

**SERVICE PLAN**  
**FOR**  
**ALPINE MOUNTAIN RANCH METROPOLITAN**  
**DISTRICT**

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## **EXHIBITS**

### **EXHIBIT A**

**Map Showing The Boundaries Of The District**

### **EXHIBIT B**

**Legal Description Of The Property Within  
The Boundaries Of The District**

### **EXHIBIT C**

**Capital Plan and Engineer's Letter**

### **EXHIBIT D**

**Financing Plan and Preliminary Debt  
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### **EXHIBIT E**

**Letter from the Underwriter**

### **EXHIBIT F**

**Letter Regarding Availability of Water and Exhibits**



# SERVICE PLAN FOR ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT

## I. INTRODUCTION

### A. Summary

This Service Plan ("Service Plan") of Alpine Mountain Ranch Metropolitan District ("District") constitutes the Service Plan for the Title 32 Special District proposed to serve the needs of a residential development in Routt County, Colorado ("County") generally known as Alpine Mountain Ranch ("Development"), owned and developed by Steamboat Alpine Development, LLC ("Developer").

The boundaries of the District are depicted on Exhibit A and described on Exhibit B. The District consists of approximately 1,200 acres. The boundaries of the Development and the District are the same and are entirely within the boundaries of the County.

The Developer's Development Plan calls for a low density, residential community that compliments the scenic Yampa Valley by clustering homesites into the most suitable areas. Under such plan, up to 63 single-family detached homes will be clustered on sites of approximately five acres within a phased development of about 315 acres. The remainder of the Development (approximately 900 acres) will consist of open space, public facilities, resident amenities and other uses and improvements consistent with County land use restrictions.

With the assistance of the District, the Development will: provide for continued wildlife use of the property by creating a large wildlife preserve without residential intrusion; minimize human wildlife conflicts by implementing a comprehensive wildlife mitigation plan; continue the historic agricultural use of the property; avoid residential intrusion along the entry corridor into Steamboat Springs by setting back homesites a significant distance from US 40; preserve the environmental values of the property by minimizing impacts to the riparian areas, hay meadows, wetlands, sensitive geologic areas, and critical elk habitat; cluster residential lots and building envelopes in the least visually and environmentally sensitive areas of the property; minimize road and driveway construction impacts by utilizing existing roads and disturbed areas, designing roads to fit into existing topography, and leaving undisturbed areas that would require large cuts and fills; and provide low impact amenities such as trails and ponds, a horse barn, a small recreation center, and caretaker residence. The financing, construction, and maintenance functions provided by the District are critical to realizing these goals and values.

Build-out of the Development (*i.e.*, construction and completion of all residential units) is anticipated in four phases over an eight year period commencing in the spring of 2006, with over 75% of residential units to be completed within the first five years. As indicated in Section III, the Preliminary Engineering Survey and Capital Plan, it is assumed that many public infrastructure facilities will be constructed immediately, and the balance of such facilities will be completed to coincide with the phased build-out of the Development. All development projections are, of course, dependent upon market activity, governmental regulations, general economic conditions, and other factors over which the District and Developer have no control.

This Service Plan describes the major public facilities which will be provided by the District, a special district established pursuant to, and having the powers authorized in Article 1 of Title 32, C.R.S., as amended from time-to-time ("Act"). The Service Plan is submitted in accordance with Part 2 of the Act. The Service Plan demonstrates how the District will serve the Development and provide the necessary public facilities and services needed by the Development. Public infrastructure will be installed or acquired by the District to provide streets; drainage; water facilities; parks; open space, recreation and trails; and other public facilities needed to serve the Development. The public facilities will be constructed and funded by the District in accordance with the limitations set forth herein.

To proceed with the comprehensive development of the property, specific onsite and offsite facilities must be completed in a logical and sequential manner. Accordingly, the District will cooperate and coordinate with the Developer and any other party involved in managing and constructing the facilities. These facilities are consistent with the stated goals and policies of the County's Master Plan. All offsite facilities referenced herein are necessary to serve the Development.

Unless otherwise specified herein, any reference to the Service Plan shall also apply to any amendment, change, or modification of the Service Plan approved in compliance with the Act, if required. All exhibits, maps and tables referred to herein are attached at the conclusion of the Service Plan.

1. **District Structure.** The Service Plan defines the powers and authorities of, as well as the limitations and restrictions on, the District. The Service Plan also sets forth the general parameters for the working relationship with the County. The District will be responsible for (i) financing a portion or all of the public facilities required to serve the Development, including both on-site facilities and off-site facilities such as improvements to the Priest Creek Ranch Subdivision water supply system, access improvements to U.S. Highway 40 and upgrades to County Route 24; (ii) managing the construction and/or operation of a portion or all of the public facilities and services needed to serve the Development until, and potentially subsequent to, transfer to any Home Owner's Association which may be created ("Owners' Association"), or other entity; and (iii) providing the property tax base needed to support the Financing Plan for

the public facilities and for on-going expenses. The "Financing Plan" discussed throughout the Service Plan is more fully described in Section IV and will be implemented to provide the public facilities and services needed for the Development.

The organization of the District to finance, construct, manage, and operate public facilities and services, both offsite and throughout the Development, until transferred, if at all, to the Owners' Association, or other applicable entity, and to produce property tax and other revenue sufficient to pay on-going expenses and debt service costs incurred for the public facilities, until all District obligations are discharged, will create mutual benefits for the Development and for the County. In general, these benefits are: (i) coordinated administration of construction and completion of the public facilities in a timely manner; (ii) maintenance of uniform property tax levies and reasonable tax burdens on all properties within the Development; and (iii) assurance that all public facilities needed for the Development are constructed and paid for in a timely and cost effective manner without any cost to the County. Each of these benefits is addressed in greater detail in the Service Plan.

2. **Boundaries of District.** The boundaries of the District are identical with the boundaries of the Development. Maps showing the vicinity and the boundaries of the District are attached as Exhibit A. A legal description of the property within the boundaries of the District is attached as Exhibit B.

The geographic area which may legally be served by the District ("Service Area") will consist of the entire area within the District. The District will have the power to impose property taxes only within its boundaries. The District is authorized to furnish potable and non-potable water services or facilities outside of the District's boundaries to Priest Creek Ranch Subdivision. Other out-of-District services will be provided only in accordance with an amendment to the Service Plan.

Additional property may be included in the District in accordance with the provisions of the Act. Under the Act, the fee owner or owners of 100% of any property proposed for inclusion may petition the District's Board of Directors ("Board") for the inclusion of property into the District. Further, less than all of the owners of an area may petition the District for inclusion, or the Board may adopt a resolution calling for an election on inclusion of the property within such area. Property may also be excluded from the District. A substantially similar process is applicable to the exclusion of property from the District. The Board will have discretion to approve inclusions or exclusions pursuant to the Act. Inclusions shall constitute a material modification of the Service Plan and shall require County approval in addition to the Board's approval, except that inclusion of Priest Creek Ranch Subdivision shall not constitute a material modification but shall require the approval of the County Manager. Exclusions from the District shall not constitute a material modification of the Service Plan, and it is expected that undeveloped portions of the District will be excluded when such areas are known with specificity.

3. **Dissolution of District.** The District will not be dissolved as long as it is providing services and facilities and discharging its obligations in accordance with the provisions of the Service Plan, nor will the District be dissolved before all bonds or other obligations of the District have been paid or payment has been provided for. If the District is ever to be dissolved, the District shall be dissolved pursuant to the Act.

4. **Existing Services and District.** Other than the County, there are no other governmental agencies in existence within the area which have the legal and financial ability to undertake the financing, design, and construction of all public facilities needed to serve the Development. The County does not consider it financially feasible or practicable to provide the public facilities and services specified herein for the Development. Consequently, the organization of the District is necessary for the provision of public facilities and services both within and offsite to serve the Development.

In order to meet the need for other governmental assistance, the District will operate and maintain the public facilities within the Development as specified herein. Operations and maintenance of the public facilities, including water, storm drainage, streets, parks, and trails will be the responsibility of the District, the Owners' Association, if any, or other entity after such facilities have been completed, dedicated and transferred to, and accepted by such entity. The timing and conditions for transfer of such facilities will be established in accordance with the codes, resolutions, rules and regulations of the County ("County Code"), as applicable, or such other entity.

## **B. General Information and Assumptions**

The total residential development within the District at build-out is expected to be approximately 63 single-family units. Based upon an estimated 2.9 persons per dwelling unit, the projected population within the District at final build-out would be approximately 183 persons. As detailed in the Financing Plan the actual valuation of all taxable residential property within the District at build-out (2014) is currently projected to be approximately \$270,900,000. The assessed valuation for purposes of property taxation at build-out is projected to be approximately \$21,563,640 (based on projected unit purchase prices but disregarding inflation and market re-valuation changes). The current assessed valuation of all taxable property within the boundaries of the Development is approximately \$25,180.

The estimated costs of the public facilities needed to serve the Development are approximately \$17,900,000; it is expected that the District will finance approximately \$8,250,000 of such facilities, with the remainder to be financed by the Developer and other parties. The District will obtain financing for the District's portion of the public facilities through the issuance of limited tax general obligation bonds or other debt instruments, or from revenue bonds, anticipation notes, or other multiple-fiscal

year financial obligations made or issued by the District and secured by revenues from other available sources. District bonds will initially be credit-enhanced until the District has the financial ability to discharge the indebtedness on a reasonable basis. The District may also enter into funding, acquisition and reimbursement agreements with the Developer, as described in Section V herein, to fund the costs of public facilities or on-going expenses.

The absorption forecasts utilized for the revenue projections set forth in the Financing Plan are based upon various development assumptions made by the Developer. For purposes of the Service Plan, an absorption scenario which the Developer believes to be reasonable has been used to develop the Financing Plan. The Capital Plan (defined below) is also based upon these absorption forecasts. The Financing Plan demonstrates one method which might be used by the District to finance the costs of public facilities needed for the Development. At the time that the acquisition or construction of public facilities must actually be funded, alternate financing plans may be more beneficial and may be implemented by the District, if appropriate. Use of an alternate financing plan which is materially consistent with the Financing Plan will not require a modification of the Service Plan but shall be delivered to the County.

The Financing Plan demonstrates that the capital costs of public facilities needed to serve the Development, along with costs for operations and maintenance, can be financed economically, without significant financial risks, through property tax levies not expected to exceed 45.0 mills and not permitted to exceed 55 mills (except for "Gallagher" Adjustments as discussed in Section IV. B.) and other sources referenced therein. The projections and estimates set forth in the Financing Plan relating to the costs of the public facilities and operations will not constitute limitations on the financial powers of the District; provided, however, that the District shall not issue bonds which are not in compliance with State law and other provisions of the Service Plan, including without limitation Sections IV and VI.

Payment of debt service expenses incurred for the public facilities will be initially from a debt service reserve and then later from property taxes on all property within the District as development occurs, and as the valuation of improved property within the District increases. The remainder of such expenses will be funded from revenue generated from other available sources. Further, the Financing Plan demonstrates that any risks associated with the financing of public facilities needed to serve the Development will be borne initially by Developer through its credit enhancement of the bonds.

Any District general obligation bond financing will limit the tax levy for repayment of such debt to no more than 55.0 mills (Gallagherized) against all property within the District. In this manner, the risks of development and the responsibility for repayment of District debt incurred for the Development will be reasonable and borne solely by the property owners within the Development. Except for the residents that own

real property within the District, the County and its residents will have no financial responsibility for District debt under any circumstance.

**C. Contents of Service Plan**

The Service Plan consists of a (i) summarization of the need for the District and its general powers and authorities; (ii) a Capital Plan showing how the public facilities and services needed to serve the Development can be provided; and (iii) a financial plan showing how the proposed public facilities and services will be financed by the District. Other information is included in the Service Plan in compliance with the requirements of Part 2 of the Act.

The assumptions contained within the Service Plan were derived from a variety of sources. Information regarding the present status of the Development, as well as current development schedules, was obtained from Developer and their consultants. The preliminary engineering survey and capital plan for the water, street and drainage facilities was prepared by Civil Design Consultants, Inc., a professional civil engineering firm with expertise in the design and construction of public infrastructure facilities, in conjunction with the Developer and the County and its consultants. A cost summary sheet for a portion of expected park and recreation facilities has been prepared by Beck Building Company, contractors for such facilities. The engineering documents and near final design will be revised as necessary following completion of the land planning process. The map and legal description were prepared by Landmark Consultants, Inc. Financial advice and preparation of the Financing Plan has been provided by Stan Bernstein and Associates, Inc. Greenwood Village, Colorado, financial planners and consultants with considerable experience in special district financing (the "Financial Advisor"). A letter from the Underwriter, indicating the availability of bond financing based on the assumptions and calculations provided in the Financing Plan, have been prepared by D.A. Davidson & Co., Denver, Colorado and Piper Jaffray & Co., Denver, Colorado. A letter indicating legal and physical availability of water for the Development has been provided by Porzak Browning & Bushong LLP. Pricing recommendations and absorption estimates were provided by the Developer. Legal consultation, including preparation of the Service Plan, has been provided by the law firm of Collins Cockrel & Cole of Denver, Colorado, which represents numerous special districts and local governments throughout the State. Sherman & Howard of Denver, Colorado, a nationally recognized municipal bond counsel, is expected to serve as District bond attorneys.

**D. Modification of Service Plan**

The Service Plan is general in nature and does not include specific detail in some instances because development plans may not be completely finalized. The Service Plan has been written with sufficient flexibility to enable the District to provide the services and public facilities now anticipated for the Development under evolving

conditions without the need for numerous amendments or modifications of the Service Plan in the future.

The cost estimates and Financing Plan are sufficiently flexible to enable the District to provide necessary services and facilities without the need to modify the Service Plan if changes are required. Modification of the general types of services and facilities, and changes in proposed configurations, locations, quantities, dimensions, or costs of various facilities shall be permitted to accommodate actual development needs, without any amendment or modification of the Service Plan, unless such changes constitute material modifications as provided in the Act. For purposes of the Act, the making or amendment of any agreement with the County shall not constitute a material modification of the Service Plan. Inclusion of territory within the District other than the Priest Creek Ranch Subdivision shall constitute a material modification of the Service Plan requiring an amendment to this Service Plan or other approval by the County. Exclusions of territory from the District shall not constitute a material modification of the Service Plan, and it is expected that the District will exclude open space and other undeveloped property over time.

## II. NEED FOR DISTRICT AND GENERAL POWERS

### A. Need for District

All property within the Development is currently undeveloped. There are no public services or facilities within the Development. The District will finance and/or construct public facilities needed to serve the Development through build-out. Neither the County nor any other governmental agency will finance or construct such facilities. The County is not expected to assume any costs for the construction of such facilities.

### B. General Powers of District

The District will have all powers and authorities granted under the Act to provide the services and facilities described in the Service Plan within District boundaries (and without District boundaries only as permitted by this Service Plan), subject to the limitations set forth in the Service Plan. More specifically the District shall be authorized to provide the following services and facilities, all of which will be in conformance with the County Code:

1. **Streets.** The design, acquisition, installation, construction and funding of arterial, collector and local streets and other roadway improvements, including without limitation curbs, gutters, culverts, storm sewers and other drainage facilities, detention ponds, retaining walls and appurtenances, as well as public sidewalks, bridges, parking, paving, lighting, grading, landscaping, entrance facilities, undergrounding of public utilities, and other street improvements, together with all necessary, incidental, and appurtenant facilities, land and easements, and all necessary extensions of and improvements to such facilities.
2. **Parks and Trails.** The design, acquisition, installation, construction and funding of park and recreation facilities together with all necessary, incidental, and appurtenant facilities, land and easements, and all necessary extensions of improvements to such facilities.
3. **Drainage.** The design, acquisition, installation, construction and funding of drainage facilities and storm sewer systems, including without limitation lines, channels, channel stabilization, detention ponds, flood and surface drainage disposal and erosion control works and facilities, and all necessary equipment and facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to such facilities or systems.
4. **Sanitation.** The design, acquisition, installation, construction, and funding of septic pumping and transport services related to individual on-site disposal



systems. Such services are currently not planned, but may be implemented at a future date.

5. **Water.** The design, acquisition, installation construction and funding of water systems, including without limitation lines, transmission, distribution and storage facilities, hydrants, wells, irrigation and pumping facilities, together with all necessary, incidental, and appurtenant facilities, land and easements, and all necessary extensions of and improvements to such facilities or systems.

6. **Security Services.** The furnishing of security services for any area within the District after the District has obtained consent of all local law enforcement agencies having jurisdiction within the area and as otherwise provided by the Act together with all necessary or incidental services.

7. **Covenant Enforcement Services.** The furnishing of covenant enforcement and design review services within the District as provided by the Act together with all necessary or incidental services.

8. **Legal Powers.** The powers of the District will be exercised by the Board to provide the services and facilities contemplated in the Service Plan. The authorized facilities and services, along with other activities permitted by law, will be undertaken in accordance with, and pursuant to, the procedures and conditions set forth in the Act, other applicable statutes, the Service Plan, and applicable County Code provisions.

9. **Other Authorities.** In addition to the powers enumerated herein, the Board shall have the following authorities:

a) To amend or modify the Service Plan as necessary, subject to this Service Plan and compliance with all statutory procedures set forth in the Act, including by providing written notice to the County pursuant to §32-1-207, C.R.S., of any action or activity which the District believes is permitted by the Service Plan but which may be uncertain. In the event that the County determines not to enjoin any such action or activity, such action or activity shall be deemed within the scope of the Service Plan;

b) Subject to any specific limitations set forth in this Service Plan, to revise, resize, reschedule, or restructure the financing, completion and operation of the various public facilities in order to accommodate the rate of development within the District, costs of public facilities, and inclusions of property into the District, or the provision of any public improvement, facility or service by the County or another entity;

c) To provide all additional services and facilities, subject to the Approval of the County, and exercise all express or implied powers granted by the Act or

other State law, and which the District is required to provide or exercise, or, in its discretion, chooses to provide or exercise; and

- d) To exercise all necessary and implied powers under the Act.

### III. CAPITAL PLAN

#### A. General

The District will exercise its statutory powers and the authority set forth in the Service Plan to finance, acquire, construct, install, and, prior to any dedication and transfer, operate and maintain the public facilities needed to serve the Development, either directly or by contract, or by acquisition from the Developer or other persons. The District will complete or acquire the public facilities in accordance with the County Code as applicable. If appropriate, the District may contract with various public and/or private entities to affect such functions and activities, including without limitation acquisition and reimbursement agreements with Developer.

General information relating to each type of public improvement needed to serve the Development is set forth in this Section. It is important to note that the engineering information contained in the Service Plan is preliminary in nature, and that modifications to the type, configuration, quantity, location, and costs of public facilities may be necessary in response to the planning review process and as development progresses. It is expected that the District will acquire the public facilities constructed and installed by the Developer.

All plans and specifications for public facilities within the Development must be submitted to the County for approval in accordance with the County Code. To the extent practicable, the District and Developer will coordinate the submittal of plans for the public facilities to be installed within the Development together with current development plans. All public facilities must be designed and installed in such a manner to be compatible with the County Code and, if applicable, other governmental agencies and utility providers.

Construction of all public facilities will be engineered and scheduled to allow for proper sizing and phasing consistent with the need for services within the Development. All descriptions of specific facilities to be constructed and their costs are estimates only and are subject to modification and revision as final engineering design, development plans, market conditions, governmental requirements, and construction scheduling may require.

#### B. General Design Standards

Public facilities will be designed, acquired, installed, constructed and operated by the District, until dedicated and transferred to the Owners' Association or others in conformance with current standards and the County Code. Designs and specifications for the public facilities must be approved by the County. The public facilities will be installed in accordance with the approved plans and all County Code provisions, standards, specifications and procedures of the County, except that specific

arrangements may be made under any agreements among the County, the District and Developer, with respect to collateral guarantees for the completion and warranty of the public facilities. The County may specify procedures and provisions that must be followed to assure compliance with all County Code provisions or the implementation of the Service Plan. The location, character, extent, installation, and completion of the public facilities needed for the Development as authorized in the Service Plan and other plans and agreements approved by the County shall be exempt from the provisions of Section 31-23-209, C.R.S., or similar laws.

Civil Design Consultants, Inc. has prepared an Estimated Opinion of Probable Construction Costs for certain site improvements; such document, along with the Developer's Expected Park and Recreational Facilities Expenditures constitutes the District's preliminary engineering survey and capital plan and has been attached hereto as Exhibit C and incorporated herein by reference (the "Capital Plan"). The Capital Plan lists the following offsite and onsite public facilities needed to serve the District and requested by the County. These public facilities will be financed, constructed, installed, acquired and/or owned by the District and/or the Developer to serve the Development:

1. **Street and Drainage System.**

a) **General.** The Street and Drainage System consists of approximately 7 miles of interior paved roads and drainage structures as required. The system also includes access improvements consisting of acceleration and deceleration lanes offsite on U.S. Highway 40, which will be dedicated to the Colorado Department of Transportation, and upgrades to County Route 24, which will be dedicated to the County.

