

CONSOLIDATED SERVICE PLAN

FOR

RESERVE METROPOLITAN DISTRICT NO. 1

AND

RESERVE METROPOLITAN DISTRICT NO. 2

August 15, 2000

Approved by the Town of Mt. Crested Butte
Gunnison County, Colorado, August 15, 2000

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| EXHIBIT A-1 | Legal Descriptions of Proposed Districts assuming the annexation and inclusion of the East-Trade and West-Trade parcels
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| EXHIBIT B | Description of Facilities, Phasing and Cost Estimates of Districts assuming the annexation and inclusion of the East-Trade and West-Trade parcels |
| EXHIBIT C | Operations and Maintenance Cost Estimates for Districts assuming the annexation and inclusion of the East-Trade and West-Trade parcels |
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I. INTRODUCTION

A. General Overview

This consolidated service plan ("Service Plan") for Reserve Metropolitan District No. 1 and Reserve Metropolitan District No. 2 constitutes a combined Service Plan for two special districts proposed to be organized to serve the needs of a new community to be known as "The Reserve." The Reserve shall initially consist of two parcels of property commonly known as the North Village and Reserve parcels. It is anticipated that two additional parcels, commonly known as the East Trade and West Trade parcels, will be included into the Districts after they are annexed into the Town of Mt. Crested Butte (the "Town") and included into the Mt. Crested Butte Water and Sanitation District. For purposes of this Service Plan and as used herein, the term "The Reserve" pertains to, and consists of, the North Village, Reserve, East Trade and West Trade parcels. The Reserve is located generally in the northern part of the Town and west of Gothic Road and will consist, ultimately, of approximately 860 acres divided into several development areas planned for development for single-family homesites, two-family homesites, cluster homes, townhomes, condominiums, cabins, lodges and commercial and recreational facilities. Construction is scheduled over the next several years. Architecture for The Reserve is envisioned to be modeled after mountain materials derived from the natural settings of the region. Considerable public infrastructure will be constructed to provide the required water, wastewater, streets and other improvements needed for the area. This Service Plan addresses the improvements which will be provided by the special districts and demonstrates how the two special districts proposed to serve The Reserve will work in tandem to provide the necessary public improvements.

Dual District Structure. This Service Plan is submitted in accordance with Part 2 of the Special District Act (Col.Rev.Stat. §32-1-201, et seq.). It defines the powers and authorities of, as well as the limitations and restrictions on Reserve Metropolitan District No. 1 and Reserve Metropolitan District No. 2. Reserve Metropolitan District No. 1, hereinafter known as "Service District," and Reserve Metropolitan District No. 2, hereinafter known as "Financing District," are sometimes collectively referred to herein as "Districts" and individually as "District." The use of a consolidated Service Plan for the two Districts will help assure proper coordination of the powers and authorities of the independent Districts, and will help avoid confusion regarding the separate, but coordinated, purposes of both Districts which could arise if separate service plans were used. Unless otherwise specifically noted herein, general provisions of this Service Plan apply to both Districts. Where possible, however, specific reference is made to an individual District to help distinguish the powers and authorities of each District. The "Financing Plan" discussed in Section VI refers to separate financial plans for each District which are intended to be read as separate parts of a unified Financing Plan which may be used for public improvements for The Reserve.

Reserve Metropolitan District No. 1 will be responsible for managing the construction and operation of facilities and improvements needed for The Reserve. Reserve Metropolitan District No. 2 will be responsible for providing the funding and tax base needed to

support the Financing Plan for capital improvements. Various agreements are expected to be executed by both Districts clarifying the nature of the functions and services to be provided by each District. The agreements will be designed to help assure the orderly development of essential services and recreation facilities in The Reserve resulting in a community which will be both an aesthetic and economic asset to the Town.

The establishment of Reserve Metropolitan District No. 1 as the Service District which will fund, construct certain public facilities throughout The Reserve, and the establishment of Reserve Metropolitan District No. 2 as the Financing District which will generate the tax revenue sufficient to pay the costs of the capital improvements, will create several benefits for the inhabitants of the community and the Town. In general, those benefits are: (a) coordinated administration of construction and operation of public improvements and delivery of those improvements in a timely manner; (b) maintenance of a uniform mill levy and reasonable tax burden on all residential and commercial areas of The Reserve through controlled management of the financing and operation of public improvements; and (c) proper control of regional transportation systems. Each of these concepts is addressed in greater detail in the following paragraphs.

2. Benefits of Dual District Structure.

a. Build-out and Debt. As presently planned, development of The Reserve will proceed in several phases, each of which will require the extension of public services and facilities. The dual district structure will assure that the construction and operation of each phase of public facilities will be primarily administered by the Service District's board of directors consistent with a long-term construction and operations program. Use of the Service District as the entity responsible for construction of each phase of improvements and for management of operations will facilitate a well-planned financing effort through all phases of construction and will assist in assuring coordinated extension of services to all areas in The Reserve.

The dual district structure will also help assure that facilities and services needed for future build-out of The Reserve will be provided when they are needed, and not sooner. Absent an appropriate mechanism to assure timely completion of future improvements, the developer might be influenced to cause improvements to be completed well before they are needed simply to assure that they can be provided with tax-exempt financing. Appropriate development agreements between the Service District and the developer will allow the postponement of financing for improvements which are not needed until well into the future thereby helping residents avoid the long term carrying costs associated with financing improvements too early. This, in turn, allows the full costs of public improvements to be allocated over the full build-out of The Reserve and helps avoid disproportionate cost burdens on the early phases of development.

b. Mill Levy. The use of two districts to serve the separate areas of The Reserve will allow infrastructure to be provided as demand for services requires. In order to assure that infrastructure is provided to all areas when it is needed, it is necessary that bonds are

issued and facilities constructed according to a long term financing and construction schedule which must be administered by the Service District's board of directors. Use of the Service District to manage these activities will assure proper control of these efforts and will enable the Financing District to impose a uniform mill levy throughout The Reserve so each part of the project pays its fair share of the overall infrastructure needs.

Future property owners will be responsible for the mill levy required to fund the capital and operating costs of the Financing District. A detailed written disclosure statement summarizing the anticipated mill levy obligations of the Financing District will be provided to all initial purchasers of property within the Financing District so such purchasers can make an informed decision to acquire property within the Financing District. The relationship of the Districts shall be set forth in a "Master Intergovernmental Agreement" as discussed in Section V.F. hereof.

c. Regional Transportation. Service District may attempt to help finance the construction of regional transportation facilities serving the Town, the Town of Crested Butte and The Reserve. Inasmuch as the financial viability of regional transportation facilities has not been fully evaluated, no specific capital costs for such facilities are included in this Service Plan at this time although the Districts shall be permitted to finance, construct and operate such facilities when and if it is determined feasible without amendment to this Service Plan. It is currently anticipated that funding for these types of facilities may be received under intergovernmental agreements with other governmental entities existing in the area or from contributions from property owner associations or other entities interested in developing regional transportation facilities.

3. Location and Configuration of Districts. In order to implement the dual district structure, the boundaries of the Service District and the Financing District need to be carefully configured. A map showing the boundaries of both Districts is provided in Exhibit A.

Ultimately, The Reserve will contain approximately 860 acres of real property divided into several development phases. The Reserve is located generally in the northern part of the Town and west of Gothic Road. The boundaries of the Districts will initially include only the North Village and Reserve parcels of property that the developer holds title to and which is already located within the boundaries of the Town. Additional parcels known as the East-Trade and West-Trade parcels are owned by the developer but are not within the boundaries of the Town. Upon the anticipated annexation of the East-Trade and West-Trade parcels by the Town, the Financing District shall include said parcels into its boundaries, without amendment to the Service Plan.

The service areas of the Districts are generally described as all real property within the boundaries of the Districts. Legal descriptions of the initial boundaries of the Districts are attached as Exhibit A. Legal descriptions for future inclusions as discussed herein for the Service District and the Financing District are attached as Exhibit A-1.

Under Colorado law, the fee owner or owners of one hundred percent of any property proposed for inclusion may petition the boards of directors of the Districts for inclusion, or annexation, of property into either District. Additionally, less than one hundred percent of the owners of an area may petition the Districts for inclusion, or the boards may adopt a resolution calling for an election on inclusion of the property.

The improvements, which are described in this Service Plan, are necessary and applicable for the entirety of The Reserve. The Service Plan specifically contemplates inclusion of the East-Trade and West-Trade parcels into the boundaries of the Financing District and construction of necessary improvements thereon. Such inclusions shall not constitute a material modification of this Service Plan nor shall approval of any such inclusion be conditioned upon the Town's approval. The Town shall be notified of any such inclusion at the time of the annual report submitted pursuant to Section VI(B). The owner of East-Trade and West-Trade parcels shall be entitled to seek inclusion into the Financing District, and shall be entitled to receive service from the Service District.

The combined acreage of the two Districts covers all acreage within The Reserve. The "service area" (the area legally permitted to be served by the Service District) will consist of the entire The Reserve community, including the property within the Financing District's boundaries. The Service District will have power to impose taxes only within its legal boundaries, but will be permitted to provide, within the limits of the service plan, public services, equipment and other infrastructure to the entire The Reserve community as well as to property or individuals outside of The Reserve. The Financing District will have power to assess taxes and other charges permitted by law.

It is currently anticipated that no residential units will be located within the Service District and that, at build-out, the Service District will include little or no developed property but will remain as open space for use of the entire The Reserve community. The Financing District will contain all residential properties within The Reserve. The projected build-out and population estimates of the Districts, assuming the annexation and inclusion of the East-Trade and West-Trade parcels, are presented in Exhibit D.

4. Long-Term District Plan At the Town's option, the Districts shall be dissolved twenty-five years from their date of organization on condition that all debt of the Districts has been retired and all operations of the Districts have been assumed by other entities, or on condition that adequate provision has been made for retirement of all outstanding debt of the Districts and all operations of the Districts have been assumed by the Town or other entities. In either case, the Districts have no outstanding obligations of any kind such that they may be legally dissolved under state law. Said dissolution shall, at the Town's option, occur prior to twenty-five years from the Districts' date of organization if adequate provision has been made for payment of all debt and for operations of all remaining facilities owned by the Districts.

5. Need for Districts. There are currently no other entities in existence in The Reserve area which have the ability and/or desire to undertake the design, financing and construction of improvements needed for The Reserve. It is also the developer's understanding

that the Town does not consider it feasible or practicable for the Town to provide the necessary services and facilities for The Reserve. Consequently, formation of the new Districts is deemed necessary for the provision of public improvements in The Reserve.

6. Intergovernmental Cooperation. In order to minimize the proliferation of new governmental structures and personnel, the Service District may provide key services by intergovernmental agreement ("IGA") with existing entities as much as possible. IGA's are expected to be obtained for the following services:

a. Fire protection, emergency medical and ambulance services will be provided by the Crested Butte Fire Protection District ("CBFPD"). The Districts shall be responsible for financing the acquisition of fire protection, emergency medical and ambulance equipment, and buildings as deemed reasonably necessary by CBFPD for the adequate service of the Districts and the maintenance of CBFPD's current ISO rating of 5.

b. Water system and sanitary sewer collection system facilities will be provided on a coordinated basis by the Mt. Crested Butte Water and Sanitation District ("MCBWS") and Service District. The Districts shall be responsible for the financing of the water and sanitation systems and it is anticipated that MCBWS will be responsible for the operation and maintenance of said systems.

Consequently, while the Service District and the Financing District will exist to finance capital improvements and coordinate the provision of services, they are expected to utilize existing entities and personnel for operating functions as much as possible.

7. Property Owner Associations. Certain services will be provided within The Reserve by the Reserve Community Association ("RCA"), a Colorado non-profit, private membership organization comprised of all property owners in The Reserve. RCA is anticipated to provide architectural control services, community organization, community events and activities, community marketing, animal control, security, intra-village and regional transportation, common area maintenance, and other programs, which may be beyond the scope of the Districts.

B. General Financial Information and Assumptions

The 1999 certified assessed valuation of all taxable property within the boundaries of The Reserve was approximately \$678,000. The initial assessed valuation of property within the Service District is expected to be approximately \$6,000, and the initial assessed valuation within the Financing District is expected to be approximately \$672,000. The anticipated cost of improvements necessary to provide access to and appropriate services within The Reserve, assuming the annexation and inclusion of the East-Trade and West-Trade parcels, are substantial and are estimated in Exhibit B.

The Districts may obtain financing for the capital improvements needed for The Reserve through the issuance of general obligation bonds by the Financing District and from revenue

bonds issued by Service District. General obligation bonds will be payable from revenues derived from *ad valorem* property taxes and from other sources. It is currently anticipated that significant credit enhancement and security for bonds issued by the Service District will be provided by the developer. The Financing District will issue general obligation bonds after determination that the assessed valuation is sufficient to pay debt service with reasonable mill levies, thereby reducing risk to property owners. The financial forecasts for the Districts, assuming the annexation and inclusion of the East-Trade and West-Trade parcels, are contained in Exhibit D to this Service Plan. These "Financing Plans" demonstrate one method, which might be used by the Districts to finance the cost of infrastructure. At the time bonds are proposed to be issued, alternative financing plans may be employed and be utilized by the Districts.

Due to the credit enhancement and other support expected to be received from the developer, the Financing Plans demonstrate that the cost of infrastructure described herein can be provided with a mill levy cap of 50 mills, subject to "Gallagher Adjustments", as described in Section VI hereof. The figures contained herein depicting costs of infrastructure and operations shall not constitute legal limits on the financial powers of the Districts; provided, however, that neither District shall be permitted to issue bonds which are not in compliance with the bond registration and issuance requirements of Colorado law.

The assumptions contained within this Service Plan were derived from a variety of sources. Various figures were derived from the zoning and development guide for The Reserve. Figures used in the Financing Plans are more conservative. Information regarding the present status of property within both Districts, as well as the current status and projected future level of similar services, was obtained from the developer. Construction cost estimates were assembled by Schmueser, Gordon, Meyer, Inc. which has experience in the costing and construction of similar facilities. The Financing Plans and operations cost estimating were assembled by Stan Bernstein & Associates, Inc., based on assumptions provided by the developer. Projections of growth and market values were prepared by the developer. Legal advice in the preparation of this Service Plan was provided by the law firm of White and Associates Professional Corporation, developer's counsel, which represents numerous special districts in the State.

C. Contents of Service Plan

This Service Plan consists of a financial analysis and an engineering plan showing how the facilities and services for The Reserve can be provided and financed by the proposed Districts. Numerous items are included in this Service Plan in order to satisfy the requirements of law for formation of special districts. Those items are listed in Exhibit F attached hereto. It is believed that each of the requirements of law are satisfied by this Service Plan.

D. Modification of Service Plan

This Service Plan has been designed with sufficient flexibility to enable the Districts to provide required services and facilities for The Reserve under evolving circumstances without the need for numerous amendments. While the assumptions upon which this Service Plan are

generally based are reflective of anticipated zoning for the property within The Reserve, the cost estimates and Financing Plans are sufficiently flexible to enable the Districts to provide necessary services and facilities without the need to amend this Service Plan. Modification of the general types of services and facilities, and changes in proposed configurations, locations, or dimensions of various facilities and improvements shall be permitted to accommodate development needs consistent with then-current zoning for the property. Material modifications to this Service Plan shall be deemed to exist only in the event that either District seeks to add additional powers, provide general types of improvements or include property not contemplated herein. In accordance with Col.Rev.Stat. §32-1-207, material modifications of the Service Plan must be approved by the Town. Furthermore, Col. Rev. Stat. §32-1-1101.5 authorizes the Town to require the Districts, every fifth year, to file an application for a quinquennial finding of reasonable diligence. The Districts shall have sixty days to file such an application after receiving written notice for the application from the Town. The inclusion of the East-Trade and West-Trade parcel is specifically contemplated by this Service Plan and shall not be deemed a material modification requiring Town approval.

II. NEED FOR NEW DISTRICTS AND GENERAL POWERS

A. Need for Metropolitan Districts

1. Wastewater Service. The developer has consulted with neighboring and overlapping service jurisdictions to determine the nature and level of services which might be provided by those entities. The Reserve property is within the boundaries of the MCBWSD. It is anticipated that MCBWSD will provide wastewater service, in accordance with an intergovernmental agreement, but not the capital facilities. After The Reserve's wastewater facilities and improvements have been constructed by the Service District, the facilities and all wastewater improvements may be deeded to MCBWSD for operation and maintenance. Since there is currently no mill levy encumbering The Reserve for wastewater collection improvements still needed in the area, the mill levies imposed by the Financing District for capital costs of wastewater collection improvements will not create a duplicate mill levy burden for The Reserve residents. It is therefore requested that the Town approve the formation of the Districts with sanitation powers, described herein.

2. Water Service. The new Districts are needed to provide necessary water facilities even though The Reserve is within the boundaries of MCBWSD. MCBWSD has indicated that it is unable to finance the capital facilities and water services that are needed in The Reserve, but that it may, in accordance with an intergovernmental agreement with the Reserve, accept facilities for operations and maintenance upon completion of all required water facilities by the Service District.

3. Transportation and Roads. There are currently no other entities in existence in the area of the Districts which have the ability and/or desire to undertake the design, financing and construction of transportation and road improvements needed for The Reserve. It is the developer's understanding that the Town does not consider it feasible or practicable for it to provide the necessary services and facilities for the projects depicted in Exhibit B. Such services,

facilities and other improvements, such as a potential regional transportation facility, can be provided in the most economic and efficient manner by organization of the Districts.

4. Other Services. The only entity with sufficient resources to finance all public improvements needed for The Reserve will be the Financing District, and the only entity with sufficient authority and financial resources to operate and maintain those facilities is the Service District.

B. General Powers of Each District

Both Districts will have the power and authority to provide, within and outside their boundaries in accordance with law, the services and facilities described in this section; however, the powers and authorities of each District will be allocated and further refined in an IGA between the Districts which may be voted upon and approved by their respective electorates. For purposes of Col.Rev.Stat. §32-1-201 *et al.*, the IGA shall not constitute an amendment of this Service Plan. It will, however, constitute a binding agreement between the Districts regarding implementation of the powers contained in this consolidated Service Plan.

Each District shall have authority to provide the following services and facilities subject to compliance with then existing Town standards and regulations on the respective services and facilities:

1. Water. The design, acquisition, installation and construction of a complete water and irrigation water system, including but not limited to, water rights, water supply, treatment, storage, transmission and distribution systems for domestic and other public or private purposes, together with all necessary and proper reservoirs, treatment works and facilities, wells, water rights, equipment and appurtenances incident thereto which may include, but shall not be limited to, transmission lines, distribution mains and laterals, storage facilities, land and easements, together with extensions of and improvements to said systems.

2. Streets. The design, acquisition, installation, construction, operation, and maintenance of street and roadway improvements, including but not limited to curbs, gutters, culverts, storm sewers and other drainage facilities, detention ponds, retaining walls and appurtenances, as well as sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, snow removal equipment, ski-ways and ski-bridges or tunnels and other street improvements, together with all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities.

3. Traffic and Safety Controls. The design, acquisition, installation, construction, operation, and maintenance of traffic and safety protection facilities and services through traffic and safety controls and devices on streets and highways, environmental monitoring, and rodent and pest controls necessary for public safety, as well as other facilities and improvements including, but not limited to, signalization at intersections, traffic signs, area identification signs and driver information signs, together with all necessary, incidental, and

appurtenant facilities, land easements, together with extensions of and improvements to said facilities.

4. Fire Protection & Emergency Medical Services. The acquisition, construction, completion, and installation of improvements, facilities and/or equipment for fire protection, emergency medical and ambulance services, including, but not limited to, fire stations, fire protection and fire fighting equipment, and such ambulance, medical, and rescue units as are deemed reasonably necessary by CBFPD for proper firefighting and suppression, emergency medical and ambulance services as well as all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said system. The Districts shall not have the authority to operate or maintain any fire protection services, facilities, improvements and/or equipment.

5. Television Relay and Translator. The acquisition, construction, completion, installation and/or operation and maintenance of television relay and translator facilities, including but not limited to cable television and communication facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities.

6. Transportation. The design, acquisition, installation, construction, operation and maintenance of public transportation system improvements, including transportation equipment, park and ride facilities and parking lots, parking structures, roofs, covers, and facilities, including, but not limited to facilities for the commercial structures and for the conveyance of the public consisting of gondolas, terminal buildings, public restrooms, ski-lifts, buses, automobiles, and other means of conveyance, and structures for repair, operations and maintenance of such facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems.

7. Parks and Recreation. The design, acquisition, installation, construction, operation and maintenance of public park and recreation facilities or programs including, but not limited to, a multiple purpose convention center/meeting place, swimming pools and spas, tennis courts, exercise facilities, bike paths, hiking trails, snowshoe trails, pedestrian trails, pedestrian bridges, nordic ski trails, pedestrian malls, public fountains and sculpture, art, and botanical gardens, equestrian trails and centers, picnic areas, skating areas and facilities, ski-ways including snow-making for ski-ways specially designated for use of the general public from time to time, other ski equipment, common area landscaping and weed control, outdoor lighting of all types, community events, and other facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems.

8. Sanitation. The design, acquisition, installation and construction of storm and sanitary sewers, or both, flood and surface drainage, treatment and disposal works and facilities, and all necessary or proper equipment and appurtenances incident thereto, together

with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems.

9. Mosquito and Pest Control. The design, acquisition, installation, construction, operation, and maintenance of systems and methods for the elimination and control of mosquitoes, rodents and other pests.

10. Legal Powers. The powers of Districts will be exercised by their boards of directors to the extent necessary to provide the services contemplated in this Service Plan. The foregoing improvements and services, along with all other activities permitted by law, will be undertaken in accordance with, and pursuant to, the procedures and conditions contained in the Special District Act, other applicable statutes, and this Service Plan, as any or all of the same may be amended from time to time.

11. Powers that Require Town Consent. The following powers of the Districts require Town consent before they can be exercised by the Districts:

a. The inclusion or exclusion of property not presently contemplated by this Service Plan, including but not limited to any movement of property between the Service District and the Financing District.

b. The power of eminent domain described in C.R.S. §32-1-1004(4), if such is to be exercised outside the boundaries of the Districts.

c. Consolidation under C.R.S. §32-1-601 *et al.*

d. The imposition of any mill levy in excess of 50 mills, subject to Gallagher Adjustments described in Section VI hereof.

