Protection. The design, acquisition, installation, construction, relocation and maintenance of fire protection facilities and equipment, together with all incidental and appurtenant facilities, land and easements acquired by condemnation or otherwise, and extensions of and improvements to such facilities.

2. Miscellaneous Powers. With respect to the activities, facilities, improvements and programs to be provided pursuant to this Service Plan, the District shall have all powers necessary to fulfill its purposes within the confines of the law, this Service Plan and the Resolution approving this Service Plan attached as Exhibit A.

a. Statutory Powers. The powers of the District will be exercised by its Board of Directors to the extent necessary to provide the contemplated services. The facilities, improvements, programs and services will be undertaken in accordance with, and pursuant to, the procedures and conditions contained in the Colorado Constitution, the Special District Act (§ 32-1-101, *et seq.*, C.R.S.), other statutes, this Service Plan, and Colorado common law as any or all may be amended from time to time.

b. Discretionary Powers. In addition to the powers enumerated above, the Board of Directors of the District shall, subject to the limitations and provision of this Service Plan, have authority:

i. To seek amendment of this Service Plan for material modifications as required by and subject to the provisions of § 32-1-207(2), C.R.S., as amended from time to time;

ii. To implement, forego, contract for, reschedule or restructure the financing and construction of improvements and facilities, in order to best provide for the health, safety, and welfare of the Community in the most cost effective and practical manner as determined by the District's Board;

iii. To provide additional services and exercise all powers expressly or impliedly granted by Colorado law or which the District is authorized to provide in its discretion in order to carry out the purposes and functions of the District as described in this Service Plan; and,

iv. To exercise all necessary and implied powers under the Special District Act as the Board of Directors deems appropriate, subject to and in accordance with the provisions and limitations set forth within this Service Plan.

3. Limitations on General Powers. Notwithstanding any other provision contained in this Service Plan to the contrary, the District's general powers shall be limited by and shall be exercised in accordance with the following limitations:

a. Property Acquisition. The District shall not purchase or reimburse the Developer, or its successors or assigns, for any land, easements, licenses, water rights or property that the Developer, in the absence of the District's formation, would be required to dedicate and convey to the Town at no cost except for items specifically described in this Service Plan. Any such purchase or reimbursement by the District shall constitute a material modification of this Service Plan.

b. Eminent Domain. The District shall not exercise or attempt to exercise the power of eminent domain or dominant eminent domain without the prior written consent of Town.

c. Inclusion/Exclusion of Territory. The District shall not enlarge, reduce or in any way change its territorial boundaries by the inclusion or exclusion of property pursuant to § 32-1-401 and § 32-1-501, C.R.S., of the Special District Act without obtaining the prior written approval of the Town.

d. Applicability of Town Regulations. The installation and construction of the improvements and the provision of services by the District shall at all times be subject to and shall be provided in accordance with all applicable limitations and provisions as set forth in the Charter, Municipal Code, Ordinances, Rules, Regulations and Policies of the Town. By way of explanation and not limitation, the District shall comply with all zoning, land use and building requirements, standards and specifications of the Town. Any attempt to overrule or exempt the District from the Town's zoning regulations through any statutory, local or executive process shall be deemed a material modification of this Service Plan.

e. Additional Facilities and Services. The construction of any facilities and the provision of any services not generally contemplated or described in this Service Plan without the prior written approval of the Town shall constitute a material modification of this Service Plan.

### **III. BOUNDARIES, POPULATION & VALUATION**

The District's boundaries contain approximately 963 acres located entirely within the Town of Gypsum, County of Eagle. A vicinity map of the District is attached as Exhibit B. A boundary map of the District is attached as Exhibit C. The legal description of the District is attached as Exhibit D (the "Property").

The Community is designed as mixed use consisting of 470 single family homes, 50 “lodge” units, 15 staff/employee units, a 27 hole golf course, club house, fishing lodge, equestrian center, tennis facility and 59 acres of dedicated open space. Completion of construction and sales is anticipated to take approximately ten years.

The residential population of the District at full build out assuming two residents per unit is 1070 individuals. The current assessed value of all property within the District is Eighty Seven Thousand Six Hundred Dollars (\$87,600). The estimated assessed value of property within the District in 2040 is Seventy Seven Million Sixty Four Thousand Seven Hundred Sixty Eight Dollars (\$77,064,768).

#### **IV. EXISTING CONDITIONS, PROPOSED IMPROVEMENTS, AND FACILITIES TO BE PROVIDED**

A. Description of Existing Conditions. The Property is zoned PUD and consists of 963 acres used for cattle grazing and hay production. The topographical conditions vary significantly from east to west. Runoff from the Property moves east to west on the east side of Valley Road and from south to north on the west side of Valley Road. The eastern one-third of the Property slopes steeply to the west and is covered with sage, juniper and pinion pine trees. There are several naturally occurring springs east of Valley Road and approximately 1000 feet north of the southern property line. The western two-thirds of the Property is mildly sloping from the south to the north and covered with various grasses, bushes and trees.

B. Anticipated Development. The District Organizer anticipates total build out of the Community to occur within ten years. The anticipated build out schedule (i.e., homes completed and certificates of occupancy issued) is shown in the Financial Plan attached as Exhibit F.

C. Public Improvement Schedule. The District Organizer anticipates construction of the public improvements to commence in the spring of 2004, with the construction of homes to begin in 2005. Construction of public improvements will be phased to match the development schedule to ensure that public infrastructure improvements are built only as needed.

D. Town of Gypsum Construction Standards. All improvements and facilities provided by the District (whether furnished directly or acquired by the District from the Developer or other third party) shall be designed, constructed and installed in accordance with the requirements of the Town, including but not limited to all Town construction standards and specifications, code requirements, rules, regulations and policies, as well as any requirement set forth in any annexation, subdivision improvements agreement or other agreement concerning improvements or facilities required of the Developer and/or District. No improvement or facility shall be constructed before the engineering plans and specifications have been submitted to and approved by the Town and required permits for construction have been obtained

E. Specific Improvements to be Provided. The District will exercise the powers and authority described in Section II.C.1.(a)-(i) to finance the construction, acquisition, operations and maintenance of only the public facilities and improvements described in Exhibit E. Where appropriate, the District will contract with other public and/or private entities to provide construction or other services. Exhibit E is a preliminary list only and is subject to modification and revision as engineering plans, Town approvals, financing plans, construction scheduling and costs may require. Improvements not specifically described shall be permitted as long as they are necessary or appurtenant to those improvements contemplated in this Service Plan and within the power and authority described in Section II.

A preliminary engineering and construction plan including the cost in current dollars of each improvement, together with an explanation of the methods, basis and/or assumptions used in determining cost is attached as part of Exhibit E. The anticipated cost of providing services and maintenance of the improvements is also contained in Exhibit E.

1. Water Utility System.

a. Overall Plan. Water service and systems constructed and financed by the District will comply with all Town requirements. The Community's water consumption demand at full build out is estimated to be 1239 EQRs. Homebuilders will be responsible for construction of service lines from a curbside meter to the residence. Service lines will remain the responsibility of the property owner. The non-residential irrigation water system for common areas will remain the responsibility of the District. All other water lines and related improvements installed by the District will be conveyed to the Town upon completion of construction and a warranty period.

b. Potable Water Sources. All water rights necessary for potable water service within the District will be conveyed to the Town by the Developer in accordance with the Annexation Agreement. The Developer is required to convey a total of 3.7 cfs to the Town consisting of 1.8 cfs municipal water and 1.9 cfs excess water from Priority Nos. 1 and 19 of the Stratton and Company Ditch by special warranty deeds and/or ditch shares for use within the District, pursuant to Chapter 13 of the Town Code and Sections 2.1 and 2.2 of the Annexation Agreement. The Developer conveyance includes sufficient water rights for the residential irrigation requirements. The District shall have the authority to acquire water rights for non-potable irrigation purposes only, with the express written approval of the Town or its manager.

c. Water Treatment. The District will construct a 16" water line from the Town's Mosher Spring water treatment plant to a location at the District's southern boundary and will construct a 12" line through the District along Valley Road to the District's northern boundary as described in Section 2.9 of Annexation Agreement. This line is supplemental to an existing 8" water line that will remain in service. Upon Court approval of a change in the point of diversion, the District will design, construct, install and finance an upgraded diversion structure, water line and pump station, if necessary, under the Miller Ditch from Gypsum Creek to the Mosher Spring treatment plant in cooperation with the Town.

d. Irrigation. The District will design, construct, install, own, operate and maintain a non-potable irrigation system for the irrigation of entry landscaping, sales center, lake house, club house, maintenance facility, other landscape irrigation and all outdoor water use as provided in the Annexation Agreement. Approximately twenty acres of common area landscaping will be irrigated with water from Priorities No. 1 and 19 of the Stratton and Company Ditch.

Irrigation of single-family lots will be restricted to eighteen percent of each lot up to an aggregate residential lawn irrigation of seventy acres. Residential irrigation will come from the municipal system in accordance with Section 2.11 of the Annexation Agreement.

e. Metering. All water uses will be metered. Residential meters will be dedicated to the Town and the Town will provide all residential water service.

f. Water Storage and Distribution. The District will acquire or construct a water storage tank or tanks for domestic and fire flow purposes with a total capacity determined by the Town; provided, however, that the District's share of the cost of said tank or tanks shall not exceed the cost of constructing a storage tank having a capacity of 650,000 gallons, i.e., the estimated amount of storage necessary to meet the water storage needs of the

Community. An additional thirty-seven acre feet (37') of seasonal storage will be provided at locations deemed acceptable under the Annexation Agreement. Another thirty-seven acre feet (37') of seasonal storage will be provided pursuant to the terms of a Water Dedication and Conservation Agreement, if consummated by the Town and Developer.

g. Cost Estimates. Estimated construction, operating and maintenance costs for the District are summarized in Exhibit E.

2. Sanitary Sewer. The District may design, construct and install a tertiary treatment plant at its cost for dedication to the Town that complies with the requirements imposed by the Town in Section IV.1 of the Annexation Agreement. Plant design and construction will be consistent with standard engineering practices and all State and Town standards and requirements.

In the alternative and with the Town's approval, the District may install an interceptor north of the District through the Valley that will connect to the Town's sanitary sewer system. The District will dedicate the facilities to the Town.

The District may install temporary septic tank and leech field systems for wastewater treatment to serve the golf center and sales office until a central wastewater collection and treatment system is available.

The District's collection system, including mains, interceptors, lift stations and related facilities will be conveyed to the Town upon completion of the entire system.

3. Storm Sewer. Road related storm drainage improvements will be designed, installed and constructed in accordance with Town standards to ensure proper placement, sizing and operation of culverts, ditches, detention and retention ponds. The District will be responsible for the construction, operations and maintenance of the drainage improvements

except those dedicated and conveyed to the Town in connection with the improvements to Valley Road, or as otherwise directed by the Town. The capital requirements for drainage improvements and maintenance costs are shown on Exhibit E.

4. Streets. The District will have authority to construct, install and make improvements to Valley Road subject to the requirements set forth in the Annexation Agreement and in any other agreement among the Town, Developer or property owner relating to the development of the Property.

5. Park and Recreation Facilities. Approximately 59 acres in the District will be passive open space dedicated to the Town or a 501(c)(3) conservation oriented organization, in accordance with the Annexation Agreement. Private park and recreation facilities and services include fishing facilities and services, an equestrian center, a tennis/fitness center and other activities and programs. The District will own and maintain a public Nordic trail system, bike paths, hiking trails and will provide trails for public access to Gypsum Creek and Hard Scrabble Gulch. The District will obtain written approval from the Town or its manager prior to owning, operating or maintaining any services or facilities not currently financed by the District. The District may also provide trail maintenance, landscaping, some forest management and erosion and fire control. Forest management, erosion and fire control will be exercised only with the approval of and in cooperation with the Town and the Gypsum Fire Protection District or other governmental entity having jurisdiction, such as Eagle County.

Pursuant to Section 4.5 of the Annexation Agreement and the Subdivision Improvements Agreement - Valagua P.U.D. (the "SIA"), open space not dedicated to the Town or a 501(c)(3) conservation oriented organization may be dedicated to the District.

The Valagua Community will be included in the Western Eagle County Metropolitan Recreation District. The District consents to such inclusion and failure to comply with this provision shall be considered a material modification of the Service Plan.

6. Traffic and Safety Controls. Traffic and safety protection devices will include traffic signs, identification and traffic directional signage, entryway gates, identification signage and landscaping. In order to mitigate the impact to Town roads, the District will participate in funding traffic devices on Valley Road as determined by the Town and the Colorado Department of Transportation as described in the Annexation Agreement.

7. Telecommunication Facilities. Television, fiber optic, communication, data acquisition and other facilities and services will be provided to the extent possible. It is the intent that the systems be self supporting with both capital and service costs being born by the ultimate users. The District would likely form an enterprise for this purpose.

8. Mosquito and Pest Control. Subject to obtaining prior written approval of the Town, all mosquito, rodent and pest control facilities and/or services, if any, will be provided in accordance with the standards of the Colorado Department of Public Health and Environment, Colorado Department of Natural Resources, Colorado Department of Agriculture, U.S. Environmental Protection Agency, and other federal, state and local rules and regulations.

9. Fire Protection. The District's authority to construct fire protection facilities shall be limited to designing and constructing to Town and Gypsum Fire Protection District standards a two-bay satellite facility for use by the Gypsum Fire Protection District. Such facility may be part of a larger facility with multiple public uses. Fire protection services will be provided by Gypsum Fire Protection District and emergency medical services will be provided by Western Eagle County Ambulance District.

F. Dedication of Improvements to Town of Gypsum/Other Entities. The District will dedicate potable water improvements, sanitary sewer improvements, and Valley Road street and storm water drainage improvements to the Town. The District may also dedicate any signage and traffic control devices installed or financed by the District to the Town. The two-bay satellite facility will be leased to the Gypsum Fire Protection District under a long term lease. The District does not anticipate dedicating any other improvements to the Town or other governmental entity. All improvements dedicated to the Town or other governmental entity shall be transferred and conveyed with easements and rights-of-way upon completion of construction, installation and after the expiration of the Town's standard warranty period.

G. Services to be Provided by other Governmental Entities. The District will receive fire protection services from the Gypsum Fire Protection District and emergency medical services from the Western Eagle County Ambulance District. Nothing contained in this Service Plan shall preclude the territory lying within the District from being included in the Western Eagle County Metropolitan Recreation District and such inclusion is contemplated by this Service Plan.

## V. FINANCIAL PLAN

A. General. The Financial Plan attached as Exhibit F demonstrates that the District will have the financial capacity to finance, maintain and operate the facilities. The Plan assumes the issuance of bonds and repayment based on projected development within the District over a thirty year period. Public improvements that cannot be provided within the District's financial capability will be constructed by the Developer and dedicated to the District.

B. Bond Limitations. All bonds must comply with the limitations found in § 32-1-1101, C.R.S., and Article 59 of Title 11, C.R.S. as amended from time to time; and, shall be

approved by nationally recognized bond council. An opinion shall be obtained from bond counsel or counsel for the District that the bonds comply with the requirements of this Service Plan.

C. Debt Authorization. As set forth in the Financial Plan, Nineteen Million One Hundred Eighty Five Thousand Dollars (\$19,185,000) is the projected debt capacity of the District at a reasonable levy of twenty-five (25) mills. To repay the debt, finance the costs of issuance, pay cost recovery and reimbursements for advances and for operations and other contingencies, and on the chance the District's capacity may increase, the District will seek authorization of its electors to issue up to Twenty One Million Dollars (\$21,000,000) in general obligation indebtedness. Electoral authorization will be sought pursuant to the terms of the Special District Act and the Colorado Constitution, as they may be amended from time to time.

The District shall not have more than Twenty One Million Dollars (\$21,000,000) in debt principal outstanding at any time. Such debt limitation is to apply to the aggregate outstanding amount of all debt including general obligation debt and any notes or other financial obligations issued by the District to the developer to evidence the obligation to repay Developer advances for construction or operating costs. The maximum voted interest rate on District's bonds shall be 18% per annum. The maximum maturity of all District bonds shall be 30 years. The maximum underwriter's discount shall be 4% of bond principal.

In the discretion of the Board of Directors and subject to Section 20 of Article X of the Colorado Constitution and state law, the District may establish enterprises to manage, fund, and operate facilities, services, and programs. To the extent allowed by law, any enterprise created by the District will remain under the control of the Board of Directors of the District.

D. Issuance of Bonds. Facilities will be financed primarily by the issuance of general obligation bonds secured by the *ad valorem* property taxing authority of the District. Bonds will be issued in two or more series as reasonable for market conditions. The Financing Plan assumes the issuance of Ten Million Dollars (\$10,000,000) in general obligation bonds in 2005 and an additional Nine Million One Hundred Eighty Five Thousand Dollars (\$9,185,000) in 2008, each with a maturity of thirty years. Subject to the limitations contained in the Service Plan and imposed by law, the District may modify the proposed structure of its Financing Plan, including, but not limited to, the timing and amount of bond issuances. Notwithstanding any other provision contained herein, however, the sale of the District's first bond issue will be made only after the District has determined in its sole discretion that sufficient development activity has commenced within the District and that there is a reasonable likelihood that future development contemplated in the Service Plan will occur and that there will be sufficient assessed valuation to support payment of the bonds. Failure to comply with the provisions of this paragraph shall constitute a material modification of the Service Plan.

The Financial Plan demonstrates that at a conservative level of development, the District has the ability to finance the facilities listed in Exhibit E and discharge the indebtedness on a reasonable basis. Subject to the limitations contained below, the refunding or refinancing of debt at an equal or lesser interest rate shall not require Town approval.

The District may also obtain financing for the capital improvements through the issuance of revenue bonds payable from revenues derived from services provided. The Developer may provide significant credit enhancements and security for bonds issued by the District.

Construction of necessary improvements may be undertaken by the Developer and may be acquired by the District upon completion at reasonable cost. The Developer may also

advance construction costs to the District and obtain reimbursement at a later date or from a subsequent issuance of bonds. The District may issue notes to the Developer to evidence the District's obligation to reimburse advances for construction and operating costs. Such notes shall be subject to the same restrictions as applied to the District's limited tax general obligation bonds including, but not limited to debt service limit, maximum maturity term, but shall not require an opinion from bond counsel for issuance. All notes issued to the Developer may bear interest calculated based upon a maximum interest rate of 350 basis points above the twenty-year AAA-rated Municipal Market Data (MMD) index and shall be issued only to the Developer, and shall not be transferred, assigned, participated or used as security for financing. Notes issued to the Developer shall be paid from proceeds of the District's bonds, when and if received; otherwise, the notes will be unsecured obligations of the District. To the extent any notes issued to the Developer are outstanding when the District's general obligation bonds are also outstanding, payments on the notes may be made only if such payments do not adversely affect the District's ability to pay its general obligation bonds. The Developer assumes the sole risk of non-payment or other default on such notes, including, without limitation, delay, and inability or failure of the District to sell or issue its general obligation bonds. Any Developer advances that are not reimbursed shall be treated as Developer contributions to the District.

Any facility acquisition agreements entered into between the District and the Developer shall provide that the District shall pay for completed public improvements, at Developer's reasonable actual cost, and may include a component for interest calculated based upon a maximum interest rate of 350 basis points above the twenty-year AAA-rated Municipal Market Data (MMD) index.

The District may increase or decrease the amount of bonds to be issued as necessary to accommodate its needs and debt capacity at the discretion of the Board of Directors and subject to the limitations of this Service Plan. Interest rates and discounts will be determined at the time the bonds are sold, taking into account market conditions. Proposed maximum net effective interest rates and underwriting discounts are set forth in Exhibit F.

Refunding bonds may be issued by the District to defease original issue bonds in compliance with law and without prior approval of the Town or amendment to this Service Plan. The District may also issue notes, certificates, debentures or other evidences of indebtedness, as permitted by law. The figures contained herein depicting costs of infrastructure and operations do not constitute legal limits on the financial powers of the District; provided, however, that the District shall not be permitted to issue bonds which are not in compliance with the bond registration and issuance requirements of Colorado law.

The District will notify the Town of any substantial alteration of the proposed schedule of debt issuance set forth in the Financial Plan in accordance with § 32-1-202(2)(b), C.R.S.

The District may fund all or any combination of the improvements. The combined total estimated cost of the improvements is Fourteen Million Three Hundred Thirty Six Thousand Five Hundred Eighty Six Dollars (\$14,336,586) in current dollars. The Town is not responsible for assuming any of the costs of the improvements funded by the District. The amount of debt to be approved by the District's taxpaying electors will exceed the amount of bond debt shown in the Financial Plan to allow for the utilization of alternative financing mechanisms, unforeseen contingencies, increases in construction costs due to changed market conditions or inflation, expansions of the District's boundaries and issuance costs. The District will not issue debt greater than its ability to repay that debt.

Except as provided herein with respect to notes that may be issued to the Developer for construction financing, this Service Plan authorizes only the issuance of limited tax general obligation bonds and only within the limits stated herein and subject to the maximum Mill Levy Cap. The District may be authorized to issue revenue bonds, certificates, debentures, or other evidence of indebtedness or to enter into lease purchase transactions that exceed the Debt Limit upon approval of an amendment to this Service Plan and such an amendment shall be considered a material modification of the Service Plan. The District does not anticipate the imposition of development fees at this time.

E. Operations. A levy not to exceed fifteen (15) mills adjusted in future years to account for changes in the means, methods or rates utilized to determine a tax mill, assessment or valuation, including adjustments required by Section 3(1)(b) of Article X of the Colorado Constitution (the "Gallagher Amendment") is adequate for the ongoing operations and maintenance of the District. The District anticipates relatively high operations and maintenance expenses to maintain the superior quality of the improvements and because the District is assuming functions often provided by a homeowners association. The Financial Plan demonstrates the sufficiency of the levy under the assumptions made. The decreasing operations and maintenance mill levy as shown on the Financial Plan demonstrates that the Board of Directors will have sufficient authority to exercise its discretion in dealing with currently unanticipated expenses.

F. Identification of District Revenue. In addition to *ad valorem* property taxes, and in order to offset expenses, the District may rely on other revenue sources authorized by law. These include fees, rates, tolls, penalties and charges as provided in § 32-1-1001(1), C.R.S. The

Financial Plan assumes only *ad valorem* property taxes and specific ownership taxes together with interest earnings on retained amounts.

G. Mill Levy. The District will certify a mill levy on all taxable property within its boundaries as the primary source of revenue for debt service and for operations and maintenance. The mill levy may vary depending upon the District Board's decision to proceed with certain improvements and services contemplated in this Service Plan. The levy needed to support the debt is estimated to be twenty-five (25) mills through the bond repayment period. Operations, maintenance and administrative costs and expenses of the District will be supported by an additional levy up to fifteen (15) mills. In no event shall the District's debt service levy exceed fifty (50) mills unless, the method of calculating assessed valuation or tax obligations changes at any time after approval of this Service Plan by legislation, referendum, administrative adjustment or judicial intervention, including adjustments to assessment ratios made pursuant to Section 3 of Article X of the State Constitution. In that event, the mill levy limitation may be exceeded to the extent necessary to insure that revenues previously generated by the mill levy are not diminished.

