REIMBURSEMENT OF DEVELOPER LOAN
AND
PUBLIC INFRASTRUCTURE ACQUISITION AGREEMENT

THIS REIMBURSEMENT OF DEVELOPER LOAN AND PUBLIC INFRASTRUCTURE ACQUISITION AGREEMENT ("**Agreement**") is made and entered into as of the 13th day of May, 2008 by and between **FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1** (the "**District**"), a quasi-municipal corporation and political subdivision of the State of Colorado, and **CARMA LAKEWOOD, LLC** (the "**Developer**"), a Colorado limited liability company. The District and the Developer are sometimes individually referred to as a "**Party**" and collectively as the "**Parties.**"

RECITALS

WHEREAS, the District has been duly and validly organized as a quasi-municipal corporation and political subdivision of the State of Colorado, in accordance with the provisions of Article 1, Title 32, Colorado Revised Statutes ("**Special District Act**"), and with the power to provide certain public infrastructure, improvements and services, as described in the Act, including but not limited to water, street, traffic and safety controls, transportation, parks and recreation, sanitation, and mosquito control (among other powers permitted under Title 32 and subject to the Service Plan as approved by the City of Lakewood, Colorado) within and without its boundaries (collectively, the "**Public Infrastructure**"), as authorized and in accordance with the Second Amended and Restated Service Plan for Fossil Ridge Metropolitan District No. 1, Fossil Ridge Metropolitan District No. 2 and Fossil Ridge Metropolitan District No. 3 (the "**Service Plan**"), approved by the City of Lakewood, Colorado (the "**City**") on August 27, 2007, which Service Plan may be amended from time to time as authorized under applicable law; and

WHEREAS, in accordance with Section 32-1-1001(1)(f), (h) and (i), C.R.S., the District has the power to acquire real and personal property; manage, control, supervise the affairs of the District, including construction, installation, operation and maintenance of improvements in accordance with the Service Plan; and to hire and retain agents to perform the tasks empowered to the District; and

WHEREAS, the District was organized at the same time as Fossil Ridge Metropolitan District No. 2 and Fossil Ridge Metropolitan District No. 3 ("**District No. 2**" and "**District No. 3**," the District, District No. 2 and District No. 3 shall be collectively referred to herein as the "**Districts**"); and

WHEREAS, the Districts are intended to cooperate and coordinate the financing, construction, operation and maintenance of the Public Infrastructure, with the District acting as the administrative entity in such responsibilities and District No. 2 and District No. 3 acting as the funding source for all such activities; and

WHEREAS, the relationship of the Districts is set forth in a District Facilities Construction and Services Agreement, as adopted by the Districts on or about _____, 2008 (the "**Master IGA**"), which Master IGA sets forth the obligation of District No. 2 and

District No. 3 to issue general obligation bonds in order to fund Public Infrastructure totaling a principal amount not to exceed $91,000,000, which revenue and general obligation bonds will be payable from certain ad valorem property taxes and other legal sources of revenue received by District No. 2 and District No. 3, respectively (the "**Bonds**") at such time as it is reasonably feasible to do so, subject to the limitations of the Service Plan and the electoral authority of District No. 2 and District No. 3; and

WHEREAS, in consideration of the funding provided by District No. 2 and District No. 3 to the District, the Master IGA further sets forth the District's obligation to provide for and administer the construction (or acquisition as appropriate), operation and maintenance of the Public Infrastructure; and

WHEREAS, neither District No. 2 nor District No. 3 are able to issue such Bonds at this time; and

WHEREAS, the District is unable, at this time, without the assistance of the Developer, to obtain funds pursuant to the Master IGA sufficient to permit the District to provide the Public Infrastructure; and

WHEREAS, the Districts have collectively determined that delay in the provision of the Public Infrastructure to the extent constituting District Eligible Costs (as defined herein), will impair the Districts' ability to meet financial and service objectives of the Project on a timely basis and the District therefore desires that the Public Infrastructure and funding of District Eligible Costs be provided for its benefit in accordance with the terms hereof; and