12. Other. In addition to the powers enumerated above, the boards of directors of the Districts shall also have the following authority:

a. To amend this Service Plan, subject to Section I.D. herein, as needed, subject to the appropriate statutory procedures, including, by written notice to the Town pursuant to Col.Rev.Stat. §32-1-207, of actions which either District believes are permitted by this Service Plan but which may be unclear. In the event the Town elects not to seek to enjoin any such activities under said statute, such election shall constitute agreement by the Town that such activities are within the scope of this Service Plan. Both Districts shall have the right to amend this Service Plan independent of participation of the other District; provided, that neither District shall be permitted to amend those portions of this Service Plan which effect, impair, or impinge upon the rights or powers of the other District without such other District's consent; and

b. To forego, reschedule, or restructure the financing and construction or reconstruction of certain improvements and facilities, subject to Town approval of a delay in the construction or reconstruction of Gothic Road in accordance with the terms of the East and

West-Trade parcels annexation agreement and the development IGA's, in order to better accommodate the pace of growth, resource availability, and potential inclusions of property within either District, or if the development of the improvements and facilities would best be performed by another entity.

c. To provide all such additional services and exercise all such powers as are expressly or impliedly granted by Colorado law, and which Districts are required to provide or exercise or, in their discretion, choose to provide or exercise; and

d. To exercise all necessary and implied powers under Title 32, Col.Rev.Stat. in the reasonable discretion of the boards of directors of the Districts.

III. POPULATION AND VALUATION ESTIMATES

A. Population

As shown in Exhibit D, the average population of The Reserve at build-out in 2013 is estimated to be 2,496 persons (Winter average daily population at 1.175 persons per dwelling unit). The estimated timing for construction of residential units, and corresponding population estimates, is contained in Exhibit B.

B. Assessed Valuation

As noted above, the 1999 assessed valuation for The Reserve was approximately \$678,000. The average actual valuation for a residential unit at The Reserve is expected to be approximately \$480,000 to \$2,720,000. An estimate of projected assessed valuation within the proposed Districts is set forth in Exhibit D.

IV. DESCRIPTION OF FACILITIES AND IMPROVEMENTS

The Service District and the Financing District will each be permitted to exercise its statutory powers and its respective authority set forth herein to finance, construct, acquire, operate and maintain the public facilities and improvements described herein and, as necessary, to provide the public services and facilities set forth in Section II of this Service Plan either directly or by contract. Where appropriate, the Districts will contract with various public and/or private entities to undertake such functions. All facilities and improvements contemplated herein will be constructed in accordance with then existing applicable standards promulgated by the Town or as approved by the Town Manager, including, but not limited to, streetlights and safety protection facilities.

The following descriptions of improvements expected to be constructed by the Service District are preliminary only and will be subject to modification and revision as engineering plans, financial factors and construction scheduling may require, subject to the overall limitations on the powers of both the Districts set forth in Section II hereof. The listed improvements are those that are currently contemplated and the inclusion of said improvements in this Service Plan

does not obligate the Districts to provide them. The following sections contain general descriptions of the contemplated facilities and improvements, which will be financed by the Financing District. Cost estimates are contained in Exhibit B. Cost estimates have not yet been developed for transportation facilities which may be provided by Districts, including possible gondola facilities. The Financing Plan contemplates a 50 mill levy cap, subject to Gallagher adjustments being imposed by the Districts for construction, acquisition, debt service, operations and/or maintenance of all facilities, including the transportation facilities contemplated herein.

A. Water System

1. Overall Plan. As shown in Exhibit B, the water system will consist of booster pump stations, storage tanks and a water distribution system consisting of buried water mains, fire hydrants, and related appurtenances located predominately within the proposed Districts' boundaries. It is expected that the water system will be installed from existing water lines located both near the MCBWSD water treatment facility and within the Gothic Road corridor and extended up into The Reserve to the proposed development area. Subsequent phases will include the extension of the water distribution system up through The Reserve.

In accordance with an intergovernmental agreement, all facilities will be constructed by the Service District and may be deeded to MCBWSD. It is anticipated that operations and maintenance will be provided by MCBWSD, which will charge fees for its services. The anticipated phasing schedule for the improvements is contained in Exhibit B. The exact configuration of the water system is currently being designed.

2. Design Criteria. The proposed domestic potable water distribution system will consist of pressurized water mains with multiple pressure zones. Water system components will be installed in accordance with the applicable standards of all entities with jurisdiction over either District. The Drinking Water Design Criteria of Colorado Department of Public Health and Environment will also be followed where applicable.

System pressure will primarily be controlled by water levels in the proposed water storage tanks. Pressure zones will be created to maintain static water pressures in roadway water mains between 40 psi and 175 psi. This pressure range will accommodate interior sprinkler systems for fire protection without the need for individual home booster pumps. Areas identified where static water pressures are below 55 psi may either have a main line booster pump station installed to meet domestic and fire flow demands or individual residential or commercial units may be required to install booster pumps. Each pressure zone will have its own water storage tank and booster pump station.

Water transmission mains will be installed from a direct connection to MCBWSD's water distribution system. Treated water will be delivered to the storage tanks by high pressure booster pump stations. Distribution lines may tie into transmission mains where transmission main operating pressures are less than 175 psi, or with suitable pressure reducing valves. The design will be in accordance with MCBWSD standards and guidelines.

The water system will be built to minimum fire standards acceptable to CBFPD.

3. Water Demand. The individual water system components will be sized based upon the projected potable, irrigation and fire flow requirements of The Reserve.

4. Water Rights. The water rights needed to furnish the water supply for the Service District will be purchased from private entities and/or obtained by means of an IGA with MCBWSD. These entities own, or have under lease, sufficient water rights to furnish the water supply required by the Service District.

5. Surface Water Supply. The central water supply will consist of a surface water source from MCBWSD contracted for by the Service District for the benefit of both Districts. MCBWSD takes water from the East River and treats the water in a conventional surface water treatment plant. The finished water produced by MCBWSD meets all current requirements of Colorado Department of Public Health and Environment and meets all the standards of Colorado Primary Drinking Water Standards.

It is anticipated that connection to the existing water system will be made near the water treatment facility and within the Gothic Road corridor. Where the facilities are located outside The Reserve, easements will be obtained from the affected property owners to secure a route for transmission lines.

6. Finished Water Storage. It is proposed that water storage tanks located throughout The Reserve will be used to provide service to distinct pressure zones. The amount of storage will be based upon domestic water demand, irrigation needs and minimum fire flows. The tanks will be phased into operation. Additionally, it is anticipated that it may be necessary to provide service to certain distinct pressure zones by use of direct booster pump stations only. Such stations shall be phased into operation and will be sized based upon the demand within the pressure zone served. The Service District may be required to put a water storage tank in as a part of the North Village project and as a part of the East-Trade parcel project.

7. Water Distribution System. The water distribution system will be funded and constructed by the Districts and, upon completion, may be deeded to MCBWSD. The system will consist of main distribution and transmission lines, water storage tanks, booster pump stations, pressure reducing value stations and related appurtenances. Water transmission mains, distribution system lines, tanks, pumps, and PRV vaults to be constructed by the Service District and eventually financed by the Financing District are shown on Exhibit B. At completion, the water distribution system will provide domestic potable water to all platted lots within The Reserve. The mains will provide for normal and peak water demands of the project as well as the delivery of fire protection water and irrigation water.

8. Metering. Due to MCBWSD's responsibility for operations and maintenance of the water system, the metering may also be implemented and controlled by MCBWSD.

9. Phasing/Cost Estimates. The phasing and estimated construction costs for the development of a domestic potable water system for The Reserve are shown on Exhibit B.

Estimated maintenance costs for the domestic potable water supply system are summarized in Exhibit C and are reflected as a net number since treatment and maintenance costs are offset through user fees charged by MCBWSD. The net number reflects costs internal to the Service District only.

B. Sanitary Sewer Collection System

1. Overall Plan. As shown in Exhibit B, the sanitary sewer collection system will consist of buried sewer mains, manholes, and related appurtenances located predominately within the Financing District's boundary. It is expected that a sewer main will be installed from an existing manhole located within and extended up into The Reserve to serve a portion of the development area and that the remainder of the development area will be served by a sewage lift station which would discharge to the existing sanitary sewer collection system. Subsequent phases will include the extension of the sanitary sewer collection system through The Reserve.

All wastewater facilities will be funded and constructed by the Districts, and may be deeded to MCBWSD and operated and maintained by MCBWSD. MCBWSD will charge system users for its services in accordance with its local practices. The anticipated phasing schedule for the improvements is contained in Exhibit B. The exact configuration of the sanitary sewer collection system is currently being designed.

2. Design Criteria. The proposed sanitary sewer collection system will consist of sewer mains designed to collect sewage from the development areas within The Reserve. The sewer system components will be installed in accordance with the applicable standards of all entities with jurisdiction over Districts including Colorado Department of Public Health and Environment.

A sanitary sewer system analysis will be prepared to determine appropriate line sizes and slopes. The minimum line size of a sewer main is expected to be eight (8) inches. The design criteria will conform to the standards in place by MCBWSD.

3. Wastewater Treatment. Wastewater will be collected and transported to MCBWSD treatment plant. The treatment plant will treat the wastewater and release the effluent into the Slate River drainage basin in Washington Gulch. The finished effluent produced by MCBWSD will meet all the requirements of Colorado Department of Public Health and Environment. The existing treatment facility will be expanded to provide service at build-out.

4. Phasing/Cost Estimates. The phasing and estimated construction costs for the development of the sanitary sewer collection system for The Reserve are shown on Exhibit B. Estimated maintenance costs for the sanitary sewer collection system are summarized in Exhibit C and are reflected as a net number since treatment and maintenance costs are offset

through user fees charged by MCBWSD. The net number reflects costs to the Service District only.

C. Fire Protection

Assuming the annexation and inclusion of the East-Trade and West-Trade parcels and in accordance with the East-Trade parcel annexation agreement, fire protection, emergency medical and ambulance services will be provided by CBFPD. The Districts, or Crested Butte Mountain Resort as the developer of The Reserve, shall finance and construct a fire and emergency medical service (EMS) substation according to the reasonable specifications and timeline of the CBFPD. These facilities shall be located in or near The Reserve and shall be deeded to CBFPD free and clear of all liens and encumbrances. All operation and maintenance of these facilities shall be provided by CBFPD. It is anticipated that CBFPD may require a reasonable number of affordable dwelling units to be a part of these fire protection facilities. Crested Butte Mountain Resort, Inc. ("CBMR"), or its successors, as sponsor of the Districts, or the Districts, shall finance and construct a reasonable number of such units offered to CBFPD at construction cost for reasonable rent or purchase by staff volunteers and employees.

1. Sprinklers and Monitoring. Commercial and residential buildings within The Reserve may have fire sprinkler systems incorporated in the construction. These systems may be monitored remotely by a fire, life safety and security monitoring service which automatically dispatches fire department personnel in the event of an alarm. These systems may monitor structures for smoke, fire, gas, and low temperature and may additionally monitor intrusion and EMS. It is presently anticipated that units in the East-Trade parcel will be sprinklered.

2. Proposed Fire Services. As part of The Reserve's development plan, a site may be reserved for a fire substation. This site may be located within the Financing District's boundaries. The site is intended to accommodate the storage of fire protection equipment and to house personnel and EMS facilities.

3. Phasing/Cost Estimates. For purposes of this Service Plan, it is anticipated that the Financing District will finance the construction of a fire substation, including fire equipment and EMS facilities.

D. Streets, Lights, Drainage and Crossings

The Financing District will be responsible for financing the internal street and road system within The Reserve. After conveyance by the developer of the street rights-of-way or appropriate easements to the Service District, the Service District will construct, replace, and maintain the roads, streets, parking areas, curbs, gutters, culverts, drainage ditches, detention ponds, sidewalks, bridges, tunnels and ski-ways, paving, lighting, landscaping and other road, street and drainage facility improvements which the Service District will require, as well as necessary traffic and safety protection devices and controls.

1. Roadway Infrastructure. The roadway infrastructure is expected to be constructed or acquired by the Service District with financing from the Financing District. Roadway infrastructure will be operated and maintained by the Service District with funds from the Financing District. A preliminary roadway schematic, showing the possible layout of future roads is shown in Exhibit B with cost estimates included.

The roadway infrastructure includes: Phase I roadway infrastructure is expected to consist of approximately 26,400 lineal feet of roadway and associated improvements. Phase II roadway infrastructure is expect to consist of approximately 16,104 lineal feet of roadway and associated improvements.

All roadways within The Reserve and a portion of the roadway accessing The Reserve will be maintained by the Service District with funds from the Financing District. This will include all roadway infrastructure as it is completed and accepted by the Service District. Snow removal and other roadway maintenance on roads within The Reserve will be the Service District's responsibility.

2. Drainage Facilities. Storm drainage facilities are expected to be constructed or acquired by the Service District with financing from the Financing District. The storm drainage facilities will be operated and maintained by the Service District with funds from the Financing District. Water quality within the East River Drainage is paramount so Best Management Practices (BMP's) will be followed in the storm water management plan. The issue of storm water quality is especially important during construction. Sediment control practices will include filters, traps, and ultimate reseeding/revegetation of disturbed areas.

3. Skier Crossings. Skier crossings are expected to be constructed or acquired by the Service District with financing from the Financing District. The skier crossings are expected to be bridges or tunnels and will be maintained by the Service District. Skier crossings are for the purpose of transporting property owners and their guests to and from recreation areas and to and from properties within The Reserve. After conveyance of property needed for ski ways by appropriate easements to the Service District, the ski ways, which cross roadways will be constructed and maintained by the Service District, including any necessary snowmaking pipes, hydrants, and guns. Access to public ski trails will not be affected by this provision.

4. Phasing/Cost Estimates As shown in Exhibit B, the capital cost requirements for roadway infrastructure are expected to be approximately \$23,000,000, in 2000 dollars. Estimated maintenance costs of the roadway infrastructure are summarized in Exhibit C. The basis of the estimated costs are historical maintenance costs in Mt. Crested Butte and similar mountain communities and projections of road mileage for future development within Districts.

E. Safety Protection Facilities

The traffic and safety protection devices included in the costs shown in Exhibit B include, traffic signs, identification and traffic directional signage, guard rails, entryway identification signage, landscaping, and signalization.

F. Television Relay and Translator Facilities

It is not presently anticipated that the District will provide television relay services or construct translator facilities. An outside provider, on a contract basis, will provide such services and facilities. In the unlikely event that the District decides to provide such services the proposed system may consist of a receiving antenna, satellite dishes, or connections to existing cable TV services or other cable providers. The signal will then be amplified, translated and relayed through a TV cable buried in conduit installed alongside telephone cables within The Reserve. Taps will be made as appropriate by the various residential and commercial users with tap fees received by the Financing District. Tap fee income for these services will be minor and are not reflected in the Financing Plan.

G. Public Parks and Recreation Facilities

Public park and recreation facilities may be constructed or acquired by the Service District with financing from the Financing District. In addition, certain areas designated as parks on the The Reserve master plan may ultimately be maintained for use as passive open space, with little or no construction improvements. Parks and associated recreation improvements, and associated open spaces, are for the purpose of providing recreation opportunities for residents and guests of residents of The Reserve, as well as residents and visitors from the larger Mt. Crested Butte community. Subject to a tiered fee schedule discussed in Article VI herein, non-residents of the Districts shall have the same right of access to and use of the Districts' park and recreation facilities as residents of the Districts. Recreation facilities that may be constructed include, but are not limited to, playfields, viewing stands, restrooms, fences, goals, picnic areas and pavilions, tennis courts, indoor or outdoor swimming pools, a recreation center, associated parking areas and a Nature Center, amphitheater, ice rink, children's play zones, benches, trails and information kiosks.

H. Transportation.

It is contemplated that the Service District will construct certain transportation improvements with financing from the Financing District. Said improvements may be constructed within The Reserve, or they may be located outside The Reserve. They will be designed to serve residents and visitors to The Reserve, as well as others. Anticipated transportation improvements include facilities such as an inter-community gondola, ski-lifts or other transportation system designed to provide skier, employee and visitor transportation in summer and winter months. Other ski equipment such as snowcats, buses, vans and one or more ski-lifts designed to provide needed local and regional transportation services is being considered.

I. Off-Site Improvements

It is contemplated that the Service District will construct certain improvements that will be located outside the boundaries of the Districts with financing from the Financing District. Such improvements will be designed to serve residents and visitors to The Reserve, as well as others. These off-site improvements will consist of, but not be limited to, the improvements to Gothic Road and the construction of a multiple purpose convention center/meeting facility.

V. PROPOSED AND EXISTING INTERGOVERNMENTAL

All intergovernmental agreements (“IGA”) executed by the Districts shall contain then existing construction and service standards applicable to the particular IGA so that the Districts, IGA service providers and the Town can be assured of consistent quality service.

A. Fire Service Agreement

The Districts are located within the boundaries of CBFPPD; therefore, CBFPPD will be responsible for all fire protection, emergency medical and ambulance services within its boundaries. The Service District will have authority under existing statutes to enter into an IGA with CBFPPD.

B. Sanitation Service Agreement

The Districts are located within the boundaries of MCBWSD; therefore, it is anticipated that an IGA will be executed by the Service District with MCBWSD for sanitation services. The Service District is also expected to enter into agreements with the Financing District to provide for the financing of sanitation facilities which are expected to be conveyed to MCBWSD, which shall be responsible for all operations and maintenance of sanitation services. The terms of such agreements will be negotiated after formation of Districts.

C. Water Service Agreement

The Districts are located within the boundaries of MCBWSD; therefore it is anticipated that an IGA contract will be executed by the Service District with MCBWSD for water services. The Service District is also expected to enter into agreements with the Financing District to provide for the financing of water facilities which are expected to be conveyed to MCBWSD, which shall be responsible for all operations and maintenance of water services. The terms of such agreements will be negotiated after formation of the Districts.

D. Transportation

It is anticipated that a regional transportation agreement may be executed by Mountain Express and the Districts to provide for coordination of various public transportation facilities for the region. It is possible that such agreement may result in the creation of a regional transportation authority pursuant to state statute.

E. Parks and Recreation

The Service District may participate with existing park and recreation districts and authorities in the provision of park and recreation services by IGA or otherwise. Such agreements are intended to minimize the duplication of administrative and operating functions in the region.

F. Coordination of Services by Districts

As noted extensively in this Service Plan, the relationship between the Service District and the Financing District, including the means for approving, financing, constructing, and operating the public services and improvements needed to serve The Reserve will be established by means of a "Master Intergovernmental Agreement" to be negotiated after formation of the Districts. The agreement between the Districts will establish extensive procedures and standards for the approval of the design of facilities, transfer of funds between Districts, and operation and maintenance of the appropriate facilities. IGA's will also be prepared providing for coordinated administration of management services for the Districts. The terms of such agreements may be submitted to the electors of both Districts for approval. One of the agreements contemplated in this section shall provide for optional termination of such agreement by the Financing District at such time as the bonds of both Districts have been issued and the facilities contemplated herein have been constructed. At such time, facilities needed for the Financing District will be conveyed by the Service District to the Financing District.

G. Roads

It is anticipated that the Districts may execute an agreement with the Town, or other appropriate entities, for construction, operation and maintenance of streets within the Districts. The terms of such agreements will be negotiated after the formation of the Districts.

H. Other Agreements

To the extent practicable, the Service District may enter into additional intergovernmental and private agreements when it is in the best interest of the Districts to better ensure long-term provision of the improvements and services and effective management. Agreements may be executed with property owner associations and other service providers. Exhibit E hereto contains a list of service providing governmental entities within three miles of the proposed Service District and Financing District with whom the Service District may have opportunities to enter into agreements to coordinate the provision of essential public services.

VI. FINANCIAL PLAN SHOWING HOW FACILITIES MAY BE FINANCED

A. General

Attached to this Service Plan as Exhibit D are Financing Plans for the Districts, assuming the annexation and inclusion of the East Trade parcel. Exhibit D shows how the proposed services and facilities may be financed and operated by the Districts. The Financing Plans include the proposed operating revenue derived from *ad valorem* property taxes for the first budget year to be used by the Service District. The IGA's described in Section V herein are expected to provide that the obligation of the Financing District to pay the Service District for operating expenses incurred for provision of services to property within the Financing District shall constitute "debt" of the Financing District. Accordingly, mill levies certified to make necessary payments to the Service District will be characterized as debt service mill levies notwithstanding that they are imposed to pay contractual obligations for operations and maintenance services provided by the Service District. The Service District anticipates borrowing its initial operating funds from private entities until such time as it is able to generate operating revenues from the Financing District.

The Financing Plans identify the proposed debt issuance schedules of the Service District and the Financing District. Both Districts' plans are included for purposes of showing how the financial operations of the two Districts will be coordinated. The Financing District is expected to issue general obligation bonds supported by *ad valorem* mill levies. It is presently anticipated that the Service District will issue revenue bonds secured by the developer and by financial commitments received from the Financing District. This mechanism will help assure the transition of appropriate tax revenue to the payment of bonds issued to provide services for The Reserve. Other structures may be used.

The balance of the information contained in this section of this Service Plan is preliminary in nature. All dollars are stated in 2000 dollars inclusive of costs of issuance and 5% inflation. Upon approval of this Service Plan, both Districts will continue to develop and refine cost estimates contained herein and prepare for bond issuances. All cost estimates will be inflated to then-current dollars at the time of bond issuance and construction. Engineering and other contingencies, as well as capitalized interest and other costs of financing will be added. All construction cost estimates assume construction to applicable local, state or federal requirements. Any change in the bond limit of the Districts must be approved by the Town. The Town manager shall have the authority to approve all non-material changes to the bond limit.

The maximum general obligation bonded indebtedness for the Financing District will not exceed, without Town approval, \$55,000,000 (in 2000 dollars) for infrastructure capital improvements and \$25,000,000 (in 2000 dollars) for costs of regional transportation facilities and inter-village transportation equipment. These figures incorporate the proposed bonds depicted in Exhibit D as well as the bonds expected to be required to pay the additional costs of improvements needed to serve the East Trade and West Trade parcels which are depicted in Exhibit B.

Notwithstanding anything contained herein to the contrary, the Districts shall have authority to construct all facilities contemplated herein without the need to seek approval of any modification of this Service Plan. Reasonable modifications of such facilities and cost estimates shall likewise be permitted. Final determination of the amount of bonded debt for which approval will be sought from each District's electorate will be made by the board of directors of each District based on then current estimates of construction costs, issuing costs, and contingencies. Authorization to issue bonds and enter into various agreements described herein will be sought from each District's electorate pursuant to the terms of the Special District Act, and the Colorado Constitution as amended from time to time.

The mill levy imposed by the Districts shall not exceed 50 mills, subject to "Gallagher Adjustments". The Gallagher adjustment generally provides that all residential property within the state shall bear not more than approximately 45% of the total property tax burden statewide as compared to commercial property. Therefore, the legislature adjusts the assessed valuation ratio for residential property annually in order to ensure that the 45% target is not exceeded. This requires an increase in the mill levy to compensate for the reduction in the residential assessment ratio. The net result is an increase in mill levies without an increase in taxes actually paid by the property owner. In other words, in the event the method of calculating assessed valuation is changed after the date of the issuance of such debt, the mill levy limitation applicable to such debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall not be deemed to be a change in the method of calculating assessed valuation.