H. Security for Debt. The District shall not pledge any Town funds or assets as security for the indebtedness set forth in the Financial Plan. Bondholders will be advised that so long as the District is certifying the required mill levy, no other remedy will be available to bondholders to obtain payment for their bonds. This mechanism assures (i) that bonds cannot be in default as long as the Mill Levy Cap is certified; (ii) the property owners will pay only the required mill levy; and (iii) the developers of the property bear the risk of debt until sufficient valuation for assessment exists to repay the debt at a reasonable cost.

I. Financial Plan. Exhibit F contains the District Financial Plan. The Plan provides:

1. Absorption rates and assumed home and commercial values;

2. The debt anticipated by the District;
3. The anticipated sources of revenue and projected District expenses, as well as the assumptions upon which they are based for at least a ten year period from the date of organization of the District;
4. The dollar amount of anticipated financing, including capitalized interest, costs of issuance, estimated rates and discounts, and any expenses related to the organization and initial operation of the District;
5. A detailed repayment plan covering the life of financing, including the frequency and amounts expected to be collected from all sources; and
6. The reserve fund and the expected level of annual debt service reserve that will be maintained.

J. Regional Improvements. Unless required or separately authorized by the Town, the District will not participate in the funding of any regional public infrastructure improvements.

K. Services of District. The District will require operating funds to plan and cause the public improvements to be constructed and maintained. The costs are expected to include: organizational costs, legal, engineering, accounting and debt issuance costs, compliance with state reporting and other administrative matters. The operating budget for 2004 is estimated to be less than One Hundred Thousand Dollars (\$100,000).

Operations and maintenance expenses are expected to remain a substantial portion of the District's budget. The Mill Levy Cap does not apply to the District's ability to increase its mill levy for operations and maintenance services; however, there are statutory and constitutional limits on the District's ability to increase its mill levy for operations and maintenance services without an election.

## **VI. INTERGOVERNMENTAL AGREEMENTS**

No intergovernmental agreements are contemplated for the provision of facilities or services. The District intends to comply with certain provisions of the Annexation Agreement and the SIA concerning obligations to other governmental entities.

## **VII. LANDOWNERS PUBLIC IMPROVEMENTS**

The creation of the District shall not relieve the Organizer, its successors or assigns of the obligation to construct public improvements required by any Annexation, Development or Subdivision Improvement Agreement.

## **VIII. HOMEOWNERS ASSOCIATION**

A homeowners association is expected to provide certain services to the Community, including architectural control, interior road ownership and maintenance, community organizations, events and activities, community marketing, animal control and other programs that may be beyond the scope and authority of the District.

## **IX. ELECTIONS**

All District elections will be conducted under the Uniform Election Code of 1992, as amended, and Section 20 of Article X of the Colorado Constitution (TABOR). The organizational election will be held for the purpose of obtaining voter approval of the District's organization, bond indebtedness, taxing authority as described in this Service Plan and the following topics:

- A. Membership and terms of the initial board members;
- B. Approval of maximum operational mill levies;

- C. Approval of bond and other indebtedness limits, including refundings;
- D. Approval of an initial property tax revenue limit;
- E. Approval of an initial total revenue limit;
- F. Approval of an initial fiscal year spending limit;
- G. Approval of a four-year delay in voting on ballot issues; and
- H. Elimination of TABOR taxing and spending limitations.

**X. CONSERVATION TRUST FUND**

The District will claim no entitlement to funds from the Conservation Trust Fund. The District will remit to the Town any and all conservation trust funds that it receives.

**XI. MODIFICATION OF SERVICE PLAN**

Material modifications require a Service Plan amendment and include modifications of a basic or essential nature, including but not limited to, the following:

1. Any change in the stated purpose of the District or addition to the types of facilities, improvements or programs provided by the District;
2. Any issuance by the District of financial obligations not expressly authorized by this Service Plan or under circumstances inconsistent with the District's financial ability to discharge such obligations as shown in the build-out, assessed valuation and other forecasts contained in the Financial Plan, or in any change in debt limit, change in revenue type, or change in maximum mill levy (except for any necessary "Gallagher" adjustment as provided in Section V).

3. Any material change in the types of improvements or estimated costs of improvements from that described in Exhibit E of this Service Plan.
4. Failure to comply with the requirements of this Service Plan concerning the dedication of improvements or the acquisition and conveyance of land or interest in land; and
5. The failure of the District to develop any capital facility provided in the Service Plan when necessary to service approved development within the District.
6. Any proposed use of the powers set forth in §§ 32-1-1101(1)(f) and 1101(1.5), C.R.S. respecting division of the District;
7. The occurrence of any event or condition which is identified under the Service Plan as necessitating a Service Plan amendment.
8. The default by the District under any intergovernmental agreement.
9. Any of the events or conditions enumerated in § 32-1-207(2), C.R.S. of the Special District Act.

The District will pay all reasonable expenses of the Town, its attorneys and consultants, as well as the Town's reasonable processing fees in connection with any requests by the District for modification of this Service Plan. The Town may require a deposit of the estimated cost.

## **XII. RESOLUTION OF APPROVAL**

The District will incorporate the Town Council Resolution and any conditions of approval into this Service Plan as Exhibit A before presentation to the District Court for Orders concerning the Formation of the District.

### **XIII. ANNUAL REPORT**

Upon request made by the Town prior to January 15 of any year, the District will submit an annual report to the Town for the preceding calendar year. The report will be submitted in the form proscribed by the Town within 120 days of receipt of the request pursuant to § 32-1-207(3)(c), C.R.S.

### **XIV. CONSOLIDATION OR DISSOLUTION**

In order to foster efficiencies and reduce the number of special districts within the Town, if, at such time as the majority of all of the members of the board of directors of the District deem it in the best interests of the District that it be dissolved, or when the minimum number of eligible electors petition the Board of Directors for dissolution pursuant to § 32-1-702, C.R.S., the Board will file a petition for dissolution with the District Court in and for the County of Eagle pursuant to § 32-1-701, C.R.S. The Board will ensure that all financial obligations and outstanding bonds are adequately provided for by means of escrow funds or securities meeting the investment requirements in Part 6 of Article 75 of Title 24, C.R.S., and prepare an adequate plan for the continuation of services, if necessary.

The Board of Directors shall have the discretion, in light of circumstances existing at the time, to consolidate with one or more special districts to combine services provided, pursuant to Part 6 of the Special District Act.

### **XV. NOTICE OF ORGANIZATION**

The Organizer of the District will ensure that the developers of the property located within the District provide written notice at the time of closing to purchasers of land regarding the

existence of taxes, charges or assessments which may be imposed in connection with the District. The District will record the Order of the District Court organizing the District in the real property records of the Clerk and Recorder of Eagle County, Colorado, so that all future property owners will have notice regarding the existence of the District.

## **XVI. STATUTORY REQUIREMENTS**

This Service Plan for the Valagua Metropolitan District meets the requirements of the Special District Control Act (§ 32-1-201, *et seq.*, C.R.S.) and the requirements of the Colorado Constitution. As required by §§ 32-1-203(2) and (2.5), C.R.S.:

- A. There is sufficient existing and projected need for organized service in the area to be serviced by the District;
- B. The existing service in the area to be served by the District is inadequate for present and projected needs;
- C. The District is capable of providing economical and sufficient service to the proposed development within its boundaries;
- D. The area to be included within the District does have and will have the financial ability to discharge the proposed indebtedness on a reasonable basis;
- E. Adequate service is not, or will not be, available to the area through the Town or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;
- F. The facility and service standards of the proposed special district are compatible with the facility and service standards of the Town of Gypsum;
- G. The proposal is in substantial compliance with the Gypsum Foundation Plan;

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

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

## **XVII. CONCLUSION**

Therefore, the Organizer requests that the Gypsum Town Council, which has jurisdiction to approve this Service Plan by virtue of § 32-1-204.5(1), C.R.S., adopt a resolution approving this Service Plan for the Valagua Metropolitan District.

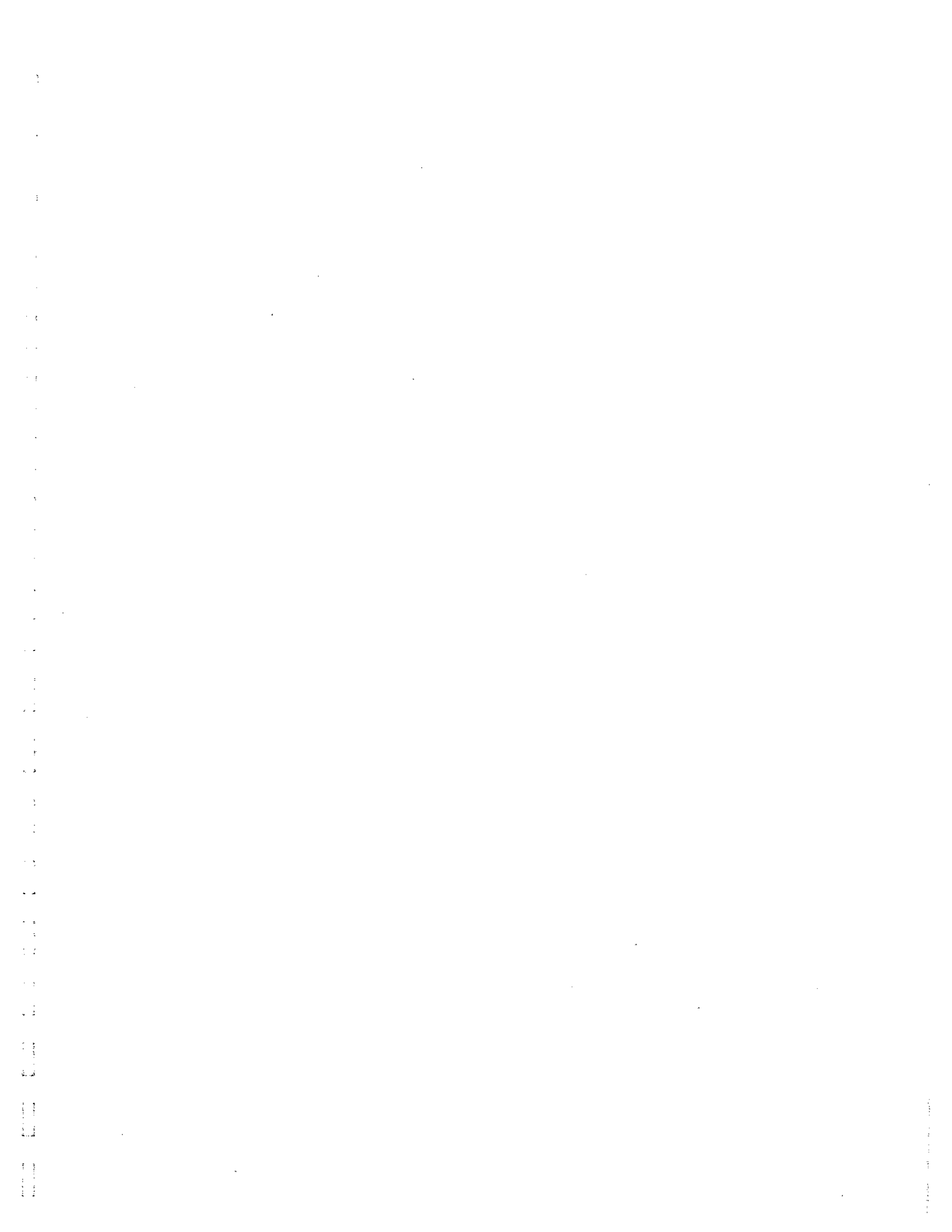


EXHIBIT A  
VALAGUA METROPOLITAN DISTRICT

TOWN COUNCIL TOWN OF GYPSUM, STATE OF COLORADO

RESOLUTION NO. 2003- 12

A RESOLUTION OF THE GYPSUM TOWN COUNCIL  
APPROVING THE SERVICE PLAN FOR VALAGUA  
METROPOLITAN DISTRICT

WHEREAS, §32-1-204(4) of the Colorado Revised Statutes, provides that no special district shall be organized, except upon adoption of a resolution approving the Service Plan of the proposed special district; and

WHEREAS, a Service Plan has been submitted to the Gypsum Town Council for the proposed Valagua Metropolitan District (the "District") pursuant to Part 2, Article 1, Title 32, C.R.S.; and

WHEREAS, the territory of the proposed District is located wholly within the boundaries of the Town of Gypsum; and

WHEREAS, pursuant to the provisions of Title 32, Article 1, Part 2, C.R.S., as amended, the Town Council of the Town of Gypsum, County of Eagle, State of Colorado, ("Town Council") following due notice, held a public hearing on the Service Plan for the proposed Valagua Metropolitan District on the 27<sup>th</sup> day of May, 2003; and

WHEREAS, the Town Council has considered the Service Plan and all other testimony and evidence presented at the hearing; and

WHEREAS, based upon the testimony and evidence presented at the hearing, it appears that the Service Plan should be approved by the Town Council subject to certain conditions set forth below, in accordance with §32-1-204.5(1)(c), C.R.S.

NOW, THEREFORE, BE IT RESOLVED BY THE GYPSUM TOWN COUNCIL:

Section 1. That the Town Council, as the governing body of the Town of Gypsum, Colorado, does hereby determine that all of the requirements of Title 32, Article 1, Part 2, C.R.S., as amended, relating to the filing of a Service Plan for the proposed Valagua Metropolitan District have been fulfilled and that notice of the hearing was given in the time and in manner required by the Town and state law.

Section 2. That the Town Council of the Town of Gypsum, Colorado, has jurisdiction over the subject matter of the proposed special district pursuant to Title 32, Article 1, Part 2, C.R.S., as amended.

Section 3. That pursuant to §32-1-204.5, C.R.S. and §32-1-202(2), C.R.S., and §32-1-203(2), C.R.S., the Town Council of the Town of Gypsum, does hereby find and determine, based on the Service Plan and other evidence presented by and on behalf of the proponents thereof, that:

a) There is sufficient existing and projected need for organized service in the area to be serviced by the proposed District;

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

c) The proposed special district is capable of providing economical and sufficient service to the area within its proposed boundaries;

d) The area to be included in the proposed District, has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis; and

e) The creation of the proposed District will be in the best interest of the area proposed to be served.

Section 4. That pursuant to §32-1-204.5(1)(c), C.R.S., the Town Council hereby imposes the following condition upon the approval of the Service Plan:

a) That Section V.G. of the Service Plan is deleted in its entirety and the following new Section V.G. substituted in its place:

“G. Mill Levy. The District will certify a mill levy on all taxable property within its boundaries as the primary source of revenue for debt service and for operations and maintenance. The mill levy may vary depending upon the District Board’s decision to proceed with certain improvements and services contemplated in this Service Plan. The levy needed to support the debt is estimated to be twenty-five (25) mills through the bond repayment period. Operations, maintenance and administrative costs and expenses of the District will be supported by an additional levy up to fifteen (15) mills. In no event shall the District’s debt service levy exceed fifty (50) mills unless, the method of calculating assessed valuation or tax obligations changes at any time after approval of this Service Plan by legislation, referendum, administrative adjustment or judicial intervention, including adjustments to assessment ratios made pursuant to Article


X, §3 of the State Constitution. In that event, the mill levy limitation may be exceeded to the extent necessary to insure that revenues previously generated by the mill levy are not diminished.”

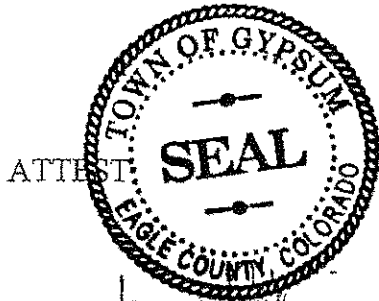
Section 5. That the Service Plan of the proposed Valagua Metropolitan District as attached to this Resolution as Exhibit “A” and dated May 22, 2003 is hereby approved subject to the conditions stated in Section 4 above.

Section 6. That a certified copy of this Resolution shall be filed in the records of the Town of Gypsum and submitted to the proponents of the District for the purpose of filing in the District Court of Eagle County, Colorado for further proceedings in accordance with the Special District Act.

INTRODUCED, READ AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF GYPSUM, COLORADO AT ITS REGULAR MEETING HELD AT THE TOWN OF GYPSUM ON THE 27th DAY OF MAY, 2003 BY A VOTE OF 7 IN FAVOR, 0 AGAINST.

TOWN OF GYPSUM

By   
Stephen M. Carver, Sr., Mayor

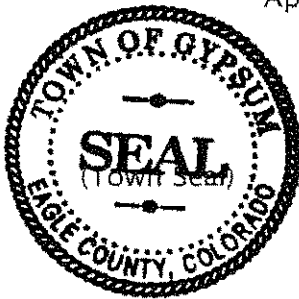


By:   
Jennifer L. Ellringer, Town Clerk

## CERTIFICATION

I, Jenny Ellringer, Town Clerk of the Town of Gypsum, hereby certify that the following documents are true and correct copies of:

Resolution 2003-12 A Resolution of the Gypsum Town Council  
Approving the Service Plan for Valagua Metropolitan District



Jenny Ellringer, CMC  
Town Clerk

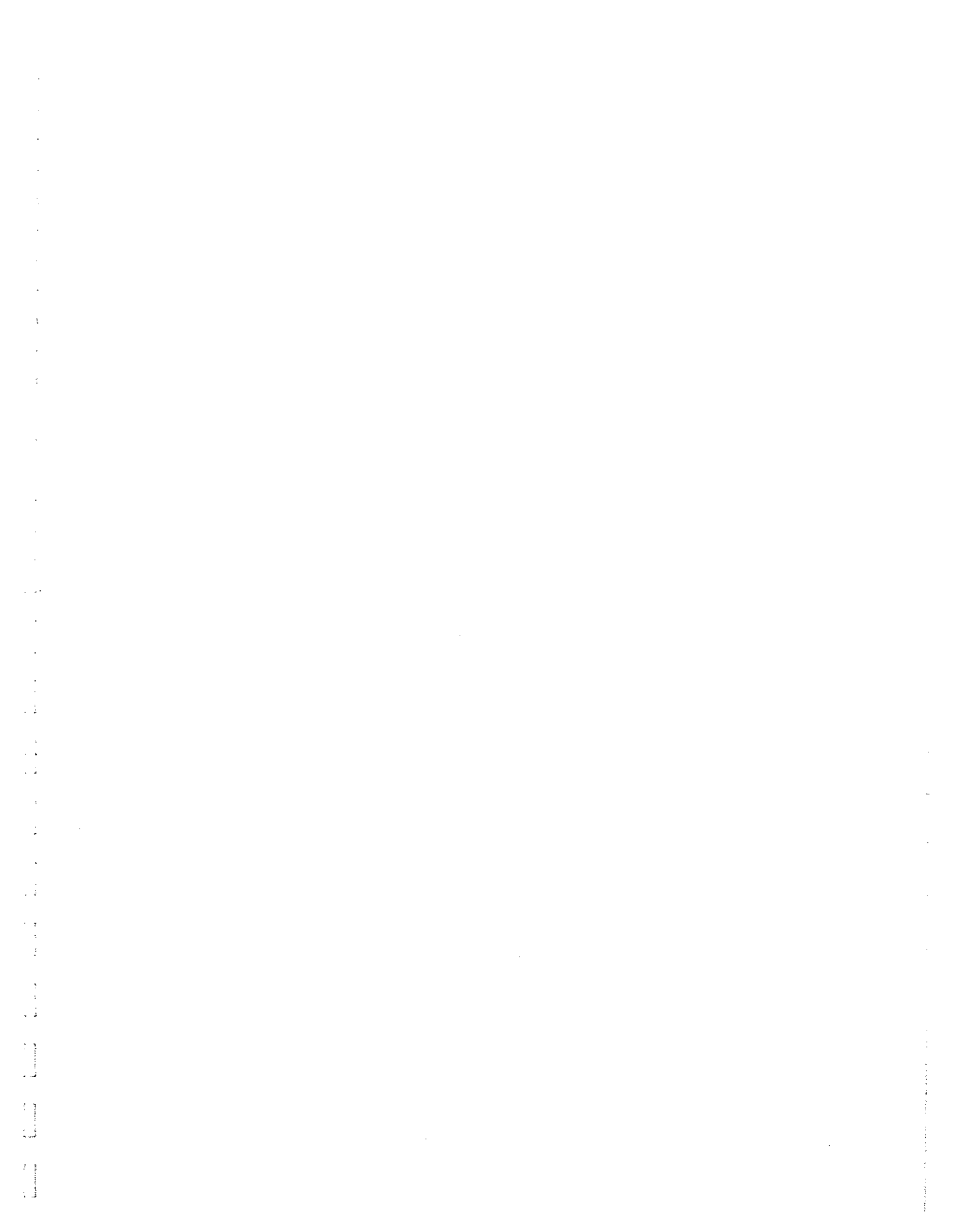
### ADMINISTRATION

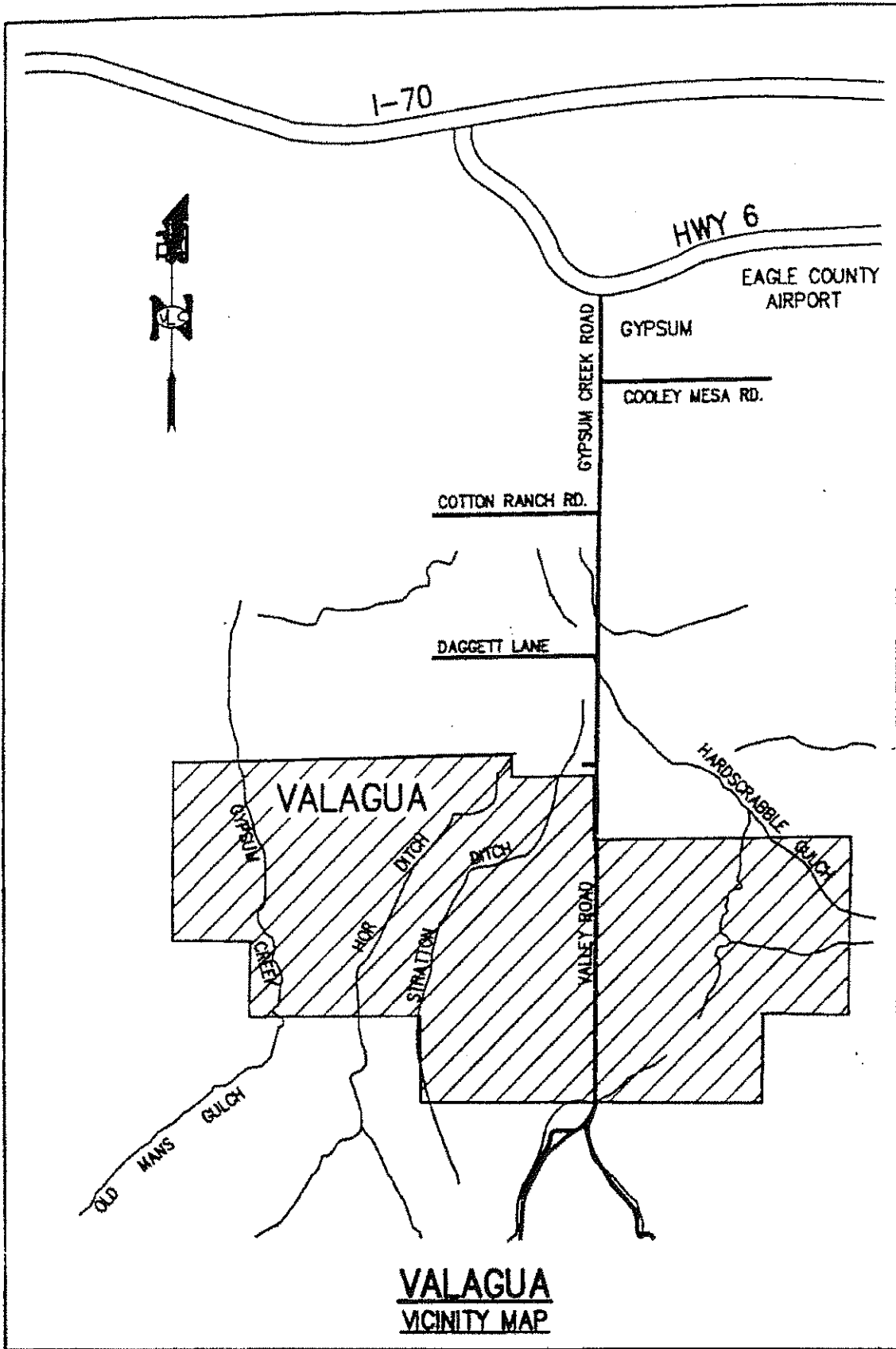
Town Manager  
Jeff Shroll

Asst. Town Manager  
Frances Barela

Town Clerk  
Jenny Ellringer, cmc

Finance Officer  
Mark Silverthorn





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LEGAL DESCRIPTION VALAGUA METROPOLITAN DISTRICT

LEGAL DESCRIPTION EAST PARCEL

PARCELS C, D, AND E

THOSE PORTIONS OF TRACTS NUMBERED 103 AND 104 IN TOWNSHIP 5 SOUTH, RANGE 85 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COLORADO, ACCORDING TO THE INDEPENDENT RESURVEY OF SAID TOWNSHIP AND RANGE, ACCEPTED JUNE 6, 1923 (SAID TRACTS BEING ORIGINALLY DESCRIBED AS THE N 1/2 SW 1/4, THE W 1/2 NW 1/4, THE S 1/2 SW 1/4, AND W 1/2 SE 1/4 OF SECTION 29 IN TOWNSHIP 5 SOUTH, RANGE 85 WEST OF THE 6TH P.M.), LYING EAST OF THE EAST RIGHT OF WAY BOUNDARY OF THE PRESENT COUNTY ROAD, AS DESCRIBED IN THAT CERTAIN RIGHT OF WAY DEED FROM JOHN S. FRY AND CHARLES H. DOLL TO THE COUNTY OF EAGLE AND STATE OF COLORADO, DATED JUNE 21, A.D. 1939, AND RECORDED IN BOOK 116 AT PAGE 558 OF THE RECORDS IN THE OFFICE OF THE COUNTY CLERK AND RECORDER OF THE COUNTY OF EAGLE IN STATE OF COLORADO; AND ALSO, ALL TRACT NUMBERED 102 IN TOWNSHIP 5 SOUTH, RANGE 85 WEST OF THE 6TH P.M., COLORADO, ACCORDING TO THE INDEPENDENT RESURVEY OF SAID TOWNSHIP AND RANGE, ACCEPTED JUNE 6, 1923 (SAID LANDS BEING ORIGINALLY DESCRIBED AS THE SE 1/4 NW 1/4, THE S 1/2 NE 1/4, AND THE NE 1/4 SE 1/4 OF SECTION 29, TOWNSHIP 5 SOUTH, RANGE 85 WEST OF THE 6TH P.M., COLORADO);

