

**MOUNT VERNON COUNTRY CLUB
METROPOLITAN DISTRICT**

SERVICE PLAN

SEPTEMBER, 1991

SERVICE PLAN

FOR

MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT

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CHAPTER I
INTRODUCTION

The Mount Vernon Country Club has experienced a need for a higher level of organized municipal-type services to service its constituents. Following substantial analysis, a committee designated by the Board of Directors of the Mount Vernon Country Club recommended and the Board of Directors of the Mount Vernon Country Club has determined that a Metropolitan District is the best of the alternatives available.

Accordingly, this Service Plan sets forth the necessary statutory criteria for the formation of the Mount Vernon Country Club Metropolitan District in Jefferson County, Colorado (hereinafter referred to as "District").

The District intends to provide (a) water; (b) streets; (c) drainage; (d) safety protection (signage on roads and the like); (e) sanitation; and (f) parks and recreation services, as explained further in this Service Plan.

This Service Plan contains the following:

1. A description of each of the services referenced above to be provided by the District.

2. Financial plan showing how the proposed services are to be financed.
3. An engineering or an architectural survey showing the boundaries of the District, and detail on how the proposed services are to be provided. The services are mostly continuing in nature, as opposed to new services and, therefore, significant infrastructure construction is not anticipated at this time (although road improvements will occur as the need arises). Provisions for depreciation and reconstruction or maintenance have been made.
4. A map of the proposed District, population estimates, and assessed valuation estimates.
5. A general description of the new facilities to be constructed, which are expected to be minimal. Any such facilities and service standards will be compatible with the standards promulgated by Jefferson County.
6. Complete description of water rights, land, real property, and rights-of-way, all expected to be dedicated, conveyed, leased, or otherwise transferred to District's control. Engineering services are expected to be minimal, as a result of the minimum level of

infrastructure. Other services are depicted in the proposed budget. Although no indebtedness is anticipated to be incurred in the immediate future, should any be incurred the expected rate is approximately 9% with discounts not to exceed 4%. The maximum approval rate provided herein, however, is 18%, in the event inflationary pressures should again push interest rates up. All other operational costs are provided in the financial proforma.

7. No immediate arrangements for intergovernmental agreements have been made. Agreements are proposed between the Mount Vernon Country Club Corporation and the District.

CHAPTER II

BACKGROUND AND HISTORY OF MOUNT VERNON COUNTRY CLUB

The residential area known as Mount Vernon Country Club was platted in 1923 as Mount Vernon Country Club Place. In 1926 a non-profit Corporation known as Mount Vernon Country Club, ("M.V.C.C. Corporation") was created. Property was conveyed to the M.V.C.C. Corporation, subject to Covenants, Reservations and Restrictions. The bylaws of M.V.C.C. Corporation require that these Covenants, Reservations and Restrictions be contained within every conveyance of property within Mount Vernon Country Club.

Mount Vernon Country Club maintains as its primary recreational amenity the Clubhouse facility consisting of a restaurant, bar, tennis courts, pro shop, swimming pool, and snack bar, along with meeting rooms, and three residential units owned by the M.V.C.C. Corporation as housing for employees. Also, there are approximately 1,000 acres of open space that are owned and operated by the property owners through the M.V.C.C. Corporation.

At the current time there are 97 proprietary members of the M.V.C.C. Corporation; consisting of the owners of all 97 privately owned single family residences within the subdivision.

Accordingly, the M.V.C.C. Corporation is governed by the Articles of Incorporation, the By-Laws and the Rules and

Regulations of the M.V.C.C. Corporation. Membership in the M.V.C.C. Corporation is required by the Covenants, previously referenced. The M.V.C.C. Corporation does allow social membership under which, through the payment of participation fees, persons or families are able to utilize the facilities of the Clubhouse (restaurant, bar, tennis and swimming facilities). Approximately 3,500 such memberships are currently active.

Additionally, the M.V.C.C. Corporation owns the domestic water supply system, consisting of wells, storage facilities, distribution lines, water rights, and appurtenances. The M.V.C.C. Corporation also holds title to roads, rights-of-way, and easements appurtenant to the water system. The M.V.C.C. Corporation provides all maintenance for the roadways within the development and operates and maintains the domestic water system. Finally, the M.V.C.C. Corporation does operate a small package sewage treatment facility servicing the Clubhouse and two residences.

The open space, owned by the M.V.C.C. Corporation, is maintained primarily for recreational purposes, for its visual amenity to the residents, and as domestic water well fields. The open space is available for hiking and equestrian uses to the residents of Mount Vernon Country Club.

The area is almost completely built out with very few undeveloped private ownerships remaining within the subdivision

(and only two are in blocks large enough to permit development), and all other undeveloped lots are owned by the M.V.C.C. Corporation itself. The proposed boundaries of the District include almost all of the property within Mount Vernon Country Club Place subdivision, plus the two acquisitions known as Ashley and Custer, accomplished in the 1960's and 1970's, respectively, and a small parcel of undeveloped property acquired by the M.V.C.C. Corporation. One residence near the east entrance of the subdivision (24401 Mount Vernon Road, Golden, Colorado) is to be excluded from the District boundaries. For many years the owners of this residence have not been proprietary members of the M.V.C.C. Corporation and have not received services from the M.V.C.C. Corporation's operations.

After formation, additional petitions for exclusion will be able to be submitted to the Board. The Board will take into consideration and make a finding regarding all of the following factors when determining whether to grant or deny the petition or any portion thereof:

1. The best interests of all of the following:
 - a. The property seeking exclusion;
 - b. The Mount Vernon Country Club Metropolitan District;and

c. Jefferson County;

2. The relative cost and benefit to the property seeking exclusion of the provision of the District's services;
3. The ability of the District to provide economical and sufficient service to both the property seeking exclusion and all of the properties within the District's boundaries;
4. Whether the District is able to provide services at a reasonable cost compared with the cost which would be imposed by other entities in the surrounding area to provide similar services in the surrounding area;
5. The effect of denying the petition on employment and other economic conditions in the District and surrounding area;
6. The economic impact on the region and on the District, surrounding area, and state as a whole if the petition is denied;
7. Whether an economically feasible alternative service may be available; and

8. The additional cost to be levied on other property within the District if the exclusion is granted.

The District will negotiate for the provision of services to any person subsequently excluded from the District boundaries. The Bylaws of the M.V.C.C. Corporation are to be amended to provide that such person no longer will be a proprietary member of the Corporation.

Should the Board of Directors of the District, after considering all of the factors set forth above, determine that the property described in the Petition for Exclusion should not be excluded from the District and the property owner wishes to appeal that decision, this provision in the Service Plan is intended to grant the property owner the right to appeal to the Board of County Commissioners of Jefferson County, which right shall be exercised within thirty days after the denial. Upon appeal to the Board of County Commissioners, it shall consider the factors set forth in this chapter and make a determination whether to exclude the properties described in the Exclusion Petition. Such decision will be based upon the record developed at the hearing before this Metropolitan District Board. Any decision of the Board of County Commissioners may be appealed for review to the District Court, if such appeal is filed within thirty days of the County's decision. Again, on appeal the Court shall review the record developed at the

hearing, apply the factors set forth above and make a determination whether to exclude the properties described in the Exclusion Petition.