Assuming a general obligation bonded indebtedness of \$80,000,000 as described above, and assuming the estimated operating costs for the Districts shown in the Financing Plans, the total mill levy for the improvements and services proposed for The Reserve is expected to be approximately 50 mills, which may not be exceeded except upon approval of the Town, and as described above for Gallagher adjustments. Assuming an average market value of \$720,000 per unit (excluding hotel and employee/affordable housing units) and a resulting average assessed value of \$70,128 utilizing current valuation ratios, the estimated initial tax burden for the community under these assumptions would average \$292 per month. The actual mill levy will vary from this depending on final costs, variations in the total assessed valuation within the Districts under the current method of valuation, and the amount of revenue which may be generated from user fees.

In addition to *ad valorem* property taxes, and in order to offset the expenses of the anticipated construction and the Service District operations and maintenance costs, the Districts will also rely upon various other revenue sources authorized by law. These will include the power to assess fees, rates, penalties, or charges as provided in Col.Rev.Stat.§32-1-1001(1), as amended. The Financing Plans assume various sources of revenue, including *ad valorem* property taxes, specific ownership taxes, tap fees, and user charges, together with interest earnings on retained amounts. It is anticipated that a tiered system of user charges may be

established, with users from outside The Reserve paying higher user fees than in-district property owners and residents. Any such tiered system will be by agreement with the Town.

The Financing Plans do not project any significant accumulation of fund balances which might represent receipt of revenues in excess of expenditures under the TABOR Amendment. It is anticipated that the operations of the Service District will qualify as "enterprises" under the TABOR Amendment. If its operations do not qualify as enterprises under TABOR, revenues from all sources which exceed the permitted level of expenditures in a given year, will be refunded to taxpayers, unless a vote approving the retention of such revenues is obtained. To the extent annual district revenues exceed expenditures in this manner, Districts will comply with the provisions of TABOR and either refund the excess or obtain voter approval to retain such amounts.

The estimated costs of the facilities and improvements to be constructed and installed by the Districts, including the costs of engineering services, legal services, administrative services, initial proposed indebtedness, and other major expenses related to the facilities and improvements to be constructed and installed, are set forth in Exhibits B and C of this Service Plan. The estimated costs of the organization and initial operation of Districts, including legal, engineering, administrative and financial services, are expected to be approximately \$150,000. These organizational costs will be reimbursed to the developer by the Districts out of their initial revenue sources, including bond issue proceeds.

The maximum voted interest rate for bonds will be 18%. The proposed maximum underwriting discount will be 4%. It is estimated that the general obligation bonds, when issued, will mature not more than forty (40) years from date of issuance. The Districts' bonds will be issued in accordance with state law in existence as of the date of approval of this Service Plan by the Town. In the event state law changes after the date of approval hereof in such a manner as to be less restrictive than on the date of approval hereof, the Districts shall obtain consent from the Town prior to issuing bonds in accordance with such less restrictive law.

In the discretion of the boards of directors, the Districts may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by either District will remain under the control of its board of directors.

The Financing Plans demonstrate that each District will have the financial capability to discharge the proposed indebtedness with reasonable mill levies assuming reasonable increases in assessed valuation and assuming the rate of build-out estimated in the Financing Plans.

B. Combined Elections; Other Requirements

Following approval of this Service Plan by the Town, and after acceptance of the organizational petition and issuance of orders from the Gunnison County District Court, elections on the questions of organizing both Districts and approving bonded indebtedness and various agreements described herein will be scheduled. All elections will be conducted as provided in

the Court orders, the Uniform Election Code of 1992 (as substantially amended by House Bill 93-1255), and the TABOR Amendment, and are currently planned for November 7, 2000. The election questions will include whether to organize the Service District and the Financing District, election of initial directors, and TABOR Amendment ballot questions. Thus, the ballot may deal with the following topics (in several questions, but not necessarily using the exact divisions shown here):

1. Whether to organize the Districts,
2. Membership and terms of the initial board members,
3. Approval of new taxes,
4. Approval of maximum operational mill levies,
5. Approval of bond and other indebtedness limits,
6. Approval of an initial property tax revenue limit,
7. Approval of an initial total revenue limit,
8. Approval of an initial fiscal year spending limit, and
9. Approval of a four-year delay in voting on ballot issues.

Ballot issues may be consolidated as approved in Court orders. The Districts shall provide the Town with copies of all approved ballot issues of the Districts. The Town should be assured that the organizers of both Districts intend to follow both the letter and the spirit of the Special District Act, the Uniform Election Code, and the TABOR Amendment during organization of Districts. Future elections to comply with the TABOR Amendment are anticipated, and may be held as determined by the elected boards of directors of both Districts.

The Financing District and the Service District, once organized, shall be subject to the following additional requirements:

1. Submission of annual reports as described in Col.Rev.Stat. §32-1-207(3), and Article VII herein.
2. Material modifications of this Service Plan, except as contemplated herein, shall be subject to approval by the Town in accordance with the provisions of Col.Rev.Stat. § 32-1-207.

VII. ANNUAL REPORT

The Districts shall be responsible for submitting an annual report to the Town no later than March 1 of each year. The annual report shall include information as to the any of the following events that occurred during the preceding calendar year:

- a. Boundary changes made or proposed.
- b. Intergovernmental Agreements with other governmental entities entered into or proposed.
- c. Changes or proposed changes in the Districts' policies.
- d. Changes or proposed changes in the Districts' operations.

- e. Any changes in the financial status of the Districts including revenue projections, or operating costs.
- f. A summary of any litigation which involves the Districts.
- g. Proposed plans for the year immediately following the year summarized in the annual report.
- h. Status of Districts' Public Improvement Construction Schedule.
- i. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the Town.
- j. Summary of current assessed valuation in the Districts.

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

1. Assessed value of taxable property within the Districts.
2. Total acreage of property within the Districts.
3. The Districts' indebtedness (stated separately for each class of debt).
4. The Districts' debt service (stated separately for each class of debt).
5. The Districts' tax revenue.
6. Other revenues of the Districts.
7. Public improvement expenditures.
8. Other District expenditures.

The Districts shall file annually the following additional materials at the time required by law:

1. Current audits
2. Current budgets
3. Any notice required under § 32-1-903 (3), C.R.S.
4. Copies of applicable "Gallagher Adjustment" calculations

VIII. CONSERVATION TRUST FUND AND GREAT OUTDOORS COLORADO

The Districts shall claim no entitlement to funds from the Conservation Trust Fund, which is derived from lottery proceeds. The Districts shall remit to the Town any and all conservation trust funds which they receive. The Districts shall not apply for grants from Great Outdoors Colorado.

IX. PUBLICATION OF NOTICE

The Districts shall publish notice of regular and special meetings in a newspaper of general circulation within the area served by the Districts. Said notice shall be in accordance with the requirements set forth in Col.Rev.Stat. §32-1-903.

X. ANNUAL FEE

The Districts shall pay the Town an annual fee in an amount equal to the amount of specific ownership taxes the Town would have received had the Districts not been in existence, less the amount of such taxes received by the Town in such year.

XI. CONCLUSIONS


It is submitted that this Service Plan for the proposed Districts, as required by Col.Rev.Stat. §32-1-203(2), has established that:

- (a) There is sufficient existing and projected need for organized service in the area to be serviced by the proposed Districts;
- (b) The existing service in the area to be served by the proposed Districts is inadequate for present and projected needs;
- (c) The proposed Districts are capable of providing economical and sufficient service to the area within their proposed boundaries;
- (d) The area to be included in the proposed Districts does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;
- (e) Adequate service is not, and will not be, available to the area through 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 Districts are compatible with the facility and service standards of the Town within which the proposed Districts are to be located and each municipality which is an interested party under Col.Rev.Stat. §32-1-204(1);
- (g) The proposal is in substantial compliance with a master plan adopted pursuant to Col.Rev.Stat. §30-28-108;;
- (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 Districts is in the best interests of the area proposed to be served.

Therefore, it is requested that the Town Council of Mt. Crested Butte, Colorado, which has jurisdiction to approve this Service Plan by virtue of Col.Rev.Stat. §32-1-201, *et seq.*, as amended, adopt a resolution which approves this Service Plan for Reserve Metropolitan District No. 1 and Reserve Metropolitan District No. 2 as submitted and designating, or ratifying Districts' initial polling place at the address of White and Associates Professional Corporation, 8005 S. Chester St., Suite 125, Englewood, CO 80112.

Respectfully submitted,

WHITE AND ASSOCIATES

By:  _____

Gary R. White, #013522

Todd W. Wallace, #031477

Counsel to Proponents of Districts

EXHIBIT A
Legal Description of Proposed Initial Districts

Reserve Metropolitan District #1

A parcel of land situated in the E1/2SE1/4 of Section 14 Township 13 South, Range 86 West of the 6th Principal Meridian, Town of Mt. Crested Butte, County of Gunnison State of Colorado, with all bearings being relative to a bearing of N01°48'57"E between the S1/16 corner and the E ¼ of said Section 14, said parcel of land being more particularly described as follows:

Beginning at a point from which the South 1/16 corner common to Sections 13 & 14 bears S76°40'07"E a distance of 438.36 feet; thence N90°00'00"W a distance of 200.00 feet; thence S00°00'00"E a distance of 200.00 feet; thence N90°00'00"E a distance of 200.00 feet; thence N00°00'00"E a distance of 200.00 feet to the point of beginning containing 0.92 acres more or less.

Reserve Metropolitan District #2

A parcel of land situated in the SW 1/4SW1/4 of Section 13, the S1/2NE1/4, SE1/4 of Section 14, the E1/2NE1/4 of Section 23 and the W1/2NW1/4 Section 24 Township 13 South, Range 86 West of the 6th Principal Meridian, Town of Mt. Crested Butte, County of Gunnison State of Colorado, with all bearings being relative to a bearing of N01°48'57"E between the S1/16 corner and the E ¼ of said section 14, said parcel of land being more particularly described as follows:

Beginning at the South 1/16 corner common to Sections 13 & 14, thence N01°48'57"E a distance of 1402.49 feet along the easterly boundary line of said Section 14, also being the Town of Mt. Crested Butte boundary, to the East ¼ corner of said Section 14; thence continuing along said easterly line N01°48'21"E a distance of 864.42 feet; thence S89°26'52"W along said Town of Mt. Crested Butte boundary line and along the southerly boundary line of a parcel of land described in Book 386 at Page 414 a distance of 374.79 feet; thence 513.85 feet along the arc of a non-tangent curve to the left having a radius of 318.00 feet, a central angle of 92°34'57" and a chord which bears N84°25'08"W a distance of 459.74 feet; thence S64°26'52"W a distance of 67.11 feet; thence N55°13'08"W a distance of 241.50 feet; thence 129.18 feet along the arc of a non-tangent curve to the left having a radius of 187.00 feet, a central angle of 39°34'52" and a chord which bears N49°48'08"W a distance of 126.63 feet; thence N00°33'08"W a distance of 320.84 feet to a point on the north line of the S ½ NE ¼ of said Section 14, also being the Town of Mt. Crested Butte boundary; thence continuing along said north line and town boundary N89°41'29"W a distance of 551.79 feet to the northeasterly

corner of a parcel of land described in Book 393 at Page 001; thence S37°48'08"E along the easterly boundary of said parcel and the Town of Mt. Crested Butte boundary a distance of 195.00 feet; thence continuing along said easterly boundary of said parcel 235.29 feet along the arc of a non-tangent curve to the left having a radius of 146.00 feet, a central angle of 92°20'06" and a chord which bears S20°10'00"W a distance of 210.64 feet; thence 131.34 feet along the arc of a reverse curve to the right having a radius of 210.00 feet, a central angle of 35°50'05" and a chord which bears S08°38'08"E a distance of 129.21 feet; thence S09°16'52"E a distance of 305.50 feet; thence 342.84 feet along the arc of a curve to the left having a radius of 415.00 feet, a central angle of 47°19'58" and a chord which bears S14°23'08"E a distance of 333.17 feet; thence S68°31'52"W a distance of 438.64 feet to the southwesterly corner of said parcel also being a point on the west line of the E ½ SW ¼ NSE ¼ of said Section 14 and the Town of Mt. Crested Butte boundary; thence along said west boundary line S01°04'34"W a distance of 138.33 feet to the C-W-E 1/64 corner of said Section 14; thence along said west line of the E1/2NW1/4SE1/4 of said Section 14 also being the Town of Mt. Crested Butte boundary line S01°04'39"W a distance of 1414.66 feet to the C-W-SE 1/64 of said Section 14; thence along the south line of E1/2NW1/4SE1/4 of said Section 14 also being the Town of Mt. Crested Butte boundary N89°52'19"E a distance of 669.14 feet to the NW corner of the SE ¼ SE ¼ of said Section 14; thence S01°19'25"W along the westerly line of the Town of Mt. Crested Butte boundary a distance of 1409.57 feet to the SW corner of SE ¼ SE ¼ of said Section 14; thence S00°37'02"W a distance of 1412.36 feet along the west line of the E1/2NE ¼ of said Section 23 also being the westerly line of the Town of Mt. Crested Butte boundary to a common point on the southerly boundary of the

North Village P.U.D. recorded at Reception number 390998; thence leaving the Town of Mt. Crested Butte boundary and along the southerly boundary of said North Village P.U.D. S57°49'36"E a distance of 240.13 feet; thence S78°04'47"E a distance of 662.08 feet; thence S58°17'42"E a distance of 217.72 feet to a point on the westerly right-of-way of Gothic Road; thence along the westerly line of Gothic Road right-of-way as shown on said North Village P.U.D. plat N53°59'38"E a distance of 324.98 feet; thence continuing along said right-of-way 74.54 feet along a curve to the left having a radius of 127.38 feet, a central angle of 33°31'42" and a chord which bears N37°13'45"E a distance of 73.48 feet; thence N20°27'52"E a distance of 86.31 feet; thence 77.57 feet along the arc of a curve to the left having a radius of 452.99 feet, a central angle of 9°48'42" and a chord which bears N15°33'32"E a distance of 77.48 feet; thence N10°39'11"E a distance 288.04 feet; thence 226.64 feet along a curve to the right having a radius of 340.00 feet, a central angle of 38°11'32" and a chord which bears N29°44'56"E a distance of 222.46 feet; thence N48°50'42"E a distance 343.70 feet; thence 193.26 feet along the arc of a curve to the right having a radius of 840.00 feet, a central angle of 13°10'56" and a chord bearing of N55°26'10"E a distance of 192.84 feet; thence N62°01'38"E a distance of 83.15 feet to the southeasterly corner of Tract 21 of said North Village P.U.D. also being on the westerly line of Gothic Road right-of-way; thence along the easterly boundary of the Amended Plat of Tracts 1, 4 & 21 of the North Village P.U.D. also being the westerly line of Gothic Road right-of-way 118.42 feet along the arc of a curve to the left having a radius of 180.92 feet, a central angle of 37°30'12" and a chord bearing of N43°16'30"E a distance of 116.32 feet; thence continuing along west line of said Gothic Road right-of-way 11.39 feet along the arc of a curve to the left having a radius of 180.92 feet, a central

angle of $3^{\circ}36'28''$ and a chord bearing of $N22^{\circ}46'00''E$ a distance of 11.39 feet; thence $N20^{\circ}56'31''E$ a distance of 88.27 feet; thence 82.42 feet along a curve to the left having a radius of 519.00 feet, a central angle of $9^{\circ}05'55''$ and a chord bearing $N16^{\circ}23'34''E$ a distance of 82.33 feet; thence $N11^{\circ}50'38''E$ a distance of 56.24 feet; thence 110.77 feet along the arc of a curve to the right having a radius of 811.68 feet and a chord bearing $N15^{\circ}45'11''E$ a distance of 110.68 feet; thence $N19^{\circ}39'45''E$ a distance 40.43 feet; thence 65.13 feet along the arc of a curve left having a radius of 1074.31 feet, a central angle of $3^{\circ}28'25''$ and a chord bearing of $N17^{\circ}55'33''E$ a distance of 65.12 feet; thence $N16^{\circ}11'20''E$ a distance of 33.88 feet; thence 105.50 feet along the arc of curve to the right having a radius of 1523.97 feet, a central angle of $3^{\circ}57'59''$ and a chord bearing of $S18^{\circ}10'23''W$ a distance of 105.48 feet; thence $N20^{\circ}09'25''E$ a distance of 22.94 feet; thence 80.83 feet along a curve to the right having a radius of 510.45 feet, a central angle of $9^{\circ}04'22''$ and a chord bearing of $N24^{\circ}41'36''E$ a distance of 80.74 feet; thence $N08^{\circ}12'41''E$ a distance of 15.02 feet to the northeasterly corner of said Amended Plat of Tracts 1, 4 & 21 North Village P.U.D. also being on the westerly line of said Gothic Road right-of-way; thence $N08^{\circ}12'41''E$ a distance of 120.85 feet along the westerly line of said Gothic Road right-of-way; thence continuing along said right-of-way 127.69 feet along a curve to the left having radius of 226.85 feet, a central angle of $32^{\circ}14'59''$ and a chord bearing of $N07^{\circ}54'45''W$ a distance of 226.85 feet; thence $N24^{\circ}02'14''W$ a distance of 315.32 feet; thence 290.92 feet along a curve to the left having a bearing of 943.00 feet, a central angle of $17^{\circ}40'34''$ and a chord bearing of $N32^{\circ}52'32''W$ a distance of 289.77 feet; thence $N41^{\circ}42'49''W$ a distance of 82.09 feet; thence 128.94 feet along a

curve to the left having a radius of 595.00 feet, a central $12^{\circ}24'59''$ and a chord bearing of $N47^{\circ}55'18''W$ a distance of 128.69 feet; thence $N54^{\circ}07'48''W$ a distance of 56.42 feet; thence 87.52 feet along a curve to the left having a radius of 360.00 feet, a central angle of $13^{\circ}55'43''$ and a chord bearing of $N61^{\circ}05'34''W$ a distance of 87.30 feet; thence 143.34 feet along a reverse curve to the right having a radius of 221.03 feet, a central angle of $37^{\circ}09'43''$ and a chord bearing of $N49^{\circ}28'43''W$ a distance of 140.84 feet; thence $N30^{\circ}54'00''W$ a distance of 78.29 feet to a point on the north line of the NW1/4SW1/4 of said Section 13 also being the Town of Mt. Crested Butte boundary; thence $S88^{\circ}19'00''W$ along said north line and said town boundary a distance of 270.70 feet to the S1/16 corner common to Sections 13 & 14 also being the point of beginning containing 242.70 acres more or less.

Excluding from said parcel of land described above, a parcel of land situated in the E1/2SE1/4 of Section 14, Township 13 South, Range 86 West of the 6th Principal Meridian, Town of Mt. Crested Butte, County of Gunnison, State of Colorado with all bearings being relative to a bearing of $N01^{\circ}48'57''E$ between the S1/16 corner and E1/4 corner of said Section 14, said parcel of land being more particularly described as follows:

Beginning at a point from which the South 1/16 corner common to Sections 13 & 14 bears $S76^{\circ}40'07''E$ a distance of 438.36 feet; thence $N90^{\circ}00'00''W$ a distance of 200.00 feet; thence $S00^{\circ}00'00''E$ a distance of 200.00 feet; thence $N90^{\circ}00'00''E$ a distance of 200.00 feet; thence $N00^{\circ}00'00''E$ a distance of 200.00 feet to the point of beginning containing 0.92 acres more or less.

EXHIBIT A-1
Legal Description of Districts after Inclusion

WEST TRADE PARCEL LEGAL DESCRIPTION:

Section 14, Township 13 South, Range 86 West:
E ½ SW ½ SE ¼

Containing 21.59 acres, more or less.

County of Gunnison
State of Colorado

EAST TRADE PARCEL LEGAL DESCRIPTION:

Section 13, Township 13 South, Range 86 West:
Lot 14

Section 24, Township 13 South, Range 86 West:

NE1/4NW1/4
W1/2NW1/4NE1/4
NW1/4SE1/4NW1/4SE1/4
S1/2SE1/4NW1/4NE1/4
S1/2SW1/4NE1/4NE1/4
N1/2N1/2SE1/4NW1/4
SW1/4NE1/4
W1/2SE1/4NE1/4
W1/2NE1/4SE1/4NE1/4
SE1/4SE1/4NE1/4
SE1/4

Section 19, Township 13 South, Range 85 West:
Lot 7, lot 8, & lot 11

Containing 412.96 acres, more or less

County of Gunnison
State of Colorado

EXHIBIT B

Description of Facilities, Phasing and Cost Estimates
of Districts assuming the annexation and inclusion of the East-Trade and West-Trade parcels

RESERVE METRO DISTRICT #1 (SERVICE DISTRICT)
 CASH FLOW FORECAST - BUDGETARY BASIS
 CAPITAL PROJECTS FUND
 FOR THE YEARS ENDING DECEMBER 31, 2001 - 2008

DRAFT 7-11-00
 SUBJECT TO CHANGE AND REVISION

SCHEDULE 1 - CAPITAL IMPROVEMENTS SCHEDULE

<u>CAPITAL IMPROVEMENT DESCRIPTION</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>TOTALS</u>
INTERNAL ROADWAYS	1,238,000	1,678,000	0	0	0	2,774,000	0	861,500	6,551,500
RETAINING WALL ALLOWANCES	576,000	1,404,000	0	0	0	1,170,000	0	288,000	3,438,000
GOTHIC ROAD - OFF SITE (2)	280,000	0	0	0	0	280,000	0	0	560,000
GOLD LINK NORTH - OFF SITE	15,000	0	0	0	0	0	0	0	15,000
BRIDGES	2,000,000	2,000,000	0	0	0	1,600,000	0	500,000	6,100,000
WATER UTILITY	665,000	2,738,000	0	0	0	2,556,000	0	315,000	6,274,000
WATER LOOP	0	165,000	0	0	0	0	0	0	165,000
OFF-SITE SEWER	0	0	0	0	0	555,000	0	0	555,000
SEWER UTILITY	622,000	475,000	0	0	0	1,309,500	0	280,000	2,686,500
MISCELLANEOUS UTILITY (CABLE, NOT GAS OR ELEC. OR TEL)	<u>250,000</u>	<u>250,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000,000</u>	<u>0</u>	<u>750,000</u>	<u>2,250,000</u>
<i>TOTAL HARD CONSTRUCTION COSTS</i>	<u>5,646,000</u>	<u>8,710,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,244,500</u>	<u>0</u>	<u>2,994,500</u>	<u>28,595,000</u>
25% ALLOW. ENGINEERING/CONTRACT MANAGEMENT, ETC.	1,411,500	2,177,500	0	0	0	2,811,125	0	748,625	7,148,750
CONTINGENCY AND START-UP	<u>1,800,000</u>	<u>312,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>900,000</u>	<u>0</u>	<u>0</u>	<u>3,012,500</u>
<i>TOTAL SOFT AND HARD CONSTRUCTION COSTS</i>	<u>8,857,500</u>	<u>11,200,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,955,625</u>	<u>0</u>	<u>3,743,125</u>	<u>38,756,250</u>
ADD: COSTS OF ISSUANCE	<u>1,015,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>966,250</u>	<u>0</u>	<u>0</u>	<u>1,981,250</u>
TOTAL WITH COSTS OF ISSUANCE	<u>9,872,500</u>	<u>11,200,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,921,875</u>	<u>0</u>	<u>3,743,125</u>	<u>40,737,500</u>
TOTAL COSTS WITH 5% ANNUAL INFLATION	<u>10,884,431</u>	<u>12,965,400</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,403,677</u>	<u>0</u>	<u>5,806,815</u>	<u>52,060,324</u>

(1) SOURCE: SCHMUESER GORDON MEYER, INC. & CRESTED BUTTE MOUNTAIN RESORT

(2) PRELIMINARY, SUBJECT TO FURTHER NEGOTIATIONS.