ALSO INCLUDING A PARCEL OF LAND LOCATED IN SAID TRACT 102, SECTIONS 28 AND 29, TOWNSHIP 5 SOUTH, RANGE 85 WEST OF THE 6TH P.M. AND RECORDED IN BOOK 419 AT PAGE 587 OF THE RECORDS IN THE OFFICE OF THE CLERK AND RECORDER OF EAGLE COUNTY, COLORADO;

SAID EAST PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT CORNER No. 1 OF SAID TRACT 102, AN USGLO BRASS MONUMENT FOUND IN PLACE, WHENCE CORNER No. 6 OF SAID TRACT 102, AN USGLO BRASS MONUMENT FOUND IN PLACE, BEARS S 00°47'54" W 2722.33 FEET; BEING THE BASIS OF BEARING FOR THIS DESCRIPTION, THENCE ALONG THE EASTERLY LINE OF SAID TRACT 102 S 00°47'54" W 2722.33 FEET TO SAID CORNER No. 6 OF TRACT 102; THENCE ALONG THE SOUTHERLY LINE OF SAID TRACT 102 N 89°05'30" W 1322.67 FEET TO CORNER No. 5 OF SAID TRACT 102, AN 3" ALUMINUM CAP SET IN PLACE (P.L.S. 27598); THENCE ALONG THE EASTERLY LINE OF SAID TRACT 104 S00°54'11" W 1361.55 FEET TO CORNER No. 6 OF SAID TRACT 104, AN USGLO BRASS MONUMENT FOUND IN PLACE; THENCE ALONG THE SOUTHERLY LINE OF SAID TRACT 104 N 89°36'00" W 1314.23 FEET TO CORNER No. 1 OF TRACT 113, AN USGLO BRASS MONUMENT FOUND IN PLACE; THENCE CONTINUING ALONG SAID SOUTHERLY LINE TRACT 104 N 89°37'18" W 1330.14 FEET TO THE SAID EASTERLY RIGHT OF WAY BOUNDARY OF COUNTY ROAD P-101, RECORDED IN BOOK 116 AT PAGE 558; THENCE CONTINUING ALONG SAID EASTERLY RIGHT OF WAY BOUNDARY RECORDED IN BOOK 116 AT PAGE 558, N01°15'35" E 4022.82 FEET; THENCE CONTINUING ALONG SAID EASTERLY RIGHT OF WAY BOUNDARY N 01°26'36" E 0.79 FEET TO A POINT ON THE NORHTERLY LINE OF SAID TRACT 102; THENCE ALONG SAID NORTHERLY LINE OF TRACT 102 N 89°05'04" E 2627.49 FEET TO CORNER No. 4 OF TRACT 101, AN USGLO BRASS MONUMENT FOUND IN PLACE; THENCE CONTINUING ALONG SAID NORTHERLY LINE OF TRACT 102 S 89°07'17" E 1310.75 FEET TO THE POINT OF BEGINNING,  
SAID PARCEL OF LAND CONTAINS 327.357 ACRES MORE OR LESS.

LEGAL DESCRIPTION VALAGUA METROPOLITAN DISTRICT

LEGAL DESCRIPTION WEST PARCEL

PARCELS A AND B

ALL OF TRACTS NUMBERED 105, 106, AND 107 IN TOWNSHIP 5 SOUTH, RANGE 85 WEST OF THE SIXTH PRINCIPAL MERIDIAN, ACCORDING TO THE INDEPENDENT RESURVEY OF SAID TOWNSHIP AND RANGE ACCEPTED JUNE 6, 1923, (SAID LANDS BEING ORIGINALLY DESCRIBED AS THE E 1/2 SE 1/4, THE E 1/2 NE 1/4, THE NW 1/4 SE 1/4, THE W 1/2 NE 1/4, THE NE 1/4 NW 1/4, THE W 1/2 NW 1/4 (INCLUDING THE LOTS NUMBERED 1 AND 2), THE SE 1/4 NW 1/4, AND THE NE 1/4 SW 1/4 OF SECTION 30, TOWNSHIP 5 SOUTH, RANGE 85 WEST, OF THE 6TH P.M.)

ALSO THOSE PORTIONS OF TRACT 103 AND 104 IN TOWNSHIP 5 SOUTH, RANGE 85 WEST OF THE 6TH P.M., ACCORDING TO THE INDEPENDENT RESURVEY OF SAID TOWNSHIP AND RANGE ACCEPTED JUNE 6, 1923 (SAID TRACTS BEING ORIGINALLY DESCRIBED AS THE N 1/2 SW 1/4, THE W 1/2 NW 1/4, THE S 1/2 SW 1/4 AND THE W 1/2 SE 1/4 OF SECTION 29, TOWNSHIP 5 SOUTH, RANGE 85 WEST OF THE 6TH P.M.) LYING WEST OF THE WEST RIGHT OF WAY BOUNDARY OF THE PRESENT COUNTY ROAD AS SAID ROAD IS DESCRIBED IN THAT CERTAIN RIGHT OF WAY DEED FROM JOHN S. FRY AND CHARLES H. DOLL TO THE COUNTY OF EAGLE AND STATE OF COLORADO, DATED JUNE 21, A.D. 1939, AND RECORDED IN BOOK 116 AT PAGE 558 OF THE RECORDS IN THE OFFICE OF THE CLERK AND RECORDER OF EAGLE COUNTY, COLORADO.

ALSO INCLUDING THAT PART OF TRACT 103 IN SECTION 29, TOWNSHIP 5 SOUTH, RANGE 85 WEST OF THE 6TH P.M., ACCORDING TO THE INDEPENDENT RESURVEY OF SAID TOWNSHIP AND RANGE AS ACCEPTED JUNE 6, 1923 BY THE GENERAL LAND OFFICE, AND RECORDED IN BOOK 374 AT PAGE 929 OF THE RECORDS IN THE OFFICE OF THE CLERK AND RECORDER OF EAGLE COUNTY, COLORADO.

EXCEPTING, HOWEVER, THAT TEN ACRE TRACT IN THE NW 1/4 NW 1/4 OF SAID SECTION 29, TOWNSHIP 5 SOUTH, RANGE 85 WEST OF THE 6TH P.M., AS ORIGINALLY LOCATED, BEING INCLUDED IN WHAT IS KNOWN AS SAID TRACT 103, INDEPENDENT RESURVEY, JUNE 6, 1923, AND RECORDED IN BOOK 612 AT PAGE 662 OF THE RECORDS IN THE OFFICE OF THE CLERK AND RECORDER OF EAGLE COUNTY, COLORADO.

SAID WEST PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT CORNER No. 2 OF SAID TRACT 107, AN USGLO BRASS MONUMENT FOUND IN PLACE, WHENCE CORNER No. 1 OF SAID TRACT 107, AN USGLO BRASS MONUMENT FOUND IN PLACE, BEARS N 89°07'56" E 1303.94 FEET; BEING THE BASIS OF BEARING FOR THIS DESCRIPTION, THENCE ALONG THE NORTHERLY LINE OF SAID TRACT 107 N 89°07'56" E 1303.94 FEET TO SAID CORNER No. 1 OF TRACT 107; THENCE ALONG THE NORTHERLY LINE OF SAID TRACT 106 N 89°20'56" E 2637.69 FEET TO CORNER No. 1 OF SAID TRACT 106, A 3" ALUMINUM CAP SET IN PLACE (P.L.S. 27598); THENCE ALONG THE NORTHERLY LINE OF SAID TRACT 105 N 89°15'11" E 1320.82 FEET TO CORNER No. 1 OF SAID TRACT 105, A 3" ALUMINUM CAP FOUND IN PLACE (PLS 20695), AND ALSO BEING THE NORTHWEST CORNER OF SAID TEN ACRE PARCEL RECORDED IN BOOK 612 AT PAGE 662; THENCE ALONG THE EASTERLY LINE OF SAID TRACT 105 AND ALSO BEING THE WESTERLY LINE OF SAID TEN ACRE TRACT, S 01°47'26" W 341.60 FEET; THENCE ALONG THE SOUTHERLY LINE OF SAID TEN ACRE TRACT N 89°16'11" E 1279.13 FEET TO A POINT OF THE SAID WESTERLY RIGHT OF WAY LINE OF COUNTY ROAD No. P-101; THENCE CONTINUING ALONG SAID RIGHT OF WAY THE FOLLOWING TWO COURSES:  
1) S 01°26'36" W 994.43 FEET; 2) S 01°15'35" W 4023.50 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID TRACT 104; THENCE ALONG SAID SOUTHERLY LINE OF TRACT 104 N 89°37'18" W 1299.14 FEET TO CORNER No. 5 OF SAID TRACT 104, AN USGLO BRASS MONUMENT FOUND IN PLACE; THENCE ALONG THE SOUTHERLY LINE OF SAID TRACT 105 N 89°37'18" W 1294.08 FEET TO CORNER No. 3 OF SAID TRACT 105, AN USGLO BRASS MONUMENT FOUND IN PLACE; THENCE ALONG THE WESTERLY LINE OF SAID TRACT 105 N 00°08'36" W 1323.59 FEET TO CORNER No. 6 OF SAID TRACT 106, A 5.00 W.C. SET IN REFERENCE; THENCE ALONG THE SOUTHERLY LINE OF SAID TRACT 106 N 89°50'50" W 1360.16 FEET TO CORNER No. 5 OF SAID TRACT 106; AN USGLO BRASS MONUMENT FOUND IN PLACE; THENCE CONTINUING AROUND SAID TRACT 107 THE FOLLOWING FIVE COURSES:  
1) S 89°36'18" W 1305.66 FEET TO CORNER No. 5 OF SAID TRACT 107, AN USGLO BRASS MONUMENT FOUND IN PLACE; 2) N 01°19'09" E 1168.24 FEET TO CORNER 4 OF SAID TRACT 107, AN USGLO BRASS MONUMENT FOUND IN PLACE; 3) N 89°14'19" W 1213.09 FEET TO CORNER No. 3 OF SAID TRACT 107, AN USGLO BRASS MONUMENT FOUND IN PLACE; 4) N 00°22'55" E 1533.88 FEET TO CORNER No. 6 TRACT 51D, AN ALUMINUM CAP FOUND IN PLACE (L.S. 9337); 5) N 00°59'49" E 1221.78 FEET TO CORNER No. 2 OF SAID TRACT 107 AND THE POINT OF BEGINNING, SAID PARCEL OF LAND CONTAINS 632.14 ACRES MORE OR LESS.

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VALAGUA  
PHASE 1 & 2 CAPITAL COSTS

5/2/2003

MAJOR INFRASTRUCTURE WEST SIDE OF SITE, W. HALF VALLEY ROAD + ISLAND, MAINT & FIRE HOUSE ACCESS INCL. TRAIL HEAD ACCESS	MAJOR INFRASTRUCTURE EAST SIDE OF SITE, E. HALF OF VALLEY RD., (ISLAND BUILT IN PH. 1);
CLUB HOUSE ACCESS/UTIL INCL. EMPLOY HOUSING ACCESS/UTIL INCL. ALL W.SIDE SAN.SEWER&SERVICES	ALL E.SIDE SAN.SEWER&SERVICES
<b>PHASE 1</b>	
<b>PHASE 2</b>	

NO.	ITEM/DESCRIPTION	UNITS	UNIT PRICE	EST. QTY	TOTAL PRICE	EST. QTY	TOTAL PRICE
<b>ROADS</b>							
	VALLEY ROAD - COTTONWOOD PASS RD. TO N. OF VALAGUA widen to 2-12' lanes, 2-4' shoulders, 32' wide; assume exist. road is 20' wide.	LF		9285			
1	EARTHWORK - 1.5' AVE. CUTS/FILLS; 12 WIDE	CY	\$ 1.50	6190	9,285		
2	SUBGRADE PREPARATION	SY	\$ 0.65	12360	8,047		
3	BASE COURSE WIDENING - 12' WIDE; 12" DEEP	TONS	\$ 10.00	7,428	74,280		
4	ASPHALT - 3" HBP	TONS	\$ 45.00	2,043	91,922		
5	ASPHALT OVERLAY - 1.5" HBP (MAY BE OPTIONAL)	TONS	\$ 45.00	2,724	122,562		
6	STREET SIGNS	EA	\$ 250.00	25	6,250		
7	STRIPING	LS	\$ 5,000.00	1	5,000		
8	TRAFFIC CONTROL	LS	\$ 5,000.00	1	5,000		
9	PAYMENT TO COTTON RANCH FOR IMPROVEMENTS	LS	TBD		0		
	ASSUMES EAGLE COUNTY PAVEMENT DESIGN		322,346				
	SUBTOTAL		COST/LF	\$ 34.72	322,346		0
	VALLEY ROAD - VALAGUA FRONTAGE (Used typical section w/4-12' lanes, 2-4' shoulders, 56' wide built 50% in Ph. 1 and 50% in Ph. 2)	LF		4100		4100	
1	SUBGRADE PREPARATION (Ph. 1 - 32', Ph. 2 - 20')	SY	\$ 0.65	14578	9,476	9111	5,922
2	BASE COURSE - 48' WIDE; 12" DEEP (Ph. 1 - 32', Ph. 2 - 16')	TONS	\$ 9.00	8,747	78,720	4,373	39,360
3	BASE COURSE SHOULDERS - 4' WIDE; 15" DEEP	TONS	\$ 9.00	1,367	12,300	1,367	12,300
4	ASPHALT - 3" HBP	TONS	\$ 45.00	1,804	81,180	1,804	81,180
5	ISLAND CURB AND GUTTER	LF	\$ 13.00	2350	30,550		0
6	STREET SIGNS	EA	\$ 250.00	15	3,750	6	1,500
7	STRIPING	LS	\$ 5,000.00	1	5,000	1	5,000
8	TRAFFIC CONTROL	LS	\$ 5,000.00	1	5,000	0.5	2,500
9	TUNNEL FOR GOLF CARTS	LS	\$ 60,000.00	1	60,000	0	0
	ASSUMES EAGLE COUNTY PAVEMENT DESIGN		437,778				
	SUBTOTAL		COST/LF	\$ 69.75	285,976	\$ 36.04	147,762
	TOTAL ROADS L.F.			13385	0	4100	0
	SUBTOTAL ROAD COSTS				608,321		147,762

Roads

756,081

11.42  
 Strata  
 150,000  
 1,272,294  
 1,422,294

Water  
 7,484,047  
 38.08

Lower  
 5,167,591  
 41.58

NO.	ITEM/DESCRIPTION	UNITS	UNIT PRICE	PHASE 1		PHASE 2	
				EST. QTY	TOTAL PRICE	EST. QTY	TOTAL PRICE
<b>DRAINAGE APPURTENANCES</b>							
1	24" CMP DRAINAGE PIPE	LF	\$ 38.00	7,070	268,660	3,560	135,280
2	EROSION CONTROL AND MAINTENANCE	LF	\$ 2.00	42,185	84,370	13,950	27,900
	<b>SUBTOTAL</b>		<b>516,210</b>		<b>353,030</b>		<b>163,180</b>
<b>WATER DISTRIBUTION LINES</b>							
1	8" DIP	LF	\$ 31.00	33,450	1,036,950	17,275	535,525
2	10" DIP	LF	\$ 50.00	7,500	375,000	1,650	82,500
3	SERVICE LINES	EA	\$ 500.00	303	151,500	192	96,000
	<b>SUBTOTAL</b>		<b>2,277,475</b>		<b>1,563,450</b>		<b>714,025</b>
<b>SEWER COLLECTION LINES</b>							
1	8" PVC	LF	\$ 35.00	34,780	1,217,300	15,550	544,250
2	MANHOLES	EA	\$ 2,800.00	153	428,400	77	215,600
3	SERVICES	EA	\$ 500.00	303	151,500	192	96,000
	<b>SUBTOTAL</b>		<b>2,157,050</b>		<b>1,797,200</b>		<b>855,850</b>
<b>WATER SUPPLY</b>							
1	STORAGE TANK (PAY TO GYPSUM)	GAL	\$ 1.00	650,000	650,000	0	0
2	PUMP STATION	EA	\$ 125,000.00	1	125,000	0	0
3	PRESSURE REDUCING VAULTS	EA	\$ 20,000.00	2	40,000	0	0
4	10 INCH TRANSMISSION LINE	LF	\$ 50.00	3,800	190,000	0	0
5	16" WATER MAIN - PLANT TO SOUTH PROPERTY BOUNDARY	LF	\$ 80.00	2,650	212,000	0	0
6	12" WATER MAIN - VALLEY ROAD WITHIN PROPERTY	LF	\$ 60.00	5,752	345,120	0	0
7	8" GYPSUM CK WATER LINE TO MOSHER SPRINGS TRT. PLANT	LF	\$ 40.00	8,800	356,000	0	0
8	RELOCATE EXISTING 8" WATERLINE	LF	\$ 40.00	4,000	160,000	0	0
9	LAKE PUBLIC STORAGE FOR TOWN OF GYPSUM WATER	AF	\$ 128,452.00	37	128,452	0	0
	<b>SUBTOTAL</b>		<b>2,206,572</b>		<b>2,208,572</b>		<b>0</b>
<b>SANITARY SEWER OUTFALL</b>							
1	OFFSITE 12" SANITARY SEWER WITH UNDERDRAIN	LF	\$ 60.00	9,378	562,580	0	0
2	SANITARY MANHOLES	EA	\$ 3,425.00	27	92,475	0	0
3	EASEMENT RESTORATION	LF	\$ 4.00	9,378	37,512	0	0
4	GEN. COND./ROAD CROSSING/MISC	LS	\$ 121,873.50	1	121,874	0	0
	<b>SUBTOTAL</b>		<b>814,541</b>		<b>814,541</b>		<b>0</b>
<b>TERTIARY TREATMENT PLANT</b>							
	PLANT AND RELATED FACILITIES	1	\$ 1,700,000.00	1	1,700,000		
	<b>SUBTOTAL</b>		<b>1,700,000</b>		<b>1,700,000</b>		
	<b>SUBTOTAL SANITARY, STORM, AND WATER</b>				<b>8,434,793</b>		<b>1,733,055</b>

10,923,932

NO.	ITEM/DESCRIPTION	UNITS	UNIT PRICE	PHASE 1		PHASE 2	
				EST. QTY	TOTAL PRICE	EST. QTY	TOTAL PRICE
<b>PARKS/RECREATION</b>							
1	10' BIKE PATH ALONG VALLEY ROAD- 6" ASPHALT @ \$60.00 A TON	LF	\$ 22.00	5,100	112,200	0	0
2	TRAIL ALONG GYPSUM CREEK - GRAVEL	LF	\$ 12.00	6,000	72,000	0	0
3	TRAILHEAD (GRAVEL, MISC.)	LS	\$ 15,000.00	1	15,000	0	0
4	FENCING-SPLIT 2 TO 3 RAIL	LF	\$ 13.00	12,400.00	161,200	10,050	130,650
	SUBTOTAL				360,400		130,650
<b>MISCELLANEOUS</b>							
1	TRAFFIC SIGNAL AT HWY 8	LS	\$ 50,000.00	2	100,000	1	50,000
2	LANDSCAPING/IRRIGATION	AC	\$ 25,000.00	20.00	500,000	5.00	125,000
3	FIRE STATION (GRADING, PAVING, MISC.)	LS	\$ 25,000.00	1	25,000		0
4	GYPSUM CREEK CORRIDOR STREAM ENHANCEMENT	1	\$ 251,616.00	1	251,616		0
	SUBTOTAL				876,616		175,000
	SUBTOTAL MISCELLANEOUS				1,237,016		305,650
				<b>PHASE 1</b>		<b>PHASE 2</b>	
	SUBTOTAL ROAD AND GRADING COSTS		756,083		808,321		147,752
	SUBTOTAL SANITARY, STORM, AND WATER		10,187,848		8,434,793		1,733,055
	SUBTOTAL MISCELLANEOUS		1,542,866		1,237,016		305,650
	SUBTOTAL		12,486,797		10,280,130		2,186,467
	CONTINGENCY 15%		1,869,888		1,542,019		327,970
	TOTALS		14,356,685		11,822,149		2,514,437

*Boyer*  
*11/16/08*  
~~1,392,666~~  
~~1,237,000~~  
 1,392,666  
 11/16/08

12,486,797  
 10/8

*Boyer*

497,050

**Valagua  
Metro District Service Plan  
O/M Budget**

5/15/2003

**O/M Budget                      Starts in year 2007**

<u>Item</u>	<u>2007</u>
1 Landscaping	158,340
2 Lakes/Waterways	30,514
3 District Administration	50,000
4 Park/Rec	5,000
5 Pest Control	2,500
<b>Total</b>	<b>248,361</b>

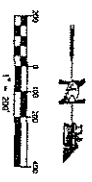
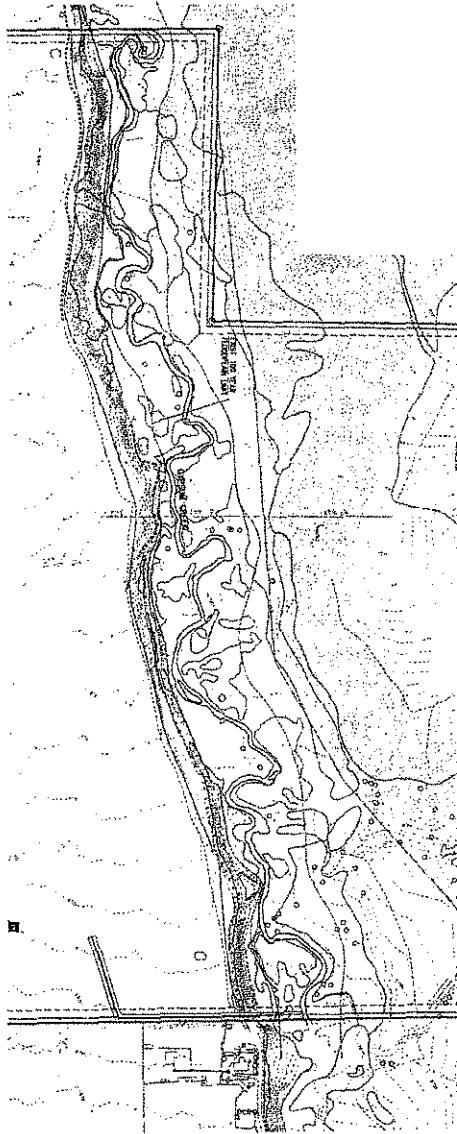
**Yearly Budget**

2007	248,361
2008	250,844
2009	253,353
2010	255,886
2011	258,445
2012	261,029
2013	263,640
2014	266,276
2015	268,939
2016	271,628
2017	274,345
2018	277,088
2019	279,859
2020	282,658
2021	285,484
2022	288,339
2023	291,222
2024	294,135
2025	297,076
2026	300,047
2027	303,047
2028	306,078
2029	309,138
2030	312,230
2031	315,352
2032	318,506
2033	321,691
2034	324,908
2035	328,157
2036	331,438
2037	334,753
2038	338,100
2039	341,481
2040	344,896
2041	348,345









NOTE:  
 THIS PLAN SHOWS PROPOSED STREAM IMPROVEMENTS IN GREEN.  
 EXISTING STREAM CHANNEL AND PROPERTY LINES TO REMAIN FROM PREVIOUS PLANS.  
 SEE PREVIOUS PLANS FOR DETAILS.

