

**APPLETREE RECREATION AND MOSQUITO CONTROL  
METROPOLITAN DISTRICT**

**EL PASO COUNTY, COLORADO**

**April 30, 2014**

**SERVICE PLAN**  
**FOR**  
**APPLETREE RECREATION AND MOSQUITO CONTROL**  
**METROPOLITAN DISTRICT**

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DRAFT April 23, 2014

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## **EXHIBITS**

- A. Maps and Legal Descriptions
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  - 2. Initially Included Property Map
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  - 4. Legal Description(s) of Initially Included Properties
- B. Development Summary
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- E. Annual Report and Disclosure Form
- F. Overall Development Plan
- G. Option Agreement

## **I. EXECUTIVE SUMMARY**

The following is a summary of general information regarding the proposed District provided for the convenience of the reviewers of this Service Plan. Please note that the following information is subject in all respects to the more complete descriptions contained elsewhere in this Service Plan.

- Proposed District: Appletree Recreation and Mosquito Control Metropolitan District (the “District”).
- Property Owners: The District will be homeowner controlled from inception. The Property Owners are the owners of the existing 254 homes located within the District’s boundaries, Res Co-One, LLC, a Florida limited liability company, and Almagre Development. Res Co-One, LLC owns all of the Golf Course, except the four most southerly holes. The portion of the Golf Course owned by Res Co-One, LLC is identified as Parcels Q and R (“Golf Course Parcels”) as shown on the City of Fountain approved Overall Development Plan for Appletree (“Overall Development Plan”). The four most southerly holes of the Golf Course are owned by Almagre Development.
- District Proponents: The Proponents of the District are the City of Fountain, Colorado (“City”) as well as the residents and homeowners located in and around the existing Appletree Golf Course (“Golf Course”) who desire formation of the District.
- Description of Development: Development within the District consists of 11 platted and developed subdivisions located immediately adjacent to the Golf Course that are within the City and 2 platted and developed subdivisions located east of the Golf Course that are within unincorporated El Paso County. Within the developed subdivisions, there are 262 platted lots, of which 254 have been developed into single family homes that are currently privately owned and occupied.
- Future development within the District consists of Development Parcels A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P (“Development Parcels”) as shown on the Overall Development Plan. As soon as practical after the District is organized, the Development Parcels will be included into the District. The Development Parcels contain 182 acres that have been approved for development of 532 single family homes, 246 multi-family units, and 10.5 acres of commercial development.

Option Agreement: The City has entered into an Option Agreement (“Option Agreement”) with Res Co-One, LLC, whereby the City has the right to acquire, without payment of monetary consideration, the Golf Course Parcels, together with a cash contribution to be applied to the reconstruction and initial operation of the Golf Course, which contribution is expected to be at least \$900,000.

The Option Agreement, as more particularly described elsewhere in the Service Plan, contains various conditions precedent to the City’s right to acquire the Golf Course Parcels.

Golf Course Owner: Res Co-One, LLC, a Florida limited liability company

Golf Course: Appletree Golf Course

Proposed Improvements to be Financed: As soon as practical after acquisition of the Golf Course Parcels the City, at no cost to the District, will convey the Golf Course Parcels to the District, together with a permanent easement or other permanent access right for the four Golf Course holes located on the Almagre Development property.

The District will finance the completion of the renovation of the Golf Course including weed removal, tee and bunker construction, cart path renovation in part, seeding and/or sodding of fairways and greens, and construction of a water pipeline to deliver non-potable water to the Golf Course’s irrigation system. A new parking lot will be installed and the entryway to the Golf Course paved. The District will also complete the renovation of the Golf Course clubhouse, including installation of windows, doors, inside fixtures and furnishings, and completion of kitchen facilities, including related kitchen equipment.

Proposed Ongoing Services: Park and recreation services and mosquito control. Upon completion of the Golf Course renovation, the District, with continued input from the City, will either directly, or by contract with a professional golf course operator, operate and maintain the Golf Course, including the clubhouse, restaurant, bar and community meeting rooms in a manner that is consistent with the quality of public municipal courses within the region.

The District will also provide mosquito control services with respect to the roads and other public places located within the District's boundaries.

Infrastructure Capital Costs:	Approximately \$2,858,000
Maximum Debt Authorization:	\$1,300,000
Maximum Debt Mill Levy:	12.000 Mills
Maximum O & M Mill Levy:	3.000 Mills
Proposed Special Purpose Mill Levy:	N/A
Maximum Combined Mill Levy:	15.000 Mills
Proposed Fees:	User fees including green fees, cart fees, concession and room rental fees.

## II. DEFINITIONS

The following terms are specifically defined for use in this Service Plan, For specific definitions of terms not listed below please also refer to the El Paso County Special District Policies, the El Paso County Land Development Code and Colorado Revised Statutes, as may be applicable.

Additional Inclusion Areas: means the property described in Section 3 and depicted on the map found at Exhibit A.3 that is anticipated for future inclusion into the boundaries of the District.

Annual Report and Disclosure Statement: means the statement of the same name required to be filed annually with the Board of County Commissioners pursuant to Resolution 06-472 as may be amended.

Board: means the board of directors of the District.

Board of County Commissioners: means the Board of County Commissioners of El Paso County.

City: means the City of Fountain, Colorado.

City Council: means the City Council of the City of Fountain, Colorado.

Conventional Representative District: means a Title 32 special district, which is structured to allow all residents and property owners to participate in elections for the Board of Directors, as otherwise allowed by Statute.

County: means El Paso County, Colorado

Debt: means bonds or other obligations for the payment of which the District has promised to impose an *ad valorem* property tax mill levy without such promise being subject to annual appropriation.

Development Services Department: The department of the County formally charged with administering the development regulations of the County.

District: means the Appletree Recreation and Mosquito Control Metropolitan District as described in this Service Plan.

External Financial Advisor: means a consultant that: (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (iii) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Gallagher Adjustment: means an allowed adjustment to the Maximum Debt Service Mill Levy, Maximum Operational Mill Levy, or Maximum Special Mill Levy intended to offset the effect of adjustments to the ratio between market value and assessed value of taxable property within the District that would cause a reduction in the revenue otherwise produced from such Maximums based on the ratio between market value and assessed value as of January 1 in the year in which the District's organizational election is held.

Initial District Boundaries: means the initial boundaries of the District as described in Section III.J.1 depicted on the map in Exhibit A.2 and as legally described in the legal description found at Exhibit A.4.

Local Public Improvements: means facilities and other improvements which are or will be dedicated to the County or another governmental or quasi-governmental entity for substantially public use, but which do not qualify under the definition of Regional Public Improvements. Examples would include local streets and appurtenant facilities, water and sewer lines which serve individual properties and drainage facilities that do not qualify as reimbursable under adopted drainage basin planning studies.

Material Modification: has the meaning described in Section 32-1-207, C.R.S., as it may be amended from time to time.

Maximum Combined Mill Levy: The maximum combined ad valorem mill levy the District may certify against any property within the District for any purposes.

Maximum Debt Authorization: means the maximum principal amount of Debt that the District may have outstanding at any time, which under this Service Plan is \$1,300,000.

Maximum Debt Service Mill Levy: The maximum ad valorem mill levy the District may certify against any property within the District for the purpose of servicing any Debt incurred by or on behalf of the District.

Maximum Operational Mill Levy: The maximum ad valorem mill levy the District may certify against any property within the District for the purposes providing revenues for ongoing operation, maintenance, administration or any other allowable services and activities other than the servicing of Debt. This Maximum Operational Mill Levy is exclusive of any Maximum Special Mill Levy which might be separately authorized.

Public Improvements: Those improvements constituting Regional Public Improvements and Local Public Improvements collectively.

Regional Public Improvements: Facilities and other improvements which are or will be dedicated to the County or another governmental or quasi-governmental entity for substantially public use, and which serve the needs of the region.

Revenue Obligations: means bonds or other obligations not subject to annual appropriation that are payable from a pledge of revenues other than *ad valorem* property taxes.

Service Plan: means this Service Plan for the District.

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

State: means the State of Colorado.

Underlying Land Use Approvals: means approvals by the Board of County Commissioners and/or City Council of the applicable land use plans that form the basis for the need for the District and its proposed financing plan and/or services. Such approvals may be in the form of one or a combination of Sketch Plans, Generalized Planned Unit Development (PUD) Development Plans, site-specific PUD plans, or subdivision plans.

### **III. INTRODUCTION**

#### **A. Overall Purpose and Intent.**

The District will be created pursuant to the Special District Act, and is being organized as a Conventional Representative District under El Paso County policies. The District is an independent unit of local government, separate and distinct from the County, and, except as may otherwise be provided for by State or local law or this Service Plan, its activities are subject to review by the County only insofar as they may deviate in a material matter from the requirements of the Service Plan. It is intended that the District, in its discretion, will provide a part or all of the various Public Improvements necessary and appropriate for the complete renovation of the Appletree Golf Course, including but not limited to fairways and greens, cart paths, clubhouse, parking and roadway areas (the “Project”), which is located entirely with the City. The Public Improvements will be constructed and thereafter operated and maintained for the use and benefit of existing and future inhabitants, property owners and taxpayers of the District, and will serve as a recreational amenity for the residents of the City and El Paso County generally. The clubhouse shall be configured so that it can also serve as a community center and provide meeting rooms and other recreational services to the inhabitants of the District. The primary purpose of the District will be to finance the renovation of the Golf Course and to thereafter operate and maintain the same as an 18 hole public golf course facility consistent with the standards and service levels of municipal courses in the region. An additional purpose will include provision of mosquito control services throughout the boundaries of the District.

#### **B. Need For The District.**

Provided various conditions precedent set forth in the Option Agreement are satisfied, the City has the right to acquire the Golf Course Parcels from Res Co-One, LLC without payment of monetary consideration. Upon acceptance of the Golf Course Parcels, the City, at no cost to the District, will convey the same to the District, together with whatever easement or other permanent access rights the City has acquired for use of the four golf course holes located south of the Golf Course Parcels.

One of the conditions precedent to the City’s exercise of its right to acquire the Golf Course Parcels, is put in place by the City of financing arrangements sufficient to pay the

cost of reconstructing the Golf Course and related improvements and the ongoing expense of operating and maintaining the Golf Course.

The District is viewed by the City and the other Proponents of the District as the entity that can satisfy this condition precedent in the Option Agreement as well as perform various continuing Golf Course operation obligations as set forth in the Option Agreement, which are generally discussed below. There are currently no other governmental entities, including the City or the County located in the immediate vicinity of the District that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, installation, and financing of the Project. Formation of the District is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economical manner possible.

A District has numerous advantages over any private entity or homeowners' association in that (1) it can tax; (2) it has perpetuity; (3) it has statutory powers, such as eminent domain; (4) it can impose rates, fees, tolls and charges, all of which may have priority over mortgages; and (5) it has the benefit of sovereign immunity.

C. The Option Agreement.

The Option Agreement gives the City the right to acquire, without payment of monetary consideration, the Golf Course Parcels, together with a cash contribution to be applied towards reconstruction of the Golf Course and its initial operation, which amount is expected to be approximately \$900,000 (the "Endowment"). A copy of the Option Agreement is attached as Exhibit G.

The Option Agreement contains various conditions precedent to the City's right to acquire the Golf Course Parcels, including but not limited to: (i) the putting in place of a mechanism for financing the reconstruction and ongoing operation and maintenance of the Golf Course; (ii) the securing by the City of a permanent easement or other permanent access right for the four golf course holes located south of the Golf Course Parcels, which property is currently owned by Almagre Development; (iii) the securing of an adequate long-term water supply for the proper irrigation of the Golf Course; and (iv) entering into a Golf Course Operating Agreement ("Operating Agreement") with Res Co-One which, among other things, will identify and describe the order and uses of the Endowment to be provided by Res Co-One.

The Option Agreement, the Operating Agreement, and any other agreements entered into pursuant thereto between the City and Res Co-One will or do impose various post-closing obligations upon the City to operate the Golf Course as a public course. Accordingly, the District and the City will enter into a separate Golf Course Operating Agreement ("District Operating Agreement"), the terms of which will need to be negotiated, but will ensure that the City has a continuing role in management and oversight of the Golf Course and its operations. It is a material provision of this Service Plan that the District, to the extent permitted by law, operate the Golf Course in a manner which is consistent with the City's post-closing obligations under the Option Agreement, the Operating Agreement, and any additional agreements entered into between the City and Res Co-One.

D. County Objectives In Forming The District.

The County recognizes this District as an independent quasi-municipal entity which is duly authorized for the purposes and functions identified in the Service Plan. Future County involvement in the affairs of the District will generally be limited to functions as required by the Colorado Revised Statutes, reporting and disclosure functions, determinations as to compliance with the limits as set forth in this Service Plan or any conditions attached to its approval, as well as additional activities or relationships as may be stipulated in any intergovernmental agreements which may be entered in to between the District and the County in the future.

In approving this Service Plan the objectives of the County include an intent to allow the applicant reasonable access to public tax-exempt financing for reasonable costs associated with the generally identified Public Improvements and to allow the applicant the ability to prudently obligate future property owners for a reasonable share of the repayment costs of the Public Improvements which will benefit the properties within this District.

It is the additional objective of the County to allow for this District to provide for the identified ongoing services which either cannot or will not be provided by the County and/ or other districts.

In approving this District as a Conventional Representative District, it is also an objective of the County to maximize opportunities for full representative participation on the part of future eligible electors. The County understands that the District will be homeowner controlled from the outset and that it currently has population of approximately 700 residents. Because some of the critical financing decisions will be made prior to the existence of the balance of the anticipated future residents, it is the intent of the County to accommodate and allow for reasonable and constructive ongoing notice to future property owners of the probable financial impacts associated with owning property within the District.

E. Specific Purposes -Facilities and Services.

The District is authorized to provide the following facilities and services, both within and without the boundaries of the District as may be necessary:

1. Parks and Recreation. The District shall provide park and recreation facilities, services and programs within the District. The improvements to be financed and thereafter operated and maintained consist of the Golf Course and related improvements as heretofore described.

2. Mosquito Control. The District shall provide for the eradication and control of mosquitoes, including but not limited to elimination or treatment of breeding grounds and purchase, lease, contracting or other use of equipment or supplies for mosquito control.

F. Other Powers.

1. Amendments. The District shall have the power to amend this Service Plan as needed, subject to appropriate statutory procedures as set forth in Section 32-1-207, C.R.S.;

2. Authority to Modify Implementation of Financing Plan and Public Infrastructure. Without amending this Service Plan, the District may defer, forego, reschedule or restructure the financing and construction of certain improvements and facilities, to better accommodate the pace of growth, resources availability, and potential inclusions of property within the District.

G. Other Statutory Powers.

The District may exercise such powers as are expressly or impliedly granted by Colorado law, if not otherwise limited by the Service Plan or its conditions of approval.

H. Eminent Domain.

The District may exercise the power of eminent domain or dominant eminent domain only as necessary to further the clear public purposes of the District.

The power of eminent domain and/or dominant eminent domain shall be limited to the acquisition of property that the District intends to own, control or maintain by the District or other governmental entity and is for the material use or benefit of the general public. The term “material use or benefit for the general public” shall not include the acquisition of property for the furtherance of an economic development plan, nor shall it include as a purpose an intent to convey such property or to make such property available to a private entity for economic development purposes. The phrase “furtherance of an economic development plan” does not include condemnation of property to facilitate public infrastructure that is necessary for the development of the Project.

I. Intergovernmental Agreements (IGAs).

The District is authorized to enter into IGAs to the extent permissible by law. As of the date of approval of this Service Plan, the following IGAs are anticipated:

1. Intergovernmental Agreement between City and District. The District and the City will enter into one or more intergovernmental agreements (“IGA”) that provide for the District’s assumption of the City’s obligations under the Option Agreement with respect to the operation and maintenance of the Golf Course or, at a minimum, obligates the District to reconstruct, reopen and thereafter operate and maintain the Golf Course so as not to cause the City to be in breach of its obligations under the Option Agreement. It is anticipated that the IGA will obligate the District to use its best efforts to maintain and operate the Golf Course in a manner that is consistent with the quality of municipal courses within the region. The obligation may be performed by the District directly or by enter into an operating agreement with a qualified private company, the terms and provisions of which and the actual operator of which shall be subject to approval by the City and, if necessary, Res Co-One, LLC.

The IGA will also identify and describe the order and uses of the Endowment that will be either transferred to the District by the City or, in the alternative, provide for the City to use the Endowment in an identified manner and order that is consistent with the City's obligations under the Operating Agreement with Res Co-One, LLC.

It is contemplated that the IGA between the City and the District will be comprehensive in nature and provide for the City's active participation in the rehabilitation, management and ongoing operation of the Golf Course, to the extent necessary, to satisfy the City's obligations under the Option Agreement or any other agreement entered into pursuant thereto.

2. Miscellaneous. The District may also enter into intergovernmental agreements with the Widefield Water District for the purpose of providing potable and non-potable water to the Golf Course.

J. Description Of Proposed Boundaries And Service Area.

1. Initial District Boundaries. A vicinity map showing the general location of the District is included as Exhibit A.1. A map of the initially included properties is included at Exhibit A.2, with a legal description of its boundaries are found at Exhibit A.4.

2. Additional Inclusion Areas. Additional Inclusion Areas consist of the Development Parcels referred to earlier, i.e. Parcels A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, and P as shown on the Overall Development Plan for Appletree attached hereto as Exhibit F. The Additional Inclusion Areas are listed and depicted on Exhibit A.3. The Additional Inclusion Areas consist of 182 acres of land ("Development Parcels") planned primarily for residential development and owned by Res Co-One, LLC. Res Co-One, LLC is obligated to include the Development Parcels into the District if the District is organized, and the Golf Course is acquired by the City pursuant to the Option Agreement. It is contemplated that 778 residential units will be developed on the Development Parcels. The Option Agreement specifically provides that the District's mill levy affecting the Development Parcels cannot exceed, in total, 15.000 mills, consisting of 12.000 mills for debt service and 3.000 for operations and maintenance.

The Proponents of the District are in discussions with: (i) Almagre Development, which is developing land to the south of the District planned for residential and commercial development; and (ii) Lorson Ranch, which owns land planned for residential development north of the Golf Course. The Almagre and Lorson Ranch parcels are depicted on Exhibit A.3 (page 2) and are also Additional Inclusion Areas.

3. Extraterritorial Service Areas. The District does not anticipate providing services to areas outside of the Initial District Boundaries, and Additional Inclusion Areas. These areas are depicted on Exhibit A-3.

The Golf Course, however, will be a public course and will be available to those members of the public that reside outside the District's boundaries; provided, however, such users may be required to pay a fee that is higher than District residents.

4. Analysis Of Alternatives. There are currently no other metropolitan districts in the area which have the capability or desire to operate the Golf Course. The Proponents of the District have explored the feasibility of private financing for the Golf Course and have determined that relying solely on private financing is not a viable alternative.