The primary interior roadways will include 11' wide paved lanes with 2' wide gravel shoulders. The remaining roadways will include 10' wide paved lanes with 2' wide gravel shoulders. A 125' long by 26' wide clear span bridge will be constructed over Walton Creek to facilitate access to the site via a new entrance to US Highway 40. Lane improvements to US Highway 40 will be completed in accordance with CDOT requirements. Upgrades to County Route 24 will be completed in accordance with County requirements. Drainage facilities will be placed to convey stormwater along constructed and natural drainageways.

b) **Design Standards.** Interior streets will be designed and constructed in accordance with current policies established by the Steamboat Springs Rural Fire District and Routt County, as applicable, unless otherwise approved by the County.

c) **Restoration.** The Capital Plan contemplates that all disturbed areas will be restored and re-vegetated in accordance with Routt County and best management standards. The District may, in the future, install or fund and maintain other landscaping or entry feature improvements.

d) **Operation and Maintenance.** All streets and related improvements are expected to be owned and maintained by the District.

2. **Sanitary System.**

a) **General.** Each of the private lots will be individually responsible for the installation of individual sewage disposal systems. These systems will be designed and constructed in accordance with the County Code. While no District infrastructure costs are expected at this time, it is possible in the future that the District would remove and transport solid waste to a properly permitted solid waste disposal facility.

b) **County Standards.** Any District assistance with the maintenance and operation of these facilities will be in accordance with the County Code.

3. **Water System.**

a) **General.** The District water system will consist of constructing substantial improvements to the existing Priest Creek Water Supply, Treatment, Distribution and Storage System, including additional treatment capacity and improved treatment processes, 5 or more raw water wells, 32,000' of water distribution line, a booster pumping station, 4 pressure reducing stations, telemetry control and monitoring system, fire hydrants, and at least 60,000 gallons of treated water storage. In addition, a small number of on-site exempt wells may also be utilized. All improvements will be installed in public easements and road rights-of-way to serve all of the proposed lots. Furthermore, finished water storage will be constructed to satisfy the requirements of the Steamboat Springs Rural Fire Protection District.

The water supply and treatment facilities will have a design capacity of 200 gallons per minute (gpm). Treatment will include filtration, disinfection, and corrosion control. All water quality treatment components will be designed and approved in accordance with the requirements of the Colorado Department of Public Health and Environment. Approval of the treatment system must also be received by the Routt County Department of Environmental Health.

b) **Design Standards.** The water supply, treatment, distribution, storage, and fire hydrant system will be designed and constructed in accordance with the approved plans and design policies established by Routt County, Steamboat Springs Rural Fire Protection District, and the Colorado Department of Public Health and Environment.

c) **Operation and Maintenance.** All water lines, fire hydrants, and related facilities will be operated and maintained by the District or an Owners' Association or other entity with the assistance of the District. Additionally, the District

may assist in the operation and maintenance of the irrigation water system, serving as a continuation of the historical hay irrigation system.

d) **Water Rights.** The Developer of Alpine Mountain Ranch, through its wholly-owned subsidiary Priest Creek Ranch, LLC, owns extensive water rights, which will more than meet the water requirements for the combined developments and combined water system of Priest Creek Ranch and Alpine Mountain Ranch. Water rights legal services are provided by Porzak Browning & Bushong of Boulder, Colorado, and water engineering by Wright Water Engineers, Inc. of Denver, Glenwood Springs and Durango, Colorado. Previously, by decree of the District Court in and for Water division No. 6 (the "Water Court") in Case No. 97CW78, a plan for augmentation was adjudicated for the 26 residential dwelling units comprising Priest Creek, and 94 residential dwellings which could be developed on the Alpine Mountain Ranch property. In connection with this augmentation plan, the decree in Case No. 97CW78 also adjudicated the Priest Creek Well for 70 gpm absolute and 130 gpm conditional. This well is decreed for domestic, irrigation and stock watering uses in connection with the referenced dwelling units and associated improvements. A contract for 100 acre feet of Stagecoach Reservoir water is used to augment out-of-priority depletions. In addition, Alpine also owns extensive irrigation rights in the Highline Beaver, CE Laub, Excelsior, Highline Beaver Enl, Priest Ditch, Excelsior Ditch, and Andy Morrison ditch. Further information with regard to water rights is included in Exhibit F.

#### 4. **Park and Recreation.**

a) **General.** The cost estimates include provision for District ownership of the horse barn, manager's cabin, and other facilities dedicated to the recreational needs of the District. Later decisions may add to or detract from the possible improvements and facilities to be owned and/or operated by the District.

b) **County Standards.** Any such facilities will be designed in accordance with the County Code.

c) **Operation and Maintenance.** Any recreation facilities and related improvements dedicated to the District shall be operated and maintained by the District, including, as previously mentioned, the irrigation of pasture land. The District may also assist with the operation and maintenance of recreation facilities owned by an Owners' Association or other entity.

#### C. **Estimated Costs of Public Facilities and Capital Expenditure Plan**

All construction cost estimates assume construction in compliance with the requirements of the County and other governmental agencies, if applicable. The estimated costs of the public facilities to be financed by the District are expected to be \$8,250,000 (based upon projected available financing); it is expected that an additional

approximately \$9,650,000 worth of facilities will be financed and conveyed by the Developer to the District. The estimated costs of the public facilities and those to be financed by the District are shown in Exhibit C. Exhibit C estimates costs of water, street and drainage of \$10,762,126 and costs for a portion of park and recreational facilities of \$1,753,446, for a total of \$12,515,572. Exhibit C does not include all currently expected contractor fees, contingency fees, and engineering and architectural design and consulting fees, nor does it include all other park and recreation and other public improvements costs. Factoring in such other costs, the Developer estimates that the total cost of the public facilities specifically referenced herein plus all other costs incurred in connection with the public facilities will total approximately \$17,900,000; however, the District's costs for such facilities will be limited to reimbursable amounts from bond proceeds, which, as discussed above, are expected to be \$8,250,000. All public facilities within the District are expected to be completed within five years, with the majority of work completed in the first three years. Bonds are expected to be issued to reimburse the costs advanced by Developer to the District as build-out occurs, currently as projected in the Financing Plan. Developer will not be compensated for land dedicated to the District, except that the District may fund or compensate such persons for any land or easements required for public facilities located outside the Development or acquired from other persons. Modifications of all capital cost estimates shall likewise be permitted, if the aggregate total costs of all estimates are not materially greater than the estimates set forth in the Capital Plan. Modifications, changes, and revisions to the Capital Plan necessary to provide the public facilities needed to serve the Development will be reviewed with County staff but shall not require any amendment or modification of the Service Plan unless required by County staff.

#### IV. FINANCIAL PLAN

##### A. Administration and Operation Costs

Because the District will have substantial operation and maintenance responsibilities, costs of administration of the District are expected to be approximately \$229,900 in 2007 and increase at an annual rate of 3% as projected in the Financial Plan. These costs have been estimated based upon typical expenses incurred for special districts in general. Increases in such costs over time will be funded by property taxes, fees, charges and other revenue sources generally available for such purposes, as determined by the Board during the annual budget process.

##### B. Financing Plan

The Financing Plan is set forth in Exhibit D and demonstrates that the financial operations of the District will (i) provide for economical and sufficient services within the District; (ii) have the financial ability to discharge the proposed District indebtedness on a reasonable basis; (iii) protect future property owners from onerous property taxes or District bond defaults; and (iv) not subject the County to any present or future liability with respect to District bonds or other obligations.

The Financing Plan includes projected revenues derived from property taxes collected within the District (commencing in 2008 for the 2007 tax year), specific ownership taxes, interest income, Developer advances, tap fees, usage fees, reimbursements from Priest Creek Ranch, and other revenue generally available each year, including the first budget year commencing in the 2007 fiscal year through the latest date when District debt is projected to be retired. The District expects to levy a property tax for operating and debt service purposes, and such levies may be exempt from revenue and spending limits, if voter approval is obtained pursuant to Article X, Section 20 of the Colorado Constitution ("TABOR"). The District may issue revenue or bond anticipation notes to fund the costs of the public facilities and other interim expenses, until such time as bond proceeds and other revenues are available from the District or other sources. The District may also borrow funds from Developer or other parties or enter into funding agreements with such parties to initiate the Capital Plan pending the issuance of the District bonds. Any funds advanced by Developer or other parties will be reimbursed from available revenue sources of the District.

Prior to the issuance of long-term bonds, the District may issue bond anticipation notes or other multiple-fiscal year financial obligations secured by the revenues generated from property taxes and any other funds available to the District. Credit enhancement may be provided for any obligation of the District. The District may make multiple-fiscal year financial obligation pledges, consistent with TABOR, secured



by property taxes and specific ownership taxes to fund the acquisition and installation of the public facilities for the Development. Revenue from property taxes, specific ownership taxes, and any other available sources will be used to retire District bonds, other debt or multiple-fiscal year financial obligations.

The Financing Plan shows how the financial operations of the District may be implemented. The District expects to issue two series of bonds: the first series is expected to be variable rate bonds with a par amount of \$10,000,000 issued in December 2006, payment of debt service for which shall be guaranteed by a letter of credit provided by the Developer (the "LOC Bonds"). The District expects to redeem and refund the LOC Bonds with proceeds of a \$10,300,000 refunding bond issued directly in public or private markets for municipal securities when it has the financial ability to discharge the indebtedness on a reasonable basis as set forth in the Financing Plan (such bonds are hereinafter referred to as the "Refunding Bonds").

Preliminary debt repayment schedules for the LOC Bonds and the Refunding Bonds are attached as Exhibit D. The LOC Bonds assume an aggregate coupon interest and letter of credit rate of 4.5%, a 45.0 mill levy, a redemption date six years after issuance, capitalized interest of \$1,350,000 and costs of issuance of approximately \$400,000. The Refunding Bonds assume a 30-year term, a 45.0 mill levy, a fixed aggregate coupon interest and credit enhancement (if any) rate of 6.5%, and costs of issuance of approximately \$300,000.

These bonds may be issued in minimum denominations as authorized by law and are fixed-rate, non-rated bonds, which are to be issued in compliance with the Colorado Municipal Bond Supervision Act.

While the District anticipates issuing bonds consistent with the preceding description, it may determine to vary the number of series, interest rates, amounts and other terms of the bonds. The final bond financing plan, together with supporting documentation, will be delivered to the County.

The bonds are to be secured primarily by property taxes from levies not to exceed 55.0 mills (Gallagherized). The property tax levy of the District is expected to be 45.0 mills for both operating and debt repayment purposes as shown in Exhibit D. The District debt will be sized and phased based upon reasonable development assumptions, property tax projections, and interest rate assumptions.

The Financing Plan does not anticipate varying the 45.0 mill levy cap projected herein to accommodate for "Gallagher Adjustments" (described in the following); however, the District may determine to make such adjustments pursuant to the following, and such adjustments shall not constitute a material modification of the Service Plan. The 55.0 mill tax limit may be increased to compensate for any decreases in the assessed valuation of the property within the District necessitated by state law

pursuant to Article X, Section 3 of the Colorado Constitution, commonly referred to as the Gallagher Amendment, or any other legislation causing a reduction in the rate of assessed valuation of residential properties. In the event of legislation implementing changes in the ratio of actual valuation to assessed valuation for residential real property, pursuant to Article X, Section 3(1)(b) of the Colorado Constitution, the mill levy limitation provided herein will be increased or decreased as to all taxable property in the District to reflect such changes, so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes in the ratio of actual valuation to assessed valuation for residential real property. The property tax levy may also be increased if necessary to cover debt service because of requirements for tax cuts or decreases in tax revenue mandated by TABOR.

Excess funds may be applied to a reserve account and pledged to secure payment of debt service on bonds. If required, the reserve account may be maintained for so long as the bonds are outstanding.

No provision of the Service Plan shall be construed to restrict the issuance of any form or type of bond, note or other multiple-fiscal year financial obligation of the District; provided that the financing cost projections in the Service Plan are not materially modified and the bonds are initially credit enhanced. The Financing Plan illustrates that adequate revenues are projected to be available from various sources for the payment of debt issued to provide public facilities for the Development, thus reducing risks of excessive property tax levies or bond defaults or other potential risks of financing.

The District may issue up to 40-year fixed rate bonds with coupons (and credit enhancement fees, if necessary) not to exceed 12%. Alternate financing plans may also be implemented without having to amend or modify the Service Plan, if subsequently determined by the District to be in its best interests and if in material compliance with the financing cost projections in the Service Plan. The District may issue variable rate bonds or notes, if interest and other issuance costs are less than the financing costs projected in the Financing Plan. Alternatively, the District may issue unsecured or partially credit-enhanced, non-rated, fixed rate bonds to financial institutions or other accredited investors, which might cause interest rates, debt service and other issuance costs to be higher than the financing costs projected in the Financing Plan. In such event, the District will reduce the size of the bond issue so that bond repayments can be made from the projected revenue available to the District or seek to modify the Service Plan as necessary.

The District shall, without limiting other financing alternatives or having to amend or modify the Service Plan, be entitled to change the structure of the Financing Plan, including without limitation by enabling the District to obtain financing directly from Developer, other developers, financial institutions, or accredited investors in compliance with State law. The District may obtain funding directly from Developer and repay and reimburse such obligations from property tax collections, specific ownership

taxes, or from other available funds of the District. The District shall also be entitled to issue contingent repayment obligations of the debt estimated in the Service Plan on condition that the provisions of such contingent repayment obligations are (i) in compliance with State law, (ii) subordinate to senior debt obligations of the District, and (iii) subject to the maximum property tax levy authorized herein. The District shall obtain an opinion from bond counsel for any bonds issued to Developer.

If the Developer advances funds to the District for purpose of payment of principal and/or interest on any bonds or facilities, the obligation of the District to repay the Developer shall be subject to the limits set forth above and may be amortized over time, or paid at the time of bond issuance so long as each payment obligation is subordinate to the annual debt service payments required to any third party bondholders. In addition, the interest rate applicable to developer reimbursements shall not exceed 9%.

Upon approval of the Service Plan, the District will continue to develop and refine the cost estimates for the public facilities needed for the Development and to implement a viable bond financing plan therefore. Costs for construction, engineering and contingencies, capitalized interest, reserve requirements, credit enhancement/letter of credit fees, and other costs of financing will be included in the bond financing plan, as appropriate.

The total estimated costs of all public facilities for which reimbursement will be sought, capitalized interest (if any), and related issuance and organizational costs to be financed by the District are estimated to be \$8,250,000. The District shall have the authority to issue or incur limited tax general obligation indebtedness (secured by, among other sources, a property tax levy not to exceed 55 mills), revenue debt, and other multiple-fiscal year financial obligations in an amount sufficient to finance and construct public facilities specified under the Service Plan up to \$11,000,000, without the need to obtain the approval of the County or to process any amendment or modification of the Service Plan. The District shall not (i) seek authorization from its electorate to incur indebtedness greater than \$11,000,000, exclusive of refundings or other refinancings, without the approval of the County. Authorization to issue bonds and enter into the various agreements described herein will be sought from the District's electorate as required by the Act and other Colorado law.

In addition to property taxes and specific ownership taxes, developer advances, water tap fees, payments from Priest Creek Ranch, the District may also rely upon various other revenue sources authorized by law to fund its financial obligations. These include the power to establish fees, rates, penalties, or charges as provided in the Act. The Financing Plan has been developed without reliance upon all possible sources of revenue available to the District, but this will not preclude the District from implementing any revenue source legally available to the District, if needed to fund debt service, operations or other expenses.

If District operations do not qualify as enterprises under TABOR, revenues from all sources which exceed the permitted level of expenditures in any year will be refunded to taxpayers, unless a vote approving the retention or "de-Brucing" of such revenues is obtained. The District will seek voter approvals in advance at the organizational election, so that fluctuations in District revenue from year to year do not create a TABOR refund issue. To the extent that annual District revenues exceed expenditures without prior approval, the District will comply with the provisions of TABOR and either refund any excess revenue or obtain voter approval to retain such amounts. At the discretion of the Board, the District may establish enterprises or other qualifying entities to manage, finance, construct and operate facilities, services, and programs.

The estimated costs of the public facilities to be acquired, constructed, installed and/or funded by the District, including the costs of acquisition of land, engineering, legal and administrative services, initial proposed indebtedness, capitalized interest and other financing costs, and other major expenses related to such facilities, are set forth in the Capital Plan and the Financing Plan. For full completion of the Development, the principal costs of such items are expected to be \$17,900,000 (as described in Exhibit C and Section III.C). If for any reason build-out does not occur as anticipated, the capital facilities may be deferred or phased to coincide with actual development, and unnecessary expenditures will be avoided. Organizational costs authorized under the Act are estimated to be under \$50,000. Interim District expenses funded by Developer will be reimbursed from available revenue sources, including bond proceeds.

The principal amount of voter-authorized debt shall not exceed \$11,000,000, exclusive of refundings or other refinancings, unless otherwise approved by the County. The maximum interest rate on District bonds is estimated to be 12%. The maximum underwriting discount is estimated to be 3.0%. It is anticipated that initial District bonds will be refunded six years after issuance and the refunding bonds will be mature not more than 30 years from the date of their issuance. District bonds may be refunded in accordance with State law. The letters from the Underwriters attached as Exhibit F confirms the availability of bond financing for the District within the parameters set forth in the Financing Plan.

The District will incur ongoing operation and maintenance expenses associated with its continuing activities. Such expenses may include, without limitation, the issuance and administration of debt and, the operation and maintenance of water, sewer, drainage, landscaping, signage and, perhaps, some open space/park facilities. As previously indicated, a portion of the estimated 45.0 mill levy is available for this purpose.

The Financial Advisor has demonstrated that, at the projected levels of development, the District will have the economic ability to finance the public facilities

needed for the Development, to provide limited services and pay for service costs likely to be incurred by the District, and to discharge the proposed indebtedness of the District on a reasonable basis, without significant potential financing risks, relying upon reasonable tax levies. No funds or assets of the County shall be pledged as security for the repayment of debt incurred by the District, and the County shall have no financial liability of any nature for the debt of the District or its operations.

## V. PROPOSED AND EXISTING AGREEMENTS

There are no existing agreements that would be with the District. It is possible that there will be cost sharing agreements for any off-site regional improvements, which may consist of Intergovernmental Agreements directly between the District and other governments and/or between the District and other developers. Further, there may be reimbursement arrangements or developer agreements providing for the recoupment from tap fees or other available sources of those costs advanced by the District. Alternatively, there may be arrangements made for a credit against tap fees based upon the share of the tap fee which is being paid directly through the construction of improvements. There will also likely be a Reimbursement Agreement with the Developer. Such Agreement will establish the terms under which (i) the Developer will advance funds to or on behalf of the District and (ii) the District will repay or reimburse the Developer for such advances. Such Agreement will reflect the maximum interest rate on Developer advances of 9%, as provided in the Service Plan. The Agreement will establish procedures for rates and loan terms and authorize the issuance of promissory notes to evidence District debts and set forth procedures for repayment of District debts with bond proceeds. Finally, there will likely be some arrangement with the owners of property within Priest Creek Ranch for water and possibly other services.

Again, none of these agreements are currently able to be enumerated or articulated so as to be included within this Service Plan.

## **VI. OTHER REQUIREMENTS**

The District shall be subject to the following additional requirements:

1. Any material modification to the Service Plan will be processed pursuant to this Service Plan and the Act.
2. The District shall cooperate with the County to implement the Service Plan and to discharge its responsibilities to furnish services and facilities needed for the Development.
3. The District shall not issue any indebtedness that is not consistent with the Service Plan without first submitting the proposed financing to the County for review and comment.
4. Developer shall provide adequate written notice to initial purchasers of property in the District regarding the existence of the District.

