

SERVICE PLAN

FOR

LAMBERTSON LAKES

METROPOLITAN DISTRICT

CITY OF THORNTON, COLORADO

Prepared for

Lambertson Lakes Metropolitan District

By

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I. INTRODUCTION

A. General Overview. This service plan ("Service Plan") for Lambertson Lakes Metropolitan District (hereinafter the "District") is for a special district proposed to be organized to serve the needs of a new community to be known as "Lambertson Lakes." The proposed District is generally located with Thornton Parkway on the south, 104th Avenue on the north, North Downing Street, existing single family residential and North Race Street on the east, and North Washington Street on the west. The District is situated wholly within the boundaries of the City of Thornton, State of Colorado ("City" or "Thornton").

The primary purpose of the proposed District is to provide public improvements to be dedicated to Thornton or retained by the District for the use and benefit of the District's inhabitants and taxpayers. Improvements to be provided by the District shall include the types of facilities and improvements generally described in Section II.C below, consisting largely of water, wastewater, streets, park and recreation facilities and other improvements needed for the area. This Service Plan addresses the improvements, which are expected to be provided by the District. The District may, with Thornton's written agreement, engage in other activities.

This Service Plan was prepared by White and Associates Professional Corporation, 8005 S. Chester Street, Suite 125, Englewood, Colorado 80112; telephone (303) 858-1800.

B. Contents of Service Plan. This Service Plan consists of a financial analysis and engineering information showing how the facilities and services of the District can be provided and financed. Numerous items are addressed in this Service Plan in order to satisfy the requirements of law relative to formation of a special district, as further specifically identified in Exhibit E attached hereto. It is believed that this Service Plan satisfies the requirements of law and the City of Thornton.

C. Modification of Service Plan. This Service Plan has been prepared with sufficient flexibility to enable the District to provide requisite public services and facilities as are necessary to meet the needs of the community under evolving circumstances. While the assumptions upon which this Service Plan are generally based are reflective of current zoning for the property within the proposed District, the cost estimates and the Financing Plan are sufficiently flexible to enable the District to provide necessary services and facilities without the need for repeated amendments to the Service Plan. Modification of the proposed configuration of improvements, and the locations and dimensions of various facilities and improvements shall be permitted to accommodate development needs consistent with zoning for the property with the City's prior written agreement.

II. PURPOSE OF AND NEED FOR THE PROPOSED DISTRICT

A. Purpose and Intent. It is intended that the District will provide certain essential public-purpose facilities for the use and benefit of all anticipated property owners within the boundaries of the District. It is not the intent of the District to provide ongoing services other

than as specifically set forth in Section IV.H hereof. The District acknowledges the need and its intent to cooperate with Thornton to serve and promote the health, safety, prosperity, security and general welfare of its inhabitants. As evidence of such cooperation and need to coordinate activities with Thornton, the proposed District shall obtain a resolution approving this Service Plan from Thornton which shall be attached hereto as Exhibit A. Should the purposes of the District change from what is stated herein, it shall be considered to be a material modification of this Service Plan.

B. Need for District. There are currently no other entities located in the surrounding area of the District which have the ability and/or desire to undertake the design, financing and construction of improvements needed for the project. It is the petitioners' understanding that Thornton does not consider it feasible or practicable for it to provide the necessary services and facilities for the project depicted in Exhibit F hereof and described herein. Formation of the District is necessary in order that the public improvements required for the project be provided in the most economic manner possible.

C. General Powers. The proposed District will have power and authority to provide the services and facilities generally described in this Service Plan. Although certain services and facilities described herein and in Exhibit I are not within the proposed District boundaries, the District shall have the express authority to provide all public improvements as are described in Exhibit I, notwithstanding whether such improvements are on-site or off-site. Thornton's approval of this Service Plan shall constitute the City's express consent that the District may undertake construction of all such off-site improvements. Other than specifically permitted herein, the District shall be prohibited from undertaking construction of off-site construction.

1. Powers Regarding Services and Facilities. The District shall have authority to design, finance and construct the facilities described below. Necessary funding will be provided by the issuance of general obligation limited tax bonds by the District in accordance with Section V and Exhibit G included herein. The following activities shall be permitted:

a. Parks and Recreation. The design, acquisition and construction of public parks and recreation facilities or programs including, but not limited to, bike paths, hiking trails, pedestrian trails, pedestrian bridges, playgrounds, picnic areas, common area landscaping and weed control, outdoor lighting of all types, community events and other facilities, together with all necessary, incidental and appurtenant facilities, and all necessary extensions of and improvements to said facilities or systems.

b. Drainage and Sanitation. The design, acquisition and construction of storm or sanitary sewers, or both, flood and surface drainage, , grading therefor and all necessary or proper equipment and appurtenances incident thereto, together with all necessary, incidental and appurtenant facilities and all necessary extensions of and improvements to said facilities or systems.

c. Water. The design, acquisition and construction of a complete water and irrigation water system, including but not limited to transmission and distribution

systems for domestic and other public or private purposes, together with all necessary and proper facilities, equipment and appurtenances incident thereto which may include, but shall not be limited to, transmission lines, distribution mains and laterals, together with extensions of and improvements to said systems.

d. Streets. The design, acquisition and construction of street and roadway improvements, including but not limited to curbs, gutters, culverts, storm sewers and other drainage facilities, detention ponds, utility lines, retaining walls and appurtenances and entry monumentation, as well as sidewalks, paving, grading, landscaping, and other street improvements, together with all necessary, incidental, and appurtenant facilities, together with extensions of and improvements to said facilities.

e. Traffic and Safety Controls. The design, acquisition and construction of traffic and safety protection facilities and services through traffic and safety controls and devices on streets and highways, environmental monitoring, as well as other facilities and improvements including but not limited to, signalization at intersections, traffic signs, area identification signs, directional assistance, and driver information signs, together with all necessary, incidental, and appurtenant facilities, together with extensions of and improvements to said facilities.

2. Miscellaneous Powers. The District shall have the following miscellaneous powers with respect to activities to be conducted pursuant to this Service Plan.

a. Legal Powers. The powers of the District will be exercised by its Board of Directors to the extent necessary to provide the services contemplated in this Service Plan. The foregoing improvements and services will be undertaken in accordance with, and pursuant to, the procedures and conditions contained in the Special District Act, other applicable statutes, the Thornton City Code and this Service Plan, as any or all of the same may be amended from time to time. The District shall not be permitted to exercise the power of eminent domain without the prior approval of the City Council, as evidenced by resolution after a public hearing thereon.

b. Other. In addition to the powers enumerated above, the Board of Directors of the District shall also have the following authority:

i. To amend this Service Plan as needed, subject to applicable state and local laws contained in Title 32, C.R.S. and as required by Thornton; and

ii. To reasonably reschedule the construction phasing of certain improvements and facilities in order to better accommodate the pace of growth and resource availability. The District may, with the City's prior written agreement, forego or restructure the payment and construction of certain improvements and facilities if needed to allow for changes to the pace of growth, resource availability, or if the development of the improvements and facilities would best be performed by another entity; and

iii. To provide all such additional services and exercise all such powers as are expressly or impliedly granted by Colorado law, as limited by Thornton City Code, and which the District is required to provide or exercise or, in its discretion, choose to provide or exercise; and

iv. To exercise all necessary and implied powers under Title 32, C.R.S., as limited by Thornton City Code, in the reasonable discretion of the Board of Directors of the District.

III. BOUNDARIES; POPULATION AND ASSESSED VALUATION ESTIMATES

A. General. The service area of the District will ultimately contain approximately 183.834 acres divided into development phases planned for residential areas. The improvements, which are described in this Service Plan, are necessary and applicable for the entirety of Lambertson Lakes. A legal description setting forth the boundaries of the District is provided in Exhibit B and a map depicting such boundaries is attached as Exhibit D. Exhibit C is a Thornton vicinity map, which generally reflects the District's location within current Thornton boundaries. The petitioner, Carlson Land Source III, LLC, assures that the District is entirely within the current boundaries of Thornton.

B. Changes in Boundaries. Under Colorado law, the fee owner or owners of one hundred percent of any property proposed for inclusion may petition the Board of Directors of the District for inclusion, or annexation, of property into the boundaries of the District. Additionally, less than one hundred percent of the owners of an area may petition the District for inclusion, or the board may adopt a resolution calling for an election on inclusion of the property. Any inclusion of property within or exclusion of property from the boundaries of the District after City approval of this service plan shall constitute a material modification of this service plan, and subject to the City Council's prior approval as evidenced by a resolution after a public hearing thereon.

C. Population and Assessed Valuation Estimates. An estimate of projected assessed valuations within the District is set forth in Exhibit H, which contains the financing plan for the District. Lambertson Lakes will consist of residential development and at buildout, the population of the District is estimated to be approximately 2,413 persons. The future assessed valuation for all the property within the boundaries of the District is set forth on Exhibit G.

IV. DESCRIPTION OF PROPOSED FACILITIES

This section describes the key facilities and improvements expected to be provided by the District. As noted herein, the District will obtain funding through the issuance of general obligation limited tax bonds for the construction, operation and maintenance of such facilities and improvements. Where appropriate, the District will contract with various public and/or private entities to undertake such functions, including an intergovernmental agreement with the City of Thornton, as further described herein.

The following general descriptions of improvements are preliminary only and will be subject to modification and revision as engineering plans, financial factors and construction scheduling and costs may require. The improvements shall be subject to the overall limitations on the powers of the District set forth in Section II hereof. Improvements not specifically described herein shall be permitted as long as they are generally contemplated in Section II hereof, and are within the District's financial ability to provide such improvements. Should the types of improvements materially change from what is stated in Section II of this Service Plan, it shall be considered to be a material modification of this Service Plan.

Exhibit F contains general layouts of the key proposed improvements and the projected capital costs of such improvements. Cost estimates for such improvements are depicted in the Financing Plan, as shown in Exhibit G and on Exhibit I. The combined total estimated cost of improvements which the District shall be permitted to construct total approximately \$4,107,009, inclusive of contingencies. All materials and supplies acquired for provision of facilities will be exempt from all state, local and other sales, use and other taxes. All facilities described herein will be designed in such a way as to assure that the facility and service standards will be compatible with those of Thornton. All descriptions of the specific facilities and improvements to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, Thornton's requirements, and constructing scheduling may require.

A. Park, Recreation Improvements and Open Space; Landscaping. The park, recreation and open space improvements expected to be constructed within the District include parks, and specifically the Homestead Park, major street landscaping, and a recreation center and trails improvements, and each improvement will be completed in conceptual compliance as shown on Exhibit F-1.

1. Parks. The park improvements anticipated to be constructed are primarily public parks or "pocket parks" within development parcels and may consist of irrigated turf, playgrounds and other hardscape, walkways, shrubs, mulch beds, and other uses consistent with neighborhood parks. Also the District may acquire property, within the District boundaries as set forth herein, as required for purposes of constructing public parks and then dedicating such parks to the City of Thornton. Specifically contemplated is the acquisition of certain property to be known as the Homestead Park. The District intends to acquire and make reimbursement for the Homestead Park immediately upon organization, and then construct or cause to have constructed a park thereon, which will be dedicated to the City. The District's acquisition is contemplated in the cost estimates for parks, which is attached hereto as Exhibit I.

2. Recreation. Recreation improvements are proposed to be distributed throughout the proposed development.

3. Trails. The trails are proposed to provide linkage between the major development parcels and other major roadways or other features within the property or immediately adjacent thereto. The trail system is anticipated to include a combination of

concrete walkways, gravel trails, necessary signage and identification markers and other ancillary trail hardscape such as benches and tables.

4. Street Landscaping. The major streets are anticipated to have landscaping along both sides and along any medians. This landscaping may consist of required fencing, identification markers, shrub and flower beds, mulch beds, irrigated and non-irrigated turf and native grasses, subdivision identification markers, trees, and other landscape features commonly associated with streetscape design

5. Cost Estimates. The estimated construction costs for the development of the park and recreation improvements are shown on Exhibit I.

B. Sanitary Sewer Collection System.

1. Overall Plan. The sanitary sewer collection system is expected to include buried sewer mains, manholes and related appurtenances located predominately within the District's boundary. All wastewater facilities will be conveyed to and operated and maintained by the City of Thornton. Thornton will charge system users for its services in accordance with Thornton policies. The exact configuration of the sanitary sewer collection system is currently being designed.

2. Design Criteria. The proposed sanitary sewer collection system is expected to include sewer mains designed to collect sewage from the development areas within Lambertson Lakes. The sewer system components will be designed and installed in accordance with the applicable standards of all entities with jurisdiction over the District, including the Colorado Department of Health. A sanitary sewer system analysis will be prepared to determine appropriate line sizes and slopes.

3. Cost Estimates. The estimated construction costs for development of the sanitary sewer collection system for Lambertson Lakes are shown on Exhibit I.

C. Water System.

1. Overall Plan. The water system will consist of a water distribution system consisting of buried water mains, fire hydrants, and related appurtenances located predominately within the District's boundaries. The final configuration of the internal water system is yet to be designed. When design and construction are finalized, the system will serve each development tract from adjacent streets and roads. The District shall dedicate to Thornton all utility facilities traditionally owned and operated by the City for operations and maintenance.

2. Design Criteria. The proposed domestic potable water distribution system is expected to include 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 the District including Thornton. The Drinking Water Design Criteria of the

Colorado Department of Health will also be followed where applicable. The water system will also be designed based on Thornton fire protection requirements.

System pressure will primarily be controlled by a Thornton pump station. Water transmission mains will be installed from a direct connection to Thornton's water distribution system. Treated water will be delivered to the mains by high-pressure pump stations.

3. Cost Estimates. The estimated construction costs for the development of the domestic water system for Lambertson Lakes are incorporated and otherwise contained in Exhibit I.

D. Drainage Improvements and Street Improvements. The District is expected to construct curbs, gutters, culverts, drainage ditches, sidewalks, box culverts, tunnels, paving, lighting, landscaping and other road, street and drainage facility improvements which the project will require, as well as necessary traffic and safety protection devices and controls.

1. Roadway Infrastructure. All public streets and streets dedicated by plat within the District will be maintained by Thornton. This will include all roadway infrastructure as it is completed and accepted by Thornton. With the exception of multi-family private circulation parking lots and roads within the District, snow removal and other roadway maintenance on roads within the District will be Thornton's responsibility after dedication and acceptance by Thornton.

2. Grading. Grading will consist of reshaping the roads in compliance with the approved overlot grading plan. The estimated construction costs for grading the roads necessary for Lambertson Lakes are presented in Exhibit I.

3. Drainage Facilities. Certain storm drainage facilities will be owned, operated and maintained by Thornton after dedication and acceptance by Thornton. Other storm drainage facilities will be owned, operated and maintained by homeowner associations as described below.

4. Cost Estimates. The estimated construction costs for the development of the drainage improvements and roadway system for the project are shown on Exhibit I.

E. Description of Cost Estimates. The cost estimates for all improvements summarized in Exhibit I are based on quantities taken from preliminary development plans and preliminary utility and drainage plans.

F. Thornton Construction Standards and Phasing. The District shall ensure that any proposed improvements set forth in this Section IV will be designed and constructed solely in accordance with the standards and specifications set forth by Thornton, if applicable. The District will obtain approval of civil engineering plans and a permit for construction and installation of improvements from Thornton. Furthermore, the District shall be subject to all of

Thornton's zoning, subdivision, Building Code and other land use requirements. A proposed phasing plan for construction of the improvements is summarized in Exhibit F-2.

G. Dedication of Improvements to Thornton. The District shall dedicate or cause all of the parks, public water and wastewater improvements, all public streets and streets dedicated by plat, all public drainage facilities, and all public sidewalks to Thornton upon completion of construction, installation, acceptance and dedication of the improvements. The District shall comply with Thornton's rules, regulations and policies regarding the improvement dedication process. Failure to comply with the dedication of improvements set forth in this section shall be deemed to be a material modification of this Service Plan.

H. Ownership/Operation of Facilities by District. The District shall not be authorized to own or operate facilities to be provided pursuant to this Service Plan, other than as necessary to permit the financing and construction thereof, except through approval by Thornton of an amendment to this Service Plan.

The District is expected to undertake all ownership, operations and maintenance responsibilities for the improvements, which are not conveyed to Thornton, and will do so by contract with, and eventual dedication to homeowner associations. Revenue to pay the expenses of operations may be obtained from fees legally imposed by the homeowner association.

I. Services of District. The District will require operating funds to plan and cause the facilities contemplated herein to be completed. Such costs are expected to include reimbursement of organizational costs, legal, engineering, accounting and compliance with state reporting and other administrative requirements. The first year's operating budget is estimated to be \$30,000, exclusive of organizational costs. An overall financing plan showing the anticipated operating costs, phasing of bond issues, and related matters is attached as Exhibit H.

V. FINANCIAL PLAN

A. General Plan of Finance. The total estimated cost of the facilities is approximately \$4,107,009 in 2000 dollars, exclusive of costs of issuance, organizational costs, inflation, and other similar costs. The District's new money general obligation debt limitation ("debt limitation") will be \$6,500,000 inclusive of costs of issuance, organizational costs, inflation, reserves, capitalized interest, contingencies and other similar costs. Increases in debt necessary to accomplish a refunding, reissuance or restructuring of debt, and issuance of bonds payable from sources other than ad valorem taxes, shall count against the debt limitation. The refunding of any of the District's outstanding bonds which would extend the maturity of the outstanding bonds or increase the total debt service thereon shall not be allowed unless approved by City Council, as evidenced by resolution after a public hearing. The debt limitation shall not be increased unless approved by Thornton and as permitted by statute and under the provisions of this Service Plan.

It is currently anticipated that the District will issue general obligation limited tax bonds in amounts sufficient to permit the District to construct needed facilities. General obligation debt

will be supported by ad valorem mill levies and other available revenues of the District. Attached to this Service Plan as Exhibit G is a Financing Plan of the District which shows how the proposed services and facilities may be financed and operated by the District and identifies the proposed debt issuance schedule of the District. Issuance of bonds by the District may proceed without further approval of the City. The initial general obligation limited tax bond issues are depicted in Exhibit G, which generally demonstrates the revenue that the District may raise by imposing a 20 mill levy and issuing general obligation limited tax bonds at 7% interest with a 20 year amortization. The timing of issuance of bonds will be adjusted from time to time to meet development requirements. Once the District engages an investment banker to issue bonds, it is contemplated that the financial plan, as it pertains to bonds, may need to undergo minor revision and refinement to reflect then current market conditions and development assumptions. All bonds will be issued in compliance with applicable state law.

All bonds issued by the District may be payable from any and all legally available revenues of the District, including general ad valorem taxes to be imposed upon all taxable property within the District, which may not exceed 50 mills under the City ordinance in effect at the time this Service Plan is approved.

The District intends to initially impose an aggregate mill levy of 20 mills for debt service and general administration and that it will issue approximately \$5,180,812 in bonds pursuant to the Financing Plan. Notwithstanding the aforesaid, in the event the District deems it necessary it shall be expressly authorized to levy up to, but shall not exceed 50 mills under the City ordinance in effect at the time of Service Plan approval, and to issue a total of \$6,500,000 in general obligation debt pursuant to the Financing Plan, which increase shall not, in any event, be deemed to constitute a material modification hereto or require additional authorization of the City.

The Financing Plan demonstrates one method that might be used by the District 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 District. Such alternative financing plans shall be submitted to Thornton in advance for administrative review regarding overall consistency of the revised plan with this Service Plan. Any material economic deviation of such proposed plans from the scope of this Service Plan may be deemed a material modification hereof and may be subject to all applicable laws governing approval of material modifications. At the City's sole discretion, the District shall pay an administrative fee for any review required to determine whether material modifications to the Service Plan are being proposed. Due to the support expected to be received from the property owner, the Financing Plan demonstrates that the cost of infrastructure described herein can be provided with reasonable mill levies assuming reasonable increases in assessed valuation and assuming the rate of build-out estimated in the Financing Plan.

B. Other Financial Information. The balance of the information contained in this Article V is preliminary in nature. Upon approval of this Service Plan, the District will continue to develop and refine cost estimates contained herein and prepare for bond issues. Updated information, if any, shall be provided to the City in the annual report referred to in Section VI.B. All cost estimates will be inflated to then-current dollars at the time of bond issuance and

construction. All construction cost estimates assume construction to applicable local, state or federal requirements.

In addition to ad valorem property taxes, and in order to offset the expenses of the anticipated construction as well as administrative requirements of the District, the District may also rely upon various other revenue sources authorized by law with the prior consent and approval of the City Council. These will include the power to assess fees, rates, tolls, penalties, or charges as provided in § 32-1-1001(1), C.R.S., as amended from time to time. The Financing Plan assumes various sources of revenue, including ad valorem property taxes, specific ownership taxes, together with interest earnings on retained amounts, all of which the District shall be entitled to utilize and collect without future approval.

The Financing Plan does not project any significant accumulation of fund balances which might represent receipt of revenues in excess of expenditures under the TABOR Amendment. To the extent annual district revenues exceed expenditures in this manner, the District will comply with the provisions of TABOR and either refund the excess or obtain voter approval to retain such amounts. Initial spending and revenue limits of the District, as well as mill levies, will be established by elections which satisfy TABOR requirements. In the discretion of the Board of Directors, the District may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the District will remain under the control of its Board of Directors.