WHEREAS, the Developer has already incurred certain costs related to the Public Infrastructure for the benefit of the District, and expects to incur additional costs related thereto and to otherwise provide certain of the Public Infrastructure, and/or loan funds to the District for such purpose, including District Eligible Costs, on the condition that and expressly subject to the District's authorization under the Service Plan that the District agrees (1) to acquire any Public Infrastructure constructed for the benefit of the District from the Developer and to pay all reasonable costs related thereto and (2) agrees to repay any funds loaned directly to the District, all to the extent the same constitute Repayment Obligations (as defined in Section 3(a) hereof), in accordance with the terms set forth herein; and

WHEREAS, the Public Infrastructure will benefit the community known as Solterra (the "**Project**"), is in the public interest, and will contribute to the health, safety and welfare of the citizens of the Districts; and

WHEREAS, the Board of Directors of the District has determined that the best interests of the Districts and their residents and property owners would be served by entering into this Agreement for the reimbursement to the Developer of certain costs of Public Infrastructure, including District Eligible Costs, as provided herein; and

WHEREAS, at the organizational elections of the qualified electors of the District, District No. 2 and District No. 3 held on November 7, 2006 (the "**Election**"), in accordance with

law, a majority of those qualified to vote and voting at such election voted in favor of the District incurring indebtedness to fund the Public Infrastructure as permitted in the Service Plan, through the issuance of notes or bonds or by the execution of contracts to obtain funds for the acquisition, construction, installation, financing or completion of Public Infrastructure; and

WHEREAS, pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District; and

WHEREAS, the District's Board of Directors has authorized its officers to execute this Agreement and to take all other actions necessary and desirable to effectuate the purposes of this Agreement; and

WHEREAS, those employees and/or affiliates of the Developer who serve on the Board of Directors of the District have each disclosed potential conflicts of interest in connection with this Agreement, as required by law.

NOW THEREFORE, in consideration of the mutual covenants and promises expressed herein, the Developer and the District hereby agree as follows:

COVENANTS AND AGREEMENTS

1. Reimbursement/Advancement of District Eligible Costs. In order to induce the provision of Public Infrastructure by the Developer, the District hereby agrees to reimburse the Developer, from the repayment sources set forth herein, for all District Eligible Costs (as defined herein) incurred by the Developer, whether by the construction of Public Infrastructure and conveyance of the same to the District or by the advancement of funds to the District for the purpose of providing Public Infrastructure, but only to the extent the same constitute Repayment Obligations, as defined in Section 3 hereof, in a total amount not to exceed $91,000,000. "**District Eligible Costs**" shall mean costs related to the provision of the Public Infrastructure, including but not limited to any costs relating to organization of the Districts, general administration, operations and maintenance, engineering, surveying, the costs of acquiring land necessary for the Public Infrastructure, and construction and/or acquisition of the Public Infrastructure, whether such costs are funded directly to the District by the Developer, paid by the Developer for the direct benefit of the District, or whether the District acquires the same from the Developer. District Eligible Costs shall specifically be authorized to the full extent, and only to the extent, permitted to be funded by the District in accordance with the Special District Act and the Service Plan, as the same presently exist and as they may be amended from time to time. Notwithstanding the foregoing, this Agreement shall not be interpreted to require the Developer to construct or otherwise provide any Public Infrastructure or advance funds to the District for the same.

2. Prior Costs Incurred. In order to qualify reimbursable amounts advanced by the Developer related to the Project and the organization of the District, the Parties agree and acknowledge that the Developer has incurred District Eligible Costs on behalf of the District prior to the execution of this Agreement, with the understanding that the same would be reimbursed as provided herein (the "**Prior Costs**"). The District has reviewed invoices and/or other evidence, including a certification by the District accountant, and has determined that the Prior Costs are properly includible and are properly categorized as a capital cost of Public Infrastructure benefiting the District. Notwithstanding the provisions of paragraph 3(a) hereof, such Prior Costs shall constitute Repayment Obligations (as defined in paragraph 3) hereunder and shall be reflected on the accounting schedule described in paragraph 3(b) hereof immediately upon execution of this Agreement.