5. Material Modifications/Service Plan Amendment. Material modifications of this Service Plan shall, at a minimum, trigger the need for prior approval of the Board of County Commissioners at an advertised public hearing and may require a need for a complete re-submittal of an amended Service Plan along with a hearing before the County's planning commission. For the purpose of this Service Plan the following changes shall be considered material modifications:

- a. Any change in the basic services provided by the District, including the addition of any types of services not authorized by this Service Plan.
- b. Any other matter which is now, or may in the future, be described as a material modification by the Special District Act.
- c. Imposition of a mill levy in excess of any of the Maximum Mill Levies as authorized in this approved Service Plan.
- d. Issuance of Debt in excess of the Maximum Debt Authorization authorized in this Service Plan
- e. Issuance of any Debt with a maturity period of greater than thirty (30) years, from the date of issuance of such Debt.
- f. Creation of any sub-districts as contemplated in the Special District Act.
- g. The acquisition by the District of the Golf Course, the incurrence of any debt, or the imposition of any property tax mill levy, unless and until a supplemental detailed financial plan is submitted to and approved by the Board of County Commissioners at an open and public hearing. In connection with the supplemental detailed financial plan the District shall also revise the Service Plan to incorporate the revised financial plan summary based upon the supplemental detailed financial plan. The supplemental financial plan, if applicable, will include cost projections for the Golf Course Management Company during the short term formative years of the District for the operation and maintenance of the Golf Course, and an associated financing schedule shall also be included outlining the projections for how and when the Golf Course Management Company will be paid.
- h. Inclusion into the District of any property over five (5) miles from the combined area of the Initial District Boundaries and the property described in Exhibit A.3 unless explicitly contemplated in this Service Plan.

#### **IV. DEVELOPMENT ANALYSIS**

##### **A. Existing Developed Conditions.**

There are 262 platted lots within the District, located within 13 platted subdivision that are zoned single family residential. Of these 262 platted lots, 254 are fully developed with single family homes. The developed areas within the District consist of the following subdivisions: Peaceful Valley Country Club Estates Filing No. 1; Pleasant View Subdivision; A Replat of Lot 29 in Peaceful Valley Country Club Estates Filing No. 1; Apple Ridge Subdivision; Peaceful Valley Lake Estates First Filing; Peaceful Valley Lake Estates Filing No. 2; Peaceful Valley Shoppette, No. 1; All Bowen Subdivision; Restoration Church Subdivision Filing No. 2; Tract A, Almagre Subdivision Filing No. 7; Appletree Subdivision Filing No. 1; Appletree Subdivision Filing No. 2; Appletree Subdivision Filing No. 3; and 3050 Hillbrook Lane.

The Development Parcels listed on Exhibit A.3, are owned by Res Co-One, LLC, and contain 182 acres that are zoned PUD residential, except for 10.5 acres that is zoned commercial. An Overall Development Plan for these Development Parcels has been approved by the City. A copy of the approved Overall Development Plan is attached hereto as Exhibit F. The Overall Development Plan allows for 532 single family homes, 246 multi-family units, and 10.5 acres of commercial development. In addition, there are 364.7 acres that will contain parks, open space and drainage facilities, 105 acres that is in the Jimmy Camp Flood Plain, 1.7 acres that will be developed into a civic community center, 10 acres for school, 14 acres for road right-of-way , with a total public use acreage of 364.17.

Before the City's acquires the Golf Course Parcels, it will have approved the subdivision and platting of Development Parcels C, D, and E, as shown on Exhibit F. Parcel C is approved for 17 single family homes, Parcel D is approved for 53 single family homes, and Parcel E is approved for 168 multi-family units.

The absorption rate for single family units, based on information provided by Res Co-One, LLC, averages approximately 53 units per year. This is more conservative and less than the annual average absorption rate projected in the THK Feasibility Study of approximately 84 units per year. The Proponents of the District elected to use the more conservative projection.

Subdivision and platting of the remaining Development Parcels is expected to occur within the next 5 to 6 years. All of the Development Parcels will be included into the District concurrent with the City's conveyance of the Golf Course Parcels to the District or a binding agreement for the inclusion of these parcels will be entered into between the District, the City, and Res Co-One, LLC.

##### **B. Total Development At Project Build-Out.**

At complete build-out, development within the District is planned to consist of 1,040 residential units, consisting of 262 homes in the existing developed subdivisions having a current estimated market value of \$58,989,954; 532 new single family homes that range in price from \$275,000 to \$400,000; and 246 multi-family units that range in price from \$175,000 to \$200,000 in year 2014 dollars. 10.5 acres is planned for 25,000 square feet of commercial

development having an estimated market value at build-out of \$1,875,000. The total estimated population of the District upon completion of development is 3,100 people.

C. Development Phasing And Absorption.

Absorption of all of the Development Parcels within the District is expected to take 10 years, beginning in 2015 and ending in 2025, and is further described in the Development Summary Table found at Exhibit B.

D. Status of Underlying Land Use Approvals.

As stated earlier, the Development Parcels have received an approved Overall Development Plan and zoning from the City. The Overall Development Plan allows for the projected build-out as described in Section IV.B. above. The zoning on all of the Development Parcels is PUD. The designated use in the approved PUDs is residential, except in the case of Development Parcel B, where the designated use is commercial. Before the Development Parcels can be developed they will need to be subdivided. Development Parcels C, D, and E shall be subdivided at the time the City acquires the Golf Course Parcels. The Golf Course Parcels shall also be subdivided at that same time. A public access road to Parcels N, O, and P shall be dedicated as part of the Golf Course subdivision.

All of the Development Parcels are subject to an annexation agreement and have been included within the City, which will approve the final subdivision and platting of the Development Parcels.

## V. **INFRASTRUCTURE SUMMARY**

Attached as Exhibit C is a summary of the estimated cost of renovating and reconstructing the Golf Course. A general description of the categories of these public improvements is included in Section III.D. of this Service Plan. The total cost to rehabilitate the Golf Course is estimated to be approximately \$2,858,000, in year 2014 dollars. It is estimated that the District will finance approximately \$800,000 (or 28%) of this estimated amount. The amount ultimately financed by the District will be subject to the Maximum Authorized Debt limit.

All Public Improvements will be designed and constructed in accordance with the standards of the City, and otherwise in accordance with applicable El Paso County standards.

## VI. **FINANCIAL PLAN SUMMARY.**

A. Financial Plan Assumptions and Debt Capacity Model.

The estimated cost to reconstruct and rehabilitate the Golf Course, and cover shortfalls in initial operating revenues until the Golf Course stabilizes in 2017 is \$3,083,000. Capital costs are estimated at \$2,858,000, and initial operating shortfalls are project to total approximately \$225,000 for years 2014, 2015 and 2016 combined.

The District, in conjunction with the City, intends to apply the \$900,000 Endowment, together with \$800,000 in net bond proceeds or other borrowings to these capital costs. It is anticipated that the balance of the funds needed to renovate the Golf Course and cover initial operating shortfalls (\$1,383,000) will be advanced to the District by the operator of the Golf Course.

What follows is a general description of the Options being discussed to obtain the funds necessary to cover the above-referenced shortfall. The Financial Plan contemplates that the bonds issued by the District will be tax exempt. Whatever structure is ultimately employed for financing the reconstruction of the Golf Course and its initial operations will be structured in a manner that complies with federal tax law applicable to tax exempt borrowings.

It is anticipated that an agreement will be negotiated with a company that is in the business of constructing and thereafter operating golf courses (“Golf Course Management Company”), whereby the Golf Course Management Company will advance the balance of the funds needed to complete the reconstruction of the Golf Course and cover initial operating shortfalls, in exchange for a Golf Course Management Agreement. The obligation to repay the Golf Course Management Company will not be a Debt, the funds advanced will be repaid by the District from future revenues of the Golf Course, as, when and if they are received. The City is also evaluating the feasibility of imposing a park and recreation impact fee or other fee on the undeveloped lots within the District to raise funds to reimburse the Golf Course Management Company for such advances.

Attached as Exhibit D.1 (debt service) and Exhibit D.2 (operating revenues and costs) is a summary of development assumptions, projected assessed valuations, description of revenue sources (including applicable mill levies and fees) and expenses for both operations and debt service, and an overall debt capacity model associated with projected future development of the Golf Course. The financial plan assumes that the Development Parcels are included into the District. Accordingly, the District will not be authorized to issue or incur debt until the Development Parcels have been included into the District.

The District’s debt will be repaid through a property tax mill levy that will not exceed the Maximum Debt Service Mill Levy. The District’s Operational Mill Levy shall be used to fund a portion of the administrative expenses of the District, as well as the District’s mosquito control activities. The Golf Course operations and that portion of the District’s administrative expense not paid from the Operational Mill Levy will be paid through the rates, fees, and charges that the District imposes upon Golf Course users.

The City commissioned THK Associates, Inc. to prepare a financial feasibility study for the Golf Course, which is expected to finance its operation and maintenance costs solely from rates, fees, tolls and charges. A copy of the feasibility analysis is submitted concurrent with the Service Plan. Attached hereto as Exhibit D.3 is a portion of the cash flow and valuation analysis performed by THK. The analysis projects that the Golf Course will have a negative cash flow for years 2014, 2015, and 2016, but that it becomes self-sustaining in year 2017 assuming the Golf Course opens in 2016. The cash flow analysis projects the income expenses for the Golf Course for a 10 and 20 year period.

The City and the Proponents of the District are working hard to secure financing for 100% of the funding needed to complete the renovation of the Golf Course and cover initial expected operating shortfalls. BECAUSE OF THE IMPORTANCE OF SECURING THESE FUNDS, THE DISTRICT WILL NOT ACQUIRE THE GOLF COURSE PARCELS, INCUR DEBT, OR IMPOSE A PROPERTY TAX MILL LEVY UNTIL SUCH TIME AS A MORE SPECIFIC FINANCIAL PLAN CAN BE PROVIDED TO AND APPROVED BY THE COUNTY.

The model, when combined with the more specific financial plan to be provided by the District, will demonstrate that the District is capable of providing sufficient and economic service, and that the District has or will have the financial ability to finance its ongoing operations and to discharge the District's Debt on a reasonable basis. The financial model attached hereto as Exhibits D.1, and D.2 is an example of the manner in which the District may finance the Public Improvements. The specific structure for financing the Public Improvements shall be determined in the discretion of the Board of Directors of the District, subject to the limitations set forth in this Service Plan.

B. Maximum Authorized Debt.

The District is authorized to issue Debt up to \$1,300,000 in principal amount. The District, however, initially will only issue Debt up to \$910,000 in principal amount. The additional debt authorized by this Service Plan will only be issued if there is a need for additional capital financing and there is sufficient assessed valuation to repay the additional debt which, at all times, will be subject to the Maximum Debt Service Mill Levy set forth herein.

C. Maximum Mill Levies.

1. Maximum Debt Service Mill Levy. The Maximum Debt Service Mill Levy shall be twelve (12) mills, subject to Gallagher Adjustment. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

2. Maximum Operational Mill Levy. The Maximum Operational Mill Levy Cap shall be three (3) mills, subject to Gallagher Adjustment.

3. Maximum Combined Mill Levy. The Maximum Combined Mill Levy is fifteen (15) Mills, subject to Gallagher Adjustment.

Increases to or removal of any of the Maximum Mill Levies shall be subject to Board of County Commissioner approval without the need for a formal Service Plan Amendment (unless the Board otherwise requires).

D. Maximum Maturity Period For Debt.

The period of maturity for issuance of any Debt (but not including Developer Funding Agreements) shall be limited to no more than thirty (30) years without express, prior approval of the Board of County Commissioners. Such approval, although required, is not considered to be a Material Modification of the Service Plan which would trigger the need to

amend said Service Plan. However, the District is specifically authorized to refund or restructure existing Debt so long as the period of maturity for the refunding or restructured Debt is no greater than 30 years from the date of the issuance thereof.

E. Golf Course Management Agreement.

The District, in cooperation with the City, intends to enter into a Golf Course Management Agreement with a company having expertise in the reconstruction and operation of Golf Courses. It is anticipated that in the formative years the District will have shortfalls in funding its capital costs and ongoing Golf Course operation and maintenance expenses. The Golf Course Management Company will fund these obligations for the District up to a maximum amount of \$1,400,000 to promote the Golf Course reconstruction and renovation, subject to the Golf Course Management Company being repaid from net Golf Course revenues and possibly a park and recreation impact fee as more particularly described in Paragraph VI.A above.

The Golf Course Management Agreement may allow for the earning of simple interest thereon, but under no circumstances shall any such agreement permit the compounding of interest. The Golf Course Management Agreement may permit an interest rate that does not exceed the prime interest rate plus two points thereon.

The maximum term for repayment to the Golf Course Management Company shall be twenty (20) years from the date the District becomes obligated to make repayments under the Golf Course Management Agreement. For purposes of this provision, Golf Course Management Agreement is considered repaid once the obligations are fully paid in cash or when converted to bonded indebtedness of the District (including privately placed bonds). Any extension of such term is considered a Material Modification and must be approved by the Board of County Commissioners.

Required disclosure notices shall clearly identify the potential for the District to enter into obligations associated with the Golf Course Management Company.

F. Privately Placed Debt Limitation.

Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows: We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

G. Revenue Obligations.

The District shall also be permitted to issue Revenue Obligations in such amount as the District may determine. Amounts issued as Revenue Obligations are not subject to the Maximum Debt Authorization.

**VII. OVERLAPPING TAXING ENTITIES, NEIGHBORING JURISDICTIONS**

A. Overlapping Taxing Entities.

The directly overlapping taxing entities and their respective year 2013 mill levies are as follows:

List for all unincorporated El Paso County Residents located within the District.

El Paso County	7.384
El Paso County Road and Bridge	0.330
School District Widefield No 3 Gen	34.928
School District Widefield No 3 Bond	6.000
School District 3 Widefield Com. Cntr	5.124
Security Fire Protection District	10.001
Southeastern Colo Water Conservancy	0.940
Total Existing Mill Levy:	64.707

The total mill levy including the initially proposed District mill levy of 15.000 mills is 79.707 mills.

List for City residents within the District.

El Paso County	7.384
El Paso County Road and Bridge	0.165
City of Fountain	10.239
EPC – Fountain Road and Bridge	0.165
Fountain GID No. 1	0.012
Fountain Sanitation	5.755
School District Widefield No 3 Gen	34.928
School District Widefield No 3 Bond	6.000
School District 3 Widefield Com. Cntr	5.124
School District 3 Security Public Library	1.973
Southeastern Colo Water Conservancy	0.940
Appletree Metropolitan District No. 1	0.000
Appletree Metropolitan District No. 2	0.000
Norris Ranch Metropolitan District No. 2	50.000
Total Existing Mill Levy:	122.685

The total mill levy including the initially proposed District mill levy of 15.000 mills is 137.685 mills.

However, the Appletree Metropolitan Districts No. 1 and 2 and Norris Ranch Metropolitan District No. 2 overlap only that portion of the District which consists of the southerly four holes of the Golf Course. These three metropolitan districts do not overlap or affect any residential or commercial areas within the District. As a result, a more representative total existing mill levy for property that is located within the City and the District currently is 72.685 mills. A more representative total mill levy including the initially proposed District mill levy of 15.000 mills for property located within the City and the District is 87.685.

It is not anticipated that the District will have any ongoing relationships with any of these entities. It is also not anticipated that the District will have any significant impact on any of these entities.

B. Neighboring Jurisdictions.

The following additional taxing and or service providing entities include territory within three (s) miles of the Initial District Boundaries:

- El Paso County
- City of Colorado Springs
- City of Fountain
- Widefield School No 3
- Ftn/Ft Carson School No 8
- Ellicott School No 22
- Pikes Peak Library
- Security Fire Protection
- Ellicott Fire Protection
- Fountain Sanitation
- Southeastern Colo Water Conservancy
- Fountain Mutual Metropolitan
- Heritage SIMD
- Widefield Water & Sanitation
- Colorado Centre Metropolitan
- Colo Centre Metro Dev Owned Prop
- Ellicott Rec Metropolitan District
- Hanover Fire Protection District
- El Paso County Conservation
- Central Colorado Conservation
- Cross Creek Metropolitan District
- Glen Metropolitan Districts 1, 2, and 3
- Lorson Ranch Metro Districts 1, 2, 3, 4, 5, 6, 7
- Mesa Ridge Metro District No. 1 and 2
- Banning Lewis Ranch Regional Metro
- Banning Lewis Ranch Metro No. 7
- Cumberland Green Metropolitan District

Bradley Heights Metro Districts 1, 2, and 3  
Crescent Canyon Metropolitan District  
Appletree Metro No. 1 and 2  
Norris/Appletree BID  
Rolling Hills Ranch Metro Districts 6, 7, 8, 9,  
10, 11, 12, 13, 14 and 15  
Norris Ranch Metropolitan District No. 1 and 2  
Remuda Ridge Metropolitan District  
Waterview II Metropolitan District  
U S Highway 85 Corridor URA  
Fountain GID No. 1 and 2  
El Paso County PID No. 2

There are not anticipated relationships or impacts upon any of these entities.

### **VIII. DISSOLUTION**

#### **A. Dissolution.**

Upon an independent determination of the Board of County Commissioners that the purposes for which the District was created have been accomplished, the District agrees to file a petition in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall dissolution occur until the District has provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations as required pursuant to State statutes.

#### **B. Administrative Dissolution.**

The District shall be subject to administrative dissolution by the Division of Local Government as set forth in Section 32-1-710, C.R.S.

### **IX. COMPLIANCE**

#### **A. Annual Report.**

An Annual Report and Disclosure Form will be required and submitted as described in C.R.S. 32-1-207(3)(d) and as further articulated by Board of County Commissioners Resolution No. 07-273.

#### **B. Material Modification.**

Material Modifications of this Service Plan shall be subject to the provisions contained in Section 32-1-207, C.R.S., relating to approvals and notices thereof.

### **X. MISCELLANEOUS.**

The following is additional information to further explain the functions of the District:

A. Special District Act.

The contemplated municipal services are under the jurisdiction of the Special District Act and not the Public Utilities Commission.

B. Disclosure to Prospective Purchasers.

After formation of the District, and in conjunction with final platting of any properties within the proposed District, the applicable Board of Directors of the District shall prepare a notice acceptable to the Development Services Department Staff informing all purchasers of property within the District of the District's existence, purpose and debt, taxing, and other revenue-raising powers and limitations. Such notice obligation shall be deemed satisfied by recording the notice with this Service Plan and each final plat associated with the Project, or by such other means as the Development Services Department approves. Such notice shall be modified to address the potential for future Debt issuance which may be required to meet the obligations associated with loans incurred by the District. In conjunction with subsequent plat recordings, Development Services Department staff is authorized to administratively approve updates of the disclosure form to reflect current information.

C. Local Improvements.

Prior to the financing of Local Public Improvements, and if required by County policy uniformly applied, agreements shall be in place to prevent a loss of sales tax revenue from sales of construction materials which would otherwise accrue to the County.

D. Service Plan not a Contract.

The grant of authority contained in this Service Plan does not constitute the agreement or binding commitment of the District enforceable by third parties to undertake the activities described, or to undertake such activities exactly as described.

E. Land Use and Development Approvals.

Approval of this Service Plan does not imply approval of the development of a specific area within the Project, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto. All such land use and development approvals shall be processed and obtained in accordance with applicable El Paso County rules, regulations and policies.