6 10 8	VALAGUA METROPOLITAN DISTRICT SERVICE PLANS			CIVIL ENGINEERS CONSTRUCTION MANAGERS		<table border="1"> <tr> <td>DATE</td> <td>DESIGNED BY</td> </tr> <tr> <td>DATE</td> <td>CHECKED BY</td> </tr> <tr> <td>DATE</td> <td>FILE NAME</td> </tr> </table>	DATE	DESIGNED BY	DATE	CHECKED BY	DATE	FILE NAME
	DATE	DESIGNED BY										
	DATE	CHECKED BY										
DATE	FILE NAME											
PROPOSED PRELIMINARY IMPROVEMENTS GYPSUM CREEK STREAM ENHANCEMENT		538 COMMONS DRIVE GOLDEN, COLORADO 80401 PHONE: (303) 674-7355 FAX: (303) 674-9283		SCALE: 1" = 200' DRAWN BY: JCL DATE: 05/05/04 CHECKED BY: JCL JOB NO: 200401 FILE NAME: 05-02-04								
GYPSUM, COLORADO				DO NOT SCALE, USE DIMENSION ONLY								





11





**SOURCES AND USES OF FUNDS  
VALAGUA METROPOLITAN DISTRICT  
SERIES 2005 G.O. BONDS**

Dated Date            12/01/2005  
 Delivery Date        12/01/2005

**Sources:**

Bond Proceeds	10,000,000.00
Par Amount	10,000,000.00

**Uses:**

Project Fund Disbursements	8,136,762.91
Construction Fund	8,136,762.91
Other Fund Disbursements	1,463,237.09
Capitalized Interest	1,463,237.09
Delivery Date Expenses:	400,000.00
Cost of Issuance	400,000.00

Note: 30-year maturity new money issue; proportional debt service

**BOND DEBT SERVICE**  
**VALAGUA METROPOLITAN DISTRICT**  
**SERIES 2005 G.O. BONDS**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2005	-	-	375,000.00	375,000.00	375,000.00
06/01/2006	-	-	375,000.00	375,000.00	750,000.00
12/01/2006	-	-	375,000.00	375,000.00	750,000.00
06/01/2007	-	-	375,000.00	375,000.00	750,000.00
12/01/2007	-	-	375,000.00	375,000.00	750,000.00
06/01/2008	-	-	375,000.00	375,000.00	750,000.00
12/01/2008	-	-	375,000.00	375,000.00	750,000.00
06/01/2009	-	-	375,000.00	375,000.00	750,000.00
12/01/2009	-	-	375,000.00	375,000.00	750,000.00
06/01/2010	-	-	375,000.00	375,000.00	750,000.00
12/01/2010	-	-	375,000.00	375,000.00	750,000.00
06/01/2011	30,000	7.500%	375,000.00	405,000.00	750,000.00
12/01/2011	30,000	7.500%	375,000.00	435,000.00	837,750
06/01/2012	90,000	7.500%	370,500.00	465,000.00	837,750
12/01/2012	90,000	7.500%	370,500.00	495,000.00	837,750
06/01/2013	85,000	7.500%	366,937.50	465,000.00	838,000
12/01/2013	85,000	7.500%	366,937.50	495,000.00	838,000
06/01/2014	110,000	7.500%	362,812.50	475,937.50	844,875
12/01/2014	110,000	7.500%	362,812.50	505,937.50	844,875
06/01/2015	140,000	7.500%	358,687.50	455,937.50	865,825
12/01/2015	140,000	7.500%	358,687.50	485,937.50	865,825
06/01/2016	155,000	7.500%	354,562.50	412,562.50	870,125
12/01/2016	155,000	7.500%	354,562.50	442,562.50	870,125
06/01/2017	180,000	7.500%	348,000.00	531,750.00	888,800
12/01/2017	180,000	7.500%	348,000.00	561,750.00	888,800
06/01/2018	185,000	7.500%	345,000.00	540,000.00	865,000
12/01/2018	185,000	7.500%	345,000.00	570,000.00	865,000
06/01/2019	225,000	7.500%	337,937.50	562,875.00	900,375
12/01/2019	225,000	7.500%	337,937.50	592,875.00	900,375
06/01/2020	240,000	7.500%	329,562.50	565,250.00	868,900
12/01/2020	240,000	7.500%	329,562.50	595,250.00	868,900
06/01/2021	275,000	7.500%	320,250.00	620,250.00	915,500
12/01/2021	275,000	7.500%	320,250.00	650,250.00	915,500
06/01/2022	300,000	7.500%	309,937.50	609,937.50	918,875
12/01/2022	300,000	7.500%	309,937.50	639,937.50	918,875
06/01/2023	340,000	7.500%	298,687.50	598,687.50	937,375
12/01/2023	340,000	7.500%	298,687.50	628,687.50	937,375
06/01/2024	365,000	7.500%	285,937.50	650,937.50	936,875
12/01/2024	365,000	7.500%	285,937.50	680,937.50	936,875
06/01/2025	410,000	7.500%	272,250.00	682,250.00	954,500
12/01/2025	410,000	7.500%	272,250.00	712,250.00	954,500
06/01/2026	440,000	7.500%	258,687.50	658,687.50	953,750
12/01/2026	440,000	7.500%	258,687.50	688,687.50	953,750
06/01/2027	465,000	7.500%	245,125.00	635,125.00	973,750
12/01/2027	465,000	7.500%	245,125.00	665,125.00	973,750
06/01/2028	530,000	7.500%	221,812.50	751,812.50	974,025
12/01/2028	530,000	7.500%	221,812.50	781,812.50	974,025
06/01/2029	580,000	7.500%	201,937.50	791,937.50	988,875
12/01/2029	580,000	7.500%	201,937.50	821,937.50	988,875
06/01/2030	635,000	7.500%	179,812.50	799,812.50	984,825
12/01/2030	635,000	7.500%	179,812.50	829,812.50	984,825
06/01/2031	700,000	7.500%	158,000.00	858,000.00	1,018,000
12/01/2031	700,000	7.500%	158,000.00	888,000.00	1,018,000
06/01/2032	755,000	7.500%	129,750.00	884,750.00	1,014,500
12/01/2032	755,000	7.500%	129,750.00	914,750.00	1,014,500
06/01/2033	830,000	7.500%	101,437.50	931,437.50	1,032,875
12/01/2033	830,000	7.500%	101,437.50	961,437.50	1,032,875
06/01/2034	865,000	7.500%	70,312.50	955,312.50	1,055,825
12/01/2034	865,000	7.500%	70,312.50	985,312.50	1,055,825
06/01/2035	980,000	7.500%	58,750.00	1,018,750.00	1,055,800
12/01/2035	980,000	7.500%	58,750.00	1,048,750.00	1,055,800
	10,000,000		17,085,000.00	27,085,000.00	27,085,000

NET DEBT SERVICE  
VALAGUA METROPOLITAN DISTRICT  
SERIES 2005 G.O. BONDS

Date	Principal	Interest	Total Debt Service	Capitalized Interest	Net Debt Service	Annual Net D/S
06/01/2006	-	375,000.00	375,000.00	375,000.00	-	-
12/01/2006	-	375,000.00	375,000.00	375,000.00	-	-
06/01/2007	-	375,000.00	375,000.00	375,000.00	-	-
12/01/2007	-	375,000.00	375,000.00	375,000.00	-	-
06/01/2008	-	375,000.00	375,000.00	-	375,000.00	-
12/01/2008	-	375,000.00	375,000.00	-	375,000.00	750,000
06/01/2009	-	375,000.00	375,000.00	-	375,000.00	-
12/01/2009	-	375,000.00	375,000.00	-	375,000.00	750,000
06/01/2010	-	375,000.00	375,000.00	-	375,000.00	-
12/01/2010	-	375,000.00	375,000.00	-	375,000.00	750,000
06/01/2011	-	375,000.00	375,000.00	-	375,000.00	-
12/01/2011	30,000	375,000.00	405,000.00	405,000.00	-	750,000
06/01/2012	90,000	373,875.00	463,875.00	463,875.00	-	837,750
12/01/2012	-	370,500.00	370,500.00	-	370,500.00	-
06/01/2013	95,000	370,500.00	465,500.00	465,500.00	-	830,000
12/01/2013	-	366,937.50	366,937.50	-	366,937.50	-
06/01/2014	110,000	366,937.50	476,937.50	476,937.50	-	843,875
12/01/2014	-	362,812.50	362,812.50	-	362,812.50	-
06/01/2015	140,000	352,812.50	502,812.50	502,812.50	-	885,825
12/01/2015	-	357,562.50	357,562.50	-	357,562.50	-
06/01/2016	155,000	357,562.50	514,562.50	514,562.50	-	870,125
12/01/2016	-	351,750.00	351,750.00	-	351,750.00	-
06/01/2017	180,000	351,750.00	531,750.00	531,750.00	-	883,500
12/01/2017	-	345,000.00	345,000.00	-	345,000.00	-
06/01/2018	195,000	345,000.00	540,000.00	540,000.00	-	885,000
12/01/2018	-	337,687.50	337,687.50	-	337,687.50	-
06/01/2019	225,000	337,687.50	562,687.50	562,687.50	-	900,375
12/01/2019	-	329,250.00	329,250.00	-	329,250.00	-
06/01/2020	240,000	329,250.00	569,250.00	569,250.00	-	880,500
12/01/2020	-	320,250.00	320,250.00	-	320,250.00	-
06/01/2021	275,000	320,250.00	595,250.00	595,250.00	-	915,500
12/01/2021	-	309,937.50	309,937.50	-	309,937.50	-
06/01/2022	300,000	309,937.50	609,937.50	609,937.50	-	919,875
12/01/2022	-	298,687.50	298,687.50	-	298,687.50	-
06/01/2023	340,000	298,687.50	638,687.50	638,687.50	-	937,375
12/01/2023	-	285,937.50	285,937.50	-	285,937.50	-
06/01/2024	365,000	285,937.50	650,937.50	650,937.50	-	936,875
12/01/2024	-	272,250.00	272,250.00	-	272,250.00	-
06/01/2025	410,000	272,250.00	682,250.00	682,250.00	-	954,500
12/01/2025	-	256,875.00	256,875.00	-	256,875.00	-
06/01/2026	440,000	256,875.00	696,875.00	696,875.00	-	953,750
12/01/2026	-	240,375.00	240,375.00	-	240,375.00	-
06/01/2027	485,000	240,375.00	725,375.00	725,375.00	-	975,750
12/01/2027	-	221,812.50	221,812.50	-	221,812.50	-
06/01/2028	530,000	221,812.50	751,812.50	751,812.50	-	973,625
12/01/2028	-	201,937.50	201,937.50	-	201,937.50	-
06/01/2029	590,000	201,937.50	791,937.50	791,937.50	-	993,875
12/01/2029	-	179,812.50	179,812.50	-	179,812.50	-
06/01/2030	635,000	179,812.50	814,812.50	814,812.50	-	994,625
12/01/2030	-	156,000.00	156,000.00	-	156,000.00	-
06/01/2031	700,000	156,000.00	856,000.00	856,000.00	-	1,012,000
12/01/2031	-	129,750.00	129,750.00	-	129,750.00	-
06/01/2032	755,000	129,750.00	884,750.00	884,750.00	-	1,014,600
12/01/2032	-	101,437.50	101,437.50	-	101,437.50	-
06/01/2033	830,000	101,437.50	931,437.50	931,437.50	-	1,032,875
12/01/2033	-	70,312.50	70,312.50	-	70,312.50	-
06/01/2034	895,000	70,312.50	965,312.50	965,312.50	-	1,035,625
12/01/2034	-	36,750.00	36,750.00	-	36,750.00	-
06/01/2035	930,000	36,750.00	1,016,750.00	1,016,750.00	-	1,053,500
12/01/2035	-	-	-	-	-	-
<b>10,000,000</b>	<b>17,055,000.00</b>	<b>27,055,000.00</b>	<b>1,500,000</b>	<b>25,555,000.00</b>	<b>25,555,000.00</b>	<b>25,555,000</b>

**SOURCES AND USES OF FUNDS**  
**VALAGUA METROPOLITAN DISTRICT**  
**SERIES 2008 G.O. BONDS**

Called Date 12/01/2008  
 Delivery Date 12/01/2008

<b>Sources:</b>	
Bond Proceeds:	
Par Amount	9,165,000.00
	9,165,000.00
<hr/>	
<b>Uses:</b>	
Project Fund Deposits:	
Construction Fund	7,865,818.00
Other Fund Deposits:	
Capitalized Interest	827,550.78
Delivery Date Expenses:	
Cost of Issuance	387,400.00
Other Uses of Funds:	
Contingency	4,231.22
	9,165,000.00

Note: 30-year maturity / New money issue; proportional debt service

May 6, 2008 2:29 pm Prepared by Kirkwood, Papp, Quisenberry & Company

**BOND DEBT SERVICE**  
**VALAGUA METROPOLITAN DISTRICT**  
**SERIES 2008 G.O. BONDS**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2008	-	-	-	-	-
06/01/2009	-	-	321,475	321,475	-
12/01/2009	-	-	321,475	321,475	642,950
06/01/2010	-	-	321,475	321,475	-
12/01/2010	-	-	321,475	321,475	642,950
06/01/2011	-	-	321,475	321,475	-
12/01/2011	-	-	321,475	321,475	642,950
06/01/2012	-	-	321,475	321,475	-
12/01/2012	15,000	7.000%	321,475	336,475	657,950
06/01/2013	-	-	320,950	320,950	-
12/01/2013	10,000	7.000%	320,950	330,950	651,900
06/01/2014	-	-	320,600	320,600	-
12/01/2014	20,000	7.000%	320,600	340,600	661,200
06/01/2015	-	-	319,900	319,900	-
12/01/2015	45,000	7.000%	319,900	364,900	684,800
06/01/2016	-	-	318,325	318,325	-
12/01/2016	50,000	7.000%	318,325	368,325	688,650
06/01/2017	-	-	316,575	316,575	-
12/01/2017	60,000	7.000%	316,575	376,575	693,150
06/01/2018	-	-	314,475	314,475	-
12/01/2018	60,000	7.000%	314,475	374,475	688,950
06/01/2019	-	-	312,375	312,375	-
12/01/2019	85,000	7.000%	312,375	397,375	708,750
06/01/2020	-	-	309,400	309,400	-
12/01/2020	90,000	7.000%	309,400	399,400	708,800
06/01/2021	-	-	306,250	306,250	-
12/01/2021	110,000	7.000%	306,250	416,250	722,500
06/01/2022	-	-	302,400	302,400	-
12/01/2022	115,000	7.000%	302,400	417,400	719,800
06/01/2023	-	-	298,375	298,375	-
12/01/2023	140,000	7.000%	298,375	436,375	736,750
06/01/2024	-	-	293,475	293,475	-
12/01/2024	150,000	7.000%	293,475	443,475	736,950
06/01/2025	-	-	288,225	288,225	-
12/01/2025	175,000	7.000%	288,225	463,225	751,450
06/01/2026	-	-	282,100	282,100	-
12/01/2026	190,000	7.000%	282,100	472,100	754,200
06/01/2027	-	-	275,450	275,450	-
12/01/2027	215,000	7.000%	275,450	490,450	765,900
06/01/2028	-	-	267,925	267,925	-
12/01/2028	230,000	7.000%	267,925	497,925	765,650
06/01/2029	-	-	259,875	259,875	-
12/01/2029	260,000	7.000%	259,875	519,875	779,750
06/01/2030	-	-	250,775	250,775	-
12/01/2030	280,000	7.000%	250,775	530,775	781,550
06/01/2031	-	-	240,975	240,975	-
12/01/2031	315,000	7.000%	240,975	555,975	796,950
06/01/2032	-	-	229,950	229,950	-
12/01/2032	335,000	7.000%	229,950	564,950	794,900
06/01/2033	-	-	218,225	218,225	-
12/01/2033	375,000	7.000%	218,225	593,225	811,450
06/01/2034	-	-	203,100	203,100	-
12/01/2034	400,000	7.000%	203,100	605,100	810,200
06/01/2035	-	-	191,100	191,100	-
12/01/2035	460,000	7.000%	191,100	641,100	832,200
06/01/2036	-	-	175,350	175,350	-
12/01/2036	1,535,000	7.000%	175,350	1,710,350	1,885,700
06/01/2037	-	-	121,625	121,625	-
12/01/2037	1,680,000	7.000%	121,625	1,801,625	1,923,250
06/01/2038	-	-	62,825	62,825	-
12/01/2038	1,795,000	7.000%	62,825	1,857,825	1,920,650
	9,185,000		10,177,000	25,362,000	25,362,000

**NET DEBT SERVICE**  
**VALAGUA METROPOLITAN DISTRICT**  
**SERIES 2008 G.O. BONDS**

Date	Principal	Interest	Total Debt Service	Capitalized Interest	Net Debt Service	Annual Net DIS
06/01/2009	-	321,475	321,475	321,475	-	-
12/01/2009	-	321,475	321,475	321,475	-	-
06/01/2010	-	321,475	321,475	200,000	121,475	442,950
12/01/2010	-	321,475	321,475	-	321,475	321,475
06/01/2011	-	321,475	321,475	-	321,475	642,950
12/01/2011	-	321,475	321,475	-	321,475	642,950
06/01/2012	15,000	321,475	336,475	-	321,475	657,950
12/01/2012	-	320,950	320,950	-	320,950	651,900
06/01/2013	10,000	320,950	330,950	-	320,950	661,900
12/01/2013	-	320,600	320,600	-	320,600	661,200
06/01/2014	20,000	320,600	340,600	-	320,600	681,200
12/01/2014	-	318,500	318,500	-	318,500	681,200
06/01/2015	45,000	318,500	363,500	-	318,500	681,200
12/01/2015	-	318,325	318,325	-	318,325	681,200
06/01/2016	50,000	318,325	368,325	-	318,325	681,200
12/01/2016	-	316,575	316,575	-	316,575	681,200
06/01/2017	60,000	316,575	376,575	-	316,575	681,200
12/01/2017	-	314,475	314,475	-	314,475	681,200
06/01/2018	60,000	314,475	374,475	-	314,475	681,200
12/01/2018	-	312,375	312,375	-	312,375	681,200
06/01/2019	85,000	312,375	397,375	-	312,375	681,200
12/01/2019	-	309,400	309,400	-	309,400	681,200
06/01/2020	90,000	309,400	399,400	-	309,400	681,200
12/01/2020	-	306,250	306,250	-	306,250	681,200
06/01/2021	110,000	306,250	416,250	-	306,250	681,200
12/01/2021	-	302,400	302,400	-	302,400	681,200
06/01/2022	115,000	302,400	417,400	-	302,400	681,200
12/01/2022	-	298,375	298,375	-	298,375	681,200
06/01/2023	140,000	298,375	436,375	-	298,375	681,200
12/01/2023	-	293,475	293,475	-	293,475	681,200
06/01/2024	150,000	293,475	443,475	-	293,475	681,200
12/01/2024	-	288,225	288,225	-	288,225	681,200
06/01/2025	175,000	288,225	463,225	-	288,225	681,200
12/01/2025	-	282,100	282,100	-	282,100	681,200
06/01/2026	190,000	282,100	472,100	-	282,100	681,200
12/01/2026	-	275,450	275,450	-	275,450	681,200
06/01/2027	215,000	275,450	490,450	-	275,450	681,200
12/01/2027	-	267,925	267,925	-	267,925	681,200
06/01/2028	230,000	267,925	497,925	-	267,925	681,200
12/01/2028	-	259,875	259,875	-	259,875	681,200
06/01/2029	260,000	259,875	519,875	-	259,875	681,200
12/01/2029	-	250,775	250,775	-	250,775	681,200
06/01/2030	280,000	250,775	530,775	-	250,775	681,200
12/01/2030	-	240,975	240,975	-	240,975	681,200
06/01/2031	315,000	240,975	555,975	-	240,975	681,200
12/01/2031	-	229,950	229,950	-	229,950	681,200
06/01/2032	335,000	229,950	564,950	-	229,950	681,200
12/01/2032	-	218,225	218,225	-	218,225	681,200
06/01/2033	375,000	218,225	593,225	-	218,225	681,200
12/01/2033	-	205,100	205,100	-	205,100	681,200
06/01/2034	400,000	205,100	605,100	-	205,100	681,200
12/01/2034	-	191,700	191,700	-	191,700	681,200
06/01/2035	450,000	191,700	641,700	-	191,700	681,200
12/01/2035	-	175,500	175,500	-	175,500	681,200
06/01/2036	1,535,000	175,500	1,710,500	-	175,500	681,200
12/01/2036	-	171,350	171,350	-	171,350	681,200
06/01/2037	1,660,000	171,350	1,831,350	-	171,350	681,200
12/01/2037	-	161,625	161,625	-	161,625	681,200
06/01/2038	1,795,000	161,625	1,956,625	-	161,625	681,200
12/01/2038	-	157,825	157,825	-	157,825	681,200
<b>TOTAL</b>	<b>9,185,000</b>	<b>16,177,660</b>	<b>25,362,660</b>	<b>842,950</b>	<b>24,519,660</b>	<b>24,519,660</b>

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## ANNEXATION AGREEMENT

The parties to this Annexation Agreement (this "Agreement") are the TOWN OF GYPSUM, COLORADO, a home rule municipal corporation ("Town"), and IMPRIMIS, LLC, a Colorado limited liability company, ("Imprimis") and Charles and Betty Lou Albertson, Sumner H. And Karen Kaye Schlegel, James H. And Kathy Toomer, and A & T Partnership (collectively "Albertsons")

### RECITALS:

A. WHEREAS, Imprimis has executed a real estate purchase contract with the Albertsons to purchase that certain real property located in Eagle County as described on Exhibit A attached hereto and incorporated herein by this reference, consisting of approximately 963 acres, known as the Albertson Ranch (the Property"), which contract is scheduled to close by May 17, 2000.