3. Record Keeping; Incurrence of Repayment Obligations

a. The District will be deemed to have incurred an obligation hereunder to repay the Developer ("**Repayment Obligation**") in accordance with the provisions hereof at such time as: (i) the Developer has deposited such amount in immediately available funds with the District, for the purpose of funding District Eligible Costs; or (ii) in the case of the provision of Public Infrastructure to be acquired by the District from the Developer, when the District has provided notice of acceptance to the Developer, together with notice that the District does not have funds at such time to pay the applicable Purchase Price (as hereinafter defined), and the Developer has provided a Bill of Sale with respect to such Public Infrastructure and otherwise satisfied the conditions for the District to acquire such Public Infrastructure, all in accordance with paragraph 6 hereof.

b. Within three (3) days of the incurrence of a Repayment Obligation, the District shall record the applicable amount of advance or purchase price owed on accounting schedules to be maintained by the District for such purpose, showing the amount of all Repayment Obligations, the date incurred, and the total amount of Repayment Obligations owed to the Developer under this Agreement. The District shall retain such records, which records shall be made available to the Developer upon reasonable request and shall constitute the agreed upon Repayment Obligations hereunder to be repaid by the District in accordance with the terms of this Agreement. The Developer agrees to promptly acknowledge, or cause the acknowledgment of, any payment of any amounts hereunder on such records maintained by the District.

c. If net proceeds from the Bonds or other funds are available to the District pursuant to the provisions of the Master IGA, the District agrees to pay invoices submitted by the Developer and/or contractors, for construction of the Public Infrastructure completed by, or on behalf of the District, directly to the Developer or such contractor(s), within the payment time provided within the invoices, so long as the District and Developer agree that the invoicing is appropriate and not in dispute.

4. Interest on Repayment Obligations. With respect to Repayment Obligations incurred under this Agreement, such Repayment Obligations shall bear a simple interest rate of 6%.

5. Terms of Repayment. The District agrees to pay any Repayment Obligations due hereunder solely from the proceeds of Bonds, if any, provided to the District pursuant to the terms of the Master IGA, net of any costs of issuance, underwriter's discount, or reasonably required reserves related to such Bonds (the "**Net Proceeds**"), and such Net Proceeds are hereby pledged to the Developer for such purpose; provided, however, that the District may, in its sole discretion, elect to apply any other legally available revenues to the payment of Repayment Obligations at any time. At such time as District No. 2 and District No. 3 have issued the maximum amount of Bonds that are legally permitted to be issued under the terms of the Service Plan and the Election, or at such time as otherwise agreed by the Developer, and such Net Proceeds have been remitted to the District and paid to the Developer or as otherwise provided hereunder, any remaining Repayment Obligations hereunder shall be deemed contributions by the Developer to the District and the District's obligation to repay such amounts hereunder shall be discharged in its entirety, unless otherwise agreed by the District and permitted under the terms of the Service Plan and Election.

6. Acquisition of Improvements; Payment of Purchase Price.

a. The District hereby agrees to acquire the Public Infrastructure constructed by the Developer for the Purchase Price (as defined herein) within thirty (30) days of delivery of the District's acceptance of the Public Infrastructure or such later date as may be mutually agreed upon by the Parties, subject to the provisions of this paragraph 6 and the procedures set forth on **Exhibit A** hereto, inclusive of Exhibits A-1, and A-2. Unless the District determines, in its sole discretion, that it has funds available for such purpose from bond sales or other non-Developer sources, the Purchase Price shall be payable as a Repayment Obligation hereunder, as provided in paragraph 3.

b. The "**Purchase Price**" for all or any portion of completed Public Infrastructure, or Public Infrastructure for which work is in progress, shall be equal to the District Costs (as defined in Section (B)(ii) on **Exhibit A** hereof) with respect to such Public Infrastructure, and shall be in accord with the District's Service Plan and all other applicable laws.

c. The Developer agrees to cause the Public Infrastructure, to the extent the same is intended to be acquired by the District or another local government entity, to be designed, constructed, and completed in conformance with the design standards and specifications of the City, utility agencies and other appropriate jurisdictions.

d. At such time as the District has provided its notice of acceptance with an "Engineer's Certificate" in substantially the form set forth in Exhibit A-1, and supplied the Purchase Price (or otherwise recognized the Purchase Price as a Repayment Obligation hereunder), as provided in **Exhibit A** hereto, the Developer shall convey the Public Infrastructure and related work to the District by means of a "Bill of Sale" in substantially the form set forth in **Exhibit A-2**, or shall convey Public Infrastructure at the request of the District to other parties for the benefit of the District, together with conveyance of the easement interests specified in Section (C)(iv) of **Exhibit A** hereto. In the event that work in progress is to be

conveyed to the District, the Developer, or other appropriate entity at the direction of the Developer, shall prosecute its Public Infrastructure construction contracts to completion and shall convey the balance of the Public Infrastructure to the District as necessary to make operative the conveyed Public Infrastructure. Notwithstanding the foregoing, the District shall be under no obligation to acquire work in progress.