## **XI. CONCLUSION**

It is submitted that this Service Plan for the District establishes that:

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

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

C. The proposed District is capable of providing economical and sufficient service to the Project;

D. The area to be included in the proposed 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 the County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

F. The facility and service standards of the proposed District are compatible with the facility and service standards of the County;

G. The proposal is in substantial compliance with the County master plan.

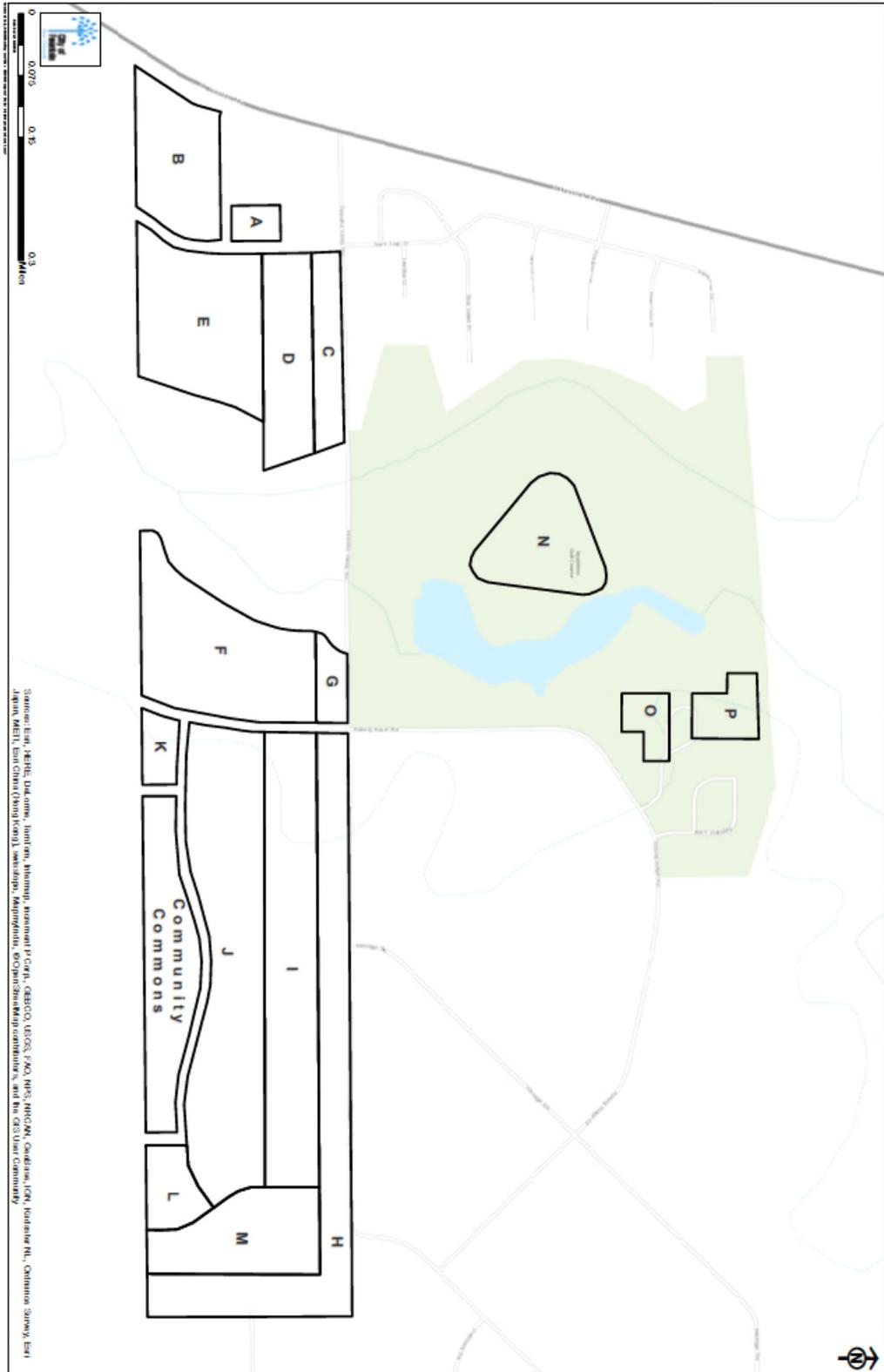
H. The creation of the proposed District is in the best interests of the area proposed to be served.





EXHIBIT A.3

Additional Inclusion Areas



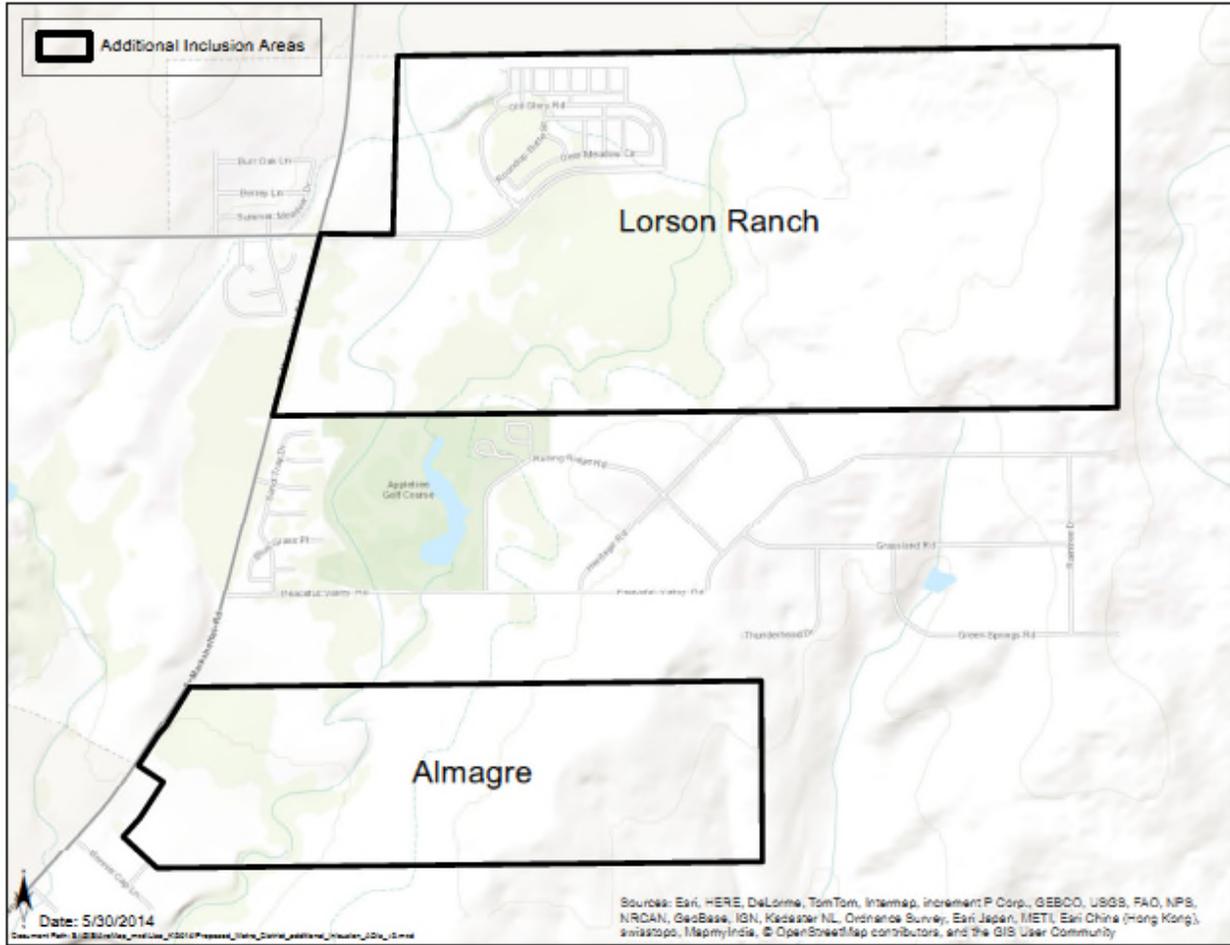


EXHIBIT A.4

**Legal Description for Initial District Boundaries**

**EXHIBIT A**

**LEGAL DESCRIPTION OF INITIAL BOUNDARIES**

LEGAL DESCRIPTION;

<u>PROPERTY</u>	<u>RECEPTION NUMBER</u>
PEACEFUL VALLEY COUNTRY CLUB ESTATES FILING NO. 1	029955260
PLEASANT VIEW SUBDIVISION	095086690
A REPLAT OF LOT 29 IN PEACEFUL VALLEY COUNTRY CLUB ESTATES FILING NO. 1	000124068
APPLE RIDGE SUBDIVISION	020208600
PEACEFUL VALLEY LAKE ESTATES FIRST FILING	029807381
PEACEFUL VALLEY LAKE ESTATES FILING NO. 2	095089447
PEACEFUL VALLEY SHOPETTE, NO. 1	029976576
ALL BOWEN SUBDIVISION	000078133
RESTORATION CHURCH SUBDIVISION FILING NO. 2	206712379
TRACT A, ALMAGRE SUBDIVISION FILING NO. 7	208712912
APPLETREE SUBDIVISION FILING NO. 1	001987720
APPLETREE SUBDIVISION FILING NO. 2	002298128
APPLETREE SUBDIVISION FILING NO. 3	095068750
LOT 1 & 2, GONZALES SUBDIVISION FILING NO. 2	
10085 ROLLING RIDGE ROAD, COLORADO SPRINGS, CO 80925 PROPERTY TAX SCHEDULE NO.	#5523-00-2009
10045 ROLLING RIDGE ROAD, COLORADO SPRINGS CO, 80925 PROPERTY TAX SCHEDULE NO.	#5523-00-2010
10150 PEACEFUL VALLEY ROAD, COLORADO SPRINGS, CO 80925 PROPERTY TAX SCHEDULE NO.	#5523-00-2013
10260 PEACEFUL VALLEY ROAD, COLORADO SPRINGS, CO 80925 PROPERTY TAX SCHEDULE NO.	#5523-00-2012

PROPERTY TAX SCHEDULE NO.

#5523-00-2011

LEGAL DESCRIPTION: TRACT IN SW4 SEC 23-15-65 AS FOLS, BEG AT NW COR OF LOT 2 BLK 8 IN PEACEFUL VALLEY LAKE ESTATES 1<sup>ST</sup> FIL, TH S 89°37'52" W 660.0 FT, S 0°23'50"E 660.0 FT, N 89°37'52" E 660.0 FT, TH N 0°23'50" W 660.0 FT TO POB TOGETHER WITH 30.0 FT EASEMENT FOR INGRESS + EGRESS AS DES IN BK 2320-129

3050 HILLBROOK LANE, COLORADO SPRINGS, CO 80904  
PROPERTY TAX SCHEDULE NO.

M&B BOOK 5172, PAGE 805  
#5527-00-2003

INCLUDING THE FOLLOWING PROPERTY BY METES & BOUNDS DESCRIPTION (SEE NEXT PAGE)

**“PARCEL OF LAND COMPRISING OF A PORTION OF THE VACANT RESIDENTIAL LAND PLANNED IN THE APPLETREE OVERALL DEVELOPMENT PLAN LYING SOUTH OF PEACEFUL VALLEY ROAD – PARCEL R – GOLF COUSE SOUTH OF PEACEFUL VALLEY ROAD”**

**LEGAL DESCRIPTION:**

THOSE PORTIONS OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 26, AND OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 27, TOWNSHIP 15 SOUTH, RANGE 65 WEST OF THE 6<sup>TH</sup> P.M., EL PASO COUNTY, COLORADO, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 26; THENCE S 89°22'41" W ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 27, ON AN ASSUMED BEARING TO WHICH ALL OTHERS IN THIS DESCRIPTION ARE RELATIVE, A DISTANCE OF 17.06 FEET TO THE POINT OF BEGINNING; THENCE N 08°37'38" E, 67.06 FEET; THENCE N 28°22'34" E, 35.26 FEET; THENCE N 76°00'53" E, 241.39 FEET; THENCE N 36°43'45" E, 356.90 FEET; THENCE N 27°46'19" E, 153.24 FEET; THENCE N 21°11'44" E, 188.09 FEET; THENCE N 15°20'19" E, 174.67 FEET; THENCE N 02°20'28" E, 251.69 FEET; THENCE N 39°32'04" E, 164.61 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF PEACEFUL VALLEY ROAD; [THE FOLLOWING THREE (3) COURSES ARE ON SAID SOUTHERLY LINE] 1) S 89°21'15" W, 574.24 FEET; 2) N 82°06'18" W, 202.00 FEET; 3) S 88°42'03" W, 450.42 FEET; THENCE S 13°14'53" E, 304.04 FEET; THENCE S 11°04'01" E, 231.21 FEET; S 24°05'30" E, 154.39 FEET; THENCE S 89°48'55" W, 368.01 FEET; THENCE S 31°47'26" W, 102.69 FEET; THENCE S 12°10'58" W, 321.65 FEET; THENCE S 33°26'44" W, 304.45 FEET TO THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 27; THENCE N 89°22'41" E ON SAID SOUTH LINE, 930.19 FEET TO THE POINT OF BEGINNING, CONTAINING A CALCULATED AREA OF 32.103 ACRES, MORE OR LESS.

**“GOLF COURSE - NORTH OF PEACEFUL VALLEY ROAD”**

**LEGAL DESCRIPTION:**

A PORTION OF THE SOUTHEAST QUARTER OF SECTION 22, AND THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 15 SOUTH, RANGE 65 WEST, OF THE 6<sup>TH</sup> P. M., IN THE CITY OF FOUNTAIN, COUNTY OF EL PASO, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 22; THENCE N00°30'07"W, A DISTANCE OF 60.00 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF PEACEFUL VALLEY ROAD AS DESCRIBED IN BOOK 795 AT PAGE 377 OF THE RECORDS OF SAID EL PASO COUNTY; THENCE S88°42'08"W ALONG SAID NORTHERLY RIGHT-OF-WAY LINE A DISTANCE OF 300.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE S88°42'08"W ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, A DISTANCE OF 259.90 FEET TO THE SOUTHEAST CORNER OF THE TRACT OF LAND DESCRIBED IN BOOK 2745 AT PAGE 707 OF THE RECORDS OF SAID EL PASO COUNTY; (THE FOLLOWING 2 COURSES ARE ALONG THE BOUNDARY OF SAID TRACT OF LAND): (1) THENCE N13°33'35"W, A DISTANCE OF 144.65 FEET; (2) THENCE N86°00'34"W, A DISTANCE OF 170.00 FEET TO THE NORTHEAST CORNER OF LOT 1, PEACEFUL VALLEY COUNTRY CLUB ESTATES FILING NO.1 AS RECORDED IN PLAT BOOK X-2 AT PAGE 55 OF THE RECORDS OF SAID

EL PASO COUNTY; (THE FOLLOWING 6 COURSES ARE ALONG THE EASTERLY BOUNDARY OF SAID PEACEFUL VALLEY COUNTRY CLUB ESTATES FILING NO. 1): (1) THENCE N86°00'34"W, A DISTANCE OF 176.92 FEET; (2) THENCE N88°40'32"W, A DISTANCE OF 517.17 FEET; (3) THENCE N05°22'33"E, A DISTANCE OF 221.10 FEET; (4) THENCE N36°53'50"E, A DISTANCE OF 62.80 FEET; (5) THENCE N78°15'49"E A DISTANCE OF 632.53 FEET; (6) THENCE N49°11'53"W A DISTANCE OF 577.56 FEET TO THE SOUTHEAST CORNER OF LOT B, REPLAT OF LOT 29 IN PEACEFUL VALLEY COUNTRY CLUB ESTATES NO. 1 AND A PORTION OF SECTION 22 AS RECORDED IN PLAT BOOK B-3 AT PAGE 12 OF THE RECORDS OF SAID EL PASO COUNTY; THENCE N22°13'44"W ALONG THE EASTERLY LINE OF SAID LOT B, A DISTANCE OF 180.61 FEET; (THE FOLLOWING 7 COURSES ARE ALONG THE EASTERLY BOUNDARY OF SAID PEACEFUL VALLEY COUNTRY CLUB ESTATES FILING NO.1): (1) N13°56'26"E, A DISTANCE OF 171.73 FEET; (2) N03°35'39"E A DISTANCE OF 291.67 FEET; (3) THENCE N33°25'41"E, A DISTANCE OF 210.51 FEET; (4) THENCE N16°30'43"E, A DISTANCE OF 182.86 FEET; (5) THENCE N48°17'02"E, A DISTANCE OF 279.89 FEET; (6) THENCE N20°53'37"W, A DISTANCE OF 128.16 FEET; (7) THENCE N87°19'29"W, A DISTANCE OF 245.36 FEET TO THE SOUTHEAST CORNER OF THE TRACT OF LAND DESCRIBED IN BOOK 2858 AT PAGE 285 OF THE RECORDS OF SAID EL PASO COUNTY; (THE FOLLOWING 3 COURSES ARE ALONG THE BOUNDARY OF SAID TRACT): (1) THENCE N02°40'31"E, A DISTANCE OF 20.00 FEET; (2) THENCE N87°19'29"W, A DISTANCE OF 20.00 FEET; (3) S02°40'31"W, A DISTANCE OF 20.00 FEET TO A POINT ON THE NORTH LINE OF LOT 47 OF SAID PEACEFUL VALLEY COUNTRY CLUB ESTATES FILING NO. 1; (THE FOLLOWING 4 COURSES ARE ALONG THE BOUNDARY OF SAID PEACEFUL VALLEY COUNTRY CLUB ESTATES, FILING NO. 1): (1) THENCE N87°19'29"W, A DISTANCE OF 20.00 FEET; (2) THENCE N45°20'15"W, A DISTANCE OF 42.23 FEET; (3) THENCE N09°44'40"E, A DISTANCE OF 263.78 FEET; (4) THENCE N00°45'29"W, A DISTANCE OF 40.00 FEET; THENCE CONTINUE N00°45'29"W A DISTANCE OF 2.00 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHEAST ONE QUARTER OF SAID SECTION 22; THENCE N89°21'16"E ALONG SAID NORTH LINE, A DISTANCE OF 1142.38 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 22; THENCE N89°35'01"E ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SECTION 23, A DISTANCE OF 907.73 FEET; THENCE S00°00'00"E, 142.50 FEET; THENCE S65°56'34"W, 52.81 FEET; THENCE S07°23'49"W, 109.63 FEET; THENCE S90°00'00"E, 294.86 FEET; THENCE S00°00'00"W, 82.24 FEET; THENCE N90°00'00"E, 340.86 FEET TO A POINT ON THE WESTERLY LINE OF APPLE RIDGE SUBDIVISION AS RECORDED AT RECEPTION NUMBER 202086000 OF THE RECORDS OF SAID EL PASO COUNTY; THENCE FOLLOWING THE NEXT 8 COURSES ALONG THE WESTERLY AND SOUTHWESTERLY BOUNDARY OF SAID APPLE RIDGE SUBDIVISION: (1)THENCE S12°37'12"E, A DISTANCE OF 32.53 FEET; (2)THENCE S33°33'41"E, A DISTANCE OF 51.65 FEET; (3)THENCE S52°42'56"E, A DISTANCE OF 63.84 FEET; (4)THENCE S59°46'33"E, A DISTANCE OF 111.20 FEET; (5)THENCE S60°58'47"E, A DISTANCE OF 36.88 FEET; (6)THENCE S69°49'39"E, A DISTANCE OF 72.92 FEET; (7)THENCE S53°15'26"E, A DISTANCE OF 100.38 FEET; (8)THENCE S38°02'32"E, A DISTANCE OF 58.38 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF ROLLING RIDGE ROAD AS PLATTED IN PEACEFUL VALLEY LAKE ESTATES FIRST FILING, RECORDED IN PLAT BOOK L-2 AT PAGE 54 OF THE RECORDS OF SAID EL PASO COUNTY; (THE FOLLOWING 2 COURSES ARE ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID ROLLING RIDGE ROAD); (1) THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 430.00 FEET, A CENTRAL ANGLE OF 00°31'57" AND A LENGTH OF 4.00 FEET; (2) THENCE S57°13'27"W, A DISTANCE OF 160.38 FEET TO THE SOUTHEASTERLY CORNER OF LOT 10, APPLETREE SUBDIVISION FILING NO. 3 AS RECORDED IN PLAT BOOK H-5 AT PAGE 30 OF THE