CHAPTER III

NEED FOR METROPOLITAN DISTRICT

The purpose of the Mount Vernon Country Club Metropolitan District is to provide: (a) for ownership and operation of the domestic water supply system; (b) maintenance and repair of streets, roads and rights-of-way; (c) provision of safety protection facilities, signage, etc.; (d) maintenance and repair of drainage culverts, drainage ways, etc.; (e) wastewater treatment services currently to be limited to the operation and maintenance of the package wastewater treatment facility serving the Clubhouse and two residences; and (f) parks and recreation services in the ownership and operation of the Clubhouse, open space properties, and related recreational amenities.

In 1923, when the Mount Vernon Country Club Place subdivision was created the developers had little choice in how to approach the need for centralized ownership and operation of what are essentially public facilities and public needs. Since that time the State Legislature has recognized the need for property owners within a community of interest, such as those within the Mount Vernon Country Club, to bind together and effect the formation of a quasi-municipal corporation to deal with their common public needs, without placing additional burdens upon general purpose governments.

Through the formation of the Mount Vernon Country Club Metropolitan District the property owners within its boundaries can achieve elected representation and share in the limited liability and tax benefits available to, and utilized by, other developments throughout the State with similar common interests. Through the formation of the Mount Vernon Country Club Metropolitan District the property owners, through their elected Board members of the District, can continue to map their own destiny without imposing any peripheral financing burden on residents or property owners outside of the proposed District boundaries.

CHAPTER IV

PROPOSED DISTRICT SERVICES

The Mount Vernon Country Club Metropolitan District will provide the services listed below:

1. DOMESTIC WATER SERVICE. The M.V.C.C. Corporation currently owns the domestic water system providing service to the 97 privately owned residences, the three M.V.C.C. Corporation owned residences, the Clubhouse, and related recreational facilities. The domestic water system consists of approximately 6.5 miles of water distribution mains, 23 fire hydrants, 16 wells, 6 pressure pumps, and 5 storage tanks.

Additionally, M.V.C.C. Corporation owns absolute water rights and obtained Water Court approval of a water augmentation plan so as to be able to provide this domestic water service. Water from 22 wells and one spring situated in the Club area was adjudicated by decrees in Case Nos. W-1454 and 81CW304, Water Division No. 1, and a plan for augmentation to allow these wells to withdraw water for use in Mount Vernon was approved in Case No. 81CW304, by decree entered April 25, 1984. The foundation of the augmentation plan is portion (0.3125 cfs.) of the Robert Lewis Ditch water right from Bear Creek, and pursuant to the plan, Mount Vernon is entitled to substitute 10 acre-feet of Robert Lewis right for that water consumed by use in the Mount Vernon Country Club

area. The augmentation decree contains certain record-keeping and submittal obligations which would be assumed by the District.

The water system has been developed over many years and, while the water system is unquestionably a very significant asset of the M.V.C.C. Corporation and a critical service facility for the property owners of the District, the actual value of the system in place is not particularly relevant to this discussion. The water system will be conveyed in its entirety by the M.V.C.C. Corporation to the District without cost but with restrictive covenants regarding its operation as discussed elsewhere . Also, the District will assume the current outstanding debt associated with the water system, in the approximate amount of \$121,300 (and will receive an assignment of the obligations of certain residents within the District to pay for a portion of such debt).

Currently, the operation and maintenance of the domestic water system has a cost of approximately \$45,000 per year, which has been paid for out of the \$80 per residence monthly proprietary service fee assessed against each of the 97 privately owned residences. This assessment is discussed later in this Service Plan.

2. STREETS. There exists approximately 14 miles of road rights-of-way owned and maintained by the M.V.C.C. Corporation. This obligation will be conveyed to the District, which will

thereafter operate and maintain the road rights-of-way. The cost of this function is approximately \$43,500 annually. Periodic major capital improvements and restoration are necessary, and reserves will be accumulated for that purpose.

3. DRAINAGE SERVICES. Throughout the development, drainage culverts and ditches collect and convey run-off water. The cost of annual operation and maintenance is approximately \$3,500. This function is currently performed by the M.V.C.C. Corporation, and it will be conveyed to the District. Approximately 42 culverts and 14 miles of drainage ditches are included.

4. SAFETY PROTECTION. Associated with the roadway operation and maintenance will be signage and control devices and facilities, such as traffic signs, street signs and related safety protection devices. This function is a relatively minor function, and it will be assumed by the District.

5. SANITATION. The District will assume maintenance and operation responsibility for the package wastewater treatment facility servicing two residences and the Clubhouse. The operation and maintenance costs associated with this facility are approximately \$7,800 annually.

The development utilizes septic tanks and leach fields as its wastewater disposal technique at the current time, and no

immediate plans exist for the provision of a central wastewater treatment operation. This is a possibility for future District consideration. If general obligation debt were required to expand the District's function in wastewater treatment, District voters would have to approve the financing.

Other sanitation needs of the District will also be met, probably including storm sewers, trash disposal activities and associated disposal works and facilities.

6. PARKS AND RECREATION. Again, the M.V.C.C. Corporation owns and maintains approximately 1,000 acres of open space, used primarily for domestic water well fields; hiking, cross-country skiing, pasture and equestrian uses; and as an unobstructed open space amenity. Additionally, the M.V.C.C. Corporation operates the Clubhouse, consisting of a restaurant, dining area, meeting room space, administrative offices, lounge, tennis, platform tennis and swimming facilities. This facility is currently, and would probably continue in the future to be, available to the use of the general public through the payment of appropriate participation fees.

Obviously, the conveyance of the ownership, operation and maintenance of these recreational facilities is as important a function as the maintenance and operation of the water system to

the new Mount Vernon Country Club Metropolitan District, and to the maintenance of the quality of life of its constituents.

The operational costs of the recreational facilities, on an annual basis, are approximately \$2 million, and are largely funded through sales of memberships, participation fees, and sales to the users thereof. This method of operation is expected to be continued by the District.

7. CONDITIONS TO PROPERTY CONVEYANCE Due to obligations of the M.V.C.C. Corporation to its proprietary members (who will also, for the most part, be the constituents of the District), certain restrictions will exist in the conveyances by M.V.C.C. Corporation to the District, regarding the sale of the Real Property, the water tap moratorium, and enforcement of the M.V.C.C. Corporation's governing documents. A reversionary interest is provided for, in the event conditions are violated.

CHAPTER V

DISTRICT FINANCING PLAN

A summary of the financing plan and the financial pro forma for a 15 year projection period is included in this Service Plan as Exhibit A.

A. INCOME

1. ASSESSED VALUATION. The current assessed valuation of the privately owned property within the boundaries of the District is \$2,201,050. Since the District is virtually at maximum build out now the projection in assessed valuation over the 15 year period anticipates an average annual growth in assessed valuation of one-half of one percent. Any increase in assessed valuation beyond that level should result in a reduction in property tax levy.