e. If at any time during the design and/or construction of the Public Infrastructure the Developer becomes aware that it may be necessary to convey such Public Infrastructure to third parties for any reason, or if such dedication is to be caused by a pre-existing plat dedication or other similar requirements, the Developer shall advise the District of such circumstances prior to the completion of construction of such Public Infrastructure. The Developer and the District shall therefore coordinate their efforts with respect to the anticipated dedication or conveyance of such Public Infrastructure so the District is a party to such conveyance or dedication in a manner reasonably satisfactory to the District. The Parties agree to cooperate and coordinate in order to effect the dedication of the Public Infrastructure to the appropriate governmental entity for operation and maintenance.

f. The Developer shall assign to the District (or the City or the State of Colorado or a political subdivision thereof as directed by the District) any warranties associated with the Public Infrastructure.

7. Multiple Fiscal Year Obligations. It is hereby agreed and acknowledged that the Repayment Obligations of the District hereunder constitute multiple fiscal year financial obligations of the District. Despite this characterization, the District has obtained the necessary electoral authority to recognize the Repayment Obligations in its annual budget without such Repayment Obligations being subject to annual appropriation by the District.

8. Indemnification/Tax Exemption. The Developer hereby agrees to indemnify and save harmless the District from all claims and/or causes of action, including mechanic's liens, arising out of the performance of any act or the nonperformance of any obligation with respect to the Public Infrastructure provided by the Developer, any filings made by or on behalf of Developer with the Internal Revenue Service in connection with this Agreement, and any challenges made by the Internal Revenue Service to the federally tax exempt nature of interest on Repayment Obligations owed to the Developer hereunder, and in that regard agrees to pay any and all costs incurred by the District as a result thereof, including settlement amounts, judgments and reasonable attorneys' fees. The Developer acknowledges that the District has not, by execution of this Agreement, made any representation as to the treatment of interest accrued on Repayment Obligations hereunder for purposes of federal or state income taxation.

9 Accredited Investor Status. The Developer hereby represents and warrants to and for the benefit of the District that it is an "accredited investor" as that term is defined in Sections 3(b) and 4(2) of the Federal Securities Act of 1933, as amended, and regulations promulgated thereunder by the Securities and Exchange Commission. This representation and warranty is made as of the date hereof and shall be deemed continually made by the Developer to the District for the entire term of this Agreement.

10. Default.

a. Event of Default. It shall be an "**Event of Default**" or a "**Default**" under this Agreement if any Party defaults in the performance or observance of any of the covenants, agreements, or conditions made by such Party herein (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body).

b. Grace Periods. Upon the occurrence of an Event of Default by any Party, such Party shall, upon written notice from another Party, proceed immediately to cure or remedy such Default and, in any event, such Default shall be cured within thirty (30) days after receipt of such notice, or, if such default is of a nature which is not capable of being cured within the applicable time period, shall be commenced within such time period and diligently pursued to completion.

c. Remedies on Default. Whenever any Event of Default occurs and is not cured under Section 10(b) of this Agreement, the non-defaulting Party injured by such Default and having a remedy under this Agreement may take any one or more of the following actions:

(i) Suspend performance under this Agreement until it receives assurances from the defaulting Party, deemed adequate by the non-defaulting Party, that the defaulting Party will cure its Default and continue its performance under this Agreement; or

(ii) Cancel and rescind the Agreement with respect to the duties of such non-defaulting Party under this Agreement; or

(iii) Proceed to protect and enforce its rights by such suit, action, or special proceedings as it may deem appropriate under the circumstances, including without limitation an action in mandamus or for specific performance.

d. Delay or Omission No Waiver. No delay or omission of any Party to exercise any right or power accruing upon any Event of Default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such Event of Default, or acquiescence therein; and every power and remedy given by this Agreement may be exercised from time to time and as often as may be deemed expedient.

e. No Waiver of One Default to Affect Another; All Remedies Cumulative. No waiver of any Event of Default hereunder by any Party shall extend to or affect any subsequent or any other then existing Event of Default or shall impair any rights or remedies consequent thereon. All rights and remedies of the Parties provided here shall be cumulative and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

f. Discontinuance of Proceedings; Position of Parties Restored. In case any Party shall have proceeded to enforce any right hereunder and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such Party, then and in every such case the Parties shall be restored to their former positions and rights hereunder, and all rights, remedies, and powers of the Parties shall continue as if no such proceedings had been taken.

g. Attorneys' Fees. If a Party must commence legal action to enforce its rights and remedies under this Agreement, the prevailing Party shall be paid, in addition to any other relief, its costs and expenses, including reasonable attorneys' fees, of such action or enforcement.