The estimated costs of the facilities and improvements to be constructed and installed by the District, 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 Exhibit F of this Service Plan. Bond interest rates shall be at or below market interest rates at the time bonds are sold as evidenced by published bond indices or, if there is no published bond indices, an opinion of a qualified evaluator acceptable to the City, or other evidence acceptable to the City. The maximum voted interest rate on bonds will be 18%. The proposed maximum underwriting discount will be 5%. It is estimated that the general obligation limited tax bonds, when issued, will mature not more than thirty (30) years from date of issuance. Bonds shall be sold: (1) with a rating in one of the four highest rating categories, (2) in minimum denominations of \$500,000, or (3) to accredited investors with provision for transfer only to persons who are accredited investors. The estimated costs of the organization and initial operation of the District through December 31, 2000 including legal, engineering, administrative and financial services are expected to be approximately \$100,000. Organizational and initial capital and operational costs will be reimbursed to the property owner by the District out of its initial revenue sources including bond issue proceeds.

C. Type of Debt Instruments and Debt Issuance Restriction. The District will not pledge any Thornton funds or assets as security for the indebtedness set forth in the Financing Plan of the District.

D. Elections and Conditions on Exercise of Financial Powers. The District may obtain necessary authorization from its electorate at an election to be scheduled for November 7, 2000, or on other legally permitted dates for general obligation bonds and for other matters summarized below. A proposed form of the ballot questions is set forth in Exhibit K of this Service Plan. The District shall be entitled to revise the substance of such ballot questions and issues prior to the November 7, 2000, election as might be deemed legally necessary. The District shall file a copy of the certified ballot with the City on or about the date the District is required to certify the ballot to the Adams County Clerk and Recorder.

E. Potential Risks to Proposed Financing. The ability of the District to meet the projections upon which the Financing Plan is premised is subject to various risks and uncertainties, including but not necessarily limited to, actual development, population and absorption as might occur within the area and actual market valuation of property within the District's boundaries. Each person reviewing this Service Plan should make an independent evaluation of all information presented in this document and the accompanying Exhibits in order to make an informed decision as to the organization and expected operations of the District. Additionally, any bonds issued by the District should only be purchased by persons who can bear the continuing risk of a speculative investment. Particular attention should be given to the factors described below which, among others, could affect the payment of debt service on bonds issued by the District.

Ultimately, the primary source of the District's revenues available for debt service will be ad valorem taxes assessed against property within the District in an amount necessary to pay the principal of, premium if any, and interest on bonds, and collected by the Treasurer for Adams County, Colorado. The District's ability to retire the indebtedness is dependent upon the development and maintenance of an adequate tax base from which the District can collect tax revenues. Until a more substantial tax base is achieved, a portion of projected District revenues is dependent on receipt by the District of one-time development fees, which are intended to be imposed by the District as contemplated in the City IGA. As additional security for bonds issued, the property owner may agree to partially guarantee the payment of principal and interest to the extent development fees are not received by the District from lot sales within the current or expanded boundaries of the District. No independent investigation of the property owner's financial condition has been made. Furthermore, the enforceability of any guaranty may be subject to bankruptcy, insolvency, reorganization or similar laws of general application affecting the enforcement of the rights of creditors generally and subject to general equity principles. Any guaranty may be secured by a subordinate lien on property owned by the property owner, however, foreclosure on such lien would be expensive and time consuming and may not produce sufficient revenues to repay the guaranty.

The District's ability to achieve a tax base adequate to generate ad valorem tax revenues and development fee revenue for timely payment of the bonds depends upon development within the District. It is difficult, however, to predict the rate at which future development within the District may occur. The District's ability to achieve a tax base adequate to generate ad valorem tax revenues for timely payment of bonds will depend upon the initiation and continuation of development within the District. The District faces competition from other similar developments

in the area and generally from suburban developments throughout the entire Denver metropolitan area. Such competition may adversely affect the rate of development within the District. Many unpredictable factors could influence the actual rate of construction within the District, including the prevailing interest rates, availability of development funding, market and economic conditions generally, supply of housing, office and commercial space in the Denver metropolitan area, construction costs, labor conditions, access to building supplies, availability of water and water taps, availability and costs of fuel, transportation costs and development moratoriums within the City, among other things.

Generally, the City of Thornton Ordinance that permits the formation of Title 32 Districts, "caps" the maximum mill levy for operations and debt service property tax revenue to 50 mills and contains other limiting provisions. There is no provision for adjusting the cap in the event of legislative or constitutional changes that could decrease tax revenues collected. Although the mills anticipated to be levied are less than the cap, there is no assurance that the property taxes collected within the limit will be sufficient to pay the operations or debt service of the District. The City of Thornton Ordinance prohibits the acceleration of debt against a special district issuer in the event of default on payment of bonds.

The primary source of revenue or cash receipts will be ad valorem property taxes. Property taxes are determined annually by the District's Board of Directors and set by County Commissioners as to rate or levy based upon the assessed valuation of the property within the District. The Adams County Assessor determines the assessed valuation. The levy is expressed in terms of mills. A mill is 1/1,000 of the assessed valuation. The forecast assumes that the District will be able to set its mill levy at mills for collection from 2000 through the term of the forecast for debt service, administration and landscaping and maintenance purposes until the debt is repaid.

The assessed valuation for the District is dependent upon the build-out schedule of the homes within the District. The Developer(s) of the District, the Carlson Land Source limited liability companies, their successors and assigns, has based the estimate of build-out on a projected build-out schedule, as shown in Exhibits G and F-2. The assessed valuation rate for raw ground and developed lots is 29% of market value until a home is constructed. All residential property has been assumed to be at the current residential property rate of 9.74%. The assessed valuation rate for commercial property is 29%.

After the property tax collection year of 2001, the Colorado Legislative Council's Memorandum, "Assessed Value and Property Tax Projections" issued December 17, 1999 states that the residential assessment rate is projected to decline from its current 9.74% for 2000 to 9.28% in 2001 (for collection in 2002), to 8.78% in 2003 and to 8.40% in 2005. The residential assessment ratio was not projected beyond 2005 for biennial reassessment value increases, nor required ratio reductions due to provisions of the State's Gallagher Amendment. The assessed valuation rate for commercial property remains at 29%. The estimates of the Memorandum are projections only, and do not have force of law and may or may not occur as projected. Due to the City of Thornton Ordinance that caps the mill levy of Title 32 Districts at 50 mills, in the event that the method for calculating assessed valuation changes after the date of the issuance of

the bonds, the 50 mill cap will remain in place and will not be increased to reflect such change. It is important for purchasers of bonds issued by the District to be aware that no recourse may be had for the payment of the principal and interest on the bonds beyond the revenues generated by a 50 mill levy.

Neither the duty to pay development fees nor the duty to pay property taxes constitutes a personal obligation of the property owners within the District. Instead, the obligation to pay property taxes is tied to the properties taxed, and if timely payment is not made, the obligation constitutes a lien against the specific properties. The duty of the property owner to pay any amounts due under an agreement is an obligation of the property owner, and not of its individual members. To enforce the liens for delinquent (but not future) property taxes, the County Treasurer has the power to foreclose on and cause the sale of the property that is subject to the delinquent taxes or fees, as provided by law. To enforce the lien of a delinquent development fee, the District has the power to foreclose on and cause the sale of the property that may be subject to the delinquent development fee, as provided by law. Foreclosure, however, is a time consuming remedy and proceeds realized from a foreclosure or tax sale, if any, may not be sufficient to cover the delinquent taxes or fees. The District's general counsel is uncertain whether a foreclosure action for the collection of a development fee would be successful.

Various State laws and constitutional provisions govern the assessment and collection of ad valorem property taxes and the issuance of bonds; impose limitations on revenues and spending of the State and local governments, including the District; and limit rates, fees and charges imposed by such entities. State laws, constitutional provisions and federal laws and regulations apply to the obligations created by the issuance of bonds. There can be no assurance that there will not be changes in interpretation of, or additions to, the applicable laws and provisions which would have a material adverse effect, directly or indirectly, on the affairs of the District.

On November 7, 2000, Colorado voters will vote on a proposed amendment to the Colorado Constitution (the "Amendment") which would implement tax cuts for a variety of State and local government taxes. The Amendment is a citizens' initiative which will appear on the ballot as a result of the petition process. The Amendment is vague in several respects and will be subject to administrative, legislative and judicial interpretation which may ultimately differ from the following description of its estimated effect. The Amendment apparently would cut the following taxes beginning with tax bills in the year 2001 for the State and each local government which levies such taxes: (a) utility customer taxes, occupation taxes and franchise charges; (b) vehicle sales, use and ownership taxes; (c) the State income tax; and (d) property taxes. The tax cut in the year 2001 will be \$25 for each tax in each tax bill and each tax cut increases in each successive year by another \$25. There is no maximum amount of the tax cut under the Amendment. If the Amendment passes, it is impossible to predict its effect on District revenues pledged to the payment of debt service. Passage of the proposed amendment could reduce the property tax revenues for operation of the District and the District could receive less than the anticipated specific ownership taxes. In addition, the passage of the Amendment could adversely affect the overall financial health of the Adams County and of the City of Thornton or other nearby cities and towns, and could result in a reduction in services provided by those entities. If

this occurs, it is impossible to predict what may occur with respect to the District's ability to grow and develop.

On November 7, 2000, Colorado voters will be asked to vote on a proposed amendment to the Colorado Constitution ("Amendment No. 256") which would prohibit municipalities and counties from approving most development, except development within "committed areas," unless the voters have approved a "growth-area map." The measure defines how "committed areas" (generally, land already developed, surrounded by developed land or for which "development applications" have been filed) and growth areas must be determined, and mandates elections and disclosures to the voters for proposed growth areas. Developable land is determined by whether or not it is or will be served by "central water and sewer," which is defined in the text of the measure. Amendment No. 256, if passed, will be subject to judicial interpretation of its terms and how it will be applied to developments such as those anticipated within the District. There can be no assurance regarding how Amendment No. 256, if passed, will be interpreted and applied and whether or not it will have a material adverse affect on development within the District.

VI. GENERAL MATTERS

A. Elections. Following approval of this Service Plan by Thornton, and after acceptance of the organizational petition and issuance of orders from the District Court, an election on the question of organizing the District 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, but may be held on any legally permitted date. The election questions are expected to include whether to organize the District, election of initial directors, and TABOR Amendment ballot issues and questions. Thus, the ballot may deal with topics, including but not necessarily limited to, the following (in several questions, but not necessarily using the exact divisions shown here):

1. Whether to organize the District,
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, and

8. Approval of eliminating TABOR – imposed revenue or spending limits.

Ballot issues may be consolidated as approved in Court orders. The petitioners 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 the District. Future elections to comply with the TABOR Amendment are anticipated and may be held as determined by the elected board of directors of the District.

B. Annual Report. The District shall be responsible for submitting an annual report to the Thornton City Clerk within six months from the conclusion of the District's fiscal year. The District's fiscal year shall end on December 31st of each year. The content of the annual report shall include information as to the following matters that occurred during the year:

1. Boundary changes made or proposed.
2. Changes or proposed changes in the proposed District's policies.
3. Changes or proposed changes in the proposed District's operations.
4. Any changes in the financial status of the proposed District including revenue projections, or operating costs.
5. A summary of any litigation which involves the proposed District.
6. Proposed plans for the year immediately following the year summarized in the annual report.
7. Status of Public Improvement Construction Schedule.
8. Submission of current assessed valuation in the District.
9. A certificate of compliance with the Thornton City Code.
10. Annual financial statements as audited in compliance with GAAS, unless legally exempted from audits.
11. Copies of any filing made with the Security and Exchange Commission and or the N.M.R.S.R.S.

C. Meeting Notice. A copy of written notice of every regular or special meeting of the District will be delivered to the office of the City Clerk and received at least three days prior to such meeting.

D. District Dissolution. The District shall take all action necessary to dissolve, pursuant to section 32-1-701 *et seq.*, C.R.S., upon Thornton's determination that the purposes for

which the District was created have been accomplished, whereupon Thornton shall adopt a resolution for dissolution or otherwise state its determination within 45-days after a hearing thereon.

VII. CONSOLIDATION

The District shall not file a request with the District Court to consolidate with another district without the prior written approval of Thornton City Council, as evidenced by resolution after a public hearing thereon.

VIII. MODIFICATION OF SERVICE PLAN

The District shall obtain the prior approval of Thornton before making any material modifications to this Service Plan as noted herein. Material modifications shall include modifications of a basic or essential nature including any additions to the types of services initially provided by the District, change in debt limit, change in revenue type, or change in the maximum mill levy. The examples above are only examples and are not an exclusive list of all actions that may be identified as a material modification. Thornton approval shall not be required for modifications that are properly identified as immaterial modifications to this Service Plan necessary for the execution of the Financing Plan for public improvements previously outlined herein.

IX. FAILURE TO COMPLY WITH SERVICE PLAN

In accordance with the authority of Thornton, and in the event that the District takes any action which constitutes a material modification from the Service Plan without approval from Thornton, Thornton shall utilize the remedies set forth in the statutes and Thornton City Code to seek to enjoin the actions of the District.

X. RESOLUTION OF APPROVAL

The proposed District agrees to incorporate the Thornton City Council's Resolution of Approval, including any conditions on such approval, into the Service Plan presented to the appropriate District Court. Such resolution shall be attached as Exhibit A.

XI. DISCLOSURE

The petitioners for organization of the District will make a good faith effort to assure that the developers of the property located within the District provide adequate written notice to purchasers of land in the District regarding the existence of taxes, charges, or assessments which may be imposed in connection with the District by providing a written disclosure of the same. It is anticipated that the property owner will require that all builders purchasing property within Lambertson Lakes from the property owner shall provide such a disclosure to homebuyers at the time of contracting. The form of disclosure shall be submitted to the City for administrative approval within ninety days of the District's organization. The disclosure shall include, but not

necessarily be limited to the following matters: (1) the District's authorized debt, anticipated issuance schedule and terms thereof; (2) facilities and services to be operated and maintained by the District; (3) maximum mill levy and the procedure for any adjustment thereto; (4) any applicable District fees and a statement that such fees are separate from any applicable homeowners' association fees. Upon approval of the disclosure by Thornton, the District shall record the disclosure in the real property records of the County of Adams, State of Colorado.

XII. INTERGOVERNMENTAL AGREEMENTS

The form of intergovernmental agreement required by Thornton, relating to limitations on the District's activities, is attached as Exhibit H.

XIII. CONCLUSION

It is submitted that this Service Plan for the District, as required by § 32-1-203(2), C.R.S., has established that:

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

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

(c) The District is capable of providing economical and sufficient service to the area within its proposed boundaries,

(d) The area to be included in the District 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 Thornton, or other existing municipal or quasi-municipal corporations, including existing special District, within a reasonable time and on a comparable basis;

(f) The facility and service standards of the District are compatible with the facility and service standards of Thornton within which the District are to be located and each municipality which is an interested party under § 32-1-204(1), C.R.S.;

(g) The proposal is in substantial compliance with a comprehensive plan adopted pursuant to the Thornton Code;

(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 District is in the best interests of the area proposed to be served.

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

Respectfully submitted,

WHITE AND ASSOCIATES
PROFESSIONAL CORPORATION

By:  _____

Kristen D. Bear
K. Sean Allen
Counsel to Petitioners

LLMD\Aug 8SPLANAUG1\KDB1357080800
0503.0003

EXHIBIT A
City Council Resolution of Approval

RESOLUTION

A RESOLUTION APPROVING THE SERVICE PLAN FOR THE LAMBERTSON LAKES METROPOLITAN DISTRICT.

WHEREAS, pursuant to the provisions of Chapter 66 of the Thornton City Code and the Special District Control Act, Part 2 of Article 1, Title 32, C.R.S., a service plan has been submitted to the City of Thornton for the creation of the Lambertson Lakes Metropolitan District (hereinafter referred to as the "District") whose District boundaries are wholly within the corporate limits of the City; and

WHEREAS, the Service Plan submitted to the City outlines the terms and conditions under which the District will be authorized to exist; and

WHEREAS, the Service Plan provides, among other public improvements, that the District will construct major traffic improvements which are in the best interest of the health, safety and welfare of the City; and

WHEREAS, the City Council of the City of Thornton has conducted a public hearing regarding the Service Plan; and

WHEREAS, the Special District Control Act requires that any service plan submitted to the District Court for the creation of a special district must first be approved by resolution of the governing body of the municipality within which the District lies; and

WHEREAS, upon the order of the District Court declaring the Lambertson Lakes Metropolitan District organized, an intergovernmental agreement between the City and the District shall be provided by the District in a form as provided in the Service Plan; and

WHEREAS, the intergovernmental agreement will be in accordance with the terms, provisions, and limitations contained in the Service Plan and approval and execution of the intergovernmental agreement by the District shall be an express condition precedent to the District exercising any financial authorization or activities pursuant to the Service Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF THORNTON, COLORADO, AS FOLLOWS:

Section 1. The City Council determines that the requirements of Chapter 66 and the requirements of Sections 32-1-202(2) and 32-1-204.5, C.R.S. have been satisfied by the Service Plan of Lambertson Lakes Metropolitan District.

Section 2. The City Council hereby finds that:

CITY CLERK'S OFFICE, THORNTON, COLORADO
THIS DOCUMENT IS CERTIFIED TO BE A TRUE AND
CORRECT COPY OF THE ORIGINAL IN MY CUSTODY.
CITY
SEAL AUG 21 2000
THORNTON CITY CLERK
BY *Janet A. Stewart*
TITLE *City Clerk*

- a. There is sufficient existing and projected need for organized service in the area to be served by the proposed District.
- b. The existing service in the area to be serviced by the proposed District is inadequate for present and projected needs.
- c. The proposed District is capable of providing economical and sufficient service to the area within the proposed boundaries.
- d. The area included within the proposed District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

Section 3. The City Council also finds that:

- a. The service standards of the proposed Metro District are compatible with the service standards of the City.
- b. The Service Plan is in substantial compliance with the City's Comprehensive Plan.
- c. The Service Plan is in compliance with the City's Capital Improvements Plan, Thoroughfare Master Plan, Drainage Master Plans, Utilities Master Plan and the TDA's Community Improvement Plan.
- d. The creation of the proposed Metro District will be in the best interests of the area proposed to be served.
- e. The proposed Metro District will result in the guaranteed construction or funding of extraordinary infrastructure including roads, parks, and open space intended to serve community or regional needs greater than needs of the residential development subject to the request.
- f. The proposed Metro District fulfills community goals or needs identified by City Council as deserving particular attention, and provides particular unique community benefits.

Section 4. The City's findings are based solely upon the evidence in the Service Plan and presented at the public hearing and the City has not conducted any independent investigation of the evidence. The City makes no guaranty as to the financial viability of the Lambertson Lakes Metropolitan District or the achievability of the results.

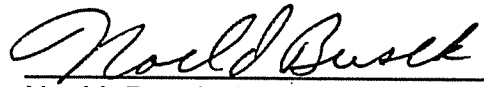
Section 5. The proposed Lambertson Lakes Metropolitan District Service Plan is hereby approved. The terms, provisions, and limitations of the Service Plan shall be incorporated in the Intergovernmental Agreement proposed by the District, and the District shall not be authorized to incur any indebtedness, certify any mill levy or undertake other financial activities until such time as the City and the District have approved the Intergovernmental Agreement.

Section 6. The City's approval of the Service Plan is not a waiver of nor a limitation upon any power which the City is legally permitted to exercise with respect to the property subject to the District or the District.

Section 7. The City Council determines that the City's notification requirements have been complied with regarding the public hearing on the Service Plan.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Thornton, Colorado this 14th day of August, 2000.