2. PROPERTY TAXES. Given the operational needs to maintain roadways, culverts, ditches, equipment and general services, a property tax revenue of \$36,725 is anticipated to be required in 1993, the first year of property tax receipts. This requirement applied to the \$2,201,050 assessed valuation results in a 16.685 mill levy. Applied to a \$160,000 home assessed at 15% of actual value the annual cost of the District property taxation would be \$400.

3. LOTTERY AND OWNERSHIP TAXES. The District will be eligible for participation in the funds derived from the State of Colorado operation of the Colorado Lottery. Additionally, the District will receive a small percentage of the fees derived from ownership taxes on equipment and automobiles. It is estimated these two revenue sources will be relatively insignificant, averaging around 10% of the property taxes, or \$3,600 per year.

4. DUES AND FEES. The District will continue to derive revenue from the ongoing club operations through dues and joining fees in the various membership categories (social, tennis, swimming, platform tennis, corral). The estimated revenue in this area is \$755,000, and it is based upon many years of experience.

5. FOOD, BEVERAGE AND ROOMS. The District will also receive revenue that the club derives through the sale of food and beverage services, including catering and room rentals. It is expected this source will continue to grow at a slow rate of about 5% to 7% per year, including periodic inflationary increases in pricing. The first year's anticipated revenue from this source is \$1.442 million, and again is based on many years of experience.

6. RECREATIONAL FACILITIES OPERATIONAL INCOME. Both the swimming and tennis areas are used for lessons, programs for District residents, as well as the general public, through the

membership in the various categories. These programs derive income to offset the costs of their operation. This revenue is estimated to be \$26,800, and again is based upon many years of experience. It is estimated there will be a slight growth in these areas, and the fees will be increased to cover inflationary increases in direct costs.

7. SERVICE FEES. The District will continue to charge monthly fees for those services not paid for with property taxes. These services are water, maintenance of the sewage treatment facility as it relates to homeowners, sanitation, and the related costs from the general services department to continue these operations. The income derived from this is estimated to be \$44,000 or a flat \$453 per household. It is the expressed intent and policy of the proponents that, on a year-to-year basis, the revenues derived from ad valorem taxes will not exceed the revenues derived from service charges payable by the residents of the District.

8. FACILITIES FEES. The Corporation currently has the authority to assess building permit fees or proprietary membership fees constituting a pro rata share of the value of assets. The District intends to continue this policy, both through its independent authority to assess such Facilities Fees and through an assignment of the Corporation's rights. Obviously, since very few residences can be added to the District, this revenue source

is not expected to be great and has not been incorporated into the financial pro forma.

9. OTHER INCOME. The District will continue to receive interest income from any cash invested, and from relatively minor notes and other obligations that are due to the club operation. It is estimated that this source of income will be approximately \$4,500 per year, with little growth anticipated in the future.

B. EXPENSES

1. OPERATING EXPENSES. Operating expenses for the District are estimated based upon historical data from the M.V.C.C. Corporation. Adjustments have been made for tax savings. These expenses include general and administrative, marketing, roads and grounds maintenance, expenses related to the food and beverage operation, recreational facilities, and the water and sanitation operation. In addition the existing water and Custer land loans will be retired, and the need for short term borrowing will entail limited interest expense.

2. CAPITAL IMPROVEMENTS AND REPLACEMENTS. One of the more significant restoration needs of the District will be to improve the existing roads. Additionally, the current five year plan includes improvements to the sewage treatment plant, clubhouse, grounds and recreational facilities, as well as replacing existing

worn equipment, vehicles and water system components. Although the Board of Directors of the District may decide to finance some of these essentially restorative items through debt, the financial pro forma assumes that they will be paid for on a pay-as-you-go basis from accumulated cash invested in a reserve account for the projects anticipated.

C. REVENUE AND EXPENSES SUMMARY - FINANCIAL PRO FORMA

Attached as Exhibit A is a financial pro forma, projecting over 15 years the financial condition of the District. While the financial pro forma shows substantial accumulated cash reserves, these will not actually be accumulated to this level. Should accumulated reserves materialize to this level, it is expected that property taxes and services will be reduced to bring the reserves in line with the reasonable needs of the District or that the reserves would be used for necessary future improvement projects.

CHAPTER VI

CONTRACTUAL RELATIONSHIPS WITH THE MOUNT VERNON COUNTRY CLUB

As stated at the beginning of this Service Plan, the M.V.C.C. Corporation has been providing virtually all the services provided by the Metropolitan District plus land use or covenant enforcement. The M.V.C.C. Corporation has determined, along with the residents of the proposed District that there are substantial benefits to turning over the vast majority of the Corporation's operation to a metropolitan district. It is necessary, however, because of restrictions on the M.V.C.C. Corporation, set forth in the 1980 Land Use Plan of the M.V.C.C. Corporation that certain rights in the real property conveyed to the District be reserved and retained by the M.V.C.C. Corporation and that a continuing close relationship with the District be maintained in order to fulfill the mandate of the M.V.C.C. Corporation.

Accordingly, a Conveyance Agreement has been drafted, and is attached hereto as Exhibit B. In that Agreement, the terms and conditions and rights of reversion are spelled out as regards the conveyance of the assets from M.V.C.C. Corporation to the District.

CHAPTER VII

CONCLUSION

This Service Plan for the proposed Mount Vernon Country Club Metropolitan District meets the requirements of the Special District Act relating to service plans (Section 32-1-201, et seq., C.R.S., as amended). It is further submitted that, based upon the above information and the counsel of legal, financial and land use advisers, the following conclusions can be made with regard to the proposed District:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the proposed District.
2. While the existing services in the area to be served by the proposed District are adequately provided by the M.V.C.C. Corporation, the institutional structure is found to be inadequate for both the present and projected needs of the area.
3. The proposed District is capable of providing economical and sufficient service to the area within its proposed boundaries.

4. The area to be included in the proposed District will have the financial ability to discharge indebtedness, if any, on a reasonable basis.
5. Adequate service is not, or will not be, available to the area through the county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.
6. The facility and service standards of the proposed special district are compatible with the facility and service standards of each county within which the proposed special district is to be located and in each municipality which is an interested party under Section 32-1-204(1), C.R.S.
7. The proposal is in substantial compliance with a master plan adopted pursuant to Section 30-28-106, C.R.S.
8. The proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area.
9. The creation of the proposed special district will be in the best interests of the area proposed to be served.

THEREFORE, it is requested that the Board of County Commissioners of Jefferson County, which has jurisdiction to approve the Service Plan by virtue of the Special District Act, adopt a resolution approving this Service Plan as submitted.

MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT

Financial Pro Forma

1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
RECEIPTS:															
Nonoperating-															
General property taxes	* 0	36,725	38,200	38,200	39,000	39,000	39,800	39,800	40,500	40,500	41,400	41,400	42,200	42,200	43,000
Specific Ownership taxes	0	3,600	3,800	3,800	3,900	3,900	4,000	4,000	4,000	4,000	4,100	4,100	4,200	4,200	4,300
Interest income	4,500	6,500	8,500	9,000	12,000	13,000	14,000	15,000	10,000	15,000	14,000	18,000	19,000	25,000	28,000
Other income	4,500	4,600	4,700	4,800	4,900	5,000	5,100	5,200	5,300	5,400	5,500	5,800	5,700	5,800	5,950
Operating-															
Membership dues and fees	770,000	790,000	790,000	825,000	825,000	895,000	895,000	925,000	925,000	964,000	964,000	1,000,000	1,000,000	1,040,000	1,040,000
Nondues Revenue:															
Food, beverage and rooms	1,442,000	1,485,000	1,604,000	1,652,000	1,784,000	1,838,000	1,985,000	2,044,500	2,208,000	2,274,000	2,456,000	2,529,500	2,732,000	2,814,000	3,039,000
Recreational activities	26,800	27,900	29,000	30,000	31,300	32,000	32,600	33,900	35,300	36,700	38,100	39,700	41,200	42,900	44,000
Water and sanitation charges	44,000	44,000	45,000	45,000	46,000	46,000	47,000	47,000	48,000	48,000	49,000	49,000	50,000	50,000	52,000
Water Improvement Bond	27,060	27,060	27,060	27,060	13,500										
Total Receipts	2,318,860	2,425,385	2,550,260	2,634,860	2,759,800	2,871,900	3,022,500	3,114,400	3,276,100	3,387,600	3,572,100	3,687,300	3,894,300	4,024,100	4,256,250
EXPENDITURES:															
Administrative expenses	321,000	330,600	340,500	350,700	361,300	372,000	383,300	395,000	406,500	418,800	431,400	444,300	457,700	471,400	485,500
Marketing expenses	76,000	79,000	82,200	85,500	88,900	92,500	96,200	100,000	104,000	108,200	112,500	117,000	121,700	126,500	131,600
Roads and grounds maintenance	101,500	106,700	112,200	127,900	133,800	140,000	146,400	153,000	160,000	167,100	179,600	187,400	195,500	204,000	217,700
Food, beverage and rooms	1,408,000	1,464,000	1,552,000	1,629,800	1,711,000	1,797,000	1,887,000	1,981,000	2,080,000	2,200,000	2,330,000	2,446,000	2,570,000	2,700,000	2,847,000
Recreational activities	56,500	58,800	61,100	63,600	66,100	68,800	71,500	74,400	77,400	80,400	83,700	87,000	90,400	94,100	97,800
Water and sanitation	47,500	47,800	48,200	48,600	48,900	49,300	49,700	55,100	55,500	56,000	56,500	56,800	57,400	57,900	63,500
Debt service-															
Principal	38,900	42,000	45,500	21,900	24,400	11,000									
Interest	18,100	15,800	11,700	8,000	5,700	3,500	3,400	3,500	3,700	3,900	4,100	4,300	4,500	4,800	5,200
Total Expenses	2,067,500	2,144,700	2,253,400	2,336,000	2,440,100	2,534,100	2,637,500	2,762,000	2,887,100	3,034,400	3,197,800	3,342,800	3,497,200	3,658,700	3,848,300
Net Receipts over Expenses (under)	251,360	280,685	296,860	298,860	319,500	337,800	385,000	352,400	389,000	353,200	374,300	344,500	397,100	365,400	407,950
Capital Improvements and Replacements															
Clubhouse and administrative	120,000	150,000	150,000	150,000	150,000	100,000	100,000	150,000	250,000	150,000	125,000	125,000	150,000	150,000	175,000
Recreational facilities	40,000	20,000	20,000	10,000	10,000	150,000	150,000	50,000	20,000	40,000	40,000	40,000	50,000	50,000	40,000
Water and sanitation	10,000	30,000	20,000	5,000	5,000	5,000	10,000	10,000	80,000	15,000	200,000	25,000	25,000	25,000	25,000
Roads and grounds	65,000	50,000	65,000	50,000	75,000	75,000	85,000	125,000	125,000	60,000	50,000	50,000	75,000	75,000	75,000
Total Improvements/Replacements	235,000	250,000	255,000	215,000	240,000	330,000	345,000	335,000	475,000	265,000	415,000	240,000	300,000	300,000	315,000
Increase/(decrease) in Cash	16,360	30,685	41,860	83,860	79,500	7,800	40,000	17,400	(86,000)	88,200	(40,700)	104,500	97,100	65,400	92,950
Accumulated Cash / Reserve **	4,960	35,645	77,505	161,365	240,865	248,665	288,665	306,065	220,065	308,265	267,565	372,065	469,165	534,565	627,515

* Property tax receipts will not begin until 1993.

** Excessive cash reserves will not be allowed to accumulate. If inflation does not require the use of reserves, then fees and taxes will be reduced.

EXHIBIT B

CONVEYANCE AGREEMENT

This Agreement ("Agreement") is between Mount Vernon Country Club, a Colorado nonprofit corporation (the "Corporation"), and Mount Vernon Country Club Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), (collectively, the "Parties") and is effective the _____ day of _____, 1991.

RECITALS

WHEREAS, the Corporation has existed for over sixty years for the purpose of owning and managing certain assets for the benefit of the property owners of the residential area know as Mount Vernon Country Club and its social members, which assets now include a domestic water system, water rights, recreational open space, and recreational improvements all as identified on Exhibits 1(a), (b) and (c); and

WHEREAS, representatives of the Corporation and the homeowners of the Mount Vernon Country Club residential area have determined it beneficial to form a Metropolitan District to hereafter own and manage the assets of the Corporation, but not to take over the Corporation's Covenant enforcement obligations; and

WHEREAS, in pursuit of the above objectives, the Corporation desires to convey to the Metropolitan District those assets listed in Exhibits 1(a) and 1(b) and retain the assets described in Exhibit 1(c) and to place certain Covenants of Reversion on the conveyance in the event a violation by the District of the terms and conditions of the conveyance should occur.

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

1. Conveyance of Property. The Corporation agrees to convey to the District by Bargain and Sale Deed (the "Deed") in the form of Exhibit 1(a) all of the real property owned by the Corporation, including its water rights (the "Real Property"), to convey by Bill of Sale in the form of Exhibit 1(b) all of the personal property of the Corporation, except for the books and records of the Corporation (the "Personal Property"), and except for specifically excluded property described in Exhibit 1(c) which is to be retained by the Corporation (the "Retained Property")

2. District's Assumption of Corporation Indebtedness. The District assumes and agrees to pay in accordance with their respective terms the following indebtedness of the Corporation effective as of the date of this Agreement:

- a. The promissory note dated September, 1977, made by the Corporation payable to Virginia Custer (the "Custer Note"), in the original principal amount of \$286,824.95. The amount outstanding under the Custer Note as of the date of this Agreement is \$_____ of principal and \$_____ of accrued interest. [As of August 31, 1991, the principal balance was \$94,860, of which \$21,684 will be paid on September 15, 1991. This loan will be fully retired in September, 1994.] The consent of Virginia Custer to such assumption is attached to this Agreement as Exhibit 2(a);
- b. The promissory note dated June 17, 1987, made by the Corporation payable to Bank Western Federal Savings Bank (the "Bank Western Note") in the original principal amount of \$210,000.00. The amount outstanding under the Bank Western Note as of the date of this Agreement is \$_____ of principal and \$_____ of accrued interest. [As of July 31, 1991, the principal balance was \$119,737.53. This loan will be fully retired in June, 1997.] The consent of Bank Western to such assumption is attached to this Agreement as Exhibit 2(b);
- c. The promissory note (line of credit) dated January 1, 1991, made by the Corporation payable to Colorado National Bank of Golden (the "CNB Note") in the original principal amount of \$120,000.00. The amount outstanding under the CNB Note as of the date of this Agreement is \$_____ of principal and \$_____ of accrued interest. The consent of CNB to such assumption is attached to this Agreement as Exhibit 2(c);
- d. The equipment financing on one computer modem;
- e. All liabilities for accrued taxes, including state, federal, and local income, property, unemployment, sales and other taxes all of which is generally described on Exhibit 2(e), the total of which it is agreed shall not exceed 120% of that estimate contained on Exhibit 2(e);
- f. The trade and other payables identified on Exhibit 2(f); and

- g. Reasonable contingent liabilities, although none are currently known to exist.

3. Restrictions on Conveyances. The Parties acknowledge and agree that a significant inducement to the Corporation's conveyance of the Real Property to the District is the District's continuing obligation to abide by restrictions attendant to the ownership of the property. According the Parties agree as follows:

- a. The District agrees that no conveyance of any interest in the Real Property or development of the Real Property, including the sale of water rights (but not including the sale of water or water taps to residents of the District for use within the District), shall occur unless both of the following actions have occurred:
 - i. approval of the conveyance or development by the Board of Directors of the Corporation; and
 - ii. full compliance with the 1980 Mount Vernon Country Club Land Use Plan (the "Land Use Plan"), as it may be amended from time to time, including any requirements for action by the Board of Directors of the Corporation and by its proprietary members.
- b. Any conveyance or development of the Real Property in violation of the restrictions set forth in (a) above shall be void.
- c. If the District acquires any real property after the date of this Agreement, it may cause such real property to be made subject to the terms of this Agreement by giving notice to the Corporation and by recording in the real estate records of Jefferson County an instrument stating that such real property is subject to this Agreement, in which event such real property shall be treated for all purposes as "Real Property" under this Agreement.

4. Continuation of Water Tap Moratorium. The District agrees to continue in effect the moratorium on the granting of new water taps that presently exists under the Corporation's bylaws. Notwithstanding the foregoing, the District shall be entitled to amend the provisions of such moratorium if required to do so by operation of law or upon the consent of the Board of Directors of the Corporation.

5. Enforcement of Corporation's Governing Documents. The Corporation has articles of incorporation, bylaws, and rules and

regulations (collectively, the "Governing Documents"). The District agrees to provide to the Corporation whatever assistance is reasonably requested by the Corporation from time to time to cause the Governing Documents, as they may be amended from time to time, to be enforced. Further the Corporation conveys to the District, to the full extent allowable by law, the Corporation's powers to assess rates, fees, tolls, and charges including building fees. Further in the event the Corporation itself assesses rates, fees, tolls, and charges the District agrees to provide whatever assistance is reasonably requested by the Corporation in assessing and collecting the fees.

6. Funding of Corporate Maintenance Costs. The District acknowledges that the Corporation will be providing continuing assistance to the District in the operation of the property. In consideration for this assistance as long as the Corporation maintains existence, the District agrees to pay to the Corporation the direct, out-of-pocket costs incurred by the Corporation in order to maintain the Corporation's corporate existence (including without limitation, conducting meetings of the board of directors and proprietary members, filing reports with state authorities, and filing state and federal income tax returns). The District will pay to the Corporation (or directly to the payee) any such costs promptly after the Corporation submits an invoice to the District. Notwithstanding the foregoing, the District will not be obligated to pay any such costs to the extent the amount incurred by the Corporation in any calendar year exceeds \$1,000 in 1992, as adjusted appropriately for inflation based on increases in the Consumer Price Index thereafter (or any similar measure of inflation if the CPI is no longer published), without the additional approval of the Board of Directors of the District.

7. Right of Reverter.

- a. Upon 30 days' written Notice given by the Board of Directors of the Corporation to the District, the Real Property and all personal property then owned by the District will be conveyed, automatically and without the taking of any further action by the Corporation or the District, upon either of the following events:
 - i. the District fails to comply with the provisions of Section 3 of this Agreement and further fails to cure the breach within 15 days following the Notice; or
 - ii. the District dissolves.
- b. Upon 30 days' written notice given by the Board of Directors of the Corporation to the District, the proceeds from any sale or other disposition of all

or substantially all of the District's assets shall be conveyed to the Corporation, automatically and without the taking of any further action by the Corporation or the District.

8. Miscellaneous.

- a. Either party to this Agreement may record a copy of this Agreement or a summary of its provisions in the real estate records of Jefferson County.
- b. The unenforceability or invalidity of any part of this Agreement will not affect the validity of the remainder of this Agreement.
- c. The failure of any party to enforce any right arising under this Agreement on one or more occasions will not operate as a waiver of that or any other right on that or any other occasion.
- d. In addition to any other remedy allowed by law or in equity, should either party to this Agreement default on any obligation due hereunder, the non-defaulting party may elect to treat this Agreement as being in full force and effect and bring an action for specific performance or damages, or both.
- e. Neither party may assign this Agreement or any interest in this Agreement without the prior written consent of the other party.
- f. This Agreement is binding upon and inures to the benefit of the parties to this Agreement and their respective successors and permitted assigns.
- g. The Corporation and the District from time to time at or after the date of this Agreement, will execute and deliver to the other such further assignments, certificates, instruments, records, or other documents, will provide such further assurances and will take such further actions, as may be reasonably necessary to give full effect of this Agreement and to allow each party fully to enjoy and exercise the rights accorded and acquired by and under this Agreement, in each case for no additional consideration.
- h. This Agreement may be amended only by a written document signed by both parties to this Agreement, but no amendment to the provisions of Section 3 of this Agreement or Section 7(a) of this Agreement

will be made without a vote of the then current proprietary members of the Corporation, taken in accordance with the procedures set forth in the Land Use Plan and the Corporation's Governing Documents, as if the making of such amendment itself were a conveyance of an interest in Real Property thus triggering the applicability of the Land Use Plan.

- i. All notices to either party shall be given in writing and shall be sent to the following addresses (unless either party to this Agreement gives notice in accordance with this Agreement that a different address should be used):

If to the Corporation: Mount Vernon Country Club
24933 Clubhouse Circle
Golden, Colorado 80401
Attention: President

If to the District: Mount Vernon Country Club
Metropolitan District
24933 Clubhouse Circle
Golden, Colorado 80401
Attention: Chairman of the Board

With copies to: Collins and Cockrel, P.C.
390 Union Boulevard
Suite 400
Denver, Colorado 80228

Notices will be given by personal delivery or by deposit into the United States mails, postage prepaid, and all notices will be deemed to have been given upon personal delivery or three days after deposit into the United States mails.