11. Time Is of the Essence. Time is of the essence hereof; provided, however, that if the last day permitted or the date otherwise determined for the performance of any act required or permitted under this Agreement falls on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next succeeding business day, unless otherwise expressly stated.

12. Notices and Place for Payments.

a. Any notices, demands, or other communications required or permitted to be given by any provision of this Agreement shall be given in writing, delivered personally, sent by facsimile with a hard copy sent immediately thereafter by first class certified mail, or sent by first class certified mail, postage prepaid and return receipt requested, addressed to the Parties at the addresses set forth below, or at such other address as either party may hereafter or from time to time designate by written notice to the other party given in accordance herewith. Notice shall be considered given when personally delivered, transmitted by facsimile or mailed by first class mail, return receipt requested, and shall be considered received on the earlier of the day on which such notice is actually received by the party to whom it is addressed, or the third day after such notice is mailed.

Notices to the District:	Fossil Ridge Metropolitan District No. 1 c/o White, Bear & Ankele Professional Corporation Attn: Kristen D. Bear, Esq. 1805 Shea Center Drive, Suite 100 Highlands Ranch, CO 80129
Notices to the Developer:	CARMA Lakewood, LLC 188 Inverness Drive West Suite 150 Englewood, CO 80112

13. Amendments. This Agreement may only be amended or modified by a writing executed by each Party.

14. Severability. If any clause or provision of this Agreement is found to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable clause or provision shall not affect the validity of the Agreement as a whole, and all other clauses or provisions shall be given full force and effect.

15. Applicable Laws. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

16. Assignment. This Agreement may not be assigned by the District without the express prior written consent of the Developer, and any attempt to assign this Agreement in violation hereof shall be null and void. This Agreement may be assigned by the Developer without the prior written consent of the District.

17. Authority. By execution hereof, each Party hereto represents and warrants that its representative signing hereunder has full power and lawful authority to execute this Agreement and to bind such Party to the terms hereof.

18. Entire Agreement. This Agreement constitutes and represents the entire, integrated agreement between the District and the Developer with respect to the matters set forth herein, other than the Redevelopment Agreement, and hereby supersedes any and all prior negotiations, representations, agreements or arrangements of any kind with respect to those matters, whether written or oral. This Agreement shall become effective upon the date set forth above.

19. Counterpart Execution. This Agreement may be executed in counterparts and, as so executed, shall constitute one Agreement, binding on the Parties even though the Parties have not signed the same counterpart. Any counterpart of this Agreement that has attached to it separate signature pages, which altogether contain the signatures of all the Parties, shall be deemed a fully executed instrument for all purposes.

20. Inurement. The terms of this Agreement shall be binding upon, and inure to the benefit of the Parties as well as their respective successors and permitted assigns.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date and year first above written.

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1

By: _____
President

ATTEST:

_____
Secretary

(SEAL)

DEVELOPER:

CARMA LAKEWOOD, LLC,
A Colorado limited liability company

By: _____
Its: _____

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EXHIBIT A
TO THE
REIMBURSEMENT AND ACQUISITION AGREEMENT

INFRASTRUCTURE ACQUISITION PROCEDURES

The following paragraphs set forth the procedures that shall be required for any and all acquisitions by the District pursuant to this Agreement. The District shall keep accurate records of the Purchase Application package (as hereinafter defined) for each acquisition of completed Public Infrastructure or any portion of Public Infrastructure in progress, including a notification to the District setting forth the scope of Public Infrastructure proposed for acquisition (the ("Improvement Notice"), Engineer's Certification and Bill of Sale related to each acquisition and as more particularly described below.