CITY OF THORNTON, COLORADO



Noel I. Busck, Mayor

ATTEST:



Nancy A. Vincent, City Clerk

EXHIBIT B
Legal Descriptions



J-R ENGINEERING
A Subsidiary of Westcon

LEGAL DESCRIPTION: LAMBERTSON LAKES METROPOLITAN DISTRICT

A PARCEL OF LAND SITUATED IN SECTION 14, AND 23, TOWNSHIP 2 SOUTH, RANGE 68 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF THORNTON, COUNTY OF ADAMS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS:

THE WEST LINE OF THE NORTHWEST ONE-QUARTER OF SECTION 14, TOWNSHIP 2 SOUTH, RANGE 68 WEST OF THE SIXTH PRINCIPAL MERIDIAN, BEING MONUMENTED AT THE NORTHWEST CORNER OF SAID SECTION 14 BY A 3-1/4" COLORADO DEPARTMENT OF TRANSPORTATION ALUMINUM CAP - L.S. 23516 AND AT THE WEST ONE-QUARTER CORNER OF SAID SECTION 14 BY A 3-1/4" ALUMINUM CAP - L.S. 20155, IS CONSIDERED TO BEAR S00°08'11"E, WITH ALL BEARINGS HEREIN RELATIVE THERETO;

COMMENCING AT SAID NORTHWEST CORNER OF SECTION 14, THENCE S00°08'11"E ALONG SAID WEST LINE OF THE NORTHWEST ONE-QUARTER OF SECTION 14, A DISTANCE OF 963.58 FEET; THENCE N89°51'35"E A DISTANCE OF 50.00 FEET TO THE SOUTHWESTERLY CORNER OF LOT 11 OF CIRCLE DRIVE DEVELOPMENT CO. INC. SUBDIVISION, AS RECORDED IN FILE 13, MAP 123, UNDER RECEPTION NO. 984518 OF THE OFFICIAL ADAMS COUNTY, COLORADO RECORDS, SAID POINT BEING THE POINT OF BEGINNING;

THENCE S89°56'01"E ALONG THE SOUTHERLY LINE OF SAID LOT 11 AND THE SOUTHERLY LINE OF BCN COMMERCIAL TRACT, AS RECORDED IN FILE 16, MAP 244, UNDER RECEPTION NO. B565463 OF SAID OFFICIAL ADAMS COUNTY RECORDS, A DISTANCE OF 1107.66 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF EAST 102nd AVENUE AS SHOWN ON THE MAP OF LAMBERTSON SUBDIVISION FILING NO. 1, RECORDED IN FILE 17, MAP 170, UNDER RECEPTION NO. B1179721 OF SAID OFFICIAL ADAMS COUNTY RECORDS;

THENCE S89°56'03"E A DISTANCE OF 832.33 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF MARION STREET, AS SHOWN ON THE MAP OF SAID LAMBERTSON SUBDIVISION FILING NO.1;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF MARION STREET THE FOLLOWING THREE (3) COURSES;

1. S00°08'09"E A DISTANCE OF 376.82 FEET;
2. S20°38'03"W A DISTANCE OF 47.24 FEET;
3. ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 50.00 FEET, A CENTRAL ANGLE OF 110°34'05" AND AN ARC LENGTH OF 96.49 FEET;

THENCE LEAVING SAID WESTERLY RIGHT-OF-WAY LINE OF MARION STREET AND CONTINUING ALONG THE BOUNDARY OF SAID LAMBERTSON SUBDIVISION FILING NO. 1 THE FOLLOWING FOUR (4) COURSE;

1. S00°03'58"W A DISTANCE OF 80.57 FEET;

2. S83°27'23"E A DISTANCE OF 921.86 FEET;

3. N00°03'58"E A DISTANCE OF 144.52 FEET;

4. N72°04'57"E A DISTANCE OF 354.94 FEET;

THENCE N00°08'09"W A DISTANCE OF 25.98 FEET;

THENCE N79°14'04"E A DISTANCE OF 247.18 FEET;

THENCE N62°20'34"E A DISTANCE OF 239.36 FEET;

THENCE N22°18'04"E A DISTANCE OF 113.60 FEET;

THENCE N48°54'31"E A DISTANCE OF 250.31 FEET TO A POINT ON THE EAST LINE OF SAID WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SECTION 14;

THENCE ALONG SAID EAST LINE OF THE WEST ONE-HALF OF THE NORTHEAST ONE -QUARTER OF SECTION 14 THE FOLLOWING TWO (2) COURSES;

1. S00°16'11"E A DISTANCE OF 392.27 FEET;

2. S00°14'08"E A DISTANCE OF 1290.30 FEET TO A POINT ON A LINE PARALLEL WITH AND 30.00 FEET NORTHERLY OF THE EAST-WEST CENTER LINE OF SAID SECTION 14;

THENCE ALONG SAID PARALLEL LINE THE FOLLOWING TWO (2) COURSES;

1. N89°53'27"W A DISTANCE OF 1321.76 FEET;

2. N89°53'34"W A DISTANCE OF 1321.40 FEET TO A POINT ON THE EAST LINE OF SAID WEST ONE-HALF OF THE NORTHWEST ONE-QUARTER OF SECTION 14;

THENCE S00°10'10"E A DISTANCE OF 30.00 FEET TO THE SOUTHEAST CORNER OF THE SOUTHWEST ONE- QUARTER OF THE NORTHWEST ONE-QUARTER OF SAID SECTION 14;

THENCE S00°09'22"E ALONG THE EAST LINE OF SAID WEST ONE-HALF OF THE SOUTHWEST ONE-QUARTER OF SECTION 14 A DISTANCE OF 2541.71 FEET TO A POINT ON THE NORTHERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN BOOK 1914 AT PAGE 950 OF THE OFFICIAL ADAMS COUNTY RECORDS;

THENCE ALONG THE BOUNDARY OF SAID PARCEL OF LAND DESCRIBED IN BOOK 1914 AT PAGE 950 THE FOLLOWING FOUR (4) COURSES;

1. N89°48'49"W A DISTANCE OF 161.11 FEET;

2. S45°11'11"W A DISTANCE OF 80.61 FEET;

3. S00°00'04"W A DISTANCE OF 60.00 FEET TO A POINT ON A LINE PARALLEL WITH AND 40.00 FEET SOUTHERLY OF THE NORTH LINE OF THE NORTHWEST ONE-QUARTER OF SAID SECTION 23;

4. N89°48'49"W ALONG SAID PARALLEL LINE A DISTANCE OF 550.38 FEET;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT WHOSE RADIUS POINTS BEARS N14°43'56"W, HAVING A RADIUS OF 890.00 FEET, A CENTRAL ANGLE OF 07°10'51" AND AN ARC LENGTH OF 111.54 FEET;

THENCE N68°05'14"E A DISTANCE OF 233.89 FEET;

THENCE N21°54'46"W A DISTANCE OF 140.00 FEET;

THENCE N00°07'14"W A DISTANCE OF 347.96 FEET;

THENCE N43°22'04"W A DISTANCE OF 660.87 FEET;

THENCE N00°09'22"W A DISTANCE OF 652.69 FEET;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT WHOSE RADIUS POINTS BEARS N23°47'34"W, HAVING A RADIUS OF 615.00 FEET, A CENTRAL ANGLE OF 23°40'20" AND AN ARC LENGTH OF 254.09 FEET;

THENCE S89°52'46"W A DISTANCE OF 44.88 FEET;

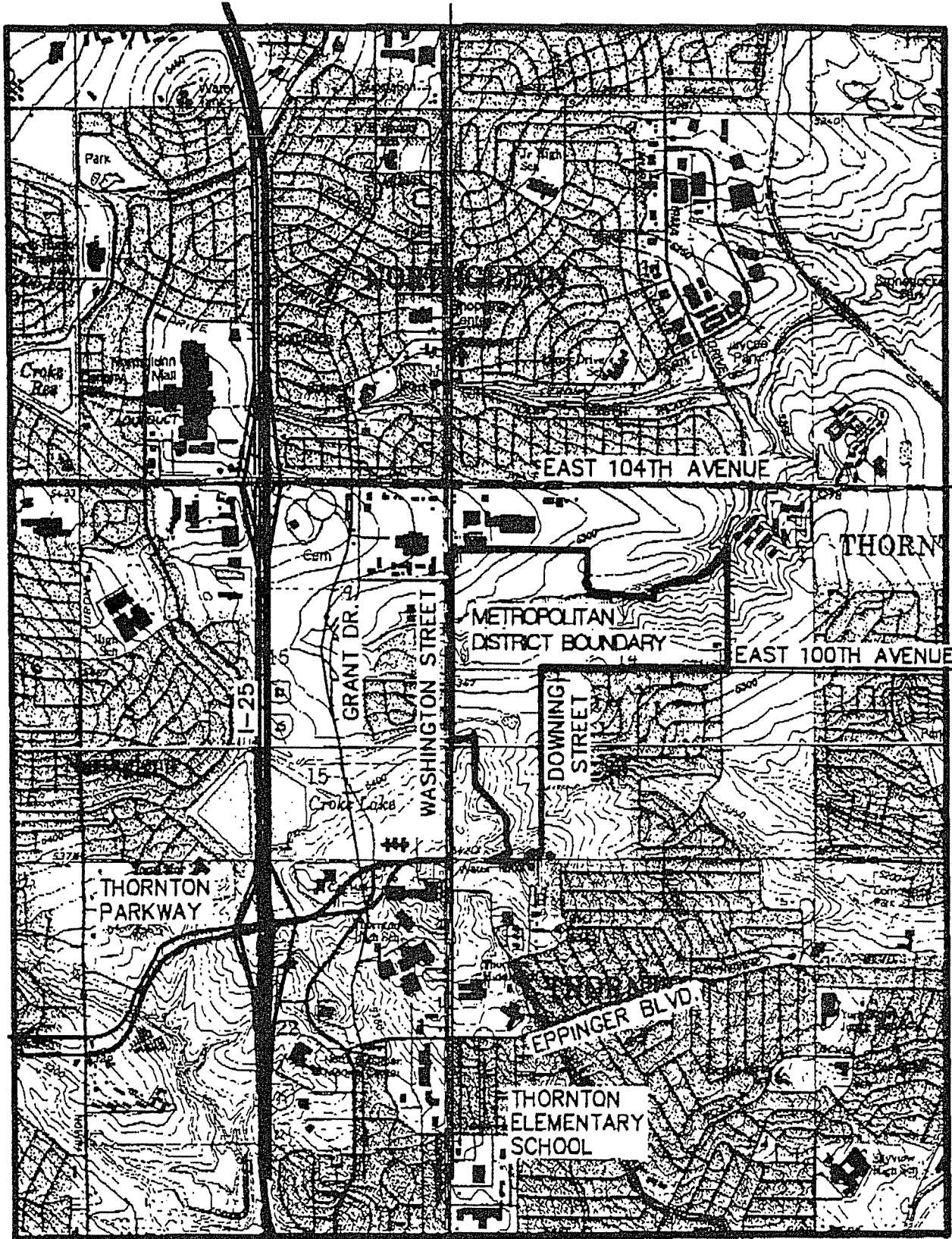
THENCE ALONG THE ARC OF A CURVE TO THE LEFT WHOSE RADIUS POINTS BEARS S00°07'14"E, HAVING A RADIUS OF 30.00 FEET, A CENTRAL ANGLE OF 90°00'00" AND AN ARC LENGTH OF 47.12 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF WASHINGTON STREET;

THENCE N00°07'14"W ALONG SAID EASTERLY RIGHT-OF-WAY LINE, SAID LINE BEING PARALLEL WITH AND 50.00 FEET EASTERLY OF SAID WEST LINE OF THE SOUTHWEST ONE-QUARTER OF SECTION 14, A DISTANCE OF 1007.93 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 14;

THENCE N00°08'11"W ALONG SAID EASTERLY RIGHT-OF-WAY LINE, SAID LINE BEING PARALLEL WITH AND 50.00 FEET EASTERLY OF SAID WEST LINE OF THE NORTHWEST ONE-QUARTER OF SECTION 14, A DISTANCE OF 1674.88 FEET TO THE POINT OF BEGINNING.

CONTAINING A CALCULATED AREA OF 8,007,786 SQUARE FEET OR 183.834 ACRES.

EXHIBIT C
Thornton Vicinity Map



LAMBERTSON LAKES METROPOLITAN DISTRICT



VICINITY MAP
SCALE 1"=2000'



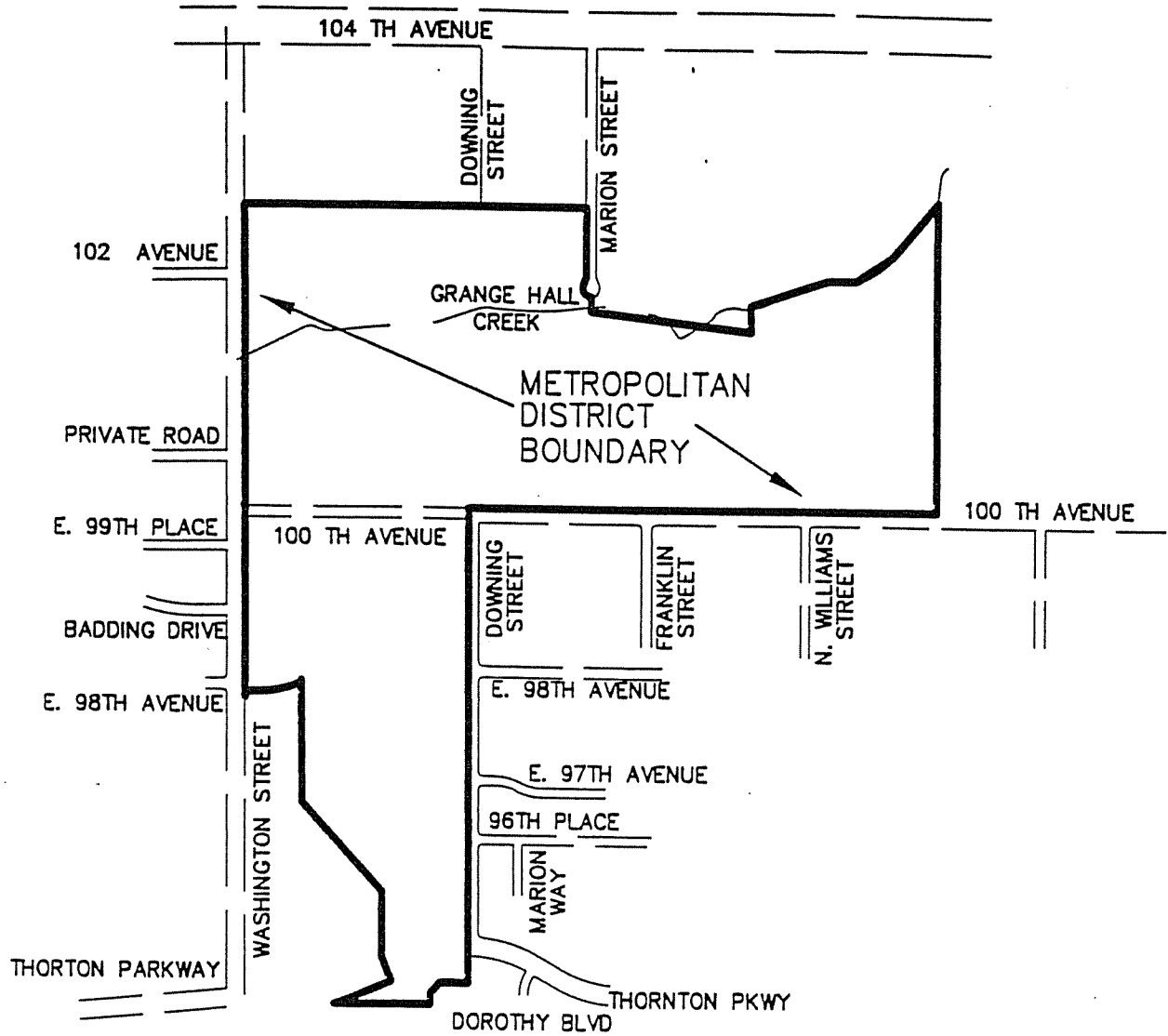
J-R ENGINEERING

SCALE & SUBMITTAL SYSTEM

6120 Greenwood Plaza Blvd • Englewood, CO 80111
303-740-8393 • Fax 303-721-3018 • www.jrengineering.com

EXHIBIT D
Boundary Map

LAMBERTSON LAKES METROPOLITAN DISTRICT



SCALE: 1" = 1000'

DISTRICT BOUNDARY MAP
JOB NO. 4119.00



J-R ENGINEERING

A Subsidiary of Westman

6020 Greenwood Plaza Blvd. • Englewood, CO 80111
303-740-9393 • Fax 303-721-9099 • www.jrengineering.com

EXHIBIT E
Statutory Contents of 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 District's 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 District are compatible with facility and service standards of Thornton and of municipalities and special districts which are interested parties pursuant to § 32-1-204(1), C.R.S.;
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 District;
7. A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between District and such other political subdivision;
8. Information satisfactory to establish that each of the following criteria as set forth in §32-1-203, C.R.S., has been met:
 - (a) That there is sufficient existing and projected need for organized service in the area to be serviced by the District;
 - (b) That the existing service in the area to be served by the District is inadequate for the present and projected needs;
 - (c) That District is capable of providing economical and sufficient service to the area within their proposed boundaries;
 - (d) That the area included in the District 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 Thornton, other existing municipal or quasi-municipal corporations, including existing special District, within a reasonable time and on a comparable basis;

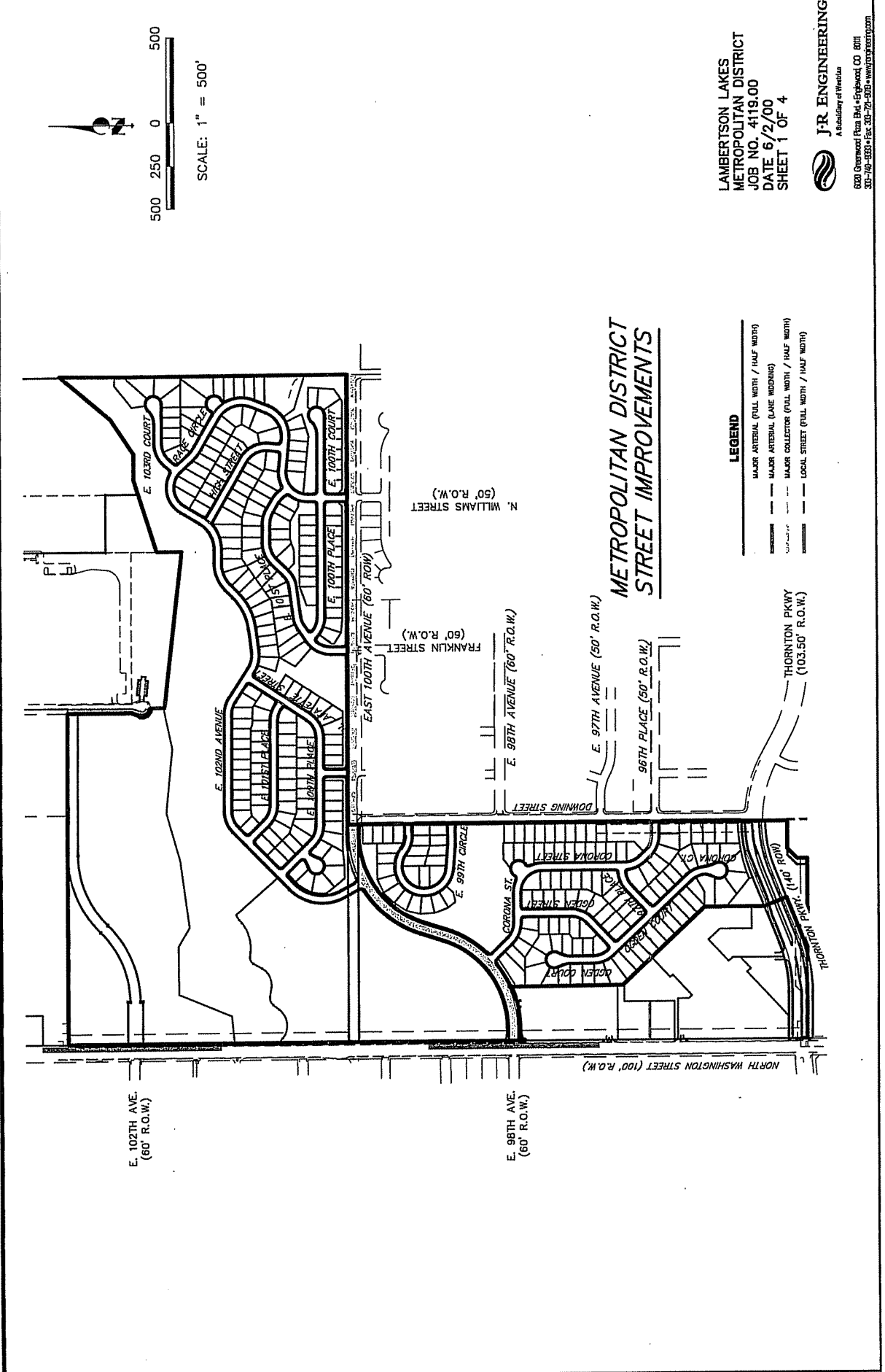
(f) That the facility and service standards of the District are compatible with the facility and service standards of Thornton within which the District is to be located and each municipality which is an interested party under §32-1-204(1), C.R.S.;

(g) The proposal is in substantial compliance with any master plan adopted pursuant to §32-28-106, C.R.S.;

(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

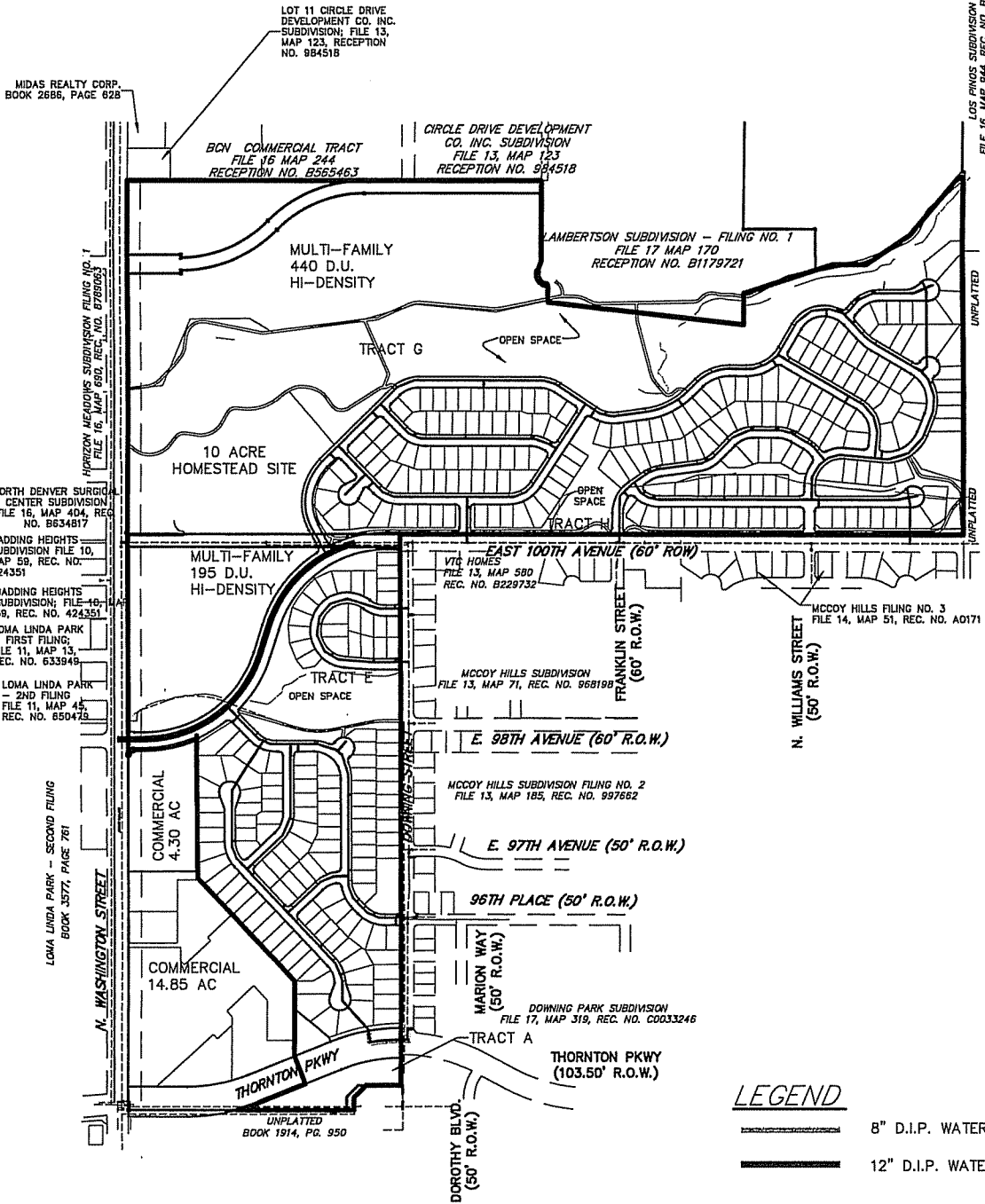
(i) That the organization of the District will be in the best interests of the area proposed to be served.