## VII. CONCLUSION

It is submitted that the Service Plan establishes, as required by the Act, that:

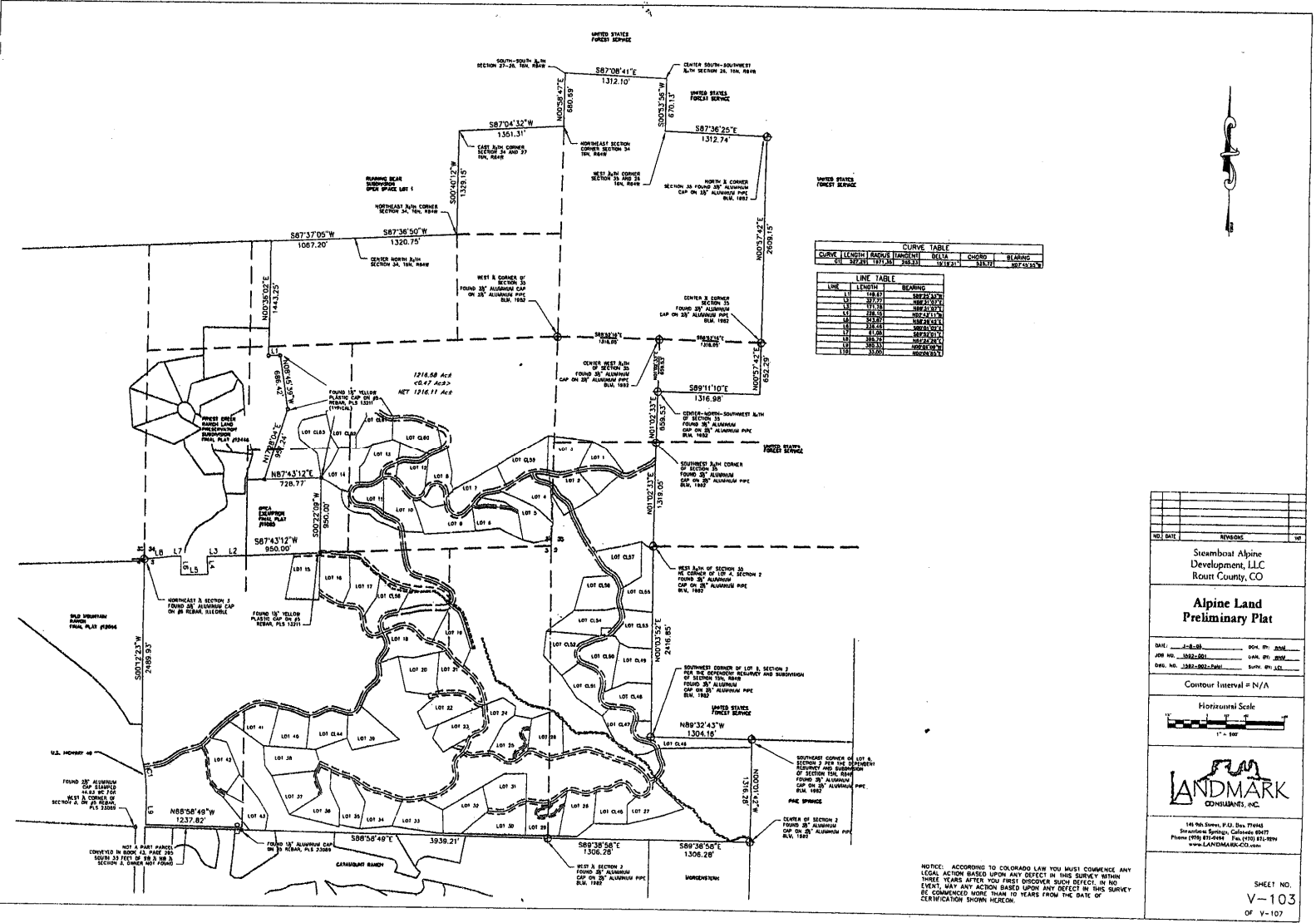
- a) there is sufficient existing and projected need for organized service in the area to be served by the District;
- b) the existing service in the area to be served by the District is inadequate for present and projected needs;
- c) the District is capable of providing economical and sufficient service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

Therefore, it is requested that the Board of County Commissioners of the County of Routt, Colorado, which has jurisdiction to approve the Service Plan pursuant to Part 2 of Article 1, Title 32, C.R.S., adopt a resolution approving the Service Plan for Alpine Mountain Ranch Metropolitan District without condition or modification.



**EXHIBIT A**

**MAP SHOWING THE BOUNDARIES OF THE DISTRICT**



CURVE TABLE					
CURVE	LENGTH	RADIUS	CHORD	BEARING	BEARING
C1	347.81	1871.35	282.31	131.62	318.71
C2	107.43	544.21	31.71	107.43	107.43

LINE TABLE	
LINE	BEARING
1	N87°04'32\"/>

NO. DATE	BY	DATE
Steamboat Alpine Development, LLC Routt County, CO		
<b>Alpine Land Preliminary Plat</b>		
DRAWN BY: JCL/SL	DATE: 07/20/20	
CHECKED BY: JCL/SL	DATE: 07/20/20	
DATE: 07/20/20	DATE: 07/20/20	
Contour Interval = N/A		
Horizontal Scale 		
141 9th Street, P.O. Box 77848 Steamboat Springs, Colorado 81627 Phone (970) 875-9194 Fax (970) 875-9197 www.LANDMARK-CD.com		
NOTICE: ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT, IN NO EVENT, MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN 10 YEARS FROM THE DATE OF CERTIFICATION SHOWN HEREON.		
SHEET NO. <b>V-103</b> OF V-107		

**EXHIBIT B**

**LEGAL DESCRIPTION OF THE PROPERTY  
WITHIN THE BOUNDARIES OF THE  
ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT**

**ALPINE MOUNTAIN RANCH**

A PARCEL OF LAND LOCATED IN THE S1/2SW1/4, NE1/4SW1/4, SE1/4NW1/4, S1/2NE1/4, SE1/4, NE1/4NE1/4 OF SECTION 34, NW1/4, W1/2SW1/4, N1/2NE1/4SW1/4 OF SECTION 35, S1/2SW1/4SW1/4 OF SECTION 26, TOWNSHIP 6 NORTH, RANGE 84 WEST OF THE 6TH P.M., AND IN LOT 4 AND THE S1/2NW1/4 OF SECTION 2, LOTS 1 THRU 4, S1/2NE1/4 AND THE S1/2NW1/4 OF SECTION 3, TOWNSHIP 5 NORTH, RANGE 84 WEST OF THE 6TH P.M.

**PARCEL A:**

A parcel of land located in the S1/2SW1/4, NE1/4SW1/4, SE1/4NW1/4, S1/2NE1/4, SE1/4, NE1/4NE1/4 of Section 34, NW1/4, W1/2SW1/4, N1/2NE1/4SW1/4 of Section 35, S1/2SW1/4SW1/4 of Section 26, Township 6 North, Range 84 West of the 6th P.M., and in Lot 4 and the S1/2NW1/4 of Section 2, Lots 1 thru 4, S1/2NE1/4 and the S1/2NW1/4 of Section 3, Township 5 North, Range 84 West of the 6th P.M.

BEGINNING at the NW corner of Section 3;

Thence S 00°12'23" W, 2465.57 feet along the west line of Lot 4 and the west line of the SW1/4NW1/4 of Section 3 to a curve on the easterly boundary line of US Highway No. 40 from which the radius point bears S 74°18'17" W, 1970.00 feet. Said easterly boundary line being as described by deed as filed in Book 243 at Page 122;

Thence along said easterly boundary line along said curve to the right a distance of 548.40 feet, with a central angle of 15°56'59", and whose chord bears S 07°43'14" E, 546.63 feet;

Thence S 00°14'53" W, 7.27 feet along said easterly boundary line to a north boundary line of US Highway No. 40 as described by deed recorded in Book 176 at Page 162;

Thence S 89°05'37" E, 1.58 feet along said north boundary line;

Thence S 00°54'23" W, 137.31 feet along an east boundary line of said US Highway No. 40 (Book 176 at Page 162) to its intersection with an east boundary line for US Highway No. 40 as described by deed as filed in Book 243 at Page 122;

Thence S 00°14'53" W, 239.34 feet along said east boundary line to the north line of a tract of land as described by deed recorded in Book 43 at Page 295;

Thence S 88°58'49" E, 1237.67 feet along said north line to the NE corner of said tract of land;

Thence S 00°06'55" W, 33.00 feet along the east line of said tract of land to the SE corner of said tract and to the south line of the NW1/4 of Section 3;

Thence S 88°58'49" E, 3939.21 feet along said south line and along the south line of the NE1/4 of said Section 3 to the W1/4 corner of Section 2;

Thence S 89°38'58" E, 2612.56 feet along the south line of the S1/2NW1/4 of Section 2 to the center of said Section 2;

Thence N 00°01'42" W, 1316.28 feet along the east line of the SE1/4NW1/4 to the NE corner of said SE1/4NW1/4. Said corner being also the SE corner of Lot 6 of said Section 2;

Thence N 89°32'43" W, 1304.16 feet along the north line of said SE1/4NW1/4 and along the south line of said Lot 6 to the SE corner of Lot 4 of said Section 2;

Thence N 00°03'52" E, 2416.85 feet along the east line of said Lot 4 to the NE corner of said Lot 4;

Thence N 01°02'33" E, 1319.05 feet along the east line of the SW1/4SW1/4 of Section 35, Township 6 North, Range 84 West to the NE corner of said SW1/4SW1/4;

Thence N 01°02'33" E, 659.53 feet along the east line of the S1/2NW1/4SW1/4 to the NE corner of said S1/2NW1/4SW1/4;

Thence S 89°11'10" E 1316.98 feet along the south line of the N1/2NE1/4SW1/4 to the SE corner of said N1/2NE1/4SW1/4;

Thence N 00°57'42" E, 652.29 feet along the east line of said N1/2NE1/4SW1/4 to the center of said Section 35;  
 Thence N 00°57'42" E, 2609.15 feet along the east line of the NW1/4 of said Section 35 to the N1/4 corner of said Section 35;  
 Thence N 87°36'25" W, 1312.74 feet along the north line of the NE1/4NW1/4 of said Section 35 to the SE corner of the S1/2SW1/4SW1/4 of Section 26;  
 Thence N 00°53'56" E, 670.13 feet along the east line of said S1/2SW1/4SW1/4 to the NE corner of said S1/2SW1/4SW1/4;  
 Thence N 87°08'41" W, 1312.10 feet along the north line of said S1/2SW1/4SW1/4 to the NW corner of said S1/2SW1/4SW1/4;  
 Thence S 00°58'47" W, 680.69 feet along the west line of said S1/2SW1/4SW1/4 to the NE corner of Section 34;  
 Thence S 87°04'30" W, 1351.32 feet along the north line of the NE1/4NE1/4 of said Section 34 to the NW corner of said NE1/4NE1/4;  
 Thence S 00°40'12" W, 1329.15 feet along the west line of said NE1/4NE1/4 to the SW corner of said NE1/4NE1/4;  
 Thence S 87°36'50" W, 1320.75 feet along the north line of the SW1/4NE1/4 to the NW corner of said SW1/4NE1/4;  
 Thence S 87°37'05" W, 1067.18 feet along the north line of the SE1/4NW1/4 to the NE corner of Priest Creek Ranch, a subdivision as filed by plat appearing at File No. 12446;  
 Thence along the easterly boundary line of said Priest Creek Ranch the following four (4) calls:

1. Thence S 00°36'02" W, 1443.24 feet;
2. Thence N 89°25'33" E, 149.67 feet;
3. Thence S 08°45'39" E, 686.42 feet;
4. Thence S 17°28'04" W, 957.24 feet to the north line of Drea Exemption, a subdivision as filed by plat appearing at File No. 11085;

Thence N 87°43'12" E, 728.76 feet along said north line to the NE corner of said Drea Exemption;  
 Thence S 00°22'09" W, 950.00 feet along the east line of said Drea Exemption to the SE corner of said Drea Exemption;  
 Thence S 87°43'12" W, 950.00 feet along the south line said Drea Exemption to the SW corner of said Drea Exemption. Said corner being also the SE corner of the above said Priest Creek Ranch;  
 Thence along the southerly boundary line of said Priest Creek Ranch the following seven (7) calls:

1. Thence S 88°31'07" W, 327.77 feet;
2. Thence S 88°31'07" W, 171.78 feet;
3. Thence S 02°43'11" E, 228.15 feet;
4. Thence S 88°26'42" W, 343.87 feet;
5. Thence N 00°01'02" W, 236.46 feet;
6. Thence N 89°52'01" W, 81.08 feet;
7. Thence S 84°24'28" W, 395.76 feet to the Point of Beginning.

EXCEPT that certain 30.0 foot wide lane for a right-of-way for a road as described by deed recorded in Book 167 at Page 567.

Bearings are based upon the monumented south line of the SE1/4 of Section 33, Township 6 North, Range 84 West being N 87°46'11" E. Said monuments being a 2 1/2 inch

aluminum pipe with a 3 1/4 inch aluminum cap affixed and stamped LS 23521 set at the S1/4 corner, Section 33 and a 2 inch aluminum pipe with a 3 1/4 inch aluminum cap affixed and stamped LS 13221 for the SE corner of Section 33.

**PARCEL B:**

A perpetual, non-exclusive easement for vehicular, pedestrian, equestrian and livestock access, and ingress and egress on, over, under and across the property described on Exhibit "C" of Reciprocal Easement Agreement recorded October 10, 1996 in Book 725 at Page 909 and rerecorded May 23, 1997 in Book 733 at Page 293 and as reserved in Special Warranty Deed recorded October 10, 1996 in Book 725 at Page 902. Excepting and excluding therefrom that portion of said easement lying within the above described Parcel A.

**PARCEL C:**

A perpetual and non-exclusive easement for equestrian purposes, including for construction, installation, maintenance, repair, operation, and replacement of stables, a barn, corrals and other equestrian improvements and outbuildings, and for the keeping and storage of equestrian equipment and the care and feeding of horses, for stabling of horses and for other equestrian purposes as described on Exhibit "A" of deed recorded June 9, 1997 in Book 733 at Page 845.

**PARCEL D:**

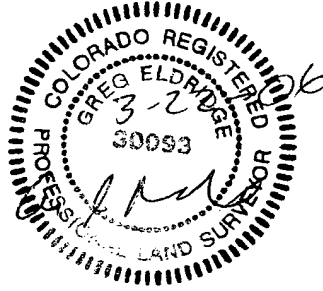
A perpetual, non-exclusive blanket easement for the installation, maintenance, repair and replacement of underground utility lines, facilities and services over, under, across property described on Exhibit "A" of Utility Easement Agreement recorded October 10, 1996 in Book 725 at Page 911, and above-ground lines, facilities and services that utilize existing poles along and parallel to U.S. Highway 40 and Routt County Road 24 as limited to said property described on said Exhibit "A" of Utility Easement Agreement recorded October 10, 1996 in Book 725 at Page 911.

**PARCEL E:**

A perpetual and nonexclusive easement on, over, under and across (1) the Outlot Parcel, in Priest Creek Ranch, as shown and described on the Plat of Priest Creek Ranch, a subdivision, as filed for record at File No. 12446, Routt County records (hereinafter called the "Plat") (ii) the Hillside Remainder Parcel, (iii) the Creek Remainder Parcel, (iv) the Cul-de-Sac Remainder Parcel, (v) all that part of Lot 3 outside of the Building Envelope Area shown thereon (or as may be hereafter relocated), being the area shown on the Plat as "Water System Easement Area," (vi) all that part of the Outlot Parcel described as the "Underground Utility Easement Area" as shown on the Plat and adjoining the northerly and easterly and westerly boundaries of the Creek Remainder Parcel, (vii) all that part of Remainder Parcel 13 outside of and excluding the Remainder Parcel 13 Building Envelope thereon and the Ag Unit Building Envelope thereon (or as may be hereafter relocated), (viii) 20 feet along and adjoining all of the outer boundary lines of each of Lots 1 through 12, Priest Creek Ranch, and (ix) 30 feet on each side of the centerline of the "30-foot wide water system access easement" within Lots 11 and 12, Priest Creek Ranch, all as shown, labeled and described on the Plat, for the purposes of construction, installation, maintenance, repair, operation and replacement of (i) electric, telephone, gas, and cable

television lines and appurtenances (herein called the "Dry Utilities"), (ii) one or more sewage collection trunk lines and appurtenances, including manholes and lift stations (herein called the "Sewage Lines"), and (iii) wells, pipelines, trunk lines, water storage tanks, water treatment and/or chlorination facilities, water infiltration galleries, fire plugs, water distribution lines, valves and generally all other facilities, equipment and improvements for the diversion, treatment, storage and delivery of water for beneficial uses (herein called the "Water System" as such term is defined in the Declaration of Protective Covenants of Priest Creek Ranch), and for any enlargement, modification, extension or improvement of such Dry Utilities, Sewage Lines, and Water System, together with the right of ingress and egress of persons, vehicles and equipment to access all or any part of such Dry Utilities, Sewage Lines, or Water System for construction, maintenance, repair, operation and replacement thereof.

County of Routt, State of Colorado



**EXHIBIT C**  
**CAPITAL PLAN**



## Civil Design Consultants, Inc.

Engineers and Planners

First Financial Center, 2145 Resort Drive, Suite 100

Steamboat Springs, Colorado 80487

Tel (970) 879-3022 • Fax (970) 879-3028

June 29, 2006

Andrew Daly  
Steamboat Alpine Development, LLC  
710 W. Lionshead Circle, Unit B  
Vail, CO 81657

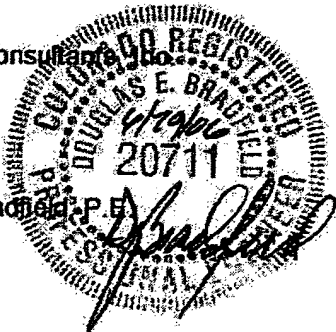
Re: Alpine Mountain Ranch - Steamboat Springs, Colorado - Service Plan

Dear Mr. Daly:

Please find attached *Exhibit C - Opinion of Probable District Construction Costs* dated June 29, 2006 for your use in preparing the Service Plan for the Alpine Mountain Ranch project. Based on my understanding of the current project scope, material estimates provided by the client, and bids provided by the General Contractor, I believe the Opinion of Probable District Construction Costs for the capital improvements related to streets, driveways, bridge, and water systems is reasonable. However, CDC has not participated in the design activities in connection with the park and recreation facilities and therefore our opinion of costs does not extend to such items.

Best regards,  
Civil Design Consultants, Inc.

Douglas E. Bradford, P.E.



C: Jim Mock  
Collins Cockrel & Cole  
390 Union Boulevard, Suite 400  
Denver, CO 80228-1556

**Exhibit C**  
**ALPINE MOUNTAIN RANCH**  
**Summary of Opinion of Probable District Construction Costs**  
**June 29, 2006**

Project Improvements	Probable District Total Construction Costs	Probable District Water System Costs	Probable District Street and Drainage System Costs
General Conditions	\$ 607,500	151,875	455,625
Internal roads system improvements	\$ 4,121,908		4,121,908
US40 Highway Access improvements	\$ 768,452		768,452
CR24 Improvements	\$ 529,679		529,679
Water distribution, pumping, and storage	\$ 1,538,057	1,538,057	
Raw water supply system	\$ 147,595	147,595	
Miscellaneous	\$ 626,203		626,203
Water Treatment and Supply	\$ 547,525	547,525	
Bridge	\$ 521,586		521,586
Contingency Lots - North of Priest Creek	\$ 789,870		789,870
Contingency Lots - East Slope	\$ 303,796		303,796
Barn Driveway and Site Grading	\$ 79,595		79,595
Additional Owner Costs	\$ 180,360	45,090	135,270
<b>Summary of Probable Construction Costs</b>	<b>\$ 10,762,126</b>	<b>\$ 2,430,142</b>	<b>\$ 8,331,984</b>

**Exhibit C**  
**ALPINE MOUNTAIN RANCH**  
**Opinion of Probable District Construction Costs**

Category and Work Items	Estimated Qty.	Unit	Estimated Unit Cost	Extended Cost	Category Total
<b>GENERAL CONDITIONS</b>					
Mobilization	1	LS	\$40,000.00	\$40,000	
General Conditions					
Supervision	1	LS	\$120,000.00	\$120,000	
Temporary Equipment	1	LS	\$25,000.00	\$25,000	
Temporary Services	1	LS	\$24,000.00	\$24,000	
Fee	1	LS	\$156,000.00	\$156,000	
Other Overhead	1	LS	\$0.00	\$0	
Temporary Construction	1	LS	\$70,000.00	\$70,000	
Miscellaneous Construction	1	LS	\$75,000.00	\$75,000	
Insurance - General Liability	1	LS	\$0.00	\$0	
Insurance - Builders risk	1	LS	\$2,500.00	\$2,500	
Bonds	1	LS	\$95,000.00	\$95,000	
Subtotal					\$607,500
<b>INTERNAL ROAD SYSTEM IMPROVEMENTS</b>					
Construction Surveying - by contractor	1	LS	\$150,000.00	\$150,000	
Construction Geotechnical QC - by contractor	1	LS	\$90,000.00	\$90,000	
Miscellaneous contractor costs - insurance, bonds, etc	1	LS	\$5,000.00	\$5,000	
Clearing and Grubbing	62	AC	\$3,650.00	\$226,300	
Topsoil remove	174,112	CY	\$1.95	\$339,518	
Topsoil replace	18,350	CY	\$4.20	\$77,070	
Topsoil waste	155,762	CY	\$2.20	\$342,676	
Common Excavation	129,485	CY	\$2.10	\$271,919	
Embankment fill	167,755	CY	\$1.80	\$301,959	
Borrow - from on-site borrow area	42,097	CY	\$4.50	\$189,437	
Road Aggregate Subbase Course - from on-site borrow	26,234	CY	\$8.00	\$209,872	
Road Aggregate Base Course - from on-site borrow	12,274	CY	\$10.00	\$122,740	
Shouldering - Road Aggregate Surface Course from on-site borrow	2,200	CY	\$16.00	\$35,200	
Asphalt 4" thickness	16,500	SY	\$18.74	\$309,210	
Asphalt 3" thickness	41,840	SY	\$14.29	\$597,894	
Culverts, 15" dia.	800	LF	\$29.00	\$23,200	
Culverts, 18" dia.	1,600	LF	\$32.00	\$51,200	
Culverts, 24"	70	LF	\$35.00	\$2,450	
Culverts, 30"	380	LF	\$40.00	\$15,200	
Culverts, 36"	100	LF	\$60.00	\$6,000	
Culverts, 48"	340	LF	\$65.00	\$22,100	
FES Culverts, 15" dia.	30	EA	\$140.00	\$4,200	
FES Culverts, 18" dia.	64	EA	\$160.00	\$10,240	
FES Culverts, 24"	4	EA	\$180.00	\$720	
FES Culverts, 30"	12	EA	\$250.00	\$3,000	
FES Culverts, 36"	2	EA	\$250.00	\$500	
FES Culverts, 48"	10	EA	\$550.00	\$5,500	
Erosion and Sediment Control	9,500	LF	\$5.50	\$52,250	
Cutoff ditch at top of cut slope	17,000	LF	\$7.00	\$119,000	
Trapezoidal Channel Type T-2	300	LF	\$32.00	\$9,600	
Rock Veneer on 1.5:1 slopes	5,500	VSF	\$16.00	\$88,000	
Jute Matting on slopes over 8' high	83,000	SY	\$1.50	\$124,500	
Revegetation ( Seed, Mulch, Fertilize)	46	AC	\$1,450.00	\$66,700	
Rock Excavation	2,000	CY	\$9.00	\$18,000	
Boulder Dry Stack Retaining Walls	6,500	VSF	\$20.00	\$130,000	
Repair of Beaver-Highline Ditch (lots 22, 23, 25)					
Constructed fill with rip rap open channel	1,550	LF	\$15.00	\$23,250	
Constructed fill with 30" dia. Culvert with FES	310	LF	\$48.00	\$14,880	
Signage - Traffic	20	EA	\$250.00	\$5,000	
Guardrail - type 3, self weathering, long wooden posts	1,644	LF	\$21.00	\$34,524	
Guardrail - Flared-End Section	14	EA	\$1,650.00	\$23,100	
Subtotal					\$4,121,908