PAGE 2

SEE CONSULTANT'S REPORT AND DISCLAIMER.

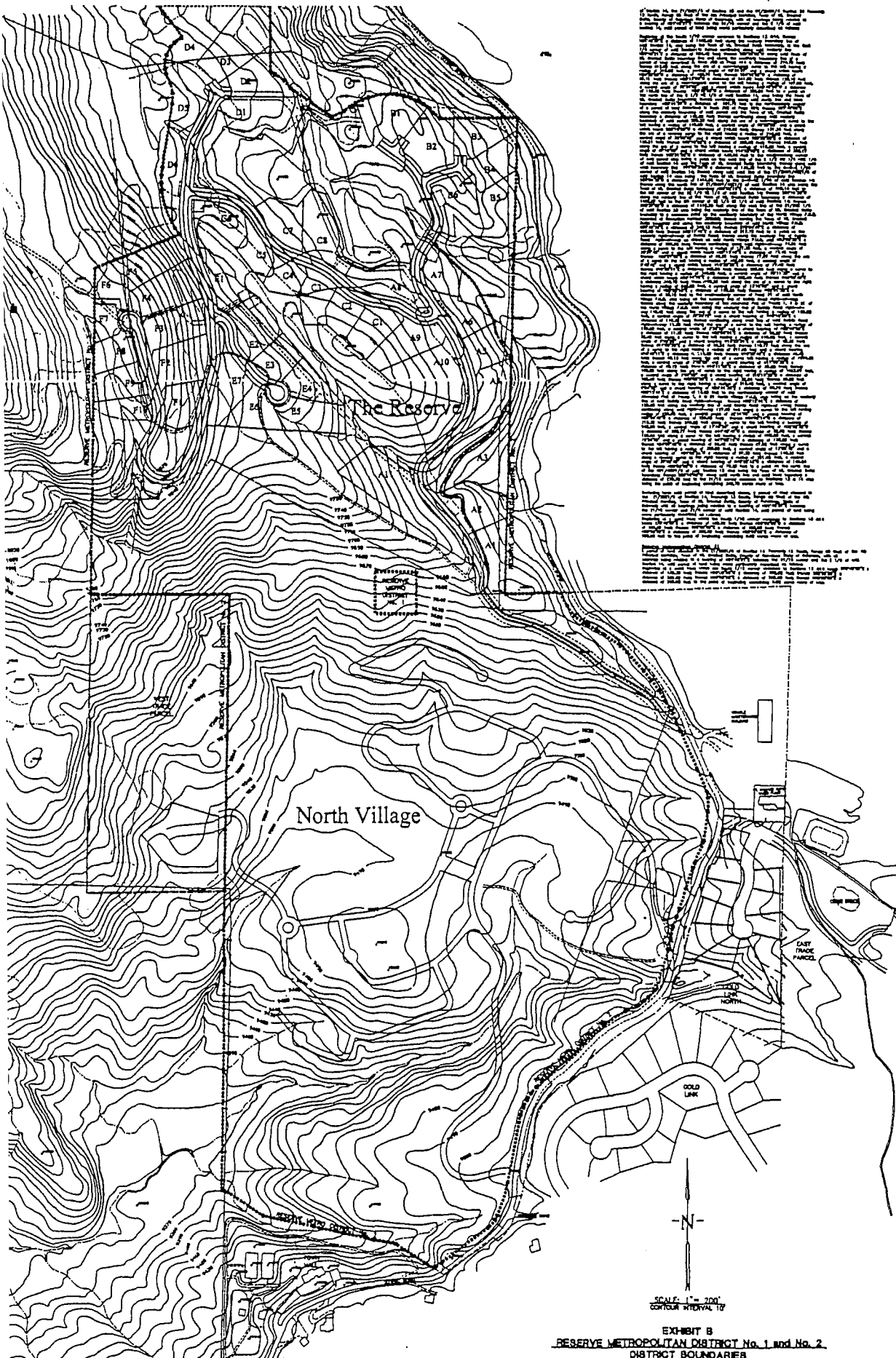
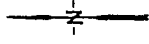


EXHIBIT B
RESERVE METROPOLITAN DISTRICT No. 1 and No. 2
DISTRICT BOUNDARIES

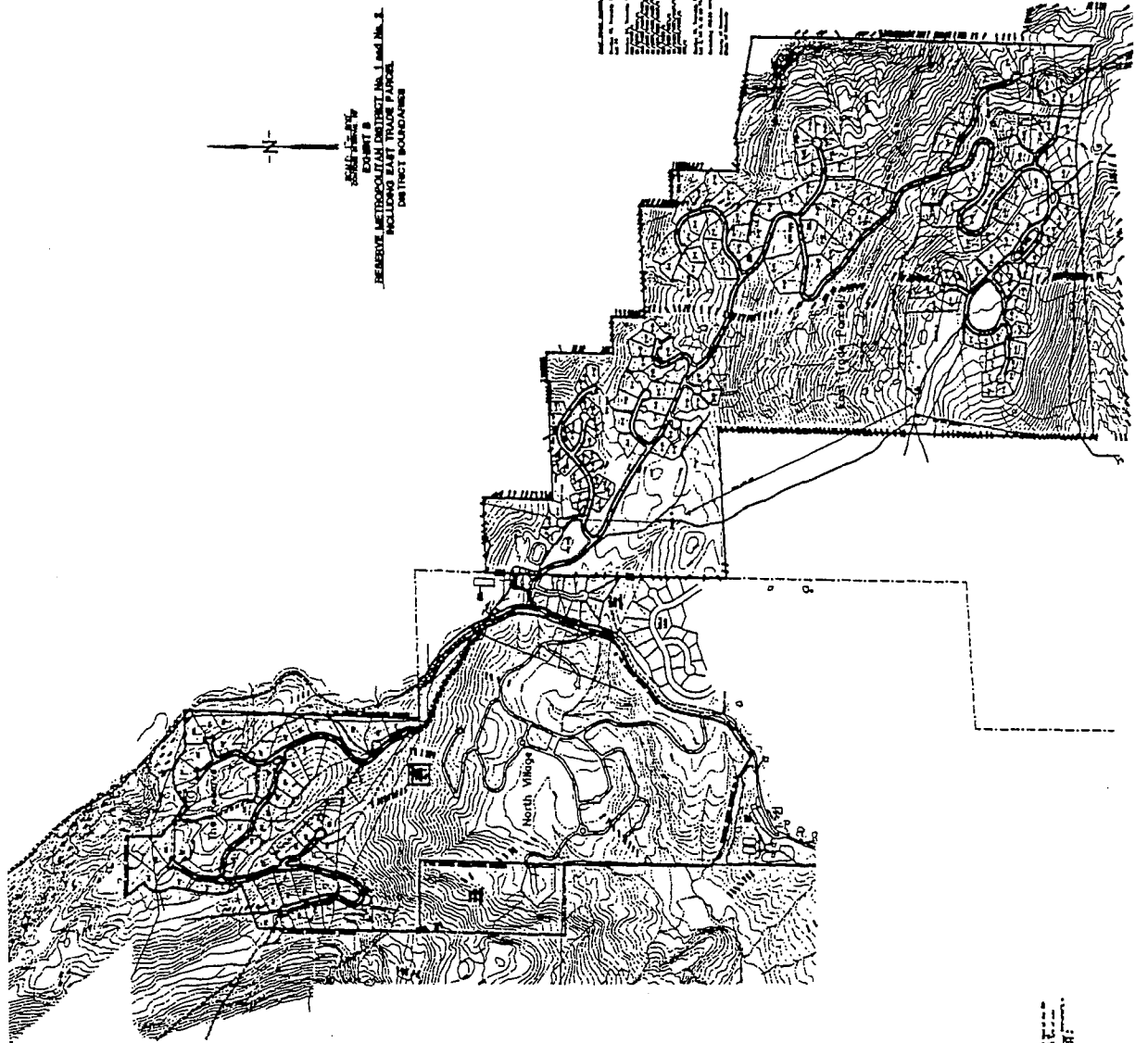
(The following text is extremely small and dense, likely containing a detailed legend or technical specifications for the map's symbols and grid.)

EXHIBIT B
RESERVE METROPOLITAN DISTRICT No. 1 and No. 2
DISTRICT BOUNDARIES

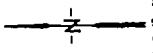


SECTION 1, T. 24 N., R. 10 W., S. 1 E.
EXHIBIT B
FEDERAL METEOROLOGICAL DISTRICT, No. 1 and No. 2
MOUNTAIN VIEW, COLORADO
DISTRICT BOUNDARIES

1. 100' contour interval
2. 50' contour interval
3. 25' contour interval
4. 10' contour interval
5. 5' contour interval
6. 2' contour interval
7. 1' contour interval
8. 0.5' contour interval
9. 0.25' contour interval
10. 0.125' contour interval



1. 100' contour interval
2. 50' contour interval
3. 25' contour interval
4. 10' contour interval
5. 5' contour interval
6. 2' contour interval
7. 1' contour interval
8. 0.5' contour interval
9. 0.25' contour interval
10. 0.125' contour interval



SCALE 1:50,000
GENERAL PLAN
SHERBURN METROPOLITAN DISTRICT, No. 1 and No. 2
FOLLOWING EAST TRAILER PARKS
MASTER ROAD PLAN

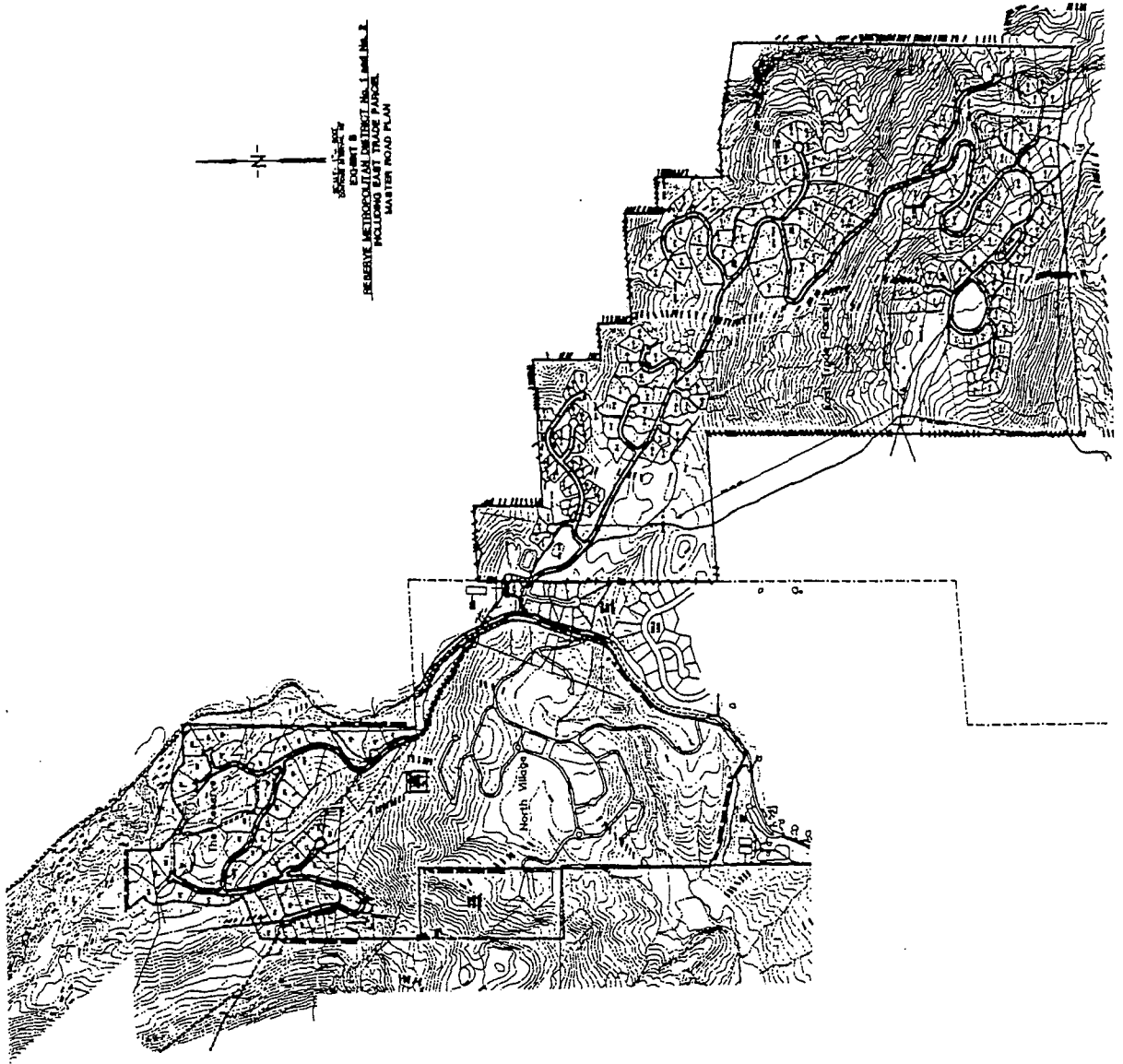


EXHIBIT C
Operation and Maintenance Cost Estimates
of Districts assuming the annexation and inclusion of the East-Trade and West-Trade parcels

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
EXPENDITURES - ADMINISTRATION/OPERATING:												
ADMINISTRATION, LEGAL, AUDIT, INSURANCE, DIR. FEES, ETC	50,000	75,000	100,000	125,000	150,000	200,000	200,000	250,000	250,000	250,000	250,000	250,000
2% GUNNISON COUNTY TREASURER'S COLLECTION FEE	0	100	100	100	100	100	100	200	200	200	200	200
ROAD PLOWING & MAINTENANCE @ \$50,000 MILE	0	25,000	50,000	100,000	200,000	358,000	358,000	400,000	400,000	400,000	400,000	400,000
ALLOWANCE FOR ROAD OVERLAYS	0	5,000	10,000	20,000	100,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
TRANSPORTATION ALLOWANCE @ 15 MILLS	0	10,067	19,593	102,094	147,794	184,182	302,136	554,851	784,462	993,923	1,186,223	1,327,613
OPERATING/CAPITAL CONTINGENCY	5,000	10,000	15,000	50,000	50,000	200,000	400,000	400,000	400,000	400,000	400,000	400,000
BOND PAYING AGENT FEES	0	3,000	3,000	3,000	3,000	6,000	6,000	6,000	6,000	6,000	6,000	0
TOTAL EXPENDITURES - ADMINISTRATIVE/OPERATING	55,000	128,167	197,693	400,194	650,894	1,098,282	1,416,236	1,761,051	1,990,662	2,200,123	2,392,423	2,527,813
EXPENDITURES - CAPITAL PROJECTS (SCH. 1)	8,857,500	11,200,000	0	0	0	14,955,625	0	3,743,125	0	0	0	0
EXPENDITURES - REVENUE BONDS DEBT SERVICE (SCH. 2)	1,218,000	1,218,000	1,218,000	1,218,000	6,613,000	1,474,050	8,358,800	1,675,500	1,675,500	1,675,500	29,600,500	0
TOTAL EXPENDITURES	10,130,500	12,546,167	1,415,693	1,618,194	7,263,894	17,527,957	9,775,036	7,179,676	3,666,162	3,875,623	31,992,923	2,527,813

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
EXPENDITURES - ADMINISTRATION/OPERATING:												
ADMINISTRATION, LEGAL, AUDIT, INSURANCE, DIR. FEES, ETC	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
2% GUNNISON COUNTY TREASURER'S COLLECTION FEE	200	200	200	200	200	200	200	200	200	200	200	200
ROAD PLOWING & MAINTENANCE @ \$50,000 MILE	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
ALLOWANCE FOR ROAD OVERLAYS	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
TRANSPORTATION ALLOWANCE @ 15 MILLS	1,506,134	1,604,045	1,695,783	1,695,783	1,695,783	1,695,783	1,695,783	1,695,783	1,695,783	1,695,783	1,695,783	1,695,783
OPERATING/CAPITAL CONTINGENCY	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
BOND PAYING AGENT FEES	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES - ADMINISTRATIVE/OPERATING	2,706,334	2,804,245	2,895,983	2,895,983	2,895,983	2,895,983	2,895,983	2,895,983	2,895,983	2,895,983	2,895,983	2,895,983
EXPENDITURES - CAPITAL PROJECTS (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0	0
EXPENDITURES - REVENUE BONDS DEBT SERVICE (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	2,706,334	2,804,245	2,895,983	2,895,983	2,895,983	2,895,983	2,895,983	2,895,983	2,895,983	2,895,983	2,895,983	2,895,983

	<u>2025</u>	<u>2026</u>	<u>TOTALS</u>
EXPENDITURES - ADMINISTRATION/OPERATING:			
ADMINISTRATION, LEGAL, AUDIT, INSURANCE, DIR. FEES, ETC	250,000	250,000	5,650,000
2% GUNNISON COUNTY TREASURER'S COLLECTION FEE	200	200	4,400
ROAD PLOWING & MAINTENANCE @ \$50,000 MILE	400,000	400,000	8,691,000
ALLOWANCE FOR ROAD OVERLAYS	150,000	150,000	3,285,000
TRANSPORTATION ALLOWANCE @ 15 MILLS	1,695,783	1,695,783	29,072,511
OPERATING/CAPITAL CONTINGENCY	400,000	400,000	8,330,000
BOND PAYING AGENT FEES	0	0	48,000
TOTAL EXPENDITURES - ADMINISTRATIVE/OPERATING	2,895,983	2,895,983	55,080,911
EXPENDITURES - CAPITAL PROJECTS (SCH. 1)	0	0	38,756,250
EXPENDITURES - REVENUE BONDS DEBT SERVICE (SCH. 2)	0	0	55,944,850
TOTAL EXPENDITURES	2,895,983	2,895,983	149,782,011

EXHIBIT D

Financing Plan for Districts assuming the annexation and
inclusion of the East-Trade and West-Trade parcels

Stan Bernstein and Associates, Inc.

Financial Planners and Consultants

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

707 Seventeenth Street, Suite 2900

Denver, Colorado 80202

Telephone: 303-291-0495 Fax: 303-291-0625 Email: stanplan@earthlink.net

MEMORANDUM

TO: Mr. Ralph O. Walton, Jr., Chairman of the Board
Mr. Edward Callaway, President
Mr. Ralph O. Walton III, Senior Vice President Resort Operations (via Email)
Mr. Ed O'Brien, Real Estate Consultant (via Email)
Mr. T.R. Richard Connally, Director Real Estate Development
Mr. Ty Minnick, Financial Analyst
Mr. Jim Ruthven, Chief Financial Officer
Mr. Gary R. White, Esq.
Mr. Todd Wallace, Esq. (via Email)
Mr. Pete Estep

FROM: Stan Bernstein

DATE: July 11, 2000

SUBJECT: Financing Plan Re: Reserve Metropolitan District #1 (Service District) - DRAFT 6 (assumes East and West Trade Parcels are included)

Attached for your review is a sixth draft of a Financing Plan for Reserve Metropolitan District # 1 (the "Service District") assuming the inclusion of the East and West Trade Parcels. The Financing Plan is based upon the completion of approximately 300 living units in the East Trade Parcel (including 42 employee/affordable housing units), 50 living units in the West Trade Parcel (including 10 employee/affordable housing units), 1,750 living units (including 650 hotel rooms) in the North Village Parcel, and 24 single family homes in the Reserve Parcel with a total uninflated value of approximately \$1.064 billion. The Financing Plan also assumes that approximately 100,000 square feet of commercial space (retail, restaurant, and office) will be completed in the East Trade Parcel, and 125,000 square feet of commercial space will be completed in the North Village Parcel.

Exhibit I (Combined General, Debt Service, and Capital Projects Funds Cash Flow Forecast – 2001 – 2041), page 1, indicates that credit enhanced low-floater revenue bonds could be issued by the District as follows (see Schedule 2, page 3 for detailed schedule of revenue bond issues and related debt service requirements):

- 1/1/2001 \$ 20,300,000
- 6/1/2006 \$ 19,325,000

Memorandum
July 11, 2000
Page 2

It is assumed that the interest on these revenue bonds (assumed to be 6% including annual letter of credit fees) will be paid from Developer Capital Improvement Fees contributed to the District from Crested Butte Mountain Resorts, Inc. Total Developer Capital Improvement Fees collected by the District from Crested Butte Mountain Resorts, Inc. are forecast to be \$16,319,850. It is assumed that these bonds will be redeemed from the Financing District transferring general obligation bond proceeds to the District on December 1, 2005 (\$5,395,000), December 1, 2007 (\$6,305,000), and December 1, 2011 (\$27,925,000).

It is assumed that property taxes generated from Financing District's 23.00 operating, maintenance and transportation mill levy will be transferred to the Service District for the purposes of enabling the Service District to fund its administrative, maintenance, and operating related expenses as detailed on Exhibit I, page 1. This draft also incorporates a one-time \$5,000 (average per home) Capital Facilities Fee which generates \$10,620,000 for the Service District.

It is assumed that the proceeds of the Service District's Series 2001 and 2006 credit-enhanced low-floater revenue bonds will be used to pay all of the capital improvement costs required by the Service District as presented on Schedule 1, page 2.

Stan Bernstein and Associates, Inc. has developed the above information based upon key assumptions regarding real estate development plans and values provided by Crested Butte Mountain Resorts, Inc. Stan Bernstein and Associates, Inc. has not independently reviewed, evaluated, examined, or audited such assumptions and, consequently, does not vouch for the achievability of the Cash Flow Forecasts presented on Exhibit I or on supporting Schedules 1 and 2. Furthermore, because of the inherent nature of prospective financial information and because of the uncertainties of attempting to predict future events, actual results (including the amounts and timing of the issuance of general obligation bonds expected to be issued by the Financing District which will be used to redeem developer credit enhanced revenue bonds issued by the Service District) are likely to vary from forecast results and such variation could be material.