EXHIBIT F
Facilities Diagrams



LAMBERTSON LAKES
 METROPOLITAN DISTRICT
 JOB NO. 4119.00
 DATE 6/2/00
 SHEET 1 OF 4

JR ENGINEERING
 A Subsidiary of Wierstra
 8200 Cornerstone Plaza, Bldg. 4, Englewood, CO 80111
 303-740-5333 • Fax: 303-740-2070 • www.jrengineering.com



LEGEND

- 8" D.I.P. WATER MAIN
- 12" D.I.P. WATER MAIN

**METROPOLITAN DISTRICT
WATER IMPROVEMENTS**



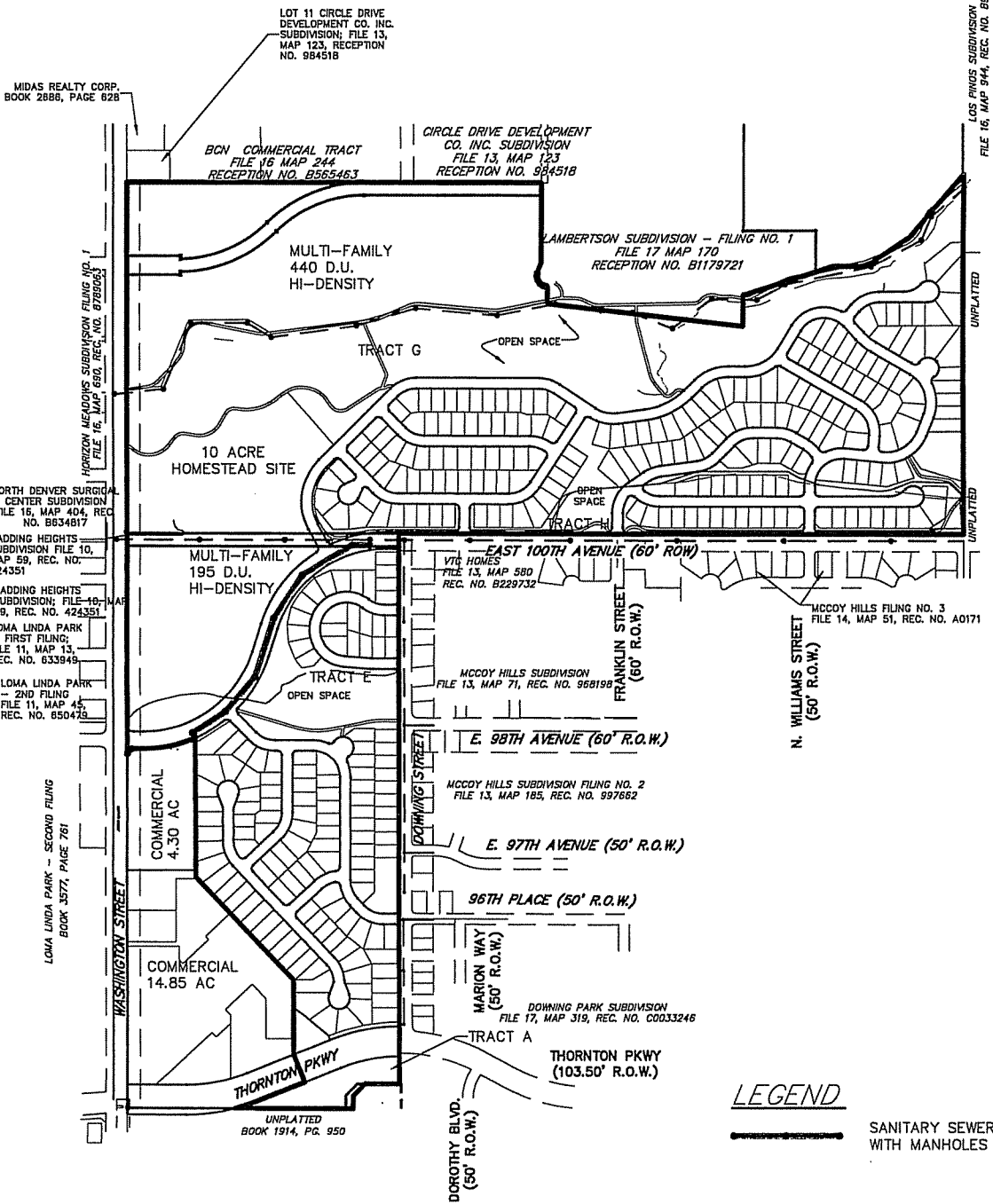
500 250 0 500

SCALE: 1" = 500'

LAMBERTSON LAKES
METROPOLITAN DISTRICT
JOB NO. JOB NO. 4119.00
DATE 6/2/00
SHEET 2 OF 4

J-R ENGINEERING
A Subsidiary of Westcon

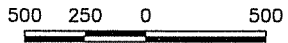
6020 Greenwood Plaza Blvd • Englewood, CO 80111
303-740-6666 • Fax: 303-721-5050 • www.jr-engineering.com



LEGEND

— SANITARY SEWER WITH MANHOLES

**METROPOLITAN DISTRICT
SANITARY SEWER
IMPROVEMENTS**

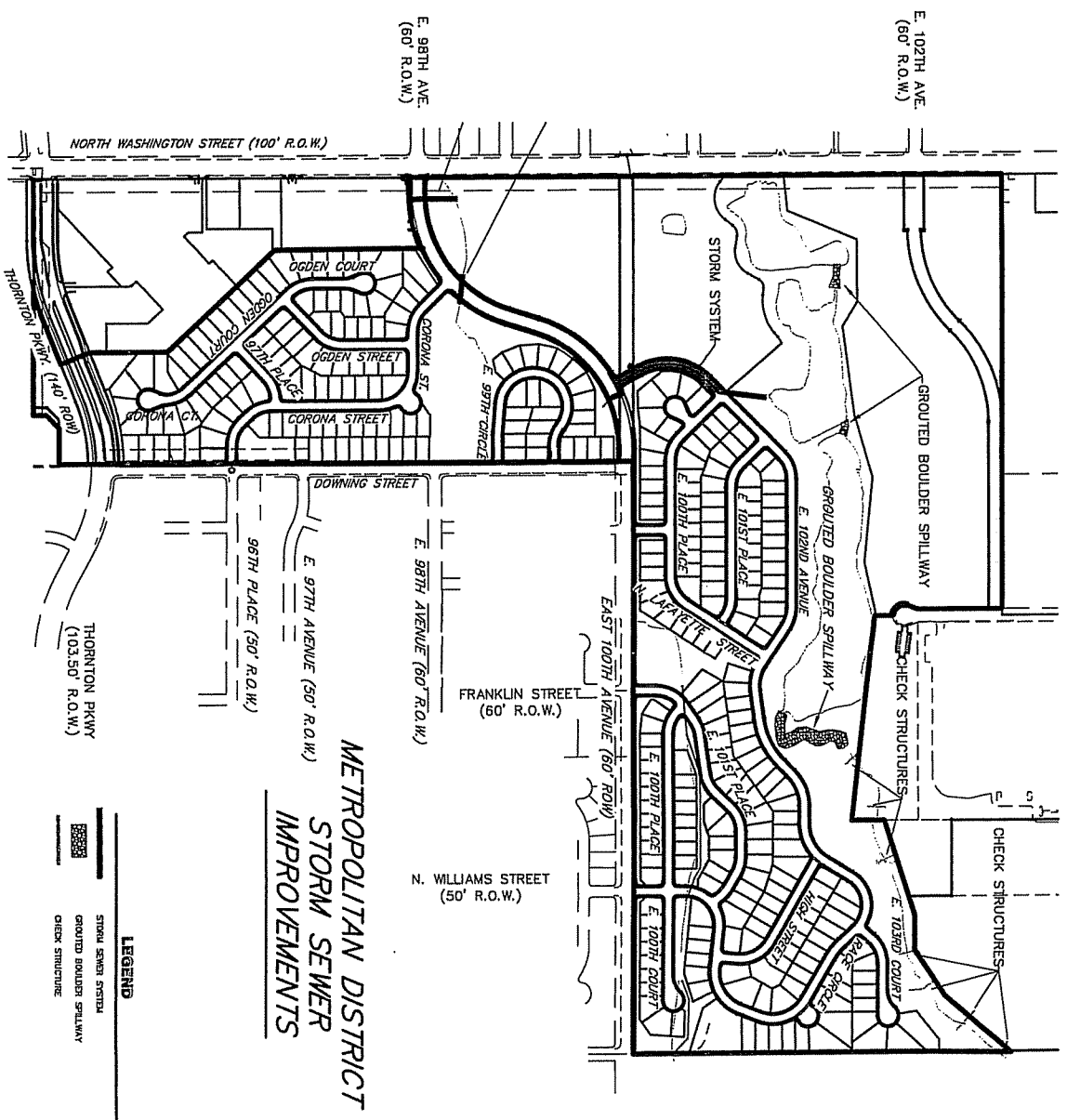


SCALE: 1" = 500'

LAMBERTSON LAKES
METROPOLITAN DISTRICT
JOB NO. 4119.00
DATE 6/2/00
SHEET 3 OF 4



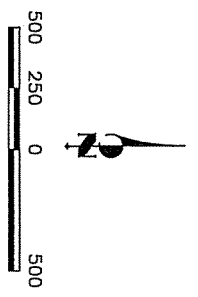
6020 Greenwood Plaza Blvd • Englewood, CO 80111
303-760-5300 • Fax: 303-761-0076 • www.j-r-engineering.com



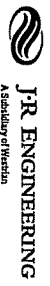
**METROPOLITAN DISTRICT
STORM SEWER
IMPROVEMENTS**

LEGEND

	STORM SEWER SYSTEM
	GROUTED BOULDER SPILLWAY
	CHECK STRUCTURE



LAMBERTSON LAKES
METROPOLITAN DISTRICT
JOB NO. 4119.00
DATE 6/2/00
SHEET 4 OF 4



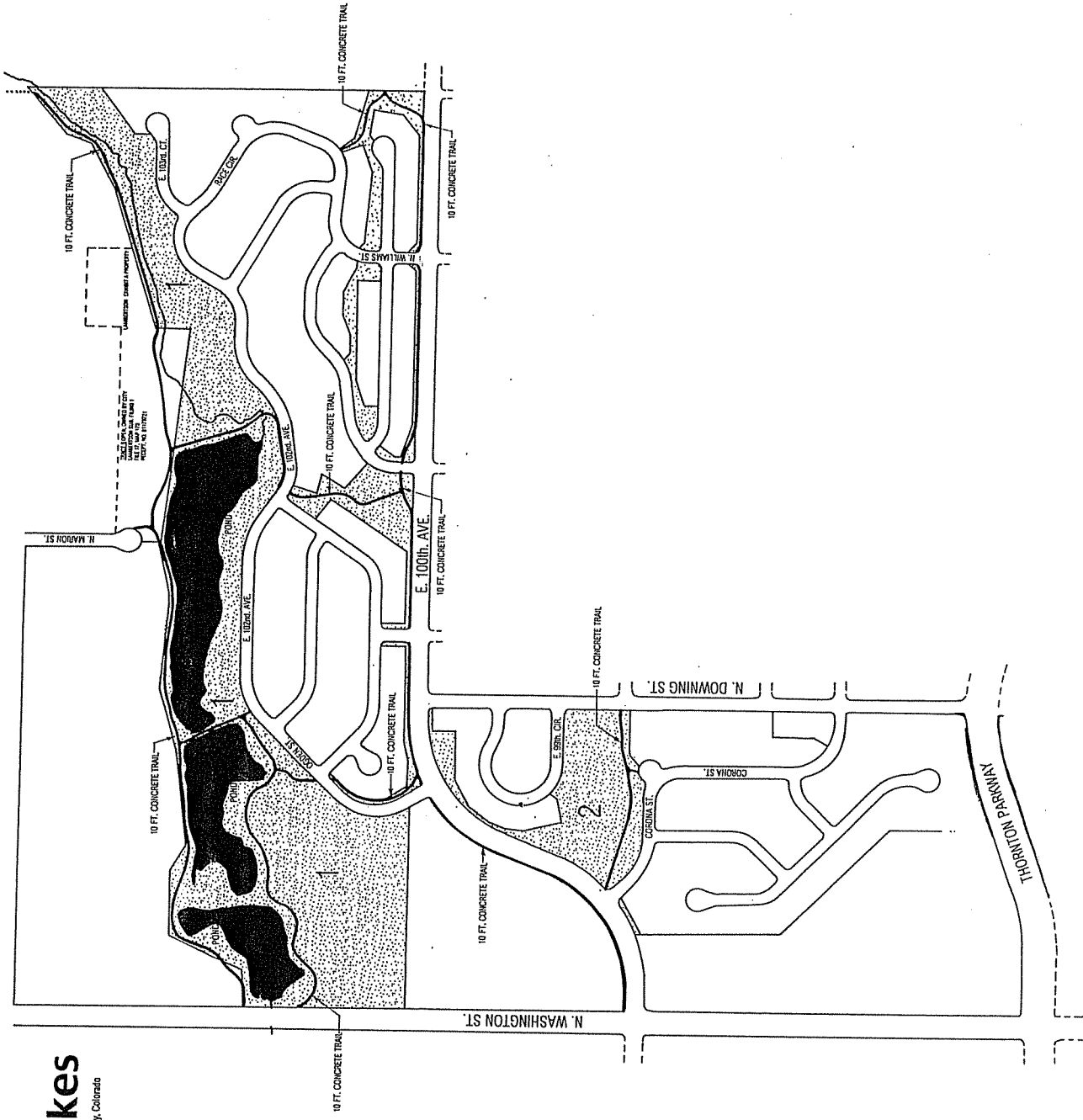
820 Greenwood Farm Blvd., Espenon, CO 80111
303-746-4383 • Fax: 303-746-8978 • WWW.JRENG.COM

EXHIBIT F-1
Parks and Trails Diagram


Park & Trail Exhibit

Lambertson Lakes

A part of the N. 1/2 of Section 14, T. 2 S., R. 68 W. of the 6th P.M., Adams County, Colorado
Thornton, Colorado



LAND-DESIGN STUDIOS
200 N. 10th St.
Denver, CO 80202-1179
Phone: 303-733-1316 Fax: 303-744-9924
Cell: 303-733-1316
E-mail: lds@landdesignstudios.com
Scale: 1" = 200'



DATE	10/10/02
BY	LD
CHECKED	LD
APPROVED	LD

EXHIBIT F-2
Proposed Construction Phasing Plan
For Lambertson Lakes Metropolitan District

The geographic areas and descriptions of the improvements listed below are contained in the facilities diagrams attached hereto in Exhibit F and in Exhibit F-1. Additional descriptions of the improvements are also contained in Section IV of this Service Plan.

The proposed construction schedule for the improvements is as follows:

Streets (including sewer and water mains)

1. North Washington Street: Construction to begin March 2002 with an estimated completion July 2002.
2. Thornton Parkway: Construction to begin November 2000 with an estimated completion June 2001.
3. East 100th Avenue: Construction to begin March 2002 with an estimated completion July 2002.
4. East 98th – East 100th Avenue: Construction to begin November 2000 with an estimated completion June 2001.
5. Marion Street: Construction to begin March 2001 with an estimated completion June 2001.

Parks, Trails and Picnic Area

Construction to begin April 2003 with an estimated completion August 2003.

Major Drainage

Construction to begin May 2001 with an estimated completion September 2001.

EXHIBIT G
Financing Plan

**PROPOSED LAMBERTSON LAKES METROPOLITAN DISTRICT
BOND ACCOUNT AND RESERVE ACCOUNT ONLY
FORECASTED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
SUMMARY**

Collect Year	SF Units	MF Units	Total Assessed Value	Mill Levy	Taxes			CASH RECEIPTS				CASH DISBURSEMENTS				CASH SURPLUS/(DEFICIT)		Collect Year	
					Property Net Fees 97.00%	SOT 5.00%	Interest Income 5.00%	Developer Advance	Total Receipts	Operations Deduction	Debt Service	Total Disbursements	Annual	Cumulative					
2000																			2000
2001									30,000	30,000	30,000								2001
2002									30,000	30,000	30,000								2002
2003	100	220	3,660,960	20.000	71,023	3,700	-	-	30,000	259,709	20,000						54,723	54,723	2003
2004	100	220	11,129,318	20.000	215,909	11,100	2,700	30,000	30,000	428,412	20,000	175,197	195,197	64,512	119,235	119,235	64,512	2004	
2005	100	195	20,706,796	20.000	401,712	20,700	6,000	-	-	584,814	20,000	362,657	382,657	45,755	164,991	164,991	45,755	2005	
2006	30	0	32,186,305	20.000	624,414	32,200	8,200	(80,000)	(80,000)	597,790	20,000	550,407	557,657	27,157	192,148	192,148	27,157	2006	
2007	0	0	30,793,276	20.000	597,390	30,800	9,600	(40,000)	(40,000)	664,285	20,000	586,407	606,407	57,878	277,409	277,409	57,878	2007	
2008	0	0	32,025,007	20.000	621,285	32,000	11,000	-	-	667,185	20,000	618,907	638,907	26,830	305,687	305,687	26,830	2008	
2009	0	0	32,025,007	20.000	646,137	33,300	15,300	-	-	694,737	20,000	647,907	667,907	26,830	332,517	332,517	26,830	2009	
2010	0	0	33,306,007	20.000	646,137	33,300	16,600	-	-	724,582	20,000	647,157	667,157	57,425	417,572	417,572	57,425	2010	
2011	0	0	33,306,007	20.000	671,982	34,600	18,000	-	-	727,482	20,000	644,157	664,157	63,325	480,898	480,898	63,325	2011	
2012	0	0	34,638,248	20.000	698,861	36,000	24,000	-	-	763,861	20,000	639,407	659,407	99,454	580,352	580,352	99,454	2012	
2013	0	0	34,638,248	20.000	698,861	36,000	29,000	-	-	763,861	20,000	607,907	627,907	135,954	716,306	716,306	135,954	2013	
2014	0	0	36,023,778	20.000	698,861	36,000	29,000	-	-	800,116	20,000	576,407	596,407	203,709	920,015	920,015	203,709	2014	
2015	0	0	37,464,729	20.000	726,816	37,500	35,800	-	-	810,316	20,000	544,907	564,907	245,409	1,165,424	1,165,424	245,409	2015	
2016	0	0	37,464,729	20.000	726,816	37,500	46,000	-	-	773,700	20,000	513,407	533,407	240,293	1,405,717	1,405,717	240,293	2016	
2017	0	0	38,963,318	18.000	680,300	35,100	58,300	-	-	785,700	20,000	487,719	507,719	277,981	1,683,698	1,683,698	277,981	2017	
2018	0	0	38,963,318	18.000	680,300	35,100	84,200	-	-	828,212	20,000	0	20,000	808,212	2,491,910	2,491,910	808,212	2018	
2019	0	0	40,521,851	18.000	707,512	36,500												2019	
2020	0	0																2020	
					330	635				10,708,722	552,000	469,800	-	11,730,522	450,000	8,788,612	9,238,612	2,491,910	

