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RESOLUTION

AUTHORIZING THE ISSUANCE OF  
ASPEN TRAILS METROPOLITAN DISTRICT  
GENERAL OBLIGATION BONDS, SERIES 2004  
IN THE AGGREGATE PRINCIPAL AMOUNT  
OF \$200,000

FOR THE PURPOSE OF (i) CONSTRUCTING ROADS AND  
OTHER IMPROVEMENTS TO SERVE THE RESIDENTS OF THE DISTRICT  
AND (ii) MAKING PROVISION FOR OTHER  
MATTERS RELATED THERETO

WHEREAS, the Board of Directors of the Aspen Trails Metropolitan District (the "District") is a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado; and

WHEREAS, at a special election of the qualified electors of the District, duly called and held on Tuesday, November 4, 2003 (the "2003 Election"), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the 2003 Election voted in favor of, inter alia, the issuance of general obligation indebtedness in the aggregate principal amount of \$200,000, for the purpose of providing certain improvements and facilities, the questions relating thereto being as follows:

SHALL ASPEN TRAILS METROPOLITAN DISTRICT DEBT BE INCREASED \$200,000, WITH A REPAYMENT COST OF NOT MORE THAN \$377,572; AND SHALL ASPEN TRAILS METROPOLITAN DISTRICT TAXES BE INCREASED \$18,879 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE AFOREMENTIONED DEBT, SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, OR OTHERWISE PROVIDING, WITHIN THE BOUNDARIES OF THE DISTRICT, CURBS, GUTTERS, CULVERTS, DITCHES OTHER DRAINAGE FACILITIES, SIDEWALKS, BRIDGES, PAVING, LIGHTING, GRADING AND OTHER STREET IMPROVEMENTS, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 7.00% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 20 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES, SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY

*Return to Leslie Hawth*      *MID will pick up.*

TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE AFOREMENTIONED DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREIN, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

WHEREAS, the returns of the 2003 Election were duly canvassed and the result thereof duly declared; and

WHEREAS, the result of the 2003 Election was certified by the District by certified mail to the board of county commissioners of each county in which the District is located within forty-five days after the election, and with the division of securities created by section 11-51-701, C.R.S.; and

WHEREAS, the Board has determined and hereby determines that it is in the best interests of the District, and the residents and taxpayers thereof, that there shall be issued general obligation bonds in the total principal amount of \$200,000 (the "Bonds"); and

WHEREAS, pursuant to §32-1-902(3), C.R.S. and §18-8-308, C.R.S., all known potential conflicting interests of the Directors were disclosed to the Colorado Secretary of State and to the Board in writing at least 72 hours in advance of this meeting; additionally, in accordance with §24-18-110, C.R.S., the appropriate Board members have made disclosure of their personal and private interests relating to the issuance of the Bonds in writing to the Secretary of State and the Board; finally, said officials have stated for the record immediately prior to the adoption of this Bond Resolution the fact that they have said interests and the nature of such interests and the participation of said officials is necessary to obtain a quorum or otherwise enable the Board to act; and

WHEREAS, a proposal for the purchase of the Bonds on terms favorable to the District has been received from Wells Fargo Brokerage Services, LLC (the "Bond Purchaser"), which the District has determined to accept; and

WHEREAS, there has been presented to the Board at this meeting a form of Bond Purchase Agreement, of even date herewith (the "Bond Purchase Agreement"), between the District and the Bond Purchaser; and

WHEREAS, there has been presented to the Board at this meeting a form of Registration and Paying Agency Agreement dated as of April 7, 2004 (the "Paying Agent Agreement") between the District and Wells Fargo Brokerage Services, LLC (the "Paying Agent").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF ASPEN TRAILS METROPOLITAN DISTRICT THAT:

1. Issuance of the Bonds. In order to provide funds for the purposes of constructing roads and other improvements to serve the residents of the District, and paying certain costs and expenses associated with the issuance of the Bonds, the District shall issue the Bonds in the aggregate principal amount of \$200,000 issued in registered form only in the denomination of \$5,000 each or any integral multiple thereof, numbered consecutively beginning with the number R-1, payable to the persons in whose name each Bond is registered in the bond register maintained by the Paying Agent (the "Registered Owner"). The Bonds will bear per annum interest from their dated date, April 7, 2004, payable annually on July 15, commencing July 15, 2004. The Bonds shall bear interest at the rates and will mature in the amounts and on the dates indicated below:

<u>Maturity Date</u> <u>(July 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2023	\$200,000	5.45%

The Bonds shall bear interest from their date of issuance until their respective maturities or prior redemption. If, upon presentation at maturity, payment of any Bond is not made as herein provided, interest shall continue thereon at the interest rate therein designated until the principal thereof is paid in full.