RECORDS OF SAID EL PASO COUNTY; THENCE N32°46'33"W, A DISTANCE OF 120.00 FEET; THENCE S57°13'27"W, A DISTANCE OF 126.91 FEET; THENCE N32°49'13"W, A DISTANCE OF 30.80 FEET; THENCE N00°00'00"E, A DISTANCE OF 114.40 FEET; THENCE S90°00'00"W, A DISTANCE OF 310.65 FEET; THENCE S00°00'00"W, A DISTANCE OF 87.19 FEET; THENCE N90°00'00"W, A DISTANCE OF 168.19 FEET; THENCE S06°20'35"E, A DISTANCE OF 10.39 FEET; THENCE ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 315.00 FEET, A CENTRAL ANGLE OF 08°59'43" AND A LENGTH OF 49.45 FEET; THENCE S02°39'08"W, A DISTANCE OF 103.49 FEET; THENCE N89°59'30"E, A DISTANCE OF 242.92 FEET TO A POINT ON THE WESTERLY LINE OF SAID APPLE RIDGE SUBDIVISION FILING NUMBER 3; (THE FOLLOWING 6 COURSES); (1) THENCE S43°43'59"W, A DISTANCE OF 96.19 FEET; (2) THENCE S33°41'58"W, A DISTANCE OF 96.19 FEET; (3) THENCE S23°39'58"W, A DISTANCE OF 96.19 FEET; (4) THENCE S13°37'58"W, A DISTANCE OF 96.19 FEET; (5) THENCE S03°39'49"W, A DISTANCE OF 95.38 FEET; (6) THENCE N89°19'27"E, A DISTANCE OF 120.00 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF ROLLING RIDGE ROAD; THENCE ALONG THE WESTERLY RIGHT-OF-WAY LINE OF ROLLING RIDGE ROAD S00°40'33"E, A DISTANCE OF 277.10 FEET; THENCE S89°19'27"W, A DISTANCE OF 120.00 FEET; THENCE S00°40'33"E, A DISTANCE OF 886.36 FEET; THENCE S89°20'40"W, A DISTANCE OF 239.96 FEET; THENCE S00°39'21"E, A DISTANCE OF 120.00 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF PEACEFUL VALLEY ROAD; (THE FOLLOWING 3 COURSES ARE ALONG THE SAID NORTHERLY RIGHT-OF-WAY LINE OF PEACEFUL VALLEY ROAD) (1) THENCE S89°20'40"W, A DISTANCE OF 698.04 FEET; (2) THENCE N82°06'57"W, A DISTANCE OF 202.36 FEET; (3) THENCE S88°42'08"W, A DISTANCE OF 303.98 FEET TO THE POINT OF BEGINNING, CONTAINING 136.18 ACRES (6,233,670 SQUARE FEET), MORE OR LESS.

**“EXCLUDING PARCEL OF LAND WITHIN THE CENTER OF THE GOLF COURSE NORTH OF PEACEFUL VALLEY ROAD – PARCEL N”**

**LEGAL DESCRIPTION:**

A PORTION OF THE SOUTHEAST QUARTER OF SECTION 22, AND THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 15 SOUTH, RANGE 65 WEST OF THE 6<sup>TH</sup> P.M. IN THE CITY OF FOUNTAIN, COUNTY OF EL PASO, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 22; THENCE N00°30'07"W, A DISTANCE OF 60.00 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF PEACEFUL VALLEY ROAD AS DESCRIBED IN BOOK 795 AT PAGE 377 OF THE RECORDS OF SAID EL PASO COUNTY; THENCE N84°58'47"E, A DISTANCE OF 4.01 FEET TO THE POINT OF BEGINNING; THENCE S87°29'01"E, A DISTANCE OF 194.19 FEET; THENCE N46°15'30"E, A DISTANCE OF 34.57 FEET; THENCE N00°00'00"W, A DISTANCE OF 14.11 FEET; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 525.00 FEET, A CENTRAL ANGLE OF 19°32'10" AND A LENGTH OF 179.01 FEET; THENCE N19°32'10"E, A DISTANCE OF 127.33 FEET; THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 275.00 FEET, A CENTRAL ANGLE OF 36°33'17" AND A LENGTH OF 175.45 FEET; THENCE N17°01'07"W, A DISTANCE OF 60.79 FEET; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 325.00 FEET, A CENTRAL ANGLE OF 13°12'31" AND A LENGTH OF 74.92 FEET; THENCE N42°52'29"W, A DISTANCE OF 204.49 FEET; THENCE N39°49'27"E, A DISTANCE OF 25 FEET; THENCE N50°10'33"W, A DISTANCE OF 501.00 FEET;

THENCE N74°37'11"W, A DISTANCE OF 60.42 FEET; THENCE N50°10'33"W, A DISTANCE OF 356.24 FEET; THENCE N37°57'11"E, A DISTANCE OF 57.00 FEET; THENCE S84°56'41"E, A DISTANCE OF 318.64 FEET; THENCE S83°39'39"E, A DISTANCE OF 146.70 FEET; THENCE N28°59'16"E, A DISTANCE OF 203.46 FEET; THENCE N74°08'49"E, A DISTANCE OF 367.40 FEET; THENCE S24°21'58"E, A DISTANCE OF 349.61 FEET; THENCE S05°01'18"E, A DISTANCE OF 140.66 FEET; THENCE S23°50'21"W, A DISTANCE OF 311.45 FEET; THENCE S33°55'53"W, A DISTANCE OF 165.78 FEET; THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 225.00 FEET, A CENTRAL ANGLE OF 04°16'53", A LENGTH OF 16.81 FEET; THENCE S00°00'00"W, A DISTANCE OF 93.66 FEET; THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 275.00 FEET, A CENTRAL ANGLE OF 17°01'07", A LENGTH OF 81.68 FEET; THENCE S17°01'07"E, A DISTANCE OF 60.79 FEET; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 325.00 FEET, A CENTRAL ANGLE OF 36°33'17", A LENGTH OF 207.35 FEET; THENCE S19°32'10"W, A DISTANCE OF 127.33 FEET; THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 475.00 FEET, A CENTRAL ANGLE OF 19°32'10", A LENGTH OF 161.96 FEET; THENCE S00°00'00"W, A DISTANCE OF 16.31 FEET; THENCE S43°44'30"E, A DISTANCE OF 36.12 FEET; THENCE S87°29'01"E, A DISTANCE OF 256.62 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF SAID PEACEFUL VALLEY ROAD, THENCE S89°21'44"W, A DISTANCE OF 350.09 FEET ALONG SAID RIGHT-OF-WAY LINE, THENCE CONTINUING ALONG SAID NORTH RIGHT-OF-WAY LINE N82°01'02"W, A DISTANCE OF 202.22 FEET TO THE POINT OF BEGINNING, CONTAINING A CALCULATED AREA OF 12.97 ACRES, MORE OR LESS.

THE AFOREMENTIONED SUBDIVISIONS AND METES AND BOUNDS LEGAL DESCRIPTIONS CONTAIN A CALCULATED TOTAL AREA OF 712 ACRES, MORE OR LESS.

  
SPENCER J. BARRON  
COLORADO REGISTERED PROFESSIONAL  
LAND SURVEYOR NO. 38141

6/2/2014  
DATE

DESCRIPTION PREPARED BY:  
M&S CIVIL CONSULTANTS, INC.  
102 EAST PIKES PEAK AVENUE, SUITE 306  
COLORADO SPRINGS, CO 80903



EXHIBIT B

DEVELOPMENT SUMMARY

Appletree Fountain, Colorado  
 Projected Build Out  
 18-Feb-14

Property Description	Acres	Units	Development Time	Per Unit Value	Total Value
<u>W of Jimmy Camp Creek</u>					
Parcel A- Civic	1.7		2018	\$ 150,000	150,000
Parcel B- Comm. Center	10.5		2021	1,875,000	1,875,000
Parcel C- 2-3 DU acre	5.9	17	2016-2017	300,000	5,100,000
Parcel D- 4-6 DU acre	16.8	53	2017-2018	275,000	14,575,000
Parcel E- 8-12 DU acre	16.8	168	2022	175,000	29,400,000
		<u>238</u>			<u>\$ 51,100,000</u>
<u>E of Jimmy Camp Creek</u>					
Parcel F- 4-6 DU acre	17.8	89	2018-2020	\$ 350,000	31,150,000
Parcel G- 2-3 DU acre	1.9	5	2018-2020	325,000	1,625,000
Parcel H- 1 DU acre	19	19	2020-2021	350,000	6,650,000
Parcel I- 2-4 DU acre	19.8	59	2020-2022	325,000	19,175,000
Parcel J- 4-6 DU acre	31.4	157	2021-2024	350,000	54,950,000
Parcel K- 8-12 DU acre	3	30	2021	200,000	6,000,000
Parcel L- 4-6 DU acre	5.3	27	2022-2023	325,000	8,775,000
Parcel M- 3-5 DU acre	11.6	46	2022-2024	375,000	17,250,000
Community Comm.	5	25	2021-2022	325,000	8,125,000
		<u>457</u>			<u>\$ 153,700,000</u>
<u>Golf Course N of PV</u>					
Parcel N- 4-6 DU acre	11.3	60	2016-2018	\$ 400,000	24,000,000
Parcel P- 8-12 DU acre	3	28	2016-2017	175,000	4,900,000
		<u>88</u>			<u>\$ 28,900,000</u>
Contingency at 10%					\$ (23,370,000)
<b>Total Appletree</b>		<b>783</b>			<b>\$ 210,330,000</b>

EXHIBIT C

**ESTIMATED INFRASTRUCTURE CAPITAL COSTS**

The complete reclamation budget is included. The only major water improvement will be a pipe across the golf course from the Widefield Water well located at 9578 Bent Grass. This is addressed under Lake and Water Construction. All other construction is located on the golf course.

Appletree Expenditures Reclamation & Start-up		
PRELIMINARY ITEM	COST	REASON FOR EXPENDITURE
<b>PREPARATION</b>	Mobilization/General Conditions	\$40,000
	Irrigation System staking	\$15,000
	Clearing/weed removal	\$72,743
	Minor shaping	\$9,250
	drainage-flush and repair	\$7,955
	<b>Subtotal</b>	<b>\$144,948</b>
<b>PLANNING (RFP)</b>	Service Plan completion	\$7,000
	Legal Fees	\$25,000
		\$0
		\$0
		\$0
	<b>Subtotal</b>	<b>\$32,000</b>

LAKE AND WATER CONSTRUCTION	Creek bank clean up	\$11,850	
	Irrigation - lake work excavation	\$43,452	
	Seepage Control compact clay liner ESS-13	\$143,000	
	Rip Rap Placement?		
	.5 mile of 4" pipe Widefield Water(220K)	\$110,000	acre ft = 325828
	8 months grow in water costs	\$226,620	2.16 per 1000 g =
	Install 30 heads	\$18,000	230 acft X 1.4%
	Control system 46500 / 2 Morley	\$23,250	
	Pump station \$110,000/2 Morley	\$55,000	
	Installation of pumps	\$10,000	
<b>Subtotal</b>	<b>\$641,172</b>		
COURSE CONSTRUCTION	Greens construction	\$29,618	
	Tee construction	\$41,251	
	Bunker construction	\$138,190	
	Seed Bed Preparation	\$109,200	
	Fertilizers	\$29,400	
	Grassing	\$207,251	
	Bridges	\$23,125	
	Cart path allowance	\$20,000	
	<b>\$598,035</b>		
GROW IN /MAINT.	Supplies, payroll,equipment,Chemicals, soil/water tests, fuel, electricity, fertilizer	\$269,109	
	<b>Subtotal</b>	<b>\$269,109</b>	

CLUBHOUSE	Paving-entry drive	\$125,000	
	clubhouse finishing and kitchen equipment- Morley	\$400,000	
	Landscape, professional fees, testing	\$65,000	
	Furniture, fixtures, equipment	\$20,000	
	Marketing advertising	\$20,000	
	Start up inventory pro shop/resturant	\$40,000	
	<b>Subtotal</b>	<b>\$670,000</b>	
OTHER COSTS	Additional Consultant fees	\$24,000	
	Perm Employees for course - 3 month ramp	\$40,000	
	Contingency fees 10% of construction costs	\$238,726	
	Bond P & I	\$200,000	
	<b>Subtotal</b>	<b>\$502,726</b>	
TOTALS	TOTALS		
	preparation sub total	\$144,948	
	planning/RFP subtotal	\$32,000	
	lake and water construction subtotal	\$641,172	
	course construction subtotal	\$598,035	
	grow-in maintenance sub total	\$269,109	
	clubhouse sub total	\$670,000	
	Other costs	\$502,726	
	<b>TOTAL PROJECTED</b>	<b>\$2,857,990</b>	

EXHIBIT D  
**FINANCIAL PLAN SUMMARY**

EXHIBIT D.1

City of Fountain - Appletree  
 Colorado Springs, Colorado  
 Limited Tax General Obligation Bonds

CFAMD  
 Cover  
 4/9/2014

Table of Schedules

<b>Assumptions</b>	<b>25 Year, Fixed Rate Limited Tax General Obligation Bonds</b>
Preliminary as of 04/08/2014	6.50% Average Coupon
12.00 Mill Bond Levy	783 Residential Units
3.00 Mill Operating Levy	50% of full DSRF

	Par Amount	Funds Available at Close
Series 2015	\$915,000	\$800,000
Total	\$915,000	\$800,000

- 1 . Cover Page
- 2 . Schedule of Cashflows
- 3 . Residential Lot Inventory
- 4 . Residential Development
- 5 . Commercial Development
- 6 Assessed Value Summary
- 7 . 

Series 2015
Debt Service Schedule
Sources and Uses of Funds
- 8 Sources and Uses of Funds

City of Fountain - Appletree  
 Colorado Springs, Colorado  
 Limited Tax General Obligation Bonds

Schedule of Property Tax Cashflows

25 Year, Fixed Rate Limited Tax General Obligation Bonds 50% Reserve

Collection Year	Bond Levy Revenue				Specific Ownership Tax	Operating Mill Levy Revenue	Operating Expenses	Other Revenue Earnings on Surplus Funds	Total Revenue Available For Debt Service	Series 2015 Net Debt Service	Capitalized Interest	Total Net Debt Service	Debt Service Coverage	Annual Surplus/Deficit	Cumulative Surplus/Deficit
	Assessed Value	Bond Mill Levy	Mill Levy Revenue	Collection Revenue											
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
2016	4,791,919	12.00	57,216	4,005	14,304	10,000	-	61,221	-	-	174,440	0.41	61,221	61,221	
2017	5,547,369	12.00	66,236	4,636	16,559	10,025	306	71,178	174,440	-	174,440	0.41	(103,262)	(42,041)	
2018	7,090,957	12.00	84,666	5,927	21,167	10,050	-	90,593	68,371	-	68,371	1.33	22,221	(19,820)	
2019	9,077,017	12.00	108,380	7,587	27,095	10,075	-	115,966	67,721	-	67,721	1.71	48,245	28,425	
2020	10,528,717	12.00	125,713	8,800	31,428	10,100	142	134,655	67,071	-	67,071	2.01	67,584	96,008	
2021	11,957,107	12.00	142,768	9,994	35,692	10,126	480	153,242	66,421	-	66,421	2.31	86,820	182,829	
2022	14,603,259	12.00	174,363	12,205	43,591	10,151	914	187,482	75,771	-	75,771	2.47	111,711	294,540	
2023	19,589,259	12.00	233,896	16,373	58,474	10,176	1,473	251,741	84,471	-	84,471	2.98	167,270	461,810	
2024	22,749,104	12.00	271,624	19,014	67,906	10,202	2,309	292,947	82,521	-	82,521	3.55	210,426	672,235	
2025	24,342,694	12.00	290,652	20,346	72,663	10,227	3,361	314,359	85,571	-	85,571	3.67	228,787	901,022	
2026	25,230,768	12.00	301,255	21,088	75,314	10,253	4,505	326,848	83,296	-	83,296	3.92	243,552	1,144,574	
2027	25,230,768	12.00	301,255	21,088	75,314	10,278	5,723	328,066	81,021	-	81,021	4.05	247,045	1,391,619	
2028	25,735,383	12.00	307,280	21,510	76,820	10,304	6,958	335,748	83,746	-	83,746	4.01	252,002	1,643,621	
2029	25,735,383	12.00	307,280	21,510	76,820	10,330	8,218	337,008	81,146	-	81,146	4.15	255,862	1,899,483	
2030	26,250,091	12.00	313,426	21,940	78,357	10,356	9,497	344,863	83,546	-	83,546	4.13	261,317	2,160,800	
2031	26,250,091	12.00	313,426	21,940	78,357	10,382	10,804	346,170	80,621	-	80,621	4.29	265,549	2,426,349	
2032	26,775,093	12.00	319,695	22,379	79,924	10,408	12,132	354,205	82,696	-	82,696	4.28	271,509	2,697,857	
2033	26,775,093	12.00	319,695	22,379	79,924	10,434	13,489	355,563	84,446	-	84,446	4.21	271,116	2,968,973	
2034	27,310,595	12.00	326,089	22,826	81,522	10,460	14,845	363,760	80,871	-	80,871	4.50	282,888	3,251,862	
2035	27,310,595	12.00	326,089	22,826	81,522	10,486	16,259	365,174	82,296	-	82,296	4.44	282,878	3,534,739	
2036	27,856,807	12.00	332,610	23,283	83,153	10,512	17,674	373,567	83,396	-	83,396	4.48	290,170	3,824,910	
2037	27,856,807	12.00	332,610	23,283	83,153	10,538	19,125	375,018	84,171	-	84,171	4.46	290,846	4,115,756	
2038	28,413,943	12.00	339,262	23,748	84,816	10,565	20,579	383,590	84,621	-	84,621	4.53	298,968	4,414,724	
2039	28,413,943	12.00	339,262	23,748	84,816	10,591	22,074	385,084	39,382	-	39,382	9.78	345,703	4,760,427	
			6,034,748	422,432	1,508,687	333,547	190,867	6,648,047	1,887,620	0	1,887,620		4,760,427		