Notes:
 - As displayed on the attached "Schedule of Assessed Valuation Analysis," homes constructed in the calendar years above convert to assessed valuation the second subsequent year.
 - Mill levy is capped at 25 mills
 - Assumes an interest rate on the bonds of 7% over 20 year bonds
 - bonds would be issued as needed - for purposes of this projection bonds would be issued as of June 1 of each year

**DRAFT-PRELIMINARY
FOR DISCUSSION PURPOSES ONLY
SUBJECT TO CHANGE
NOT TO BE REPRODUCED**

**PROPOSED LAMBERTSON LAKES METROPOLITAN DISTRICT
BOND ACCOUNT AND RESERVE ACCOUNT ONLY
FORECASTED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
SCHEDULE OF ASSESSED VALUATION ANALYSIS**

08/01/2000

Constr. Year	Tax Levy Year	Collection Year	Annual Market Value Increase			Market Value			Cumulative Market Value w/increase	Assessment Ratio	Cumulative Assessed Value	Collect Year
			No. Units SF	Sales Price Per Unit	No. Units M/F	Sales Price Per Unit	Total	Total Market Value				
2001	2002	2003	100	180,000	220	97,500	39,450,000	39,450,000		9.28%	3,660,960	2003
2002	2003	2004	100	180,000	220	97,500	39,450,000	78,900,000	1,578,000	9.28%	11,129,318	2004
2003	2004	2005	100	180,000	195	97,500	37,012,500	115,912,500	235,840,500	8.78%	20,706,796	2005
2004	2005	2006	30	180,000	-	-	5,400,000	121,312,500	366,586,620	8.78%	32,186,305	2006
2005	2006	2007	0	-	-	-	-	9,433,620	366,586,620	8.40%	30,793,276	2007
2006	2007	2008	0	-	-	-	-	14,663,465	381,250,085	8.40%	32,025,007	2008
2007	2008	2009	0	-	-	-	-	381,250,085	381,250,085	8.40%	32,025,007	2009
2008	2009	2010	0	-	-	-	-	15,250,003	396,500,088	8.40%	33,306,007	2010
2009	2010	2011	0	-	-	-	-	396,500,088	396,500,088	8.40%	33,306,007	2011
2010	2011	2012	0	-	-	-	-	412,360,092	412,360,092	8.40%	34,638,248	2012
2011	2012	2013	0	-	-	-	-	412,360,092	412,360,092	8.40%	34,638,248	2013
2012	2013	2014	0	-	-	-	-	16,494,404	428,854,495	8.40%	36,023,778	2014
2013	2014	2015	0	-	-	-	-	428,854,495	428,854,495	8.40%	36,023,778	2015
2014	2015	2016	0	-	-	-	-	446,008,675	446,008,675	8.40%	37,464,729	2016
2015	2016	2017	0	-	-	-	-	446,008,675	446,008,675	8.40%	37,464,729	2017
2016	2017	2018	0	-	-	-	-	463,849,022	463,849,022	8.40%	38,963,318	2018
2017	2018	2019	0	-	-	-	-	463,849,022	463,849,022	8.40%	38,963,318	2019
2018	2019	2020	0	-	-	-	-	18,553,961	482,402,983	8.40%	40,521,851	2020
2019	2020	2021	0	-	-	-	-	482,402,983	482,402,983	8.40%	40,521,851	2021
2020	2021	2022	0	-	-	-	-	19,296,119	501,699,102	8.40%	42,142,725	2022
2021	2022	2023	0	-	-	-	-	501,699,102	501,699,102	8.40%	42,142,725	2023
2022	2023	2024	0	-	-	-	-	20,067,964	521,767,067	8.40%	43,828,434	2024
			<u>330</u>		<u>635</u>		<u>121,312,500</u>	<u>355,575,000</u>	<u>166,192,067</u>			

- Assumes an market value increase of 4% every other year or 2% per year on average
- Assumes construction starts in 2000 but no units completed until 2001

**DRAFT-PRELIMINARY
FOR DISCUSSION PURPOSES ONLY
SUBJECT TO CHANGE
NOT TO BE REPRODUCED**

Notes

PROPOSED LAMBERSTON LAKES METROPOLITAN DISTRICT
 FORECASTED CONSTRUCTION ACTIVITY

COST SUMMARY	Years				Total
	2000	2001	2002	2003	
North Washington Street			608,582		608,582
Thornton Parkway		358,618			358,618
East 100th Avenue			489,663		489,663
East 98th - E. 100th ave.		857,298			857,298
Marion Street		30,648			30,648
Parks, trails and Picnic area		600,000			600,000
Major Drainage		246,350			246,350
Total project costs	-	2,092,914	1,098,245	915,850	4,107,009
Plus other Costs					205,000
Bond issue Costs					100,000
Organizational, legal and accounting costs					4,412,009
Total Bond issue					4,412,009

DRAFT-PRELIMINARY
 FOR DISCUSSION PURPOSES ONLY
 SUBJECT TO CHANGE
 NOT TO BE REPRODUCED

PROPOSED LAMBERTSON LAKES METROPOLITAN DISTRICT
 BOND ACCOUNT AND RESERVE ACCOUNT ONLY
 FORECASTED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 DEBT SERVICE SCHEDULE

DRAFT-PRELIMINARY
 FOR DISCUSSION PURPOSES ONLY
 SUBJECT TO CHANGE
 NOT TO BE REPRODUCED

#####

General Obligation Bonds Series 2000 Dated December 1, 2000 \$5,180,812 7.00% Interest Payment Dates June & Dec.
--

Year	O/S Prin.	Payment		Capitalized Interest
		Principal	Interest	
2000	-	-	-	-
2001	2,481,841	-	-	83,927
2002	3,792,253	-	-	212,167
2003	5,005,616	-	-	297,512
2004	5,180,812	-	-	175,197
2005	5,180,812	-	-	362,657
2006	5,005,812	175,000	362,657	362,657
2007	4,805,812	200,000	350,407	550,407
2008	4,555,812	250,000	336,407	586,407
2009	4,255,812	300,000	318,907	618,907
2010	3,905,812	350,000	297,907	647,907
2011	3,530,812	375,000	273,407	648,407
2012	3,130,812	400,000	247,157	647,157
2013	2,705,812	425,000	219,157	644,157
2014	2,255,812	450,000	189,407	639,407
2015	1,805,812	450,000	157,907	607,907
2016	1,355,812	450,000	126,407	576,407
2017	905,812	450,000	94,907	544,907
2018	455,812	450,000	63,407	513,407
2019	0	455,812	31,907	487,719
2020	0	-	0	0
2021	0	-	0	0
2022	0	-	0	0
5,180,812		3,782,996	768,803	

Year	Total Payment		P & I
	Principal	Interest	
2000	-	-	-
2001	-	-	-
2002	-	-	-
2003	-	-	-
2004	-	175,197	175,197
2005	-	362,657	362,657
2006	175,000	362,657	537,657
2007	200,000	350,407	550,407
2008	250,000	336,407	586,407
2009	300,000	318,907	618,907
2010	350,000	297,907	647,907
2011	375,000	273,407	648,407
2012	400,000	247,157	647,157
2013	425,000	219,157	644,157
2014	450,000	189,407	639,407
2015	450,000	157,907	607,907
2016	450,000	126,407	576,407
2017	450,000	94,907	544,907
2018	450,000	63,407	513,407
2019	455,812	31,907	487,719
2020	-	0	0
2021	-	0	0
5,180,812	3,607,800	8,788,612	

Assumes draw of construction funds as of June 1 for years 2001 to 2003.
 Assume capitalized interest on bonds until property revenues received in 2003

EXHIBIT H
Thornton Intergovernmental Agreement

DRAFT
INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE CITY OF THORNTON, COLORADO
AND
LAMBERTSON LAKES METROPOLITAN DISTRICT

THIS AGREEMENT is made and entered into as of this ____ day of _____, 2000, by and between the **CITY OF THORNTON**, State of Colorado (“City”), and **LAMBERTSON LAKES METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”).

RECITALS

WHEREAS, the District was organized to provide services and to exercise powers as are more specifically set forth in its Service Plan dated _____, 2000, and approved by the City on _____, 2000 (“Service Plan”); and

WHEREAS, the Service Plan makes reference to the execution of an intergovernmental agreement between the City and the District, as required by the City; and

WHEREAS, the City and the District have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement;

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

COVENANTS AND AGREEMENTS

1. Application of Local Laws. The District hereby acknowledges that the property and the District’s activities within its boundaries shall be subject to the ordinances, rules and regulations of the City relating to zoning, subdividing, building, and land use.

2. Change in Boundaries. The District agrees that inclusion of properties within, or any exclusion of properties from, its boundaries shall constitute a material modification of the Service Plan and thereby be subject to the prior approval of the City Council of the City as evidenced by a resolution after a public hearing thereon.

3. Refunding of Bonds. The District agrees that any refunding of outstanding bonds of the District which could extend the maturity of such bonds or increase the total debt service thereon, shall be subject to the prior approval of the City Council of the City as evidenced by a resolution after a public hearing thereon. Notwithstanding the foregoing, such prior approval need not be obtained where the refunding or restructuring of outstanding debt of the District is being undertaken for the purpose of preventing or averting a default or terminating a condition of default on the bonds.

4. Ownership and Operation of Facilities. The parties agree that the District shall not be permitted to undertake ownership and operation of public facilities or services unless otherwise permitted pursuant to the Service Plan.

5. Condemnation. The District agrees that it shall not be authorized or undertake any eminent domain actions pursuant to section 32-1-1004 (4), C.R.S. without the prior approval of the City Council of the City as a material modification to the Service Plan.

6. Consolidation. The District agrees that the consolidation of the District with any other special districts within the State of Colorado shall be subject to the prior approval of the City Council of the City as evidenced by resolution after a public hearing thereon.

7. Dissolution. The District agrees that it shall take all action necessary to dissolve pursuant to Title 32, Article 1, Part 7, C.R.S., as amended from time to time, as provided for under Colorado law and as required by the City if and in the event it has completed all construction activities contemplated in the Service Plan, and upon discharge of all outstanding financial obligations.

8. Notice of Meetings. The District agrees that it shall submit a copy of the written notice of every regular or special meeting of the District's Board of Directors to the Office of the City Clerk, by mail, facsimile, or by hand, to be received at least three (3) days prior to such meeting.

9. Annual Report. The District shall be responsible for submitting an annual report to the City pursuant to the City Code containing the information set forth in Section VI of the Service Plan.

10. Water Rights. The District agrees not to acquire, own, manage or develop water rights or resources, unless first obtaining prior approval of the City Council as evidenced by resolution after a public hearing thereon.

11. Bond Issuance. The District agrees that prior to any bond issue, the City shall be provided with an opinion of bond counsel stating that the bond issue satisfies TABOR requirements. The District further agrees that a copy of an opinion by the District's legal counsel that the bond issue is in conformance with the Service Plan shall also be provided to the City before any bond issue.

12. Growth Limitations. The District acknowledges that the City shall not be limited in implementing City Council or voter approved growth limitations, even though such action

may reduce or delay development within the District boundaries and the realization of District revenue.

13. Debt Service. The District acknowledges that its ad valorem taxing power is limited to not greater than 50 mills to service payment of indebtedness of the District, unless first obtaining prior approval of the City Council for an increase thereof as evidenced by resolution after a public hearing thereon.

14. Capital Recovery Fees. The District may impose capital recovery fees and exactions. An opinion from a financial advisor, acceptable to the City, will provide the basis, standards and parameters as to the reasonableness of any such fees or exaction the District may impose.

15. Development Agreement. At a future date, as appropriate, the District will also execute a Development Agreement with the City with respect to public improvements that are authorized pursuant to the Service Plan.

16. Telecommunication Facilities. No District telecommunication facilities, if any, shall affect the ability of the City to expand its telecommunication facilities or impair existing telecommunication facilities.

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

18. Amendment. This agreement may be amended, modified, changed, or terminated in whole or in part only by a written agreement duly authorized and executed by the parties hereto and without amendment to the Service Plan.

19. Enforcement. The parties agree that this agreement may be enforced in law or in equity for specific performance, injunctive, or other appropriate relief, including damages, as may be available according to the laws and statutes of the State of Colorado. It is specifically understood that by executing this agreement each party commits itself to perform pursuant to these terms contained herein, and that any breach hereof which results in any recoverable damages shall not cause the termination of any obligations created by this agreement unless such termination is declared by the party not in breach hereof.

20. Venue. Venue for the trial of any action arising out of any dispute hereunder shall be in the appropriate district court of the State of Colorado pursuant to the appropriate rules of civil procedures.

21. Intent of Agreement. Except as otherwise stated herein, this agreement is intended to describe the rights and responsibilities of and between the named parties and is not intended to, and shall not be deemed to confer any rights upon any persons or entities not named as parties, nor to limit in any ways the powers and responsibilities of the City, the District, or any other entity not a party hereto.

22. Effect of Invalidity. If any portion of this agreement is held invalid or unenforceable for any reason by a court of competent jurisdiction as to either party or as to both parties, such portion shall be deemed severable and its invalidity or its unenforceability shall not cause the entire agreement to be terminated.

23. Assignability. Other than as specifically provided for in this agreement, neither the City nor the District shall assign their rights or delegate their duties hereunder without the prior written consent of the other parties.

24. Successors and Assigns. This agreement and the rights and obligations created hereby shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

**LAMBERTSON LAKES
METROPOLITAN DISTRICT**

DRAFT _____
By: _____
Its: President

ATTEST:

By: _____
Its: Secretary

CITY OF THORNTON, COLORADO

By: _____
Its: _____

ATTEST:

By: _____
Its: _____

APPROVED AS TO FORM:

By: _____

EXHIBIT I
Estimated Capital Costs

**LAMBERTSON LAKES
METROPOLITAN DISTRICT
COST ESTIMATE**

JUNE 2, 2000

Prepared For:

Carlson Associates
P.O. Box 247
Eastlake, CO 80614
(303) 457-2966

Prepared By:

Jr Engineering
6020 Greenwood Plaza Blvd.
Englewood, CO 80111
(303) 740-9393
Contact: Alan Bronson

NORTH WASHINGTON STREET
Major Arterial

DESCRIPTION	QUANTITY	UNITS	UNIT COST	COST
<u>Streets</u>				
Asphalt Widening 8" Thick	2,185	SY	\$18.00	\$39,330
12" Aggregate base	2,185	SY	\$9.00	\$19,665
Sub-base preparation	2,185	SY	\$9.00	\$19,665
6"Curb and Gutter	3,810	LF	\$16.00	\$60,960
8' Detached Walk	3,700	LF	\$20.00	\$74,000
2-30" C.M.P. Culvert	24	LF	\$80.00	\$1,920
Signalized Traffic Light	1	LS	\$150,000	\$150,000
Signage/Striping/Lighting	3,700	LF	\$8.00	\$29,600
Curb & gutter removal	3,700	LF	\$15.00	\$55,500
Fence on west side	700	LF	\$25.00	\$17,500
<u>Sub-Total</u>				\$468,140
<u>15% Contingency</u>				\$70,221.00
<u>15% Engineering and Surveying</u>				\$70,221
<u>Total</u>				\$608,582

List of Assumptions:

- 12' accel/decell widening needed at E. 98th ave. & E. 102nd Ave.
- Street thickness of 12" aggregate base and 8" asphalt paving.
- Extend existing 30" C.M.P. storm pipes in lieu of a 3'x22' box culvert.
- Signalized traffic lights at Washington and 98th Ave.
- 8' walk at lane widening and acceleration lane.
- Relocation of existing street signs.
- Curb & gutter removal at lane widening and acceleration lane location.

THORNTON PARKWAY
Major Arterial - Full Width

DESCRIPTION	QUANTITY	UNITS	UNIT COST	COST
<u>Streets</u>				
Overlot grading	5190	CY	\$4.00	\$20,760
Asphalt 8" Thick	3,214	SY	\$18.00	\$57,852
12" Aggregate base	3,214	SY	\$9.00	\$28,926
Sub-base preparation	3,214	SY	\$9.00	\$28,926
6"Curb and Gutter	1,000	LF	\$16.00	\$16,000
8' Detached Walk	960	LF	\$20.00	\$19,200
Landscaped median	833	SY	\$25.00	\$20,825
Median curb & gutter	950	LF	\$13.00	\$12,350
Conc. Cross-pan	32	SY	\$40.00	\$1,280
Wood perimeter fence	1,500	LF	\$30.00	\$45,000
Signage/Striping/Lighting	500	LF	\$8.00	\$4,000
<u>Water</u>				
8" D.I.P. Water Main	530	LF	\$29.70	\$15,741
<u>Monumentation</u>				
Entry Monumentation	1	EA	\$5,000.00	\$5,000
<u>Sub-Total</u>				\$275,860
<u>15% Contingency</u>				\$41,379.00
<u>15% Engineering and Surveying</u>				\$41,379
<u>Total</u>				\$358,618

List of Assumptions:

These costs reflect improvements for the East 500' of Thornton Pkwy.
 Wood fence each side of road from N. Downing St. to S. boundary.
 64' wide street thickness of 12" aggregate base and 8" asphalt paving.
 16' wide raised median with landscape

EAST 100TH AVENUE- Between Downing and Race

Major Collector - Half Width

DESCRIPTION	QUANTITY	UNITS	UNIT COST	COST
<u>Streets</u>				
Asphalt 6" Thick	6,968	SY	\$14.50	\$101,036
9" Aggregate base	6,968	SY	\$6.50	\$45,292
Sub-base preparation	6,968	SY	\$6.50	\$45,292
6"Curb and Gutter	5,900	LF	\$16.00	\$94,400
Conc. Cross-pan	132	SY	\$40.00	\$5,280
10' conc. trail	2,930	LF	\$22.00	\$64,460
Signage/Striping/Lighting	2,613	LF	\$8.00	\$20,904
<u>Sub-Total</u>				\$376,664
<u>15% Contingency</u>				\$56,499.60
<u>15% Engineering and Surveying</u>				\$56,500
<u>Total</u>				\$489,663

List of Assumptions:

- 1/2 road way improvements (24' wide).
- Street thickness of 9" aggregate base and 6" asphalt paving.
- Existing signage to be relocated.
- 10' wide conc. Trail 4" thick to the north of 100th Ave.
- X-pan at N. intersection of N. Williams St.
- X-pan at N. intersection of Franklin St.