The principal of and interest due in connection with the Bonds shall be payable in lawful money of the United States of America, without deduction for exchange or collection charges. The principal of the Bonds is payable upon surrender of each Bond at the principal corporate trust office of the Paying Agent, located at Wells Fargo Brokerage Services, LLC, in Denver, Colorado, or any successor thereto. The payment of interest of each Bond shall be made to the Registered Owner of such Bond and shall be paid by the Paying Agent on behalf of the District by check or draft of the Paying Agent mailed on the interest payment date to such owner at his address as it appears on the registration books of the Paying Agent maintained pursuant to the Paying Agency Agreement. Interest on each Bond shall be payable to the Registered Owner thereof as set forth on such registration books as of the close of business on the last day of the calendar month preceding each interest payment date (whether or not a business day) (a "Record Date"), regardless of any transfer or exchange of a Bond subsequent to such Record Date and prior to such interest payment date. The District may, in its discretion, appoint one or more successor or additional paying agents for the Bonds in accordance with the Paying Agency Agreement.

Notwithstanding the above, any interest not punctually paid or duly provided for shall forthwith cease to be payable to the Registered Owner on such Record Date, and may be paid to the person whose name in which the Bond is registered at the close of business on a Special Record Date for the payment of defaulted interest to be fixed by the Paying Agent; notice thereof shall be given to the Registered Owners not more than 15 days and not less than ten days prior to such Special Record Date.

The District shall cause, pursuant to the Paying Agency Agreement, books for the registration and for the transfer of Bonds to be kept by the Paying Agent. The Paying Agent is hereby constituted and appointed the paying agent, transfer agent and bond registrar of the District with respect to the Bonds. The Bonds shall be subject to registration, transfer and exchange in the manner, and subject to the terms and conditions, set forth herein.

2. Prior Redemption of the Bonds.

(a) Optional Redemption. The Bonds are subject to optional redemption prior to the maturity date thereof at any time on or after July 15, 2014 upon 30 days' notice to the Registered Owner's thereof, at a price equal to 100% of the principal amount received plus accrued interest to the date of redemption.

(b) Mandatory Sinking Fund Redemption. The Bonds are subject to mandatory redemption from sinking fund installments to be paid by the District, in part, by lot, on July 15, in each of the following years and amounts, at a redemption price equal to their principal amount, plus accrued interest on the following redemption dates:

<u>(July 15 of the Year)</u>	<u>(Payment Amount)</u>	<u>(July 15 of the Year)</u>	<u>(Payment Amount)</u>
2004	\$16,039.62	2014	\$16,039.62
2005	\$16,039.62	2015	\$16,039.62
2006	\$16,039.62	2016	\$16,039.62
2007	\$16,039.62	2017	\$16,039.62
2008	\$16,039.62	2018	\$16,039.62
2009	\$16,039.62	2019	\$16,039.62
2010	\$16,039.62	2020	\$16,039.62
2011	\$16,039.62	2021	\$16,039.62
2012	\$16,039.62	2022	\$16,039.62
2013	\$16,039.62	2023*	\$16,039.62

\*Maturity

The amount of any such applicable sinking fund installment may be reduced, at the option of the District, to be exercised on or before the 60th day next preceding any sinking fund payment date (i) by delivery to the Paying Agent of Bonds then subject to mandatory sinking fund redemption, or (ii) by the application of a credit for the principal amount of any Bonds then subject to sinking fund redemption, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled and not theretofore applied as a credit against a sinking fund installment. Each Bond so delivered is required to be credited by the Trustee at the principal amount thereof against the obligation of the District on such sinking fund redemption date, and to the extent of any excess against the next annual sinking fund redemption installment, and the principal amount of Bonds to be redeemed by operation of such sinking fund on such date or dates shall be accordingly reduced.