**Exhibit C**  
**ALPINE MOUNTAIN RANCH**  
**Opinion of Probable District Construction Costs**

Category and Work Items	Estimated Qty.	Unit	Estimated Unit Cost	Extended Cost	Category Total
<b><u>US40 HIGHWAY ACCESS IMPROVEMENTS</u></b>					
Construction Surveying - by contractor	1	LS	\$15,000.00	\$15,000	
Construction Geotechnical QC - by contractor	1	LS	\$5,250.00	\$5,250	
Miscellaneous contractor costs - insurance, bonds, etc	1	LS	\$8,700.00	\$8,700	
Clearing and Grubbing	1.6	AC	\$5,500.00	\$8,800	
Topsoil remove	2,100	CY	\$3.00	\$6,300	
Topsoil replace	650	CY	\$5.00	\$3,250	
Topsoil waste	1,450	CY	\$5.00	\$7,250	
Common Excavation	0	CY		\$0	
Embankment fill	3,240	CY	\$3.00	\$9,720	
Borrow - from off-site source	3,564	CY	\$22.50	\$80,190	
Road Aggregate Subbase Course - from off-site source	1,414	CY	\$24.00	\$33,936	
Road Aggregate Base Course - from off-site source	612	CY	\$28.00	\$17,136	
Shouldering - Road Aggregate Surface Course from off-site source	250	CY	\$31.00	\$7,750	
Asphalt 4" thickness	3,300	SY	\$17.65	\$58,245	
Asphalt 2" thick overlay	12,300	SY	\$9.80	\$120,540	
Retaining Wall	6,500	VFS	\$50.00	\$325,000	
Restriping	9,500	LF	\$0.65	\$6,175	
Culvert, 24" dia.; extend existing	100	LF	\$36.00	\$3,600	
Erosion and Sediment Control	3,400	LF	\$5.30	\$18,020	
Revegetation ( Seed, Mulch, Fertilize)	1.6	AC	\$1,650.00	\$2,640	
Signage - Reset existing	1	LS	\$950.00	\$950	
Traffic Control	1	LS	\$30,000.00	\$30,000	
Subtotal					\$768,452
<b><u>CR24 IMPROVEMENTS</u></b>					
Construction Surveying - by contractor	1	LS	\$18,000.00	\$18,000	
Construction Geotechnical QC - by contractor	1	LS	\$15,000.00	\$15,000	
Miscellaneous contractor costs - insurance, bonds, etc	1	LS	\$6,500.00	\$6,500	
Clearing and Grubbing	2	AC	\$2,500.00	\$5,000	
Topsoil remove	6,000	CY	\$1.95	\$11,700	
Topsoil replace	450	CY	\$4.20	\$1,890	
Topsoil waste	5,550	CY	\$3.00	\$16,650	
Common Excavation	0	CY		\$0	
Embankment fill	7,000	CY	\$3.00	\$21,000	
Borrow - from off-site source	7,700	CY	\$18.00	\$138,600	
Road Aggregate Subbase Course - from off-site source	1,450	CY	\$24.00	\$34,800	
Road Aggregate Base Course - from off-site source	1,250	CY	\$28.00	\$35,000	
Shouldering - Road Aggregate Surface Course from off-site source	265	CY	\$30.00	\$7,950	
Asphalt 4" thickness	7,333	SY	\$16.95	\$124,294	
Culverts, 18" dia.	60	LF	\$32.00	\$1,920	
Culverts, 24	180	LF	\$35.00	\$6,300	
Culverts, 30	0	LF		\$0	
Culverts, 36	0	LF		\$0	
FES Culverts, 18" dia.	2	EA	\$160.00	\$320	
FES Culverts, 24	6	EA	\$180.00	\$1,080	
FES Culverts, 30	0	EA		\$0	
FES Culverts, 36	0	EA		\$0	
Erosion and Sediment Control	6,000	LF	\$5.30	\$31,800	
Revegetation ( Seed, Mulch, Fertilize)	1.1	AC	\$1,750.00	\$1,925	
Rock Excavation - Allowance	0	LS		\$0	
Signage - Reset existing	3	EA	\$150.00	\$450	
Traffic Control	1	LS	\$49,500.00	\$49,500	
Subtotal					\$529,679

**Exhibit C**  
**ALPINE MOUNTAIN RANCH**  
**Opinion of Probable District Construction Costs**

Category and Work Items	Estimated Qty.	Unit	Estimated Unit Cost	Extended Cost	Category Total
<b><u>WATER DISTRIBUTION AND STORAGE</u></b>					
Connection to existing system in Priest Creek	1	EA	\$3,250.00	\$3,250	
Booster Pump Line - 4" dia. C900 PVC	2,100	LF	\$26.22	\$55,062	
Water Line - 6" dia C900 PVC	30,175	LF	\$23.00	\$694,025	
6" Gate Valves	94	EA	\$755.00	\$70,970	
Fittings - all sizes and angles	60	EA	\$480.00	\$28,800	
Booster Pump Station	1	LS	\$98,000.00	\$98,000	
1-1/2" Cu water service - saddle/curb/corp/50 lf stubout	65	EA	\$1,350.00	\$87,750	
Treated Water Storage and site grading	1	LS	\$190,000.00	\$190,000	
Fire Hydrants - 6" lateral/FH assembly	15	EA	\$4,200.00	\$63,000	
Pressure Reducing Valve Stations	4	EA	\$38,000.00	\$152,000	
Air Release Valve Stations	4	EA	\$3,850.00	\$15,400	
Tank/Booster Pump Station Radio Telemetry System - Allowance	1	LS	\$20,000.00	\$20,000	
Water line for North contingency lots	2,600	LF	\$23.00	\$59,800	
Subtotal					\$1,538,057
<b><u>RAW WATER SUPPLY</u></b>					
Connection to existing 6" dia. DIP raw water supply line	1	EA	\$2,850.00	\$2,850	
Raw water supply line - 4" dia. C900 PVC	3,500	LF	\$26.22	\$91,770	
4" Gate Valves	6	EA	\$650.00	\$3,900	
Fittings - all angles	6	EA	\$450.00	\$2,700	
10 pair shielded pump control wire and connector stations	3,500	LF	\$6.25	\$21,875	
electric supply line to each well site from existing gallery	3,500	LF	\$7.00	\$24,500	
Subtotal					\$147,595
<b><u>MISCELLANEOUS</u></b>					
<b>Borrow area (pond site)</b>					
Subbase course extraction and processing	28,857	CY	\$5.00	\$144,287	
Base course class 6 extraction and processing	13,501	CY	\$9.00	\$121,513	
Shouldering material extraction and processing	2,420	CY	\$9.00	\$21,780	
Embankment extraction for borrow	46,307	CY	\$3.50	\$162,073	
Erosion and Sediment controls; permit and site management	1	LS	\$18,500.00	\$18,500	
Pond Construction - shaping, dam embankment, etc.	1	LS	\$95,000.00	\$95,000	
Wetlands Mitigation - on-site	0.9	AC	\$14,500.00	\$13,050	
Pond water supply system	1	LS	\$50,000.00	\$50,000	
Subtotal					\$626,203

**Exhibit C**  
**ALPINE MOUNTAIN RANCH**  
**Opinion of Probable District Construction Costs**

Category and Work Items	Estimated Qty.	Unit	Estimated Unit Cost	Extended Cost	Category Total
<b><u>WATER TREATMENT AND SUPPLY</u></b>					
Treatment - process equipment					
Mn removal	1	LS	\$75,000	\$ 75,000	
installation	1	LS	\$15,000	\$ 15,000	
BW recycle system	1	LS	\$50,000	\$ 50,000	
radon removal equipment	1	LS	\$30,000	\$ 30,000	
radon removal installation	1	LS	\$5,000	\$ 5,000	
corrosion control	1	LS	\$1,500	\$ 1,500	
chlorination	1	LS	\$2,500	\$ 2,500	
Increase Bag filtration	1	LS	\$ 20,000	\$ 20,000	
Building expansion / HVAC - 22x12x9	265	SF	\$ 250	\$ 66,250	
Wells - drill and develop	5	EA	\$20,000	\$ 100,000	
Wells - pumps and connection	5	EA	\$7,500	\$ 37,500	
Upgrade raw water pumps - Infil gallery	1	EA	\$ 5,000	\$ 5,000	
Upgrade finished water pumps	3	EA	\$ 5,000	\$ 15,000	
Electrical MCC upgrade	1	LS	\$ 15,000	\$ 15,000	
Telemetry for remote tank & BPS system	1	LS	\$ 20,000	\$ 20,000	
Instrumentation	1	LS	\$ 20,000	\$ 20,000	
Controls upgrade	1	LS	\$ 20,000	\$ 20,000	
Subtotal				\$ 497,750	
Contingency		%	10%	49,775	
Total					\$547,525
<b><u>BRIDGE</u></b>					
Prefabricated Bridge	1	LS	255,000	\$ 255,000	
Receive and set bridge and bridge rail	1	LS	50,000	\$ 50,000	
Mobilization	1	LS	6,000	\$ 6,000	
Concrete Abutments / foundation	121	CY	600	\$ 72,889	
Concrete Bridge Deck	81	CY	600	\$ 48,389	
Concrete approach slab	21	CY	600	\$ 12,515	
Approach Rails					
Type 3 weathering steel on long wooden posts	200	LF	\$21.00	\$ 4,200	
End anchorage	4	EA	\$1,650.00	\$ 6,600	
Rip Rap	125	CY	50	\$ 6,250	
Excavation and backfill	1	LS	6,000	\$ 6,000	
Asphalt overlay - 2"	422	SY	15	\$ 6,327	
Revegetation	0	AC	3,500	\$ -	
Subtotal				\$ 474,169	
Contingency		%	10%	47,417	
Total					\$521,586

**Exhibit C**  
**ALPINE MOUNTAIN RANCH**  
**Opinion of Probable District Construction Costs**

Category and Work Items	Estimated Qty.	Unit	Estimated Unit Cost	Extended Cost	Category Total
<b><u>CONTINGENCY LOTS - NORTH OF PRIEST CREEK</u></b>					
Construction Surveying - by contractor	1	LS	\$10,000.00	\$10,000	
Construction Geotechnical QC - by contractor	1	LS	\$5,000.00	\$5,000	
Miscellaneous contractor costs - insurance, bonds, etc	1	LS	\$1,000.00	\$1,000	
Clearing and Grubbing	5	AC	\$3,650.00	\$16,425	
Topsoil remove	12,500	CY	\$1.95	\$24,375	
Topsoil replace	12,500	CY	\$4.20	\$52,500	
Topsoil waste		CY	\$2.20	\$0	
Common Excavation	10,600	CY	\$2.10	\$22,260	
Embankment fill	20,500	CY	\$1.80	\$36,900	
Borrow - from on-site borrow area	10,890	CY	\$4.50	\$49,005	
Road Aggregate Subbase Course - from on-site borrow	1,700	CY	\$8.00	\$13,600	
Road Aggregate Base Course - from on-site borrow	780	CY	\$10.00	\$7,800	
Shouldering - Road Aggregate Surface Course from on-site borrow	130	CY	\$16.00	\$2,080	
Asphalt 3" thickness	5,500	SY	\$14.29	\$78,595	
Culverts, 15" dia.		LF	\$29.00	\$0	
Culverts, 18" dia.	210	LF	\$32.00	\$6,720	
Culverts, 24"		LF	\$35.00	\$0	
Culverts, 30"		LF	\$40.00	\$0	
Culverts, 36"	120	LF	\$60.00	\$7,200	
Culverts, 48"	80	LF	\$65.00	\$5,200	
FES Culverts, 15" dia.		EA	\$140.00	\$0	
FES Culverts, 18" dia.	6	EA	\$160.00	\$960	
FES Culverts, 24"		EA	\$180.00	\$0	
FES Culverts, 30"		EA	\$250.00	\$0	
FES Culverts, 36"	2	EA	\$250.00	\$500	
FES Culverts, 48"	2	EA	\$550.00	\$1,100	
Erosion and Sediment Control	1,000	LF	\$5.50	\$5,500	
Cutoff ditch at top of cut slope	1,100	LF	\$7.00	\$7,700	
Rock Veneer on 1.5:1 slopes	21,600	VSF	\$16.00	\$345,600	
Jute Matting on slopes over 8' high	4,000	SY	\$1.50	\$6,000	
Revegetation ( Seed, Mulch, Fertilize)	3	AC	\$3,500.00	\$10,500	
Rock Excavation	5,500	CY	\$9.00	\$49,500	
Boulder Dry Stack Retaining Walls		VSF	\$20.00	\$0	
Signage - Traffic	1	EA	\$250.00	\$250	
Guardrail - type 3, self weathering, long wooden posts	300	LF	\$21.00	\$6,300	
Guardrail - Flared-End Section	2	EA	\$1,650.00	\$3,300	
Turnaround	140	LF	\$100.00	\$14,000	
<b>Subtotal</b>					<b>\$789,870</b>

**Exhibit C**  
**ALPINE MOUNTAIN RANCH**  
**Opinion of Probable District Construction Costs**

Category and Work Items	Estimated Qty.	Unit	Estimated Unit Cost	Extended Cost	Category Total
<b><u>CONTINGENCY LOTS - EAST SLOPE</u></b>					
Asphalt 3" thickness	8,889	SY	\$14.29	\$127,022	
Shouldering - Road Aggregate Surface Course from on-site borrow	293	CY	\$16.00	\$4,693	
Common Driveways w/ 3" HBP	1,050	LF	\$100.00	\$105,000	
Road "J"	300	LF	\$125.00	\$37,500	
18" CMP	120	LF	\$32.00	\$3,840	
FES Culverts, 18" dia.	4	EA	\$160.00	\$640	
Turnaround	140	LF	\$100.00	\$14,000	
Waterline	300	LF	\$23.00	\$6,900	
Fire Hydrant Assembly	1	EA	\$4,200.00	\$4,200	
Subtotal					\$303,796
<b><u>BARN DRIVEWAY</u></b>					
Construction Surveying - by contractor	1	LS	\$1,000.00	\$1,000	
Construction Geotechnical QC - by contractor	1	LS	\$500.00	\$500	
Miscellaneous contractor costs - insurance, bonds, etc	1	LS	\$750.00	\$750	
Clearing and Grubbing	2	AC	\$2,500.00	\$5,000	
Topsoil remove	2,500	CY	\$1.95	\$4,875	
Topsoil replace	2,500	CY	\$4.20	\$10,500	
Topsoil waste	0	CY	\$2.20	\$0	
Common Excavation	0	CY	\$2.10	\$0	
Embankment fill	2,500	CY	\$1.80	\$4,500	
Borrow - from on-site borrow area	2,500	CY	\$4.50	\$11,250	
Road Aggregate Subbase Course - from on-site borrow	350	CY	\$8.00	\$2,800	
Road Aggregate Base Course - from on-site borrow	175	CY	\$10.00	\$1,750	
Shouldering - Road Aggregate Surface Course from on-site borrow	50	CY	\$16.00	\$800	
Asphalt 4" thickness	2,000	SY	\$14.29	\$28,580	
Culverts, 18" dia.	60	LF	\$32.00	\$1,920	
FES Culverts, 18" dia.	2	EA	\$160.00	\$320	
Erosion and Sediment Control	600	LF	\$5.50	\$3,300	
Jute Matting on slopes over 8' high	0	SY	\$1.50	\$0	
Revegetation ( Seed, Mulch, Fertilize)	1	AC	\$3,500.00	\$1,750	
Subtotal					\$79,595
<b><u>ADDITIONAL OWNER COSTS</u></b>					
Construction Staking by Owner	1	LS	60,000	\$60,000	
Construction Engineering	1	LS	120,360	\$120,360	
Subtotal					\$180,360



**ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT**  
**EXPECTED PARK AND RECREATION FACILITIES EXPENDITURES**

**Capital Improvements**

**Expected Improvement Costs**

**Park and Recreation**

Ranch Manager's Cabin	\$569,881
Tractor shed improvements	80,479
Horse barn improvements	410,491
Owners Lodge improvements	<u>694,145</u>
<b>TOTAL</b>	<b>\$1,753,446<sup>1</sup></b>

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<sup>1</sup> See attached Cost Summary Sheet prepared by Beck Building Company for breakdown of estimated expenses for these items.

# Cost Summary Sheet

Beck Building Company

ALPINE MOUNTAIN RANCH

Ranch Manager's Cabin

Date 30-Mar-06



Cost Code	Description	30-Mar-06 Estimate
1010.0000	Building Permit	2,154.00
1070.0000	Contractor Insurance Allw	5,075.00
10100.0000	Jobsite Administration	2,495.00
10150.0000	Superintendent	58,480.00
10200.0000	Jobsite Requirements	6,020.00
10400.0000	Construction Utilities	1,100.00
10500.0000	Construction Equipment	2,000.00
10550.0000	Safety Compliance	500.00
10600.0000	Contract Closeout	8,240.00
20300.0000	Excavation & Backfill	3,845.00
20400.0000	Perimeter Drain	1,932.00
20620.0000	Septic Systems	16,000.00
20850.0000	Propane Service	1,695.00
30100.0000	Concrete Foundations	15,967.00
30300.0000	Interior Concrete Slabs	1,661.00
30350.0000	Exterior Concrete Slabs	300.00
40300.0000	House Stone Veneer	10,822.00
40305.0000	Interior Stone Veneer	2,233.00
50100.0000	Structural Steel	4,060.00
60100.0000	General Labor	14,800.00
60110.0000	Rough Framing Materials	32,033.00
60120.0000	Framing Hardware	3,004.00
60130.0000	Rough Framing Labor	58,674.00
60200.0000	Wood Decks & Railings	8,463.00
60400.0000	Siding & Ext Trim Mtrls	18,540.00
60450.0000	Chinking	8,707.00
60500.0000	Interior Trim Materials	8,997.00
60510.0000	Interior Trim Labor	5,000.00
60600.0000	Interior Stair Finish	500.00
70110.0000	Water Proofing Systems	793.00
70400.0000	Roofing	13,287.00
70410.0000	Roofing Accessories	1,000.00
70500.0000	Flashing & Sheetmetal	258.00
70600.0000	Insulation	4,556.00
80110.0000	Interior Doors	5,840.00
80310.0000	Windows & Ext Doors	16,451.00
80420.0000	Garage Doors	2,000.00
80501.0000	Door Hardware Allw	2,000.00
90300.0000	Drywall	17,747.00
90600.0000	Painting	17,878.00
90710.0000	Tub & Shower Tile	1,188.00
90720.0000	Floor Tile	6,970.00
90900.0000	Carpet	4,686.00
91000.0000	Resilient Flooring	288.00
100100.0000	Bath Hardware	360.00
100110.0000	Bath Hardware Allw	1,000.00
100310.0000	Wood Burning Stoves	3,000.00

110100.0000	Appliances	4,500.00
110200.0000	Kitchen Cabinets	12,638.00
110300.0000	Bath Vanities	4,008.00
150100.0000	Plumbing	11,200.00
150150.0000	Plumbing Fixtures	4,800.00
150300.0000	Hot Water Heat	20,432.00
160100.0000	Electrical Wiring	15,324.00
160200.0000	Electrical Fixtures	900.00
160201.0000	Electrical Fixtures Allw	2,000.00
160600.0000	Phone & TV Prewire	1,000.00
170100.0000	Contractor's Fee	63,246.00
170150.0000	Weather Conditions Allw	2,500.00
170200.0000	Contingencies	23,734.00

**Total = \$ 568,881.00**

NOTES:

# Cost Summary Sheet

Beck Building Company

ALPINE MOUNTAIN RANCH

Tractor Shed

Date 30-Mar-06



Cost Code	Description	30-Mar-06 Estimate
1070.0000	Contractor Insurance Allw	718.00
10150.0000	Superintendent	7,310.00
10200.0000	Jobsite Requirements	140.00
10600.0000	Contract Closeout	300.00
20300.0000	Excavation & Backfill	3,084.00
20400.0000	Perimeter Drain	1,028.00
30100.0000	Concrete Foundations	4,566.00
30300.0000	Interior Concrete Slabs	3,696.00
60110.0000	Rough Framing Materials	10,081.00
60120.0000	Framing Hardware	1,059.00
60130.0000	Rough Framing Labor	5,400.00
60400.0000	Siding & Ext Trim Mtrls	7,773.00
60410.0000	Siding & Ext Trim Labor	5,400.00
60450.0000	Chinking	2,751.00
70110.0000	Water Proofing Systems	262.00
70400.0000	Roofing	4,470.00
70401.0000	Roofing Allw	1,440.00
70500.0000	Flashing & Sheetmetal	32.00
70800.0000	Joint Sealers	100.00
80310.0000	Windows & Ext Doors	2,150.00
80420.0000	Garage Doors	2,000.00
80601.0000	Ext Door Hardware Allw	100.00
90600.0000	Painting	2,500.00
150100.0000	Plumbing	400.00
150150.0000	Plumbing Fixtures	175.00
160100.0000	Electrical Wiring	1,000.00
160200.0000	Electrical Fixtures	225.00
170100.0000	Contractor's Fee	8,947.00
170200.0000	Contingencies	3,372.00
<b>Total = \$</b>		<b>80,479.00</b>