City of Fountain - Appletree  
 Colorado Springs, Colorado  
 Limited Tax General Obligation Bonds

Residential Development

Completion Year	Assessment Year	Collection Year	Residential Development - West of Jimmy Camp Creek											
			0%		0%		0%							
			Units	Value / Unit	Units	Value / Unit	Units	Value / Unit	Units	Value / Unit	Units	Value / Unit		
			West of Jimmy Camp Creek Parcel C		West of Jimmy Camp Creek Parcel D		West of Jimmy Camp Creek Parcel E		East of Jimmy Camp Creek Parcel F		East of Jimmy Camp Creek Parcel G		East of Jimmy Camp Creek Parcel H	
2013	2013	2014	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2014	2014	2015	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2015	2015	2016	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2016	2016	2017	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2017	2017	2018	8	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2018	2018	2019	9	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2019	2019	2020	-	300,000	28	275,000	-	175,000	30	350,000	2	325,000	-	350,000
2020	2020	2021	-	300,000	-	275,000	-	175,000	30	350,000	2	325,000	-	350,000
2021	2021	2022	-	300,000	-	275,000	-	175,000	29	350,000	1	325,000	10	350,000
2022	2022	2023	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2023	2023	2024	-	300,000	-	275,000	168	175,000	-	350,000	-	325,000	-	350,000
2024	2024	2025	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2025	2025	2026	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2026	2026	2027	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2027	2027	2028	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2028	2028	2029	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2029	2029	2030	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2030	2030	2031	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2031	2031	2032	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2032	2032	2033	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2033	2033	2034	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2034	2034	2035	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2035	2035	2036	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2036	2036	2037	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2037	2037	2038	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2038	2038	2039	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2039	2039	2040	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2040	2040	2041	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2041	2041	2042	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2042	2042	2043	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2043	2043	2044	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2044	2044	2045	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2045	2045	2046	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
2046	2046	2047	-	300,000	-	275,000	-	175,000	-	350,000	-	325,000	-	350,000
Total Units Developed			17		53		168		89		5		19	
Acres			-		-		-		-		-		-	

Residential Development - East of Jimmy Camp Creek 0% Residential Development - Golf Course North of PV 0%

East of Jimmy Camp Creek Parcel I		East of Jimmy Camp Creek Parcel J		East of Jimmy Camp Creek Parcel K		East of Jimmy Camp Creek Parcel L		East of Jimmy Camp Creek Parcel M		East of Jimmy Camp Creek Additional 25 Units		Golf Course North of PV Parcel N		Golf Course North of PV Parcel P		Residential Construction Value	Assessed Value	Cumulative Assessed Value
Units	Value / Unit	Units	Value / Unit	Units	Value / Unit	Sales	Value/ Sale	Sales	Value/ Sale	Sales	Value/ Sale	Sales	Value/ Sale	Sales	Value/ Sale			
-	325,000	-	350,000	-	200,000	-	325,000	-	375,000	-	325,000	-	400,000	-	175,000	-	-	-
-	325,000	-	350,000	-	200,000	-	325,000	-	375,000	-	325,000	-	400,000	-	175,000	-	-	-
-	325,000	-	350,000	-	200,000	-	325,000	-	375,000	-	325,000	-	400,000	-	175,000	-	-	-
-	325,000	-	350,000	-	200,000	-	325,000	-	375,000	-	325,000	-	400,000	-	175,000	-	-	-
-	325,000	-	350,000	-	200,000	-	325,000	-	375,000	-	325,000	-	400,000	-	175,000	-	-	-
-	325,000	-	350,000	-	200,000	-	325,000	-	375,000	-	325,000	-	400,000	-	175,000	-	-	-
-	325,000	-	350,000	-	200,000	-	325,000	-	375,000	-	325,000	-	400,000	-	175,000	-	-	-
20	325,000	40	350,000	30	200,000	-	325,000	-	375,000	13	325,000	-	400,000	-	175,000	-	-	-
20	325,000	40	350,000	30	200,000	-	325,000	-	375,000	13	325,000	-	400,000	-	175,000	-	-	-
19	325,000	40	350,000	-	200,000	-	325,000	-	375,000	12	325,000	-	400,000	-	175,000	-	-	-
-	325,000	40	350,000	-	200,000	-	325,000	-	375,000	16	325,000	-	400,000	-	175,000	-	-	-
-	325,000	37	350,000	-	200,000	-	325,000	-	375,000	15	325,000	-	400,000	-	175,000	-	-	-
-	325,000	-	350,000	-	200,000	-	325,000	-	375,000	-	325,000	-	400,000	-	175,000	-	-	-
59		157		30		27		46		25		60		28		231,675,000	22,835,640	783 Lots

**City of Fountain - Appletree  
Colorado Springs, Colorado  
Limited Tax General Obligation Bonds**

**Commercial Development**

Completion Year	Assessment Year	Collection Year	Parcel A Civic		Parcel B Community Center		Commercial Development Market Value	Assessed Value
			Square Feet	Value/ Sq. Ft	Square Feet	Value/ Sq. Ft		
2018	2019	2020	3,000	50	-	-	150,000	43,500
2019	2020	2021	-	50	-	-	-	-
2020	2021	2022	-	50	-	-	-	-
2021	2022	2023	-	50	25,000	75	1,875,000	543,750
<b>Total</b>			3,000		25,000		2,025,000	890,900

**City of Fountain - Appletree  
Colorado Springs, Colorado  
Limited Tax General Obligation Bonds**

**Assessed Value Summary**

Completion Year	Assessment Year	Tax Collection Year	Residential Assessed Value			Cumulative Assessed Value		
			Improved Lot Assessed Value	Residential Assessed Value	Commercial Assessed Value	Incremental AV	Growth Factor	Cumulative Assessed Value
2013	2014	2015	-	-	-	-	-	4,697,960
2014	2015	2016	-	-	-	755,450	93,959	4,791,919
2015	2016	2017	755,450	-	-	1,432,640	-	5,547,369
2016	2017	2018	395,850	1,036,790	-	1,986,060	110,947	7,090,957
2017	2018	2019	406,000	1,580,060	-	1,986,060	-	9,077,017
2018	2019	2020	(910,600)	2,137,260	43,500	1,270,160	181,540	10,528,717
2019	2020	2021	540,850	887,540	-	1,428,390	-	11,957,107
2020	2021	2022	777,200	1,629,810	-	2,407,010	239,142	14,603,259
2021	2022	2023	1,745,800	2,696,450	543,750	4,986,000	-	19,589,259
2022	2023	2024	(2,324,350)	5,092,410	-	2,768,060	391,785	22,749,104
2023	2024	2025	(308,850)	1,902,440	-	1,593,590	-	24,342,694
2024	2025	2026	(1,077,350)	1,478,570	-	401,220	486,854	25,230,768
2025	2026	2027	-	-	-	-	-	25,230,768
2026	2027	2028	-	-	-	-	504,615	25,735,383
2027	2028	2029	-	-	-	-	-	25,735,383
2028	2029	2030	-	-	-	-	514,708	26,250,091
2029	2030	2031	-	-	-	-	-	26,250,091
2030	2031	2032	-	-	-	-	525,002	26,775,093
2031	2032	2033	-	-	-	-	-	26,775,093
2032	2033	2034	-	-	-	-	535,502	27,310,595
2033	2034	2035	-	-	-	-	-	27,310,595
2034	2035	2036	-	-	-	-	546,212	27,856,807
2035	2036	2037	-	-	-	-	-	27,856,807
2036	2037	2038	-	-	-	-	557,136	28,413,943
2037	2038	2039	-	-	-	-	-	28,413,943
2038	2039	2040	-	-	-	-	568,279	28,982,222
2039	2040	2041	-	-	-	-	-	28,982,222
<b>Total Assessed Value</b>			-	<b>22,835,640</b>		<b>23,726,540</b>	<b>5,255,682</b>	<b>28,982,222</b>

Debt Service Schedule  
 \$915,000

**New Money**

Date	Principal	Interest Rate	Interest	P & I	Annual P & I	Capitalized Interest	DSRF Earnings 1.00%	Net Annual P & I
06/01/17	-	-	135,966.46	135,966.46		-	(1,037.09)	
12/01/17	10,000	6.50	29,737.50	39,737.50	175,703.96	-	(226.82)	174,440.05
06/01/18	-	-	29,412.50	29,412.50		-	(226.82)	
12/01/18	10,000	6.50	29,412.50	39,412.50	68,825.00	-	(226.82)	68,371.35
06/01/19	-	-	29,087.50	29,087.50		-	(226.82)	
12/01/19	10,000	6.50	29,087.50	39,087.50	68,175.00	-	(226.82)	67,721.35
06/01/20	-	-	28,762.50	28,762.50		-	(226.82)	
12/01/20	10,000	6.50	28,762.50	38,762.50	67,525.00	-	(226.82)	67,071.35
06/01/21	-	-	28,437.50	28,437.50		-	(226.82)	
12/01/21	10,000	6.50	28,437.50	38,437.50	66,875.00	-	(226.82)	66,421.35
06/01/22	-	-	28,112.50	28,112.50		-	(226.82)	
12/01/22	20,000	6.50	28,112.50	48,112.50	76,225.00	-	(226.82)	75,771.35
06/01/23	-	-	27,462.50	27,462.50		-	(226.82)	
12/01/23	30,000	6.50	27,462.50	57,462.50	84,925.00	-	(226.82)	84,471.35
06/01/24	-	-	26,487.50	26,487.50		-	(226.82)	
12/01/24	30,000	6.50	26,487.50	56,487.50	82,975.00	-	(226.82)	82,521.35
06/01/25	-	-	25,512.50	25,512.50		-	(226.82)	
12/01/25	35,000	6.50	25,512.50	60,512.50	86,025.00	-	(226.82)	85,571.35
06/01/26	-	-	24,375.00	24,375.00		-	(226.82)	
12/01/26	35,000	6.50	24,375.00	59,375.00	83,750.00	-	(226.82)	83,296.35
06/01/27	-	-	23,237.50	23,237.50		-	(226.82)	
12/01/27	35,000	6.50	23,237.50	58,237.50	81,475.00	-	(226.82)	81,021.35
06/01/28	-	-	22,100.00	22,100.00		-	(226.82)	
12/01/28	40,000	6.50	22,100.00	62,100.00	84,200.00	-	(226.82)	83,746.35
06/01/29	-	-	20,800.00	20,800.00		-	(226.82)	
12/01/29	40,000	6.50	20,800.00	60,800.00	81,600.00	-	(226.82)	81,146.35
06/01/30	-	-	19,500.00	19,500.00		-	(226.82)	
12/01/30	45,000	6.50	19,500.00	64,500.00	84,000.00	-	(226.82)	83,546.35
06/01/31	-	-	18,037.50	18,037.50		-	(226.82)	
12/01/31	45,000	6.50	18,037.50	63,037.50	81,075.00	-	(226.82)	80,621.35
06/01/32	-	-	16,575.00	16,575.00		-	(226.82)	
12/01/32	50,000	6.50	16,575.00	66,575.00	83,150.00	-	(226.82)	82,696.35
06/01/33	-	-	14,950.00	14,950.00		-	(226.82)	
12/01/33	55,000	6.50	14,950.00	69,950.00	84,900.00	-	(226.82)	84,446.35
06/01/34	-	-	13,162.50	13,162.50		-	(226.82)	
12/01/34	55,000	6.50	13,162.50	68,162.50	81,325.00	-	(226.82)	80,871.35
06/01/35	-	-	11,375.00	11,375.00		-	(226.82)	
12/01/35	60,000	6.50	11,375.00	71,375.00	82,750.00	-	(226.82)	82,296.35
06/01/36	-	-	9,425.00	9,425.00		-	(226.82)	
12/01/36	65,000	6.50	9,425.00	74,425.00	83,850.00	-	(226.82)	83,396.35
06/01/37	-	-	7,312.50	7,312.50		-	(226.82)	
12/01/37	70,000	6.50	7,312.50	77,312.50	84,625.00	-	(226.82)	84,171.35
06/01/38	-	-	5,037.50	5,037.50		-	(226.82)	
12/01/38	75,000	6.50	5,037.50	80,037.50	85,075.00	-	(226.82)	84,621.35
06/01/39	-	-	2,600.00	2,600.00		-	(226.82)	
12/01/39	80,000	6.50	2,600.00	82,600.00	85,200.00	-	(45,591.49)	39,381.68
	915,000		1,029,228.96	1,944,228.96	1,944,228.96	0.00	(56,608.81)	1,887,620.15

Dated	02/18/15	Average Coupon	6.500000
		NIC	6.626308
Settlement	02/18/15	TIC	6.643033
		Arbitrage Yield	6.424015
		All - In - Yield	7.162895
		Bond Years	15,834.29
		Average Life	17.31
		Accrued Interest	0.00

Sources and Uses of Funds

<b>New Money</b>
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Sources

Principal Amount of Bond Issue	915,000.00
	<hr/>
	<b>915,000.00</b>
	<hr/>

Uses

Project Fund		800,000.00
Reserve Fund	50% Of Full DSRF	45,364.67
Bond Discount		20,000.00
Cost of Issuance		45,000.00
Contingency		4,635.33
		<hr/>
		<b>915,000.00</b>
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**CASH FLOW ANALYSIS & VALUATION**

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**VI. CASH FLOW ANALYSIS & VALUATION****A. System and Specific Course Income Potentials**

Based on the previous analysis THK has prepared a cash flow projection for the Appletree facility, assuming it is re-opened and ready for play in 2016. We have allowed for operating expenses for management and utilities during 2014 and 2015 prior to the course opening. Other than the rates and charges set forth in the following table, THK has assumed that there will be an annual lease expenses for a new cart fleet and maintenance equipment. Expenses for operating the facility have been based on a review of the limited historical financials for Appletree, expenses at other facilities and our experience with similar facilities.

As shown in the following table the facility is expected to have negative cash flow for 2014, 2015 and 2016. Upon stabilization the facility should be self-supportive and provide positive net income.

# CASH FLOW ANALYSIS & VALUATION

**Table VI-1: Projected Cash Flow Operations for the Appletree Golf Facility**

YEAR	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total Rounds Played</b>											
Regulation Course	0	0	18,846	23,970	26,341	26,938	27,410	27,890	28,378	28,874	29,061
<b>Average Revenue per Round</b>											
Regulation Course	\$36.50	\$37.23	\$37.97	\$38.73	\$39.51	\$40.30	\$41.10	\$41.93	\$42.77	\$43.62	\$44.49
<b>REVENUES</b>											
<i>Green Fees/1</i>	\$0	\$0	\$362,741	\$470,588	\$527,472	\$550,230	\$571,057	\$592,671	\$615,104	\$638,385	\$655,373
<i>Food and Beverage</i>	\$0	\$0	\$129,961	\$170,253	\$192,703	\$202,989	\$212,737	\$222,954	\$233,661	\$244,883	\$253,864
<i>Merchandise</i>	\$0	\$0	\$59,982	\$78,578	\$88,940	\$93,687	\$98,186	\$102,902	\$107,844	\$113,023	\$117,168
<i>Cart Rentals</i>	\$0	\$0	\$117,646	\$152,623	\$171,072	\$178,453	\$185,208	\$192,218	\$199,493	\$207,044	\$212,553
<i>Misc/Range</i>	\$0	\$0	\$40,988	\$53,695	\$60,776	\$64,019	\$67,094	\$70,316	\$73,693	\$77,232	\$80,065
<b>Total Revenues</b>	\$0	\$0	\$711,316	\$925,737	\$1,040,963	\$1,089,379	\$1,134,282	\$1,181,061	\$1,229,795	\$1,280,567	\$1,319,022
<b>EXPENSES</b>											
<i>Water Expense</i>	\$0	\$30,000	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138	\$28,982	\$29,851	\$30,747	\$31,669
<i>Utilities</i>	\$5,000	\$45,000	\$46,350	\$47,741	\$49,173	\$50,648	\$52,167	\$53,732	\$55,344	\$57,005	\$58,715
<i>Administrative Expenses</i>	\$50,000	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275	\$57,964	\$59,703	\$61,494	\$63,339	\$65,239
<i>Pro Shop Labor</i>	\$0	\$0	\$150,000	\$154,500	\$159,135	\$163,909	\$168,826	\$173,891	\$179,108	\$184,481	\$190,016
<i>F &amp; B Labor</i>	\$0	\$0	\$84,474	\$110,664	\$125,257	\$131,943	\$138,279	\$144,920	\$151,880	\$159,174	\$165,011
<i>Golf Course Maintenance</i>	\$0	\$0	\$260,000	\$267,800	\$275,834	\$284,109	\$292,632	\$301,411	\$310,454	\$319,767	\$329,360
<i>Cost of Goods Sold</i>	\$0	\$0	\$123,463	\$161,740	\$183,068	\$192,839	\$202,100	\$211,806	\$221,978	\$232,639	\$241,170
<i>Replacement Reserves</i>	\$0	\$0	\$14,226	\$18,515	\$20,819	\$21,788	\$22,686	\$23,621	\$24,596	\$25,611	\$26,380
<b>Total Expenses</b>	\$55,000	\$125,000	\$755,013	\$839,754	\$894,445	\$928,829	\$962,792	\$998,066	\$1,034,704	\$1,072,762	\$1,107,561
<b>TOTAL OPERATING INCOME</b>	<b>-\$55,000</b>	<b>-\$125,000</b>	<b>-\$43,697</b>	<b>\$85,983</b>	<b>\$146,518</b>	<b>\$160,550</b>	<b>\$171,489</b>	<b>\$182,994</b>	<b>\$195,090</b>	<b>\$207,805</b>	<b>\$211,462</b>

<b>Assumptions</b>	<b>2014 Regulation</b>
Weighted Green Fee	\$18.50
Cart Rentals	\$6.00
Merchandise/Round	\$3.00
Range/Round	\$2.00
F&B/Round	\$6.50
Misc/Round	\$0.50
Total Revenue/Round	\$36.50
Inflation	3%

**Source: THK Associates, Inc.**

EXHIBIT E  
**ANNUAL REPORT AND DISCLOSURE FORM**  
(Sample attached)

**EL PASO COUNTY SPECIAL DISTRICTS  
ANNUAL REPORT and DISCLOSURE FORM**

1.	Name of District(s):	Appletree Recreation and Mosquito Control Metropolitan District
2.	Report for Calendar Year:	2015
3.	Contact Information	c/o Cynthia Scriven 10066 Rolling Ridge Road Colorado Springs, CO 80925
4.	Meeting Information	The second Tuesday of each month (tentative)
5.	Type of District(s)/ Unique Representational Issues (if any)	Metro District
6.	Authorized Purposes of the District(s)	Recreation and Mosquito Control
7.	Active Purposes of the District(s)	Recreation and Mosquito Control
8.	Current Certified Mill Levies a. Debt Service b. Operational c. Other d. Total	12.000 3.000 0.000 15.000
9.	Sample Calculation of Current Mill Levy for a Residential and Commercial Property (as applicable)	\$200,000 market value home \$15,928 assessed valuation x 15.000 mills = \$239.00 per year
10.	Maximum Authorized Mill Levy Caps (Note: these are maximum allowable mill levies which could be certified in the future unless there was a change in state statutes or Board of County Commissioners approvals)  a. Debt Service b. Operational c. Other d. Total	12.000 3.000 0.000 15.000
11.	Sample Calculation of Mill Levy Cap for a Residential and Commercial Property (as applicable).	N/A

12.	Current Outstanding Debt of the Districts (as of the end of year of this report)	\$910,000
13.	Total voter-authorized debt of the Districts (including current debt)	\$1,300,000
14.	Debt proposed to be issued, reissued or otherwise obligated in the coming year.	None
15.	Major facilities/ infrastructure improvements initiated or completed in the prior year	Golf Course Club House and Golf Course
16.	Summary of major property exclusion or inclusion activities in the past year.	Inclusion of 102 acres of property with approximately 732 residential units.