EAST 98th - EAST 100TH AVENUE- Between Washington and Downing
Major Collector - Full Width

DESCRIPTION	QUANTITY	UNITS	UNIT COST	COST
<u>Streets</u>				
Overlot grading	5185	CY	\$4.00	\$20,740
Asphalt 6" Thick	9,440	SY	\$14.50	\$136,880
9" Aggregate base	9,440	SY	\$6.50	\$61,360
Sub-base preparation	9,440	SY	\$6.50	\$61,360
6"Curb and Gutter	3,400	LF	\$16.00	\$54,400
10' conc. trail	1,615	LF	\$22.00	\$35,530
Demo. existing roadway	5,866	SY	\$15.00	\$87,990
Signage/Striping/Lighting	1,750	LF	\$8.00	\$14,000
<u>Sanitary Sewer</u>				
8" PVC W/ MH	1,107	LF	\$35.00	\$38,745
<u>Water Main</u>				
12" DIP	1,710	LF	\$40.50	\$69,255
<u>Storm Sewer</u>				
E. 100th Ave. 10' Type R Inlet	5	EA	\$2,800.00	\$14,000
E. 100th Ave. 5' Dia. Manhole	5	EA	\$2,100.00	\$10,500
E. 100th Ave. 18" R.C.P.	64	LF	\$29.00	\$1,856
E. 100th Ave. 24" R.C.P.	36	LF	\$34.00	\$1,224
E. 100th Ave. 30" R.C.P.	300	LF	\$39.00	\$11,700
E. 100th Ave. 36" R.C.P.	600	LF	\$44.00	\$26,400
E. 100th Ave. 48" R.C.P.	80	LF	\$52.00	\$4,160
E. 100th Ave. Type M rip-rap	91	TONS	\$60.00	\$5,460
E. 100th Ave. 24" R.C.P. (ditch lateral)	130	LF	\$30.00	\$3,900
<u>Sub-Total</u>				\$659,460
<u>15% Contingency</u>				\$98,919.00
<u>15% Engineering and Surveying</u>				\$98,919
<u>Total</u>				\$857,298

List of Assumptions:

Full width (24') road way improvements.
 Street thickness of 9" aggregate base and 6" asphalt paving.
 Existing signage to be relocated.
 10' wide conc. trail 4" thick to the north of the road.
 X-pan at N. Washington St.
 250' average spacing for sanitary manholes
 35% cost added to water mains for hydrants & fittings
 Type M rip-rap 2' thick
 Existing roadway is 24' wide + curb & gutter

MARION STREET

Local Street - Half Width Widening

DESCRIPTION	QUANTITY	UNITS	UNIT COST	COST
<i>Streets</i>				
Asphalt 6" Thick	450	SY	\$14.50	\$6,525
9" Aggregate base	450	SY	\$6.50	\$2,925
Sub-base preparation	450	SY	\$6.50	\$2,925
6"Curb and Gutter	500	LF	\$16.00	\$8,000
Signage/Striping/Lighting	400	LF	\$8.00	\$3,200
<i>Sub-Total</i>				\$23,575
<i>15% Contingency</i>				\$3,536
<i>15% Engineering and Surveying</i>				\$3,536
Total				\$30,648

List of Assumptions:

- half -width street widening
- existing asphalt is in good condition
- match ex. edge asphalt for asphalt widening

PARKS, TRAILS & PICNIC AREA

DESCRIPTION	QUANTITY	UNITS	UNIT COST	COST
Sod	55,100	SY	\$5.00	\$275,500
Native grass seed	90,900	SY	\$3.00	\$272,700
10' wide conc. trail	6,650	LF	\$22.00	\$146,300
Picnic Shelters	1	EA	\$10,000	\$10,000
Sub-Total				\$704,500
15% Contingency				\$105,675.00
15% Engineering and Surveying				\$105,675
Total				\$915,850
Purchase Homestead	1	EA	\$600,000	\$600,000
				\$1,515,850

List of Assumptions:

10' wide conc. trail 4" thick
 Seeded with native grasses near lakes.
 Sod developed residential tracts.
 maintenance access road to service creek

MAJOR DRAINAGE

DESCRIPTION	QUANTITY	UNITS	UNIT COST	COST
G.H. Creek Grouted Boulder Spillway	1,300	C.Y.	\$75.00	\$97,500
G.H. Creek Check Structures	1	L.S.	\$47,000	\$47,000
3'x22' Concrete Box Culvert @ Washington S	0.5	EA.	\$90,000	\$45,000
Sub-Total				\$189,500
15% Contingency				\$28,425.00
15% Engineering and Surveying				\$28,425
Total				\$246,350

List of Assumptions:

costs and quantities per Major Drainageway Planning Study
 of Grange Hall Creek Watershed

COST SUMMARY

<u>STREET</u>	<u>COST</u>
NORTH WASHINGTON STREET	\$608,582
THORNTON PARKWAY	\$358,618
EAST 100TH AVENUE	\$489,663
EAST 98TH- E. 100TH AVENUE	\$857,298
MARION STREET	\$30,648
PARKS, TRAILS, AND PICNIC AREA	\$1,515,850
MAJOR DRAINAGE	\$246,350
Total	\$4,107,009

EXHIBIT J
Proposed District Court Petition for Organization

IN THE DISTRICT COURT, ADAMS COUNTY, COLORADO

Civil Action No. 00CV_____, Division _____

DRAFT

PETITION

IN RE THE ORGANIZATION OF LAMBERTSON LAKES METROPOLITAN DISTRICT,
CITY OF THORNTON, ADAMS COUNTY, COLORADO

TO THE HONORABLE DISTRICT COURT IN AND FOR THE COUNTY OF ADAMS AND
STATE OF COLORADO:

We, the undersigned, constituting more than thirty percent (30%) of the taxpaying electors of the District hereinafter described, present this Petition for the organization of a special district, pursuant to and in accordance with Part 3 of Article 1 of Title 32, Colorado Revised Statutes, and in support of the Petition state:

1. The name of the proposed District is "Lambertson Lakes Metropolitan District," in Adams County, Colorado.

2. The proposed district will serve to provide funding to Lambertson Lakes Metropolitan District (the "District") for design, finance, and construction of facilities and improvements described in the District's Service Plan and generally described as follows:

- a) Parks and Recreation
- b) Drainage and Sanitation
- c) Water
- d) Streets
- e) Traffic and Safety Controls

3. A general description of the facilities and improvements for which funding will be provided by the proposed District are:

a. Parks and Recreation. The design, acquisition, and construction of public park and recreation facilities or programs including, but not limited to, bike paths, hiking trails, pedestrian trails, pedestrian bridges, picnic areas, common area landscaping and weed control, outdoor lighting of all types, community events and other facilities, together with all necessary, incidental and appurtenant facilities, and all necessary extensions of and improvements to said facilities or systems.

b. Drainage and Sanitation. The design, acquisition, and construction of storm or sanitary sewers, or both, flood and surface drainage, wastewater treatment and disposal works and facilities, grading therefor and all necessary or proper equipment and appurtenances

incident thereto, together with all necessary, incidental and appurtenant facilities, and all necessary extensions of and improvements to said facilities or systems.

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

d. Streets. The design, acquisition and construction 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 and entry monumentation, as well as sidewalks, paving, grading, landscaping, and other street improvements, together with all necessary, incidental, and appurtenant facilities, together with extensions of and improvements to said facilities.

e. Traffic and Safety Controls. The design, acquisition and construction of traffic and safety protection facilities and services through traffic and safety controls and devices on streets and highways, environmental monitoring, as well as other facilities and improvements including but not limited to, main entry buildings, access gates, signalization at intersections, traffic signs, area identification signs, directional assistance, and driver information signs, together with all necessary, incidental, and appurtenant facilities, together with extensions of and improvements to said facilities.

4. The proposed District lies wholly or partly within the following special districts or municipalities:

City of Thornton

5. The estimated cost of the proposed facilities and improvements is approximately \$4,000,000 which will be financed by the issuance of general obligation bonds which may not exceed \$6,500,000. These amounts include construction and acquisition of the proposed facilities, plus contingencies, design and engineering.

6. The estimated property tax revenues for the proposed District's first budget year are \$-0-.

7. The proposed District is generally located within Adams County, Colorado, located with Thornton Parkway on the south, 104th Avenue on the north, North Downing Street, a residential development and North Race Street on the east, and North Washington Street on the west.

(SEE ATTACHED EXHIBIT A)

8. Attached hereto in Exhibit B and C is the Service Plan of the proposed District and a resolution in the form adopted by the Thornton City Council on _____, 2000, approving the Service Plan of the proposed District as required by Section 32-1-301(3), C.R.S.

9. The bond of Petitioners required by Section 32-1-302, C.R.S. is filed herewith.

WHEREFORE, Petitioners pray this Honorable Court to enter such orders and decrees as may be necessary or proper for the organization of said District, including an order for an election by the eligible electors of the District to be held on the organization of the District and election of its initial Board of Directors; and

Petitioners further pray that, in accordance with Sections 32-1-301(2)(h), C.R.S. and 32-1-803.5, C.R.S., this Honorable Court will enter such orders and decrees as may be necessary or proper for the submission to the electors of the District, at such organizational election, of any questions permitted to be submitted at such election, or any question or questions necessary to implement the provisions of Article X, Section 20 of the Colorado Constitution. Pursuant to 32-1-803.5, the order of the Court shall make the determinations required by Sections 32-1-1101(2) and (3)(a), C.R.S., and shall require the Clerk of the Court to conduct the election in accordance with Article X, Section 20 of the Colorado Constitution.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

WARNING

DO NOT SIGN THIS PETITION UNLESS YOU ARE A TAXPAYING ELECTOR OF THE PROPOSED LAMBERTSON LAKES METROPOLITAN DISTRICT:

TO BE A QUALIFIED TAXPAYING ELECTOR, YOU MUST, AT THE TIME YOU SIGN THIS PETITION:

- (1) Be registered to vote in the State of Colorado pursuant to the Uniform Election Code of 1992; AND
- (2) You, or your spouse, must own taxable real or personal property within the proposed District, whether or not you or your spouse reside within the District. A person who is obligated to pay taxes under a contract to purchase taxable property situated within the area to be included within the special district shall be considered an owner for this purpose.

Do not sign this Petition unless you have read or had read to you the Petition in its entirety and understand its meaning.

By signing this Petition, I hereby certify that I am a qualified taxpaying elector.

NAME

ADDRESS

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

IN THE DISTRICT COURT, ADAMS COUNTY, COLORADO

Civil Action No. 00CV _____, Division ____

CIRCULATOR'S AFFIDAVIT

_____, being first duly sworn on oath, deposed and says:

That he is one of the Petitioners named in the Petition requesting organization of Lambertson Lakes Metropolitan District; that he has read said Petition and knows the contents thereof and that the same is true to the best of affiant's knowledge, information, and belief.

Affiant further states that he knows the persons whose names are subscribed to the foregoing Petition, that he has circulated the Petition, that each signature thereon was affixed in his presence and that each signature thereon is the true, genuine, and correct signature of the person it purports to be.

Affiant further states that to his best knowledge and belief the persons whose names are subscribed to the foregoing Petition are persons who are qualified to vote at general elections in the State of Colorado and who or whose spouse own taxable real or personal property within the area to be included in the proposed Lambertson Lakes Metropolitan District whether or not such person resided within said proposed District.

Affiant

STATE OF COLORADO)
) ss.
COUNTY OF _____)

Subscribed and sworn to before me this _____ day of _____, 2000.

My commission expires: _____

(S E A L)

Notary Public

Exhibit A
Legal Description

Exhibit B
Service Plan

Exhibit C
Thornton City Council Resolution of Approval

EXHIBIT K
Bond Counsel Opinion and Form Ballot Questions

KUTAK ROCK LLP

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717 SEVENTEENTH STREET
DENVER, COLORADO 80202-3329

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ATLANTA
KANSAS CITY
LINCOLN
LITTLE ROCK
NEWPORT BEACH
OKLAHOMA CITY
OMAHA
PASADENA
RICHMOND
SCOTTSDALE
WASHINGTON

August 1, 2000

Thornton City Councilmembers
Thornton, Colorado

Lambertson Lakes Metropolitan District
In the City of Thornton, Colorado
Proposed General Obligation Limited Tax Bonds

Ladies and Gentlemen:

We have been named as bond counsel to the Lambertson Lakes Metropolitan District, Thornton, Colorado (the "District") in connection with the proposed issuance of its General Obligation Limited Tax Bonds (the "Bonds") in an approximate amount of \$5,180,812, and specifically in the amount of all as further described in the Service Plan of the District (the "Service Plan") filed with the City of Thornton (the "City") on or about August 1, 2000. Pursuant to the requirements established by the City for the formation of special districts under Article 1 of Title 32 of the Colorado Revised Statutes (the "Act") and in anticipation of our role as bond counsel, we have been requested to submit our opinion regarding the enumerated matters set forth below. Such matters generally reflect the form of opinion which, as bond counsel, we are expected to give on the date of issuance of the Bonds.

In rendering this opinion, we make the following assumptions: (i) the Bonds will be structured substantially as described in the Service Plan; (ii) the Service Plan will be duly approved by the City in substantially the form in which it was submitted; (iii) the District will be duly and properly organized in accordance with the provisions of the Act; (iv) a duly and properly conducted election will be held to obtain voter authorization for the Bonds, and the issuance of the Bonds will be approved by majority vote of the District's qualified electors voting at such election; (v) the Board of Directors of the District will duly adopt a resolution authorizing the issuance of the Bonds (the "Bond Resolution") and such Bond Resolution will be valid and enforceable in accordance with its terms and will be in full force and effect on the date of issuance of the Bonds; and (vi) the Bonds will mature on the dates, be subject to optional and mandatory redemption, bear interest at the rates, and be transferable and payable in the manner and be subject to the conditions and limitations provided in the Bond Resolution at the time the Bonds are issued. We are also assuming that the applicable provisions of the Constitution and laws of the State of Colorado, the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations, rulings and judicial decisions relevant to the Bonds, and other relevant regulations, rulings and judicial decisions applicable to the Bonds will be in effect on the date of issuance of the Bonds in substantially the form and content as they exist today, and that Part 2 of Article 57 of Title 11, Colorado Revised Statutes to be cited as the Supplemental Public Securities Act will have become effective as scheduled and will be in effect on the date of issuance of the Bonds. As to questions of fact material to our opinion, we have relied upon the representations of the District contained in the Service Plan without undertaking to verify the same by

KUTAK ROCK LLP

independent investigation. We also must note that, as to questions of fact material to our opinion as bond counsel on the date of issuance of the Bonds, we will be relying upon the representations of the District contained in the Bond Resolution and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, as of the date hereof, that we will be willing and able to render an unqualified, approving opinion on the Bonds as to the following matters:

1. Lawful authority exists for the Bonds to be issued under the constitution and laws of the State of Colorado.
2. The Bonds in the maximum principal amount stated above would be valid and binding limited tax general obligations of the District, legally enforceable in accordance with their terms.
3. All taxable property within the boundaries of the District will be subject to an ad valorem tax levy of up to fifty (50) mills to pay the principal of and the interest on the Bonds, net of administrative and operations expenses of the District not paid from other sources. The District will be required by law to include the principal of and interest coming due on the Bonds in its annual tax levy to the extent the necessary funds are not provided from other sources.
4. Under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds will be excluded from gross income for federal income tax purposes and will not be a specific preference item for purposes of the federal alternative minimum tax. The opinions set forth in the preceding sentence assume compliance by the District with certain requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause such interest to be includible in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.
5. Under existing State of Colorado statutes, the Bonds and the interest income therefrom would be exempt from Colorado income tax.

The rights of the holders of the Bonds and the enforceability of the Bonds and the Bond Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof for the purpose of meeting the City's requirements for Service Plan approval.

Kutak Rock LLP

(Proposed)

OFFICIAL BALLOT FOR LAMBERTSON LAKES METROPOLITAN DISTRICT, CITY OF THORNTON, COUNTY OF ADAMS, STATE OF COLORADO

November 7, 2000
Date of Election

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

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

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

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

BALLOT QUESTION A:

FOR THE DIRECTORS OF LAMBERTSON LAKES METROPOLITAN DISTRICT

(VOTE FOR TWO DIRECTORS TO ACT UNTIL THEY OR THEIR SUCCESSORS ARE ELECTED AND QUALIFIED AT THE NEXT REGULAR SPECIAL DISTRICT ELECTION IN 2002, IF LAMBERTSON LAKES METROPOLITAN DISTRICT IS ORGANIZED. PLACE A (X) OPPOSITE TWO OF THE NAMES BELOW).

Curtis H. Nelson	
Dean R. Reynolds	

BALLOT QUESTION B:

FOR THE DIRECTORS OF LAMBERTSON LAKES METROPOLITAN DISTRICT

(VOTE FOR THREE DIRECTORS TO ACT UNTIL THEY OR THEIR SUCCESSORS ARE ELECTED AND QUALIFIED AT THE NEXT REGULAR SPECIAL DISTRICT ELECTION IN 2004, IF LAMBERTSON LAKES METROPOLITAN DISTRICT IS ORGANIZED. PLACE A (X) OPPOSITE THREE OF THE NAMES BELOW).

Scott L. Carlson	
Kent D. Carlson	
David A. Boten	

BALLOT ISSUE C: (taxes\debt\streets)

SHALL LAMBERTSON LAKES METROPOLITAN DISTRICT DEBT BE INCREASED \$2,750,000, WITH A REPAYMENT COST OF NOT MORE THAN \$22,550,000 AND SHALL LAMBERTSON LAKES METROPOLITAN DISTRICT TAXES BE INCREASED \$3,245,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT AND ANY REFUNDINGS THEREOF: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS OR LEASES, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, DESIGNING, IMPROVING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, STREET IMPROVEMENTS INCLUDING CURBS, GUTTERS, CULVERTS, OTHER DRAINAGE FACILITIES, SIDEWALKS, BRIDGES, PARKING FACILITIES, PAVING, LIGHTING, POWER LINE RELOCATION, GRADING, LANDSCAPING, AND OTHER STREET IMPROVEMENTS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS THROUGH CONDEMNATION OR OTHERWISE, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18% PER ANNUM, AND MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE SOLD AT ABOVE OR BELOW PAR, AT SUCH TIMES OR TIMES AND IN SUCH MANNER AND CONTAINING SUCH TERMS, NOT INCONSISTENT HERewith, AS THE BOARD OF DIRECTORS MAY DETERMINE, AND BE REFINANCED AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF THE MAXIMUM NET EFFECTIVE INTEREST RATE WITHOUT ADDITIONAL VOTER APPROVAL, THE INTEREST ON SUCH DEBT TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR

INCURRED AT ONE TIME OR FROM TIME TO TIME , TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT WHEN DUE; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____

NO: _____

BALLOT ISSUE D: (taxes\debt\traffic and safety)

SHALL LAMBERTSON LAKES METROPOLITAN DISTRICT DEBT BE INCREASED \$500,000, WITH A REPAYMENT COST OF NOT MORE THAN \$4,100,000; AND SHALL LAMBERTSON LAKES METROPOLITAN DISTRICT TAXES BE INCREASED \$590,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT AND ANY REFUNDINGS THEREOF: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS OR LEASES, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, DESIGNING, IMPROVING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM OF TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, INCLUDING TRAFFIC SIGNALS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND AND EASEMENTS THROUGH CONDEMNATION OR OTHERWISE, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18% PER ANNUM, AND MATURE, BE SUBJECT TO REDEMPTION, WITH OR WITHOUT PREMIUM, AND TO BE SOLD AT, ABOVE OR BELOW PAR ,AT SUCH TIME OR TIMES AND IN SUCH MANNER AND CONTAINING SUCH TERMS, NOT INCONSISTENT HEREWITH, AS THE BOARD OF DIRECTORS MAY DETERMINE, AND BE REFINANCED AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF THE MAXIMUM NET EFFECTIVE INTEREST RATE WITHOUT ADDITIONAL VOTER APPROVAL, THE INTEREST ON SUCH DEBT TO BE PAYABLE AT SUCH TIME OR TIMES

AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT WHEN DUE; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____
NO: _____

BALLOT ISSUE E: (taxes\debt\water)

SHALL LAMBERTSON LAKES METROPOLITAN DISTRICT DEBT BE INCREASED \$500,000, WITH A REPAYMENT COST OF NOT MORE THAN \$4,100,000; AND SHALL LAMBERTSON LAKES METROPOLITAN DISTRICT TAXES BE INCREASED \$590,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT AND ANY REFUNDING THEREOF: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS OR LEASES, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE POTABLE AND NON-POTABLE WATER SUPPLY, STORAGE, TREATMENT, TRANSMISSION, AND DISTRIBUTION SYSTEM, INCLUDING BUT NOT LIMITED TO, WATER RIGHTS, METERING DEVICES, WELLS, TRANSMISSION LINES, DISTRIBUTION MAINS AND LATERALS, IRRIGATION FACILITIES, AND TREATMENT STORAGE FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18% PER ANNUM, AND MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED, DATED AND SOLD AT ABOVE OR BELOW PAR, AT SUCH TIME OR TIMES AND IN SUCH MANNER AND CONTAINING SUCH TERMS, NOT INCONSISTENT HEREWITH, AS THE

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

YES: _____
NO: _____

BALLOT ISSUE F: (taxes\debt\sewer)

SHALL LAMBERTSON LAKES METROPOLITAN DISTRICT DEBT BE INCREASED \$650,000, WITH A REPAYMENT COST OF NOT MORE THAN \$5,330,000; AND SHALL LAMBERTSON LAKES METROPOLITAN DISTRICT TAXES BE INCREASED \$767,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT AND ANY REFUNDING THEREOF: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS OR LEASES, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE LOCAL SANITARY SEWAGE COLLECTION, TRANSMISSION AND TREATMENT SYSTEM; A STORM SEWER DRAINAGE SYSTEM AND A SOLID WASTE DISPOSING SYSTEM, INCLUDING BUT NOT LIMITED TO COLLECTION MAINS AND LATERALS, TRANSMISSION LINES, LIFT STATIONS, SEWER TREATMENT FACILITIES, STORM SEWER, FLOOD, AND SURFACE DRAINAGE FACILITIES AND SYSTEMS, AND DETENTION AND RETENTION PONDS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH

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

YES: _____
NO: _____

BALLOT ISSUE G: (taxes\debt\parks and recreation)

SHALL LAMBERTSON LAKES METROPOLITAN DISTRICT DEBT BE INCREASED \$2,500,000, WITH A REPAYMENT COST OF NOT MORE THAN \$20,500,000; AND SHALL LAMBERTSON LAKES METROPOLITAN DISTRICT TAXES BE INCREASED \$2,950,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT AND ANY REFUNDING THEREOF: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS OR LEASES, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, DESIGNING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, IMPROVING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, PARKS AND RECREATIONAL FACILITIES, IMPROVEMENTS, AND PROGRAMS, INCLUDING THE ACQUISITION OF PROPERTY AND EASEMENTS OR OTHER INTEREST IN LAND, FOR THE PRESERVATION OR

CONSERVATION OF SITES, SCENES, OPEN SPACE AND VISTAS OF RECREATIONAL, SCIENTIFIC, HISTORICAL, AESTHETIC OR OTHER PUBLIC INTEREST, PARKS, BIKE PATHS AND PEDESTRIAN WAYS, TRAILS, OPEN SPACE, LANDSCAPING, CULTURAL ACTIVITIES, A CLUBHOUSE AND MEETING AREAS, COMMUNITY RECREATION CENTERS, WATER BODIES, SWIMMING AND BOATING FACILITIES, IRRIGATION FACILITIES, PICNIC FACILITIES AND OTHER ACTIVE AND PASSIVE RECREATION FACILITIES AND PROGRAMS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, FENCING, MONUMENTATION, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18% PER ANNUM, AND MATURE, BE SUBJECT TO REDEMPTION, WITH OR WITHOUT PREMIUM, AND ISSUED, DATED AND SOLD AT, ABOVE OR BELOW PAR AT SUCH TIME OR TIMES AND IN SUCH MANNER AND CONTAINING SUCH TERMS, NOT INCONSISTENT HEREWITH, AS THE BOARD OF DIRECTORS MAY DETERMINE, AND BE REFINANCED AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF THE MAXIMUM NET EFFECTIVE INTEREST RATE WITHOUT ADDITIONAL VOTER APPROVAL, THE INTEREST ON SUCH DEBT TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT WHEN DUE; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE H: (taxes\debt\ refunding higher interest rate)