NOTES:

# Cost Summary Sheet

Beck Building Company

ALPINE MOUNTAIN RANCH

Horse Barn

Date 30-Mar-06



Cost Code	Description	30-Mar-06 Estimate
1010.0000	Building Permit	1,643.00
1070.0000	Contractor Insurance Allw	3,662.00
10100.0000	Jobsite Administration	2,675.00
10150.0000	Superintendent	51,170.00
10200.0000	Jobsite Requirements	6,020.00
10400.0000	Construction Utilities	1,100.00
10500.0000	Construction Equipment	1,500.00
10550.0000	Safety Compliance	500.00
10600.0000	Contract Closeout	3,830.00
20300.0000	Excavation & Backfill	9,704.00
20400.0000	Perimeter Drain	2,100.00
20620.0000	Septic Systems	12,000.00
20850.0000	Propane Service	1,706.00
30100.0000	Concrete Foundations	14,710.00
30300.0000	Interior Concrete Slabs	11,687.00
40306.0000	Interior Stone Veneer Allw	880.00
60100.0000	General Labor	14,800.00
60110.0000	Rough Framing Materials	18,927.00
60120.0000	Framing Hardware	1,832.00
60130.0000	Rough Framing Labor	23,450.00
60400.0000	Siding & Ext Trim Mtrls	12,524.00
60450.0000	Chinking	4,723.00
60500.0000	Interior Trim Materials	2,993.00
60510.0000	Interior Trim Labor	2,160.00
60540.0000	Interior Wall Paneling	4,214.00
70110.0000	Water Proofing Systems	764.00
70400.0000	Roofing	11,965.00
70410.0000	Roofing Accessories	2,000.00
70500.0000	Flashing & Sheetmetal	99.00
70600.0000	Insulation	3,765.00
80110.0000	Interior Doors	2,289.00
80115.0000	Specialty Door Allowance	13,080.00
80310.0000	Windows & Ext Doors	4,425.00
80500.0000	Door Hardware	2,000.00
90300.0000	Drywall	10,541.00
90600.0000	Painting	11,725.00
90720.0000	Floor Tile	1,205.00
90800.0000	Wood Floor	13,326.00
91000.0000	Resilient Flooring	128.00
91010.0000	Rubber Flooring	2,438.00
100100.0000	Bath Hardware	90.00
100110.0000	Bath Hardware Allw	500.00
100310.0000	Wood Burning Stoves	3,000.00
110300.0000	Bath Vanities	1,300.00
130351.0000	Horse Stalls Allw	12,600.00
150100.0000	Plumbing	9,394.00

150150.0000	Plumbing Fixtures	2,800.00
160100.0000	Electrical Wiring	9,213.00
160200.0000	Electrical Fixtures	2,500.00
160400.0000	Electric Heat	12,016.00
160501.0000	Security&Fire Alarm Allw	1,200.00
160600.0000	Phone & TV Prewire	360.00
170100.0000	Contractor's Fee	45,637.00
170150.0000	Weather Conditions Allw	2,500.00
170200.0000	Contingencies	17,121.00
	<b>Total = \$</b>	<b>410,491.00</b>

NOTES:

# Cost Summary Sheet

Beck Building Company

ALPINE MOUNTAIN RANCH

Owners' Lodge

Date 30-Mar-06



Cost Code	Description	30-Mar-06 Estimate
1010.0000	Building Permit	2,514.00
1070.0000	Contractor Insurance Allw	6,192.00
10100.0000	Jobsite Administration	2,675.00
10150.0000	Superintendent	58,480.00
10200.0000	Jobsite Requirements	6,020.00
10400.0000	Construction Utilities	1,100.00
10500.0000	Construction Equipment	2,000.00
10550.0000	Safety Compliance	500.00
10600.0000	Contract Closeout	7,300.00
20300.0000	Excavation & Backfill	8,282.00
20400.0000	Perimeter Drain	1,764.00
20620.0000	Septic Systems	16,000.00
20850.0000	Propane Service	1,695.00
30100.0000	Concrete Foundations	26,487.00
40100.0000	Masonry Walls	3,036.00
40240.0000	Int Masonry Fireplaces	40,000.00
40300.0000	House Stone Veneer	21,080.00
40320.0000	House Flagstone	12,953.00
50100.0000	Structural Steel	5,600.00
60100.0000	General Labor	14,800.00
60110.0000	Rough Framing Materials	28,910.00
60120.0000	Framing Hardware	2,891.00
60130.0000	Rough Framing Labor	37,674.00
60200.0000	Wood Decks & Railings	15,229.00
60400.0000	Siding & Ext Trim Mtrls	13,351.00
60450.0000	Chinking	3,133.00
60500.0000	Interior Trim Materials	5,425.00
60510.0000	Interior Trim Labor	12,000.00
60550.0000	Trusses, Beams & Posts	29,760.00
70110.0000	Water Proofing Systems	867.00
70400.0000	Roofing	16,972.00
70500.0000	Flashing & Sheetmetal	214.00
70600.0000	Insulation	5,132.00
80110.0000	Interior Doors	8,580.00
80310.0000	Windows & Ext Doors	18,473.00
80501.0000	Door Hardware Allw	2,500.00
90300.0000	Drywall	9,206.00
90600.0000	Painting	18,837.00
90720.0000	Floor Tile	3,251.00
90800.0000	Wood Floor	8,792.00
90900.0000	Carpet	1,080.00
91000.0000	Resilient Flooring	159.00
100110.0000	Bath Hardware Allw	1,000.00
110100.0000	Appliances	11,000.00
110200.0000	Kitchen Cabinets	37,800.00
150100.0000	Plumbing	12,000.00
150150.0000	Plumbing Fixtures	4,250.00

150300.0000	Hot Water Heat	12,672.00
150400.0000	HVAC	1,000.00
160100.0000	Electrical Wiring	16,146.00
160200.0000	Electrical Fixtures	7,925.00
160560.0000	Phone & TV Prewire	800.00
160750.0000	Contractor's Fee	77,173.00
170100.0000	Weather Conditions Allw	2,500.00
170150.0000	Contingencies	28,965.00

**Total = \$ 694,145.00**

NOTES:



**EXHIBIT D**  
**FINANCING PLAN**  
**AND**  
**PRELIMINARY DEBT REPAYMENT SCHEDULES FOR DISTRICT BONDS**

**Stan Bernstein and Associates, Inc.**

*Financial Planners and Consultants*

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

*8400 East Prentice Ave., Penthouse*

*Greenwood Village, Colorado 80111*

*Telephone: 303-409-7611; Fax: 303-409-7612; Email: [stanplan@earthlink.net](mailto:stanplan@earthlink.net)*

April 19, 2006

Mr. Andy Daly  
Mr. Mark O'Reilly  
Gore Peaks, LLC  
143 E. Meadow Drive  
Suite 490  
Vail, Colorado 81657

**RE: FINANCING PLAN FOR PROPOSED ALPINE RANCH  
METROPOLITAN DISTRICT – DRAFT 7**

Dear Andy:

Enclosed is a Financing Plan for the proposed Alpine Ranch Metropolitan District (the "District"). The Financing Plan has been assembled based upon information regarding land use, land sales, vertical buildout rates, and operating revenues and expenditure allowances provided by you. The Financing Plan is based upon a District mill levy of 45 (with approximately 30 mills required for debt service and 15 mills for operations) which means that the owner of a home valued at \$4.3 million would pay annual property taxes to the District of approximately \$15,403 based upon the current residential assessment rate of 7.96% of actual value. The owner of a vacant lot valued at \$1.5 million would pay annual property taxes to the District of approximately \$14,681 based on the 29% assessment rate for vacant lots (assuming the actual value of the vacant lot is approximately 75% of market value). The owners of residences and vacant lots would also pay similar property taxes to other overlapping taxing entities such as the School District, Routt County, etc.

One of the purposes for assembling the Financing Plan was to identify the amount of general obligation bonds that the District might be financially capable of supporting. Based upon your revenue and expenditure estimates the District could issue rated Letter of Credit supported limited tax general obligation bonds as identified below:

December 1, 2006: \$10,000,000 yielding net proceeds of \$8,250,000 after costs of issuance and 3-years capitalized interest.

April 19, 2006

Page 2 of 2

The concept would be that the net proceeds of the above described bond issue would be used to pay, or reimburse the developers, for infrastructure costs incurred. The Financing Plan assumes that the Series 2006 Letter of Credit supported bonds will be refunded on December 1, 2012 from the net proceeds of a \$10,300,000 non-rated, non-credit enhanced, general obligation (limited tax) bond issue. The District's ability to support \$10,300,000 of non-rated bonds is contingent upon the District's operating revenue estimates (including property taxes) being achieved, and maintaining the District's operating expenditures at levels shown on Exhibit I.

Schedule 1 presents the assumed lot sales and the related assessed value generated.

Schedule 2 presents the assumed buildout and the assessed value generated (including assessed value from vacant lots) in the amount of approximately \$26.3 million assuming 4% inflationary increases every other year until tax collection year 2016 and no inflationary increases for years thereafter.

Schedule 3 shows the detail with respect to the District's Series 2006 Bonds and Series 2012 Refunding Bonds (interest rates of 6.5% and 30-year amortization have been assumed for the Series 2012 Bonds).

Schedule 4 presents the detailed administrative and operating expenditure allowances (including 3% annual increases from 2012 through 2015) that have been assumed for financial planning purposes. These expenditure allowances were provided by you.

The financing plan has been assembled by Stan Bernstein and Associates, Inc. based upon information and key assumptions provided by you. The information presented in the financing plan has not been independently audited, examined, reviewed, or tested for reasonableness by Stan Bernstein and Associates, Inc. There will usually be differences between forecasted and actual results because events and circumstances frequently do not occur as expected and those differences may be material. Stan Bernstein and Associates, Inc. does not vouch for the achievability of the information presented in the financing plans, nor does Stan Bernstein and Associates, Inc. express any type of assurance or opinion regarding the information presented in the financing plans.

The actual amount of limited tax general obligation bonds that could be supported by the District will be a function of actual development and related assessed valuation generated, actual administrative and operating expenditures incurred by the District, and actual interest rates and debt service coverage requirements.

Very truly yours,

*Stan Bernstein*

Stan Bernstein and Associates, Inc.

ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT  
 CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS  
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2043  
 NON-INFLATED (COMBINED GENERAL AND DEBT SERVICE FUNDS)

PRELIMINARY DRAFT 4-19-2006  
 SUBJECT TO CHANGE AND REVISION

EXHIBIT I - FORECASTED REVENUES, EXPENDITURES,  
 AND FUND BALANCES - UNINFLATED

DESCRIPTION	SCH. REF.	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>BEGINNING FUND BALANCE - JANUARY 1</b>		0	1,350,000	801,100	417,695	236,269	176,262	272,921	571,636	570,511	598,789	587,137	621,477	661,272
<b>REVENUES:</b>														
PROPERTY TAXES @ 45.00 MILLS (could be reduced after 2036)	2	0	0	152,885	387,714	569,817	736,412	939,127	1,079,356	1,130,969	1,133,501	1,180,596	1,180,596	1,180,596
SPEC. OWNER TAXES @ 6% OF PROP TAXES		0	0	9,161	23,263	34,189	44,185	56,348	64,761	67,858	68,010	70,836	70,836	70,836
INTEREST EARNED ON CONTINGENCY FUNDS @ 3%		0	0	24,033	12,531	7,088	5,288	8,188	17,149	17,115	17,964	17,614	18,644	19,838
DEVELOPER ADVANCES (REPAYMENTS)		0	0	0	0	0	0	0	0	0	0	0	0	0
WATER TAP FEES @ \$15,000 PER TAP AT BLDG PERMIT		0	120,000	150,000	150,000	150,000	150,000	150,000	45,000	30,000	0	0	0	0
WATER USER FEES @ \$50/MONTH PER HOME		0	0	4,800	10,800	16,800	22,800	28,800	34,800	36,600	37,800	37,800	37,800	37,800
PRIEST CRK RANCH WATER REIMBURSEMENT (@ \$1,000/UNIT)		0	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
GENERAL OBLIGATION BOND ISSUES	3	10,000,000	0	0	0	0	0	10,300,000	0	0	0	0	0	0
<b>TOTAL REVENUES</b>		<b>10,000,000</b>	<b>133,000</b>	<b>353,679</b>	<b>597,308</b>	<b>790,894</b>	<b>971,684</b>	<b>11,495,462</b>	<b>1,254,066</b>	<b>1,295,542</b>	<b>1,270,274</b>	<b>1,319,846</b>	<b>1,320,876</b>	<b>1,322,070</b>
<b>TOTAL REVENUES AND FUND BALANCE</b>		<b>10,000,000</b>	<b>1,483,000</b>	<b>1,154,779</b>	<b>1,015,003</b>	<b>1,027,163</b>	<b>1,147,946</b>	<b>11,768,383</b>	<b>1,825,703</b>	<b>1,866,053</b>	<b>1,869,063</b>	<b>1,906,983</b>	<b>1,942,353</b>	<b>1,983,341</b>
<b>OPERATING AND CAPITAL EXPENDITURES:</b>														
INFRASTRUCTURE COSTS		8,250,000	0	0	0	0	0	0	0	0	0	0	0	0
COSTS OF BOND ISSUANCE	3	400,000	0	0	0	0	0	300,000	0	0	0	0	0	0
COUNTY TREASURER FEES @ 5% OF PROP. TAXES		0	0	7,634	19,386	28,491	36,821	46,956	53,968	56,548	56,675	59,030	59,030	59,030
ALLOWANCE FOR GENERAL & ADMINISTRATION	4	0	58,500	63,800	80,624	85,503	90,439	93,152	95,947	98,825	101,790	101,790	101,790	101,790
ALLOWANCE FOR MANAGER'S PAYROLL	4	0	48,700	49,750	51,293	52,836	54,379	55,922	57,465	58,008	58,551	59,094	59,637	60,180
ALLOWANCE FOR GENERAL OPERATIONS	4	0	16,700	22,200	22,830	23,479	24,146	24,870	25,616	26,385	27,176	27,176	27,176	27,176
ALLOWANCE FOR WATER OPERATIONS	4	0	26,000	40,500	44,265	48,053	51,866	55,722	59,616	63,546	67,509	71,505	75,534	79,607
ALLOWANCE FOR ROAD/RECREATION/LANDSCAPE MAINT.	4	0	40,000	60,000	65,900	71,829	77,981	84,356	90,966	97,711	104,591	111,606	118,757	126,044
ALLOWANCE FOR RECURRING CAPITAL COSTS	4	0	40,000	41,200	42,436	43,709	45,020	46,371	47,762	49,195	50,671	52,191	53,756	55,366
BOND PAYING AGENT FEES		0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
<b>TOTAL OPERATING AND CAPITAL EXPENDITURES</b>		<b>8,650,000</b>	<b>231,900</b>	<b>287,084</b>	<b>328,734</b>	<b>400,902</b>	<b>425,025</b>	<b>746,747</b>	<b>465,692</b>	<b>480,564</b>	<b>493,351</b>	<b>495,706</b>	<b>495,706</b>	<b>495,706</b>
<b>GENERAL OBLIGATION BONDS DEBT SERVICE:</b>														
SERIES 12/1/2006 LOC BONDS (4.5% INT & LOC FEES)	3	0	450,000	450,000	450,000	450,000	450,000	10,450,000	0	0	0	0	0	0
SERIES 12/1/2012 NR GENERAL OBLIGATION BONDS @ 6.5%	3	0	0	0	0	0	0	0	789,500	786,700	788,575	789,800	785,375	785,625
<b>TOTAL G.O. BONDS DEBT SERVICE</b>		<b>0</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>10,450,000</b>	<b>789,500</b>	<b>786,700</b>	<b>788,575</b>	<b>789,800</b>	<b>785,375</b>	<b>785,625</b>
<b>TOTAL EXPENDITURES</b>		<b>8,650,000</b>	<b>681,900</b>	<b>737,084</b>	<b>778,734</b>	<b>850,902</b>	<b>875,025</b>	<b>11,196,747</b>	<b>1,255,192</b>	<b>1,267,264</b>	<b>1,281,926</b>	<b>1,285,506</b>	<b>1,281,081</b>	<b>1,281,331</b>
<b>EXCESS ANNUAL REVENUES OVER EXPENDITURES</b>		<b>1,350,000</b>	<b>(548,900)</b>	<b>(383,405)</b>	<b>(181,426)</b>	<b>(60,007)</b>	<b>96,659</b>	<b>298,715</b>	<b>(1,125)</b>	<b>28,278</b>	<b>(11,652)</b>	<b>34,340</b>	<b>39,795</b>	<b>40,739</b>
<b>ENDING FUND BALANCE - DECEMBER 31</b>		<b>1,350,000</b>	<b>801,100</b>	<b>417,695</b>	<b>236,269</b>	<b>176,262</b>	<b>272,921</b>	<b>571,636</b>	<b>570,511</b>	<b>598,789</b>	<b>587,137</b>	<b>621,477</b>	<b>661,272</b>	<b>702,010</b>
<b>TOTAL BONDS OUTSTANDING @ DECEMBER 31</b>		<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,300,000</b>	<b>10,180,000</b>	<b>10,055,000</b>	<b>9,920,000</b>	<b>9,775,000</b>	<b>9,625,000</b>	<b>9,465,000</b>
<b>% OF G.O. BONDS OUTSTAND. @ 12/31/ASSESSED VALUATION</b>			<b>294.72%</b>	<b>116.06%</b>	<b>78.97%</b>	<b>61.11%</b>	<b>47.92%</b>	<b>42.94%</b>	<b>40.51%</b>	<b>39.82%</b>	<b>37.81%</b>	<b>37.26%</b>	<b>36.69%</b>	<b>36.08%</b>
<b>ASSESSED VALUE ALPINE MTN RANCH METRO DIST.</b>	2	0	0	3,393,000	8,615,870	12,662,805	18,384,705	20,869,478	23,885,689	25,132,645	25,188,903	26,235,465	26,235,465	26,235,465

ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT  
 CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BASIS  
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2043  
 NON-INFLATED (COMBINED GENERAL AND DEBT SERVICE FUNDS)