RESERVE METRO DISTRICT #1 (SERVICE DISTRICT)
 CASH FLOW FORECAST - BUDGETARY BASIS
 COMBINED GENERAL, DEBT SERVICE,
 AND CAPITAL PROJECTS FUNDS
 FOR THE YEARS ENDING DECEMBER 31, 2001 - 2041
 2000\$ (UNINFLATED)

DRAFT 7-11-00
 SUBJECT TO CHANGE AND REVISION

EXHIBIT I - CASH FLOW FORECAST - COMBINED GENERAL,
 DEBT SERVICE, AND CAP. PROJECT FUNDS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ASSESSED VALUATION	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520
MILL LEVY	0.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
CAPITAL FACILITIES FEE (AVERAGE PER RESIDENCE)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
REVENUES:												
PROPERTY TAXES - 50 MILLS	0	276	276	276	276	276	276	276	276	276	276	276
SPECIFIC OWNERSHIP TAXES @ 5% OF PROP. TAXES	0	14	14	14	14	14	14	14	14	14	14	14
DEVELOPER CAPITAL IMPROVEMENT FEES FROM RESMD#2	1,218,000	1,218,000	1,218,000	1,218,000	1,218,000	1,474,050	2,053,800	1,675,500	1,675,500	1,675,500	1,675,500	0
PROPERTY TAXES TRANSFERRED FROM RESMD#2 - 23.0 MILL	0	15,436	30,043	158,545	228,619	311,531	513,473	902,562	1,247,997	1,580,083	1,864,931	2,078,602
CAPITAL FACILITIES FEES @ \$5,000/HOME AVERAGE	0	25,000	25,000	205,000	420,000	2,055,000	995,000	1,055,000	1,830,000	820,000	1,820,000	660,000
INTEREST INCOME - CONSTRUCTION @ 5%	600,000	172,500	0	0	0	200,000	100,000	40,000	0	0	0	0
INTEREST INCOME - OPERATIONS @ 5%	0	1,000	1,683	2,153	2,883	2,867	46,743	52,074	62,838	118,899	133,038	202,837
TOTAL REVENUES	1,818,000	1,432,226	1,275,015	1,583,989	1,869,792	4,043,737	3,709,305	3,725,425	4,816,625	4,194,771	5,493,759	2,941,729
EXPENDITURES - ADMINISTRATION/OPERATING:												
ADMINISTRATION, LEGAL, AUDIT, INSURANCE, DIR. FEES, ETC	50,000	75,000	100,000	125,000	150,000	200,000	200,000	250,000	250,000	250,000	250,000	250,000
2% GUNNISON COUNTY TREASURER'S COLLECTION FEE	0	6	6	6	6	6	6	6	6	6	6	6
ROAD PLOWING & MAINTENANCE @ \$50,000 MILE	0	25,000	50,000	100,000	200,000	358,000	358,000	400,000	400,000	400,000	400,000	400,000
ALLOWANCE FOR ROAD OVERLAYS	0	5,000	10,000	20,000	100,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
MISC. OTHER OPERATING ALLOWANCE @ 15 MILLS	0	10,067	19,593	103,399	149,099	203,172	334,874	588,627	813,911	1,030,489	1,216,259	1,355,610
OPERATING/CAPITAL CONTINGENCY	5,000	10,000	15,000	50,000	50,000	200,000	400,000	400,000	400,000	400,000	400,000	400,000
BOND PAYING AGENT FEES	0	3,000	3,000	3,000	3,000	6,000	6,000	6,000	6,000	6,000	6,000	0
TOTAL EXPENDITURES - ADMINISTRATIVE/OPERATING	55,000	128,073	197,599	401,405	652,105	1,117,178	1,448,879	1,794,633	2,019,916	2,236,494	2,422,265	2,555,615
EXPENDITURES - CAPITAL PROJECTS (SCH. 1)	8,857,500	11,200,000	0	0	0	14,955,625	0	3,743,125	0	0	0	0
EXPENDITURES - REVENUE BONDS DEBT SERVICE (SCH. 2)	1,218,000	1,218,000	1,218,000	1,218,000	6,613,000	1,474,050	8,358,800	1,675,500	1,675,500	1,675,500	29,600,500	0
TOTAL EXPENDITURES	10,130,500	12,546,073	1,415,599	1,619,405	7,265,105	17,546,853	9,807,679	7,213,258	3,695,416	3,911,994	32,022,765	2,555,615
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(8,312,500)	(11,113,847)	(140,583)	(35,416)	(5,395,313)	(13,503,115)	(6,098,374)	(3,487,832)	1,121,209	282,777	(26,529,006)	386,114
OTHER FINANCING SOURCES:												
PROCEEDS FROM DEVELOP. ENHANCED REVENUE BONDS	20,300,000	0	0	0	0	19,325,000	0	0	0	0	0	0
COSTS OF BOND ISSUANCE	(1,015,000)	0	0	0	0	(966,250)	0	0	0	0	0	0
DEVELOPER ADVANCE (REPAYMENT) - OPERATIONS	75,000	100,000	150,000	50,000	0	(375,000)	0	0	0	0	0	0
TRANSFER OF NET G.O BOND PROCEEDS FROM RESMD#2	0	0	0	0	5,395,000	0	6,305,000	0	0	0	27,925,000	0
TOTAL OTHER FINANCING SOURCES	19,360,000	100,000	150,000	50,000	5,395,000	17,983,750	6,305,000	0	0	0	27,925,000	0
FUND BALANCE - JANUARY 1	0	11,047,500	33,653	43,070	57,654	57,341	4,537,975	4,744,601	1,256,769	2,377,977	2,660,755	4,056,748
FUND BALANCE - DECEMBER 31	11,047,500	33,653	43,070	57,654	57,341	4,537,975	4,744,601	1,256,769	2,377,977	2,660,755	4,056,748	4,442,862
RESTRICTED FOR CONSTRUCTION	11,027,500	0	0	0	0	3,603,125	3,703,125	0	0	0	0	0
UNRESTRICTED	20,000	33,653	43,070	57,654	57,341	934,850	1,041,476	1,256,769	2,377,977	2,660,755	4,056,748	4,442,862
TOTAL REVENUE BONDS OUTSTANDING @ 12/31 (SCH. 2)	20,300,000	20,300,000	20,300,000	20,300,000	14,905,000	34,230,000	27,925,000	27,925,000	27,925,000	27,925,000	0	0

SEE CONSULTANTS REPORT AND DISCLAIMER.

RESERVE METRO DISTRICT #1 (SERVICE DISTRICT)
 CASH FLOW FORECAST - BUDGETARY BASIS
 COMBINED GENERAL, DEBT SERVICE,
 AND CAPITAL PROJECTS FUNDS
 FOR THE YEARS ENDING DECEMBER 31, 2001 - 2041
 2000\$ (UNINFLATED)

EXHIBIT I - CASH FLOW FORECAST - COMBINED GENERAL,
 DEBT SERVICE, AND CAP. PROJECT FUNDS

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
ASSESSED VALUATION	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520
MILL LEVY	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
CAPITAL FACILITIES FEE (AVERAGE PER RESIDENCE)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
REVENUES:												
PROPERTY TAXES - 50 MILLS	276	276	276	276	276	276	276	276	276	276	276	276
SPECIFIC OWNERSHIP TAXES @ 5% OF PROP. TAXES	14	14	14	14	14	14	14	14	14	14	14	14
DEVELOPER CAPITAL IMPROVEMENT FEES FROM RESMD#2	0	0	0	0	0	0	0	0	0	0	0	0
PROPERTY TAXES TRANSFERRED FROM RESMD#2 - 23.0 MILL	2,393,498	2,549,605	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316
CAPITAL FACILITIES FEES @ \$5,000/HOME AVERAGE	710,000	0	0	0	0	0	0	0	0	0	0	0
INTEREST INCOME - CONSTRUCTION @ 5%	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST INCOME - OPERATIONS @ 5%	222,143	250,391	247,265	247,222	247,177	247,129	247,079	247,027	246,972	246,914	246,853	246,790
TOTAL REVENUES	3,325,931	2,800,285	2,925,871	2,925,828	2,925,783	2,925,735	2,925,685	2,925,633	2,925,578	2,925,520	2,925,459	2,925,396
EXPENDITURES - ADMINISTRATION/OPERATING:												
ADMINISTRATION, LEGAL, AUDIT, INSURANCE, DIR. FEES, ETC	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
2% GUNNISON COUNTY TREASURER'S COLLECTION FEE	6	6	6	6	6	6	6	6	6	6	6	6
ROAD PLOWING & MAINTENANCE @ \$50,000 MILE	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
ALLOWANCE FOR ROAD OVERLAYS	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
MISC. OTHER OPERATING ALLOWANCE @ 15 MILLS	1,560,977	1,662,786	1,746,728	1,746,728	1,746,728	1,746,728	1,746,728	1,746,728	1,746,728	1,746,728	1,746,728	1,746,728
OPERATING/CAPITAL CONTINGENCY	400,000	400,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000
BOND PAYING AGENT FEES	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES - ADMINISTRATIVE/OPERATING	2,760,982	2,862,791	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733
EXPENDITURES - CAPITAL PROJECTS (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0	0
EXPENDITURES - REVENUE BONDS DEBT SERVICE (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	2,760,982	2,862,791	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733
EXCESS REVENUES OVER (UNDER) EXPENDITURES	564,948	(62,506)	(862)	(905)	(951)	(998)	(1,048)	(1,101)	(1,156)	(1,213)	(1,274)	(1,338)
OTHER FINANCING SOURCES:												
PROCEEDS FROM DEVELOP. ENHANCED REVENUE BONDS	0	0	0	0	0	0	0	0	0	0	0	0
COSTS OF BOND ISSUANCE	0	0	0	0	0	0	0	0	0	0	0	0
DEVELOPER ADVANCE (REPAYMENT) - OPERATIONS	0	0	0	0	0	0	0	0	0	0	0	0
TRANSFER OF NET G.O BOND PROCEEDS FROM RESMD#2	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	0	0	0	0	0	0	0	0	0	0	0	0
FUND BALANCE - JANUARY 1	4,442,862	5,007,810	4,945,304	4,944,442	4,943,536	4,942,586	4,941,587	4,940,539	4,939,439	4,938,283	4,937,070	4,935,795
FUND BALANCE - DECEMBER 31	5,007,810	4,945,304	4,944,442	4,943,536	4,942,586	4,941,587	4,940,539	4,939,439	4,938,283	4,937,070	4,935,795	4,934,458
RESTRICTED FOR CONSTRUCTION	0	0	0	0	0	0	0	0	0	0	0	0
UNRESTRICTED	5,007,810	4,945,304	4,944,442	4,943,536	4,942,586	4,941,587	4,940,539	4,939,439	4,938,283	4,937,070	4,935,795	4,934,458
TOTAL REVENUE BONDS OUTSTANDING @ 12/31 (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0	0

SEE CONSULTANTS REPORT AND DISCLAIMER.

RESERVE METRO DISTRICT #1 (SERVICE DISTRICT)
 CASH FLOW FORECAST - BUDGETARY BASIS
 COMBINED GENERAL, DEBT SERVICE,
 AND CAPITAL PROJECTS FUNDS
 FOR THE YEARS ENDING DECEMBER 31, 2001 - 2041
 2000\$ (UNINFLATED)

EXHIBIT I - CASH FLOW FORECAST - COMBINED GENERAL,
 DEBT SERVICE, AND CAP. PROJECT FUNDS

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>	<u>2036</u>
ASSESSED VALUATION	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520
MILL LEVY	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
CAPITAL FACILITIES FEE (AVERAGE PER RESIDENCE)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
REVENUES:												
PROPERTY TAXES - 50 MILLS	276	276	276	276	276	276	276	276	276	276	276	276
SPECIFIC OWNERSHIP TAXES @ 5% OF PROP. TAXES	14	14	14	14	14	14	14	14	14	14	14	14
DEVELOPER CAPITAL IMPROVEMENT FEES FROM RESMD#2	0	0	0	0	0	0	0	0	0	0	0	0
PROPERTY TAXES TRANSFERRED FROM RESMD#2 - 23.0 MILL	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316
CAPITAL FACILITIES FEES @ \$5,000/HOME AVERAGE	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST INCOME - CONSTRUCTION @ 5%	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST INCOME - OPERATIONS @ 5%	246,723	246,653	246,579	246,501	246,420	246,335	246,245	246,151	246,052	245,948	245,839	245,725
TOTAL REVENUES	2,925,329	2,925,258	2,925,185	2,925,107	2,925,026	2,924,941	2,924,851	2,924,757	2,924,658	2,924,554	2,924,445	2,924,331
EXPENDITURES - ADMINISTRATION/OPERATING:												
ADMINISTRATION, LEGAL, AUDIT, INSURANCE, DIR. FEES, ETC	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
2% GUNNISON COUNTY TREASURER'S COLLECTION FEE	6	6	6	6	6	6	6	6	6	6	6	6
ROAD PLOWING & MAINTENANCE @ \$50,000 MILE	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
ALLOWANCE FOR ROAD OVERLAYS	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
MISC. OTHER OPERATING ALLOWANCE @ 15 MILLS	1,746,728	1,746,728	1,746,728	1,746,728	1,746,728	1,746,728	1,746,728	1,746,728	1,746,728	1,746,728	1,746,728	1,746,728
OPERATING/CAPITAL CONTINGENCY	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000
BOND PAYING AGENT FEES	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES - ADMINISTRATIVE/OPERATING	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733
EXPENDITURES - CAPITAL PROJECTS (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0	0
EXPENDITURES - REVENUE BONDS DEBT SERVICE (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(1,405)	(1,475)	(1,549)	(1,626)	(1,707)	(1,793)	(1,882)	(1,977)	(2,075)	(2,179)	(2,288)	(2,402)
OTHER FINANCING SOURCES:												
PROCEEDS FROM DEVELOP. ENHANCED REVENUE BONDS	0	0	0	0	0	0	0	0	0	0	0	0
COSTS OF BOND ISSUANCE	0	0	0	0	0	0	0	0	0	0	0	0
DEVELOPER ADVANCE (REPAYMENT) - OPERATIONS	0	0	0	0	0	0	0	0	0	0	0	0
TRANSFER OF NET G.O BOND PROCEEDS FROM RESMD#2	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	0	0	0	0	0	0	0	0	0	0	0	0
FUND BALANCE - JANUARY 1	4,934,458	4,933,053	4,931,578	4,930,029	4,928,403	4,926,696	4,924,903	4,923,021	4,921,044	4,918,969	4,916,790	4,914,502
FUND BALANCE - DECEMBER 31	4,933,053	4,931,578	4,930,029	4,928,403	4,926,696	4,924,903	4,923,021	4,921,044	4,918,969	4,916,790	4,914,502	4,912,099
RESTRICTED FOR CONSTRUCTION	0	0	0	0	0	0	0	0	0	0	0	0
UNRESTRICTED	4,933,053	4,931,578	4,930,029	4,928,403	4,926,696	4,924,903	4,923,021	4,921,044	4,918,969	4,916,790	4,914,502	4,912,099
TOTAL REVENUE BONDS OUTSTANDING @ 12/31 (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0	0

SEE CONSULTANTS REPORT AND DISCLAIMER.

RESERVE METRO DISTRICT #1 (SERVICE DISTRICT)
 CASH FLOW FORECAST - BUDGETARY BASIS
 COMBINED GENERAL, DEBT SERVICE,
 AND CAPITAL PROJECTS FUNDS
 FOR THE YEARS ENDING DECEMBER 31, 2001 - 2041
 2000\$ (UNINFLATED)

EXHIBIT I - CASH FLOW FORECAST - COMBINED GENERAL,
 DEBT SERVICE, AND CAP. PROJECT FUNDS

	<u>2037</u>	<u>2038</u>	<u>2039</u>	<u>2040</u>	<u>2041</u>	<u>TOTALS</u>
ASSESSED VALUATION	5,520	5,520	5,520	5,520	5,520	
MILL LEVY	50.00	50.00	50.00	50.00	50.00	
CAPITAL FACILITIES FEE (AVERAGE PER RESIDENCE)	5,000	5,000	5,000	5,000	5,000	
REVENUES:						
PROPERTY TAXES - 50 MILLS	276	276	276	276	276	11,040
SPECIFIC OWNERSHIP TAXES @ 5% OF PROP. TAXES	14	14	14	14	14	552
DEVELOPER CAPITAL IMPROVEMENT FEES FROM RESMD#2	0	0	0	0	0	16,319,850
PROPERTY TAXES TRANSFERRED FROM RESMD#2 - 23.0 MILL	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316	86,189,454
CAPITAL FACILITIES FEES @ \$5,000/HOME AVERAGE	0	0	0	0	0	10,620,000
INTEREST INCOME - CONSTRUCTION @ 5%	0	0	0	0	0	1,112,500
INTEREST INCOME - OPERATIONS @ 5%	245,605	245,479	245,346	245,207	245,061	7,751,849
TOTAL REVENUES	2,924,211	2,924,085	2,923,952	2,923,813	2,923,667	122,005,245
EXPENDITURES - ADMINISTRATION/OPERATING:						
ADMINISTRATION, LEGAL, AUDIT, INSURANCE, DIR. FEES, ETC	250,000	250,000	250,000	250,000	250,000	9,400,000
2% GUNNISON COUNTY TREASURER'S COLLECTION FEE	6	6	6	6	6	221
ROAD PLOWING & MAINTENANCE @ \$50,000 MILE	400,000	400,000	400,000	400,000	400,000	14,691,000
ALLOWANCE FOR ROAD OVERLAYS	150,000	150,000	150,000	150,000	150,000	5,535,000
MISC. OTHER OPERATING ALLOWANCE @ 15 MILLS	1,746,728	1,746,728	1,746,728	1,746,728	1,746,728	56,210,514
OPERATING/CAPITAL CONTINGENCY	380,000	380,000	380,000	380,000	380,000	13,790,000
BOND PAYING AGENT FEES	0	0	0	0	0	48,000
TOTAL EXPENDITURES - ADMINISTRATIVE/OPERATING	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	99,674,734
EXPENDITURES - CAPITAL PROJECTS (SCH. 1)	0	0	0	0	0	38,756,250
EXPENDITURES - REVENUE BONDS DEBT SERVICE (SCH. 2)	0	0	0	0	0	55,944,850
TOTAL EXPENDITURES	2,926,733	2,926,733	2,926,733	2,926,733	2,926,733	194,375,834
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(2,523)	(2,649)	(2,781)	(2,920)	(3,066)	(72,370,590)
OTHER FINANCING SOURCES:						
PROCEEDS FROM DEVELOP. ENHANCED REVENUE BONDS	0	0	0	0	0	39,625,000
COSTS OF BOND ISSUANCE	0	0	0	0	0	(1,981,250)
DEVELOPER ADVANCE (REPAYMENT) - OPERATIONS	0	0	0	0	0	0
TRANSFER OF NET G.O BOND PROCEEDS FROM RESMD#2	0	0	0	0	0	39,625,000
TOTAL OTHER FINANCING SOURCES	0	0	0	0	0	77,268,750
FUND BALANCE - JANUARY 1	4,912,099	4,909,577	4,906,928	4,904,147	4,901,227	0
FUND BALANCE - DECEMBER 31	4,909,577	4,906,928	4,904,147	4,901,227	4,898,160	4,898,160
RESTRICTED FOR CONSTRUCTION						0
UNRESTRICTED	4,909,577	4,906,928	4,904,147	4,901,227	4,898,160	4,898,160
TOTAL REVENUE BONDS OUTSTANDING @ 12/31 (SCH. 2)	0	0	0	0	0	0

SEE CONSULTANTS REPORT AND DISCLAIMER.

RESERVE METRO DISTRICT #1 (SERVICE DISTRICT)
 CASH FLOW FORECAST - BUDGETARY BASIS
 CAPITAL PROJECTS FUND
 FOR THE YEARS ENDING DECEMBER 31, 2001 - 2008

DRAFT 7-11-00
 SUBJECT TO CHANGE AND REVISION

SCHEDULE 1 - CAPITAL IMPROVEMENTS SCHEDULE

<u>CAPITAL IMPROVEMENT DESCRIPTION</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>TOTALS</u>
INTERNAL ROADWAYS	1,238,000	1,678,000	0	0	0	2,774,000	0	861,500	6,551,500
RETAINING WALL ALLOWANCES	576,000	1,404,000	0	0	0	1,170,000	0	288,000	3,438,000
GOthic ROAD - OFF SITE (2)	280,000	0	0	0	0	280,000	0	0	560,000
GOLD LINK NORTH - OFF SITE	15,000	0	0	0	0	0	0	0	15,000
BRIDGES	2,000,000	2,000,000	0	0	0	1,600,000	0	500,000	6,100,000
WATER UTILITY	665,000	2,738,000	0	0	0	2,556,000	0	315,000	6,274,000
WATER LOOP	0	165,000	0	0	0	0	0	0	165,000
OFF-SITE SEWER	0	0	0	0	0	555,000	0	0	555,000
SEWER UTILITY	622,000	475,000	0	0	0	1,309,500	0	280,000	2,686,500
MISCELLANEOUS UTILITY (CABLE, NOT GAS OR ELEC. OR TEL)	<u>250,000</u>	<u>250,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000,000</u>	<u>0</u>	<u>750,000</u>	<u>2,250,000</u>
TOTAL HARD CONSTRUCTION COSTS	<u>5,646,000</u>	<u>8,710,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,244,500</u>	<u>0</u>	<u>2,994,500</u>	<u>28,595,000</u>
25% ALLOW. ENGINEERING/CONTRACT MANAGEMENT, ETC.	1,411,500	2,177,500	0	0	0	2,811,125	0	748,625	7,148,750
CONTINGENCY AND START-UP	<u>1,800,000</u>	<u>312,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>900,000</u>	<u>0</u>	<u>0</u>	<u>3,012,500</u>
TOTAL SOFT AND HARD CONSTRUCTION COSTS	<u>8,857,500</u>	<u>11,200,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,955,625</u>	<u>0</u>	<u>3,743,125</u>	<u>38,756,250</u>

- (1) SOURCE: SCHMUESER GORDON MEYER, INC. & CRESTED BUTTE MOUNTAIN RESORT
 (2) PRELIMINARY, SUBJECT TO FURTHER NEGOTIATIONS.

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SEE CONSULTANT'S REPORT AND DISCLAIMER.