MOUNT VERNON COUNTRY CLUB, a
Colorado nonprofit corporation

By _____

Title _____

ATTEST:

Secretary

MOUNT VERNON COUNTRY CLUB
METROPOLITAN DISTRICT, a political
subdivision formed under the laws
of Colorado

By _____

Title _____

ATTEST:

Secretary

STATE OF COLORADO)
) ss.
COUNTY OF JEFFERSON)

The foregoing instrument was acknowledged before me this
_____ day of _____, 199____, by _____,
the _____, and by _____, the
_____ of Mount Vernon Country Club, a
Colorado nonprofit corporation.

Notary Public

My commission expires: _____

STATE OF COLORADO)
) ss.
COUNTY OF JEFFERSON)

The foregoing instrument was acknowledged before me this
_____ day of _____, 199____, by _____, the
_____, and by _____, the
_____ of Mount Vernon Country Club
Metropolitan District, a political subdivision formed under the
laws of Colorado.

Notary Public

My commission expires: _____

BARGAIN AND SALE DEED

KNOW ALL MEN BY THESE PRESENTS, That K Mount Vernon Country Club, a Colorado nonprofit corporation,

whose address is 24933 Clubhouse Circle, Golden, Colorado 80401

* County of Jefferson

and State of Colorado, for the consideration of

Ten dollars,

and other good and valuable consideration.

in hand paid, hereby sell(s) and convey(s) to Mount Vernon Country Club Metropolitan District a quasi-municipal corporation and political subdivision of the State of Colorado

whose legal address is c/o Collins and Cockrel, P.C., 390 Union Boulevard, Suite 400 Denver, Colorado 80228, Attention: Chairman of the Board County of Jefferson, and State of Colorado

the following real property situate in the County of Jefferson and water rights

and State of Colorado, to wit:

The real property and water rights described in Attachment A hereto; subject to the restrictions, conditions and Conditions of Reversion attached hereto as Attachment B.

also known by street and number as

with all its appurtenances.

Signed and delivered this day of 19

Three horizontal lines for signature and date.

STATE OF COLORADO,

County of

} ss.

The foregoing instrument was acknowledged before me this day of

19, by

My commission expires 19. Witness my hand and official seal.

Notary Public

*If in Denver, insert "City and"

ATTACHMENT A

WATER RIGHTS

All of Grantor's interest in decreed and undecreed water and water rights, ditches and ditch rights, wells and well rights, water facilities and structures, used in connection with the provision of domestic or other beneficial use of water by Grantor to the Mount Vernon Country Club development, (collectively referred to a "water rights" hereinafter) including, but not limited to, the following:

1. All water rights confirmed in the Findings of Fact, Conclusions of Law, Judgment and Decree entered on June 20, 1974, nunc pro tunc January 22, 1973, in Case No. W-1454, District Court, Water Division No. 1, including all of Grantor's interest in the following wells and one spring, all located in Section 7 and 12, Township 4 South, Range 71 West of the 6th P.M. in Jefferson County, Colorado:

Well No. 1-13169-F
Well No. 2-13168-F
Well No. 4-13170-F
Well No. 5-13171-F
Well No. 7-13172-F
Well No. 8-13173-F
Well No. 9-13174-F
Well No. 10-13175-F
Well No. 11-13176-F
Well No. 12-13177-F
Well No. 13-13178-F
Well No. 14-13179-F
Well No. 15-13180-F
Well No. 16-6698-F
Well No. 17-6788-F
Well No. 18-6785-F
Well No. 19-6786-F
Well No. 20-6787-F
Spring No. 1

2. All water rights confirmed in the Revised Findings and Ruling of the Referee and Decree entered on December 2, 1981 in Case No. W-8362-76, District Court, Water Division No. 1, including all of Grantor's interest in the following four wells operated as alternate points of diversion to the above-described 18 wells, all four such wells located in Section 12, Township 4 South, Range 71 West of the 6th P.M. in Jefferson County, Colorado:

Well No. 21-18197-F
Well No. 22-18200-F
Well No. 23-20383-F
Well No. 24-18198-F

3. All water rights confirmed in the Findings of Fact, Conclusions of Law, Judgment and Decree entered on April 25, 1984 in Case No. 81CW304, District Court, Water Division No. 1, in which Grantor's plan for augmentation was approved, including all of Grantor's interest in 8 additional wells, all located in Section 11, Township 4 South, Range 71 West of the 6th P.M. in Jefferson County, Colorado.
4. All water rights and interest in 12 inches or 0.3125 cfs. of water decreed to the Robert Lewis Ditch, with an appropriation date of October 1, 1865, by decree of February 4, 1884, in the District Court in and for Jefferson County, which water right provides 10 acre-feet of water for annual consumptive use credit, together with additional rights as to Robert Lewis Ditch confirmed in the plan for augmentation described in paragraph 3 above.

TOGETHER WITH all access easements and water facilities easements to and from ditches, wells, reservoirs, water transmission lines, water storage tanks and any facilities which may have been installed or constructed in connection therewith in, through, over and across Mount Vernon Country Club property, and for drilling, installation, construction, operation, maintenance, repair and replacement of water wells and other facilities, as may be necessary or desirable for the full use and enjoyment of the water rights herein granted and conveyed to the District.

ATTACHMENT B

CONDITIONS OF REVERSION

1. Restrictions on Conveyances. The Parties acknowledge and agree that a significant inducement to the Corporation's conveyance of the Real Property to the District is the District's continuing obligation to abide by restrictions attendant to the ownership of the property. According the Parties agree as follows:

- a. The District agrees that no conveyance of any interest in the Real Property or development of the Real Property, including the sale of water rights (but not including the sale of water or water taps to residents of the District for use within the District), shall occur unless both of the following actions have occurred:
 - i. approval of the conveyance or development by the Board of Directors of the Corporation; and
 - ii. full compliance with the 1980 Mount Vernon Country Club Land Use Plan (the "Land Use Plan"), as it may be amended from time to time, including any requirements for action by the Board of Directors of the Corporation and by its proprietary members.
- b. Any conveyance or development of the Real Property in violation of the restrictions set forth in (a) above shall be void.
- c. If the District acquires any real property after the date of this Agreement, it may cause such real property to be made subject to the terms of this Agreement by giving notice to the Corporation and by recording in the real estate records of Jefferson County an instrument stating that such real property is subject to this Agreement, in which event such real property shall be treated for all purposes as "Real Property" under this Agreement.

2. Continuation of Water Tap Moratorium. The District agrees to continue in effect the moratorium on the granting of new water taps that presently exists under the Corporation's bylaws. Notwithstanding the foregoing, the District shall be entitled to amend the provisions of such moratorium if required to do so by operation of law or upon the consent of the Board of Directors of the Corporation.