SHALL LAMBERTSON LAKES METROPOLITAN DISTRICT DEBT BE INCREASED \$6,900,000, WITH A REPAYMENT COST OF NOT MORE THAN \$56,580,000; AND SHALL LAMBERTSON LAKES METROPOLITAN DISTRICT TAXES BE INCREASED \$8,142,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT AND ANY REFUNDING THEREOF: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS OF THE DISTRICT, INCLUDING CONTRACTS OR LEASES, ISSUED FOR

THE PURPOSE OF REFUNDING, REFINANCING, PAYING, OR DEFEASING, IN WHOLE OR IN PART, BONDS, NOTES OR OTHER FINANCIAL OBLIGATIONS OF THE DISTRICT; SUCH DEBT TO BEAR INTEREST AT A RATE TO BE DETERMINED BY THE DISTRICT, WHICH INTEREST RATE MAY BE EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED BUT IS NOT IN EXCESS OF THE MAXIMUM NET EFFECTIVE INTEREST RATE OF 18%, SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION, WITH OR WITHOUT PREMIUM, AND BE ISSUED, DATED AND SOLD AT, ABOVE OR BELOW PAR, AT SUCH TIME OR TIMES AND IN SUCH MANNER AND CONTAINING SUCH TERMS NOT INCONSISTENT HEREWITH, AS THE BOARD OF DIRECTORS MAY DETERMINE AND; THE INTEREST ON SUCH DEBT TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT TO BE ISSUED AT ONE TIME OR FROM TIME TO TIME , TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT WHEN DUE; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____
NO: _____

BALLOT ISSUE I: (taxes\debt\O/M contract)

SHALL LAMBERTSON LAKES METROPOLITAN DISTRICT DEBT BE INCREASED \$40,000, WITH A REPAYMENT COST OF NOT MORE THAN \$328,000; AND SHALL LAMBERTSON LAKES METROPOLITAN DISTRICT TAXES BE INCREASED \$47,200 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT AND ANY REFUNDING THEREOF: SUCH DEBT OR MULTIPLE FISCAL YEAR OBLIGATION TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS AND AGREEMENTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, FINANCING OR REFINANCING ALL OR ANY PART OF THE COSTS OF OPERATING AND MAINTAINING THE DISTRICT'S SYSTEMS, FACILITIES, AND IMPROVEMENTS OR ADVANCES OF OPERATING EXPENSES MADE TO THE DISTRICT, AND FOR THE PURPOSE OF

CARRYING OUT THE OBJECTS AND PURPOSES FOR WHICH THE DISTRICT WAS ORGANIZED, SUCH DEBT OR MULTIPLE FISCAL YEAR OBLIGATION TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO ACCRUE UNTIL PAID AND TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT OR MULTIPLE FISCAL YEAR OBLIGATION TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE, BE SUBJECT TO REDEMPTION OR REPAYMENT, WITH OR WITHOUT PREMIUM, AND TO CONTAIN SUCH TERMS NOT INCONSISTENT HEREWITH AS THE DISTRICT MAY DETERMINE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE REVENUES DERIVED FROM INTEREST EARNINGS AND FROM THE OPERATION OF ANY OF THE DISTRICT'S FACILITIES OR PROPERTIES, THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT WHEN DUE; AND SHALL THE PROCEEDS OF ANY SUCH DEBT OR MULTIPLE FISCAL YEAR OBLIGATION AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT OR MULTIPLE FISCAL YEAR OBLIGATION, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____
NO: _____

BALLOT ISSUE J: (referred measure De-Brucing non tax revenue)

SHALL LAMBERTSON LAKES METROPOLITAN DISTRICT, FOR PURPOSES OTHER THAN ENTERPRISES, AND AS A VOTER-APPROVED REVENUE CHANGE, BE AUTHORIZED TO COLLECT, RETAIN, AND SPEND THE FULL AMOUNT OF ALL TAXES, TAP FEES, FACILITY FEES, RENTAL INCOME, SERVICE CHARGES, INSPECTION CHARGES, ADMINISTRATIVE CHARGES, GRANTS OR ANY OTHER FEE RATE, TOLL PENALTY OR CHANGE AUTHORIZED BY LAW TO BE IMPOSED OR COLLECTED BY THE DISTRICT AND ANY OTHER REVENUES, INCOME, OR PAYMENT RECEIVED PURSUANT TO ANY AGREEMENT, OR REIMBURSEMENTS LAWFULLY RECEIVED BY THE DISTRICT DURING FISCAL YEAR 2000 AND EACH YEAR THEREAFTER FOR AS LONG AS THE DISTRICT CONTINUES IN EXISTENCE WITHOUT LIMITATION BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE

AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: _____
NO: _____

BALLOT ISSUE K: (operating mill levy)

SHALL LAMBERTSON LAKES METROPOLITAN DISTRICT TAXES BE INCREASED \$100,000 ANNUALLY (NET OF ANY CONSTITUTIONALLY IMPOSED TAX CUTS), OR SUCH LESSER AMOUNT AS NECESSARY TO PAY THE DISTRICT'S ADMINISTRATION, OPERATIONS, MAINTENANCE, LANDSCAPE MAINTENANCE AND OTHER EXPENSES, AND SHALL PROPERTY TAXES BE IMPOSED IN ANY YEAR AT A RATE OR IN AN AMOUNT NECESSARY TO RAISE THE NECESSARY REVENUES TO PAY SAID EXPENSES UP TO THE VOTER AUTHORIZED AMOUNT OF \$ 100,000; AND SHALL THE PROCEEDS OF SUCH TAXES AND ANY INVESTMENT INCOME THEREON BE COLLECTED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2000 AND IN EACH YEAR THEREAFTER FOR AS LONG AS THE DISTRICT CONTINUES IN EXISTENCE, WITHOUT LIMITATION BY THE REVENUE AND SPENDING LIMITS OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION AND WITHOUT REGARD TO THE PROPERTY TAX REVENUE LIMITATION IN 29-1-301 C.R.S. OR ANY OTHER STATUTORY OR CONSTITUTIONAL PROVISION?

YES: _____
NO: _____

BALLOT QUESTION L: (referred measure organize district)

SHALL LAMBERTSON LAKES METROPOLITAN DISTRICT BE ORGANIZED AS A SPECIAL DISTRICT PURSUANT TO ARTICLE 1 OF TITLE 32, C.R.S., AND, PURSUANT TO ITS SERVICE PLAN?

YES: _____
NO: _____

BALLOT QUESTION M: (referred measure term limit elimination)

SHALL MEMBERS OF THE BOARD OF DIRECTORS OF LAMBERTSON LAKES METROPOLITAN DISTRICT BE AUTHORIZED TO SERVE WITHOUT LIMITATION ON THEIR TERMS OF OFFICE PURSUANT TO THE RIGHT GRANTED TO THE VOTERS OF THE DISTRICT IN ARTICLE XVIII, SECTION 11 OF THE COLORADO CONSTITUTION TO LENGTHEN, SHORTEN, OR ELIMINATE THE LIMITATIONS ON THE TERMS OF OFFICE IMPOSED BY SUCH SECTION?

YES: _____
NO: _____

EXHIBIT L

List of Candidates for Initial Board of Directors

Scott L. Carlson
Carlson Associates, Inc.
P.O. Box 247
Eastlake, CO 80614

Kent D. Carlson
Carlson Associates, Inc.
P.O. Box 247
Eastlake, CO 80614

David A. Boten
Continental Homes
7600 E. Orchard Road, Suite 165-S
Englewood, CO 80111

Dean R. Reynolds
Continental Homes
7600 E. Orchard Road, Suite 165-S
Englewood, CO 80111

Curtis H. Nelson
Continental Homes
7600 E. Orchard Road, Suite 165-S
Englewood, CO 80111

EXHIBIT M

List of Property Owners within Proposed District
and Title Commitment

Kelly G. Lambertson, Jr.
751 E. 100th Ave.
Thornton, CO 80229

JPC Land, LLC
JPS Land Source, LLC
JPK Partners, LLC
P.O. Box 247
Eastlake, CO 80614

Land Title Guarantee Company

Date: 03-28-2000

RE: ABD660858-4

To:

CARLSON ASSOCIATES
P.O. BOX 247
EASTLAKE, CO 80614

Land Title Guarantee Company
CUSTOMER DISTRIBUTION

Date: 03-28-2000

Our Order Number: ABD660858-4

Property Address:

96TH AND WASHINGTON

CARLSON ASSOCIATES
P.O. BOX 247
EASTLAKE, CO 80614
Phone: 303-457-2966
Fax: 303-280-2978
Sent Via US Postal Service

HOMKOR, INC.
SUITE # 635
2121 SOUTH ONEIDA STREET
DENVER, CO 80224
Attn: JIM WISS
Phone: 303-757-5006
Fax: 303-757-8489
Copies: 1
Sent Via Courier*

LAND TITLE GUARANTEE COMPANY
3033 E. 1ST AVE. #600
P.O. BOX 5440
DENVER, CO 80206
Attn: Linda R. Hull
Phone: 303-331-6234
Fax: 303-322-7603
Copies: 1

SHAMES MAKOVSKY REALTY CO
1400 GLENARM PL. # 201
DENVER, CO 80202
Attn: JAY GOLDSTEIN
Phone: 303-534-5005
Fax: 303-534-1802
Sent Via Courier***

SENN, LEWIS, VISCIANO &
1801 CALIFORNIA # 4300
DENVER, CO 80202
Attn: FRED LEWIS
Phone: 303-298-1122
Fax: 303-296-9101
Copies: 1
Sent Via Courier*

JR ENGINEERING
6020 GREENWOOD PLAZA BLVD.
ENGLEWOOD, CO 80111
Attn: SCOTT PEASE-JOB #4119
Phone: 303-740-9393
Fax: 303-721-9019
Copies: 1
Sent Via Courier*

CHICAGO TITLE INSURANCE COMPANY

COMMITMENT FOR TITLE INSURANCE

CHICAGO TITLE INSURANCE COMPANY, a corporation of Missouri, herein called the Company, for a valuable consideration, hereby commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest covered hereby in the land described or referred to in Schedule A, upon payment of the premiums and charges therefor; all subject to the provisions of Schedule A and B and to the Conditions and Stipulations hereof.

This Commitment shall be effective only when the identity of the proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A hereof by the Company, either at the time of the issuance of this Commitment or by subsequent endorsement.

This Commitment is preliminary to the issuance of such policy or policies of title insurance and all liability and obligations hereunder shall cease and terminate six months after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company. This Commitment shall not be valid or binding until countersigned by an authorized officer or agent.

IN WITNESS WHEREOF, the Company has caused this Commitment to be signed and sealed, to become valid when countersigned by an authorized officer or agent of the Company, all in accordance with its By-Laws. This Commitment is effective as of the date shown in Schedule A as "Effective Date."

LAND TITLE GUARANTEE COMPANY
3033 East First Ave., Suite 600
P. O. Box 5440, Zip 80217
Denver, Colorado 80206
(303) 321-1880 Fax (303) 322-7603



CHICAGO TITLE INSURANCE COMPANY

By:

John Rau
President

By:

Thomas J Adams
Secretary

David Knapp
Authorized Officer or Agent

Land Title Guarantee Company
YOUR CONTACTS

Date: 03-28-2000

Our Order Number: ABD660858-4

Property Address:
96TH AND WASHINGTON

Buyer/Borrower:
HOMKOR, INC., A COLORADO CORPORATION

Seller/Owner:
K.G. LAMBERTSON, JR. ALSO KNOWN AS KELLY LAMBERTSON

If you have any inquiries or require further assistance, please contact one of the numbers below:

For Closing Assistance:

Linda R. Hull
3033 E. 1ST AVE. #600
P.O. BOX 5440
DENVER, CO 80206
Phone: 303 331-6234
Fax: 303 322-7603

For Title Assistance:

Commercial Title Dept.
David Knapp
3033 E. 1ST AVE. #600
P.O. BOX 5440
DENVER, CO 80206
Phone: 303-331-6268
Fax: 303-322-7603

ESTIMATE OF TITLE FEES

Alta Owners Policy 10-17-92	\$2,236.00
Endorsement 100.31 (Owner)	\$448.00

TOTAL

\$2,684.00

THANK YOU FOR YOUR ORDER!

Chicago Title Insurance Company

ALTA COMMITMENT

Our Order No. ABD660858-4

Schedule A

Cust. Ref.:

Property Address:

96TH AND WASHINGTON

1. **Effective Date:** March 17, 2000 at 5:00 P.M.

2. **Policy to be Issued, and Proposed Insured:**

"ALTA" Owner's Policy 10-17-92

\$2,305,195.00

Proposed Insured:

HOMKOR, INC., A COLORADO CORPORATION

3. **The estate or interest in the land described or referred to in this Commitment and covered herein is:**

A Fee Simple

4. **Title to the estate or interest covered herein is at the effective date hereof vested in:**

K.G. LAMBERTSON, JR. ALSO KNOWN AS KELLY LAMBERTSON

5. **The land referred to in this Commitment is described as follows:**

SEE ATTACHED PAGE(S) FOR LEGAL DESCRIPTION

LEGAL DESCRIPTION

A PARCEL OF LAND IN THE SOUTHWEST ONE-QUARTER OF SECTION 14 AND THE NORTHWEST ONE-QUARTER OF SECTION 23, TOWNSHIP 2 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, ADAMS COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS:

THE SOUTH LINE OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 14, BEING MONUMENTED AT THE SOUTHWEST CORNER OF SAID SECTION 14 BY A 3" ALUMINUM CAP IN A RANGE BOX, STAMPED "LS 7104" AND AT THE SOUTH ONE-QUARTER CORNER OF SAID SECTION 14 BY A 3-1/4" ALUMINUM CAP STAMPED "LS 20155" WITH THE LINE BETWEEN BEING CONSIDERED TO BEAR SOUTH 89 DEGREES 48 MINUTES 49 SECONDS EAST A DISTANCE OF 2645.04 FEET;

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 14, THENCE SOUTH 89 DEGREES 48 MINUTES 49 SECONDS EAST ALONG SAID SOUTH LINE A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 00 DEGREES 07 MINUTES 14 SECONDS WEST ALONG A LINE 50.00 FEET EASTERLY OF AND PARALLEL WITH THE WEST LINE OF SAID SOUTHWEST ONE-QUARTER A DISTANCE OF 1030.00 FEET;

THENCE NORTH 89 DEGREES 52 MINUTES 46 SECONDS EAST A DISTANCE OF 330.00 FEET;

THENCE SOUTH 43 DEGREES 22 MINUTES 04 SECONDS EAST A DISTANCE OF 849.50 FEET;

THENCE SOUTH 00 DEGREES 07 MINUTES 14 SECONDS EAST A DISTANCE OF 601.06 FEET;

THENCE NORTH 89 DEGREES 48 MINUTES 49 SECONDS WEST ALONG A LINE 40.00 FEET SOUTHERLY OF AND PARALLEL WITH SAID SOUTH LINE OF THE SOUTHWEST ONE-QUARTER A DISTANCE OF 775.14 FEET;

THENCE NORTH 00 DEGREES 04 MINUTES 11 SECONDS EAST ALONG A LINE 50.00 FEET EASTERLY OF AND PARALLEL WITH THE WEST LINE OF SAID NORTHWEST ONE-QUARTER OF SECTION 23 A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING.

ALTA COMMITMENT

Schedule B - Section 1

(Requirements)

Our Order No. ABD660858-4.

The following are the requirements to be complied with:

Item (a) Payment to or for the account of the grantors or mortgagors of the full consideration for the estate or interest to be insured.

Item (b) Proper instrument(s) creating the estate or interest to be insured must be executed and duly filed for record, to-wit:

Item (c) Payment of all taxes, charges or assessments levied and assessed against the subject premises which are due and payable.

Item (d) Additional requirements, if any disclosed below:

1. WARRANTY DEED FROM K.G. LAMBERTSON, JR. ALSO KNOWN AS KELLY LAMBERTSON TO CARLSON LAND SOURCE III LIMITED LIABILITY COMPANY, A COLORADO LIMITED LIABILITY COMPANY CONVEYING SUBJECT PROPERTY.
2. A COPY OF THE ARTICLES OF ORGANIZATION FOR CARLSON LAND SOURCE III LIMITED LIABILITY COMPANY STAMPED BY THE SECRETARY OF STATE MUST BE FURNISHED TO LAND TITLE GUARANTEE COMPANY.
3. A FULL COPY OF THE OPERATING AGREEMENT AND ANY AND ALL AMENDMENTS THERETO FOR CARLSON LAND SOURCE III LIMITED LIABILITY COMPANY MUST BE FURNISHED TO LAND TITLE GUARANTEE COMPANY.
4. RECORD THE PLAT OF LAMBERTSON LAKES.
5. CERTIFICATE OF GOOD STANDING ISSUED BY THE SECRETARY OF STATE OF COLORADO FOR HOMKOR, INC., A COLORADO CORPORATION SETTING FORTH ANY FACTS OF RECORD IN THE OFFICE OF THE SECRETARY OF STATE. SAID CERTIFICATE MUST BE SUBMITTED TO AND APPROVED BY LAND TITLE GUARANTEE COMPANY BUT NEED NOT BE RECORDED.
6. WARRANTY DEED FROM CARLSON LAND SOURCE III LIMITED LIABILITY COMPANY, A COLORADO LIMITED LIABILITY COMPANY TO HOMKOR, INC., A COLORADO CORPORATION CONVEYING SUBJECT PROPERTY.

NOTE: ITEMS 1-3 OF THE GENERAL EXCEPTIONS WILL BE DELETED UPON RECEIPT OF AN APPROVED SURVEY. MATTERS DISCLOSED BY SAID SURVEY MAY BE ADDED TO SCHEDULE B-2 HEREOF.

ALTA COMMITMENT

Schedule B - Section 1

(Requirements)

Our Order No. ABD660858-4

Continued:

NOTE: ITEM 4 OF THE GENERAL EXCEPTIONS WILL BE DELETED UPON RECEIPT OF A NOTARIZED FINAL LIEN AFFIDAVIT.

UPON THE APPROVAL OF THE COMPANY AND THE RECEIPT OF A NOTARIZED FINAL LIEN AFFIDAVIT, ITEM NO. 4 OF THE GENERAL EXCEPTIONS WILL BE AMENDED AS FOLLOWS:

ITEM NO. 4 OF THE GENERAL EXCEPTIONS IS DELETED AS TO ANY LIENS OR FUTURE LIENS RESULTING FROM WORK OR MATERIAL FURNISHED AT THE REQUEST OF CARLSON LAND SOURCE III LIMITED LIABILITY COMPANY, A COLORADO LIMITED LIABILITY COMPANY AND ITS PREDECESSORS IN INTEREST. CHICAGO TITLE INSURANCE COMPANY SHALL HAVE NO LIABILITY FOR ANY LIENS ARISING FROM WORK OR MATERIAL FURNISHED AT THE REQUEST OF HOMKOR, INC., A COLORADO CORPORATION.

NOTE: ITEM 5 OF THE GENERAL EXCEPTIONS WILL BE DELETED IF LAND TITLE RECORDS THE DOCUMENTS REQUIRED UNDER SCHEDULE B-1.

NOTE: UPON PROOF OF PAYMENT OF 1999 TAXES, ITEM 6 WILL BE AMENDED TO READ:

TAXES AND ASSESSMENTS FOR THE YEAR 2000 AND SUBSEQUENT YEARS, A LIEN NOT YET DUE AND PAYABLE.

ITEM 7 UNDER SCHEDULE B-2 WILL BE DELETED UPON PROOF THAT THE WATER AND SEWER CHARGES ARE PAID UP TO DATE.

ITEM 9 UNDER SCHEDULE B-2 WILL BE DELETED UPON PROOF FROM THE OWNER STATING THERE ARE NO LEASES OR TENANTS ON SUBJECT PROPERTY.

ALTA COMMITMENT

Schedule B - Section 2

(Exceptions)

Our Order No. ABD660858-4

The policy or policies to be issued will contain exceptions to the following unless the same are disposed of to the satisfaction of the Company:

1. Rights or claims of parties in possession not shown by the public records.
2. Easements, or claims of easements, not shown by the public records.
3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, and any facts which a correct survey and inspection of the premises would disclose and which are not shown by the public records.
4. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Defects, liens encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.
6. Taxes or special assessments which are not shown as existing liens by the public records.
7. Liens for unpaid water and sewer charges, if any.
8. In addition, the owner's policy will be subject to the mortgage, if any, noted in Section 1 of Schedule B hereof.
9. EXISTING LEASES AND TENANCIES, IF ANY.

NOTE: UPON RECEIPT OF AN AFFIDAVIT STATING THERE ARE NO EXISTING LEASES OR TENANCIES, THIS EXCEPTION WILL BE DELETED.

10. RIGHT OF PROPRIETOR OF A VEIN OR LODGE TO EXTRACT AND REMOVE HIS ORE THEREFROM SHOULD THE SAME BE FOUND TO PENETRATE OR INTERSECT THE PREMISES AS RESERVED IN UNITED STATES PATENT RECORDED NOVEMBER 19, 1889, IN BOOK A24 AT PAGE 118.