3. Execution of the Bonds. The Bonds shall be executed in the name of the District, shall be signed by the manual or facsimile signature of the President of the District, shall bear the

facsimile of the seal of the District, shall be attested and subscribed by the manual or facsimile signature of the Secretary of the District, and shall be authenticated by the manual signature of the Paying Agent in the manner set forth in the Paying Agency Agreement. The President of the District and the District's Secretary, by the execution of a signature certificate relating to the Bonds, shall adopt as and for their signatures the facsimiles thereof appearing on the Bonds. Should any officer whose manual or facsimile signature appears on the Bonds cease to be such officer before delivery of the Bonds to the purchaser thereof, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes.

4. Registration of Bonds in Registration Books Maintained by Paying Agent. The Paying Agent shall maintain registration books in which the ownership, transfer and exchange of Bonds shall be recorded. The person in whose name any Bond shall be registered on such registration book shall be deemed to be the absolute owner thereof for all purposes, whether or not payment on any Bond shall be overdue, and neither the District nor the Paying Agent shall be affected by any notice or other information to the contrary.

5. Transfer and Exchange of Bonds. The Bonds may be transferred or exchanged at the operations center of the Paying Agent, located at Wells Fargo Brokerage Services, LLC, in Denver, Colorado, for a like aggregate principal or original principal amount of Bonds of other authorized denominations of the same type, maturity and interest rate, upon payment by the transferee of a transfer fee, any tax or governmental charge required to be paid with respect to such transfer or exchange and any cost of printing bonds in connection therewith. Upon surrender for transfer of any Bond, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his or her attorney duly authorized in writing, the District shall execute and the Paying Agent shall authenticate and deliver in the name of the transferee a new Bond.

6. Replacement of Lost, Destroyed or Stolen Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the District shall execute and the Paying Agent shall authenticate a new Bond of like date, maturity and denomination to that mutilated, lost, stolen or destroyed, provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Paying Agent, and in the case of any lost, stolen or destroyed Bond, there first shall be furnished to the District and the Paying Agent evidence of such loss, theft or destruction satisfactory to the District and the Paying Agent, together with an indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a duplicate Bond, the Paying Agent may pay the same without surrender thereof, making such requirements as it deems fit for its protection, including a lost instrument bond. The District and the Paying Agent may charge the Registered Owner of such Bond for their reasonable fees and expenses for such service.

7. Determination of Net Effective Interest Rate. The net effective interest rate with respect to the Bonds is hereby found and determined to be 5.45% per annum, which is less than the maximum rate authorized in the 2003 Election.

8. Form of Bonds. The Bonds shall be in substantially the following form, with such modifications or omissions as are authorized or permitted by this Resolution or which may otherwise be necessary to carry out the purposes of this Resolution:

UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTY OF LA PLATA

ASPEN TRAILS METROPOLITAN DISTRICT  
LA PLATA COUNTY, COLORADO  
GENERAL OBLIGATION BOND  
SERIES 2004

R-1 \$200,000

INTEREST RATE:	MATURITY DATE:	DATED:	CUSIP NUMBER:
5.45%	July 15, 2023	April 7, 2004	N/A

REGISTERED OWNER: NOSEC & CO.  
Tax Identification Number: 41-1508325

PRINCIPAL SUM: TWO HUNDRED THOUSAND AND 00/100 DOLLARS

Aspen Trails Metropolitan District (the "District"), in the County of La Plata, State of Colorado, for value received, promises to pay to the Registered Owner (named above), or registered assigns, in the manner hereinafter provided, and upon presentation and surrender hereof at the principal corporate trust office of the paying agent, transfer agent and bond registrar named below, or its successor as appointed by the District, the Principal Sum (stated above) on the Maturity Date (stated above) unless this Bond shall have been previously called for redemption and payment shall have been duly made, and to pay interest on said Principal Sum from the date hereof at the per annum Interest Rate (stated above), annually on July 15 of each year, commencing July 15, 2004, to the Registered Owner hereof or registered assigns, said interest being payable until said Principal Sum is paid in full. The principal of and interest on this Bond is payable in lawful money of the United States of America, without deduction for exchange or collection charges. Wells Fargo Brokerage Services, LLC, is serving as paying agent, transfer agent and bond registrar (the "Paying Agent"), for the Bonds. Interest on this Bond shall be paid by the Paying Agent on behalf of the District by check or draft of the Paying Agent mailed on the interest payment date to the Registered Owner of this Bond at his address as it appears on the registration books of the Paying Agent at the close of business on the last day of the calendar month preceding each interest payment date (whether or not a business day) (the "Record Date"), regardless of any transfer or exchange of this Bond subsequent to such Record Date and prior to such interest payment date.