B. WHEREAS, it is the intent of Imprimis to develop the Property as a planned unit development ("PUD") mixed use project ("Project") which would include a private golf course, 470 single-family home sites and family cluster units, 15 staff housing units, 50 units at the lodge site and associated facilities to be operated in conjunction with the operation of the private golf course and clubhouse, attendant commercial uses, and substantial open space, as more specifically described in the PUD/Sketch Plan Subdivision submission for the Property that was submitted to the Town on December 7, 1999 pursuant to Chapters 18.21 and 17.12 of the Gypsum Municipal Code. The Town has contemporaneously herewith approved the amended sketch plan as revised by the land use process ("Approved Sketch Plan"), the sketch of which is attached hereto and incorporated herein as Exhibit E.

C. WHEREAS, Imprimis has committed to provide 15 units for staff and employees in the Project;

D. WHEREAS, on August 29, 1997, Albertsons filed with the Town three separate Petitions for Annexation which in the aggregate cover the entire Property (collectively, the "Annexation Petition");

E. WHEREAS, on September 9, 1997 the Town Council initiated the annexation of the Property to the Town adopting Resolution Nos. 10, 11, and 12;

F. WHEREAS, in connection with the annexation of the Property to the Town on November 10, 1997 by Ordinance No. 30 Series 1997, Imprimis and Albertsons have applied for, or the Town has initiated, various land use and other approvals in connection with development of the Property, including:

(1) approval of the general development plan under the "sketch plan" approval process, which is the first step for the Town's approval of the PUD plan for the Property



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under the Gypsum Municipal Code and its issuance of development permits for the Project; and

(D) approval of this amended and restated Annexation Agreement which amends and restates the Annexation Agreement dated November 10, 1997.

G. WHEREAS, for the reasons recited herein, Imprimis and the Town have determined that the Project is a development for which this Agreement is appropriate;

H. WHEREAS, Imprimis desires to receive the assurance that it may proceed with development of the Property pursuant to the terms and conditions contained in this Agreement;

NOW THEREFORE, in consideration of ten dollars and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE 1.  
ANNEXATION AND ZONING OF THE PROPERTY

Section 1.1 Annexation. Annexation of the Property shall be in accordance with this Agreement and the Colorado Municipal Annexation Act of 1965, as amended (C.R.S. §§ 31-12-101, *et seq.*). Except as otherwise specifically set forth herein, the Property and the annexation shall be subject to all Town ordinances, rules, regulations and policies.

Section 1.2 Zoning. The Town shall within ninety (90) days of the date hereof zone the Property as follows:

a. A PUD District, or combination PUD District and Single-Family Residential District, which allows a total of 470 family residential units, comprised of single-family residences and family residential cluster units, 50 units on the lodge site (three bedroom, three bath with kitchenette), 15 staff housing units, recreational uses including without limitation a private golf course, associated recreation and fitness facilities, recreational trails, and light commercial uses limited to retail and restaurant uses incidental to the Project.

b. The size, shape and location of particular development parcels or areas of the Property shown in the Approved Sketch Plan shall remain subject to change in accordance with the provisions of this Agreement.

c. Until the Town completes zoning of the Property or if the Town does not complete zoning within ninety (90) days of the date hereof, the limitations of the Town's Agricultural zone district shall apply until other zoning is properly applied to the Property, however, the Town may withhold any and all development approvals, including building permits, until zoning has been granted consistent with the application for PUD zoning filed by Imprimis. Imprimis shall have the right to continue to operate

the Property as a ranch with attendant ranching operations after the change in zoning, after obtaining approvals for the Project, and before and during the time work for the Project is performed on the Property.

d. The parties agree that, subject to compliance with the Vested Property Rights Statute, Colo. Rev. Stat. Sections 24-68-101, *et. seq.*, a vested property right shall be established for the Project upon the approval of the preliminary plan for the Project for a term to account for the projected timing of the phasing of the development consistent with the requirements of the Gypsum Municipal Code requiring a submission of each phase on an annual basis unless otherwise agreed by the parties.

## ARTICLE 2. WATER

Section 2.1 Water Dedication. Based on the Approved Sketch Plan and assuming an on-site tertiary wastewater treatment system is used for in-house deliveries as provided herein, the Town has determined the Imprimis water demands under the Gypsum Municipal Code based upon the use of potable water for irrigation purposes for irrigation of no more than 18 percent of each lot up to a maximum cumulative residential lawn irrigation of 70 acres. Therefore, Imprimis's anticipated water right dedication requirement for the Imprimis total development (encompassing Sahwatch Parcels A, B, and C) has been calculated to be 1.8 cfs, based on the provisions of Chapter 13.08 of the Municipal Code. A summary of the determination of water dedication requirement is attached hereto as Exhibit B and incorporated herein. Any demand in excess of that set forth in Exhibit B shall utilize the appropriate portion of the 52.0 acre feet of excess water dedicated to the Town. In the unlikely event that any such demand exceeds the 52.0 acre feet, the Town may require additional water right dedication compliance. To meet the anticipated demand of 1239 EQR, Developer agrees, prior to preliminary plan approval by Gypsum, to transfer and convey to Gypsum by special warranty deed 1.8 cfs of Priority No. 1 of the Stratton and Company ditch, adjudicated on December 17, 1889 with an appropriation date of July 1 1881, free and clear of liens or other encumbrances. The form of deed shall be mutually acceptable to the parties. To the extent the amount of water required by the development of Sahwatch Parcels A, B, and C that is finally approved by the Town in the land use process exceeds the amount to be conveyed hereby, the amount to be conveyed hereunder and under Section 2.3 shall be adjusted to reflect the actual demands of the development as approved. To the extent the amount of water required for dedication is less than the amount to be conveyed hereto, such increment shall be added to the water conveyed to the Town under Section 2.3. Upon the delivery of the deeds described herein, the Town agrees to provide potable water service to the Project.

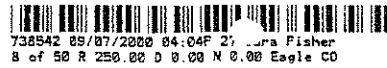
Section 2.2 Storage Capacity Dedication. Imprimis agrees to transfer and convey to the Town the right to store up to 37 acre feet in operational storage facilities located on the Sahwatch Parcels A, B and C or such other offsite locations acceptable to the Town for operation and release; provided, however, that Imprimis shall reserve the right to designate, from time to time, the operational facilities to be used to comply with

this Agreement and that, unless otherwise agreed in advance by Imprimis, no facility shall be drawn down more than two feet by the Town so long as a total of 37 acre feet is consistently available to the Town in the designated facilities no later than April 1 of any year and extending until at least November 30, unless otherwise approved by the Town. In the event the Town requires use of the designated facilities between November 30 and March 31, it will bear any associated and additional costs related to such use. The outlet and conveyance facilities will be mutually designated to permit the administration of releases of water to Gypsum Creek, provided, however, to the extent the Town's releases require particular measuring or recording release devices, the Town shall have the right to construct them at the Town's expense.

Section 2.3 Additional Senior Water Rights Dedication. Upon the closing of the purchase of the Property and in addition to the water rights otherwise being dedicated hereunder, Imprimis also agrees to transfer and convey to the Town by special warranty deed 1.9 cfs of Priority No. 1 of the Stratton and Company Ditch, adjudicated on December 17, 1889 with an appropriation date of July 1, 1881, free and clear of liens or other encumbrances. The parties recognize and agree that such water is representative of the historic irrigation of not less than 97 acres yielding approximately 205 acre feet of water historically consumptively used in an average year; the Town shall have the right to require the cessation of irrigation by such water right of such acreage and the acreage shall be mutually delineated and the legal description shall be provided to the Town by Imprimis. Imprimis shall have the right to irrigate such acreage with other water rights. The form of deed shall be mutually acceptable to the parties. The Town agrees to lease these water rights back to Imprimis for nominal consideration to be used on the Property for irrigation purposes while the Project is under construction and until such water rights are no longer needed on the Property. The lease described herein shall not prevent the Town from including the water right in any water court or administrative proceeding during the term of the lease.

Section 2.4 Transfers of Water Rights. The Town and Imprimis shall cooperate in all matters pertaining to the respective interests in the Stratton and Company Ditch water rights. Imprimis and its successors or assigns shall not object to the Town's transfer or change of the Stratton and Company Ditch water rights for municipal use and change of point of diversion, nor shall the Town object to Imprimis's continued use of its ditch and water rights to irrigate the golf course and other landscaping through a non-potable water system; provided that such uses do not enlarge the historic use of such rights to Imprimis's or the Town's detriment. The Town shall have the right to store a portion of its consumptive use credits in Imprimis's storage facilities as provided in this agreement for later release to Gypsum Creek. To the extent the Town enters into a contract for augmentation water out of Woford Mountain Reservoir, Imprimis, its successors and assigns, shall be responsible for reimbursing the Town's annual cost for that water that is contracted for in connection with the Project.

Section 2.5 Costs to the Town. Notwithstanding the provisions of Chapters 13.08.090 and 13.08.130 of the Municipal Code, Imprimis shall have no obligation to reimburse the Town for costs and expenses incurred by the Town in connection with the



legal and engineering work performed in connection with the handling of the transfer of the water rights for the Town dedicated under Section 2.3. This Section shall not effect any other provision regarding fees as may be set forth in this Agreement. Pursuant to said provisions, Imprimis shall have the obligation to reimburse the Town for costs and expenses incurred by the Town in connection with the legal and engineering work performed in connection with the handling of the transfer of water rights for the Town dedicated under Section 2.1 up to a maximum amount of \$25,000.00.

**Section 2.6 Tap Fees** Imprimis shall comply with all Gypsum Municipal Code provisions relating to the payment of the Town's water tap fee at the time that the individual connection is made, based on the water tap fee charged generally by the Town at the time of final plat approval for that phase.

**Section 2.7 Connection Fees** In accordance with the Gypsum Municipal Code, Imprimis shall pay all costs, materials, labor and fees required to connect water service lines to water main lines, including the Town inspection charges.

**Section 2.8 Service Lines** All service lines and stub-outs shall be installed by Imprimis, at Imprimis's expense. The design, location and specifications of such facilities will be to Town standards and subject to verification by the Town. No reimbursement shall be allowed to Imprimis.

**Section 2.9 On-Site Improvements** All service lines and main lines and necessary improvements and facilities within Sawatch Parcels A, B, and C shall be installed by and at the sole cost of Imprimis, without any reimbursement by the Town, unless otherwise provided herein or in the subdivision improvements agreement to be negotiated by the parties. All such facilities shall be designed and constructed to Town requirements and specifications and in full compliance with the Gypsum Municipal Code. Such plans shall encompass a potable 16" water line from the Town's water treatment plant to a stub-out location at the northern boundary of the Property along Valley Road. Easements, acceptable to the Town, shall be conveyed for all facilities to be dedicated to the Town. Imprimis agrees to construct or provide adequate security for the design and construction of water storage tank or tanks for domestic and fire fighting purposes with a total capacity of no more than one million gallons at a site or sites mutually agreed upon and based on sound engineering practices. In the event the reservoir sites are located on the Property, it is understood that the tanks may be constructed underground depending upon the site and needs of the Project, as determined by Imprimis. The timing of the construction or provision of security shall be when necessary to serve the Property, as determined through the subdivision process, and provided for in the subdivision improvements agreement for the Project. It is anticipated that the Project will require not less than 500,000 gallons of storage. In the event the Town requests additional storage capacity over and above that required for the Project in such tank or tanks for the Town's use outside the Property up to a total tank or combined tank capacity of one million gallons, the Town agrees to reimburse Imprimis the incremental increased costs to construct and install such additional storage capacity. Prior to any reimbursement obligation arising, the facility must be completed and inspected, approved

and transferred to the Town, and invoices for all construction costs and canceled checks showing payment must be submitted to and accepted by the Town within one year of the completion of the facility. Reimbursement shall not exceed the approved construction costs. Reimbursement shall not be required from any water tap fees paid more than fifteen (15) years following the date of this agreement, and shall be limited to an amount equal to twenty-five percent (25%) of the water tap fees to be paid to the Town for each water tap to the Town's water system that benefits from the storage provided hereunder; provided however that such reimbursement shall be offset by any sums expended by the Town to repair or remedy defects in the original construction which arise during the reimbursement period. Such amount of reimbursement may be added to the water tap fees due to the Town as a tap fee surcharge or other appropriate charge as determined by the Town in its discretion. To the extent that such reimbursement may otherwise constitute a multiple fiscal year financial obligation of the Town, it shall be conditioned on annual appropriations by the Town.

Section 2.10 Additional Improvements. Imprimis shall facilitate the construction and installation of the following additional improvements.

a. Water Main From Treatment Plant. In order to provide permanent water supply capacity for Sahwach Parcels A, B, and C, upon the Town's approval for recordation of a final plat for the first phase of residential development, Imprimis shall pay for or provide adequate security for the 16-inch main water line to extend from the existing Mosher Spring water treatment plant to Sahwach Parcel A, B, or C as provided or in Section 2.9. Such security shall be in an amount as may be appropriate as determined by the parties. In addition, at the request of the Town, Imprimis will construct and install the offsite main water line in conjunction with the construction and installation of the 16" water line provided for in Section 2.9 within the Project. The Town agrees to recover the costs of this main water line from third parties who, in the future, will extend the water line north along Valley Road; the Town agrees to reimburse Imprimis that amount of such costs that equals the difference in costs between an eight inch water pipeline and a sixteen inch water pipeline together with five percent of labor costs associated with the installation of the same for that portion of the water line that extends to the primary point of delivery to the Project and the amount of such costs associated with the installation of the remainder of the water line from that point to the north boundary of the Property that equals the proportion that the amount of water conveyed other than that amount in Section 2.1 hereof bears to the total capacity of such section of water line. Prior to any reimbursement obligation arising, the facility must be completed and inspected, approved and transferred to the Town, and invoices for all construction costs and canceled checks showing payment must be submitted to and accepted by the Town within one year of the completion of the facility. Reimbursement shall not exceed the approved construction costs. Reimbursement shall not be required from any tap fees paid more than fifteen (15) years following the date of this agreement, and shall be limited to an amount equal to twenty-five percent (25%) of the tap fee paid to the Town for each unit inside or outside the Project which utilizes the water line; provided however that such reimbursement shall be offset by any sums expended by the Town to repair or remedy defects in the original construction which arise during the

reimbursement period. Such amount of reimbursement may be added to the water tap fees due to the Town as a tap fee surcharge or other appropriate charge as determined by the Town in its discretion. To the extent that such reimbursement may otherwise constitute a multiple fiscal year financial obligation of the Town, it shall be conditioned on annual appropriations by the Town.

b. Gypsum Creek Water Line Connection. The Town has determined that it is in its best interests to construct an intake and water line from Gypsum Creek to the Mosher Spring water treatment plant under the Miller Ditch. The parties anticipate that the water rights dedicated herein can be changed to the headgate of the Miller Ditch without injury to any vested water rights. Upon the approval of such a change or substitute supply plan, Imprimis agrees to participate, as provided in this paragraph, in the payment of the costs associated with the design, construction, and installation of an upgraded diversion structure and water line under the Miller Ditch from Gypsum Creek to the treatment plant. In the event the Town is also required to design, construct, and install a pump station in the Stratton and Company Ditch to lift water from said ditch to the treatment plant, Imprimis will participate accordingly. Imprimis shall pay that amount of such costs that equals the proportion that the amount of water conveyed in Section 2.1 hereof bears to the total capacity of the water line to be built. Imprimis shall provide security, adequate in the discretion of the Town, for its share of such costs prior to the recordation of the final plat for Sawatch Parcels A, B, and C.

Section 2.11 Non-potable Irrigation System. Imprimis shall install, at Imprimis's sole cost and expense, non-potable irrigation systems for the irrigation of the private golf course and all raw water irrigation and outside water use as provided herein, except for fire hydrants, public drinking fountains (where compliance with the Gypsum Municipal Code has been made). Not more than 180 acres of golf and additional landscaping acreage will be irrigated with Priorities No. 1 and 7 of the Stratton and Company Ditch through one or more non-potable irrigation systems for the private golf course, entry landscaping, lodge and restaurant irrigation, maintenance facility irrigation, and other landscaping irrigation. The single family residences shall be restricted to lawn irrigation of not more than 18 percent of each lot up to a maximum cumulative residential lawn irrigation of 70 acres, water for which will be provided by the Town through its municipal system. This restriction shall be set forth as a specific covenant in the declaration of protective covenants enforceable by the Town, the applicable homeowners association, and Imprimis and shall also be deemed a condition of the delivery of water to residences and units. The non-potable irrigation systems may be conveyed to and operated by a special district, which has been approved by the Town, master homeowner's association, the golf course owner, or such other entity as may be appropriate. Imprimis shall convey to the golf owner and homeowner's association or associations sufficient water rights for the irrigation requirements of the non-potable system. It is understood that one entity may own and operate the non-potable irrigation systems described herein. In addition to the use of raw water for irrigation, Imprimis agrees that treated waste water will be used for irrigation of portions of the golf course at such times that it is directed to do so by the Town. Imprimis agrees to limited use only of herbicides or pesticides on the golf courses, provided however that Imprimis may



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use herbicides and pesticides on a limited basis to address specific problems that cannot otherwise be adequately addressed (e.g. snow mold on greens), provided further however that Imprimis shall employ best management practices in connection with their application and with the drainage associated therewith pursuant to a specific Best Management Practices plan to be approved by the Town upon approval of the preliminary plan. At a minimum, such limited use of herbicides and pesticides shall comport with the standards to be described in the Best Management Practices plan to be developed during the preliminary plan process and such use shall cease in the event monitoring identifies, with a reasonable degree of certainty, that such herbicides or pesticides use is contributing to the detection of such contaminants in Gypsum Creek.

Section 2.12 Conveyance to the Town. Except for service lines, improvements related to individual water service, and the non-potable water system, all water lines and related improvements constructed pursuant to this Agreement and a subdivision improvement agreement to be negotiated by the parties shall be conveyed to the Town upon completion of construction, and prior to the Town providing service to any of the lines or improvements. Prior to conveyance, which shall be made free and clear of all liens and encumbrances, Imprimis shall provide reproducible mylar as-built drawings and autocad drawing data on disc to the Town, easements for all water lines and facilities in scope and form reasonably acceptable to the Town, an assignment of all material and labor warranties and certification by a Colorado professional engineer that such facilities have been built in accordance with the Municipal Code and are in proper condition.

Section 2.13 Irrigation Water Rights. Imprimis agrees to maintain or reconstruct, as may be necessary and appropriate, those irrigation ditches that traverse through the Property to insure that they are either lined or, as appropriate, placed totally within a pipeline through the Property in order to continue to deliver the amount of water diverted out of Gypsum Creek to the rightful owners thereof pursuant to their decrees for water rights out of Gypsum Creek. To the extent that the Town does not utilize the Stratton and Company ditch for the conveyance of its rights, it shall not be responsible to Imprimis for ditch losses or maintenance expenses.

ARTICLE 3.  
 GOLF COURSE & RECREATION DEVELOPMENTS

Section 3.1 Golf Course Developments. Upon acquisition of the Property, the Town and Imprimis agree that the following golf course shall be established and maintained by Imprimis and the following golf uses shall be provided as set forth:

- a. Imprimis shall construct and maintain a twenty-seven-hole private golf course on the Property. Imprimis may determine greens fees, cart fees, tee times and other associated golf operational and management issues with respect to such golf course in its sole discretion; provided, however, that Imprimis shall offer to the Town and shall administer the following programs for residents of the Town and the employees of the Town:

i. residents shall have access to the golf course and the privilege of being able to make tee-times in advance and shall be subject to all of the course rules and regulations that apply to all golf course users:

ii. a reduced fee for use of the golf course equal to 70 percent of the lowest applicable published greens fees for unaccompanied guest players (these persons include guests of the golf course management or guests of members who are not playing with a member) for the course.

During the first year of operations of the golf course, the fee for unaccompanied guest players shall be no more than \$75.00 per person.

b. Town residents who live on the Property shall not receive any golf course privileges different from those available to all Town residents and employees of the Town, except to the extent they are members of the Club.

c. Imprimis shall make the golf course available to the Town for the conduct of one special event for each year to raise funds for the Town's recreational programs.

d. During Imprimis special events, the golf course and facilities may be restricted to use by event participants only and the programs enumerated above will not apply unless otherwise provided. Imprimis agrees that the number of closures on an annual basis for such special events that are not open to the public or Town residents or employees of the Town shall not unreasonably interfere with weekend golf opportunities for Town residents and employees of the Town.

e. Imprimis may sell memberships to the golf course at its discretion and may determine greens fees, cart fees, tee times and other associated golf operational and management issues with respect to the private golf course, in its sole discretion. Imprimis agrees that the golf course will be substantially completed within 36 months after first final plat approval.

f. The high school golf team shall be permitted to conduct one half of its home tournament schedule on the golf course free of charge.

g. Imprimis, at its sole risk, may begin preliminary site work on the Property in connection with the golf course, subject to the satisfaction of the following requirements:

i. approval of the "sketch plan" by the Town Council and the satisfaction of any conditions that such approval may be subject to, except those conditions subsequent to be addressed prior to preliminary plan;

ii. submission to the Town a written identification of the area that will be the subject of the preliminary site work and erosion and grading plan;

iii. the provision of a letter of credit to the Town in the amount sufficient to cover the costs of restoring the area identified for preliminary site work.

Once such preliminary site work is commenced, Imprimis shall continue with such work with reasonable diligence, weather and site conditions permitting.