RESERVE METRO DISTRICT #1 (SERVICE DISTRICT)
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2000 - 2025

DRAFT 7-11-00
 SUBJECT TO CHANGE AND REVISION

SCHEDULE 2 - REVENUE BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF ENHANCED REVENUE BOND ISSUES				
BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE
1/1/01	19,285,000	0	1,015,000	20,300,000
6/1/06	18,358,750	0	966,250	19,325,000
TOTALS	37,643,750	0	1,981,250	39,625,000

ANNUAL DEBT SERVICE REQUIREMENTS - SUMMARY INTEREST AND PRINCIPAL

	2001	2002	2003	2004	2005	2006	2007	2008	2009
	1,218,000	1,218,000	1,218,000	1,218,000	6,613,000	894,300	7,199,300	516,000	516,000
	0	0	0	0	0	579,750	1,159,500	1,159,500	1,159,500
	<u>1,218,000</u>	<u>1,218,000</u>	<u>1,218,000</u>	<u>1,218,000</u>	<u>6,613,000</u>	<u>1,474,050</u>	<u>8,358,800</u>	<u>1,675,500</u>	<u>1,675,500</u>

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

1/1/01	PRINCIPAL REDUCTION	0	0	0	0	5,395,000	0	6,305,000	0	0
	INTEREST @ 6.0% (INCLUDING 1% L.C. FEE)	1,218,000	1,218,000	1,218,000	1,218,000	1,218,000	894,300	894,300	516,000	516,000
	TOTAL DEBT SERVICE REQUIREMENTS	1,218,000	1,218,000	1,218,000	1,218,000	6,613,000	894,300	7,199,300	516,000	516,000
	TOTAL REVENUE BONDS OUTSTANDING @ 12/31	20,300,000	20,300,000	20,300,000	20,300,000	14,905,000	14,905,000	8,600,000	8,600,000	8,600,000
6/1/06	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0
	INTEREST @ 6.0% (INCLUDING 1% L.C. FEE)	0	0	0	0	0	579,750	1,159,500	1,159,500	1,159,500
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	579,750	1,159,500	1,159,500	1,159,500
	TOTAL REVENUE BONDS OUTSTANDING @ 12/31	0	0	0	0	0	19,325,000	19,325,000	19,325,000	19,325,000
	TOTAL REVENUE BONDS OUTSTANDING @ 12/31	20,300,000	20,300,000	20,300,000	20,300,000	14,905,000	34,230,000	27,925,000	27,925,000	27,925,000

SEE CONSULTANT'S REPORT AND DISCLAIMER.

RESERVE METRO DISTRICT #1 (SERVICE DISTRICT)
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2000 - 2025

SCHEDULE 2 - REVENUE BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF ENHANCED REVENUE BOND ISSUES					2010	2011	2012	2013	2014	2015	2016	2017	2018
BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE									
1/1/01	19,285,000	0	1,015,000	20,300,000	516,000	9,116,000	0	0	0	0	0	0	0
6/1/06	18,358,750	0	966,250	19,325,000	1,159,500	20,484,500	0	0	0	0	0	0	0
TOTALS	37,643,750	0	1,981,250	39,625,000	1,675,500	29,600,500	0	0	0	0	0	0	0

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

1/1/01	PRINCIPAL REDUCTION	0	8,600,000	0	0	0	0	0	0	0	0	0	0
	INTEREST @ 6.0% (INCLUDING 1% L.C. FEE)	516,000	516,000	0	0	0	0	0	0	0	0	0	0
	TOTAL DEBT SERVICE REQUIREMENTS	516,000	9,116,000	0	0	0	0	0	0	0	0	0	0
	TOTAL REVENUE BONDS OUTSTANDING @ 12/31	8,600,000	0	0	0	0	0	0	0	0	0	0	0
6/1/06	PRINCIPAL REDUCTION	0	19,325,000	0	0	0	0	0	0	0	0	0	0
	INTEREST @ 6.0% (INCLUDING 1% L.C. FEE)	1,159,500	1,159,500	0	0	0	0	0	0	0	0	0	0
	TOTAL DEBT SERVICE REQUIREMENTS	1,159,500	20,484,500	0	0	0	0	0	0	0	0	0	0
	TOTAL REVENUE BONDS OUTSTANDING @ 12/31	19,325,000	0	0	0	0	0	0	0	0	0	0	0
	TOTAL REVENUE BONDS OUTSTANDING @ 12/31	27,925,000	0	0	0	0	0	0	0	0	0	0	0

SEE CONSULTANT'S REPORT AND DISCLAIMER.

RESERVE METRO DISTRICT #1 (SERVICE DISTRICT)
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2000 - 2025

SCHEDULE 2 - REVENUE BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF ENHANCED REVENUE BOND ISSUES														
BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE	2019	2020	2021	2022	2023	2024	2025	2026	TOTALS	
1/1/01	19,285,000	0	1,015,000	20,300,000	0	0	0	0	0	0	0	0	30,242,600	
6/1/06	18,358,750	0	966,250	19,325,000	0	0	0	0	0	0	0	0	25,702,250	
TOTALS	37,643,750	0	1,981,250	39,625,000	0	0	0	0	0	0	0	0	55,944,850	

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

1/1/01	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	20,300,000
	INTEREST @ 6.0% (INCLUDING 1% L.C. FEE)	0	0	0	0	0	0	0	0	0	0	0	9,942,600
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0	30,242,600
	TOTAL REVENUE BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	
6/1/06	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	19,325,000
	INTEREST @ 6.0% (INCLUDING 1% L.C. FEE)	0	0	0	0	0	0	0	0	0	0	0	6,377,250
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0	25,702,250
	TOTAL REVENUE BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	
	TOTAL REVENUE BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	0

SEE CONSULTANT'S REPORT AND DISCLAIMER.

Stan Bernstein and Associates, Inc.

Financial Planners and Consultants

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

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Denver, Colorado 80202

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MEMORANDUM

TO: Mr. Ralph O. Walton, Jr., Chairman of the Board
Mr. Edward Callaway, President
Mr. Ralph O. Walton III, Senior Vice President Resort Operations (via Email)
Mr. Ed O'Brien, Real Estate Consultant (via Email)
Mr. T.R. Richard Connally, Director Real Estate Development
Mr. Ty Minnick, Financial Analyst
Mr. Jim Ruthven, Chief Financial Officer
Mr. Gary R. White, Esq.
Mr. Todd Wallace, Esq. (via Email)
Mr. Pete Estep

FROM: Stan Bernstein

DATE: July 11, 2000

SUBJECT: Financing Plan Re: Reserve Metropolitan District #2 (Financing District – DRAFT 6 (assumes East and West Trade Parcels are included)

Attached for you review is a sixth draft of a Financing Plan for Reserve Metropolitan District # 2 (the "Financing District") assuming the inclusion of the East and West Trade Parcels. The Financing Plan is based upon the completion of 300 living units in the East Trade Parcel (including 42 employee/affordable housing units), 50 living units in the West Trade Parcel (including 10 employee/affordable housing units), 1,750 living units (including 650 hotel rooms) in the North Village Parcel, and 24 single family homes in the Reserve Parcel with a total uninflated value of approximately \$1.064 billion as indicated on Schedule 1, page 2. The Financing Plan also assumes that approximately 100,000 square feet of commercial space (retail, restaurant, and office) will be completed in the East Trade Parcel, and 125,000 square feet of commercial space will be completed in the North Village Parcel. Assuming a Financing District mill levy of 50.00, annual property taxes payable to the Financing District for a home valued at \$1.0 million will be approximately \$4,870 (additional property taxes in amount of approximately \$5,000 will be payable to other overlapping governmental jurisdictions (i.e., school district, Town of Mt. Crested Butte, Gunnison County, etc.)

Exhibit I (Combined General and Debt Service Funds Cash Flow Forecast – 2001 – 2041), page 1, indicates based upon (i) a debt service mill levy of 27.00 and (ii) Crested Butte Mountain Resorts', Inc. expectations of buildout rates and values (as presented on Schedule 1, page 2) that non-rated general obligation bonds (maturing serially over a 30-year period) could be issued by the Financing District as follows (see Schedule 2, page 3 for detailed schedule of general obligation bond issues and related debt service requirements):

- 12/1/2005 \$ 6,000,000
- 12/1/2007 \$ 6,500,000
- 12/1/2011 \$28,800,000

It is assumed that the net proceeds of these general obligation bond issue (\$5,395,000 in 2005; \$6,305,000 in 2007; and \$27,925,000 in 2011) will be transferred to Reserve Metropolitan District # 1 and used to redeem letter of credit supported low-floater revenue bonds expected to be issued by Reserve Metropolitan District # 1 (the "Service District").

It is assumed that in addition to a 27.00 mill debt service levy, the Financing District will levy 23.00 mills for operating and maintenance purposes (i.e., a combined Financing District mill levy of 50.00 is assumed). It is assumed that property taxes generated from the operating and maintenance mill levies will be transferred to the Service District for the purposes of enabling the Service District to fund its administrative, operating, maintenance related expenses.

It is assumed that the Financing District will collect Developer Capital Improvement Fees from the primary land developer and transfer such fees to the Service District. These Developer Capital Improvement Fees will be used by the Service District to pay the interest on \$39,625,000 of credit enhanced low-floater revenue bonds expected to be issued by the Service District on January 1, 2001 (\$20,300,000) and on June 1, 2006 (\$19,325,000). The total amount of Developer Capital Improvement Fees are forecast to be \$16,319,850 from January 1, 2001 to December 1, 2011 when the low-floater revenue bonds are forecast to be fully redeemed.

Memorandum
July 11, 2000
Page 3

Stan Bernstein and Associates, Inc. has developed the above information based upon key assumptions regarding real estate development plans and values provided by officials and consultants of Crested Butte Mountain Resorts. Stan Bernstein and Associates, Inc. has not independently reviewed, evaluated, examined, or audited such assumptions and, consequently, does not vouch for the achievability of the Cash Flow Forecasts presented on Exhibit I or on supporting Schedules 1 and 2. Furthermore, because of the inherent nature of prospective financial information and because of the uncertainties of attempting to predict future events, actual results (including the amounts and timing of the issuance of general obligation bonds) are likely to vary from forecast results and such variation could be material.

RESERVE METROPOLITAN DISTRICT #2 (FINANCING DISTRICT)
 CASH FLOW FORECAST - BUDGETARY BASIS
 COMBINED GENERAL AND DEBT SERVICE FUNDS
 FOR THE YEARS ENDING DECEMBER 31, 2001 - 2041
 2000\$ (UNINFLATED)

DRAFT 7-11-00
 SUBJECT TO CHANGE AND REVISION

EXHIBIT I - CASH FLOW FORECAST - COMBINED
 GENERAL AND DEBT SERVICE FUNDS

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
ASSESSED VALUATION (SCH. 1)	<u>671,140</u>	<u>671,140</u>	<u>1,306,200</u>	<u>6,893,280</u>	<u>9,939,960</u>	<u>13,544,808</u>	<u>22,324,900</u>	<u>39,241,812</u>	<u>54,260,722</u>	<u>68,699,242</u>
MILL LEVY	<u>0.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>
REVENUES:										
PROPERTY TAXES - 50 MILLS	0	33,557	65,310	344,664	496,998	677,240	1,116,245	1,962,091	2,713,036	3,434,962
SPECIFIC OWNERSHIP TAXES @ 5% OF PROP. TAXES	0	1,678	3,266	17,233	24,850	33,862	55,812	98,105	135,652	171,748
DEVELOPER CAPITAL IMPROVEMENT FEE	1,218,000	1,218,000	1,218,000	1,218,000	1,218,000	1,474,050	2,053,800	1,675,500	1,675,500	1,675,500
INTEREST INCOME - CAPITALIZED INTEREST	0	0	0	0	5,000	20,000	0	0	0	0
INTEREST INCOME - OTHER @ 5%	0	0	1,706	1,903	7,571	20,264	38,729	46,878	54,160	79,377
TOTAL REVENUES	<u>1,218,000</u>	<u>1,253,235</u>	<u>1,288,282</u>	<u>1,581,800</u>	<u>1,752,419</u>	<u>2,225,417</u>	<u>3,264,586</u>	<u>3,782,573</u>	<u>4,578,348</u>	<u>5,361,588</u>
EXPENDITURES:										
ADMINISTRATION, LEGAL, AUDIT, INSURANCE, ETC.	0	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
2% GUNNISON COUNTY TREASURER'S COLLECTION FEE	0	671	1,306	6,893	9,940	13,545	22,325	39,242	54,261	68,699
SERIES 2005 G.O. BONDS DEBT SERVICE (SCH. 3)	0	0	0	0	0	450,000	475,000	488,125	500,125	506,000
SERIES 2007 G.O. BONDS DEBT SERVICE (SCH. 3)	0	0	0	0	0	0	0	492,500	557,125	556,875
SERIES 2011 G.O. BONDS DEBT SERVICE (SCH. 3)	0	0	0	0	0	0	0	0	0	0
BOND PAYING AGENT FEES	0	0	0	0	2,000	2,000	2,000	4,000	4,000	4,000
TRANSFER TO SERVICE DISTRICT (RESMD#1) - 23.0 MILLS	0	15,436	30,043	158,545	228,619	311,531	513,473	902,562	1,247,997	1,580,083
TRANSFER OF CAPITAL IMPROVEMENT FEE TO RESMD#1	<u>1,218,000</u>	<u>1,218,000</u>	<u>1,218,000</u>	<u>1,218,000</u>	<u>1,218,000</u>	<u>1,474,050</u>	<u>2,053,800</u>	<u>1,675,500</u>	<u>1,675,500</u>	<u>1,675,500</u>
TOTAL EXPENDITURES	<u>1,218,000</u>	<u>1,269,107</u>	<u>1,284,349</u>	<u>1,418,439</u>	<u>1,493,559</u>	<u>2,286,125</u>	<u>3,101,598</u>	<u>3,636,928</u>	<u>4,074,007</u>	<u>4,426,157</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>(15,873)</u>	<u>3,933</u>	<u>163,362</u>	<u>258,860</u>	<u>(60,709)</u>	<u>162,988</u>	<u>145,645</u>	<u>504,341</u>	<u>935,431</u>
OTHER FINANCING SOURCES:										
PROCEEDS FROM G.O. BONDS	0	0	0	0	6,000,000	0	6,500,000	0	0	0
COSTS OF BOND ISSUANCE	0	0	0	0	(180,000)	0	(195,000)	0	0	0
TRANSFER OF NET BOND PROCEEDS TO RESMD#1	0	0	0	0	(5,395,000)	0	(6,305,000)	0	0	0
DEVELOPER ADVANCE (REPAYMENT)	0	50,000	0	(50,000)	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>(50,000)</u>	<u>425,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE - JANUARY 1	<u>0</u>	<u>0</u>	<u>34,127</u>	<u>38,061</u>	<u>151,422</u>	<u>835,282</u>	<u>774,573</u>	<u>937,561</u>	<u>1,083,206</u>	<u>1,587,547</u>
FUND BALANCE - DECEMBER 31	<u>0</u>	<u>34,127</u>	<u>38,061</u>	<u>151,422</u>	<u>835,282</u>	<u>774,573</u>	<u>937,561</u>	<u>1,083,206</u>	<u>1,587,547</u>	<u>2,522,978</u>
UNRESTRICTED	0	34,127	38,061	151,422	405,282	774,573	937,561	1,083,206	1,587,547	2,522,978
RESTRICTED - CAPITALIZED INTEREST	0	0	0	0	430,000	0	0	0	0	0
TOTAL G.O. BONDS OUTSTANDING @ 12/31	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>12,475,000</u>	<u>12,430,000</u>	<u>12,305,000</u>	<u>12,165,000</u>
% OF G.O. BONDS OUTSTANDING TO ASSESSED VALUE				<u>0.00%</u>	<u>44.30%</u>	<u>26.88%</u>	<u>31.79%</u>	<u>22.91%</u>	<u>17.91%</u>	<u>15.00%</u>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

RESERVE METROPOLITAN DISTRICT #2 (FINANCING DISTRICT)
 CASH FLOW FORECAST - BUDGETARY BASIS
 COMBINED GENERAL AND DEBT SERVICE FUNDS
 FOR THE YEARS ENDING DECEMBER 31, 2001 - 2041
 2000\$ (UNINFLATED)

EXHIBIT I - CASH FLOW FORECAST - COMBINED
 GENERAL AND DEBT SERVICE FUNDS

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
ASSESSED VALUATION (SCH. 1)	81,083,961	90,373,996	104,065,124	110,852,386	116,448,520	116,448,520	116,448,520	116,448,520	116,448,520
MILL LEVY	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
REVENUES:									
PROPERTY TAXES - 50 MILLS	4,054,198	4,518,700	5,203,256	5,542,619	5,822,426	5,822,426	5,822,426	5,822,426	5,822,426
SPECIFIC OWNERSHIP TAXES @ 5% OF PROP. TAXES	202,710	225,935	260,163	277,131	291,121	291,121	291,121	291,121	291,121
DEVELOPER CAPITAL IMPROVEMENT FEE	1,675,500	0	0	0	0	0	0	0	0
INTEREST INCOME - CAPITALIZED INTEREST	0	0	0	0	0	0	0	0	0
INTEREST INCOME - OTHER @ 5%	126,149	192,682	167,512	155,480	147,588	140,794	133,779	126,182	118,161
TOTAL REVENUES	<u>6,058,557</u>	<u>4,937,317</u>	<u>5,630,931</u>	<u>5,975,230</u>	<u>6,261,135</u>	<u>6,254,341</u>	<u>6,247,326</u>	<u>6,239,729</u>	<u>6,231,709</u>
EXPENDITURES:									
ADMINISTRATION, LEGAL, AUDIT, INSURANCE, ETC.	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
2% GUNNISON COUNTY TREASURER'S COLLECTION FEE	81,084	90,374	104,065	110,852	116,449	116,449	116,449	116,449	116,449
SERIES 2005 G.O. BONDS DEBT SERVICE (SCH. 3)	511,125	515,500	519,125	522,000	524,125	525,500	526,125	526,000	525,125
SERIES 2007 G.O. BONDS DEBT SERVICE (SCH. 3)	556,250	555,250	553,875	557,125	554,625	551,750	553,500	554,500	554,750
SERIES 2011 G.O. BONDS DEBT SERVICE (SCH. 3)	0	2,160,000	2,260,000	2,352,500	2,482,500	2,481,625	2,483,875	2,483,875	2,481,625
BOND PAYING AGENT FEES	4,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
TRANSFER TO SERVICE DISTRICT (RESMD#1) - 23.0 MILLS	1,864,931	2,078,602	2,393,498	2,549,605	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316
TRANSFER OF CAPITAL IMPROVEMENT FEE TO RESMD#1	<u>1,675,500</u>	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	<u>4,727,890</u>	<u>5,440,726</u>	<u>5,871,563</u>	<u>6,133,082</u>	<u>6,397,014</u>	<u>6,394,639</u>	<u>6,399,264</u>	<u>6,400,139</u>	<u>6,397,264</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>1,330,667</u>	<u>(503,409)</u>	<u>(240,632)</u>	<u>(157,852)</u>	<u>(135,880)</u>	<u>(140,299)</u>	<u>(151,938)</u>	<u>(160,410)</u>	<u>(165,556)</u>
OTHER FINANCING SOURCES:									
PROCEEDS FROM G.O. BONDS	28,800,000	0	0	0	0	0	0	0	0
COSTS OF BOND ISSUANCE	(875,000)	0	0	0	0	0	0	0	0
TRANSFER OF NET BOND PROCEEDS TO RESMD#1	(27,925,000)	0	0	0	0	0	0	0	0
DEVELOPER ADVANCE (REPAYMENT)	0	0	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	0	0	0	0	0	0	0	0	0
FUND BALANCE - JANUARY 1	<u>2,522,978</u>	<u>3,853,645</u>	<u>3,350,236</u>	<u>3,109,603</u>	<u>2,951,752</u>	<u>2,815,872</u>	<u>2,675,573</u>	<u>2,523,635</u>	<u>2,363,225</u>
FUND BALANCE - DECEMBER 31	<u>3,853,645</u>	<u>3,350,236</u>	<u>3,109,603</u>	<u>2,951,752</u>	<u>2,815,872</u>	<u>2,675,573</u>	<u>2,523,635</u>	<u>2,363,225</u>	<u>2,197,669</u>
UNRESTRICTED	3,853,645	3,350,236	3,109,603	2,951,752	2,815,872	2,675,573	2,523,635	2,363,225	2,197,669
RESTRICTED - CAPITALIZED INTEREST	0	0	0	0	0	0	0	0	0
TOTAL G.O. BONDS OUTSTANDING @ 12/31	<u>40,810,000</u>	<u>40,640,000</u>	<u>40,355,000</u>	<u>39,950,000</u>	<u>39,385,000</u>	<u>38,780,000</u>	<u>38,125,000</u>	<u>37,420,000</u>	<u>36,665,000</u>
% OF G.O. BONDS OUTSTANDING TO ASSESSED VALUE	45.16%	39.05%	36.40%	34.31%	33.82%	33.30%	32.74%	32.13%	31.49%

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RESERVE METROPOLITAN DISTRICT #2 (FINANCING DISTRICT)
 CASH FLOW FORECAST - BUDGETARY BASIS
 COMBINED GENERAL AND DEBT SERVICE FUNDS
 FOR THE YEARS ENDING DECEMBER 31, 2001 - 2041
 2000\$ (UNINFLATED)

