

**JOINT RESOLUTION OF THE BOARDS OF DIRECTORS
OF WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 AND 3**

**CONCERNING THE COLLECTION
OF DISTRICT INCLUSION CHARGES**

WHEREAS, pursuant to Orders of the District Court of El Paso County, Woodmen Heights Metropolitan District Nos. 1 ("**District No. 1**"), 2 and 3 (collectively, the "**Districts**") were duly and validly created as metropolitan districts in accordance with all applicable law and is empowered under a Consolidated Service Plan ("**Service Plan**"); and

WHEREAS, the Districts are authorized pursuant to §32-1-1001(1)(d), C.R.S., to enter into contracts and agreements affecting the affairs of the special district; and

WHEREAS, the Districts have previously entered into an Agreement for Payment in Lieu of Taxes effective October 1, 2005 (the "**WVC Agreement**"), with Woodmen Valley Chapel, a Colorado non-profit corporation ("**Woodmen Valley**"), pursuant which Woodmen Valley has agreed to make certain payments ("**PILOT Payments**") to the Districts in lieu of taxes to assist in the funding of certain public infrastructure to be provided by the Districts; and

WHEREAS, the amount of such PILOT Payments were intended to represent Woodmen Valley's allocable portion of the total costs of infrastructure to be funded by the Districts, based upon the ratio of the acreage of property within the Districts owned by Woodmen Valley to the total acreage of property within the Districts (assuming certain inclusions approved by the Districts, resulting in total assumed acreage of 1,050.33); and

WHEREAS, in the event of future inclusions of property into one or more of the Districts, the WVC Agreement provides for a reduction in the amount of PILOT Payments, pursuant to a calculation set forth therein; and

WHEREAS, in order to provide certain public infrastructure within the Districts, District No. 1 intends to issue its Revenue Bonds, Series 2005 (the "**Series 2005 Bonds**") pursuant to a Trust Indenture dated as of October 1, 2005, between District No. 1 and American National Bank, as Trustee, which Series 2005 Bonds, and any other bonds issued under such Indenture, are to be payable from various sources of revenue, including PILOT Payments received pursuant to the WVC Agreement; and

WHEREAS, in order to provide additional security for the Series 2005 Bonds in the event that future inclusions occur which result in a reduction of PILOT Payments below that assumed in connection with the issuance of the Series 2005 Bonds, the Districts desire to provide for the collection from the owner of any property causing such reduction of an amount corresponding to such reduction, as further provided herein; and

WHEREAS, the Districts have determined that the amount of the PILOT Payments and any other taxes or fees imposed by the Districts for the purpose of funding public infrastructure have been calculated as part of an overall financing plan based upon an assumed size of the Districts and

that, because any change in the size of the Districts could have a material adverse effect on such financing plan by causing a reduction in PILOT Payments, the collection of amounts corresponding to such reduction from owners of property included into the Districts in the future, as further provided herein, is fair and reasonable; and

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

1. Each District agrees that it shall not include any additional property within its boundaries until such time as the owner of such property has paid to such District an Inclusion Charge (calculated as provided herein).

2. The "**Inclusion Charge**" applicable to any particular property to be included within a District shall equal: the product of three multiplied by the sum of the Annual PILOT Payment prior to such inclusion less the Annual PILOT Payment calculated assuming the inclusion of such property. For purposes of the foregoing, "**Annual PILOT Payment**" shall mean the amount equal to the total gross acreage of property within the Districts owned by Woodmen Valley, divided by the total gross acreage of property within the Districts, multiplied by the total estimated project costs (as set forth in the PILOT Agreement), plus interest to accrue pursuant to the terms of the PILOT Agreement, divided by thirty. It is the intention of the Districts that such calculation will result in the payment of an amount equal to the resulting reduction in PILOT Payments for three years, after which time is it expected that such property to be included will be contributing to the funding of infrastructure by the Districts through the payment of ad valorem property taxes at least equal to the decrease in PILOT Amounts.

3. Notwithstanding the foregoing, the Districts shall not collect an Inclusion Charge from the owner of any property (i) for which an inclusion has been approved by the applicable District prior to the date of adoption of this Resolution, or (ii) the inclusion of which would result in total acreage of the Districts not exceeding 1,050.33 acres, regardless of whether a court order including such property into such District, as provided in §32-1-401(1), C.R.S., has been entered prior to such date.

4. The Districts acknowledge that the Districts will contract with or otherwise require the payment of the Inclusion Charges pursuant to their right to enter into contracts and agreements affecting the affairs of the Districts and that such Inclusion Charges shall not constitute a perpetual lien on and against the property served or to be served by any improvements provided by the Districts or to be provided by the Districts.

5. Any Inclusion Charges collected by the Districts shall be paid to the Trustee in accordance with the provisions of the Joint Funding Agreement dated as of October 1, 2005 (the "**Funding Agreement**") among the Districts, which Funding Agreement secures the payment of the Series 2005 Bonds.

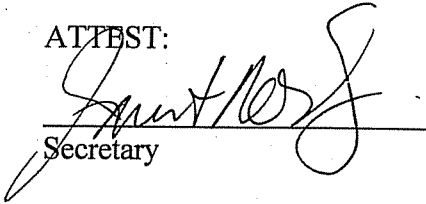
6. Invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase, or word herein, or the application thereof in any given circumstance, shall not affect the validity of any other provision of this Resolution.

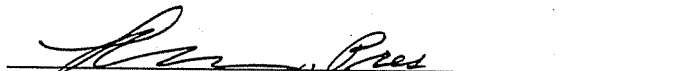
7. The Districts acknowledge that, pursuant to the Funding Agreement, the provisions of this Resolution may not be modified, revised, or amended, and the Districts shall collect and remit the Inclusion Charges as provided herein, unless otherwise consented to by the Trustee.

THIS RESOLUTION ADOPTED AND APPROVED this 12th day of October, 2005.

**WOODMEN HEIGHTS METROPOLITAN
DISTRICT NO. 1**

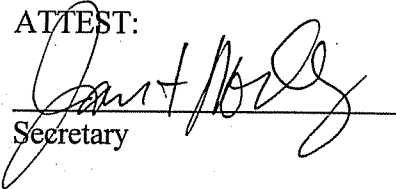
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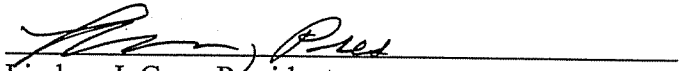

Secretary


Lindsay J. Case, President

**WOODMEN HEIGHTS METROPOLITAN
DISTRICT NO. 2**

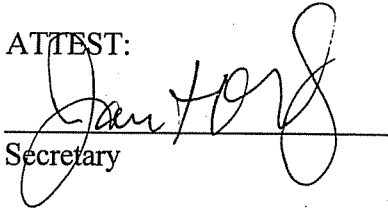
ATTEST:



Secretary


Lindsay J. Case, President

**WOODMEN HEIGHTS METROPOLITAN
DISTRICT NO. 3**

ATTEST:


Secretary


Lindsay J. Case, President