EXHIBIT I - FORECASTED REVENUES, EXPENDITURES,  
 AND FUND BALANCES - UNINFLATED

DESCRIPTION	SCH. REF.	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>BEGINNING FUND BALANCE - JANUARY 1</b>		<b>702,010</b>	<b>739,371</b>	<b>779,228</b>	<b>822,305</b>	<b>864,350</b>	<b>906,306</b>	<b>949,146</b>	<b>993,871</b>	<b>1,041,513</b>	<b>1,093,134</b>	<b>1,144,828</b>	<b>1,197,899</b>	<b>1,248,686</b>	<b>1,303,748</b>
<b>REVENUES:</b>															
PROPERTY TAXES @ 45.00 MILLS (could be reduced after 2036)	2	1,180,596	1,180,596	1,180,596	1,180,596	1,180,596	1,180,596	1,180,596	1,180,596	1,180,596	1,180,596	1,180,596	1,180,596	1,180,596	1,180,596
SPEC. OWNER TAXES @ 6% OF PROP TAXES		70,836	70,836	70,836	70,836	70,836	70,836	70,836	70,836	70,836	70,836	70,836	70,836	70,836	70,836
INTEREST EARNED ON CONTINGENCY FUNDS @ 3%		21,060	22,181	23,377	24,669	25,931	27,189	28,474	29,816	31,245	32,794	34,345	35,937	37,461	39,112
DEVELOPER ADVANCES (REPAYMENTS)		0	0	0	0	0	0	0	0	0	0	0	0	0	0
WATER TAP FEES @ \$15,000 PER TAP AT BLDG PERMIT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
WATER USER FEES @ \$50/MONTH PER HOME		37,800	37,800	37,800	37,800	37,800	37,800	37,800	37,800	37,800	37,800	37,800	37,800	37,800	37,800
PRIEST CRK RANCH WATER REIMBURSEMENT (@ \$1,000/UNIT)		13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
GENERAL OBLIGATION BOND ISSUES	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL REVENUES</b>		<b>1,323,292</b>	<b>1,324,413</b>	<b>1,325,609</b>	<b>1,326,901</b>	<b>1,328,162</b>	<b>1,329,421</b>	<b>1,330,706</b>	<b>1,332,048</b>	<b>1,333,477</b>	<b>1,335,026</b>	<b>1,336,577</b>	<b>1,338,169</b>	<b>1,339,692</b>	<b>1,341,344</b>
<b>TOTAL REVENUES AND FUND BALANCE</b>		<b>2,025,302</b>	<b>2,063,784</b>	<b>2,104,836</b>	<b>2,149,206</b>	<b>2,192,512</b>	<b>2,235,727</b>	<b>2,279,852</b>	<b>2,325,919</b>	<b>2,374,990</b>	<b>2,428,159</b>	<b>2,481,405</b>	<b>2,536,067</b>	<b>2,588,379</b>	<b>2,645,092</b>
<b>OPERATING AND CAPITAL EXPENDITURES:</b>															
INFRASTRUCTURE COSTS		0	0	0	0	0	0	0	0	0	0	0	0	0	0
COSTS OF BOND ISSUANCE	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
COUNTY TREASURER FEES @ 5% OF PROP. TAXES		59,030	59,030	59,030	59,030	59,030	59,030	59,030	59,030	59,030	59,030	59,030	59,030	59,030	59,030
ALLOWANCE FOR GENERAL & ADMINISTRATION	4	101,790	101,790	101,790	101,790	101,790	101,790	101,790	101,790	101,790	101,790	101,790	101,790	101,790	101,790
ALLOWANCE FOR MANAGER'S PAYROLL	4	113,397	113,397	113,397	113,397	113,397	113,397	113,397	113,397	113,397	113,397	113,397	113,397	113,397	113,397
ALLOWANCE FOR GENERAL OPERATIONS	4	27,176	27,176	27,176	27,176	27,176	27,176	27,176	27,176	27,176	27,176	27,176	27,176	27,176	27,176
ALLOWANCE FOR WATER OPERATIONS	4	58,376	58,376	58,376	58,376	58,376	58,376	58,376	58,376	58,376	58,376	58,376	58,376	58,376	58,376
ALLOWANCE FOR ROAD/RECREATION/LANDSCAPE MAINT.	4	83,266	83,266	83,266	83,266	83,266	83,266	83,266	83,266	83,266	83,266	83,266	83,266	83,266	83,266
ALLOWANCE FOR RECURRING CAPITAL COSTS	4	50,671	50,671	50,671	50,671	50,671	50,671	50,671	50,671	50,671	50,671	50,671	50,671	50,671	50,671
BOND PAYING AGENT FEES		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
<b>TOTAL OPERATING AND CAPITAL EXPENDITURES</b>		<b>495,706</b>	<b>495,706</b>	<b>495,706</b>	<b>495,706</b>	<b>495,706</b>	<b>495,706</b>	<b>495,706</b>	<b>495,706</b>	<b>495,706</b>	<b>495,706</b>	<b>495,706</b>	<b>495,706</b>	<b>495,706</b>	<b>495,706</b>
<b>GENERAL OBLIGATION BONDS DEBT SERVICE:</b>															
SERIES 12/1/2006 LOC BONDS (4.5% INT & LOC FEES)	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SERIES 12/1/2012 NR GENERAL OBLIGATION BONDS @ 6.5%	3	790,225	788,850	786,825	789,150	790,500	790,875	790,275	788,700	786,150	787,625	787,800	791,675	788,925	794,875
<b>TOTAL G.O. BONDS DEBT SERVICE</b>		<b>790,225</b>	<b>788,850</b>	<b>786,825</b>	<b>789,150</b>	<b>790,500</b>	<b>790,875</b>	<b>790,275</b>	<b>788,700</b>	<b>786,150</b>	<b>787,625</b>	<b>787,800</b>	<b>791,675</b>	<b>788,925</b>	<b>794,875</b>
<b>TOTAL EXPENDITURES</b>		<b>1,285,931</b>	<b>1,284,556</b>	<b>1,282,531</b>	<b>1,284,856</b>	<b>1,286,206</b>	<b>1,286,581</b>	<b>1,285,981</b>	<b>1,284,406</b>	<b>1,281,856</b>	<b>1,283,331</b>	<b>1,283,506</b>	<b>1,287,381</b>	<b>1,284,631</b>	<b>1,290,581</b>
<b>EXCESS ANNUAL REVENUES OVER EXPENDITURES</b>		<b>37,381</b>	<b>39,857</b>	<b>43,077</b>	<b>42,045</b>	<b>41,956</b>	<b>42,840</b>	<b>44,725</b>	<b>47,642</b>	<b>51,621</b>	<b>51,695</b>	<b>53,070</b>	<b>50,788</b>	<b>55,061</b>	<b>50,763</b>
<b>ENDING FUND BALANCE - DECEMBER 31</b>		<b>739,371</b>	<b>779,228</b>	<b>822,305</b>	<b>864,350</b>	<b>906,306</b>	<b>949,146</b>	<b>993,871</b>	<b>1,041,513</b>	<b>1,093,134</b>	<b>1,144,828</b>	<b>1,197,899</b>	<b>1,248,686</b>	<b>1,303,748</b>	<b>1,354,611</b>
<b>TOTAL BONDS OUTSTANDING @ DECEMBER 31</b>		<b>9,290,000</b>	<b>9,105,000</b>	<b>8,910,000</b>	<b>8,700,000</b>	<b>8,475,000</b>	<b>8,235,000</b>	<b>7,980,000</b>	<b>7,710,000</b>	<b>7,425,000</b>	<b>7,120,000</b>	<b>6,795,000</b>	<b>6,445,000</b>	<b>6,075,000</b>	<b>5,675,000</b>
<b>% OF G.O. BONDS OUTSTAND. @ 12/31/ASSESSED VALUATION</b>		<b>35.41%</b>	<b>34.70%</b>	<b>33.96%</b>	<b>33.16%</b>	<b>32.30%</b>	<b>31.39%</b>	<b>30.42%</b>	<b>29.39%</b>	<b>28.30%</b>	<b>27.14%</b>	<b>25.90%</b>	<b>24.57%</b>	<b>23.16%</b>	<b>21.63%</b>
<b>ASSESSED VALUE ALPINE MTN RANCH METRO DIST.</b>	2	<b>26,235,465</b>	<b>26,235,465</b>	<b>26,235,465</b>	<b>26,235,465</b>	<b>26,235,465</b>	<b>26,235,465</b>	<b>26,235,465</b>	<b>26,235,465</b>	<b>26,235,465</b>	<b>26,235,465</b>	<b>26,235,465</b>	<b>26,235,465</b>	<b>26,235,465</b>	<b>26,235,465</b>

ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT  
 CASH FLOW FORECAST - BUDGETARY BASIS - MODIFIED ACCRUAL BA  
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2043  
 NON-INFLATED (COMBINED GENERAL AND DEBT SERVICE FUNDS)

EXHIBIT I - FORECASTED REVENUES, EXPENDITURES,  
 AND FUND BALANCES - UNINFLATED

DESCRIPTION	SCH. REF.	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	TOTALS
BEGINNING FUND BALANCE - JANUARY 1		1,354,511	1,407,796	1,465,306	1,523,791	1,585,230	1,656,663	1,730,013	1,802,614	1,872,043	1,941,130	2,017,789	0
<b>REVENUES:</b>													
PROPERTY TAXES @ 45.00 MILLS (could be reduced after 2036)	2	1,180,596	1,180,596	1,180,596	1,180,596	1,180,596	1,180,596	1,180,596	1,180,596	1,180,596	1,180,596	1,180,596	39,186,266
SPEC. OWNER TAXES @ 6% OF PROP TAXES		70,836	70,836	70,836	70,836	70,836	70,836	70,836	70,836	70,836	70,836	70,836	2,351,176
INTEREST EARNED ON CONTINGENCY FUNDS @ 3%		40,635	42,234	43,959	45,714	47,557	49,700	51,900	54,078	56,161	58,234	60,534	1,129,750
DEVELOPER ADVANCES (REPAYMENTS)		0	0	0	0	0	0	0	0	0	0	0	0
WATER TAP FEES @ \$15,000 PER TAP AT BLDG PERMIT		0	0	0	0	0	0	0	0	0	0	0	0
WATER USER FEES @ \$50/MONTH PER HOME		37,800	37,800	37,800	37,800	37,800	37,800	37,800	37,800	37,800	37,800	37,800	945,000
PRIEST CRK RANCH WATER REIMBURSEMENT (@ \$1,000/UNIT)		13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	1,251,600
GENERAL OBLIGATION BOND ISSUES	3	0	0	0	0	0	0	0	0	0	0	0	20,300,000
<b>TOTAL REVENUES</b>		<b>1,342,867</b>	<b>1,344,466</b>	<b>1,346,191</b>	<b>1,347,945</b>	<b>1,349,789</b>	<b>1,351,932</b>	<b>1,354,132</b>	<b>1,356,310</b>	<b>1,358,393</b>	<b>1,360,466</b>	<b>1,362,765</b>	<b>65,644,793</b>
<b>TOTAL REVENUES AND FUND BALANCE</b>		<b>2,697,378</b>	<b>2,752,262</b>	<b>2,811,497</b>	<b>2,871,736</b>	<b>2,935,019</b>	<b>3,008,594</b>	<b>3,084,145</b>	<b>3,158,924</b>	<b>3,230,436</b>	<b>3,301,595</b>	<b>3,380,555</b>	<b>65,644,793</b>
<b>OPERATING AND CAPITAL EXPENDITURES:</b>													
INFRASTRUCTURE COSTS		0	0	0	0	0	0	0	0	0	0	0	8,250,000
COSTS OF BOND ISSUANCE	3	0	0	0	0	0	0	0	0	0	0	0	700,000
COUNTY TREASURER FEES @ 5% OF PROP. TAXES		59,030	59,030	59,030	59,030	59,030	59,030	59,030	59,030	59,030	59,030	59,030	1,959,313
ALLOWANCE FOR GENERAL & ADMINISTRATION	4	101,790	101,790	101,790	101,790	101,790	101,790	101,790	101,790	101,790	101,790	101,790	3,618,697
ALLOWANCE FOR MANAGER'S PAYROLL	4	113,397	113,397	113,397	113,397	113,397	113,397	113,397	113,397	113,397	113,397	113,397	3,957,610
ALLOWANCE FOR GENERAL OPERATIONS	4	27,176	27,176	27,176	27,176	27,176	27,176	27,176	27,176	27,176	27,176	27,176	974,343
ALLOWANCE FOR WATER OPERATIONS	4	58,376	58,376	58,376	58,376	58,376	58,376	58,376	58,376	58,376	58,376	58,376	2,068,700
ALLOWANCE FOR ROAD/RECREATION/LANDSCAPE MAINT.	4	83,266	83,266	83,266	83,266	83,266	83,266	83,266	83,266	83,266	83,266	83,266	2,961,960
ALLOWANCE FOR RECURRING CAPITAL COSTS	4	50,671	50,671	50,671	50,671	50,671	50,671	50,671	50,671	50,671	50,671	50,671	1,825,147
BOND PAYING AGENT FEES		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	72,000
<b>TOTAL OPERATING AND CAPITAL EXPENDITURES</b>		<b>495,706</b>	<b>495,706</b>	<b>495,706</b>	<b>495,706</b>	<b>495,706</b>	<b>495,706</b>	<b>495,706</b>	<b>495,706</b>	<b>495,706</b>	<b>495,706</b>	<b>495,706</b>	<b>26,387,769</b>
<b>GENERAL OBLIGATION BONDS DEBT SERVICE:</b>													
SERIES 12/1/2006 LOC BONDS (4.5% INT & LOC FEES)	3	0	0	0	0	0	0	0	0	0	0	0	12,700,000
SERIES 12/1/2012 NR GENERAL OBLIGATION BONDS @ 6.5%	3	793,875	791,250	792,000	790,800	782,650	782,875	785,825	791,175	793,600	788,100	788,100	23,670,175
<b>TOTAL G.O. BONDS DEBT SERVICE</b>		<b>793,875</b>	<b>791,250</b>	<b>792,000</b>	<b>790,800</b>	<b>782,650</b>	<b>782,875</b>	<b>785,825</b>	<b>791,175</b>	<b>793,600</b>	<b>788,100</b>	<b>788,100</b>	<b>36,370,175</b>
<b>TOTAL EXPENDITURES</b>		<b>1,289,581</b>	<b>1,286,956</b>	<b>1,287,706</b>	<b>1,286,506</b>	<b>1,278,356</b>	<b>1,278,581</b>	<b>1,281,531</b>	<b>1,286,881</b>	<b>1,289,306</b>	<b>1,283,806</b>	<b>493,706</b>	<b>62,757,944</b>
<b>EXCESS ANNUAL REVENUES OVER EXPENDITURES</b>		<b>53,286</b>	<b>57,509</b>	<b>58,485</b>	<b>61,439</b>	<b>71,432</b>	<b>73,350</b>	<b>72,601</b>	<b>69,429</b>	<b>69,087</b>	<b>76,659</b>	<b>869,059</b>	<b>2,886,849</b>
<b>ENDING FUND BALANCE - DECEMBER 31</b>		<b>1,407,796</b>	<b>1,465,306</b>	<b>1,523,791</b>	<b>1,585,230</b>	<b>1,656,663</b>	<b>1,730,013</b>	<b>1,802,614</b>	<b>1,872,043</b>	<b>1,941,130</b>	<b>2,017,789</b>	<b>2,886,849</b>	<b>2,886,849</b>
<b>TOTAL BONDS OUTSTANDING @ DECEMBER 31</b>		<b>5,250,000</b>	<b>4,800,000</b>	<b>4,320,000</b>	<b>3,810,000</b>	<b>3,275,000</b>	<b>2,705,000</b>	<b>2,095,000</b>	<b>1,440,000</b>	<b>740,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>% OF G.O. BONDS OUTSTAND. @ 12/31/ASSESSED VALUATION</b>		<b>20.01%</b>	<b>18.30%</b>	<b>16.47%</b>	<b>14.52%</b>	<b>12.48%</b>	<b>10.31%</b>	<b>7.89%</b>	<b>5.49%</b>	<b>2.82%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0</b>
<b>ASSESSED VALUE ALPINE MTN RANCH METRO DIST.</b>	2	<b>26,235,465</b>	<b>26,235,465</b>	<b>26,235,465</b>	<b>26,235,465</b>	<b>26,235,465</b>	<b>26,235,465</b>	<b>26,235,465</b>	<b>26,235,465</b>	<b>26,235,465</b>	<b>26,235,465</b>	<b>26,235,465</b>	<b>26,235,465</b>

SEE ACCOMPANYING REPORT AND DISCLAIMER  
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ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT  
 CASH FLOW FORECAST  
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2016  
 NON-INFLATED

PRELIMINARY DRAFT 4-19-2006  
 SUBJECT TO CHANGE AND REVISION

SCHEDULE 1 - DEVELOPER'S ESTIMATED SINGLE FAMILY LOT SALES SCHEDULE,  
 AND ASSESSED VALUATION GENERATED FROM LOT SALES

LOT SALES:				2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TOTALS
Description of Lot	Planned Number of Lots	Average Per Lot Price	Total Gross Land Volume												
Product A	63	1,500,000	94,500,000	10	15	10	10	10	0	0	0	0	0	0	63
Product B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Project</b>	<b>63</b>	<b>1,500,000</b>	<b>94,500,000</b>	<b>10</b>	<b>15</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>63</b>
Estimated Actual Value of Lots Sold By Year - Product A Lots @ 75% Mkt				11,250,000	16,875,000	11,250,000	11,250,000	11,250,000	9,000,000	0	0	0	0	0	70,875,000
Estimated Actual Value of Lots Sold By Year - Product B Lots @ 75% Mkt				0	0	0	0	0	0	0	0	0	0	0	0
Estimated Actual Value of Lots Sold By Year - Total Single Family Lots @ 75%				11,250,000	16,875,000	11,250,000	11,250,000	11,250,000	9,000,000	0	0	0	0	0	70,875,000
Proj. Assess Value By Year - Increm. @ 29% (Product A Lots)				3,262,500	4,893,750	3,262,500	3,262,500	3,262,500	2,610,000	0	0	0	0	0	20,553,750
Proj. Assess Value By Year - Increm. @ 29% (Product B Lots)				0	0	0	0	0	0	0	0	0	0	0	0
Proj. Assess Value By Year - Increm. @ 29% (SF Lots)				3,262,500	4,893,750	3,262,500	3,262,500	3,262,500	2,610,000	0	0	0	0	0	20,553,750
Proj. Decrease in Land Assessed Value by Yr Caused By Buildout				0	9,000,000	11,250,000	11,250,000	11,250,000	11,250,000	11,250,000	3,375,000	2,250,000	0	0	70,875,000
Projected Value Of Land Built Upon (Product A SF Lots) @ 75% Mkt				0	2,610,000	3,262,500	3,262,500	3,262,500	3,262,500	3,262,500	978,750	652,500	0	0	20,553,750
Projected Assessed Valuation Of Such Land @ 29%				0	2,610,000	3,262,500	3,262,500	3,262,500	3,262,500	3,262,500	978,750	652,500	0	0	20,553,750
Projected Net Increase (decrease) in Product A Lots Land A.V.				3,262,500	2,283,750	0	0	0	(652,500)	(3,262,500)	(978,750)	(652,500)	0	0	0
Projected Value Of Land Built Upon (Product B SF Lots) @ 75% Mkt				0	0	0	0	0	0	0	0	0	0	0	0
Projected Assessed Valuation Of Such Land @ 29%				0	0	0	0	0	0	0	0	0	0	0	0
Projected Net Increase (decrease) in Product B Lots Land A.V.				0	0	0	0	0	0	0	0	0	0	0	0
Projected Net Increase (decrease) in all Project Land A.V.				3,262,500	2,283,750	0	0	0	(652,500)	(3,262,500)	(978,750)	(652,500)	0	0	0
Proj. Assessed Value By Year - Land Only - Cumulative				3,262,500	5,546,250	5,546,250	5,546,250	5,546,250	4,893,750	1,631,250	652,500	0	0	0	0
Year Assessed Valuation Certified To District	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017			
Year Taxes Received By District	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017				

Source for Land Sales: Andy Daly, Alpine Mtn Ranch

ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT  
 CASH FLOW FORECAST  
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2016  
 NON-INFLATED

PRELIMINARY DRAFT 4-19-2006  
 SUBJECT TO CHANGE AND REVISION

SCHEDULE 2 - PROJECTION OF ASSESSED VALUATION GENERATED FROM BUILDOUT

BUILDOUT - INCLUDES UNIT LOT VALUES PER SCHEDULE 1:

Description of Unit	Value/SF	AV/SF/Unit	Planned Number of Units	Average Per Unit Price	Total Gross Unit Volume
PRODUCT A - RESIDENTIAL			63	4,300,000	270,900,000
PRODUCT B - RESIDENTIAL			0	0	0
<b>TOTAL ALL RESIDENTIAL</b>			<b>63</b>	<b>4,300,000</b>	<b>270,900,000</b>

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
PRODUCT A - RESIDENTIAL	0	8	10	10	10	10	10	3	2	0	0
PRODUCT B - RESIDENTIAL	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL ALL RESIDENTIAL</b>	<b>0</b>	<b>8</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>0</b>

Estimated Value Of Residential Buildout - Entire Project

	0	34,400,000	43,000,000	43,000,000	43,000,000	43,000,000	43,000,000	12,900,000	8,600,000	0	0
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Proj. Assessed Value - Incremental:

Total Proj. Assessed Value From Buildout @ 7.96% (Res.)