A. Application for Acquisition. Upon completion of the Public Infrastructure or upon completion of any portion of the Public Infrastructure proposed to be acquired from the Developer by the District in accordance with the Agreement, the Developer shall cause a "Purchase Application" to be submitted to the District. The District shall determine whether the Public Infrastructure detailed in the Purchase Application is permitted by the District's Service Plan and whether it is appropriate that such Public Infrastructure be provided for the benefit of the District. The Purchase Application shall include the following, reasonably satisfactory to the District, related to each such Public Infrastructure:

i. A list of Public Infrastructure to be acquired and costs related thereto, which shall include design, engineering and other "soft" costs necessary for the provision of such Public Infrastructure, including construction management fees for the Developer to the extent relating to and necessary for the provision of the Public Infrastructure, but excluding Developer overhead and/or profit. The Developer shall use reasonable efforts to assure that the Purchase Price does not include sales and use taxes. The Developer shall be entitled to use the District's tax identification number to obtain an exemption from sales and use taxes on materials to be conveyed to the District pursuant hereto.

ii. Evidence that the Public Infrastructure has been constructed pursuant to a public bidding process, in a manner and format acceptable to the District, and the inclusion of all bids received by the Developer and all final invoices of the chosen bidders together with such additional information as the District may reasonably require.

B. Engineer Certification; District Cost.

i. A professional engineer engaged by the District or, if consented to by the District, engaged by the Developer, shall review the costs of Public Infrastructure set forth in the Purchase Application, inspect the Public Infrastructure and certify to the District, by means of an Engineer's Certification in substantially the form attached hereto as **Exhibit A-1** that such

costs are reasonable (provided that such certification shall not be required for costs such as construction management and other "soft" costs, if evidence of a public bidding process as set forth above has been provided) and that the Public Infrastructure is fit for its intended purpose. The District's accountant shall review the summation of costs and concur with the calculations set forth in the Engineer's Certification.

ii. The "**District's Costs**" for such Public Infrastructure shall equal the amount so certified in the Engineer's Certification, and approved by the District's Board as reasonable and appropriate, but shall not exceed one hundred percent (100%) of the actual construction costs (which shall also include design, engineering, construction management costs and other items identified in the Improvement Notice, including management fees for the Developer, but which shall not include any interest or other compensation to the Developer).

C. District Acceptance of Improvements. At such time as the District has received notice of a Certificate of Acceptance of the Public Infrastructure by the City or other local government entity intended to acquire such improvements, and upon approval by the District of the Purchase Application, the District shall notify the Developer of its acceptance of the Public Infrastructure to the Developer upon the following conditions:

i. The City (or other relevant local government entity intended to acquire the Public Infrastructure) has inspected the improvements and has issued a Certificate of Acceptance for such Public Improvements.

ii. The District has preliminarily inspected the Public Infrastructure and determined that the Public Infrastructure substantially meets applicable standards and specifications of the District as contained in the rules and regulations of the District, the Service Plan, or as contained in plans which have been approved by the District's engineer, in writing.

iii. The Developer has caused to be furnished to the District at its request as built plans and specification of the Public Infrastructure certified by a licensed professional engineer and reasonably satisfactory to the District.

iv. The Developer has executed or caused to be executed and delivered to the District any easements necessary to the Public Infrastructure, or some other good and sufficient instruments of transfer in a form acceptable to the District conveying easement or other property interests necessary to the Public Infrastructure, or, if permitted solely in the discretion of the District, the Developer has provided assurance acceptable to the District that the Developer will execute or cause to be executed such easements or other documentation.

v. The Developer has executed and delivered to the District, or made available to the District contingent solely upon payment of the Purchase Price (which may include reflecting the same as an advance hereunder), a good and sufficient Bill of Sale listing and or describing the Public Infrastructure, substantially in the form attached hereto as **Exhibit A-2**.

vi. As a precondition to the conveyance, dedication or other transfer of any Public Infrastructure to the District for ownership, maintenance and repair, the Developer shall provide the District with a guarantee, to secure performance of warranty obligations against defects in materials, workmanship, construction and installation of the facilities or improvements, all for a one-year period. This requirement shall not constitute an additional guarantee period beyond what the relevant local governmental entity may require on any Public Infrastructure for which Developer satisfies all the requirements of the entity to which the improvement will ultimately be conveyed or dedicated and for which that governmental entity has agreed to take title. Appropriate certifications of receipt and use of funds for Public Infrastructure by such entity shall be obtained by the Party conveying or dedicating the Public Improvements for purposes of certification of costs.