Section 3.2 Recreation Developments. In connection with the development of the Project as approved by the Town, the Town and Imprimis agree that the following recreational uses may be established and maintained by Imprimis:

a. A Nordic Trail System shall be maintained, snow and weather conditions permitting, which will be available for use by Town residents and the nordic ski team and the high school nordic ski team shall be permitted to conduct one half of its home schedule on the golf course free of charge.

b. A ten foot wide bike trail along Valley Road within the Project will be developed and the improvements dedicated to the Town; to the extent the trail is outside of the Valley Road right of way, Imprimis will grant the Town an easement for the trail.

c. Imprimis consents to be included in the Western Eagle County Metropolitan Recreation District and agrees to take such actions necessary to be so included upon the request of said District.

d. Imprimis agrees to pay to the Town a recreational impact fee in accordance with the Town's fee schedule, attached hereto as Exhibit C, in the amount of \$100,000.00, payable in two equal installments of \$50,000.00 each; the first installment being due upon the approval of the first final plat for the project and the second installment being due upon the approval of the second final plat for the project.

e. Imprimis agrees that a transfer fee equal to \$1000.00 shall be collected and paid to the Town at the time of the first sale of each residential unit to a third party; such fee shall be used for recreational purposes by the Town for Town residents.

ARTICLE 4.  
WASTE WATER TREATMENT SERVICE, ROADS, LAND DEDICATION,  
SCHOOL IMPACT FEES & SUBDIVISION

Section 4.1 Waste Water Treatment Service.

a. Imprimis agrees that immediately following annexation, the Town shall have no obligation to provide any sewage collection and treatment service to the Property.

b. Imprimis agrees to build an on-site tertiary standards treatment plant (the "Tertiary Plant") located within the northwest portion of the Property in that certain

three to four acre area designated "U.S." on the Approved Sketch Plan which plant will result in approximately 5% consumption of in-house potable water deliveries. The location of the Tertiary Plant shall not be located on or immediately next to the north boundary of the Property and shall be landscaped with berms and appropriate vegetation to screen it from the property to the north of the Property. The parties agree that the size of such area shall be sufficient for the Tertiary Plant and any reasonable level of expansion and enlargement that the Town may desire to undertake in the future at that site. Any such enlargement shall be consistent with the design of the original facility. It is understood that the overall site may also include the golf maintenance facility, provided that the Tertiary Plant site will be separately created and conveyed to the Town for uses in connection with the Tertiary Plant only. The discharge point from the Tertiary Plant will be located in that certain area designated OS-4 on the Approved Sketch Plan subject to the provisions set forth herein.

i. The location of the discharge point to Gypsum Creek shall be at or above the point historic irrigation return flows from the Stratton and Company ditch accrue to Gypsum Creek, as mutually determined by the water engineers of the parties.

ii. The parties agree to analyze and agree upon the development and utilization of ponds and wetlands to be incorporated in the treatment program for waste water treatment in conjunction with the operation of the Tertiary Plant.

iii. Imprimis agrees that treated waste water shall be used for irrigation of portions of the golf course at such times that it is directed to do so by the Town.

c. Imprimis, at its expense, will design the Tertiary Plant consistent with sound engineering practices and in compliance with all state and Town requirements. All designs, plans, and drawings for the Tertiary Plant shall be subject to the reasonable acceptance and approval of the Town. Imprimis will construct and install the Tertiary Plant at its sole expense.

d. Any and all permits for the construction of the Tertiary Plant will be timely applied for and obtained by the Town or, to the extent appropriate, shall be timely issued by the Town. Imprimis will cooperate fully in such process. All reasonable costs and fees of every kind incurred by the Town in conjunction with the permitting of the Tertiary Plant, certification, operators, and siting will be reimbursed by Imprimis within thirty (30) days of presentment of statements therefor. Such reimbursement shall not be included in the sums that are the subject of the reimbursement cap described in Section 2.5 above.

e. Once fully permitted and designed, Imprimis will construct the plant and all related improvements in accordance with all approvals. Upon completion, Imprimis will have a Colorado certified professional engineer certify that the plant and all related facilities have been constructed in a workmanlike manner and in accordance with

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all approvals, state standards, and where applicable, Town standards. The site shall be dedicated to the Town consistent with the provisions herein and all facilities shall be warranted fully by Developer (including operations, odor control, and discharge quality as designed), guaranteed by security acceptable to the Town, for a period of three years from the date at which effluent is first treated in the facility on a regular basis.

f. Upon completion of construction and installation of the Tertiary Plant, Imprimis shall convey title to the Tertiary Plant by bill of sale to the Town. The Town shall be responsible for the operation, maintenance, repair, and replacement of the Tertiary Plant. The costs of operation, maintenance, repair, and replacement of the Tertiary Plant shall be borne by the Town, subject to the warranty provisions set forth in subsection e and the cost recovery provisions set forth herein. In order to recover such costs of operation, maintenance, repair and replacement, the Town (i) shall charge the customers within the Property fees consistent with the fees charged to all waste water treatment customers in the Town and (ii) may charge any additional amounts to customers within the Property that reflect additional and unique costs incurred in the operation of the Tertiary Plant; provided, however, that such fees and charges shall be set forth in a rate structure established for the Tertiary Plant by the Town's application of reasonably accepted utility rate theory. Reimbursement of Imprimis's costs of constructing the Tertiary Plant shall be paid by the Town as provided herein. Prior to any reimbursement obligation arising, the facility must be completed and inspected, approved and transferred to the Town, and invoices for all construction costs and canceled checks showing payment must be submitted to and accepted by the Town within one year of the completion of the facility. Reimbursement shall be limited to tap fee surcharges paid to the Town by customers who will be served by such plant. Reimbursement shall not exceed the approved construction costs. Reimbursement shall not be required from any tap fees paid more than fifteen (15) years following the date of this agreement, and shall be limited to an amount equal to twenty-five percent (25%) of the tap fees paid for each unit inside or outside the Project which utilizes the Tertiary Plant; provided however such reimbursement shall be offset by any sums expended by the Town to repair or remedy Tertiary Plant defects in the original construction which arise during the reimbursement period. Such amount of reimbursement may be added to the water tap fees due to the Town as a tap fee surcharge or other appropriate charge as determined by the Town in its discretion. To the extent that such reimbursement may otherwise constitute a multiple fiscal year financial obligation of the Town, it shall be conditioned on annual appropriations by the Town. Imprimis shall provide the Town with a written general description of the operations and maintenance needs, requirements, and expenses for the Tertiary Plant.

g. In the event Imprimis constructs and commences operation of the golf course clubhouse in connection with an approved final plat prior to the approval of a final plat for any of the residential units of the Project, Imprimis may temporarily construct and use a septic tank leach field system for waste water treatment for such facility only. At such time that central waste water collection and treatment is available, Imprimis agrees to abandon the septic tank leach field and to connect to the central

system consistent with the requirements of the Gypsum Municipal Code, Public Works Manual, and applicable regulations and standards.

h. In the event the Colorado Water Quality Control Division does not approve the Tertiary Plant or clearly indicates that it will not approve the Tertiary Plant, the Town agrees to provide the Property with waste water treatment at its existing facility. The Town agrees to use its best efforts to obtain any and all necessary rights of way for a sewer line alignment from the Property to the Town's existing collection system and to expand and improve, if necessary, the Town's waste water treatment plant to service the Property, both in a timely manner to service the Project upon its approval. Imprimis agrees to pay the costs of the installation of such sewer line. The Town agrees to recover the costs of this sewer line from third parties who, in the future, will use the sewer line; the Town agrees to reimburse Imprimis that amount of such costs that equals the proportion that the amount of waste water from the Project bears to the total capacity of the sewer line to be built hereunder. Prior to any reimbursement obligation arising, the facility must be completed and inspected, approved and transferred to the Town, and invoices for all construction costs and canceled checks showing payment must be submitted to and accepted by the Town within one year of the completion of the facility. Reimbursement shall not exceed the approved construction costs. Reimbursement shall not be required from any tap fees paid more than fifteen (15) years following the date of this agreement, and shall be limited to an amount equal to twenty-five percent (25%) of the tap fee paid to the Town for each unit inside or outside the Project which utilizes the sewer line; provided however that such reimbursement shall be offset by any sums expended by the Town to repair or remedy defects in the original construction which arise during the reimbursement period. Such amount of reimbursement may be added to the water tap fees due to the Town as a tap fee surcharge or other appropriate charge as determined by the Town in its discretion. To the extent that such reimbursement may otherwise constitute a multiple fiscal year financial obligation of the Town, it shall be conditioned on annual appropriations by the Town.

#### Section 4.2 Roads.

a. In order to mitigate any impacts on Valley Road that may result from the development of the Property as provided herein, Imprimis shall make the following improvements to Valley Road at its expense subject to the approval of Eagle County, if applicable: (i) construction or reconstruction of the road, as determined to be appropriate by the engineers of the Town and Imprimis, to be 24 feet in width between the south boundary of Cotton Ranch and Dagget Lane with 4 feet wide shoulders; (ii) construction or reconstruction of the road, as determined to be appropriate by the engineers of the Town and Imprimis, to be a 24 feet wide platform between Dagget Lane and the north boundary of the Property with shoulders as may fit within the physical and legal constraints of the alignment of the road; (iii) construction or reconstruction of the road, as determined to be appropriate by the engineers of the Town and Imprimis, 24 feet in width along with 4 feet shoulders along the Property's frontage with Valley Road; and (iv) if determined to be necessary during the land use process, Imprimis shall provide left

turn lanes at the entries to the Property. The improvements to Valley Road shall be made after the construction of the first phase of infrastructure improvements on the Property with the specific timing to be set forth in the subdivision improvements agreement to be entered into by the parties.

b. In order to further mitigate any impacts on the Town's roads that may result from the development of the Property as provided herein, Imprimis shall participate in funding the installation of a traffic signal at Valley Road and Highway 6 or in such other traffic mitigation improvement determined and installed by the Town and the Colorado Department of Highways.

i. With respect to the traffic signal, Imprimis's funding obligation shall be based upon its proportionate share of the cost to be paid by all parties (if there are any others) who are participating in the funding thereof based on such parties' respective shares of the traffic generated that results in the need for such signal or other improvement. It is understood that the Town shall have no obligation to make any contribution to such a signal and that Imprimis may have to pay all of the costs of such a signal if there are no other participants. At the request of the Town, Imprimis shall construct and install the traffic signal or shall pay for the traffic signal at the time it is required by the Colorado Department of Highways.

ii. In the event a traffic mitigation improvement other than a traffic signal is determined to be installed, Imprimis's maximum financial contribution to the Town for such improvement shall not exceed \$91,000, which amount represents the estimated cost of a traffic signal. The payment shall be made at the time of the installation of the traffic mitigation improvement.

iii. To the extent the Town recovers costs associated with the traffic signal or the traffic mitigation improvements, Imprimis shall be reimbursed accordingly based upon its level of financial contribution and proportion of traffic generated. Prior to any reimbursement obligation arising, the facility must be completed and inspected, approved and transferred to the Town, and invoices for all construction costs and canceled checks showing payment must be submitted to and accepted by the Town within one year of the completion of the facility. Reimbursement shall not exceed the approved construction costs. Reimbursement shall not be required from any other party more than fifteen (15) years following the date of this agreement, and may be limited to fifty percent (50%) of transportation impact fees paid to the Town from parties generating traffic resulting in the signal or other improvement, provided however that such reimbursement with respect to the traffic signal installed by Imprimis shall be offset by any sums expended by the Town to repair or remedy traffic signal defects in the original installation which arise during the reimbursement period. To the extent that such reimbursement may otherwise constitute a multiple fiscal year financial obligation of the Town, it shall be conditioned on annual appropriations by the Town.

iv. Imprimis agrees that the residential units may be subject to a transportation impact fee that the Town may adopt for the entire Town in an amount

equal to a one time \$1,000 payment per residential unit payable on the issuance of a building permit for the unit. The parties agree that Imprimis shall be credited an amount equal to the cost of all off-site road and transportation improvements made and the amounts otherwise paid to the Town for off-site transportation purposes in accordance with the provisions hereof. Such credit shall be applied against all transportation impact fees as they become due and payable to the Town from the residential units on the Property. Once the total amount of credit has been applied to such fees, all future transportation impact fees will be paid to the Town upon the issuance of building permits for the remaining residential units on the Property.

c. Imprimis consents to the inclusion of the Property within a special improvement district for the purpose of funding future road improvements to Valley Road and immediately surrounding roads if and when one is formed and Imprimis shall be credited in the initial assessment determination for the amounts expended in making the above stated improvements. This consent shall be preserved on the final plat or plats for the Property and in such other documentation as may be necessary and appropriate.

d. The Town agrees to impose the requirements set forth in provisions (b) and (c) hereof on such other parties in the future that will have an impact on such roads when it has the opportunity to legally do so.

e. The Town shall have no obligation to maintain any roads or public access on the Property except for Valley Road. With the exception of Valley Road, Imprimis agrees that it shall provide road maintenance on the Property if, as and when Imprimis, at Imprimis's cost and expense, shall have located and constructed roads or other access in accordance with such regulations as the Town may from time to time adopt in a manner and place acceptable to the Town. These internal roads will be constructed pursuant to the Approved Sketch Plan, but will not be dedicated, owned or maintained by the Town. The roads may be owned either by the homeowners association or a special district.

f. The Cotton Ranch Subdivision Development Agreement dated March 4, 1995, provides at Section 12.1. for payment to Cotton Ranch LLC of fifty percent (50%) of transportation impact fees as reimbursement for road improvements related to the Valley Road and Highway 6 intersection, Valley Road widening, and Valley Road pedestrian and bicycle path. During the preliminary plan approval process, the Town shall quantify the transportation impact fees due from Imprimis for these facilities based on the proportional amount of traffic generated from Imprimis at full development for such road sections.

Section 4.3 Land Dedication.

a. Imprimis agrees to dedicate all of the open space designated OS-4 on the Approved Sketch Plan on the west side of Gypsum Creek corridor to the Town to be preserved for wildlife and wildlife habitat purposes only. Such dedication of open space shall be subject to deed restrictions which will provide that there will be no



hunting on the dedicated property, no vehicle access to or through the dedicated property, no establishment of hiking, biking, horse or other trails (except a fisherman's trail along Gypsum Creek as may be established by use only), no buildings, structures or improvements located on the dedicated property, and no formal development of the dedicated property whatsoever.

b. Imprimis agrees to dedicate all of the open space designated OS-1 in the Gypsum Creek corridor on the a Approved Sketch Plan (from the base of the bluff on the east side of the corridor to the base of the bluff on the west side of the bluff as shown on the Approved Sketch Plan) to the Town, or, in the Town's discretion and at the Town's direction to the 501(c)(3) conservation oriented organization provided for in subsection (a), to be preserved for conservation, open space, wildlife, fishery purposes, and wildlife habitat. Such dedication of open space shall be subject to deed restrictions which will provide that there will be no hunting on the dedicated property, no vehicle access to or through the dedicated property, no establishment of hiking, biking, horse or other trails (except a fisherman's trail along Gypsum Creek as may be established by use only and an unimproved trail to access Gypsum Creek as provided herein), no buildings, structures or improvements located on the dedicated property, and no formal development of the dedicated property whatsoever with the exception of those facilities that are appropriate and necessary in connection with the construction, operation, maintenance, repair, and replacement of the distribution and discharge facilities associated with the Tertiary Plant (including without limitation the development and maintenance of a wetlands area as part of the operation of the Tertiary Plant) and facilities associated with the return of irrigation water or the release of storage water from the Project. Access shall be permitted for fishing and streamside use of Gypsum Creek only along the Gypsum Creek corridor from upstream or downstream along Gypsum Creek. Imprimis shall also provide an unimproved public access to the Gypsum Creek corridor from the Project. The nature and extent of these rights of access shall be consistent with the use and purpose of the land being dedicated. This land dedication shall satisfy the requirements of the Town as set forth in the Municipal Code. The deed provided for herein shall also provide that the restrictions pertaining to the prohibition of the establishment of hiking, biking, horse, or other trails may be reassessed and amended after ten years and each ten years thereafter in order to insure that the purposes of such restrictions for the Gypsum Creek corridor remain valid. To the extent such restrictions no longer serve the original purposes as set forth herein due to changed conditions, the restrictions may be amended, changed, or eliminated to accommodate the changed conditions upon the approval of the Colorado Department of Wildlife.

c. In order to preserve wildlife, foster a usable habitat and to preserve the environmental integrity and natural habitat and fishery of the Gypsum Creek, seasonal closures of the Gypsum Creek corridor through the Property may be imposed by the Town from December 1 through May 15 or during such other period that the Colorado Department of Wildlife deems appropriate. In addition, the Town may restrict fishing in Gypsum Creek in this corridor to catch and release and fishermen shall be restricted to using one barbless hook. Such closures and restrictions shall be imposed consistent with the requirements of the wildlife management plan provided for herein.

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d Both open space parcels shall be further subject to management for wildlife and fishery preservation purposes consistent with a wildlife management plan to be developed with the Colorado Department of Wildlife at the time of preliminary plan approval. The Town agrees to manage the Gypsum Creek corridor within the Property consistent with the provisions of the deed referred to in Section 4.3.b., this Agreement, and such wildlife management plan.

Section 4.4 Access to Hardscrabble Creek Public Land. Imprimis agrees to provide an unimproved foot trail for non-motorized public access to the BLM land east of the Property in the Hardscrabble Creek along the north boundary of the Property from Valley Road. Imprimis further agrees to provide up to five spaces for parking proximate to the trailhead for such access, which spaces may be incorporated into parking for other facilities.

Section 4.5 Open Space Ownership. All open space within the Project that is not dedicated as provided herein shall be owned by the master homeowner's association, a special district, the owner of the golf course or courses, individual lot owners, or Imprimis or a combination thereof depending upon the specific parcels involved.

Section 4.6 School Impact Fees. Imprimis agrees to pay the applicable Eagle Valley School District school impact fees upon approval of the final plat for each phase of the Project.

Section 4.7 Subdivision. Prior to the Town considering and approving final subdivision and building plans for the Property, Imprimis shall meet all then current regulations of the Town, submit all required plans and information, and pay all standard fees, unless otherwise agreed to by the Town in the subdivision improvements agreement or its approvals to be granted as a result of the land use process. Imprimis has reviewed all applicable zoning, subdivision, building and other development regulations and requirements of the Town currently in effect.

Section 4.8 Fire District Facility. Imprimis agrees to construct a two-bay satellite facility for use by the Gypsum Fire District on the Property for a minimum of 40 years, the location, timing, and design of which shall be determined through the land use approval process, subject to the reasonable approval of Imprimis. Such long-term use may be evidenced by a long-term lease for nominal consideration or a conveyance as determined by Imprimis in its sole discretion based upon whether the facility containing the two bays is a part of a larger facility with multiple uses.

Section 4.9 Hardscrabble Gulch. Imprimis consents to the inclusion of portions of the Property within a special improvement district for the purpose of funding future improvements to Hardscrabble Gulch to address drainage and debris flow issues, provided that this consent only extends to those portions of the Property that would in fact benefit from such improvements, which portions shall be identified during the preliminary plan process. This consent shall be preserved on the final plat or plats for the Property and in such other documentation as may be necessary and appropriate.

ARTICLE 5.  
GENERAL DEVELOPMENT OF THE PROPERTY

Section 5.1 Development and Control of Development. Imprimis has the right to develop the Project on the Property subject to the terms and conditions of this Agreement, the Approved Sketch Plan, and the completion of the land use process consistent with the provisions of the Gypsum Municipal Code. Except as otherwise provided herein, Imprimis shall have no liability to the Town or any other party for its failure to develop all or any part of the Property.

Section 5.2 Densities. This Agreement and the Approved Sketch Plan set forth the number of dwelling units which the Town agrees are appropriate for development on the Property subject to the completion of the land use approval process under the Gypsum Municipal Code. The location of such units, the sizes of the various building envelopes, and other pertinent land use requirements shall be determined in the land use approval process as required by the Gypsum Municipal Code, subject to the requirements and provisions of the Approved Sketch Plan for the Property to the extent such requirements and provisions differ from those in the Gypsum Municipal Code..

Section 5.3 Rules, Regulations and Official Policies.

a. Fees, Conditions and Dedications. Imprimis shall make only those dedications and pay only those fees expressly prescribed in this Agreement and the Approved Sketch Plan, including without limitation the reimbursement of the Town's expenses paid to third parties incurred in connection with the review of the annexation proposal prior to preliminary plan submittal and those expenses incurred in connection with the Town's review of the zoning and subdivision application filed by Imprimis, subject to the following terms and conditions:

i. Police Power; Taxing Power. The Town shall not impose or enact any additional conditions, exactions, dedications, fees or regulations through the exercise of either the police power or the taxing power related solely to the development of the Project or the Property. Nothing in this Agreement shall prohibit the Town from exercising its taxing power, provided there is no new fee or tax or dedication imposed as a condition of development.

ARTICLE 6.  
COOPERATION & IMPLEMENTATION

Section 6.1 Statement of Intent. It is the express intent of Imprimis and the Town to cooperate and diligently work to implement any development, zoning, final development plan and/or other land use, building permits or approvals which are necessary or desirable in connection with the development of the Property in substantial conformance with the Approved Sketch Plan as such may be amended from time to time pursuant to the terms of this Agreement.

Section 6.2 Processing. If necessary or required, upon satisfactory completion by Imprimis of all required preliminary actions and payments of appropriate processing fees, if any, the Town shall proceed to complete all steps required or necessary for the implementation of this Agreement and the development by Imprimis of the Property in accordance with this Agreement, the Approved Sketch Plan and the applicable provisions of the Gypsum Municipal Code, including, but not limited to, the following:

a. Scheduling, convening and concluding all required public hearings in a manner consistent with applicable laws and regulations in force as of the date hereof.

b. Processing and approval in an expeditious manner, of all plats, plans, grading permits, land use permits, building plans and specifications and other plans relating to the development of the Property, filed by Imprimis, including, but not limited to, all zoning, final development permits, tentative maps, parcel maps, final maps, resubdivisions, amendments to maps, subdivision improvement agreements, lot line adjustments, encroachments, grading and building permits and related matters as necessary for the completion of the development of all lots and parcels comprising the Property.

Section 6.3 Other Governmental Permits. The Town shall cooperate with Imprimis in its efforts to obtain such other permits and approvals as may be required by other governmental or quasi-governmental agencies having jurisdiction over the Property in connection with the development of, or provision of services to, the Property, and shall from time to time at the request of Imprimis, attempt with due diligence and in good faith to enter into binding agreements with any such entity necessary to assure the availability of such permits and approvals or services, provided such agreements are reasonable and not detrimental to the Town. The Town shall be responsible for the processing of the necessary applications for permits for design and timing of the Tertiary Plant and all other offsite improvements provided for herein (including without limitation Section 1041 approvals) with the State and Eagle County. The Town shall be responsible for coordinating with Eagle County regarding all matters relating to Valley Road. Imprimis shall reimburse the Town the costs and expenses incurred in obtaining any such permits and approvals.

Section 6.4 Cooperation in the Event of Legal Challenge. In the event of any legal or equitable act, action or other proceeding instituted by a third party, other governmental entity or official challenging the validity of any provision of this Agreement, the parties hereby agree to cooperate in defending said action or proceeding. In the event the Town and Imprimis are unable to select mutually agreeable legal counsel to defend such action or proceeding, each party may select its own legal counsel. This Agreement shall not be interpreted to create any third-party beneficiaries or any rights to enforcement by any person not a party hereto.