Reminder:

A. As per Colorado Revised Statutes, Section 32-1-306, the special district shall maintain a current, accurate map of its boundaries and shall provide for such map to be on file with the County Assessor.

B. Colorado Revised Statutes, Section 32-1-823(1), states a certificate of election results shall be filed with the County Clerk and Recorder.

\_\_\_\_\_, President

\_\_\_\_\_  
Name and Title of Respondent

\_\_\_\_\_  
Signature of Respondent

\_\_\_\_\_  
Date

RETURN COMPLETED FORM TO: El Paso County Board of County Commissioners  
Attention: Clerk to the Board  
200 South Cascade Avenue  
Colorado Springs, Colorado 80903

**\*\*NOTE:** As per CRS Section 32-1-104(2), a copy of this report should also be submitted to:

County Assessor - 27 East Vermijo, Colorado Springs, Colorado 80903

County Treasurer - 27 East Vermijo, Colorado Springs, Colorado 80903

EXHIBIT F  
**OVERALL DEVELOPMENT PLAN**





EXHIBIT G  
**OPTION AGREEMENT**

**EXHIBIT G**

**OPTION AGREEMENT**

**between**

**CITY OF FOUNTAIN,  
a Colorado municipal corporation**

**and**

**RES CO-ONE, LLC,  
a Florida limited liability company**

**dated as of \_\_\_\_\_, 2014**

## OPTION AGREEMENT

THIS OPTION AGREEMENT ("*Agreement*") is entered into as of \_\_\_\_\_, 2014 (the "*Effective Date*") between the CITY OF FOUNTAIN, a Colorado municipal corporation (the "*City*") and RES CO-ONE, LLC, a Florida limited liability company, whose address is 1725 W. Greentree Drive, Suite 114, Tempe, Arizona 85284 (the "*Company*").

### RECITALS

A. The Company is the owner of a golf course commonly known as the Appletree Golf Course located in the City of Fountain, El Paso County, Colorado, being generally depicted as Parcels Q, and R (collectively the "*Golf Course Parcel*") on the Overall Development Plan attached hereto as Exhibit A and made a part hereof (the "*ODP*").

B. The Company also owns certain real property adjacent to, and south of the Golf Course containing approximately 182 acres being generally depicted as Parcels A, B, C, D, E, F, G, H, I, J, K, L, M, N, P, and O and "Community Commons" as shown on the ODP in Exhibit A (the "*Development Parcels*").

C. The City desires to obtain an option to acquire the Golf Course Parcel, and to restore the golf course to an operating condition for public use as a golf course.

D. Prior to its acquisition of the Golf Course Parcel, the City desires to study the feasibility of such acquisition and the long term operation of the Golf Course Parcel as a public facility.

E. The City also desires to obtain the right of first offer on certain parcels of land adjacent to the Golf Course. These Parcels are designed as "Parcel N" and "Parcel P" on the ODP in Exhibit A (the "*ROFO Parcels*").

F. The Company is willing to donate the Golf Course Parcel to the City, subject to the terms and conditions of this Agreement.

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

### ARTICLE I

#### OPTION TO ACQUIRE GOLF COURSE PARCEL; CONDITIONS TO EXERCISE

**Section 1.01. Grant of Option.** The Company hereby grants to the City the right, during the Option Term and subject to the provisions hereof, and option (the "*Option*") to acquire the Golf Course Parcel on the terms and conditions contained herein.

(a) *Option Consideration.* In consideration of all of the terms, covenants and conditions set forth in this Agreement, and cash payment of \$0.00 payable by the City to the Company, the Golf Course Parcel shall be deeded to the City free and clear of all

monetary liens other than taxes and assessments for the year of Closing and subsequent years and the Permitted Exceptions (as such items are defined below) subject to the conditions hereof.

(b) *Option Term.* The option term (the “**Option Term**”) shall begin on the Effective Date and shall, unless otherwise terminated as a result of an Event of Default hereunder, expire on the date that is the earlier of the following (such date being the “**Expiration Date**”): (i) a date that the City terminates this Agreement on or before the expiration of the Feasibility Period pursuant to Section 1.03 below; or (ii) May 31, 2015.

(c) *Option Exercise; Closing Date.* The City shall exercise the Option granted hereunder by giving the Company written notice of the City’s intent to exercise the Option (the “**Option Exercise Notice**”) on or before December 1, 2014 (the “**Feasibility Objection Deadline**”). The Option Exercise Notice shall confirm a closing (the “**Closing**”) on a date that shall be a date not later than one-hundred twenty days (120) days after the date of the Option Exercise Notice (the “**Option Closing Date**”). The Feasibility Objection Deadline and the Option Closing Date may each be extended by written notice from the City to the Company, but the total aggregated extension period(s) requested by the City shall not exceed sixty (60) days. The Closing will be conducted through an escrow with the Title Insurer, whereby the Company, the City and their attorneys need not be physically present at the Closing and may deliver documents by overnight air courier or other means. Notwithstanding any provision of this Agreement to the contrary, the Closing shall not occur unless and until (i) the Company Closing Conditions set forth in Section 1.06 have been satisfied or waived in writing by the Company and (ii) the City Closing Conditions set forth in Section 1.07 have been satisfied or waived by the City.

(d) *City Authority to Advance Deadlines.* In the event that the City desires to advance any of the deadlines in this Agreement to an earlier date, it shall provide a written request to the Company, to be received no less than thirty (30) days prior to the deadline which is requested to be advanced by the City’s notice, which notice shall include confirmation of any additional later dates and deadlines which are requested to be advanced. The Company shall respond and the deadlines shall be advanced only upon written agreement between the parties by amendment to this Agreement. Notwithstanding the foregoing to the contrary and any advance of deadlines, the obligations of the Company under this Agreement shall remain subject to the satisfaction of the Company Closing Conditions set forth in Section 1.06 below.

(e) *Quarterly Update Meetings.* The parties shall meet by phone conference or in person to discuss the progress of the City’s due diligence and related matters no less than quarterly throughout the pendency of this Agreement.

**Section 1.02. Feasibility Period.** From and after the Effective Date through December 1, 2014 (the “**Feasibility Period**”), the City and its agents, contractors, engineers, surveyors, attorneys, and employees (collectively, “**Consultants**”) shall have the right to undertake the following actions (“**Inspections**”) with respect to the Golf Course Parcel at the City’s expense:

- (a) determine a business model case to support ongoing operations of the golf course, including a financing strategy, estimated revenues and expenses, market trends and return of capital;
- (b) identify outside partners and resources to fund and operate the golf course;
- (c) work with Almagre Development to secure the rights to acquire or obtain any rights for access to those portions of four (4) golf holes located south of the Golf Course Parcel for the operation of the golf course to be further developed herein;
- (d) secure access to adequate long-term water for the proper irrigation golf course prior to its acquisition of the Golf Course Parcel;
- (e) conduct and make any and all customary studies, tests, examinations, inquiries, and inspections, or investigations of or concerning such property (including, without limitation, engineering and feasibility studies, evaluation of drainage and flood plain, soil tests for bearing capacity and percolation and surveys, including topographical surveys);
- (f) confirm any and all matters which the City may reasonably desire to confirm with respect to the Golf Course Parcel and the operation as a municipal golf course; and
- (g) review the materials provided by the Company at City's sole cost and expense.

**Section 1.03. Expiration of Feasibility Period.** If the results of any of the matters referred to in Section 1.02 appear unsatisfactory to the City for any reason or if the City elects not to proceed with the transaction contemplated by this Agreement for any other reason, in the City's sole and absolute discretion, then City shall have the right to terminate this Agreement by giving written notice to that effect to Company on or before 5:00 p.m. MST on the date of expiration of the Feasibility Period. If the City exercises such right to terminate, this Agreement shall terminate. If the City elects not to terminate this Agreement on or before the expiration of the Feasibility Period as provided above, the City shall proceed to provide the Option Exercise Notice pursuant to Section 1.01(c) above.

**Section 1.04. Conduct of Investigation.** The City shall not permit any mechanic's or materialmen's liens or any other liens to attach to the Company's property by reason of the performance of any work or the purchase of any materials by through or under the City or any other party working under contract with the City in connection with any Inspections or other activities conducted by or for the City. In the event that any lien attaches to the Company's property by reason of the performance of any work performed by or on behalf of the City or the purchase of any materials by or on behalf of the City in connection with any Inspections or other activities conducted by or for the City, the City shall be responsible for payment of any and all costs associated with release of the lien(s), and the lien(s) shall be released or bonded over within thirty (30) days after notice of same is received by the City. The City shall give written notice to the Company prior to entry onto the Golf Course Parcel and shall permit Company to have a representative present during all Inspections conducted at the Golf Course Parcel. The City shall

take all reasonable actions and implement all protections necessary to ensure that all actions taken in connection with the investigations and Inspections of the Golf Course Parcel, and all equipment, materials and substances generated, used or brought onto the Golf Course Parcel pose no material threat to the safety of persons or the environment and cause no damage to the Golf Course Parcel or other property of Company or other persons. The City shall use its best efforts to prevent its Consultants from divulging such information to any unrelated third parties except as reasonably necessary to third parties engaged by the City for the limited purpose of analyzing and investigating such information for the purpose of consummating the transaction contemplated by this Agreement. The provisions of this Section 1.04 shall survive the termination of this Agreement, and if not so terminated shall survive the Closing and delivery of the Deed to the City.

### **Section 1.05. Non-Disclosure of Certain Materials.**

(a) Non-Disclosure. The Company shall provide all reports of existing inspections in its possession or reasonable control related to the physical condition of the Property, including but not limited to all environmental reports, soils reports, geologic reports, developmental studies, traffic reports, and feasibility studies, if any. The Colorado Open Records Act, C.R.S. §24-72-204 et seq., requires that the custodian of any public records allow inspection of records, unless certain exceptions apply as stated therein. Certain information to be shared with the City by the Company includes certain trade secrets, privileged information, and confidential commercial financial, geological, or geophysical data, furnished by or obtained from third parties, constituting information and documentation which can be withheld from disclosure or inspection by custodian of public records pursuant to provisions of the Colorado Open Records Act, including, but not limited to C.R.S. §24-72-204 (3)(a)(IV); or includes confidential information which the Company is required to keep confidential pursuant to its binding agreements with third parties and the provisions of C.R.S. §24-72-204 noted herein. The City and Company shall review the materials together and if it qualifies for confidential treatment they City and Company shall execute a non-disclosure agreement prior to exchange of the information, and the City shall use best efforts to maintain the information as proprietary and confidential to the extent allowed by law.

(b) No Representations by Company. In providing such information and materials to the City, the Company makes no representation or warranty, express, written, oral, statutory, or implied, and all such representations and warranties are hereby expressly excluded and disclaimed. Any information and materials provided by Company to the City under the terms of this Agreement is for informational purposes only and, together with all third-party reports, shall be returned by the City to Company if this Agreement is terminated for any reason. The City shall not in any way be entitled to rely upon the accuracy of such information and materials. The City recognizes and agrees that the materials and other documents and information delivered or made available by Company pursuant to this Agreement may not be complete or constitute all of such documents which are in Company's possession or control, but are those that are readily available to Company after reasonable inquiry to ascertain their availability. The City will not rely on such materials or other documents as being a complete and accurate source of information with respect to the Golf Course Parcel, and will instead in all

instances rely exclusively on its own Inspections and Consultants with respect to all matters which it deems relevant to its decision to acquire, own and operate the golf course. Notwithstanding the foregoing and all of the remaining terms of this Agreement, however, Company represents that to its knowledge and except as disclosed to the City and noted below, as of the Effective Date no written notices have been received by the Company from the Colorado Department of Public Health and Environment or from any local, county, state or federal governmental agency regarding any material violation of law relating to the Golf Course Parcel ("Notice"). If any such Notice(s) are received prior to Closing, Company agrees to disclose the same, in writing, to the City promptly upon receipt thereof. Upon the receipt of any Notice, the Company may elect to cure any such violation in its sole discretion and shall have a period of thirty (30) calendar days in which to correct and cure the defect. The Option Closing Date shall be extended by thirty (30) days for each Notice which is received by the Company. However, in the event the defect is not cured within the thirty (30) day period or if the either the City or the Company elects not to cure any such violation, the Company shall be allowed to terminate this Agreement. The City acknowledges that the Company has received notice from the Colorado Department of Health that the temporary fuel tank closure status for fuel tanks on the Golf Course Parcel has expired and that the Company has applied for an extension of such closure status.

**Section 1.06. Company Conditions to Closing.** Without limiting any of the rights of the Company elsewhere provided for in this Agreement, the Company's obligation to close with respect to conveyance of the Golf Course Parcel under this Agreement shall be contingent, subject to and conditioned upon the fulfillment of each and all of the following conditions precedent (the "**Company Closing Conditions**"), all to be fulfilled in a manner satisfactory to the Company in its sole and absolute discretion, within the timelines set forth below:

(a) the Golf Course Parcel shall be legally subdivided from Parcels N, O and P, as set forth in Section 2.01 below and a public roadway for full access to Parcels N, O and P shall have been dedicated in connection with such subdivision and fee title to a roadway through Parcel Q shall be reserved by the Company for access to Parcel N and such roadway shall not be included as part of the Golf Course Parcel;

(b) if supported by existing or new traffic studies, the City shall have approved the development and subdivision of the parcels comprising Phase I (Parcels C, D and E) as shown on the ODP without the requirement of the prior construction Mesa Ridge Parkway and the collector street to the north (known as Sandtrap Drive) into said Phase I parcels by amendment to the ODP and the Appletree Restated Annexation to provide for the development of Parcels C, D and E without the requirement of the construction of such roads;

(c) in the event that Parcel O is included as part of the Golf Course Parcel, the ODP and related development agreements shall be amended to allow for an additional 24 residential units to be built on other portions of the Development Parcels, such as the "Community Commons" parcel;

(d) the City shall have acquired permanent access or property rights to the land comprising portions of the four (4) additional golf holes located south of the Golf Course Parcel from the current owner thereof for use as part of the golf course contingent upon Closing;

(e) the City shall have acquired access to long-term water use rights to properly irrigate the Golf Course, contingent upon Closing;

(f) the City shall have acquired financing arrangements to pay for the ongoing expenses of ownership, upgrades, repairs, maintenance, and operation of the Golf Course, contingent upon Closing;

(g) the Company and the City shall have executed and delivered the Golf Course Operating Agreement as described in Section 2.02 below and all other documents contemplated herein; and

(h) the City Council shall have approved the Golf Course Operating Agreement and the other agreements and plans described herein.

The Company shall have the right to terminate this Agreement upon written notice to the City if the conditions set forth in subsections 1.06 (a), (b), (c), (d), (e), and (f) above are not satisfied on or before the later of the Feasibility Objection Deadline or December 1, 2014. The Company shall also have the right to terminate this Agreement upon written notice to the City if the conditions set forth in subsections 1.06(g) and 1.06(h) above are not satisfied on or before the Option Closing Date. If any of the foregoing Company Closing Conditions set forth in Section 1.06 are not satisfied prior to the dates for each condition set forth hereinabove to the satisfaction of the Company, and the Company fails to provide written notice of its termination of the Agreement based on the failure of the condition(s), the Company shall be deemed to have irrevocably waived its right to terminate this Agreement under this Section 1.06 and the Company shall proceed to prepare for Closing on the scheduled Closing Date in accordance with the terms of this Agreement. Notwithstanding the waiver by the Company of its right to terminate this Agreement due to the failure of the conditions as provided above, the City shall be remain obligated to perform its covenants under this Agreement (including, without limitation, the City's obligations under Section 2.01 below and the execution and delivery of the Golf Course Operating Agreement) and the waiver by the Company of its right to terminate this Agreement due to the failure of any such conditions as provided herein shall not constitute a waiver of a default under this Agreement.

**Section 1.07. City Conditions of Closing.** Without limiting any of the rights of the City elsewhere provided for in this Agreement, the City's obligation to close under this Agreement shall be contingent, subject to and conditioned upon the fulfillment of each and all of the following conditions precedent (the "*City Closing Conditions*"), all to be fulfilled in a manner satisfactory to the City in its sole and absolute discretion:

(a) the City shall have acquired permanent access or property rights to the land comprising portions of the four (4) additional golf holes located south of the Golf

Course Parcel from the current owner thereof for use as part of the golf course contingent upon Closing;

(b) the City shall have acquired access to long-term water use rights to properly irrigate the Golf Course, contingent upon Closing;

(c) the City shall have acquired financing arrangements satisfactory to the City to pay for the ongoing expenses of ownership, upgrades, repairs and maintenance, and operation of the Golf Course, contingent upon Closing;

(d) the City Council shall have approved the Golf Course Operating Agreement and the other agreements and plans described herein; and

(e) the Company and the City shall have executed and delivered the Golf Course Operating Agreement as described in Section 2.02 below.

In the event that the City Closing Conditions have not been satisfied or waived on or before the Option Closing Date, then the City shall have the right by delivering written notice to the Company on or before ten (10) days prior to the Option Closing Date, to extend the Option Closing Date for a period (as the same may be specified by the City) reasonably necessary to complete the Closing Conditions to a date no later than the Option Closing Date (as may be extended pursuant to Section 1.01(c)) in order to cause the City Closing Conditions to be satisfied. If any of the foregoing City Closing Conditions set forth in Section 1.07 are not met prior to the Option Closing Date (as may be extended pursuant to Section 1.01(c)), the City shall either (a) waive any of the foregoing conditions (to the extent such condition can be waived under applicable laws) and proceed to Closing on the schedule Closing Date, or (b) terminate this Agreement effective as of the Option Closing Date (as may be extended pursuant to Section 1.01(c)).