3. Enforcement of Corporation's Governing Documents. The Corporation has articles of incorporation, bylaws, and rules and regulations (collectively, the "Governing Documents"). The District agrees to provide to the Corporation whatever assistance is reasonably requested by the Corporation from time to time to cause the Governing Documents, as they may be amended from time to time, to be enforced. Further the Corporation conveys to the District, to the full extent allowable by law, the Corporation's powers to assess rates, fees, tolls, and charges including building fees. Further in the event the Corporation itself assesses rates, fees, tolls, and charges the District agrees to provide whatever assistance is reasonably requested by the Corporation in assessing and collecting the fees.

4. Funding of Corporate Maintenance Costs. The District acknowledges that the Corporation will be providing continuing assistance to the District in the operation of the property. In consideration for this assistance as long as the Corporation maintains existence, the District agrees to pay to the Corporation the direct, out-of-pocket costs incurred by the Corporation in order to maintain the Corporation's corporate existence (including without limitation, conducting meetings of the board of directors and proprietary members, filing reports with state authorities, and filing state and federal income tax returns). The District will pay to the Corporation (or directly to the payee) any such costs promptly after the Corporation submits an invoice to the District. Notwithstanding the foregoing, the District will not be obligated to pay any such costs to the extent the amount incurred by the Corporation in any calendar year exceeds \$1,000 in 1992, as adjusted appropriately for inflation based on increases in the Consumer Price Index thereafter (or any similar measure of inflation if the CPI is no longer published), without the additional approval of the Board of Directors of the District.

5. Rights of Reverter.

- a. Upon 30 days' written notice given by the Board of Directors of the Corporation to the District, the Real Property and all personal property then owned by the District will be conveyed, automatically and without the taking of any further action by the Corporation or the District, upon either of the following events:
 - i. the District fails to comply with the provisions of Section 3 of the Conveyance Agreement and further fails to cure the breach within 15 days following the Notice; or
 - ii. the District dissolves.

- b. Upon 30 days' written notice given by the Board of Directors of the Corporation to the District, the proceeds from any sale or other disposition of all or substantially all of the District's assets shall be conveyed to the Corporation, automatically and without the taking of any further action by the Corporation or the District.

KNOW ALL MEN BY THESE PRESENTS:

That Mount Vernon Country Club, a Colorado nonprofit corporation of the _____ County of Jefferson, in the State of Colorado, of the first part, for and in consideration of Ten Dollars, to _____ in hand paid, at or before the ensealing or delivery of these presents by Mount Vernon Country Club Metropolitan District of the _____ County of Jefferson

in the State of Colorado, of the second part, the receipt whereof is hereby acknowledged, has bargained and sold, and by these presents does grant and convey unto the said parties of the second part, not in tenancy in common, but in joint tenancy, the survivor of them, their assigns and the heirs and assigns of such survivor forever, the following property, goods and chattels, to-wit:

The personal property described in Attachment A hereto; subject to the restrictions, conditions and Conditions of Reversion attached hereto as Attachment B.

located at

TO HAVE AND TO HOLD the same unto the said party _____ of the second part, the survivor of them, their assigns, and the heirs, and assigns of such survivor. And the said party _____ of the first part, for _____ sel _____ heirs, executors, administrators, successors or assigns, covenant and agree _____ to and with the said parties of the second part, the survivor of them, their assigns and the heirs and assigns of such survivor, to WARRANT and DEFEND the sale of said property, goods and chattels, hereby made unto the said parties of the second part, the survivor of them, their assigns, and the heirs, and assigns of such survivor, executors, administrators, successors or assigns, against all and every person or persons whomsoever.

IN WITNESS WHEREOF, The part _____ of the first part ha _____ hereunto set _____ hand and seal _____, this _____ day of _____, A. D. 19 _____

Signed, sealed and delivered in the presence of _____

.....[SEAL]
.....[SEAL]
.....[SEAL]
.....[SEAL]

STATE OF COLORADO, _____ } ss.
County of _____

The foregoing instrument was acknowledged before me this _____ day of _____ A. D. 19 _____, by _____ My commission expires _____, 19 _____ . Witness my hand and official seal.

.....
Notary Public.

ATTACHMENT A
PERSONAL PROPERTY

ATTACHMENT B

CONDITIONS OF REVERSION

1. Restrictions on Conveyances. The Parties acknowledge and agree that a significant inducement to the Corporation's conveyance of the Real Property to the District is the District's continuing obligation to abide by restrictions attendant to the ownership of the property. According the Parties agree as follows:

- a. The District agrees that no conveyance of any interest in the Real Property or development of the Real Property, including the sale of water rights (but not including the sale of water or water taps to residents of the District for use within the District), shall occur unless both of the following actions have occurred:
 - i. approval of the conveyance or development by the Board of Directors of the Corporation; and
 - ii. full compliance with the 1980 Mount Vernon Country Club Land Use Plan (the "Land Use Plan"), as it may be amended from time to time, including any requirements for action by the Board of Directors of the Corporation and by its proprietary members.
- b. Any conveyance or development of the Real Property in violation of the restrictions set forth in (a) above shall be void.
- c. If the District acquires any real property after the date of this Agreement, it may cause such real property to be made subject to the terms of this Agreement by giving notice to the Corporation and by recording in the real estate records of Jefferson County an instrument stating that such real property is subject to this Agreement, in which event such real property shall be treated for all purposes as "Real Property" under this Agreement.

2. Continuation of Water Tap Moratorium. The District agrees to continue in effect the moratorium on the granting of new water taps that presently exists under the Corporation's bylaws. Notwithstanding the foregoing, the District shall be entitled to amend the provisions of such moratorium if required to do so by operation of law or upon the consent of the Board of Directors of the Corporation.

3. Enforcement of Corporation's Governing Documents. The Corporation has articles of incorporation, bylaws, and rules and regulations (collectively, the "Governing Documents"). The District agrees to provide to the Corporation whatever assistance is reasonably requested by the Corporation from time to time to cause the Governing Documents, as they may be amended from time to time, to be enforced. Further the Corporation conveys to the District, to the full extent allowable by law, the Corporation's powers to assess rates, fees, tolls, and charges including building fees. Further in the event the Corporation itself assesses rates, fees, tolls, and charges the District agrees to provide whatever assistance is reasonably requested by the Corporation in assessing and collecting the fees.

4. Funding of Corporate Maintenance Costs. The District acknowledges that the Corporation will be providing continuing assistance to the District in the operation of the property. In consideration for this assistance as long as the Corporation maintains existence, the District agrees to pay to the Corporation the direct, out-of-pocket costs incurred by the Corporation in order to maintain the Corporation's corporate existence (including without limitation, conducting meetings of the board of directors and proprietary members, filing reports with state authorities, and filing state and federal income tax returns). The District will pay to the Corporation (or directly to the payee) any such costs promptly after the Corporation submits an invoice to the District. Notwithstanding the foregoing, the District will not be obligated to pay any such costs to the extent the amount incurred by the Corporation in any calendar year exceeds \$1,000 in 1992, as adjusted appropriately for inflation based on increases in the Consumer Price Index thereafter (or any similar measure of inflation if the CPI is no longer published), without the additional approval of the Board of Directors of the District.