ARTICLE 7.  
MISCELLANEOUS

Section 7.1 Real Estate Transfer Taxes. The sale and transfer of the Property shall be subject to Town's Real Estate Transfer Tax as provided for in Chapter 3.12 of the Gypsum Municipal Code. The Town recently adopted a policy to use transfer taxes received for the acquisition of open space and the Town agrees that, to the extent possible, such funds shall be used in furtherance of such policy. If payment of the transfer taxes or fees in lieu thereof would cause the Town to exceed its fiscal year spending and revenue limits pursuant to Article X, Section 20 of the Colorado Constitution, payment shall be phased as determined by the Town.

Section 7.2 Covenants. The provisions of this Agreement shall constitute covenants and servitudes which shall touch, attach to and run with the land comprising the Property and the burdens and benefits hereof shall bind and inure to the benefit of all estates and interests in the Property and all successors in interest to the parties hereto. Upon the closing of the real estate purchase contract between Imprimis and the Albertsons or upon the approval of a preliminary plan for the Property, whichever occurs first, Imprimis, or successor in interest or party to this Agreement at the time, agrees to execute and record that certain avigation easement in the form attached hereto and incorporated herein as Exhibit D.

Section 7.3 Contractual Obligations. The Town and Imprimis agree and desire that the agreements contained herein regarding the payment of fees, dedication of lands and water rights, and conditions for subdivision and building approvals, including the incorporation of provisions of the Municipal Code, are imposed by contract as a condition of the Town annexing the Property, independent of the continued validity or invalidity of any of the provisions of the Municipal Code, and subdivision, zoning and building regulations. The agreements regarding fees and dedications will further the goal of the existing land use regulations of the Town, and are reasonable and binding commitments on the part of Imprimis in recognition of reasonable estimates of the extent and timing of impacts which are expected to occur from the development of the Property. It is understood that the Albertsons have executed this Agreement as an accommodation to the other parties and shall have no contractual obligations under this provision.

Section 7.4 Term. The term of this Agreement shall commence upon the date hereof and shall extend until all of the commitments hereunder are satisfied.

Section 7.5 Amendment of Agreement. Except as otherwise provided herein, this Agreement may be amended from time to time by mutual consent of the original parties or their successors in interest in writing. Neither any amendment of the Approved Sketch Plan nor any subdivision or resubdivision of the Property (or any part thereof) shall require an amendment to this Agreement. Any amendment to this Agreement which does not relate to: (a) the term, (b) changes in permitted uses of the Property, (c) increases or decreases in permitted density, (d) provisions for reservation

and dedication of land, (e) additions to Imprimis's road improvement obligations or golf course resident programs, (f) provisions relating to water or the Tertiary Plant, or (g) waiver of material conditions, terms, restrictions and requirements relating to subsequent discretionary actions, shall not require notice or public hearing before the parties may execute an amendment hereto.

Section 7.6 Remedies. If the Town breaches the requirements of this Agreement, including without limitation the failure to approve the zoning or subdivision of the Property as contemplated herein or to provide the water service and waste water treatment service provided for herein, the Town shall, upon application by Imprimis, adopt an ordinance disconnecting the Property from the Town boundary and reconvey the water rights transferred pursuant to Sections 2.1 and 2.3. Upon breach of Imprimis, the Town shall have the right to refuse to issue, for any phase of development, building permits, certificates of occupancy, or water and sewer taps, or approve any subdivision plan or final plat within the Property. The Town further agrees to de-annex the Property if the sale transaction between the Albertsons and Imprimis is not closed in accordance with the contract terms between the parties, upon receipt of a written request from the Albertsons. Upon the closing of the real estate purchase contract between Imprimis and the Albertsons or upon the approval of a preliminary plan for the Property and thereafter, any amounts due and owing to the Town under this Agreement which are not paid in a timely manner may be certified to the Eagle County Treasurer for collection with taxes, after notice and hearing as provided by law.

Section 7.7 No Joint Venture or Partnership. The Town and Imprimis hereby renounce the existence of any form of joint venture or partnership between them and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making the Town and Imprimis joint venturers or partners.

Section 7.8 Notices. Any notice or communication required hereunder between the Town and Imprimis must be in writing, and may be given either personally or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same shall be deemed to have been given and received on the first to occur of (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered, a notice shall be deemed to have been given when delivered to the party to whom it is addressed. Any party hereto may at any time, by giving written notice to the other party hereto as provided herein, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the parties at their addresses set forth below:

If to the Town:	Town of Gypsum Gypsum Town Hall P.O. Box 130 Gypsum, CO 81637 Attention: Town Manager
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with a copy to: Town of Gypsum  
Gypsum Town Hall  
P O Box 139  
Gypsum, CO 81637  
Attention: Town Attorney

Robert G. Cole, Esq.  
Collins and Cockrel, P C.  
390 Union Boulevard, Suite 400  
Denver, CO 80228

If to Imprimis: Imprimis, LLC  
c/o Benjamin & Associates, P. C.  
7315 East Orchard Road, Suite E400  
Greenwood Village, CO 80111  
Attention: Russ Hatle

with a copy to: Holland & Hart LLP  
600 Main Street  
Aspen, CO 81611  
Attention: Arthur B. Ferguson, Jr.

and a copy to: Benjamin & Associates, P. C.  
7315 East Orchard Road, Suite E400  
Greenwood Village, CO 80111

If to Albertsons: Charles P. Albertson  
P.O. Box 184  
Gypsum, CO 81637

Section 7.9 Assignment. This Agreement shall be binding upon and inure to the benefit of the successors in interest or the legal representatives of the parties hereto. Imprimis shall have the right to assign or transfer all or any portion of its interests, rights or obligations under this Agreement to third parties acquiring an interest or estate in the Property, including but not limited to purchasers or long-term ground lessees of individual lots, parcels, or of any improvements now or hereafter located within the Property. The express assumption of any of Imprimis's obligations under this Agreement by its assignee or transferee shall thereby relieve Imprimis of any further obligations under this Agreement with respect to the matter so assumed. Upon the closing of the real estate purchase contract between Imprimis and the Albertsons, the Albertsons shall be considered deleted from this Agreement and relieved from any future proceedings pursuant to this Agreement and will otherwise have no obligations, duties, or responsibilities thereafter; it is understood that the Albertsons are participating only as

an accommodation to the parties of this Agreement as the present owners of the Property

Section 7.10 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Colorado

Section 7.11 Enforcement. Unless this Agreement is amended or terminated pursuant to the provisions of this Agreement, this Agreement shall be enforceable by any party hereto notwithstanding any change hereafter enacted or adopted in any applicable zoning ordinance, subdivision ordinance or any other land use ordinances or building ordinances, resolutions or other rules, regulations or policies adopted by the Town which changes, alters or amends the rules, regulations and policies applicable to the development of the Property at the time of the approval of this Agreement. This Agreement shall not prevent the Town in subsequent actions applicable to the Property from applying new rules, regulations and policies which do not directly or indirectly conflict with those rules, regulations, and policies applicable to the Property as set forth herein.

Section 7.12 Severability. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect so long as enforcement of the remaining provisions would not be inequitable to the party against whom they are being enforced under the facts and circumstances then pertaining. The provisions of this Section shall not apply to the provisions of Sections 7.5, 7.6, or 7.9 as they relate to the rights and obligations of the Albertsons and if any such provision is held to be invalid, void or unenforceable, this Agreement shall be null and void and of no further force or effect as to such rights and obligations.

Section 7.13 Waiver of Breach. The waiver by any party to this Agreement of a breach of any term or provision of this Agreement shall not operate or be construed as a waiver of any other term or provision or of any subsequent breach by any party.

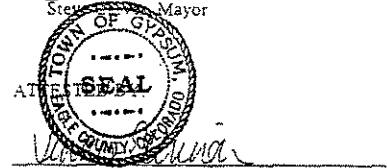
Section 7.14 Entire Agreement. This Agreement represents the entire agreement between the parties and supersedes any oral or collateral agreements or understandings, including but not limited to the Pre-Annexation Agreement, between the parties

Section 7.15 Counterparts; Facsimile. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Agreement may be executed by facsimile.

IN WITNESS WHEREOF, the Town and Imprimis have executed this Agreement effective as of the March 14, 2000.

TOWN OF GYPSUM

By: [Signature]  
Steve [Signature] Mayor



Jenny Ellringer, Town Clerk

APPROVED, as to legal form by:

[Signature]  
Robert Cole, Town Attorney

IMPRIMIS, LLC

By: [Signature]  
Russ Hatle, Manager

[Signature]  
Charles Alberson

[Signature]  
Berry Lou Alberson

[Signature]  
Sumner H. Schlegel *attorney in fact*

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*Return to Karen Schlegel by 5/11/11*  
Karen Kaye Schlegel

*[Signature]*  
James H. Toomer

*[Signature]*  
Kathy Toomer

A & T PARTNERSHIP

By: *[Signature]*

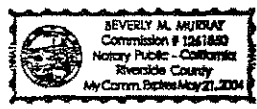
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**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California }  
County of Riverside } ss.

On August 22, 2000, before me, BEVERLY M. MURRAY Notary Public  
Date Name and Title of Officer, e.g., Jane Doe, Notary Public

personally appeared Russ E. HATLE  
Name(s) of Signer(s)  
 personally known to me  
 proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/hers/their authorized capacity(ies), and that by his/hers/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.  
Beverly M. Murray  
Signature of Notary Public

Place Here to See Above

**OPTIONAL**

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document Signature page #22 to  
Title or Type of Document: Settlement Award with Partial Annuitation  
Agreement

Document Date: March 14, 2000 Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: all other signers to  
same case

Capacity(ies) Claimed by Signer  
Signer's Name: Russ E. HATLE  
 Individual  
 Corporate Officer -- Title(s): \_\_\_\_\_  
 Partner --  Limited  General  
 Attorney in Fact  
 Trustee  
 Guardian or Conservator  
 Other: Partner

**RIGHT THUMBPRINT CAPTION AREA**  
Top of thumb here  
N/A

Signer Is Representing: Impressio, LLC a Colorado  
limited liability company

EXHIBIT "A"

Property Owners:

A & T Partnership, Charles P. Albertson and Betty Lou Albertson, James H. Toomer and Kathy Toomer, and Sumner Schlegel and Karen Schlegel.



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ExhA/gypsum6bmm

EXHIBIT "B"

LEGAL DESCRIPTION

PARCELS A:

All of tracts numbered 105, 106 and 107 in Township 5 South, Range 85 West of the 6th Principal Meridian, according to the Independent Resurvey of said Township and Range accepted June 6, 1923, said lands being originally described as the E 1/2 SE 1/4, the E 1/2 NE 1/4, the NW 1/4 SE 1/4, the N 1/2 NE 1/4, the NE 1/4 NW 1/4, the N 1/2 NW 1/4 (including the Lots numbered 1 and 2), the SE 1/4 NW 1/4, and the NE 1/4 SW 1/4 of Section 30, Township 5 South, Range 85 West of the 6th P.M.

Also those portions of Tracts numbered 103 and 104 in Township 5 South, Range 85 West of the 6th P.M., according to the Independent Resurvey of said Township and Range accepted June 6, 1923 (said tracts being originally described as the N 1/2 SW 1/4, the N 1/2 NW 1/4, the S 1/2 SW 1/4 and the N 1/2 SE 1/4 of Section 29, Township 5 South, Range 85 West of the 6th P.M.) lying West of the West right of way boundary of the present County road as said road is described in that certain right of way deed from John S. Fry and Charles H. Doll to the County of Eagle and State of Colorado, dated June 27, A.D. 1939, and recorded in Book 115 at Page 558 of the records in the office of the Clerk and Recorder of Eagle County, Colorado.

Moreover, however, that part of the NW 1/4 NW 1/4 of Section 29, of Township 5 South, Range 85 West of the 6th P.M., as originally located and becoming a part of what is now known as Tract 103, according to the Independent Resurvey of said Township and Range as accepted June 6, 1923 by the General Land Office, as is more particularly described in that Warranty Deed from Samuel Doll to Helen Harris Doll, dated October 4, 1927, and recorded in the records of the Clerk and Recorder of Eagle County, Colorado in Book 102 at Page 512 thereof.

Also EXCEPTING that part of Tract 103 in Section 29, Township 5 South, Range 85 West of the 6th P.M., according to the Independent Resurvey of said Township and Range as accepted on June 6, 1923, by the General Land Office, and more particularly described as follows, to-wit:

- Beginning at the SE corner of a Ten Acre Tract, being a point whence the true position of Corner No. 1 of said tract 103 bears North 0°29' East 341.7 Feet
- thence South 88°20' West 604.3 Feet along the southerly line of a Ten Acres Tract;
- thence South 21°41' West 113 Feet;
- thence South 13°06' West 277.5 Feet;
- thence South 4°11' East 94.4 Feet;
- thence South 22°49' West 288.1 Feet;
- thence South 29° 21' West 121.6 Feet;
- thence South 10° 39' West 101.3 Feet;
- thence South 34°36' West 438 Feet;
- thence South 78°23' East 1041.3 Feet;
- thence South 71°56' East 132 Feet to the East boundary of said Tract.

Continued on next page



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103 between corners numbered 1 and 6 of said Tract 103;  
Thence North 0° 19' East 603.03 feet to the true position of Corner  
No. 2 of Tract 102, identical with Corner No. 3 of Tract 101;  
Thence North 0° 19' East 996.78 feet along the East line of said Tract  
103 to the Point of Beginning;  
Excepting, however, a 20 foot strip of land lying West of and adjacent  
to the East line of said Tract 103, said strip being part of the present County  
Road.

PARCEL 3:

That part of Tract 105 in Section 25, Township 5 South, Range 85 West of  
the 6th Principal Meridian, according to the Independent Survey of said  
Township and Range as accepted on June 6, 1923 by the General Land Office, and  
more particularly described as follows, to-wit:

Beginning at the Southeast corner of a Ten Acre Tract, being  
a point whence the true position of Corner No. 1 of said Tract 103 bears North  
0° 28' East 741.7 feet;  
Thence South 88° 30' West 604.3 feet along the southerly line  
of a 10 Acre Tract;  
Thence South 21° 42' West 113 feet;  
Thence South 11° 56' West 777.5 feet;  
Thence South 41° 1' East 94.4 feet;  
Thence South 2° 45' West 258.1 feet;  
Thence South 29° 11' West 142.6 feet;  
Thence South 10° 18' West 103.3 feet;  
Thence South 34° 32' West 438.9 feet;  
Thence South 78° 22' East 1042.3 feet;  
Thence South 7° 55' East 112 feet to the east boundary of said Tract  
103 between corners numbered 1 and 6 of said Tract 103;  
Thence North 0° 19' East 603.03 feet to the true position of Corner No. 2  
of Tract 102, identical with Corner No. 3 of Tract 101;  
Thence North 0° 28' East 996.78 feet along the east line of said Tract  
103 to the Point of Beginning;  
Excepting, however, a 20 foot strip of land lying West of and  
adjacent to the East line of said Tract 103, said strip being part of the  
present county road;

PARCEL 4:

Those portions of Tracts numbered 103 and 104 in Township 5 South,  
Range 85 West of the 6th Principal Meridian, Colorado, according to the  
Independent Survey of said Township and Range, accepted June 6, 1923 (said  
Tracts being originally described as N 1/2 SW 2/4, the N 1/2 NW 1/4, the SW 1/2 SW  
1/4, and the N 1/2 SE 1/4 of Section 25 in Township 5 South, Range 85 West of  
the 6th P. M.), lying east of the East Right-of-Way boundary of the present  
County Road, as said road is described in that certain Right-of-Way Deed from  
Continued on next page



John S. Fry and Charles H. Dell to the County of Eagle and State of Colorado, dated June 22, A. D. 1929, and recorded in Book 116 at Page 586 of the Records in the Office of the County Clerk and Recorder of the County of Eagle in the State of Colorado;

and also, all of Tract numbered 101 in Township 5 South, Range 85 West of the 6th Principal Meridian, Colorado, according to the Independent Resurvey of said Township and Range, accepted June 6, 1923 (said lands being originally described as the SE 1/4 NW 1/4, the S 1/2 NE 1/4, and the NE 1/4 SE 1/4 of Section 29, Township 5 South, Range 85 West of the 6th P.M., Colorado); and also that part of Tract 101 in Section 29, Township 5 South, Range 85 West of the 6th Principal Meridian, according to the Independent Resurvey of said Township and Range as accepted on June 6, 1923 by the General Land Office, and more particularly described as follows to-wit:

Beginning at the Southeast corner of a Ten Acre Tract, being a point whence the True Position of Corner No. 1 of said Tract 103 bears North 0°28' East 341.7 feet;

thence South 88°10' West 604.3 feet along the Southerly line of a 10 Acre Tract;

thence South 11°42' West 113 feet;

thence South 11°06' West 777.5 feet;

thence South 81°1' East 84.4 feet;

thence South 11°49' West 396.1 feet;

thence South 29°11' West 111.5 feet;

thence South 19°18' West 103.3 feet;

thence South 34°16' West 438 feet;

thence South 78°22' East 1021.3 feet;

thence South 71°58' East 122 feet to the East boundary of said Tract

103 between Corners numbered 3 and 6 of said Tract 103;

thence North 0°19' East 803.5 feet to the True Position of Corner No. 1

of Tract 102, identical with Corner No. 3 of Tract 101;

thence North 0°28' East 896.78 feet along the East line of said Tract

103 to the Point of Beginning;

thence North 0°28' East 20 feet to the Point of Beginning;

thence North 0°28' East 20 feet to the Point of Beginning;

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thence North 0°28' East 20 feet to the Point of Beginning;

thence North 0°28' East 20 feet to the Point of Beginning;

A Parcel of land located in Tract 102, Sections 28 and 29, Township 5 South, Range 85 West of the 6th Principal Meridian, containing as follows:  
Beginning at a brass cap found at Angle Point 1 of said Tract 102;  
thence S 89°59'23" W 120.92 feet along the Northernly line of said Tract 102 to a brass cap found at Angle Point 4 of said Township and Range;  
thence S 88°11'00" W 1868.11 feet along the Northernly line of said Tract 102;  
thence S 89°59'23" W 120.92 feet along the Northernly line of said Tract 102 to a brass cap found at Angle Point 1 of said Township and Range;  
thence N 00°05'53" W 580.10 feet along said Easternly line to the Point of Beginning.

PARCEL D:

Containing 5 South, Range 85 West of the 6th Principal Meridian

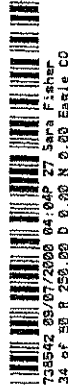
A Parcel of land located in Tract 102, Sections 28 and 29, more particularly described as follows:

Beginning at a brass cap found at Angle Point 1 of said Tract 102;  
thence S 89°59'23" W 120.92 feet along the Northernly line of said Tract 102 to a brass cap found at Angle Point 4 of said Township and Range;  
thence S 88°11'00" W 1868.11 feet along the Northernly line of said Tract 102;  
thence S 89°59'23" W 120.92 feet along the Northernly line of said Tract 102 to a brass cap found at Angle Point 1 of said Township and Range;  
thence N 00°05'53" W 580.10 feet along said Easternly line to the Point of Beginning.

COUNTY OF SAGLE  
STATE OF COLORADO

THIS COMMITMENT WAS PREPARED ON JUNE 16, 1999. FOR QUESTIONS PLEASE CALL  
LEDA WILLIAMS AT (970)949-1011.  
FOR QUESTIONS REGARDING THE CLOSING, PLEASE CALL CINDY SUZESS DANEY  
AT (970)328-4829.

THIS COMMITMENT IS NOT TO:  
ROSS E. HINES  
CRANES REMOVAL  
CRANES & BERRY FOR ALBERTSON  
VORBY SCIENCE  
DIETZ REISER




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**EXHIBIT B  
WATER DEDICATION APPLICATION  
FOR ALL USES**

1. Developer's name(s) and address(es):  
Imprimis, LLC  
C/O Benjamin & Associates  
7315 East Orchard Road, Suite E400  
Greenwood Village CO 80111
2. Legal description of land to be annexed and/or developed:  
See Exhibit A
3. Total number of acres to be annexed, subdivided, replaced or provided with municipal water services: 963
4. Current use of property:  
Agricultural land. Consisting of irrigated hay and pasture land.
5. Total number of acres presently being irrigated: 580.2 under ditches listed in Attachment 1.
6. Water rights and ditches used to irrigate land now: See Attachment 1.
7. Total number of acres intended to remain irrigated as open space upon annexation/development:  

<u>Remaining Irrigation</u>	<u>Acres</u>
A. Lawn and Landscape:	70.0 (by Town's municipal system)
B. Golf Course and Landscaping:	186.0 (private system, Stratton & Co. Ditch)
C. Open Space	<u>127.2</u> (private system, MOR Ditch)
Total	377.2 Acres
8. Do you intend for any tap made to the Town's municipal water supply system to irrigate lawns, gardens or open space? If so, describe in detail the lot sizes to be irrigated (in square feet). Yes, total lawn and landscape irrigation = 70 acres. See attachment 2.
9. Do you intend to utilize private, raw water resources to irrigate any lots or areas of lots which are supplied potable water from the Town's municipal system? If so, describe in detail the square footage of lots irrigated with Town water and with private raw water resources. Describe the source of the raw water by amount and water right (and District Priority Number). No.

  
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TOWN OF GYPSUM WATER RIGHT DEDICATION ORDINANCE  
 INSTRUCTION PACKET FOR DEVELOPERS  
 Page 5

10. The Town employs a unit of measurement known as an Equivalent Residential Unit ("EQR") in assessing demand. Section 15.08.030 (Definitions, F) of the Code describes the measurement unit as follows:

"Equivalent Residential Unit" or "EQR," as used in this chapter, means a number related to the volume of water consumptively used by a single-family residence housing a statistical average of 3.5 persons and having not more than 2,500 square feet of irrigated lawn or garden. The demand for water represented by 1.0 EQR assumes that none of the following limits are exceeded: 1) An average annual requirement of 0.54 acre feet; 2) a peak monthly water demand of 25,000 gallons; and 3) a peak daily demand of 900 gallons. The consumptive use, for water uses not associated with use at a single-family residence, is considered to be equal to a volume of water, expressed in EQR units, as determined by the Town with guidance by the schedule provided in the Table of EQRs under Section 15.08.060. The Town shall have sole and exclusive discretion in determining whether the basic dedication requirement should be increased or decreased, on a case by case basis, after consideration of the place, method, efficiency and operation of wastewater treatment for the use served. Provided however, for residential uses it is not the intent hereof for the Town to reassess the dedication requirement should such limits be exceeded. Residential units shall only be reassessed upon the addition of fixtures, habitable space or a substantial enlargement of lawn size.