EXHIBIT I - CASH FLOW FORECAST - COMBINED
 GENERAL AND DEBT SERVICE FUNDS

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
ASSESSED VALUATION (SCH. 1)	<u>116,448,520</u>	<u>116,448,520</u>	<u>116,448,520</u>	<u>116,448,520</u>	<u>116,448,520</u>	<u>116,448,520</u>	<u>116,448,520</u>	<u>116,448,520</u>	<u>116,448,520</u>
MILL LEVY	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>
REVENUES:									
PROPERTY TAXES - 50 MILLS	5,822,426	5,822,426	5,822,426	5,822,426	5,822,426	5,822,426	5,822,426	5,822,426	5,822,426
SPECIFIC OWNERSHIP TAXES @ 5% OF PROP. TAXES	291,121	291,121	291,121	291,121	291,121	291,121	291,121	291,121	291,121
DEVELOPER CAPITAL IMPROVEMENT FEE	0	0	0	0	0	0	0	0	0
INTEREST INCOME - CAPITALIZED INTEREST	0	0	0	0	0	0	0	0	0
INTEREST INCOME - OTHER @ 5%	<u>109,883</u>	<u>101,273</u>	<u>92,520</u>	<u>83,072</u>	<u>72,909</u>	<u>62,524</u>	<u>51,671</u>	<u>42,125</u>	<u>34,389</u>
TOTAL REVENUES	<u>6,223,431</u>	<u>6,214,820</u>	<u>6,206,067</u>	<u>6,196,619</u>	<u>6,186,456</u>	<u>6,176,072</u>	<u>6,165,218</u>	<u>6,155,672</u>	<u>6,147,937</u>
EXPENDITURES:									
ADMINISTRATION, LEGAL, AUDIT, INSURANCE, ETC.	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
2% GUNNISON COUNTY TREASURER'S COLLECTION FEE	116,449	116,449	116,449	116,449	116,449	116,449	116,449	116,449	116,449
SERIES 2005 G.O. BONDS DEBT SERVICE (SCH. 3)	523,500	521,125	523,000	523,750	523,375	521,875	524,250	525,125	524,500
SERIES 2007 G.O. BONDS DEBT SERVICE (SCH. 3)	554,250	553,000	556,000	557,875	553,625	553,625	557,500	554,875	556,125
SERIES 2011 G.O. BONDS DEBT SERVICE (SCH. 3)	2,482,125	2,480,000	2,480,250	2,482,500	2,481,375	2,481,875	2,438,625	2,394,625	2,349,875
BOND PAYING AGENT FEES	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
TRANSFER TO SERVICE DISTRICT (RESMD#1) - 23.0 MILLS	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316
TRANSFER OF CAPITAL IMPROVEMENT FEE TO RESMD#1	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	<u>6,395,639</u>	<u>6,389,889</u>	<u>6,395,014</u>	<u>6,399,889</u>	<u>6,394,139</u>	<u>6,393,139</u>	<u>6,356,139</u>	<u>6,310,389</u>	<u>6,266,264</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(172,209)</u>	<u>(175,069)</u>	<u>(188,948)</u>	<u>(203,270)</u>	<u>(207,684)</u>	<u>(217,068)</u>	<u>(190,921)</u>	<u>(154,717)</u>	<u>(118,328)</u>
OTHER FINANCING SOURCES:									
PROCEEDS FROM G.O. BONDS	0	0	0	0	0	0	0	0	0
COSTS OF BOND ISSUANCE	0	0	0	0	0	0	0	0	0
TRANSFER OF NET BOND PROCEEDS TO RESMD#1	0	0	0	0	0	0	0	0	0
DEVELOPER ADVANCE (REPAYMENT)	0	0	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE - JANUARY 1	<u>2,197,669</u>	<u>2,025,460</u>	<u>1,850,391</u>	<u>1,661,443</u>	<u>1,458,173</u>	<u>1,250,490</u>	<u>1,033,422</u>	<u>842,501</u>	<u>687,784</u>
FUND BALANCE - DECEMBER 31	<u>2,025,460</u>	<u>1,850,391</u>	<u>1,661,443</u>	<u>1,458,173</u>	<u>1,250,490</u>	<u>1,033,422</u>	<u>842,501</u>	<u>687,784</u>	<u>569,456</u>
UNRESTRICTED	2,025,460	1,850,391	1,661,443	1,458,173	1,250,490	1,033,422	842,501	687,784	569,456
RESTRICTED - CAPITALIZED INTEREST	0	0	0	0	0	0	0	0	0
TOTAL G.O. BONDS OUTSTANDING @ 12/31	<u>35,855,000</u>	<u>34,990,000</u>	<u>34,055,000</u>	<u>33,045,000</u>	<u>31,965,000</u>	<u>30,805,000</u>	<u>29,595,000</u>	<u>28,340,000</u>	<u>27,035,000</u>
% OF G.O. BONDS OUTSTANDING TO ASSESSED VALUE	<u>30.79%</u>	<u>30.05%</u>	<u>29.24%</u>	<u>28.38%</u>	<u>27.45%</u>	<u>26.45%</u>	<u>25.41%</u>	<u>24.34%</u>	<u>23.22%</u>

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RESERVE METROPOLITAN DISTRICT #2 (FINANCING DISTRICT)
 CASH FLOW FORECAST - BUDGETARY BASIS
 COMBINED GENERAL AND DEBT SERVICE FUNDS
 FOR THE YEARS ENDING DECEMBER 31, 2001 - 2041
 2000\$ (UNINFLATED)

EXHIBIT I - CASH FLOW FORECAST - COMBINED
 GENERAL AND DEBT SERVICE FUNDS

	2029	2030	2031	2032	2033	2034	2035	2036	2037
ASSESSED VALUATION (SCH. 1)	<u>116,448,520</u>	<u>116,448,520</u>	<u>116,448,520</u>	<u>116,448,520</u>	<u>116,448,520</u>	<u>116,448,520</u>	<u>116,448,520</u>	<u>116,448,520</u>	<u>116,448,520</u>
MILL LEVY	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>
REVENUES:									
PROPERTY TAXES - 50 MILLS	5,822,426	5,822,426	5,822,426	5,822,426	5,822,426	5,822,426	5,822,426	5,822,426	5,822,426
SPECIFIC OWNERSHIP TAXES @ 5% OF PROP. TAXES	291,121	291,121	291,121	291,121	291,121	291,121	291,121	291,121	291,121
DEVELOPER CAPITAL IMPROVEMENT FEE	0	0	0	0	0	0	0	0	0
INTEREST INCOME - CAPITALIZED INTEREST	0	0	0	0	0	0	0	0	0
INTEREST INCOME - OTHER @ 5%	<u>28,473</u>	<u>24,654</u>	<u>22,976</u>	<u>23,252</u>	<u>25,322</u>	<u>27,809</u>	<u>31,394</u>	<u>33,278</u>	<u>50,363</u>
TOTAL REVENUES	<u>6,142,020</u>	<u>6,138,202</u>	<u>6,136,523</u>	<u>6,136,799</u>	<u>6,138,869</u>	<u>6,141,356</u>	<u>6,144,942</u>	<u>6,146,826</u>	<u>6,163,910</u>
EXPENDITURES:									
ADMINISTRATION, LEGAL, AUDIT, INSURANCE, ETC.	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
2% GUNNISON COUNTY TREASURER'S COLLECTION FEE	116,449	116,449	116,449	116,449	116,449	116,449	116,449	116,449	116,449
SERIES 2005 G.O. BONDS DEBT SERVICE (SCH. 3)	522,375	523,750	523,250	520,875	521,625	520,125	521,375	0	0
SERIES 2007 G.O. BONDS DEBT SERVICE (SCH. 3)	555,875	554,125	555,875	555,750	558,750	554,500	558,375	554,625	553,625
SERIES 2011 G.O. BONDS DEBT SERVICE (SCH. 3)	2,304,375	2,258,125	2,216,125	2,183,000	2,173,000	2,159,250	2,191,750	2,416,750	2,369,250
BOND PAYING AGENT FEES	6,000	6,000	6,000	6,000	6,000	6,000	6,000	4,000	4,000
TRANSFER TO SERVICE DISTRICT (RESMD#1) - 23.0 MILLS	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316	2,678,316
TRANSFER OF CAPITAL IMPROVEMENT FEE TO RESMD#1	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	<u>6,218,389</u>	<u>6,171,764</u>	<u>6,131,014</u>	<u>6,095,389</u>	<u>6,089,139</u>	<u>6,069,639</u>	<u>6,107,264</u>	<u>5,805,139</u>	<u>5,756,639</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(76,369)</u>	<u>(33,563)</u>	<u>5,509</u>	<u>41,409</u>	<u>49,730</u>	<u>71,716</u>	<u>37,677</u>	<u>341,686</u>	<u>407,270</u>
OTHER FINANCING SOURCES:									
PROCEEDS FROM G.O. BONDS	0	0	0	0	0	0	0	0	0
COSTS OF BOND ISSUANCE	0	0	0	0	0	0	0	0	0
TRANSFER OF NET BOND PROCEEDS TO RESMD#1	0	0	0	0	0	0	0	0	0
DEVELOPER ADVANCE (REPAYMENT)	0	0	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE - JANUARY 1	<u>569,456</u>	<u>493,086</u>	<u>459,523</u>	<u>465,032</u>	<u>506,442</u>	<u>556,172</u>	<u>627,888</u>	<u>665,565</u>	<u>1,007,252</u>
FUND BALANCE - DECEMBER 31	<u>493,086</u>	<u>459,523</u>	<u>465,032</u>	<u>506,442</u>	<u>556,172</u>	<u>627,888</u>	<u>665,565</u>	<u>1,007,252</u>	<u>1,414,522</u>
UNRESTRICTED	493,086	459,523	465,032	506,442	556,172	627,888	665,565	1,007,252	1,414,522
RESTRICTED - CAPITALIZED INTEREST	0	0	0	0	0	0	0	0	0
TOTAL G.O. BONDS OUTSTANDING @ 12/31	<u>25,680,000</u>	<u>24,270,000</u>	<u>22,795,000</u>	<u>21,245,000</u>	<u>19,585,000</u>	<u>17,820,000</u>	<u>15,885,000</u>	<u>14,105,000</u>	<u>12,240,000</u>
% OF G.O. BONDS OUTSTANDING TO ASSESSED VALUE	<u>22.05%</u>	<u>20.84%</u>	<u>19.58%</u>	<u>18.24%</u>	<u>16.82%</u>	<u>15.30%</u>	<u>13.64%</u>	<u>12.11%</u>	<u>10.51%</u>

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RESERVE METROPOLITAN DISTRICT #2 (FINANCING DISTRICT)
 CASH FLOW FORECAST - BUDGETARY BASIS
 COMBINED GENERAL AND DEBT SERVICE FUNDS
 FOR THE YEARS ENDING DECEMBER 31, 2001 - 2041
 2000\$ (UNINFLATED)

EXHIBIT I - CASH FLOW FORECAST - COMBINED
 GENERAL AND DEBT SERVICE FUNDS

	<u>2038</u>	<u>2039</u>	<u>2040</u>	<u>2041</u>	<u>TOTALS</u>
ASSESSED VALUATION (SCH. 1)	<u>116,448,520</u>	<u>116,448,520</u>	<u>116,448,520</u>	<u>116,448,520</u>	
MILL LEVY	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	
REVENUES:					
PROPERTY TAXES - 50 MILLS	5,822,426	5,822,426	5,822,426	5,822,426	187,368,379
SPECIFIC OWNERSHIP TAXES @ 5% OF PROP. TAXES	291,121	291,121	291,121	291,121	9,368,419
DEVELOPER CAPITAL IMPROVEMENT FEE	0	0	0	0	16,319,850
INTEREST INCOME - CAPITALIZED INTEREST	0	0	0	0	25,000
INTEREST INCOME - OTHER @ 5%	<u>70,726</u>	<u>57,452</u>	<u>38,638</u>	<u>17,634</u>	<u>2,661,253</u>
TOTAL REVENUES	<u>6,184,273</u>	<u>6,170,999</u>	<u>6,152,186</u>	<u>6,131,182</u>	<u>215,742,900</u>
EXPENDITURES:					
ADMINISTRATION, LEGAL, AUDIT, INSURANCE, ETC.	35,000	35,000	35,000	35,000	1,400,000
2% GUNNISON COUNTY TREASURER'S COLLECTION FEE	116,449	116,449	116,449	116,449	3,747,368
SERIES 2005 G.O. BONDS DEBT SERVICE (SCH. 3)	0	0	0	0	15,477,750
SERIES 2007 G.O. BONDS DEBT SERVICE (SCH. 3)	0	0	0	0	16,596,500
SERIES 2011 G.O. BONDS DEBT SERVICE (SCH. 3)	3,618,000	3,715,500	3,740,500	3,536,750	76,139,625
BOND PAYING AGENT FEES	2,000	2,000	2,000	2,000	182,000
TRANSFER TO SERVICE DISTRICT (RESMD#1) - 23.0 MILLS	2,678,316	2,678,316	2,678,316	2,678,316	86,189,454
TRANSFER OF CAPITAL IMPROVEMENT FEE TO RESMD#1	0	0	0	0	16,319,850
TOTAL EXPENDITURES	<u>6,449,764</u>	<u>6,547,264</u>	<u>6,572,264</u>	<u>6,368,514</u>	<u>216,052,547</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(265,491)</u>	<u>(376,266)</u>	<u>(420,079)</u>	<u>(237,333)</u>	<u>(309,646)</u>
OTHER FINANCING SOURCES:					
PROCEEDS FROM G.O. BONDS	0	0	0	0	41,300,000
COSTS OF BOND ISSUANCE	0	0	0	0	(1,250,000)
TRANSFER OF NET BOND PROCEEDS TO RESMD#1	0	0	0	0	(39,625,000)
DEVELOPER ADVANCE (REPAYMENT)	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>425,000</u>
FUND BALANCE - JANUARY 1	<u>1,414,522</u>	<u>1,149,031</u>	<u>772,765</u>	<u>352,686</u>	<u>0</u>
FUND BALANCE - DECEMBER 31	<u>1,149,031</u>	<u>772,765</u>	<u>352,686</u>	<u>115,354</u>	<u>115,354</u>
UNRESTRICTED	1,149,031	772,765	352,686	115,354	115,354
RESTRICTED - CAPITALIZED INTEREST	0	0	0	0	0
TOTAL G.O. BONDS OUTSTANDING @ 12/31	<u>9,540,000</u>	<u>6,540,000</u>	<u>3,290,000</u>	<u>0</u>	
% OF G.O. BONDS OUTSTANDING TO ASSESSED VALUE	<u>8.19%</u>	<u>5.62%</u>	<u>2.83%</u>	<u>0.00%</u>	

SEE CONSULTANT'S REPORT AND DISCLAIMER.

RESERVE METROPOLITAN DISTRICT #2 (FINANCING DISTRICT)
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2001 - 2041

DRAFT 7-11-00
 SUBJECT TO CHANGE AND REVISION

SCHEDULE 2 - GENERAL OBLIGATION BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF GENERAL OBLIGATION BOND ISSUES				
BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE
12/1/05	5,395,000	425,000	180,000	6,000,000
12/1/07	6,305,000	0	195,000	6,500,000
12/1/11	27,925,000	0	875,000	28,800,000
TOTALS	39,625,000	425,000	1,250,000	41,300,000

ANNUAL DEBT SERVICE REQUIREMENTS - SUMMARY INTEREST AND PRINCIPAL

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	0	0	0	0	0	450,000	475,000	488,125	500,125	506,000
	0	0	0	0	0	0	0	492,500	557,125	556,875
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	450,000	475,000	980,625	1,057,250	1,062,875

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/1/05	PRINCIPAL REDUCTION	0	0	0	0	0	25,000	40,000	55,000	65,000
	INTEREST @ 7.5%	0	0	0	0	450,000	450,000	448,125	445,125	441,000
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	450,000	475,000	488,125	500,125	506,000
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	6,000,000	6,000,000	5,975,000	5,935,000	5,880,000
12/1/07	PRINCIPAL REDUCTION	0	0	0	0	0	0	5,000	70,000	75,000
	INTEREST @ 7.5%	0	0	0	0	0	0	487,500	487,125	481,875
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	492,500	557,125	556,875
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	6,500,000	6,495,000	6,425,000	6,350,000
12/1/11	PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0
	INTEREST @ 7.5%	0	0	0	0	0	0	0	0	0
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	6,000,000	6,000,000	12,475,000	12,430,000	12,305,000

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RESERVE METROPOLITAN DISTRICT #2 (FINANCING DISTRICT)
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2001 - 2041

SCHEDULE 2 - GENERAL OBLIGATION BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF GENERAL OBLIGATION BOND ISSUES					2011	2012	2013	2014	2015	2016	2017	2018	2019
BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE									
12/1/05	5,395,000	425,000	180,000	6,000,000	511,125	515,500	519,125	522,000	524,125	525,500	526,125	526,000	525,125
12/1/07	6,305,000	0	195,000	6,500,000	556,250	555,250	553,875	557,125	554,625	551,750	553,500	554,500	554,750
12/1/11	<u>27,925,000</u>	<u>0</u>	<u>875,000</u>	<u>28,800,000</u>	<u>0</u>	<u>2,160,000</u>	<u>2,260,000</u>	<u>2,352,500</u>	<u>2,482,500</u>	<u>2,481,625</u>	<u>2,483,875</u>	<u>2,483,875</u>	<u>2,481,625</u>
TOTALS	39,625,000	425,000	1,250,000	41,300,000	1,067,375	3,230,750	3,333,000	3,431,625	3,561,250	3,558,875	3,563,500	3,564,375	3,561,500

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/1/05	PRINCIPAL REDUCTION	75,000	85,000	95,000	105,000	115,000	125,000	135,000	145,000	155,000
	INTEREST @ 7.5%	436,125	430,500	424,125	417,000	409,125	400,500	391,125	381,000	370,125
	TOTAL DEBT SERVICE REQUIREMENTS	511,125	515,500	519,125	522,000	524,125	525,500	526,125	526,000	525,125
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	5,740,000	5,655,000	5,560,000	5,455,000	5,340,000	5,215,000	5,080,000	4,935,000	4,780,000
12/1/07	PRINCIPAL REDUCTION	80,000	85,000	90,000	100,000	105,000	110,000	120,000	130,000	140,000
	INTEREST @ 7.5%	476,250	470,250	463,875	457,125	449,625	441,750	433,500	424,500	414,750
	TOTAL DEBT SERVICE REQUIREMENTS	556,250	555,250	553,875	557,125	554,625	551,750	553,500	554,500	554,750
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	6,270,000	6,185,000	6,095,000	5,995,000	5,890,000	5,780,000	5,660,000	5,530,000	5,390,000
12/1/11	PRINCIPAL REDUCTION	0	0	100,000	200,000	345,000	370,000	400,000	430,000	460,000
	INTEREST @ 7.5%	0	2,160,000	2,160,000	2,152,500	2,137,500	2,111,625	2,083,875	2,053,875	2,021,625
	TOTAL DEBT SERVICE REQUIREMENTS	0	2,160,000	2,260,000	2,352,500	2,482,500	2,481,625	2,483,875	2,483,875	2,481,625
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	28,800,000	28,800,000	28,700,000	28,500,000	28,155,000	27,785,000	27,385,000	26,955,000	26,495,000
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	40,810,000	40,640,000	40,355,000	39,950,000	39,385,000	38,780,000	38,125,000	37,420,000	36,665,000

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RESERVE METROPOLITAN DISTRICT #2 (FINANCING DISTRICT)
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2001 - 2041

SCHEDULE 2 - GENERAL OBLIGATION BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF GENERAL OBLIGATION BOND ISSUES					2020	2021	2022	2023	2024	2025	2026	2027	2028
BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE									
12/1/05	5,395,000	425,000	180,000	6,000,000	523,500	521,125	523,000	523,750	523,375	521,875	524,250	525,125	524,500
12/1/07	6,305,000	0	195,000	6,500,000	554,250	553,000	556,000	557,875	553,625	553,625	557,500	554,875	556,125
12/1/11	<u>27,925,000</u>	<u>0</u>	<u>875,000</u>	<u>28,800,000</u>	<u>2,482,125</u>	<u>2,480,000</u>	<u>2,480,250</u>	<u>2,482,500</u>	<u>2,481,375</u>	<u>2,481,875</u>	<u>2,438,625</u>	<u>2,394,625</u>	<u>2,349,875</u>
TOTALS	39,625,000	425,000	1,250,000	41,300,000	3,559,875	3,554,125	3,559,250	3,564,125	3,558,375	3,557,375	3,520,375	3,474,625	3,430,500

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/1/05	PRINCIPAL REDUCTION	165,000	175,000	190,000	205,000	220,000	235,000	255,000	275,000	295,000
	INTEREST @ 7.5%	<u>358,500</u>	<u>346,125</u>	<u>333,000</u>	<u>318,750</u>	<u>303,375</u>	<u>286,875</u>	<u>269,250</u>	<u>250,125</u>	<u>229,500</u>
	TOTAL DEBT SERVICE REQUIREMENTS	<u>523,500</u>	<u>521,125</u>	<u>523,000</u>	<u>523,750</u>	<u>523,375</u>	<u>521,875</u>	<u>524,250</u>	<u>525,125</u>	<u>524,500</u>
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	4,615,000	4,440,000	4,250,000	4,045,000	3,825,000	3,590,000	3,335,000	3,060,000	2,765,000
12/1/07	PRINCIPAL REDUCTION	150,000	160,000	175,000	190,000	200,000	215,000	235,000	250,000	270,000
	INTEREST @ 7.5%	<u>404,250</u>	<u>393,000</u>	<u>381,000</u>	<u>367,875</u>	<u>353,625</u>	<u>338,625</u>	<u>322,500</u>	<u>304,875</u>	<u>286,125</u>
	TOTAL DEBT SERVICE REQUIREMENTS	<u>554,250</u>	<u>553,000</u>	<u>556,000</u>	<u>557,875</u>	<u>553,625</u>	<u>553,625</u>	<u>557,500</u>	<u>554,875</u>	<u>556,125</u>
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	<u>5,240,000</u>	<u>5,080,000</u>	<u>4,905,000</u>	<u>4,715,000</u>	<u>4,515,000</u>	<u>4,300,000</u>	<u>4,065,000</u>	<u>3,815,000</u>	<u>3,545,000</u>
12/1/11	PRINCIPAL REDUCTION	495,000	530,000	570,000	615,000	660,000	710,000	720,000	730,000	740,000
	INTEREST @ 7.5%	<u>1,987,125</u>	<u>1,950,000</u>	<u>1,910,250</u>	<u>1,867,500</u>	<u>1,821,375</u>	<u>1,771,875</u>	<u>1,718,625</u>	<u>1,664,625</u>	<u>1,609,875</u>
	TOTAL DEBT SERVICE REQUIREMENTS	<u>2,482,125</u>	<u>2,480,000</u>	<u>2,480,250</u>	<u>2,482,500</u>	<u>2,481,375</u>	<u>2,481,875</u>	<u>2,438,625</u>	<u>2,394,625</u>	<u>2,349,875</u>
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	<u>26,000,000</u>	<u>25,470,000</u>	<u>24,900,000</u>	<u>24,285,000</u>	<u>23,625,000</u>	<u>22,915,000</u>	<u>22,195,000</u>	<u>21,465,000</u>	<u>20,725,000</u>
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	<u>35,855,000</u>	<u>34,990,000</u>	<u>34,055,000</u>	<u>33,045,000</u>	<u>31,965,000</u>	<u>30,805,000</u>	<u>29,595,000</u>	<u>28,340,000</u>	<u>27,035,000</u>

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RESERVE METROPOLITAN DISTRICT #2 (FINANCING DISTRICT)
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2001 - 2041

SCHEDULE 2 - GENERAL OBLIGATION BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF GENERAL OBLIGATION BOND ISSUES					2029	2030	2031	2032	2033	2034	2035	2036	2037
BOND ISSUE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE									
12/1/05	5,395,000	425,000	180,000	6,000,000	522,375	523,750	523,250	520,875	521,625	520,125	521,375	0	0
12/1/07	6,305,000	0	195,000	6,500,000	555,875	554,125	555,875	555,750	558,750	554,500	558,375	554,625	553,625
12/1/11	27,925,000	0	875,000	28,800,000	2,304,375	2,258,125	2,216,125	2,183,000	2,173,000	2,159,250	2,191,750	2,416,750	2,369,250
TOTALS	39,625,000	425,000	1,250,000	41,300,000	3,382,625	3,336,000	3,295,250	3,259,625	3,253,375	3,233,875	3,271,500	2,971,375	2,922,875