5. Rights of Reverter.

- a. Upon 30 days' written notice given by the Board of Directors of the Corporation to the District, the Real Property and all personal property then owned by the District will be conveyed, automatically and without the taking of any further action by the Corporation or the District, upon either of the following events:
 - i. the District fails to comply with the provisions of Section 3 of the Conveyance Agreement and further fails to cure the breach within 15 days following the Notice; or
 - ii. the District dissolves.

- b. Upon 30 days' written notice given by the Board of Directors of the Corporation to the District, the proceeds from any sale or other disposition of all or substantially all of the District's assets shall be conveyed to the Corporation, automatically and without the taking of any further action by the Corporation or the District.

EXHIBIT 1(c)

Excluded Personal Property

\$10,000

EXHIBIT 2(a)

[Consent of Virginia Custer to assumption of promissory note.]

EXHIBIT 2(b)

[Consent of Bank Western to assumption of promissory note.]

EXHIBIT 2(c)

[Consent of CNB to assumption of promissory note.]

EXHIBIT 2(e)

[All liabilities for accrued taxes, including state, federal, and local income, property, unemployment, sales and other taxes.]

EXHIBIT 2(f)

[The trade and other payables.]

EXHIBIT C

MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT VICINITY MAP

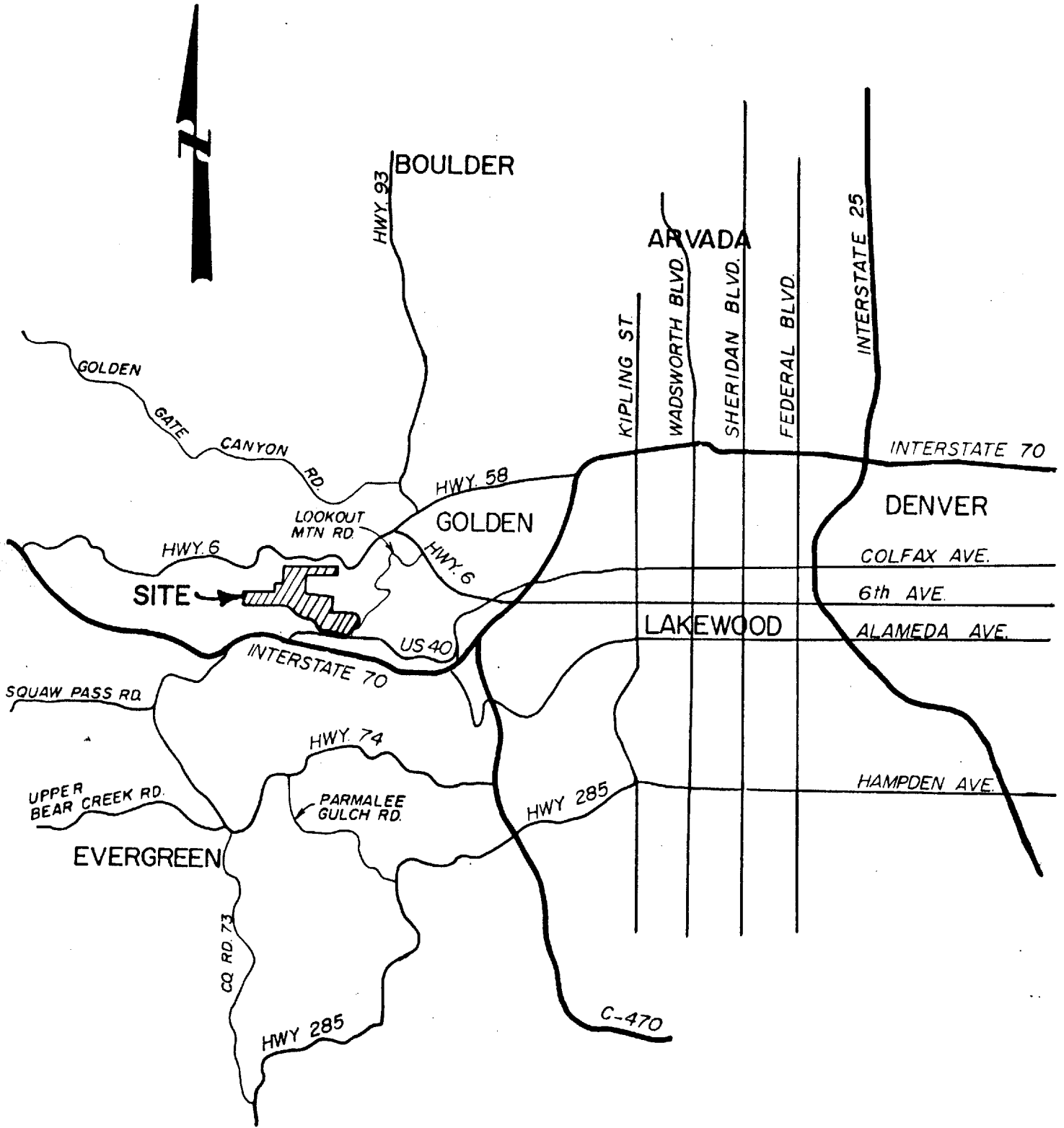


EXHIBIT D

MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT

LEGAL DESCRIPTION

The following parcels of land located in Sections 1, 2, 11 and 12, Township 4 South, Range 71 West and Section 7, Township 4 South, Range 70 West of the 6th Principal Meridian, Jefferson County, Colorado.

A. RANGE 71 WEST

1. The North 1/2 Section 1.
2. The Southeast 1/4 of the Northeast 1/4 and the Southeast 1/4 of Section 2.
3. The North 1/2 of the North 1/2 of Section 11.
4. That portion of the plat of "Mount Vernon Club Place" lying within the Southeast 1/4 of the Northeast 1/4, Section 11.
5. The North 1/2, Section 12 excluding therefrom the Northeast 1/4 of the Northeast 1/4, Section 12.
6. The Northeast 1/4 of the Southwest 1/4, Section 12.
7. The North 1/2 of the Southeast 1/4, Section 12 excluding therefrom the property known as 24401 Mount Vernon Road.
8. Parcel 5 of "Ashley Estate, Exemption Survey", as described at Reception No. 88116021, located in the South 1/2 of the Southeast 1/4, Section 12.

B. RANGE 70 WEST

That portion of the Southwest 1/4 of Section 7 lying Westerly of Lookout Mountain Road and Southerly of Mount Vernon Road.

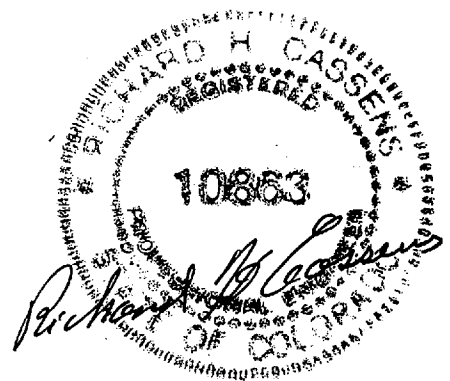


EXHIBIT E

MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT BOUNDARY MAP