EXHIBIT A-1
TO THE INFRASTRUCTURE ACQUISITION PROCEDURES

ENGINEER'S CERTIFICATION

STATE OF COLORADO)
) ss.
COUNTY OF _____)

Before me, the undersigned, personally appeared _____ who, being by me first duly sworn on oath, deposes and says:

1. That he is an engineer duly qualified to issue a professional opinion respecting the fitness and condition of the improvements described in **Attachment I** attached hereto, and the cost thereof, which have been constructed and are proposed to be conveyed to Fossil Ridge Metropolitan District No. 1 (the "**District**") pursuant to a certain Reimbursement of Developer Loan and Public Infrastructure Acquisition Agreement by and between the District and CARMA Lakewood, LLC, dated as of _____ ____, 2008 (the "**Agreement**").

2. That he has inspected and otherwise examined the improvements described in **Attachment I** attached hereto (the "**Public Infrastructure**"), and has reviewed the costs itemized therein.

3. That he found the Public Infrastructure to be in satisfactory form and condition and that it is his professional opinion that the Public Infrastructure is fit for the purpose intended by the Agreement, including a Certificate of Acceptance of the improvements by the City of Lakewood.

4. That he found the costs set forth in **Attachment I** to be reasonable and consistent with costs of similar Public Infrastructure constructed for similar purposes.

DISTRICT ENGINEER

By:_____
Its: _____

Subscribed and sworn to before me this ____ day of _____, 200___.

My commission expires: _____

_____
Notary Public

Attachment I
To Exhibit A-1: Engineer's Certification

IMPROVEMENTS

EXHIBIT A-2
TO THE INFRASTRUCTURE ACQUISITION PROCEDURES

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that _____, hereinafter referred to as "**Grantor**", for good and valuable consideration, the receipt of which is hereby acknowledged, paid by _____, whose address is _____, has bargained and sold, and by these presents, does grant and convey unto _____, its successors and assigns, all of its right, title and interest in the improvements constructed pursuant to the listing of invoices on **Attachment I**, attached hereto and incorporated herein (the "**Improvements**") and all things of value, including all work product, both tangible and intangible, including legal, accounting, engineering, and management costs related thereto, accruing from the costs associated with the provision of the Improvements.

TO HAVE AND TO HOLD the same unto _____, his successors and assigns forever; Grantor warrants to _____ that Grantor has good title to all such Improvements, free and clear of all liens, encumbrances, security interests and adverse claims of any kind or nature whatsoever, and Grantor shall forever warrant and defend the title to all such Improvements unto _____ against all and every person or persons claiming the whole or any part thereof, by, through or under Grantor.

IN WITNESS WHEREOF, Grantor, by and through its authorized representatives, hereby executes this Bill of Sale and sets its seal as of this ____ day of _____, 200__.

_____

By:_____
Its:_____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 200__, by _____, as _____ of_____.

(S E A L)

My commission expires:_____

_____
Notary Public

Attachment I
To Exhibit A-2: Bill of Sale

IMPROVEMENTS

JOINT RESOLUTION
OF FOSSIL RIDGE METROPOLITAN DISTRICT NOS. 1-3
REGARDING
WAIVER OF RECREATIONAL FACILITY FEES FOR PARTIES
UNDER CONTRACT TO PURCHASE RESIDENTIAL PROPERTY
AND
PROMOTIONAL USE OF FACILITIES BY DEVELOPER

WHEREAS, pursuant to orders of the District Court for Jefferson County, Colorado, entered in November 2006, Fossil Ridge Metropolitan District No. 1, Fossil Ridge Metropolitan District No. 2 and Fossil Ridge Metropolitan District No. 3 (collectively the "Districts") were duly and validly created as metropolitan districts in accordance with all applicable laws and are empowered under an Amended and Restated Service Plan (the "Service Plan"); and

WHEREAS, the Districts are authorized pursuant to their Service Plan to provide and manage public services and facilities, including park and recreational services and facilities; and