**Section 1.08. Closing Matters.** In the event that the City exercises the Option pursuant to the terms hereof, the parties agree to: (i) standard proration of all taxes, utilities and assessments, if any which shall be considered final; (ii) payment of their respective customary closing costs and to share equally and fees for real estate closing services provided by Land Title Guaranty Company (the "***Title Company***"); and (iii) complete all customary or reasonably required documents at or before Closing. The parties further agree that: (a) the City shall bear all responsibility for payment of documentary fees; and (b) the Golf Course Parcel shall be conveyed by a Bargain and Sale Deed, subject only to the Permitted Exceptions (statutory form in accordance with CRS § 38-30-115). The City's possession of the Golf Course Parcel will occur at Closing. The Golf Course Parcel shall be subject to all other easements, plats and related matters created on the Golf Course Parcel with approval of the Company and pursuant to its obligations under the Closing Conditions, to be approved in writing between the parties no later than sixty (60) days after the Feasibility Objection Deadline (the "***Related Agreements Deadline***"), as it may be extended under Section 1.03 of this Agreement. The Company shall provide to the City (at the City's expense) the following in connection with the Golf Course Parcel:

(a) Title Commitment. No later than thirty (30) days after the Effective Date, the Company shall cause the Title Company to provide a current option title insurance commitment (the “**Option Title Commitment**”) to the City, together with legible copies of all instruments referred to therein (or electronic links to such documents) (the “**Title Documents**”) committing to issue a standard A.L.T.A. option title insurance policy issued by the Title Company to the City in an amount equal to the reasonable fair market value of the Golf Course Parcel as reasonably determined by the parties, insuring good and marketable title in fee simple to the Golf Course Parcel in the Company subject only to: (i) current non-delinquent general real property taxes, and (ii) existing easements, rights-of-way, restrictions and other title matters. The foregoing items (i) and (ii) are herein referred to as the “Permitted Exceptions”. All items listed on the Option Title Commitment shall be deemed to be Permitted Exceptions unless the City notifies the Company as provided in Section 1.07(c). Within thirty (30) days after the Company’s receipt of the Option Exercise Notice, the City shall obtain and deliver to the Company updated title insurance commitment on the Golf Course Parcel. The Title Commitment will commit to insure title to the Golf Course Parcel in the name of the City, subject only to the Permitted Exceptions, the deed restrictions described above and such other title exceptions as approved by the City in its reasonable discretion and such other matters created by, through or under the City in connection with this Agreement and the subdivision of the Golf Course Parcel from other land owned by the company as approved by the Company. The City shall be responsible for obtaining the title policy after the Closing at its expense.

(b) Tax Certificate. The City shall be responsible for obtaining and delivering to the Company a certificate of taxes due covering the Golf Course Parcel prepared by the Treasurer of El Paso County, Colorado, and an updated certificate of taxes due covering the year of the Golf Course Parcel Closing.

(c) Defects of Title. The City shall have the right to object to any defect of title which appears in the Title Documents and which renders title to the Golf Course Parcel unmerchantable or which makes the Golf Course Parcel unsuitable for the City’s intended use as a golf course (a “**Defect of Title**”). Any objection to a defect of title must be in writing and must be received by the Company no later than thirty (30) days after City’s receipt of all the Title Documents (the “**Title Objection Deadline**”). The City’s failure to provide the Company with written notice of an objection to any title matter appearing in a Title Document within the Title Objection Deadline shall be deemed to be a waiver by the City of any objection it might otherwise have; and all such waived or approved title matters shall become the Permitted Exceptions. If the Company receives timely written notice from the City of a Defect of Title, the Company shall, at its option, (a) notify the City that it does not intend to cure such Defect of Title, (b) correct or cure the Defect of Title, or (c) obtain title insurance over the Defect of Title through title policy endorsement or otherwise at the City’s expense, but no expense shall be incurred without prior written consent from the City. If, notwithstanding anything herein to the contrary, the Company is unable to cure or insure over a Defect of Title shown in the Title Commitment to the satisfaction of the City in its sole and absolute discretion, within thirty (30) days after the Company receives the City’s notice of Defect of Title (the “**Title Resolution Deadline**”), the City shall have the right to terminate this Agreement, and

each party shall be released from any further obligations thereunder. If the Company elects to cure any Defect of Title, the Company shall have a reasonable period of time after the Company's receipt of the City's notice of such Defect of Title in which to cure such Defect of Title unless otherwise agreed to by the parties. If the Company fails to respond to the City's notice of a Defect of Title on or before the Title Resolution Deadline, the Company shall be deemed to have elected not to cure the Defect of Title. If the City elects to terminate this Agreement, neither party shall have any further obligation hereunder except for the duties set forth in Section 2.05 herein. If the City elects to waive its objection to the Defect of Title, the title matter objected to shall thereafter be considered a "Permitted Exception." If at any time after the expiration of the Title Objection Deadline, any update to the Title Commitment or Survey discloses any additional item that materially adversely affects title to the Golf Course Parcel which was not disclosed on any version of or update to the Title Commitment delivered to the City or not contemplated under this Agreement (the "*New Exception*"), the City shall have a period of fifteen (15) days from the date of its receipt of such update (the "*New Exception Review Period*") to review and notify the Company in writing of the City's approval or disapproval of the New Exception. If the City fails to approve or disapprove of any New Exception, such New Exception shall be deemed to be a Permitted Exception. If the City disapproves of the New Exception, the Company may, in the Company's sole discretion, notify the City as to whether it is willing to cure the New Exception. If the Company elects to cure the New Exception, the Company shall be entitled to reasonable adjournments of the Closing Date to cure the New Exception, not to exceed sixty (60) days in the aggregate. If the Company fails to deliver a notice to the City within fifteen (15) days after the expiration of the New Exception Review Period, the Company shall be deemed to have elected not to cure the New Exception. If the City is dissatisfied with the Company's response, or lack thereof, the City may, as its exclusive remedy elect either: (i) to terminate this Agreement, or (ii) to waive the New Exception and proceed with the transactions contemplated by this Agreement, in which event the City shall be deemed to have approved the New Exception. If the City fails to notify the Company of its election to terminate this Agreement in accordance with the foregoing sentence within thirty (30) days after the expiration of the New Exception Review Period, the City shall be deemed to have elected to approve and irrevocably waive any objections to the New Exception.

(d) Possession. Possession of the Golf Course Parcel as platted and subdivided in accordance with the provisions of Section 2.01 below shall be delivered to the City on the Closing Date.

(e) Survey. The Survey to be prepared under Section 2.01(a) shall be updated to reflect any New Exception if deemed to be appropriate by either party or the Title Company.

**Section 1.09. "As Is" Conveyance.** With the exception of the requirements under 1.05 (b) and 1.08 and satisfaction of the Company Closing Conditions and the City Closing Conditions (the Company Closing Conditions and the City Closing Conditions are collectively referred to herein as the "*Closing Conditions*"), the Company shall convey the Golf Course Parcel to the City in an "AS IS", "WHERE-IS" and "with all faults" condition without

representation or warranty. The Option Price and the terms and conditions set forth herein are the result of arm's-length bargaining between entities familiar with transactions of this kind, and said price, terms and conditions reflect the fact that the City shall have the benefit of, but is not relying upon, any information provided by the Company or statements, representations or warranties, express or implied, made by or enforceable directly against the Company, including, without limitation, any relating to the value of the Golf Course Parcel, the physical or environmental condition of the Golf Course Parcel, any state, federal, county or local law, ordinance, order or permit; or the suitability, compliance or lack of compliance of the Golf Course Parcel with any regulation, or any other attribute or matter of or relating to the Golf Course Parcel. The City agrees that Company shall not be responsible or liable to the City for any defects, errors or omissions in any materials or information provided by the Company, or on account of any conditions affecting the Golf Course Parcel. Subject to the foregoing, the City, its successors and assigns, and anyone claiming by, through or under the City, hereby fully releases the Company from, and irrevocably waives its right to maintain, any and all claims and causes of action that it or they may now have or hereafter acquire against Company with respect to any and all Losses arising from or related to any defects, errors, omissions in any reports, surveys, documents or other items relating to the Golf Course Parcel or any portion thereof (collectively, the "**Materials**") or other conditions affecting the Golf Course Parcel. The City represents and warrants that, as of the date hereof and as of the Closing Date, it has and shall have reviewed and conducted such independent analyses, studies (including, without limitation, environmental studies and analyses concerning the presence of lead, asbestos, water intrusion and/or fungal growth and any resulting damage, PCBs and radon in and about the Golf Course Parcel), reports, investigations and inspections as it deems appropriate in connection with the Golf Course Parcel. If the Company provides or has provided any documents, summaries, opinions or work product of consultants, surveyors, architects, engineers, title companies, governmental authorities or any other person or entity with respect to the Golf Course Parcel, the City and Company agree that the Company has done so or shall do so only for the convenience of both parties, the City shall not rely thereon and the reliance by the City upon any such documents, summaries, opinions or work product shall not create or give rise to any liability of or against the Company. The City acknowledges and agrees that no representation has been made and no responsibility is assumed by Company with respect to current and future applicable zoning or building code requirements or the compliance of the Golf Course Parcel with any other laws, rules, ordinances or regulations, the financial earning capacity or expense history of the Golf Course Parcel, the continuation of contracts, continued use levels of the Golf Course Parcel, or any part thereof. The City hereby releases Company from any and all claims and liabilities relating to the matters set forth in this Section.

**Section 1.10. Duration of Option Right.** The Option and this Agreement shall terminate automatically on the Expiration Date. No further documentation shall be deemed necessary to terminate the City's rights under this Agreement in the event that the City fails to exercise such Option or in the event that this Agreement is otherwise terminated; provided however, the parties agree to execute any termination documentation deemed reasonably necessary by the Company to confirm termination of the rights of the City under this Agreement.

**Section 1.11. No Assignment.** The rights granted to the City hereunder are personal to the City and shall not be assignable to any third party without the prior written consent of the Company. Notwithstanding anything herein to the contrary, Company consent is hereby given

for an assignment of this Agreement to any non-profit, quasi-governmental or governmental entity which will covenant to operate the Golf Course Parcel as a public golf course in which the City has a continued role in management or oversight activities; provided, that any such entity shall fully assume the City's obligations under this Agreement and the City shall not be released from its obligations under this Agreement. Further, the City shall not assign or delegate its obligations hereunder; provided, however, that the City may assign or transfer or contract the ownership, operation or financing responsibilities for the golf course to one or more profit or non-profit, governmental or quasi-governmental entit(ies) established for the purposes described herein, at the City's election; provided, that any such entity shall fully assume the City's obligations under this Agreement and the City shall not be released from its obligations under this Agreement.

## ARTICLE II

### SURVEY AND OPERATIONS AGREEMENTS

**Section 2.01. City's Survey Obligations.** On or before the earlier of the Option Closing Date (as it may be extended under Section 1.01(c) above or specific deadlines as may be specified in this Section 2.01), the City shall, at its sole cost and expense, complete the following activities for the Golf Course Parcel:

(a) Survey of the Golf Course Parcel. On or before May 1, 2014 (the "**Survey Deadline**"), unless the City extends the Survey Deadline by up to thirty (30) days by written notice to the Company, the City shall be responsible for providing a ALTA/ACSM Land Title Survey (2006 Standard) at the City's sole cost and expense, prepared by a licensed Colorado surveyor, which shall include the items specified below (the "**Survey**") showing the size and configuration of the Golf Course Parcel. The Survey shall contain the legal description of the Golf Course Parcel and shall show the bearings and distances of all boundary lines, all improvements thereon, all easements and other title matters encumbering or appurtenant thereto, the location of all dedicated public rights-of-way adjacent thereto, any encroachments onto or off of the Golf Course Parcel, the Federal and City flood zone designation, and any other matters that would be disclosed by an accurate survey. The Survey shall contain the certification of the surveyor sufficient for deletion of the standard survey exception from the Title Commitment, and shall be certified to the City, the Company and their respective successors and assigns. The Company shall have forty-five (45) days after delivery thereof by the City to approve such Survey or propose to the City in writing any changes requested by the Company, which the parties shall endeavor in good faith to resolve within fifteen (15) days after receipt of notice of such changes from the Company. The Company's approval of the proposed Survey shall not be unreasonably withheld or delayed. The zone classification for the Golf Course Parcel shall remain in its current classification in effect upon the Effective Date, and shall permit a golf course to be located and operated thereon. The City shall be responsible for the site planning and subdivision process and subsequent development obligations pertaining to the Golf Course Parcel.

(b) Utility Service. The City shall, at its expense, be responsible for extending any water, irrigation, natural gas, sanitary sewer, electric, telephone and cable television utility lines (the “*Utility Lines*”) from their current locations to a new/platted boundary line of the Golf Course Parcel, in accordance with applicable local laws, including then existing building regulations and fire codes. The City shall also be responsible for obtaining or providing any easements as may be necessary for extending the utility lines to the Golf Course Parcel which are required in the City’s sole discretion for operation of the golf course. The City will be solely responsible for making arrangements with the applicable utility provider to extend the utility lines (including water lines) within the boundaries of the Golf Course Parcel and to provide service to meet the needs of the operation of the golf course. The City shall be responsible for obtaining telephone and cable television lines and service for the Golf Course Parcel, if applicable. The Company shall cooperate in good faith to grant reasonable utility easements across Company property adjacent to the Golf Course Parcel at no additional cost to the City; provided, that any such utility or access easements shall not unduly restrict, limit or otherwise adversely affect the development of the Company’s land, decrease the amount of the Company’s developable land or restrict vehicular and pedestrian access to any portion of such land.

(c) Streets. Access to the Golf Course Parcel will be provided via access as shown on the Survey or based on subsequent agreements between the parties. The Company shall work with the City in good faith to provide necessary easements or rights of way to provide access over and across real property owned or controlled by the Company; provided, that any such utility or access easements shall not restrict, limit or otherwise adversely affect the development of the Company’s land or decrease the amount of the Company’s developable land or restrict vehicular and pedestrian access to any portion of such land. The City will construct access and maintenance road(s) to the Club House at its sole cost and expense, but this construction shall not be required to public right of way specifications. At such time that the Company elects to develop its residential parcels adjacent to the Golf Course Parcel, the Company shall be solely responsible for upgrades to any access roads connecting to the boundaries of the Golf Course Parcel, including construction of entryways, driveways and streets, curb cuts, and sidewalks required to comply with City subdivision and zoning ordinances and regulations to the extent necessary to provide access to developed residential Parcels adjacent to the Club House. Notwithstanding the foregoing, however, the Company and the City agree to review the existing development plan based on an updated traffic study to determine appropriate access requirements during the ODP review process anticipated in Section 1.06 of this Agreement.

(d) Club House. The City shall be responsible for the refurbishment and completion of the Club House (including, without limitation, the bar, restaurant and pro-shop) and improvements related to the Club House when the funds are available but in no event later than December 31, 2016. The City shall also be responsible for completion of the parking lot improvements around the Club House.

(e) Cooperation. The City and the Company shall cooperate with one another in a reasonable manner to the end that the Option Closing Date occurs as contemplated

by this Agreement. All approvals required to be obtained by either party pursuant to this Agreement shall be sought in a reasonable manner and acted upon diligently and expeditiously. Each party shall use its good faith efforts to satisfy all the conditions to its performance of this Agreement. The City shall have the sole responsibility to perform all site planning activities (and shall bear all costs therefor) in connection with the Golf Course Parcel and approval process for the operation of the golf course within the boundaries of the Golf Course Parcel

(f) Company Development Work. Notwithstanding any provision of this Agreement to the contrary, this Agreement shall not be read to create any new timelines or obligations for the Company to commence any land development, infrastructure, construction or any other work until such time that the Company elects to develop the Development Parcels on a phase-by-phase basis and after the recording of a residential plat for the respective phase, in accordance with applicable ordinances, laws, and regulations.

**Section 2.02. Golf Course Operation Agreement.** As a condition to the Closing, and contingent upon Closing, and no later than February 1, 2015, the City and the Company will enter into an agreement (the “*Golf Course Operating Agreement*”) incorporating the parties’ goal for the City to rehabilitate and re-opening the golf course on the Golf Course Parcel. The parties desire to re-open the Golf Course no later than May 15, 2016. This date shall be extended automatically if any of the other dates and deadlines set forth herein are extended or delayed. Under the Golf Course Operating Agreement the City will agree to use best efforts to maintain and operate the course, or to convey it to an entity which will use best efforts to maintain and operate the course, in a manner which is consistent with the quality of municipal courses within the region. In addition, the Golf Course Operating Agreement shall require the City to maintain access to the four additional golf holes located south of the Golf Course Parcel and maintain access to a long-term water supply for the irrigation of the Golf Course. The parties agree to cooperate in good faith in preparing the Golf Course Operating Agreement and such agreement shall not be binding until executed by both parties. The final Golf Course Operating Agreement shall contain such additional provisions as are customary and shall be subject to the review and approval by the parties. The parties will identify and describe the order and uses of the Endowment (as defined in Section 2.04 below) in the Golf Course Operating Agreement. In the event that the City determines that it is not feasible to continue operation of a golf course within ten (10) years after the Closing, the City shall provide written notice to the Company, and upon response by the Company the parties shall meet to discuss alternatives in order to maintain operation of the golf course, including, but not limited to operation or lease by an entity chosen and supported by the Company. In the event that the parties cannot reach a mutually acceptable resolution for the operation of the Golf Course and the Company (or its designee) does not elect to take over the operation of the Golf Course, the Golf Course Parcel shall, at the sole cost and expense of the City, be adapted for use as open space; provided, that any such use shall not be unduly detrimental to the use, development or economic value of the Development Parcels.

**Section 2.03. Maintenance Pending Closing.** The parties agree that the City shall have the right, but not the obligation, to continue to conduct mowing operations on a 50-foot strip between existing homes and right of way, mosquito control fogging and weed reduction on the Golf Course (“*City Maintenance Activities*”), to avoid damage and risks to surrounding

properties from and after the Effective Date, pending Closing. The Company shall pay for the mosquito larvicide up to \$5,000 per year.

**Section 2.04. Endowment and Down Payment.** Upon Closing, the Company shall pay to the City the sum of ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00 U.S.) ("**Endowment**") in good funds to be used to assist with the development and initial operations of the golf course. Any restrictions on the holding and use of such funds shall be included in the Golf Course Operating Agreement. The City and Company shall also determine a portion of the Endowment, not to exceed \$100,000, no later than sixty (60) days after the Effective Date ("**Down Payment**") based on a line-item budget to be prepared by the City and approved by the Company to be used for the City's due diligence requirements. The Down Payment shall be paid to the City to be kept in a separate account and used by the City in accordance with mutually agreed schedule of payment of the actual and reasonable actual out-of-pocket expenses of the City incurred prior to Closing, including the costs to prepare the Feasibility Study or perform any of its due diligence anticipated under this Agreement as such costs are incurred and subject to the approved budget. Any change to a line item expense amount in the budget for the Down Payment in excess of 5% shall require the prior written approval of the Company. Neither the Down Payment nor any other funds of the Endowment shall be used for attorneys' fees, court costs or any other legal expenses in connection with the preparation and enforcement of this Agreement or the Golf Course Operating Agreement or obligations under said agreements. The amount of the Endowment payable at Closing shall be reduced by the amount of the Down Payment paid to the City. In the event that this Agreement is terminated prior to Closing, any amounts remaining in the separate account held by the City which are not yet allocated to expenses actually incurred by the City shall be returned to the Company.