Accordingly, demands will be computed in accordance with the above definition and the table described below:

NO.	TYPE OF USE	X	EQR <sup>1</sup>
<u>485</u>	Single family detached residence, not to exceed 3 bedrooms, 2 baths, one full kitchen, two outside hose bibs and up to 2,500 square feet of irrigated lawn and garden watered by sprinkler or drip irrigation means; and any structure with an annual average water demand equal to 0.426 acre feet; or an average monthly peak water demand equal to 15,000 gallons; or a peak daily demand of 900 gallons. However, where any use is in excess of an annual average demand of 0.426 acre-feet, an average monthly peak water demand of 15,000 gallons, or a peak daily demand of 900 gallons, water rights dedication fees for such uses will be calculated by the Town of Gypsum in ten-percent (10%) increases, or fraction thereof, based on the incremental increase in use.		1.00
<u>141</u>	Notwithstanding the above, Residences over 3000 square feet will be charged an additional .03 EQR for each increment of 100 square feet over 3,000 square feet, or fraction thereof, in building size. There shall not be an adjustment for fractional increments of less than 100 square feet.		0.03
<u>535.6</u>	Each additional 100 square feet of irrigated lawn and garden by sprinkler or drip irrigation means. Note: For non-residential irrigation, for each 100 square feet of landscape irrigation by sprinkler or drip means 0.03 EQR shall be assessed.		0.03

Multi-family residential units, including duplexes, apartments and condominiums:

_____	Buffet or studio apartment or condo with one kitchen	0.60
_____	Up to and including two bedrooms with up to 1.5 baths and one kitchen	0.80
_____	Three bedrooms with up to 2 baths and one kitchen, up to 5,000 square feet	1.00
_____	Each additional 100 square feet or fraction thereof, in excess of the above limits will be assessed 0.03 EQR. There shall not be an adjustment for fractional increments of less than 100 square feet	0.03
_____		
_____		
_____		
_____	Each coin operated washing machine up to 12 lbs capacity	0.35
_____	Common area irrigation and amenities such as swimming pools, club houses and laundry facilities to be assessed on a case-by-case basis, at the Town's sole discretion, in addition to the EQR values expressed above	
_____	Each mobile home or mobile home space in a court with not more than 1,000 square feet of irrigated lawn and garden	0.80

- NOTE: There shall be no partial EQR credit granted for irrigation of less than 2,500 square feet of lawn or landscaping. Any uses described above for single family detached residences which do not utilize municipal water for any irrigation use shall be:
- A. Entitled to a reduction in EQR rating of 0.5 EQR per 2,500 square feet of lawn or landscaping which is irrigated with non-potable water from a non-municipal system. The maximum credit which can be obtained for residential uses is 50% of the total EQR dedication requirement due from the project (however, if credit for any percentage of total EQR is obtained under this code provision, by irrigation from non-potable water from a non-municipal system, then the Town shall proportionately reduce the water delivered for the residential use).
  - B. Prohibited from having more than one outside hose bib which shall be placed on the front of the residence and shall not used for any watering of lawns and gardens; and
  - C. Subject to an Irrigation Plan Disclosure Statement as described in Section 15.08.210.

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TOWN OF GYPSUM WATER RIGHT DEDICATION ORDINANCE  
INSTRUCTION PACKET FOR DEVELOPERS

Page 3

Transient rental units, hotels, motels, or rental units within residences:

<u>1.</u>	Manager's unit: Uses single family or multi-family classification as applicable	
---	Each additional room without cooking or kitchen facilities	0.40
<u>50.</u>	Each additional room with cooking or kitchen facilities	0.50
<u>1.8</u>	Coin operated washing machines 12 lb capacity or less	0.30
---	Dormitories (per each rental bed space) without laundry or kitchen facilities	0.10
<u>5.25</u>	Irrigation (see Attachment 2)	

Recreational vehicle parks:

---	For each camping or vehicle space without sewer hook-up	0.35
---	For each camping or vehicle space with sewer hook-up	0.40
---	For common facilities, manager's unit and related facilities, see categories above (spaces which have year-round occupancy, mobile homes are to be evaluated as mobile home parks)	

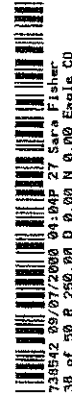
Bars and restaurants:

<u>1.</u>	For businesses with less than 25 seats	1.00
<u>11.</u>	For each additional seat	0.04
<u>3.</u>	Irrigation (see Attachment 2)	

Service stations and gas stations:

---	Full service station with 2 toilets, 2 lavatories and 1 hand wash bay	1.00
---	Churches and nonprofit organizations with no residence or regular eating facilities	1.00

Commercial retail stores with no process water, no residences and no eating facilities, of up to 5,000 square feet including two restrooms which have a total of two lavatories and two toilets (one each per restroom):



TOWN OF GYPSUM WATER RIGHT DEDICATION ORDINANCE  
 INSTRUCTION PACKET FOR DEVELOPERS  
 Page 6

<u>1.0</u>		1.00
---	For each additional toilet or urinal with manual flush	0.30
---	For each additional toilet or urinal with continuous flow	1.00
---	For each additional lavatory	0.15
---	For each shower or bath or combination	0.30
---	For each manual operated drinking fountain	0.10
---	For each continuous flow drinking fountain	1.00
---	For each additional 1,000 square feet of floor space above 5,000 square feet	0.20
<u>3.0</u>	Irrigation (see Attachment 2)	
---	Commercial offices (such as banks, professional office space and other low traffic occupations) with no process water, no residences and no eating facilities, of up to 7,000 square feet including two restrooms which have a total of two lavatories and two toilets (one each per restroom):	1.00
---	For each additional toilet or urinal with manual flush	0.30
---	For each additional toilet or urinal with continuous flow	1.00
---	For each additional lavatory	0.15
---	For each shower or bath or combination	0.30
---	For each manual operated drinking fountain	0.10
---	For each continuous flow drinking fountain	1.00
---	For each additional 1,000 square feet of floor space above 7,000 square feet	0.14
---	Industrial, including warehouses up to 8,000 square feet which include two restrooms which have a total of two lavatories and two toilets (one each per restroom):	
---	For every 350 gallons/day of process water with not more than 15% consumptive use	1.00
---	For each additional toilet or urinal with manual flush	0.30

  
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TOWN OF GYPSUM WATER RIGHT DEDICATION ORDINANCE  
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 Page 7

___	For each additional toilet or urinal with continuous flow	1.00
___	For each additional lavatory	0.15
___	For each shower or bath or combination	1.00
___	For each mop sink	0.15
___	For each manual operated drinking fountain	0.10
___	For each continuous flow drinking fountain	1.00
___	For each 1,000 square feet of floor space above 8,000 square feet	0.15

Schools including principal's administrative office and school staff but not including cafeteria, gymnasium or athletic field facilities:

___	Up to 50 students	1.00
___	Each additional student	0.02
___	Cafeteria, gymnasium and athletic requirements determined on a case-by-case basis at the Town's sole discretion	

The foregoing shall be based on the projected maximum usage of the school facilities and shall be subject to a periodic audit as required by Section 13.08.220.

Swimming pools up to 25,000 gallons capacity:

___	Year round operation	1.00
___	Summer only (less than 6 months)	0.50
___	For each additional 1,000 gallons	0.02
___	Fire protection sprinkler systems	0.00

Irrigation by sprinkler or drip system:

___	Residential per 100 square feet	0.02
___	Commercial per 100 square feet	0.03
___	Commercial or residential irrigation of more than 5,000 square feet subject to special rates imposed by Town at the Town's sole discretion	

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TOWN OF GYPSUM WATER RIGHT DEDICATION ORDINANCE  
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Car washes:

\_\_\_ All car washes will be based on water delivery requirements and  
 consumptive use projections with EQR s to be determined by the Town at  
 the Town's sole discretion

Commercial laundromats:

\_\_\_ Each washer up to 12 lb. capacity 0.35  
 \_\_\_ For each additional pound of capacity over 12 lbs. 0.015

\_\_\_ The EQR requirements for any use or water consuming fixture or structure not covered in this  
 subsection or for any water process which consumes more than 15% shall be determined by the  
 Town, at the Town's sole discretion, on a case-by-case basis according to anticipated water use.

TOTAL EQR COUNT 1,238.9  
 Also, see Attachment 3

[Any use not covered under the above categories must be determined in reference to Section 4 of the Town  
 Water Right Dedication Ordinance or by the Town Manager.]

\*The EQR values are derived from the Town Water Right Dedication Ordinance.

11. Water Rights owned or controlled by Applicant/Developer to be dedicated (name of structure, quan-  
 tity, priority):

Owner(s) name(s): Albertson Family and Imprimis, LLC  
 Address(es): Albertson - PO Box 184, Gypsum CO 81637  
 Imprimis - C/O Benjamin & Associates  
 7315 East Orchard Road, Suite E400, Greenwood Village CO 80111

Stratton and Company Ditch

Priority	Amount (cfs)	Adjudication Date	Appropriation Date
1	3.7	12/17/1889	07/01/1881

12. Legal description of land to which these water rights are appurtenant:

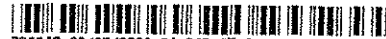
The above outlined water rights historically irrigated approximately 204 acres of land  
 within the 963 acre parcel being annexed into the Town of Gypsum. The legal  
 description of land to be annexed is included in Exhibit A.

TOWN OF GYPSUM WATER RIGHT DEDICATION ORDINANCE  
INSTRUCTION PACKET FOR DEVELOPERS

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13. ATTACH: HISTORIC USE AFFIDAVIT containing all information required by Section 4 of the Town Water Right Dedication Ordinance.

D:\CLIENT\642\gypsum dedication.642.wpd



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42 of 50 R 250.00 D 0.00 N 0.00 Eagle CD

**ATTACHMENT 1  
SUMMARY, WATER RIGHTS USED TO IRRIGATE  
580.2 ACRES ON THE ALBERTSON RANCH (IMPRIMIS)**

**STRATTON AND COMPANY DITCH WATER RIGHTS**

PRIORITY	ADJUDICATION DATE	APPROPRIATION DATE	ALBERTSON	COMMENT
No. 1	12/17/89	07/01/81	0.30	Originally 10cfs but 1 cfs was abandoned
No. 19	12/17/89	04/30/84	1.00	2nd Enlarge. Originally 3.2 cfs but 2.2 cfs abandoned
No. 41	12/17/89	07/08/88	0.85	Originally 2cfs but 1.35cfs abandoned
No. 84	12/17/89	08/01/89	1.70	5th Enlargement. Originally 1.8cfs but 0.1cfs abandoned
No. 223	06/04/07	08/05/00	2.85	8th Enlargement
<b>TOTAL</b>			<b>12.30</b>	
<b>FLOOD RIGHTS</b>				
No. 1EX	06/07/15	12/31/14	6.99	Flood Rights
No. 19EX	06/07/15	12/31/14	1.07	Flood Rights
No. 41EX	06/07/15	12/31/14	0.70	Flood Rights
No. 84EX	06/07/15	12/31/14	1.83	Flood Rights
No. 223EX	06/07/15	12/31/14	1.70	Flood Rights
<b>TOTAL</b>			<b>12.29</b>	

\* Water right ownership based upon written records maintained by Charles Albertson

**H.O.R. DITCH WATER RIGHTS**  
Priorities numbered 37, 67 and 88 in the H.O.R. Ditch

73842 09/07/2000 04:34P L1 Stratton  
43 of 50 R 250.00 D 0.00 N 0.00 Estate CO

WATER USE ASSUMPTIONS

Category	Assumption	Value
Domestic	1. Single Family	150 gpd
	2. Multi-Family	100 gpd
	3. Commercial	100 gpd
	4. Industrial	100 gpd
	5. Institutional	100 gpd
	6. Office	100 gpd
	7. Retail	100 gpd
	8. Restaurant	100 gpd
	9. Motel	100 gpd
	10. Hotel	100 gpd
Industrial	1. Light	100 gpd
	2. Medium	100 gpd
	3. Heavy	100 gpd
	4. Chemical	100 gpd
	5. Food Processing	100 gpd
	6. Textile	100 gpd
	7. Paper	100 gpd
	8. Metal	100 gpd
	9. Glass	100 gpd
	10. Rubber	100 gpd
Agricultural	1. Irrigation	100 gpd
	2. Livestock	100 gpd
	3. Poultry	100 gpd
	4. Swine	100 gpd
	5. Cattle	100 gpd
	6. Horses	100 gpd
	7. Dairy	100 gpd
	8. Poultry	100 gpd
	9. Swine	100 gpd
	10. Cattle	100 gpd

IRIGATION ASSUMPTIONS

Category	Assumption	Value
Irrigation	1. Sprinkler	100 gpd
	2. Flood	100 gpd
	3. Center Pivot	100 gpd
	4. Drip	100 gpd
	5. Surface	100 gpd
	6. Subsurface	100 gpd
	7. Gravity	100 gpd
	8. Windmill	100 gpd
	9. Hand	100 gpd
	10. Other	100 gpd

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ATTACHMENT 3  
EQR AND TAP FEE CALCULATION  
TOWN OF GYPSUM MUNICIPAL CODE

GYPSUM CREEK RANCH, 535 RESIDENTIAL UNIT DEVELOPMENT				
Type of Use	# of Units or sq. ft.	Irrigation Per Unit(sq. ft.)	EQR Total	Tap Fees Gypsum (1)
<b>Residential</b>				
Single Family Homes				
3000 sq.ft.	25	6300	53.5	\$101,650
4000 sq.ft.	370	6300	902.6	\$1,715,320
5000 sq.ft.	75	6300	205.5	\$390,450
Cluster Homes				
3 bed, 2 bath	0	5900	0.0	\$0
Employee Housing				
3 bed, 2 bath	15	1000	15.0	\$28,500
<b>TOTAL RESIDENTIAL</b>	<b>485</b>	<b>68.32 Ac.</b>	<b>1181.6</b>	<b>\$2,207,420</b>
<b>Commercial</b>				
Lodge				
# of units= man.	50	20000	98.1	\$110,255
washing machines	8			
Restaurant/Pro Shop				
No. of seats	300	10000	15.0	\$28,500
Maintenance Bldg.				
Size of Bldg.	3000	10000	4.0	\$7,600
<b>TOTAL COMMERCIAL</b>	<b>90</b>	<b>0.92 Ac.</b>	<b>77.1</b>	<b>\$146,355</b>
<b>TOTAL UNITS</b>	<b>635</b>	<b>69.24 Ac.</b>	<b>1238.9</b>	<b>\$2,353,815</b>

Assumptions: (developed from the Town's Municipal code)  
 Residential homes: 3000 sq.ft. home with 2500 sq. ft. of irrigation = 1.0 EQR  
 4000 sq.ft. home with 2500 sq. ft. of irrigation = 1.3 EQR  
 5000 sq.ft. home with 2500 sq. ft. of irrigation = 1.6 EQR  
 0.75 EQR additional for each 2500 sq. ft. of irrigation above 1st 2500 sq. ft.  
 Lodges: Manager units = 1.0 EQR + 1 EQR per unit (each unit has 2 rooms with kitchen facilities)  
 0.3 EQR for each washing machine  
 0.75 EQR additional for each 2500 sq. ft. of irrigation above 1st 2500 sq. ft.  
 Restaurant: 1 EQR for 1st 25 seats, 0.4 EQR for each additional seat  
 Maintenance Bldg. = 1.0 EQR for 3000 sq. ft. building  
 0.75 EQR additional for each 2500 sq. ft. of irrigation above 1st 2500 sq. ft.

(1) Town code requires \$1,900 per EQR of development within the Town. See Section 13.04.080. This assumes that the development is annexed into the Town of Gypsum.

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EXHIBIT C

RECREATION IMPACT FEE SCHEDULE

UNITS	DOLLAR AMOUNT
Over 200 units =	\$100,000
100-199 units =	\$ 50,000
50-99 units =	\$ 25,000
20-49 units =	\$ 10,000
under 20 units =	EXEMPT

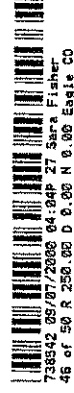


EXHIBIT D

DEED OF AVIGATION EASEMENT

THIS INDENTURE made between IMPRIMIS, LLC, A COLORADO LIMITED LIABILITY COMPANY, herein referred to as Grantor, and the TOWN OF GYPSUM, a home rule municipal corporation of the State of Colorado, hereinafter referred to as the Town,

Grantor, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, paid by the Town to Grantor, the receipt and sufficiency of which are hereby acknowledged, does hereby grant unto the Town, its successors, and assigns, a perpetual and assignable Avigation Easement in and over the real property known as the Sawatch Annexation and as described on Exhibit A attached hereto and a right-of-way for the free and unrestricted passage of aircraft of any and all kinds now or hereafter known, in, through, across, and about the airspace above the surface of said real property at all times of the day subject to the applicable Federal Aviation Administration minimum altitude that aircraft are permitted to fly.

The aforesaid easement and right-of-way includes, but is not limited to, the following rights:

1. For the use and benefit of the public, the easement and continuing right to fly, or cause or permit the flight, by any and all persons, of any aircraft of any and all kinds now or hereafter known, in, through, across, or about any portion of the airspace that is above the subject real property whose description is attached hereto and made a part hereof.
2. For the use and benefit of the public, the easement and continuing right to cause or create, or permit to allow to be caused or created, within all airspace above the existing surface of the said real property, whether or not while directly over said land, such noise (including any noise generated outside the boundaries of said real property) vibration, current, or other effects of air, illumination, and fuel consumption as may be inherent in or may arise or occur from the operation of aircraft of any and all kinds, either now existing or to be developed in the future, for navigation of, or flight in air, or from landing at or taking off from the Eagle County Regional Airport, including ground run-ups and testing of aircraft engines. But the rights created by this easement do not include the right to cause aircraft or parts of aircraft, debris or other physical objects to be put or cast onto the servient estate.
3. The right to regulate or prohibit the release into the air of any substance which would materially impair the visibility of or other-wise interfere with the operations of aircraft such as, but not limited to, steam, dust, and smoke.
4. The right to regulate or prohibit electrical emissions which would interfere with aircraft communications systems or aircraft navigational equipment.

This grant of easement shall not operate to deprive the Grantor, its successors or assigns, of any rights which it may from time to time have against any air carrier or private aircraft operator for negligent or unlawful operation of aircraft.

This grant of easement shall not operate to deprive the Grantor, its successors or assigns, of any rights not specifically restricted by this document which Grantor and its successors and assigns otherwise have pursuant to Town land use codes, ordinances



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and regulations to utilize the servient estate, including the maintenance of existing buildings and other improvements, and erecting additional buildings and other improvements that may be approved by the Town.

These covenants and agreements run with the land and are binding upon the heirs, administrators, executors, successors and assigns of the Grantor, and, for the purpose of this instrument, the real property firstly hereinabove described is the servient tenement and said Eagle County Regional Airport is the dominant tenement.

This easement shall be effective from this date and run with the land until such time as the Eagle County Regional Airport is no longer used as an airport.

Executed this \_\_\_\_ day of \_\_\_\_\_, 2000.

IMPRIMIS, LLC

By: \_\_\_\_\_  
Russ Hatle, Manager

STATE OF COLORADO        )  
  ) ss.  
COUNTY OF EAGLE         )

The foregoing Avigation Easement was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2000, by Russ Hatle, Manager, Imprimis, LLC.

Witness my hand and official seal.

My commission expires:

Notary Public

ACCEPTED:

TOWN OF GYPSUM, STATE OF COLORADO  
BY AND THROUGH ITS TOWN COUNCIL

By: \_\_\_\_\_  
Steven Carver, Mayor

ATTEST:

By: \_\_\_\_\_  
Jenny Ellringer, Town Clerk

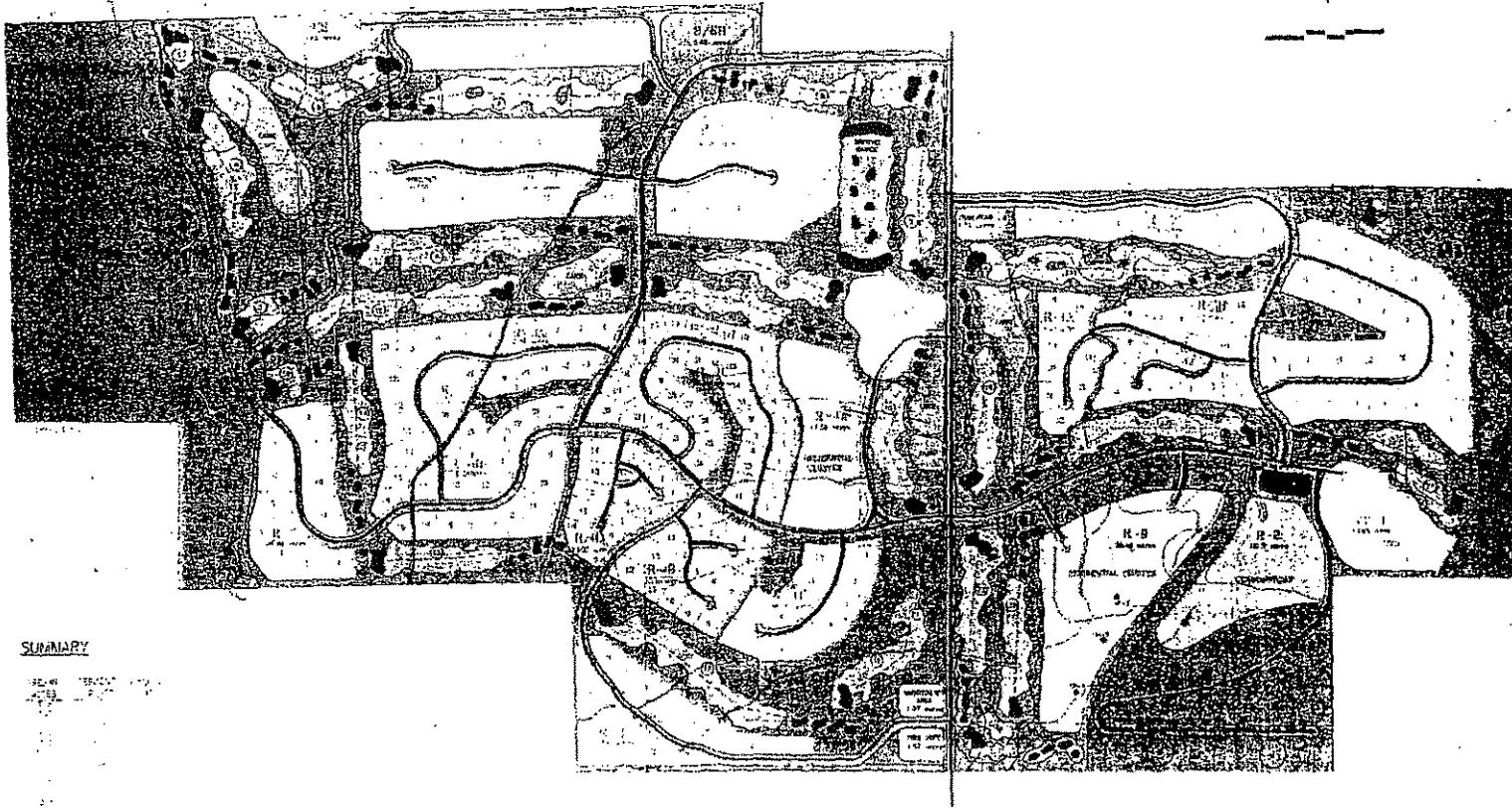
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# THE RETREAT

AT GYPSUM CREEK  
TOWN OF GYPSUM, COLORADO  
SKETCH PLAN



**SUMMARY**

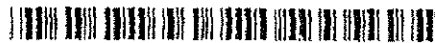
SECTION 27  
TOWNSHIP 27 N  
RANGE 50 R  
COUNTY OF EAGLE CO  
STATE OF COLORADO

PROPERTY OWNERS

DEVELOPER

GOLF COURSE DESIGN

ENGINEERS



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