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/1/05	PRINCIPAL REDUCTION	315,000	340,000	365,000	390,000	420,000	450,000	485,000	0	0
	INTEREST @ 7.5%	207,375	183,750	158,250	130,875	101,625	70,125	36,375	0	0
	TOTAL DEBT SERVICE REQUIREMENTS	522,375	523,750	523,250	520,875	521,625	520,125	521,375	0	0
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	2,450,000	2,110,000	1,745,000	1,355,000	935,000	485,000	0	0	0
12/1/07	PRINCIPAL REDUCTION	290,000	310,000	335,000	360,000	390,000	415,000	450,000	480,000	515,000
	INTEREST @ 7.5%	265,875	244,125	220,875	195,750	168,750	139,500	108,375	74,625	38,625
	TOTAL DEBT SERVICE REQUIREMENTS	555,875	554,125	555,875	555,750	558,750	554,500	558,375	554,625	553,625
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	3,255,000	2,945,000	2,610,000	2,250,000	1,860,000	1,445,000	995,000	515,000	0
12/1/11	PRINCIPAL REDUCTION	750,000	760,000	775,000	800,000	850,000	900,000	1,000,000	1,300,000	1,350,000
	INTEREST @ 7.5%	1,554,375	1,498,125	1,441,125	1,383,000	1,323,000	1,259,250	1,191,750	1,116,750	1,019,250
	TOTAL DEBT SERVICE REQUIREMENTS	2,304,375	2,258,125	2,216,125	2,183,000	2,173,000	2,159,250	2,191,750	2,416,750	2,369,250
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	19,975,000	19,215,000	18,440,000	17,640,000	16,790,000	15,890,000	14,890,000	13,590,000	12,240,000
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	25,680,000	24,270,000	22,795,000	21,245,000	19,585,000	17,820,000	15,885,000	14,105,000	12,240,000

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RESERVE METROPOLITAN DISTRICT #2 (FINANCING DISTRICT)
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2001 - 2041

SCHEDULE 2 - GENERAL OBLIGATION BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF GENERAL OBLIGATION BOND ISSUES					2038	2039	2040	2041	TOTALS
BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE					
12/1/05	5,395,000	425,000	180,000	6,000,000	0	0	0	0	15,477,750
12/1/07	6,305,000	0	195,000	6,500,000	0	0	0	0	16,596,500
12/1/11	<u>27,925,000</u>	<u>0</u>	<u>875,000</u>	<u>28,800,000</u>	<u>3,618,000</u>	<u>3,715,500</u>	<u>3,740,500</u>	<u>3,536,750</u>	<u>76,139,625</u>
TOTALS	39,625,000	425,000	1,250,000	41,300,000	3,618,000	3,715,500	3,740,500	3,536,750	108,213,875

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/1/05	PRINCIPAL REDUCTION	0	0	0	0	6,000,000
	INTEREST @ 7.5%	0	0	0	0	<u>9,477,750</u>
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	<u>15,477,750</u>
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	
12/1/07	PRINCIPAL REDUCTION	0	0	0	0	6,500,000
	INTEREST @ 7.5%	0	0	0	0	<u>10,096,500</u>
	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	<u>16,596,500</u>
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	
12/1/11	PRINCIPAL REDUCTION	2,700,000	3,000,000	3,250,000	3,290,000	28,800,000
	INTEREST @ 7.5%	<u>918,000</u>	<u>715,500</u>	<u>490,500</u>	<u>246,750</u>	<u>47,339,625</u>
	TOTAL DEBT SERVICE REQUIREMENTS	<u>3,618,000</u>	<u>3,715,500</u>	<u>3,740,500</u>	<u>3,536,750</u>	<u>76,139,625</u>
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	<u>9,540,000</u>	<u>6,540,000</u>	<u>3,290,000</u>	0	
	TOTAL G.O. BONDS OUTSTANDING @ 12/31	<u>9,540,000</u>	<u>6,540,000</u>	<u>3,290,000</u>	0	

SEE CONSULTANT'S REPORT AND DISCLAIMER.

RESERVE METROPOLITAN DISTRICT #2 (FINANCING DISTRICT)
 FORECASTED ASSESSED VALUATION
 FOR THE YEARS ENDING DECEMBER 31, 2001 - 2021
 2000\$ (UNINFLATED)

DRAFT 7-11-00
 SUBJECT TO CHANGE AND REVISION

SCHEDULE 1 - DEVELOPERS ESTIMATED BUILDOUT
 AND ASSESSED VALUATION FROM BUILDOUT

BUILDOUT (INCLUDING LOT VALUES):

Description of Unit	Planned Number Unit	Average Per Unit Act. Value	Total Gross Unit Volume	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
East Trade Parcel													
Meadow Chalets Cluster Homes - Tract A	30	840,000	25,200,000	0	5	5	5	5	5	5	0	0	0
Meadow Estate Lots - Tract C - Phase 1	11	1,120,000	12,320,000	0	0	0	3	5	3	0	0	0	0
Meadow Estate Lots - Tract C - Phase 2	11	1,440,000	15,840,000	0	0	0	0	3	5	3	0	0	0
Lower Mountain Estate Lots - Tract D - Phase 1	16	2,080,000	33,280,000	0	0	0	4	8	4	0	0	0	0
Lower Mountain Estate Lots - Tract D - Phase 2	23	2,400,000	55,200,000	0	0	0	0	6	11	6	0	0	0
Upper Mountain Estate Lots - Tract E - Phase 1	22	2,720,000	59,840,000	0	0	0	0	6	11	5	0	0	0
Upper Mountain Estate Lots - Tract E - Phase 2	22	3,040,000	66,880,000	0	0	0	0	0	6	11	5	0	0
Mountain Chalet Homes - Tract F	27	1,600,000	43,200,000	0	0	0	0	6	7	7	7	0	0
Prospector Ridge Condos - Tract G	70	800,000	56,000,000	0	0	0	0	35	0	0	35	0	0
Gold Link Basin Condos - Tract B	26	480,000	12,480,000	0	0	0	13	0	13	0	0	0	0
Totals - East Trade Parcel	258	1,473,798	380,240,000	0	5	5	25	74	65	37	47	0	0
West Trade Parcel													
	40	533,600	21,344,000	0	0	0	0	0	0	0	0	0	0
North Village Parcel													
North Village Parcel - Vacation Club	300	500,250	150,075,000	0	0	0	0	0	0	50	50	50	50
North Village Parcel - Condos	650	533,600	346,840,000	0	0	0	0	0	80	80	80	80	80
North Village Parcel - Townhomes	150	583,625	87,543,750	0	0	0	0	0	0	30	30	30	30
North Village Parcel - Hotel Rooms	650	50,025	32,516,250	0	0	0	0	0	250	0	0	200	0
Totals - North Village Parcel	1,750	352,557	616,975,000	0	0	0	0	0	330	160	160	360	160
Reserve Parcel - Single Family Homes													
	24	1,580,000	37,920,000	0	0	0	0	0	0	2	4	6	4
Employee/Affordable Housing - All Parcels													
	52	150,000	7,800,000	0	0	0	16	10	16	0	0	0	0
Totals	2,124	501,073	1,064,279,000	0	5	5	41	84	411	199	211	366	164
Winter Average Daily Population @ 1.175 Persons per Dwelling Unit				0	5	10	51	135	546	745	956	1,322	1,486
SOURCE: Crested Butte Mountain Resort				0	6	12	60	159	642	875	1,123	1,553	1,746

(Assumes Estate Lots Buildout Required 5 Years After Lots Are Purchased)

Estimated Values (Uninflated):

Estimated Value Of East Trade Parcel Residential	0	4,200,000	4,200,000	22,120,000	99,080,000	115,080,000	81,160,000	54,400,000	0	0	0	0	0
Estimated Value of West Trade Parcel Residential	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Value Of North Village Parcel Residential	0	0	0	0	0	0	42,688,000	85,209,250	85,209,250	85,209,250	85,209,250	85,209,250	85,209,250
Estimated Value Of North Village Parcel Hotel Rooms	0	0	0	0	0	0	12,506,250	0	0	10,005,000	0	0	0
Estimated Value of Employee/Affordable Housing	0	0	0	2,400,000	1,500,000	2,400,000	0	0	0	0	0	0	0
Estimated Value Of Reserve Parcel - Single Family Homes	0	0	0	0	0	0	0	3,160,000	6,320,000	9,480,000	6,320,000	6,320,000	6,320,000
Estimated Value Of Buildout - Entire Project (Uninflated)	0	4,200,000	4,200,000	24,520,000	100,580,000	172,674,250	169,529,250	145,929,250	104,694,250	91,529,250	91,529,250	91,529,250	91,529,250

Proj. Assessed Value - Incremental:

Total Proj. Assessed Value From East Trade Parcel Residential @ 9.74%	0	409,080	409,080	2,154,488	9,650,392	11,208,792	7,904,984	5,298,560	0	0	0	0	0
Total Proj. Assessed Value From West Trade Parcel Residential @ 9.74%	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Proj. Assessed Value From North Village Parcel Residential @ 9.74%	0	0	0	0	0	0	4,157,811	8,299,381	8,299,381	8,299,381	8,299,381	8,299,381	8,299,381
Total Proj. Ass. Value From North Village Parcel Hotel Rooms @ 29.00%	0	0	0	0	0	0	3,626,813	0	0	2,901,450	0	0	0
Total Proj. Ass. Value From Employee/Affordable Housing @ 9.74%	0	0	0	233,760	146,100	233,760	0	0	0	0	0	0	0
Total Proj. Assessed Value From Reserve Parcel Single Family Homes @ 9.74%	0	0	0	0	0	0	0	307,784	615,568	923,352	615,568	615,568	615,568
Total Proj. Ass. Value From Commercial Space @ \$100/Sq. Ft. (225,000 Sq. Ft.) @ 29%	0	0	0	1,740,000	1,160,000	604,186	604,186	604,186	604,186	604,186	604,186	604,186	604,186
Total Proj. Assessed Value From Unplatted Land	500,000	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	0	0	0	0	0
Total Proj. Assessed Value From Single Family Lot Platting	806,200	5,278,000	2,737,600	(423,400)	(2,076,400)	(2,814,450)	(2,097,425)	(379,175)	(343,650)	(229,100)	(229,100)	(229,100)	(229,100)
Total Incremental Assessed Valuation - All Sources	1,306,200	5,587,080	3,046,680	3,604,848	8,780,092	16,916,912	15,018,910	14,438,520	12,384,719	9,290,035	9,290,035	9,290,035	9,290,035
Proj. Assessed Value By Year - Cumulative (Uninflated):	1,306,200	6,893,280	9,939,960	13,544,808	22,324,900	39,241,812	54,260,722	68,699,242	81,083,961	90,373,996	90,373,996	90,373,996	90,373,996

Year Assessed Valuation Certified To Reserve Metro District #2

Year Taxes Received By Reserve Metro District #2

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012

SEE CONSULTANT'S REPORT AND DISCLAIMER.

RESERVE METROPOLITAN DISTRICT #2 (FINANCING DISTRICT)
 FORECASTED ASSESSED VALUATION
 FOR THE YEARS ENDING DECEMBER 31, 2001 - 2021
 2000\$ (UNINFLATED)

SCHEDULE 1 - DEVELOPERS ESTIMATED BUILDOUT
 AND ASSESSED VALUATION FROM BUILDOUT

BUILDOUT (INCLUDING LOT VALUES):

Description of Unit	Planned	Average	Total	2011	2012	2013	2014	2015	2016	2017	2018	2019
	Number	Per Unit	Gross Unit									
	Unit	Act. Value	Volume									
East Trade Parcel												
Meadow Chalets Cluster Homes - Tract A	30	840,000	25,200,000	0	0	0	0	0	0	0	0	0
Meadow Estate Lots - Tract C - Phase 1	11	1,120,000	12,320,000	0	0	0	0	0	0	0	0	0
Meadow Estate Lots - Tract C - Phase 2	11	1,440,000	15,840,000	0	0	0	0	0	0	0	0	0
Lower Mountain Estate Lots - Tract D - Phase 1	16	2,080,000	33,280,000	0	0	0	0	0	0	0	0	0
Lower Mountain Estate Lots - Tract D - Phase 2	23	2,400,000	55,200,000	0	0	0	0	0	0	0	0	0
Upper Mountain Estate Lots - Tract E - Phase 1	22	2,720,000	59,840,000	0	0	0	0	0	0	0	0	0
Upper Mountain Estate Lots - Tract E - Phase 2	22	3,040,000	66,880,000	0	0	0	0	0	0	0	0	0
Mountain Chalet Homes - Tract F	27	1,600,000	43,200,000	0	0	0	0	0	0	0	0	0
Prospector Ridge Condos - Tract G	70	800,000	56,000,000	0	0	0	0	0	0	0	0	0
Gold Link Basin Condos - Tract B	26	480,000	12,480,000	0	0	0	0	0	0	0	0	0
Totals - East Trade Parcel	258	1,473,798	380,240,000	0	0	0	0	0	0	0	0	0
West Trade Parcel	40	533,600	21,344,000	40	0	0	0	0	0	0	0	0
North Village Parcel												
North Village Parcel - Vacation Club	300	500,250	150,075,000	50	50	0	0	0	0	0	0	0
North Village Parcel - Condos	650	533,600	346,840,000	80	80	90	0	0	0	0	0	0
North Village Parcel - Townhomes	150	583,625	87,543,750	30	0	0	0	0	0	0	0	0
North Village Parcel - Hotel Rooms	650	50,025	32,516,250	150	0	50	0	0	0	0	0	0
Totals - North Village Parcel	1,750	352,557	616,975,000	310	130	140	0	0	0	0	0	0
Reserve Parcel - Single Family Homes												
Reserve Parcel - Single Family Homes	24	1,580,000	37,920,000	4	2	2	0	0	0	0	0	0
Employee/Affordable Housing - All Parcels	52	150,000	7,800,000	10	0	0	0	0	0	0	0	0
Totals	2,124	501,073	1,064,279,000	364	132	142	0	0	0	0	0	0
Winter Average Daily Population @ 1.175 Persons per Dwelling Unit				1,850	1,982	2,124	2,124	2,124	2,124	2,124	2,124	2,124
SOURCE: Crested Butte Mountain Resort				2,174	2,329	2,496	2,496	2,496	2,496	2,496	2,496	2,496
(Assumes Estate Lots Buildout Required 5 Years After Lots Are Purchased)												

Estimated Values (Uninflated):

Estimated Value Of East Trade Parcel Residential	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Value Of West Trade Parcel Residential	21,344,000	0	0	0	0	0	0	0	0	0	0	0
Estimated Value Of North Village Parcel Residential	85,209,250	67,700,500	48,024,000	0	0	0	0	0	0	0	0	0
Estimated Value Of North Village Parcel Hotel Rooms	7,503,750	0	2,501,250	0	0	0	0	0	0	0	0	0
Estimated Value of Employee/Affordable Housing	1,500,000	0	0	0	0	0	0	0	0	0	0	0
Estimated Value Of Reserve Parcel - Single Family Homes	6,320,000	3,160,000	3,160,000	0	0	0	0	0	0	0	0	0
Estimated Value Of Buildout - Entire Project (Uninflated)	121,877,000	70,860,500	53,685,250	0	0	0	0	0	0	0	0	0

Project Assessed Value - Incremental:

Total Proj. Assessed Value From East Trade Parcel Residential @ 9.74%	0	0	0	0	0	0	0	0	0	0	0	0
Total Proj. Assessed Value From West Trade Parcel Residential @ 9.74%	2,078,906	0	0	0	0	0	0	0	0	0	0	0
Total Proj. Assessed Value From North Village Parcel Residential @ 9.74%	8,299,381	6,594,029	4,677,538	0	0	0	0	0	0	0	0	0
Total Proj. Ass. Value From North Village Parcel Hotel Rooms @ 29.00%	2,176,088	0	725,363	0	0	0	0	0	0	0	0	0
Total Proj. Ass. Value From Employee/Affordable Housing @ 9.74%	146,100	0	0	0	0	0	0	0	0	0	0	0
Total Proj. Assessed Value From Reserve Parcel Single Family Homes @ 9.74%	615,568	307,784	307,784	0	0	0	0	0	0	0	0	0
Total Proj. Ass. Value From Commercial Space @ \$100/Sq. Ft. (225,000 Sq. Ft.) @ 29%	604,186	0	0	0	0	0	0	0	0	0	0	0
Total Proj. Assessed Value From Unplatted Land	0	0	0	0	0	0	0	0	0	0	0	0
Total Proj. Assessed Value From Single Family Lot Platting	(229,100)	(114,550)	(114,550)	0	0	0	0	0	0	0	0	0
Total Incremental Assessed Valuation - All Sources	13,691,128	6,787,263	5,596,134	0	0	0	0	0	0	0	0	0
Total Project Assessed Value By Year - Cumulative (Uninflated):	104,065,124	110,852,386	116,448,520	116,448,520	116,448,520	116,448,520	116,448,520	116,448,520	116,448,520	116,448,520	116,448,520	116,448,520

Year Assessed Valuation Certified To Reserve Metro District #2
 Year Taxes Received By Reserve Metro District #2

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
2013	2014	2015	2016	2017	2018	2019	2020	2021	

SEE CONSULTANT'S REPORT AND DISCLAIMER.

RESERVE METROPOLITAN DISTRICT #2 (FINANCING DISTRICT)
 FORECASTED ASSESSED VALUATION
 FOR THE YEARS ENDING DECEMBER 31, 2001 - 2021
 2000\$ (UNINFLATED)

SCHEDULE 1 - DEVELOPERS ESTIMATED BUILDOUT
 AND ASSESSED VALUATION FROM BUILDOUT

BUILDOUT (INCLUDING LOT VALUES):				2020	2021	TOTALS
Description of Unit	Planned Number	Average Per Unit Act. Value	Total Gross Unit Volume			
East Trade Parcel						
Meadow Chalets Cluster Homes - Tract A	30	840,000	25,200,000	0	0	30
Meadow Estate Lots - Tract C - Phase 1	11	1,120,000	12,320,000	0	0	11
Meadow Estate Lots - Tract C - Phase 2	11	1,440,000	15,840,000	0	0	11
Lower Mountain Estate Lots - Tract D - Phase 1	16	2,080,000	33,280,000	0	0	16
Lower Mountain Estate Lots - Tract D - Phase 2	23	2,400,000	55,200,000	0	0	23
Upper Mountain Estate Lots - Tract E - Phase 1	22	2,720,000	59,840,000	0	0	22
Upper Mountain Estate Lots - Tract E - Phase 2	22	3,040,000	66,880,000	0	0	22
Mountain Chalet Homes - Tract F	27	1,600,000	43,200,000	0	0	27
Prospector Ridge Condos - Tract G	70	800,000	56,000,000	0	0	70
Gold Link Basin Condos - Tract B	26	480,000	12,480,000	0	0	26
Totals - East Trade Parcel	258	1,473,798	380,240,000	0	0	258
West Trade Parcel						
North Village Parcel	40	533,600	21,344,000	0	0	40
North Village Parcel						
North Village Parcel - Vacation Club	300	500,250	150,075,000	0	0	300
North Village Parcel - Condos	650	533,600	346,840,000	0	0	650
North Village Parcel - Townhomes	150	583,625	87,543,750	0	0	150
North Village Parcel - Hotel Rooms	650	50,025	32,516,250	0	0	650
Totals - North Village Parcel	1,750	352,557	616,975,000	0	0	1,750
Reserve Parcel - Single Family Homes	24	1,580,000	37,920,000	0	0	24
Employee/Affordable Housing - All Parcels	52	150,000	7,800,000	0	0	52
Totals	2,124	501,073	1,064,279,000	0	0	2,124
Winter Average Daily Population @ 1.175 Persons per Dwelling Unit				2,124	2,124	2,124
SOURCE: Crested Butte Mountain Resort				2,496	2,496	2,496
(Assumes Estate Lots Buildout Required 5 Years After Lots Are Purchased)						

Estimated Values (Uninflated):		
Estimated Value Of East Trade Parcel Residential	0	380,240,000
Estimated Value Of West Trade Parcel Residential	0	21,344,000
Estimated Value Of North Village Parcel Residential	0	584,458,750
Estimated Value Of North Village Parcel Hotel Rooms	0	32,516,250
Estimated Value of Employee/Affordable Housing	0	7,800,000
Estimated Value Of Reserve Parcel - Single Family Homes	0	37,920,000
Estimated Value Of Buildout - Entire Project (Uninflated)	0	1,064,279,000

Proj. Assessed Value - Incremental:		
Total Proj. Assessed Value From East Trade Parcel Residential @ 9.74%	0	37,035,376
Total Proj. Assessed Value From West Trade Parcel Residential @ 9.74%	0	2,078,906
Total Proj. Assessed Value From North Village Parcel Residential @ 9.74%	0	56,926,282
Total Proj. Ass. Value From North Village Parcel Hotel Rooms @ 29.00%	0	9,429,713
Total Proj. Ass. Value From Employee/Affordable Housing @ 9.74%	0	759,720
Total Proj. Assessed Value From Reserve Parcel Single Family Homes @ 9.74%	0	3,693,408
Total Proj. Ass. Value From Commercial Space @ \$100/Sq. Ft (225,000 Sq. Ft.) @ 29%	0	6,525,116
Total Proj. Assessed Value From Unplatted Land	0	0
Total Proj. Assessed Value From Single Family Lot Platting	0	0
Total Incremental Assessed Valuation - All Sources	0	116,448,520
Proj. Assessed Value By Year - Cumulative (Uninflated):	116,448,520	116,448,520

Year Assessed Valuation Certified To Reserve Metro District #2	2021	2022
Year Taxes Received By Reserve Metro District #2	2022	2023

SEE CONSULTANT'S REPORT AND DISCLAIMER.

EXHIBIT E
Interested Parties

Crested Butte Fire Protection District
Gunnison County Metropolitan Recreation District
Mt. Crested Butte Water and Sanitation District
Town of Mt. Crested Butte
Gunnison County
Upper Gunnison Water District
Gunnison Cemetery District
Colorado River Water District
RE1J School District

EXHIBIT F
Statutory Contents of this Service Plan

1. A description of the proposed services;
2. A financial plan showing how the proposed services are to be financed;
3. A preliminary engineering or architectural survey showing how the proposed services are to be provided;
4. A map of the districts' boundaries and an estimate of the population and valuation for assessment of the district;
5. A general description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of the district is compatible with facility and service standards of the Town and of special districts which are interested parties pursuant to Col.Rev.Stat. §32-1-204(1), ;
6. A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the districts;
7. A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the district and such other political subdivision;
8. Information satisfactory to establish that each of the following criteria as set forth in Col.Rev.Stat. §32-1-203, has been met:
 - (a) That there is sufficient existing and projected need for organized service in the area to be serviced by the districts;
 - (b) That the existing service in the area to be served by the districts is adequate for the present and projected needs;
 - (c) That the districts are capable of providing economical and sufficient service to the area within its proposed boundaries;
 - (d) That the area included in the districts has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;
 - (e) That 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) That the facility and service standards of the districts are compatible with the facility and service standards of the Town within which the districts are to be located and each interested party under Col.Rev.Stat.§32-1-204(1);

(g) The proposal is in substantial compliance with any master plan adopted pursuant to Col.Rev.Stat.§32-28-106;

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

(i) That the organization of the service district will be in the best interests of the area proposed to be served.