Total Proj. Assessed Value From Land & Buildout (Residential)

Proj. Assessed Value By Year - Cumulative:

Proj. Assessed Values - With 4% biennial increases through tax collection year 2016

	0	2,738,240	3,422,800	3,422,800	3,422,800	3,422,800	3,422,800	1,026,040	894,560	0	0
	3,282,500	2,283,760	0	0	0	(652,500)	(3,282,500)	(978,750)	(652,500)	0	0
	3,282,500	5,021,990	3,422,800	3,422,800	3,422,800	2,770,300	160,300	48,090	32,060	0	0
	3,393,000	8,615,870	12,862,605	16,384,705	20,869,478	23,985,689	25,132,645	25,188,903	26,235,465	21,563,640	21,563,640

Year Assessed Valuation Certified To District

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Year Taxes Received By District	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018

Source for Buildout: Andy Daly, Alpine Mtn Ranch



ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT  
 CASH FLOW FORECAST  
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2016  
 NON-INFLATED

SCHEDULE 2 - PROJECTION OF ASSESSED VALUATION GENERATED FROM BUILDOUT

BUILDOUT - INCLUDES UNIT LOT VALUES PER SCHEDULE 1:						
Description of Unit	Value/SF	AV/SF/Unit	Planned	Average	Total	TOTALS
			Number	Per Unit	Gross Unit	
			of Units	Price	Volume	
PRODUCT A - RESIDENTIAL			63	4,300,000	270,900,000	63
PRODUCT B - RESIDENTIAL			0	0	0	0
TOTAL ALL RESIDENTIAL			63	4,300,000	270,900,000	63

Estimated Value Of Residential Buildout - Entire Project	270,900,000
<b>Proj. Assessed Value - Incremental:</b>	
Total Proj. Assessed Value From Buildout @ 7.96% (Res.)	21,563,640
Total Proj. Assessed Value From Land (SF Lots)	0
Total Proj. Ass. Value From Land & Buildout (Residential)	21,563,640
Proj. Assessed Value By Year - Cumulative:	21,563,640
Proj. Assessed Values - With 4% biennial increases through tax collection year 2016	26,235,465

Year Assessed Valuation Certified To District

Year Taxes Received By District

Source for Buildout: Andy Daly, Alpine Mtn Ranch

ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT  
 CASH FLOW FORECAST  
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2043

SCHEDULE 3 - FORECASTED GENERAL OBLIGATION  
 BOND ISSUES AND DEBT SERVICE REQUIREMENTS

PRELIMINARY DRAFT 4-19-2006  
 SUBJECT TO CHANGE AND REVISION

BOND ISSUES

DATE OF PROPOSED BOND ISSUE	--- SIZE OF BOND ISSUE ---			
	NET PROCEEDS	CAPITAL INTEREST	COSTS OF ISSUANCE	GROSS BOND ISSUE
12/1/2006	8,250,000	1,350,000	400,000	10,000,000
12/1/2012	10,000,000	0	300,000	10,300,000
TOTALS	18,250,000	1,350,000	700,000	20,300,000

ANNUAL DEBT SERVICE REQUIREMENTS

	2006	2007	2008	2009	2010	2011	2012	2013	2014
	0	450,000	450,000	450,000	450,000	450,000	10,450,000	0	0
	0	0	0	0	0	0	0	789,500	786,700
	0	450,000	450,000	450,000	450,000	450,000	10,450,000	789,500	786,700

ANNUAL DEBT SERVICE REQUIREMENTS

12/1/2006										
LOC BOND (4.5% (INTEREST INCL LOC FE	NEW	PRINCIPAL REDUCTION	0	0	0	0	0	10,000,000	0	0
	MONEY	INTEREST & LOC FEES @ 4.50%	0	450,000	450,000	450,000	450,000	450,000	0	0
		TOTAL DEBT SERVICE REQUIREMENTS	0	450,000	450,000	450,000	450,000	10,450,000	0	0
		BONDS OUTSTANDING END OF YEAR	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	0	0	0
12/1/2012										
NON-RATED LTD TAX G.O. BOND @ 6.5%	REFUNDING	PRINCIPAL REDUCTION	0	0	0	0	0	0	120,000	125,000
		INTEREST @ 6.50%	0	0	0	0	0	0	669,500	661,700
		TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	789,500	786,700
		BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	10,300,000	10,180,000	10,055,000
<b>TOTAL BONDS OUTSTANDING END OF YEAR - ALL ISSUES</b>			<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,300,000</b>	<b>10,180,000</b>	<b>10,055,000</b>

ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT  
 CASH FLOW FORECAST  
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2043

SCHEDULE 3 - FORECASTED GENERAL OBLIGATION  
 BOND ISSUES AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

DATE OF PROPOSED BOND ISSUE	--- SIZE OF BOND ISSUE ---				2015	2016	2017	2018	2019	2020	2021	2022	2023
	NET PROCEEDS	CAPITAL INTEREST	COSTS OF ISSUANCE	GROSS BOND ISSUE									
12/1/2006	8,250,000	1,350,000	400,000	10,000,000	0	0	0	0	0	0	0	0	0
12/1/2012	<u>10,000,000</u>	0	<u>300,000</u>	<u>10,300,000</u>	<u>788,575</u>	<u>789,800</u>	<u>785,375</u>	<u>785,625</u>	<u>790,225</u>	<u>788,850</u>	<u>786,825</u>	<u>789,150</u>	<u>790,500</u>
TOTALS	<u>18,250,000</u>	<u>1,350,000</u>	<u>700,000</u>	<u>20,300,000</u>	<u>788,575</u>	<u>789,800</u>	<u>785,375</u>	<u>785,625</u>	<u>790,225</u>	<u>788,850</u>	<u>786,825</u>	<u>789,150</u>	<u>790,500</u>

ANNUAL DEBT SERVICE REQUIREMENTS

12/1/2006		PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0
LOC BOND (4.5% (INTEREST INCL LOC FE	NEW MONEY	INTEREST & LOC FEES @ 4.50%	0	0	0	0	0	0	0	0	0	0	0
		TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0
		BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	0	0	0
12/1/2012		PRINCIPAL REDUCTION	135,000	145,000	150,000	160,000	175,000	185,000	195,000	210,000	225,000	225,000	225,000
NON-RATED LTD TAX G.O. BOND @ 6.5% REFUNDING		INTEREST @ 6.50%	<u>653,575</u>	<u>644,800</u>	<u>635,375</u>	<u>625,625</u>	<u>615,225</u>	<u>603,850</u>	<u>591,825</u>	<u>579,150</u>	<u>565,500</u>	<u>565,500</u>	<u>565,500</u>
		TOTAL DEBT SERVICE REQUIREMENTS	<u>788,575</u>	<u>789,800</u>	<u>785,375</u>	<u>785,625</u>	<u>790,225</u>	<u>788,850</u>	<u>786,825</u>	<u>789,150</u>	<u>790,500</u>	<u>790,500</u>	<u>790,500</u>
		BONDS OUTSTANDING END OF YEAR	<u>9,920,000</u>	<u>9,775,000</u>	<u>9,625,000</u>	<u>9,465,000</u>	<u>9,290,000</u>	<u>9,105,000</u>	<u>8,910,000</u>	<u>8,700,000</u>	<u>8,475,000</u>	<u>8,475,000</u>	<u>8,475,000</u>
TOTAL BONDS OUTSTANDING END OF YEAR - ALL ISSUES			<u>9,920,000</u>	<u>9,775,000</u>	<u>9,625,000</u>	<u>9,465,000</u>	<u>9,290,000</u>	<u>9,105,000</u>	<u>8,910,000</u>	<u>8,700,000</u>	<u>8,475,000</u>	<u>8,475,000</u>	<u>8,475,000</u>

ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT  
 CASH FLOW FORECAST  
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2043

SCHEDULE 3 - FORECASTED GENERAL OBLIGATION  
 BOND ISSUES AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

DATE OF PROPOSED BOND ISSUE	--- SIZE OF BOND ISSUE ---				2024	2025	2026	2027	2028	2029	2030	2031	2032
	NET PROCEEDS	CAPITAL INTEREST	COSTS OF ISSUANCE	GROSS BOND ISSUE									
12/1/2006	8,250,000	1,350,000	400,000	10,000,000	0	0	0	0	0	0	0	0	0
12/1/2012	<u>10,000,000</u>	0	<u>300,000</u>	<u>10,300,000</u>	<u>790,875</u>	<u>790,275</u>	<u>788,700</u>	<u>786,150</u>	<u>787,625</u>	<u>787,800</u>	<u>791,675</u>	<u>788,925</u>	<u>794,875</u>
TOTALS	<u>18,250,000</u>	<u>1,350,000</u>	<u>700,000</u>	<u>20,300,000</u>	<u>790,875</u>	<u>790,275</u>	<u>788,700</u>	<u>786,150</u>	<u>787,625</u>	<u>787,800</u>	<u>791,675</u>	<u>788,925</u>	<u>794,875</u>

ANNUAL DEBT SERVICE REQUIREMENTS

12/1/2006		PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0
LOC BOND (4.5% (INTEREST INCL LOC FE	NEW	INTEREST & LOC FEES @ 4.50%	0	0	0	0	0	0	0	0	0	0	0
	MONEY	TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0
		BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	0	0	0
12/1/2012		PRINCIPAL REDUCTION	240,000	255,000	270,000	285,000	305,000	325,000	350,000	370,000	400,000		
NON-RATED LTD TAX G.O. BOND @ 6.5% REFUNDING		INTEREST @ 6.50%	<u>550,875</u>	<u>535,275</u>	<u>518,700</u>	<u>501,150</u>	<u>482,625</u>	<u>462,800</u>	<u>441,675</u>	<u>418,925</u>	<u>394,875</u>		
		TOTAL DEBT SERVICE REQUIREMENTS	<u>790,875</u>	<u>790,275</u>	<u>788,700</u>	<u>786,150</u>	<u>787,625</u>	<u>787,800</u>	<u>791,675</u>	<u>788,925</u>	<u>794,875</u>		
		BONDS OUTSTANDING END OF YEAR	<u>8,235,000</u>	<u>7,980,000</u>	<u>7,710,000</u>	<u>7,425,000</u>	<u>7,120,000</u>	<u>6,795,000</u>	<u>6,445,000</u>	<u>6,075,000</u>	<u>5,675,000</u>		
TOTAL BONDS OUTSTANDING END OF YEAR - ALL ISSUES			<u>8,235,000</u>	<u>7,980,000</u>	<u>7,710,000</u>	<u>7,425,000</u>	<u>7,120,000</u>	<u>6,795,000</u>	<u>6,445,000</u>	<u>6,075,000</u>	<u>5,675,000</u>		

ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT  
 CASH FLOW FORECAST  
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2043

SCHEDULE 3 - FORECASTED GENERAL OBLIGATION  
 BOND ISSUES AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

DATE OF PROPOSED BOND ISSUE	--- SIZE OF BOND ISSUE ---				2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
	NET PROCEEDS	CAPITAL INTEREST	COSTS OF ISSUANCE	GROSS BOND ISSUE										
12/1/2006	8,250,000	1,350,000	400,000	10,000,000	0	0	0	0	0	0	0	0	0	0
12/1/2012	10,000,000	0	300,000	10,300,000	793,875	791,250	792,000	790,800	782,650	782,875	785,825	791,175	793,600	788,100
TOTALS	18,250,000	1,350,000	700,000	20,300,000	793,875	791,250	792,000	790,800	782,650	782,875	785,825	791,175	793,600	788,100

ANNUAL DEBT SERVICE REQUIREMENTS

12/1/2006		PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0
LOC BOND (4.5% (INTEREST INCL LOC FE	NEW MONEY	INTEREST & LOC FEES @ 4.50%	0	0	0	0	0	0	0	0	0	0	0	0
		TOTAL DEBT SERVICE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0
		BONDS OUTSTANDING END OF YEAR	0	0	0	0	0	0	0	0	0	0	0	0
12/1/2012		PRINCIPAL REDUCTION	425,000	450,000	480,000	510,000	535,000	570,000	610,000	655,000	700,000	740,000	740,000	0
NON-RATED LTD TAX G.O. BOND @ 6.5% REFUNDING		INTEREST @ 6.50%	368,875	341,250	312,000	280,800	247,650	212,875	175,825	136,175	93,600	48,100	48,100	0
		TOTAL DEBT SERVICE REQUIREMENTS	793,875	791,250	792,000	790,800	782,650	782,875	785,825	791,175	793,600	788,100	788,100	0
		BONDS OUTSTANDING END OF YEAR	5,250,000	4,800,000	4,320,000	3,810,000	3,275,000	2,705,000	2,095,000	1,440,000	740,000	740,000	740,000	0
<b>TOTAL BONDS OUTSTANDING END OF YEAR - ALL ISSUES</b>			<b>5,250,000</b>	<b>4,800,000</b>	<b>4,320,000</b>	<b>3,810,000</b>	<b>3,275,000</b>	<b>2,705,000</b>	<b>2,095,000</b>	<b>1,440,000</b>	<b>740,000</b>	<b>740,000</b>	<b>740,000</b>	<b>0</b>

ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT  
 CASH FLOW FORECAST  
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2043

SCHEDULE 3 - FORECASTED GENERAL OBLIGATION  
 BOND ISSUES AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

DATE OF PROPOSED BOND ISSUE	--- SIZE OF BOND ISSUE ---				2043	TOTALS
	NET PROCEEDS	CAPITAL INTEREST	COSTS OF ISSUANCE	GROSS BOND ISSUE		
12/1/2006	8,250,000	1,350,000	400,000	10,000,000	0	12,700,000
12/1/2012	<u>10,000,000</u>	0	<u>300,000</u>	<u>10,300,000</u>	0	<u>23,670,175</u>
TOTALS	<u>18,250,000</u>	<u>1,350,000</u>	<u>700,000</u>	<u>20,300,000</u>	0	<u>36,370,175</u>

ANNUAL DEBT SERVICE REQUIREMENTS

12/1/2006		PRINCIPAL REDUCTION	0	10,000,000
LOC BOND (4.5% (INTEREST INCL LOC FE	NEW MONEY	INTEREST & LOC FEES @ 4.50%	0	<u>2,700,000</u>
		TOTAL DEBT SERVICE REQUIREMENTS	0	<u>12,700,000</u>
		BONDS OUTSTANDING END OF YEAR	0	0
12/1/2012		PRINCIPAL REDUCTION	0	10,300,000
NON-RATED LTD TAX G.O. BOND @ 6.5% REFUNDING		INTEREST @ 6.50%	0	<u>13,370,175</u>
		TOTAL DEBT SERVICE REQUIREMENTS	0	<u>23,670,175</u>
		BONDS OUTSTANDING END OF YEAR	0	0
<b>TOTAL BONDS OUTSTANDING END OF YEAR - ALL ISSUES</b>			0	0

**ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT  
CASH FLOW FORECAST  
FOR THE YEARS ENDING 2007 THROUGH 2010  
3% ANNUAL INCREASES THROUGH 2015 (shown on Exhibit I)**

**SCHEDULE 4 - DETAILED ADMINISTRATIVE AND OPERATING COST ESTIMATES (SOURCE: ALPINE MTN RANCH)**

	2007	2008	2009	2010	2011
<b>G &amp; A Expenses (3% annual increases 2012 through 2015)</b>					
Accounting & Administration	15,000	15,000	18,000	21,000	24,000
Audit Fees	5,000	7,000	7,210	7,426	7,650
Insurance-Package Policy	20,000	20,000	20,600	21,218	21,855
Legal-General	3,000	3,000	10,300	10,609	10,927
Legal-Water Rights Protection	3,000	3,000	8,240	8,487	8,742
Miscellaneous Other	2,000	4,000	4,120	4,244	4,371
Office Supplies	2,000	2,000	2,060	2,122	2,185
Postage/Delivery	1,200	1,800	1,854	1,910	1,967
Office Equipment	1,000	500	515	530	546
Telephone-Office	1,800	1,000	1,030	1,061	1,093
Telephone-Cell Phone	1,500	1,500	1,545	1,591	1,639
Consulting	3,000	5,000	5,150	5,305	5,464
<b>Total G &amp; A Expenses</b>	<b>58,500</b>	<b>63,800</b>	<b>80,624</b>	<b>85,503</b>	<b>90,439</b>
<b>Operation Expenditures (3% annual increases 2012 through 2015)</b>					
Gasoline/Diesel Fuel	2,000	2,500	2,575	2,652	2,732
Equipment Maintenance	2,500	3,000	3,090	3,183	3,278
Tools/ Equipment	1,000	1,000	1,030	1,061	1,093
Safety	1,000	1,500	1,545	1,591	1,639
Training	1,000	1,500	1,545	1,591	1,639
Utilities-Trash	1,000	1,500	1,545	1,591	1,639
Utilities-Propane & Electric	4,000	4,000	4,120	4,244	4,371
Building Maintenance	1,000	2,000	2,060	2,122	2,185
Manager Home Maintenance	1,000	2,000	2,060	2,122	2,185
Barn Maintenance	1,000	2,000	2,060	2,122	2,185
Lodge	1,000	1,000	1,000	1,000	1,000
Hermitage	200	200	200	200	200
<b>Total General Operation Expenditure</b>	<b>16,700</b>	<b>22,200</b>	<b>22,830</b>	<b>23,479</b>	<b>24,146</b>
<b>Road &amp; Landscape Maintenance (3% annual increases 2012 through 2015)</b>					
Contract Snow Removal	20,000	30,000	35,000	40,000	41,200
Landscape Maintenance	5,000	6,000	6,180	6,365	6,556
Road Maintenance	0	3,000	3,090	3,183	3,278
Fence Maintenance	1,000	2,000	2,060	2,122	2,185
Ditch Maintenance	1,000	2,000	2,060	2,122	2,185
Equipment Rental/Purchase	2,000	3,000	3,090	3,183	3,278
Sand	0	1,000	1,030	1,061	1,093
Signs & Lighting	0	1,000	1,030	1,061	1,093
Weed Control	3,000	3,000	3,090	3,183	3,278
Lake Maintenance	5,000	5,000	5,150	5,305	5,464
Utilities-Electric	3,000	4,000	4,120	4,244	4,371
<b>Total Road, Etc Maintenance</b>	<b>40,000</b>	<b>60,000</b>	<b>65,900</b>	<b>71,829</b>	<b>73,981</b>
<b>Water Operation Expenditures (3% annual increases 2012 through 2015)</b>					
Building Repairs	0	1,000	1,030	1,061	1,093
Meter Purchases	1,000	1,500	1,545	1,591	1,639
Water System Maintenance	4,000	5,000	6,000	7,000	8,000
Water Testing	2,000	3,000	4,000	5,000	6,000
Water Treatment	2,000	3,000	3,500	4,000	4,500
Utilities-Electricity	3,000	4,000	4,500	5,000	5,500
Water Permitting	0	1,000	1,030	1,061	1,093
Telephone-Alarm	1,000	1,000	1,030	1,061	1,093
Management Contract	8,000	16,000	16,480	16,974	17,484
Augmentation Water	5,000	5,000	5,150	5,305	5,464
<b>Total Water Operation Expenditures</b>	<b>28,000</b>	<b>40,500</b>	<b>44,265</b>	<b>48,053</b>	<b>51,866</b>
<b>Payroll (3% annual increases 2012 through 2015)</b>					
Ranch Manager	30,000	30,000	30,900	31,830	32,780
Operations Personnel	0	-	-	45,000	46,350
Health Insurance-Full Time	15,000	15,000	15,450	15,914	16,391
Medicare	1,000	1,200	1,282	1,320	1,360
Unemployment Insurance	200	200	210	220	230
Workers Comp-Operations	1,500	1,500	1,545	1,591	1,639
Employee Benefits	1,000	1,850	1,906	1,963	2,002
<b>Personnel Total</b>	<b>48,700</b>	<b>49,750</b>	<b>51,293</b>	<b>97,838</b>	<b>100,752</b>
<b>Capital Expenditures (3% annual increases 2012 through 2015)</b>					
<b>Total Capital Expenditures</b>	<b>40,000</b>	<b>41,200</b>	<b>42,436</b>	<b>43,709</b>	<b>45,020</b>
<b>Grand Total</b>	<b>229,900</b>	<b>277,450</b>	<b>307,348</b>	<b>370,411</b>	<b>386,204</b>



**D.A. Davidson & Co.**  
member SIPC

May 5, 2006

Mr. Andrew P. Daly  
Mr. Mark O'Reilly  
Gore Peaks Investments, LLC  
143 E. Meadow Drive, Suite 490  
Vail, CO 81657

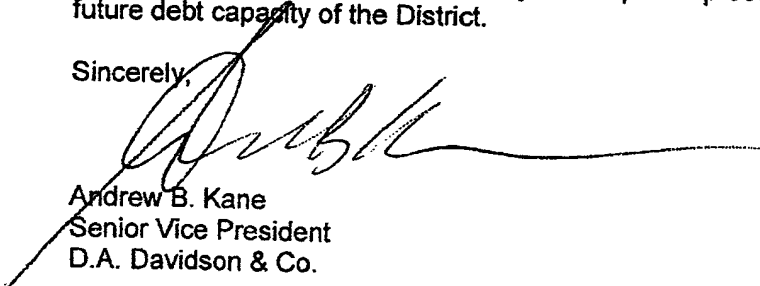
Re: ***Service Plan for Alpine Mountain Ranch Metropolitan District***

Dear Andy and Mark:

D.A. Davidson and Piper Jaffray have reviewed the proposed Service Plan for the Alpine Mountain Ranch Metropolitan District to be located in Routt County, Colorado, including a related Plan of Finance prepared by Stan Bernstein and Associates which projects the District's tax base and revenue.

The financing plan currently anticipates a letter of credit supported revenue bond issue for approximately \$10 million., the proceeds of which would be used to fund capitalized interest, infrastructure and for reimbursement purposes. The initial series of revenue bonds would be refunded by limited tax general obligation bonds at that point in time when the District's tax base has matured such that tax revenue at the projected mill levy can pay the anticipated debt service on 30 year level amortizing debt. The second series of bonds is projected to be issued in 2012. This structure and financing plan was created with input from both our firms, based on our knowledge of the municipal marketplace and from Stan Bernstein and Associates. Based on our past experience in the Colorado special district marketplace (please see the attached chart of such experience), we believe the financing plan is consistent with market requirements and, assuming the achievement of the key assumptions presented therein, fairly presents the future debt capacity of the District.