THE EXISTENCE OF THE MINERAL EXCEPTION AND/OR RESERVATION SHOWN AS ITEM 10, SCHEDULE B-2, WILL NOT AFFECT OUR ABILITY TO ATTACH COLORADO ENDORSEMENT NO. 100.31 TO OUR ALTA OWNERS POLICY WHEN ISSUED.

11. RESERVATION OF AN UNDIVIDED ONE-HALF INTEREST IN AND TO ALL OIL AND GAS UNDERLYING SAID LAND AS RESERVED BY JOHN EVANS AND EMMA M. EVANS IN DEED RECORDED SEPTEMBER 16, 1924 IN BOOK 128 AT PAGE 400, AND ANY ASSIGNMENTS THEREOF.

ALTA COMMITMENT

Schedule B - Section 2

(Exceptions)

Our Order No. ABD660858-4

The policy or policies to be issued will contain exceptions to the following unless the same are disposed of to the satisfaction of the Company:

THE EXISTENCE OF THE MINERAL EXCEPTION AND/OR RESERVATION SHOWN AS ITEM 11, SCHEDULE B-2, WILL NOT AFFECT OUR ABILITY TO ATTACH COLORADO ENDORSEMENT NO. 100.31 TO OUR ALTA OWNERS POLICY WHEN ISSUED.

12. EASEMENT AS GRANTED TO THE CITY OF THORNTON, ACTING BY AND THROUGH ITS UTILITIES BOARD IN INSTRUMENT RECORDED JULY 24, 1985 IN BOOK 3027 AT PAGE 931.
13. EASEMENT GRANTED TO PUBLIC SERVICE COMPANY OF COLORADO, FOR ELECTRIC LINES, AND INCIDENTAL PURPOSES, BY INSTRUMENT RECORDED MARCH 02, 1942, IN BOOK 277 AT PAGE 135.
14. RESERVATION OF ALL COAL THAT MAY BE UNDERNEATH THE SURFACE OF THE LAND, ALSO SUCH RIGHT OF WAY AND OTHER GROUNDS AS MAY BE NECESSARY FOR THE PROPER WORKING OF ANY COAL MINES THAT MAY BE DEVELOPED UPON SAID PREMISES AND FOR TRANSPORTATION OF THE COAL FROM THE SAME AS RESERVED IN DEED RECORDED JULY 7, 1887 IN BOOK A11 AT PAGE 352.

(AFFECTS SECTION 23)
15. PERMANENT EASEMENT FOR THE PERPETUAL USE AND ENJOYMENT OF PRESENT AND FUTURE FEE OWNERS OF REAL PROPERTY SITUATE IN SECTIONS 23 AND 24 AS RESERVED BY F & S CONSTRUCTION COMPANY, INC., IN DEED RECORDED JULY 17, 1956 IN BOOK 619 AT PAGE 101.
16. UTILITY EASEMENT AS GRANTED TO PUBLIC SERVICE COMPANY OF COLORADO IN INSTRUMENT RECORDED FEBRUARY 28, 1973, IN BOOK 1848 AT PAGE 369.
17. RIGHT OF WAY AS GRANTED TO PUBLIC SERVICE COMPANY OF COLORADO IN INSTRUMENT RECORDED MARCH 2, 1942 IN BOOK 277 AT PAGE 131.

LAND TITLE GUARANTEE COMPANY

DISCLOSURE STATEMENT

Required by C.R.S. 10-11-122

- A) The subject real property may be located in a special taxing district.
- B) A Certificate of Taxes Due listing each taxing jurisdiction may be obtained from the County Treasurer's authorized agent.
- C) The information regarding special districts and the boundaries of such districts may be obtained from the Board of County Commissioners, the County Clerk and Recorder, or the County Assessor.

Effective September 1, 1997, CRS 30-10-406 requires that all documents received for recording or filing in the clerk and recorder's office shall contain a top margin of at least one inch and a left, right and bottom margin of at least one half of an inch. The clerk and recorder may refuse to record or file any document that does not conform, except that, the requirement for the top margin shall not apply to documents using forms on which space is provided for recording or filing information at the top margin of the document.

Note: Colorado Division of Insurance Regulations 3-5-1, Paragraph C of Article VII requires that "Every title entity shall be responsible for all matters which appear of record prior to the time of recording whenever the title entity conducts the closing and is responsible for recording or filing of legal documents resulting from the transaction which was closed". Provided that Land Title Guarantee Company conducts the closing of the insured transaction and is responsible for recording the legal documents from the transaction, exception number 5 will not appear on the Owner's Title Policy and the Lenders Policy when issued.

Note: Affirmative mechanic's lien protection for the Owner may be available (typically by deletion of Exception no. 4 of Schedule B, Section 2 of the Commitment from the Owner's Policy to be issued) upon compliance with the following conditions:

- A. The land described in Schedule A of this commitment must be a single family residence which includes a condominium or townhouse unit.
- B. No labor or materials have been furnished by mechanics or material-men for purposes of construction on the land described in Schedule A of this Commitment within the past 6 months.
- C. The Company must receive an appropriate affidavit indemnifying the Company against un-filed mechanic's and material-men's liens.
- D. The Company must receive payment of the appropriate premium.
- E. If there has been construction, improvements or major repairs undertaken on the property to be purchased within six months prior to the Date of the Commitment, the requirements to obtain coverage for unrecorded liens will include: disclosure of certain construction information; financial information as to the seller, the builder and or the contractor; payment of the appropriate premium fully executed Indemnity Agreements satisfactory to the company, and, any additional requirements as may be necessary after an examination of the aforesaid information by the Company.

No coverage will be given under any circumstances for labor or material for which the insured has contracted for or agreed to pay.

Nothing herein contained will be deemed to obligate the company to provide any of the coverages referred to herein unless the above conditions are fully satisfied.



FAIRFIELD RESIDENTIAL LLC

5510 Morehouse Dr., Suite 200 San Diego, CA 92121

Tel (858) 457-2123 Fax (858) 457-2832

FACSIMILE TRANSMISSION

To:	Scott Carlson	From:	Shon Finch
Company:	Carlson Associates	Operator:	Same
Fax Number:	303-280-2978	Date:	07/17/2000
		Time:	04:11 PM
Reference:	Lambertson Lakes Apartments, Title Commitment		

Message:

Number of Pages Transmitted: 8
(Including this Cover Sheet)

Hard Copy to Follow:
 No
 Yes, by Mail

NORTH AMERICAN TITLE COMPANY OF COLORADO

1515 Arapahoe Street, Suite 1520

Denver, CO 80202

(303) 572-3580

FAX: (303) 572-3590

Valena Mulhern

, **YOUR ESCROW OFFICER/CLOSER, CAN BE REACHED AT** 352-2139

OUR FILE NO: CM 34301 C5

PROPERTY ADDRESS:

DELIVER TO:

Fairfield Residential
5610 Moorhouse Dr., #200
San Diego, CA 92121
Shon Finch
619-457-2123
619-457-3982

THANK YOU FOR GIVING US THE OPPORTUNITY TO SERVE YOU

FIRST AMERICAN TITLE INSURANCE COMPANY

COMMITMENT FOR TITLE INSURANCE

SCHEDULE A

1. **EFFECTIVE DATE:** 03/07/00 **AT 7:30 A.M.** **FILE NO.** CM 34301 **CS**

2. **POLICY OR POLICIES TO BE ISSUED:**

	AMOUNT: \$	PREMIUM
(A) Alta Owner's PROPOSED INSURED: Fairfield Holding, Inc., a Texas corporation	2,511,752.00 \$	4,847.00

(B) ALTA LOAN POLICY PROPOSED INSURED:	AMOUNT: \$	PREMIUM \$
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PREMIUM WAS CALCULATED AT A

ADDITIONAL CHARGES:

Tax Certificate	30.00
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TOTAL:	\$	4,877.00
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3. **THE ESTATE OR INTEREST IN THE LAND DESCRIBED OR REFERRED TO IN THIS COMMITMENT AND COVERED HEREIN IS FEE SIMPLE AND TITLE THERETO IS AT THE EFFECTIVE DATE HEREOF VESTED IN:**

Kelly Lambertson aka K.G. Lambertson, Jr.

4. **THE LAND REFERRED TO IN THIS COMMITMENT IS DESCRIBED AS FOLLOWS:**

(continued)

FOR INFORMATIONAL PURPOSES:

ISSUED BY:

NORTH AMERICAN TITLE COMPANY OF COLORADO

BY: Wayne Barnard /Title Officer

ISSUED DATE: 03/17/00

lg



LEGAL DESCRIPTION (continued)

File No.

CM 34301

C5

THE NW 1/4 OF SECTION 14, TOWNSHIP 2 SOUTH, RANGE 68 WEST OF THE 6TH P.M., EXCEPT THE NORTH 963.4 FEET AND THAT PORTION DESCRIBED AS LAMBERTSON SUBDIVISION, FILING NO. 1 AND THE FOLLOWING PORTIONS DESCRIBED IN DEEDS RECORDED JUNE 2, 1936 IN BOOK 231 AT PAGE 581, MARCH 6, 1974 IN BOOK 1916 AT PAGE 672 AND ANY AND ALL ROADWAYS AND/OR STREETS.

COUNTY OF ADAMS, STATE OF COLORADO.

NOTE: UPON REVIEW AND RECORDATION OF THE PLAT THE LEGAL DESCRIPTION WILL BE KNOWN AS LOT 8, LAMBERTSON SUBDIVISION.

COMMITMENT**File No.** CM 34301 CS

**SCHEDULE B - SECTION I
REQUIREMENTS**

The following are requirements to be complied with prior to the issuance of said policy or policies:

A. Payment to or for the account of the grantors or mortgagors of full consideration for the estate or interest to be insured.

B. Proper instrument(s) creating the estate or interest to be insured must be executed and unless otherwise noted, all documents must be recorded in the office of the clerk and recorder of the county in which said property is located.

C. Warranty Deed sufficient to convey the fee simple estate or interest in the land described or referred to herein, to the Proposed Insured.

D. An ALTA Survey in form, content and certification satisfactory to the Company.

NOTE: Exception may be made to any adverse matters disclosed by the ALTA Survey.

E. Execution of the Company's lien affidavit by the Purchaser(s) and Seller(s).

F. Review and recordation of the Plat of Lambertson Subdivision.

G. Certificate of Good Standing issued by the Secretary of State of the State of Colorado for Fairfield Holding, Inc., a Texas corporation.

COMMITMENT

File No. CM 34301

CS

SCHEDULE B - SECTION 1 Notes

NOTE: PURSUANT TO C.R.S. 30-10-406(3)(a) ALL DOCUMENTS RECEIVED FOR RECORDING OR FILING IN THE CLERK AND RECORDER'S OFFICE SHALL CONTAIN A TOP MARGIN OF AT LEAST ONE INCH AND A LEFT, RIGHT AND BOTTOM MARGIN OF AT LEAST ONE-HALF OF AN INCH. THE CLERK AND RECORDER WILL REFUSE TO RECORD OR FILE ANY DOCUMENT THAT DOES NOT CONFORM TO REQUIREMENTS OF THIS PARAGRAPH.

NOTE: IF THIS TRANSACTION INCLUDES A SALE OF THE PROPERTY AND THE SALES PRICE EXCEEDS \$100,000.00, THE SELLER MUST COMPLY WITH THE DISCLOSURE/WITHHOLDING PROVISIONS OF C.R.S. 39-22-604.5 (NONRESIDENT WITHHOLDING).

NOTE: PURSUANT TO SENATE BILL 91-14 (C.R.S. 10-11-122), THE COMPANY WILL NOT ISSUE ITS POLICY OR POLICIES OF TITLE INSURANCE CONTEMPLATED BY THIS COMMITMENT UNTIL IT HAS BEEN PROVIDED A CERTIFICATE OF TAXES DUE OR OTHER EQUIVALENT DOCUMENTATION FROM THE COUNTY TREASURER OR THE COUNTY TREASURER'S AUTHORIZED AGENT; OR UNTIL THE PROPOSED INSURED HAS NOTIFIED OR INSTRUCTED THE COMPANY IN WRITING TO THE CONTRARY.

NOTE: PURSUANT TO SENATE BILL 91-14 (C.R.S. 10-11-122) NOTICE IS HEREBY GIVEN THAT:

- (A) THE SUBJECT PROPERTY MAY BE LOCATED IN A SPECIAL TAXING DISTRICT;
- (B) A CERTIFICATE OF TAXES DUE LISTING EACH TAXING JURISDICTION SHALL BE OBTAINED FROM THE COUNTY TREASURER OR THE COUNTY TREASURER'S AUTHORIZED AGENT;
- (C) INFORMATION REGARDING SPECIAL DISTRICTS AND THE BOUNDARIES OF SUCH DISTRICTS MAY BE OBTAINED FROM THE BOARD OF COUNTY COMMISSIONERS, THE COUNTY CLERK AND RECORDER, OR THE COUNTY ASSESSOR.

NOTE: PURSUANT TO C.R.S. 38-35-125(2) NO PERSON OR ENTITY THAT PROVIDES CLOSING AND SETTLEMENT SERVICES FOR A REAL ESTATE TRANSACTION SHALL DISBURSE FUNDS AS A PART OF SUCH SERVICES UNTIL THOSE FUNDS HAVE BEEN RECEIVED AND ARE AVAILABLE FOR IMMEDIATE WITHDRAWAL AS A MATTER OF RIGHT...

FOR YOUR CONVENIENCE, NORTH AMERICAN'S WIRING INSTRUCTIONS ARE

AS FOLLOWS: Wire to: COLORADO NATIONAL BANK
950 17TH STREET, SUITE 330
DENVER, COLORADO 80202

ABA: 102 000 021
CREDIT TO: NORTH AMERICAN TITLE COMPANY OF COLORADO
ACCOUNT #: 1-943-1071-2303

PLEASE REFERENCE: COMMITMENT NUMBER
BORROWER'S NAME
PROPERTY ADDRESS

COMMITMENT

File No. CM 34301

CS

**SCHEDULE B - SECTION 2
EXCEPTIONS**

The policy or policies to be issued will contain exceptions to the following unless the same are disposed of to the satisfaction of the Company:

- 1. Rights or claims of parties in possession not shown by the public records.*
- 2. Easements, or claims of easements, not shown by the public records.*
- 3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, and any facts which a correct survey and inspection of the premises would disclose, and which are not shown by the public records.*
- 4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.*
- 5. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by the Commitment.*
- 6. Taxes due and payable; and any tax, special assessments, charge or lien imposed for water or sewer service, or for any other special taxing district.*
- 7. An easement for an electric transmission line and incidental purposes granted to Public Service Company of Colorado by the instrument recorded March 2, 1942 in Book 277 at Page 169, upon the terms and conditions set forth in the instrument, over the West 60 feet of the land.*
- 8. An easement for a 12 inch sanitary sewer line and incidental purposes granted to the City of Thornton by the instrument recorded February 29, 1972 in Book 1782 at Page 951.*

NOTE: Termination of that certain 100 foot temporary construction easement as specified in the Letter recorded September 30, 1993 in Book 4160 at Page 294.

- 9. Any existing leases or tenancies.*
- (continued)

SCHEDULE B, PART 2 - Exceptions (cont'd)

File No. CM 34301 CS

10. Terms, conditions, provisions, agreements, obligations and easements specified under the Deed of Perpetual Easement recorded March 5, 1998 in Book 5253 at Page 155.

LAMBERTSON LAKES METROPOLITAN DISTRICT

MILL LEVY COMPARISON CHARTS

Lambertson Lakes Metropolitan District intends to initially impose a mill levy of 20 mills for debt service and general administration. In the event the District deems it necessary, it is authorized to issue up to 50 mills.

The attached charts depict the imposed mill levies of similar taxing entities within the Denver metropolitan area.

1. The first chart shows only the metropolitan district imposed mill levy from 1997 to 2000.
2. The second chart shows the total mill levy imposed on a particular area from 1997 to 2000.

[See attached charts]

MILL LEVY COMPARISON
Selected Metropolitan Areas Residential
Metropolitan Districts
DISTRICT LEVEL ONLY
 COMPILED BY VAN SCHOONEVELD AND CO. , INC.

	1997	1998	1999	2000
BELL MOUNTAIN RANCH PHASE II METRO	39.000	41.483	41.483	56.374
BOWLES METRO	55.000	59.900	55.000	55.000
BROMLEY PARK NO. 1 METRO	25.000	38.000	38.000	38.000
CANTERBERRY CROSSING METRO DIST	35.000	37.095	37.095	37.095
CASTLE PINES METRO	30.834	30.834	31.686	32.834
CASTLE PINES NORTH METRO	66.562	69.440	69.440	64.000
CHAPARRAL METRO	18.361	20.448	22.211	21.060
CHERRY CREEK SOUTH METRO	35.000	35.000	35.000	38.704
CHERRY CREEK VISTA HILLS METRO	0.000	0.000	0.000	0.000
CHERRY HILLS FARMS METRO	13.416	2.610	0.000	0.000
COTTONWOOD METRO DISTRICT	15.700	7.127	12.127	12.003
GVR METRO	39.000	35.000	35.000	34.243
HERITAGE GREENS METRO	10.000	9.750	9.750	7.500
HERITAGE HILLS METRO	0.000	55.000	51.410	51.410
HIGHLANDS RANCH METRO	25.250	25.250	25.250	23.950
LANDMARK METRO (DEBT ONLY)	15.000	15.000	15.000	15.000
MEADOWS METRO	29.000	29.000	29.000	29.000
NORTHERN METRO	25.000	25.000	25.000	25.000
PARKER PROPERTIES METRO DIST#1	28.208	30.884	30.018	29.824
PARK MEADOWS METRO	13.000	7.580	7.580	6.640
PARKVIEW METRO	27.825	27.825	30.000	30.000
PINEY CREEK METRO	24.500	20.500	19.900	17.000
PLAINS METRO	19.750	17.950	17.950	17.950
ROXBOROUGH PARK METRO	19.610	28.680	28.590	17.208
ROXBOROUGH VILLAGE METRO			59.967	65.047
STONEGATE VILLAGE METRO	34.277	35.783	35.783	31.995
SUPERIOR METRO NO. 2	25.000	25.000	25.000	25.000
UPPER CHERRY CREEK METRO DIST	8.000	8.000	5.404	8.000
VILLAGES AT CASTLE ROCK #1	46.332	49.281	49.281	56.982
WEST MEADOWS METRO	7.000	7.000	7.000	7.000

MILL LEVY COMPARISON
Selected Metropolitan Areas Residential
SUMMARY
COMPILED BY VAN SCHOONEVELD AND CO. , INC.

	1997	1998	1999	2000
BELL MOUNTAIN RANCH	132.462	136.580	136.673	134.858
BROMLEY PARK	142.778	134.372	133.075	128.566
CANTERBERRY CROSSING METRO DIST	128.824	131.611	131.767	129.492
CASTLE PINES	119.247	118.614	119.711	117.347
CASTLE PINES NORTH	154.812	157.135	157.203	148.361
CHAPARRAL	124.542	119.054	123.807	112.411
CHERRY CREEK SOUTH METRO DIST #1	128.824	126.675	126.598	128.505
CHERRY CREEK VISTA	125.976	116.790	119.939	107.471
CHERRY HILLS FARMS	125.820	104.380	103.912	92.037
CLARKE FARMS	93.824	94.516	94.672	92.397
COTTONWOOD METRO DISTRICT	134.987	128.852	143.225	141.304
FALCON HILLS	103.583	104.344	104.407	101.275
GRANT RANCH	150.378	153.225	148.913	148.259
GATEWAY VILLAGE	100.826	95.430	100.814	87.299
GREEN VALLEY RANCH	119.826	110.430	115.814	101.542
HERITAGE GREENS	97.723	98.163	97.267	85.847
HERITAGE HILLS	114.318	158.291	152.447	147.519
HIGHLANDS RANCH	103.583	104.344	104.407	101.275
HUNTERS GLEN	136.200	133.264	132.408	126.575
KEN CARYL RANCH	119.105	116.694	116.375	112.908
LONE TREE	114.318	101.706	99.452	94.564
MEADOWS	115.752	114.354	113.954	110.648
NORTHPARK	106.993	103.970	103.174	97.066
PARKER PROPERTIES METRO DIST#1	122.032	125.400	124.690	122.221
PARKVIEW	142.271	134.303	139.570	129.361
PINERY	111.408	112.573	112.496	110.699
PINEY CREEK	139.417	127.479	129.831	116.757
PRESERVE	94.217	91.794	88.434	77.802
ROCK CREEK RANCH	103.289	101.591	106.922	97.926
ROXBOROUGH PARK	97.943	107.774	107.747	105.979
ROXBOROUGH VILLAGE			167.714	171.026
STERLING HILLS	127.673	119.852	118.747	109.956
STONEGATE	126.685	129.356	129.279	123.694
STROH RANCH	125.817	126.675	126.598	128.505
UPPER CHERRY CREEK METRO DIST	101.824	102.516	100.076	100.397
VILLAGES AT CASTLE ROCK	133.555	135.136	134.596	139.026
WEST MEADOWS	102.423	102.832	103.510	102.545
WILDCAT RIDGE	117.262	116.007	106.994	100.687
AVERAGE	120.014	118.813	120.453	115.371