**Section 2.05. Right of First Offer.** As a condition to Closing, the parties will enter into an agreement for the right of first offer for land including all or portions of Parcels N and P as shown on the ODP in Exhibit A (the "**ROFO Parcels**") no later than the Feasibility Objection Deadline. The parties agree to determine the area of the ROFO Parcels to be identified on the Survey. The right of first offer shall not be assignable by the City without the consent of the Company and it shall expire on December 1, 2016. The Endowment funds shall not be used to purchase the ROFO Parcels.

**Section 2.06. Parcel O Matters.** The parties agree that Parcel O as shown on the ODP in Exhibit A will not be included in the Golf Course Parcel unless, on or before the Feasibility Objection Deadline, the ODP and Restated Annexation Agreement are amended to the Company's satisfaction to allow an additional 24 residential units to be platted and constructed in other Development Parcels such as the Community Commons, contingent upon Closing. If the ODP and Restated Annexation Agreements are so amended on a timely basis, the Golf Course Parcel will include Parcel O.

**Section 2.07. Special District.** In the event that the City or its designees decide to form a quasi-governmental special district solely for financing of ownership and operational costs, upon Closing the Company shall execute such documents as reasonably necessary to cause the Development Parcels which lie near or adjacent to the Golf Course Parcel, to be included in the special district and bound by requirements encumbering all included properties. The parties shall enter into a mutually acceptable binding written agreement related to procedures for inclusion of

these properties on or before the Development Approval Notice deadline; provided, that the properties shall not be included within any special district until Closing. The terms of any special district financing or any obligations, liens, tax assessments or restrictions affecting the land owned by the Company shall be subject a mill levy applicable to the Development Parcels not to exceed 15 mills. The Company shall not be responsible for the cost of the formation of any such special district; however, all or a portion of the costs may be financed through the bond(s) or other financing acquired through formation of the special district.

**Section 2.08. Reimbursement of Costs Upon Termination.** In the event that the Company does not elect to exercise its right to terminate this Agreement under Section 1.06 above and the Company fails to close after the City has provided notice of intent to proceed from and after the Feasibility Objection Deadline and the City is not in breach of this Agreement, the Company shall owe and reimburse the City it's reasonable actual out of pocket professional and contractor fees and election costs to the extent incurred by the City up to the amount of the Down Payment, which sums shall be payable within thirty (30) days after the termination or failure to close by the Company. The City shall provide paid receipts to the Company for any reimbursable amounts as a condition to reimbursement under this Section 2.08. In addition, and without waiving any rights to the foregoing, upon an uncured default by the Company, the City shall be entitled to specific performance of all of the Company's duties set forth herein as set forth in Section 3.02 below. The covenants set forth in this Section 2.08 shall survive the expiration or termination of this Agreement.

### ARTICLE III

#### EVENTS OF DEFAULT

**Section 3.01. City Default.** If the Company believes that the City is in default of any of the City's obligations hereunder, the Company may give the City written notice of default. If the City does not cure such default or begin to cure such default within thirty (30) days after receipt of such notice (which, if the City has begun curative measures within such 30 days, the City shall have a reasonable time not to exceed 60 days to complete such measures), or, if the default cannot reasonably be cured within a thirty (30) day period or if the City has not begun to take curative action or is not diligently pursuing completion of such curative action, then the Company may terminate this Agreement upon written notice to the City and the parties shall have no further obligations under this Agreement and the City shall not be entitled to any reimbursement of its costs pursuant to Section 2.08 above. Notwithstanding the foregoing, however, the Company shall not seek or be entitled to recovery any special, consequential, punitive, speculative or indirect damages, all of which the Company specifically waives, from the City for any breach by the City of its covenants or obligations set forth herein.

**Section 3.02. Company Default.** If the City believes that the Company is in default of any of the Company's obligations hereunder, the City may give the Company written notice of default. If the Company does not cure such default or begin to cure such default within thirty (30) days after receipt of such notice (which, if the Company has begun curative measures within such 30 days, the Company shall have a reasonable time to complete such measures), or, if the default cannot reasonably be cured within a thirty (30) day period and the Company has not begun to take curative action or is not diligently pursuing completion of such curative action,

then the City may as its sole remedies for such default (i) terminate this Agreement or (ii) bring an action for specific performance, in addition to the remedies set forth in Section 2.08 above. Notwithstanding the foregoing, however, the City shall not seek or be entitled to recover any special, consequential, punitive, speculative or indirect damages, all of which the City specifically waives, from the Company for any breach by the Company of its covenants or obligations set forth herein. THE COMPANY AND THE CITY FURTHER AGREE THAT THIS SECTION 3.02 IS INTENDED TO AND DOES LIMIT THE AMOUNT OF DAMAGES DUE THE CITY AND THE REMEDIES AVAILABLE TO THE CITY, AND SHALL BE THE CITY'S EXCLUSIVE REMEDY AGAINST THE COMPANY, BOTH AT LAW AND IN EQUITY ARISING FROM OR RELATED TO A BREACH BY THE COMPANY OF ITS COVENANTS OR ITS OBLIGATION TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THIS CONTRACT. UNDER NO CIRCUMSTANCES MAY THE CITY SEEK OR BE ENTITLED TO RECOVER ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, SPECULATIVE OR INDIRECT DAMAGES, ALL OF WHICH THE CITY SPECIFICALLY WAIVES, FROM THE COMPANY FOR ANY BREACH BY THE COMPANY, OF ITS COVENANTS OR ITS OBLIGATIONS UNDER THIS CONTRACT. THE CITY SPECIFICALLY WAIVES THE RIGHT TO FILE ANY LIS PENDENS OR ANY LIEN AGAINST THE PROPERTY UNLESS AND UNTIL IT HAS IRREVOCABLY ELECTED TO SEEK SPECIFIC PERFORMANCE OF THIS CONTRACT AND HAS FILED AND IS DILIGENTLY PURSUING AN ACTION SEEKING SUCH REMEDY.

**Section 3.03. Legal Expenses.** In the event that either party hereto shall bring legal action against the other party to enforce the provisions of this Agreement, then the prevailing party shall be entitled to reimbursement from the other party for all costs and expenses thus incurred, including reasonable attorneys' fees; provided, that no portion of the Endowment (including the Down Payment) may be used for the City's legal fees, court costs or litigation expenses. Notwithstanding the foregoing, however, the City's obligation for any attorney's fees and costs shall be subject to the limitations imposed by Colorado law and further subject to appropriation by the City Council of Fountain, Colorado.

**Section 3.04. No Waiver of Governmental Immunity.** No term or condition of this Agreement shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions of the Colorado Governmental Immunity Act, CRS §24-10-101 et seq., or the Federal Tort Claims Act, 28-U.S.C. §§1346(b) and 2671 et seq., as applicable now or hereafter amended.

## ARTICLE IV

### MISCELLANEOUS

**Section 4.01. Waiver.** No waiver by the parties hereto of any default or breach of any term, condition or covenant of this Agreement shall be deemed to be waiver of any subsequent default or breach of the same or any other term, condition or covenant contained herein. No waiver shall be deemed to have been given except if same be in writing.

**Section 4.02. Entire Agreement.** This Agreement, and the Exhibit attached hereto and forming a part hereof, set forth all the covenants, promises, agreements, conditions and

understandings between the City and the Company concerning the Golf Course Parcel and there are no covenants, promises, agreements, conditions or understandings, either oral or written between them other than are herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the City or the Company unless reduced to writing and signed by them.

**Section 4.03. No Personal Liability.** The City acknowledges that this Agreement is entered into by the Company which is a Florida limited liability company and the City agrees that no officers, employees, shareholders, agents or contractors of the Company shall have any personal liability under this Agreement or any document executed in connection with the transactions contemplated by this Agreement. The parties acknowledge and agree that Kutak Rock LLP has provided legal services to the City of Fountain from time to time, and may do so during the pendency of this Agreement, related to bond matters, quasi-governmental entities, and related matters.

**Section 4.04. Notices.** Any and all notices required or which either party herein may desire to give to the other (each, a “*Notice*”) shall be made in writing and shall be given by certified or registered mail, postage prepaid, return receipt requested, or by a nationally recognized overnight courier, such as Federal Express or Airborne Express, or by personal service, or by electronic facsimile with proof of receipt, and shall be deemed to be given on the third business day after the date of posting in a United States Post Office or branch post office or one day after delivery to the overnight courier, or upon effecting personal service or delivery by facsimile, and shall be delivered to the City and the Company as follows:

to the Company: REC CO-ONE, LLC  
c/o Rialto Capital  
1725 W. Greentree Drive, Suite 114  
Tempe, AZ 85284  
Facsimile: (480) 770-4090

with a copy to: Kutak Rock LLP  
1801 California Street, Suite 3000  
Denver, CO 80202  
Attn: Stephen J. Ismert  
Facsimile: (303) 292-7799

to the City: City of Fountain  
116 South Main Street  
Fountain, CO 80817  
Attn: Scott Trainor, City Manager  
Facsimile: (719) 322-2002

with a copy to: Lisa Tormoen Hickey  
Alpern Myers Stuart LLC  
14 N. Sierra Madre, Suite A  
Colorado Springs, CO 80903

Either party may, by notice as aforesaid actually received, designate a different address or addresses for communications intended for it.

**Section 4.05. Captions and Section Numbers.** The captions, section numbers and article numbers appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections or articles of this Agreement, nor in any way affect this Agreement.

**Section 4.06. Governing Law, Partial Invalidity.** This Agreement shall be construed and governed by the laws of Colorado. If any term, covenant or condition of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable under the laws of the said State, or otherwise, the remainder of this Agreement, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant and condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

**Section 4.07. No Recording.** The City shall not cause or allow this Agreement or any agreement or other document related hereto, nor any memorandum or other evidence hereof, to be recorded or become a public record without the Company's prior written consent, which consent may be withheld at the Company's sole discretion. If the City records this Agreement or any other memorandum or evidence thereof, the City shall be in default of its obligations under this Agreement. The City hereby appoints the Company as the City's attorney-in-fact to prepare and record any documents necessary to effect the nullification and release of the Agreement or

other memorandum or evidence thereof from the public records. This appointment shall be coupled with an interest and irrevocable.

**Section 4.08. No City Liability; Subject to Appropriation.** THE PARTIES ACKNOWLEDGE AND AGREE THAT THIS AGREEMENT SHALL NOT BE EFFECTIVE UNTIL IT IS APPROVED BY THE CITY COUNCIL AND DULY EXECUTED. In no event shall the City be liable to the Company for any amounts or obligations to undertake any actions unless the obligation to make such payments therefor has been approved by the Fountain City Council. All financial obligations of the City hereunder are subject to appropriation, provided that while such failure to make such appropriation shall not be a default hereunder, the failure by the City to comply with any obligations (including payment obligations hereunder) prior to Closing shall give the Company the right to terminate this Agreement, subject to the duties which survive termination set forth herein. Notwithstanding anything to the contrary provided in this Agreement, neither any Council member, manager, City attorney nor their successors, assigns or agents shall have any personal liability with respect to any provisions of this Agreement.

**Section 4.09. Severability.** If any term or provision of this Agreement or the application thereof to any person or circumstances shall be declared by a judicial body to be illegal, invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and all other terms and provisions of this Agreement shall be valid and enforced to the fullest extent permitted by law.

**Section 4.10. Interpretation.**

(a) Whenever in this Agreement any words of obligation or duty are used, such words or expressions shall have the same force and effect as though made in the form of a covenant.

(b) All pronouns and any variances thereof shall be deemed to refer to the neuter, masculine, feminine, singular or plural, when the context requires.

(c) No remedy or election given pursuant to any provision in this Agreement shall be deemed exclusive unless so indicated, but each shall, wherever possible, be cumulative with all other remedies at law or in equity as otherwise specifically provided herein.

(d) If, and to the extent that, any of the provisions of any amendment, modification or rider to this Agreement conflict or are otherwise inconsistent with any of the preceding provisions of this Agreement, whether or not such inconsistency is expressly noted in such amendment, modification or rider, the provisions of such amendment, modification or rider shall prevail.

(e) The parties mutually agree that the headings and captions contained in this Agreement are inserted for convenience of reference only.

(f) This Agreement shall be construed in accordance with the laws of Colorado.

(g) The City and the Company each acknowledge and warrant that it has been represented by independent counsel and has executed this Agreement after being fully advised by said counsel as to its effect and significance. This Agreement is the result of negotiations between the parties and their respective attorneys and no provision shall be construed against a party solely on the basis of authorship.

**Section 4.11. Further Assurances.** The parties agree to execute and deliver such other and additional documents and assurances as may be deemed reasonably necessary to implement the terms of this Agreement.

**Section 4.12. Time Of The Essence; Business Days.** Time is strictly of the essence with respect to each and every term, condition, obligation and provision of this Agreement, and the failure to timely perform any of the terms, conditions, obligations or provisions hereunder by either party shall constitute a breach of and a default under this Agreement by the party so failing to perform. In calculating any period of time provided for in this Agreement, the number of days allowed shall refer to calendar and not Business Days unless otherwise specified. If any day scheduled for performance of any obligation hereunder shall occur on a day that is not a week day or a day on which the Fountain City offices are open for business (a "**Business Day**"), the time period allowed and day for performance shall be continued to the next Business Day.

**Section 4.13. Successors.** All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors, and assigns of the said parties, and if there shall be more than one party hereto as the Company, they shall all be bound jointly and severally by the terms, covenants and agreements herein. Notwithstanding the foregoing, however, in the event of any assignment by the Company, the Company shall provide written notice to the City of such assignment within ten days after the assignment, with contact information for the primary representative of the assignee.

[SIGNATURE PAGE FOLLOWS]

DATED this 11<sup>th</sup> day of February, 2014.

CITY OF FOUNTAIN

Date: Feb. 11<sup>th</sup>, 2014

By Gabriel P. Ortega  
Gabriel P. Ortega, Mayor



By Julie Ann Jaccarino  
City Clerk

Approved as to form:

By Elizabeth Torrence Chelley  
City Attorney

RES CO-ONE, LLC,  
a Florida limited liability company

Date: \_\_\_\_\_, 2014

By Tony DeBerra  
Name Tony DeBerra  
Title DIRECTOR

**EXHIBIT A**

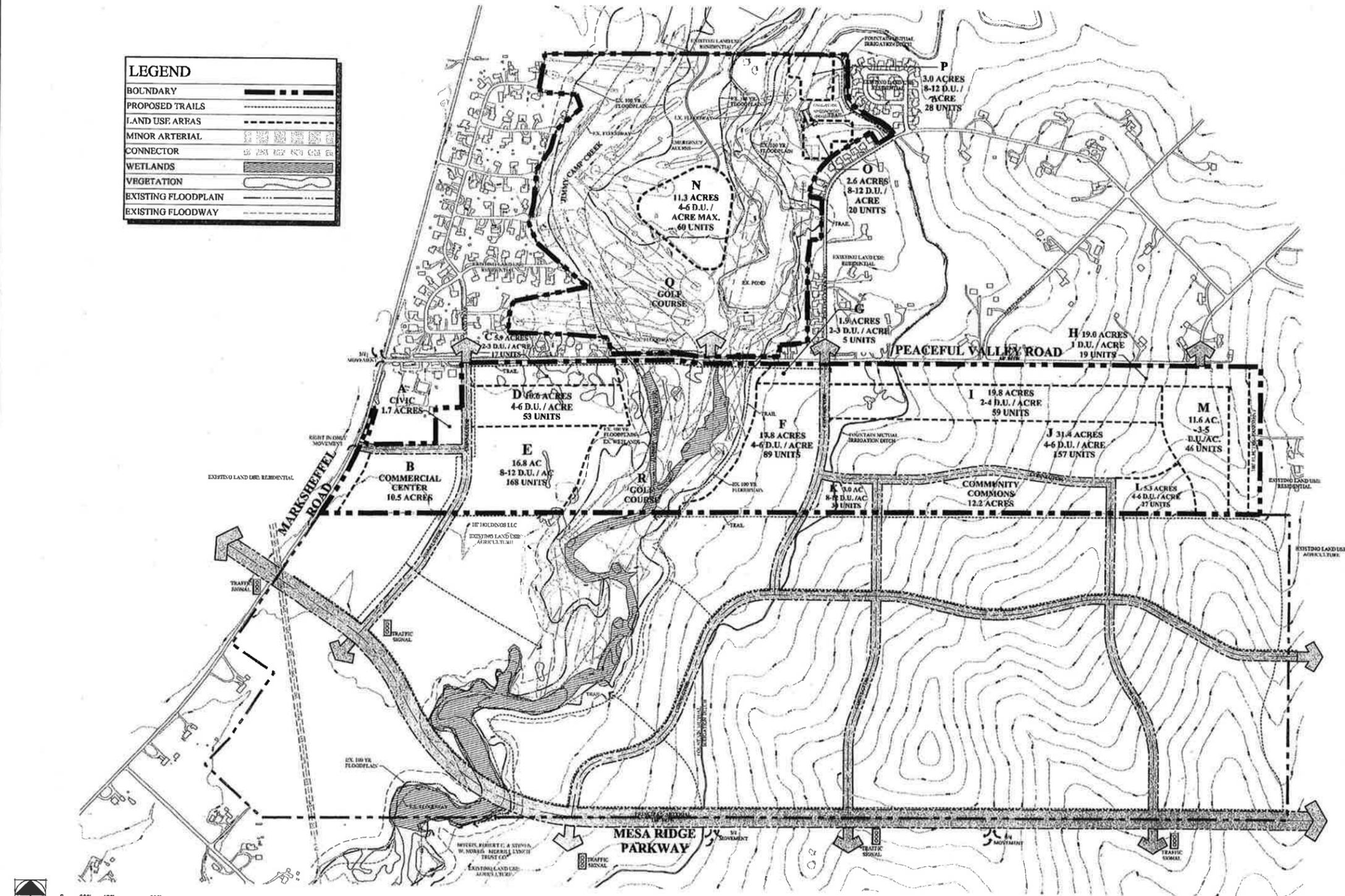
**OVERALL DEVELOPMENT PLAN**

[ATTACHED]



# APPLETREE OVERALL DEVELOPMENT PLAN

LEGEND	
BOUNDARY	---
PROPOSED TRAILS	---
LAND USE AREAS	---
MINOR ARTERIAL	---
CONNECTOR	---
WETLANDS	---
VEGETATION	---
EXISTING FLOODPLAIN	---
EXISTING FLOODWAY	---



NORTH  
SCALE: 1" = 400'

**THOMAS THOMAS**  
Planning  
Landscape Architecture  
614 North Tejon  
Colorado Springs, Colorado 80903  
(719) 512-8777

REV #	REVISIONS	DATE	DRAWN	CHECKED	APPROVED
1	COMMENTS LETTER DATED 11.21.06	11.07	HL	RW	PT
2	CITY COMMENTS 3.26.07	4.12.07	HL	RW	PT
3	RESUBMITTAL 05.30.07	05.30.07	HL	RW	PT
4					
5					
6					

DESIGNED	DRAWN	CHECKED	PROJECT NUMBER	SCALE	AS NOTED
08.15.06	08.15.06	08.15.06	2677.00		

**APPLETREE**  
0 MARKSHEFFEL ROAD  
FOUNTAIN, CO  
PUD - OVERALL DEVELOPMENT PLAN

2 2

207124456 9.26.07