Sincerely,



Andrew B. Kane  
Senior Vice President  
D.A. Davidson & Co.

cc: P. Jonathan Heroux, Piper Jaffray

Attachment: Special District SDA Experience



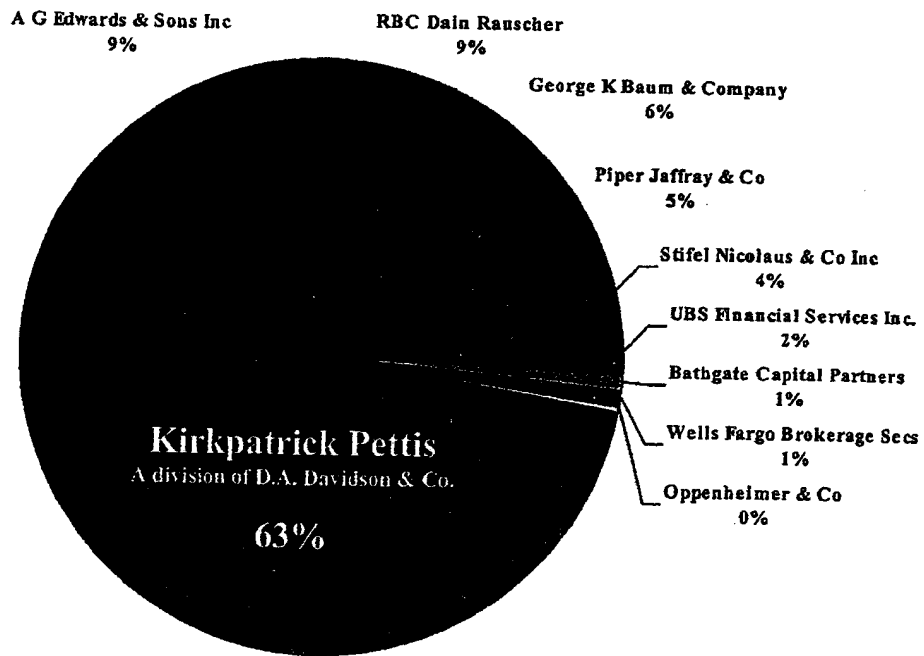
## Colorado Special District Bond Underwriter Rankings

(Ranking based on Dollar Amount)

2005 Ranking				2001 - 2005 Cumulative Ranking			
Lead Manager	Amount (\$ Millions)	Number of Issues	Rank	Lead Manager	Amount (\$ Millions)	Number of Issues	Rank
Kirkpatrick Pettis (a division of D.A. Davidson & Co.)	538.4	45	1	Kirkpatrick Pettis (a division of D.A. Davidson & Co.)	1,501.5	140	1
A G Edwards & Sons Inc	80.1	5	2	RBC Dain Rauscher	266.9	19	2
RBC Dain Rauscher	73.8	3	3	George K Baum & Company	263.3	48	3
George K Baum & Company	47.4	11	4	Piper Jaffray & Co	242.7	27	4
Piper Jaffray & Co	44.5	3	5	Stifel Nicolaus & Co Inc	163.3	35	5
Stifel Nicolaus & Co Inc	36.8	7	6	A G Edwards & Sons Inc	158.1	8	6
UBS Financial Services Inc.	19.9	1	7	Wells Fargo Brokerage Secs	80.9	11	7
Bathgate Capital Partners	8.6	1	8	Prager Sealy & Co	77.1	5	8
Wells Fargo Brokerage Secs	7.5	1	9	Bathgate Capital Partners	46.1	4	9
Oppenheimer & Co	1.2	1	10	UBS Financial Services Inc.	38.0	2	10
Fifth Third Securities, Inc.	0.1	1	11	Bank of America Securities	36.0	1	11
Prager Sealy & Co	0.0	0	NA	Oppenheimer & Co	26.8	2	12
Stephens Inc	0.0	0	NA	First Matrix Investment Svc.	11.1	2	13
Bank of America Securities	0.0	0	NA	Stephens Inc	4.7	4	14
Zions First Natl Bank	0.0	0	NA	Zions First Natl Bank	3.5	1	15
First Matrix Investment Svc.	0.0	0	NA	Fifth Third Securities, Inc.	0.7	2	16
<b>Total</b>	<b>\$858.3</b>	<b>79</b>		<b>Total</b>	<b>\$2,920.8</b>	<b>311</b>	

Data Source: Securities Data Company

## Colorado Special District 2005 Bond Underwriter Market Share Ranking Based on Dollar Amount



SOURCES AND USES OF FUNDS

ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT No. ---  
in Routt County, Colorado

LC-Backed Variable Rate Revenue Bonds, Series 2006

\*\*\*\*\*

3 yrs Cap'd Int & Expenses

Par - \$10,000,000

LC - 6 yrs;

Solved for Project Fund of \$8.250 mm

Dated Date 09/01/2006  
Delivery Date 09/01/2006

Sources of Funds	Par Amount	Plus: Accrued	Less: Discount	Total
<b>Bond Proceeds:</b>				
Variable Rate Bonds (1)	10,000,000.00			10,000,000.00
	10,000,000.00	0.00	0.00	10,000,000.00
<b>Uses of Funds</b>				
<b>Project Fund Deposits:</b>				
Net District Project Fund	8,250,000.00			8,250,000.00
<b>Other Fund Deposits:</b>				
Gross Funded Cap'd Int & Expenses (3 yrs)	1,350,000.00			1,350,000.00
<b>Delivery Date Expenses:</b>				
Cost of Issuance	400,000.00			400,000.00
	10,000,000.00	0.00	0.00	10,000,000.00

Note: (1) - Assumes 3.50% Interest Only Bonds. Balloon @ LC Term Expiration (6 yrs)

COST OF ISSUANCE

ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT No. ---  
in Routt County, Colorado

LC-Backed Variable Rate Revenue Bonds, Series 2006

\*\*\*\*\*

3 yrs Cap'd Int & Expenses

Par - \$10,000,000

LC - 6 yrs;

Solved for Project Fund of \$8.250 mm

Cost of Issuance	\$/1000	Amount
Est. COI	40.00	400,000.00
	40.00	400,000.00

Note: (3) - Estimated

BOND PRICING

ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT No. ---  
 in Routt County, Colorado  
 LC-Backed Variable Rate Revenue Bonds, Series 2006

\*\*\*\*\*

3 yrs Cap'd Int & Expenses  
 Par - \$10,000,000  
 LC - 6 yrs;  
 Solved for Project Fund of \$8.250 mm

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Variable Rate Bonds (1):	09/01/2012	10,000,000	3.500%	3.500%	100.000
		10,000,000			

Dated Date	09/01/2006		
Delivery Date	09/01/2006		
First Coupon	10/01/2006		
Par Amount	10,000,000.00		
Original Issue Discount			
Production	10,000,000.00	100.000000%	
Underwriter's Discount			
Purchase Price	10,000,000.00	100.000000%	
Accrued Interest			
Net Proceeds	10,000,000.00		

Note: (1) - Assumes 3.50% Interest Only Bonds. Balloon @ LC Term Expiration (5 yrs)

BOND SUMMARY STATISTICS

ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT No. ---  
in Routt County, Colorado

LC-Backed Variable Rate Revenue Bonds, Series 2006

\*\*\*\*\*

3 yrs Cap'd Int & Expenses

Par - \$10,000,000

LC - 6 yrs;

Solved for Project Fund of \$8.250 mm

Dated Date 09/01/2006  
Delivery Date 09/01/2006  
Last Maturity 09/01/2012

Arbitrage Yield 3.525621%  
True Interest Cost (TIC) 3.525621%  
Net Interest Cost (NIC) 3.500000%  
All-In TIC 5.337676%  
Average Coupon 3.500000%

Average Life (years) 6.000  
Duration of Issue (years) 5.421

Par Amount 10,000,000.00  
Bond Proceeds 10,000,000.00  
Total Interest 2,100,000.24  
Net Interest 2,100,000.24  
Total Debt Service 12,100,000.24  
Maximum Annual Debt Service 10,350,000.04  
Average Annual Debt Service 2,016,666.71

Underwriter's Fees (per \$1000)  
Average Takedown  
Other Fee

Total Underwriter's Discount

Bid Price 100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Variable Rate Bonds (1)	10,000,000.00	100.000	3.500%	6.000
	10,000,000.00			6.000

BOND SUMMARY STATISTICS

ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT No. ---  
 in Routt County, Colorado  
 LC-Backed Variable Rate Revenue Bonds, Series 2006

\*\*\*\*\*

3 yrs Cap'd Int & Expenses  
 Par - \$10,000,000  
 LC - 6 yrs;  
 Solved for Project Fund of \$8.250 mm

	TIC	All-In TIC	Arbitrage Yield
Par Value	10,000,000.00	10,000,000.00	10,000,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-400,000.00	
- Other Amounts			
Target Value	10,000,000.00	9,600,000.00	10,000,000.00
Target Date	09/01/2006	09/01/2006	09/01/2006
Yield	3.525621%	5.337676%	3.525621%

NET DEBT SERVICE

ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT No. ---  
in Routt County, Colorado

LC-Backed Variable Rate Revenue Bonds, Series 2006

\*\*\*\*\*

3 yrs Cap'd Int & Expenses

Par - \$10,000,000

LC - 6 yrs;

Solved for Project Fund of \$8.250 mm

Period Ending	Principal	Interest	Total Debt Service	Fees (Est. @ 1%; LC Fee; RA; Ttee)	Gross Funded Cap'd Int & Expenses (3 yrs)	Net Debt Service
09/01/2007		350,000.04	350,000.04	99,999.96	450,000	
09/01/2008		350,000.04	350,000.04	99,999.96	450,000	
09/01/2009		350,000.04	350,000.04	99,999.96	450,000	
09/01/2010		350,000.04	350,000.04	99,999.96		450,000
09/01/2011		350,000.04	350,000.04	99,999.96		450,000
09/01/2012	10,000,000	350,000.04	10,350,000.04	99,999.96		10,450,000
	10,000,000	2,100,000.24	12,100,000.24	599,999.76	1,350,000	11,350,000

SOURCES AND USES OF FUNDS

ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT No. ---  
 in Routt County, Colorado  
 Limited Tax G.O. Bonds, Series 2012  
 \*\*\*\*\*

\$0 Cap'd Int & Expenses  
 Par - \$10,300,000  
 Fixed Rate Bonds  
 Solved for Refunding of \$10 mm par VR (2006) Bonds

Dated Date 12/01/2012  
 Delivery Date 12/01/2012

Sources of Funds	Par Amount	Plus: Accrued	Less: Discount	Total
<b>Bond Proceeds:</b>				
2012 Fixed Rate Bonds (1)	10,300,000.00			10,300,000.00
	10,300,000.00	0.00	0.00	10,300,000.00
<b>Uses of Funds</b>				
<b>Project Fund Deposits:</b>				
Refunding of 2006 Bonds	10,000,000.00			10,000,000.00
<b>Delivery Date Expenses:</b>				
Cost of Issuance	300,000.00			300,000.00
	10,300,000.00	0.00	0.00	10,300,000.00

Note: (1) - Assumes 6.50%; 30 yr amortizing Bonds



COST OF ISSUANCE

ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT No. ---  
in Routt County, Colorado  
Linitied Tax G.O. Bonds, Series 2012

\*\*\*\*\*

\$0 Cap'd Int & Expenses

Par - \$10,300,000

Fixed Rate Bonds

Solved for Refunding of \$10 mm par VR (2006) Bonds

Cost of Issuance	\$/1000	Amount
Est. COI	29.12621	300,000.00
	29.12621	300,000.00

Note: (3) - Estimated

BOND PRICING

ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT No. ---  
 in Routt County, Colorado  
 Limited Tax G.O. Bonds, Series 2012

\*\*\*\*\*

\$0 Cap'd Int & Expenses

Par - \$10,300,000

Fixed Rate Bonds

Solved for Refunding of \$10 mm par VR (2006) Bonds

Bond Component	Maturity Date	Amount	Rate	Yield	Price
2012 Fixed Rate Bonds (1):	12/01/2042	10,300,000	6.500%	6.500%	100.000
		10,300,000			

Dated Date	12/01/2012		
Delivery Date	12/01/2012		
First Coupon	06/01/2013		
Par Amount	10,300,000.00		
Original Issue Discount			
Production	10,300,000.00	100.000000%	
Underwriter's Discount			
Purchase Price	10,300,000.00	100.000000%	
Accrued Interest			
Net Proceeds	10,300,000.00		

Note: (1) - Assumes 6.50%; 30 yr amortizing Bonds

BOND SUMMARY STATISTICS

ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT No. ---  
 in Routt County, Colorado  
 Limited Tax G.O. Bonds, Series 2012  
 \*\*\*\*\*

\$0 Cap'd Int & Expenses  
 Par - \$10,300,000  
 Fixed Rate Bonds

Solved for Refunding of \$10 mm par VR (2006) Bonds

Dated Date	12/01/2012
Delivery Date	12/01/2012
Last Maturity	12/01/2042
Arbitrage Yield	6.500000%
True Interest Cost (TIC)	6.500000%
Net Interest Cost (NIC)	6.500000%
All-In TIC	6.785598%
Average Coupon	6.500000%
Average Life (years)	19.953
Duration of Issue (years)	10.781
Par Amount	10,300,000.00
Bond Proceeds	10,300,000.00
Total Interest	13,358,800.00
Net Interest	13,358,800.00
Total Debt Service	23,658,800.00
Maximum Annual Debt Service	790,850.00
Average Annual Debt Service	788,626.67
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
2012 Fixed Rate Bonds (1)	10,300,000.00	100.000	6.500%	19.953
	10,300,000.00			19.953

BOND SUMMARY STATISTICS

ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT No. ---  
 in Routt County, Colorado  
 Limited Tax G.O. Bonds, Series 2012

\*\*\*\*\*

\$0 Cap'd Int & Expenses

Par - \$10,300,000

Fixed Rate Bonds

Solved for Refunding of \$10 mm par VR (2006) Bonds

	TIC	All-In TIC	Arbitrage Yield
Par Value	10,300,000.00	10,300,000.00	10,300,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-300,000.00	
- Other Amounts			
Target Value	10,300,000.00	10,000,000.00	10,300,000.00
Target Date	12/01/2012	12/01/2012	12/01/2012
Yield	6.500000%	6.785598%	6.500000%

NET DEBT SERVICE

ALPINE MOUNTAIN RANCH METROPOLITAN DISTRICT No. ---  
 in Routt County, Colorado  
 Limited Tax G.O. Bonds, Series 2012  
 \*\*\*\*\*

\$0 Cap'd Int & Expenses  
 Par - \$10,300,000  
 Fixed Rate Bonds  
 Solved for Refunding of \$10 mm par VR (2006) Bonds

Period Ending	Principal	Interest	Total Debt Service	Net Debt Service
12/01/2013	120,000	669,500	789,500	789,500
12/01/2014	125,000	661,700	786,700	786,700
12/01/2015	135,000	653,575	788,575	788,575
12/01/2016	145,000	644,800	789,800	789,800
12/01/2017	155,000	635,375	790,375	790,375
12/01/2018	165,000	625,300	790,300	790,300
12/01/2019	175,000	614,575	789,575	789,575
12/01/2020	185,000	603,200	788,200	788,200
12/01/2021	195,000	591,175	786,175	786,175
12/01/2022	210,000	578,500	788,500	788,500
12/01/2023	225,000	564,850	789,850	789,850
12/01/2024	240,000	550,225	790,225	790,225
12/01/2025	255,000	534,625	789,625	789,625
12/01/2026	270,000	518,050	788,050	788,050
12/01/2027	290,000	500,500	790,500	790,500
12/01/2028	305,000	481,650	786,650	786,650
12/01/2029	325,000	461,825	786,825	786,825
12/01/2030	350,000	440,700	790,700	790,700
12/01/2031	370,000	417,950	787,950	787,950
12/01/2032	395,000	393,900	788,900	788,900
12/01/2033	420,000	368,225	788,225	788,225
12/01/2034	445,000	340,925	785,925	785,925
12/01/2035	475,000	312,000	787,000	787,000
12/01/2036	505,000	281,125	786,125	786,125
12/01/2037	540,000	248,300	788,300	788,300
12/01/2038	575,000	213,200	788,200	788,200
12/01/2039	615,000	175,825	790,825	790,825
12/01/2040	655,000	135,850	790,850	790,850
12/01/2041	695,000	93,275	788,275	788,275
12/01/2042	740,000	48,100	788,100	788,100
	10,300,000	13,358,800	23,658,800	23,658,800

**EXHIBIT E**

**LETTER FROM THE UNDERWRITER**



**D.A. Davidson & Co.**  
member SIPC

May 5, 2006

Mr. Andrew P. Daly  
Mr. Mark O'Reilly  
Gore Peaks Investments, LLC  
143 E. Meadow Drive, Suite 490  
Vail, CO 81657

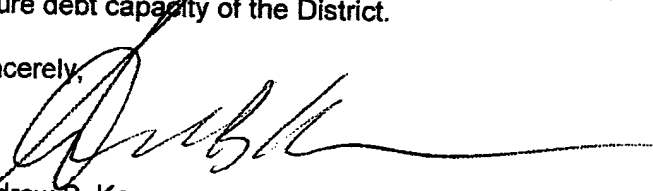
Re: ***Service Plan for Alpine Mountain Ranch Metropolitan District***

Dear Andy and Mark:

D.A. Davidson and Piper Jaffray have reviewed the proposed Service Plan for the Alpine Mountain Ranch Metropolitan District to be located in Routt County, Colorado, including a related Plan of Finance prepared by Stan Bernstein and Associates which projects the District's tax base and revenue.

The financing plan currently anticipates a letter of credit supported revenue bond issue for approximately \$10 million., the proceeds of which would be used to fund capitalized interest, infrastructure and for reimbursement purposes. The initial series of revenue bonds would be refunded by limited tax general obligation bonds at that point in time when the District's tax base has matured such that tax revenue at the projected mill levy can pay the anticipated debt service on 30 year level amortizing debt. The second series of bonds is projected to be issued in 2012. This structure and financing plan was created with input from both our firms, based on our knowledge of the municipal marketplace and from Stan Bernstein and Associates. Based on our past experience in the Colorado special district marketplace (please see the attached chart of such experience), we believe the financing plan is consistent with market requirements and, assuming the achievement of the key assumptions presented therein, fairly presents the future debt capacity of the District.

Sincerely,



Andrew B. Kane  
Senior Vice President  
D.A. Davidson & Co.

cc: P. Jonathan Heroux, Piper Jaffray

Attachment: Special District SDA Experience

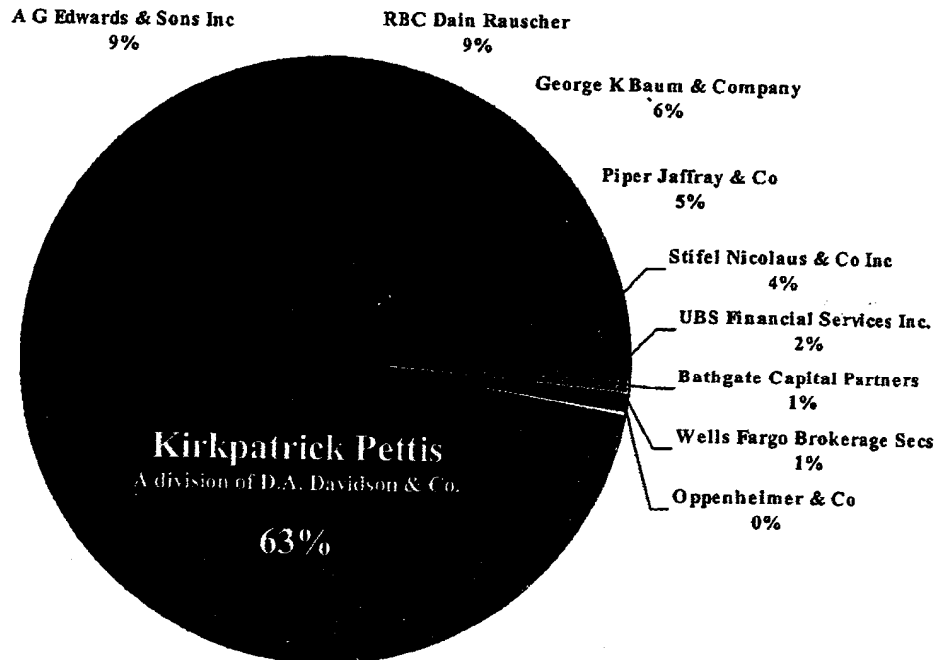
# Colorado Special District Bond Underwriter Rankings

(Ranking based on Dollar Amount)

2005 Ranking				2001 - 2005 Cumulative Ranking			
Lead Manager	Amount (\$ Millions)	Number of Issues	Rank		Amount (\$ Millions)	Number of Issues	Rank
Kirkpatrick Pettis (a division of D.A. Davidson & Co.)	538.4	45	1	Kirkpatrick Pettis (a division of D.A. Davidson & Co.)	1,501.5	140	1
A G Edwards & Sons Inc	80.1	5	2	RBC Dain Rauscher	266.9	19	2
RBC Dain Rauscher	73.8	3	3	George K Baum & Company	263.3	48	3
George K Baum & Company	47.4	11	4	Piper Jaffray & Co	242.7	27	4
Piper Jaffray & Co	44.5	3	5	Stifel Nicolaus & Co Inc	163.3	35	5
Stifel Nicolaus & Co Inc	36.8	7	6	A G Edwards & Sons Inc	158.1	8	6
UBS Financial Services Inc.	19.9	1	7	Wells Fargo Brokerage Secs	80.9	11	7
Bathgate Capital Partners	8.6	1	8	Prager Sealy & Co	77.1	5	8
Wells Fargo Brokerage Secs	7.5	1	9	Bathgate Capital Partners	46.1	4	9
Oppenheimer & Co	1.2	1	10	UBS Financial Services Inc.	38.0	2	10
Fifth Third Securities, Inc.	0.1	1	11	Bank of America Securities	36.0	1	11
Prager Sealy & Co	0.0	0	NA	Oppenheimer & Co	26.8	2	12
Stephens Inc	0.0	0	NA	First Matrix Investment Svc.	11.1	2	13
Bank of America Securities	0.0	0	NA	Stephens Inc	4.7	4	14
Zions First Natl Bank	0.0	0	NA	Zions First Natl Bank	3.5	1	15
First Matrix Investment Svc.	0.0	0	NA	Fifth Third Securities, Inc.	0.7	2	16
<b>Total</b>	<b>\$858.3</b>	<b>79</b>		<b>Total</b>	<b>\$2,920.8</b>	<b>311</b>	

Data Source: Securities Data Company

## Colorado Special District 2005 Bond Underwriter Market Share Ranking Based on Dollar Amount





**EXHIBIT F**

**LETTER REGARDING AVAILABILITY OF WATER AND EXHIBITS**