WHEREAS, on February 13, 2007, the Districts adopted Rules and Regulations Governing Fossil Ridge Metropolitan District No. 1, Fossil Ridge Metropolitan District No. 2 and Fossil Ridge Metropolitan District No. 3 (the "Rules and Regulations"), Policies and Procedures Governing the Recreation Center and Recreation Amenities for Solterra (the "Recreation Policies and Procedures"), and a schedule of rates, fees and charges for the provision of facilities and services provided to property owners without the boundaries of the Districts (the "Outside User Fee Schedule"); and

WHEREAS, the Developer of the Solterra community, CARMA Lakewood, LLC (along with its parent and affiliate corporate entities, collectively "CARMA") has requested a priority right with regard to access and use of the Recreational Facilities as part of promotional efforts to sell properties within the Districts; and

WHEREAS, the Districts are authorized under Section 32-1-1001(1)(k), C.R.S. to furnish services and facilities within and outside the boundaries of the special district and establish rules, regulations, fees, rates, tolls, penalties, or charges for such services and facilities and, pursuant to Section 32-1-1001(1)(j), C.R.S. to fix fees, rates, tolls, charges and penalties for services or facilities provided by the Districts; and

WHEREAS, the Districts' Service Plan similarly empowers the imposition of such rules, regulations, fees and rates for services and facilities provided by the Districts; and

WHEREAS, the Boards of Directors of the Districts desire to promote sales of residential units within their boundaries by waiving the Outside User Fees for persons who have entered into Contracts to Purchase residential real property within the Districts, prior to the date of closing on such Contracts, and to allow CARMA a priority right to use such facilities for marketing and buyer-development purposes.

NOW, THEREFORE, be it resolved by the Boards of Directors of the Districts as follows:

1. Persons not yet residing or owning property within the legal boundaries of the Districts who have entered into a valid Contract to Purchase Residential Real Property ("Contract Purchasers") shall be entitled to utilize the pool, clubhouse, exercise facilities, spa and other recreation center amenities (the "Recreation Amenities") in accordance with, and to the extent set forth within, the Rules and Regulations and Recreation Policies and Procedures.

2. By virtue of the contract interest in a residential property within the Districts, a Contract Purchaser shall not be considered an "Outside User", as that term is used or set forth in the Rules and Regulations, Recreation Policies and Procedures, and Outside User Fee Schedule.

3. The Board hereby determines that a contract interest in a residential property within the Districts represents a reasonable likelihood of purchase and subsequent payment of applicable District homeowner fees, such that all per diem and access charges, set forth in the Recreation Policies and Procedures and Outside User Fee Schedule, for the right of Non-Owners to use District recreation amenities, shall be waived for any Contract Purchaser.

4. Each Contract Purchaser household desiring access to the Recreation Amenities prior to contract closing, may, no sooner than the date a valid Contract to Purchase Residential Real Property encumbering property with the Districts is executed, (1) request access to the Recreational Amenities, and (2) complete all forms required under the Recreation Policies and Procedures, including but not limited to an Information Form and Release Form.

5. The Districts shall have the right, in their sole discretion, to limit access to the Recreation Amenities by Contract Purchasers basis based upon the safe and reasonable capacity of the Recreation Amenities. Use of the Recreation Amenities by Contract Purchasers shall be on a first-come, first-served basis in the event of any such limitations.

6. This Resolution shall be applicable in every instance where the District furnishes services to Contract Purchasers, except as may be otherwise provided pursuant to written agreement. Nothing herein shall limit the Districts' ability to enter into future agreements therefore.

7. The promotional efforts of CARMA represent an integral precursory component of the Financial Plan in the Districts' Service Plan, and the Districts desire to recognize the relationship between such efforts and District solvency, which relies on the sale of residential units within the Districts.

8. In recognition of the value CARMA promotions represent for the Districts, CARMA is hereby granted a priority right to reserve and use the Recreational Amenities for promotional activities, including reservation of space for on-going marketing and special buyer-development events, which right shall include expedited reservation procedures and waiver of deposits and fees otherwise set forth in the Rules and Regulations, and the Recreation Policies and Procedures.

9. Invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase, or word herein, or the application thereof in any given circumstance, shall not affect the validity of any other provision of this Resolution.

ADOPTED AND APPROVED this 13th day of May, 2008.

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1

(SEAL)

President

ATTEST:

Secretary

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2

(SEAL)

President

ATTEST:

Secretary

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 3

(SEAL)

President

ATTEST:

Secretary