If upon presentation at maturity payment of this Bond is not made as herein provided, interest shall continue hereon at the Interest Rate until the principal sum is paid in full.

This Bond is one of a series of general obligation bonds of the District denominated as "Aspen Trails Metropolitan District, General Obligation Bonds, Series 2004" and issued in the aggregate principal amount of \$200,000 (the "Bonds") for the purposes of constructing roads and other improvements to serve residents of the District and paying for the costs of issuance of the

Bonds, issued under the authority of, and in full conformity with, the Colorado Constitution and the laws of the State of Colorado, including in particular, article 1 of title 32, Colorado Revised Statutes, as amended (the "Act"), and pursuant to a resolution (the "Resolution") of the District duly adopted by the District prior to the issuance of the Bonds.

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as provided in the Bond Resolution.

Bonds to be transferred or exchanged shall be surrendered at the principal operations center of the Paying Agent, located at Wells Fargo Brokerage Services, LLC, in Denver, Colorado, and the Paying Agent shall authenticate and deliver in exchange therefor, the Bond or Bonds which the Registered Owner making the exchange shall be entitled to receive. All Bonds delivered in exchange shall be dated in accordance with the Resolution.

All Bonds which are presented for transfer, exchange, registration, redemption or payment (if so required by the Paying Agent) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Paying Agent, duly executed by the Registered Owner or Owners or by his or their duly authorized attorney.

In the event that any requested transfer or exchange of a Bond shall necessitate the printing of additional Bonds, the Paying Agent may require that the cost of such printing be paid by the District.

New Bonds, delivered upon any transfer or exchange shall be valid obligations of the District, evidencing the same debt as the Bond surrendered, shall be secured by the Resolution, and shall be entitled to all of the security and benefits of the Resolution to the same extent as the Bonds surrendered.

The District and the Paying Agent shall not be required to issue, register, transfer or exchange any Bonds during the period beginning on any date of selection of Bonds to be redeemed and ending on the day on which the applicable notice of redemption is given.

The District and the Paying Agent may deem and treat the Registered Owner hereof (whether or not this Bond shall be overdue) on the Record Date as the absolute owner of this Bond for the purpose of receiving payment of or on account of the principal hereof and interest due hereon in the case of this Bond and on any other date for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

The District has designated all of the Bonds to be "qualified tax exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

It is hereby certified and recited that all the requirements of law, including the provisions and limitations of the Act, have been fully complied with by the proper District officers in the issuance of this Bond, that the total debt of the District, including that of this Bond, does not exceed any limit of indebtedness prescribed by the resolutions of the District or by the Colorado Constitution or laws of the State of Colorado, and that provision has been made for the levy and

collection of annual ad valorem property taxes sufficient to pay the interest on and the principal of this Bond when the same become due.

The full faith and credit of the District are hereby pledged for the punctual payment of the principal of and the interest on this Bond.

Reference is hereby made to the Resolution of the Board which provides for the issuance of this Bond, and to any and all modifications thereof and amendments thereto, for a description of the provisions, terms and conditions upon which this Bond is issued and secured.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the proceedings of the District authorizing the issuance of the Bonds until the Certificate of Authentication hereon shall be signed on behalf of the Paying Agent.

IN WITNESS WHEREOF, the Board has caused this Bond to be executed with the facsimile signature of the President of the District, and to be attested by the facsimile signature of the Secretary of the District under the facsimile seal of the District, all as of the date set forth above.

[SEAL]



*Lusie M. Lauth*  
President

ATTEST:

*[Signature]*

Secretary

DATE: 4-7-04

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within-mentioned Resolution.

WELLS FARGO BROKERAGE  
SERVICES LLC, as Paying Agent

Dated: 4-7-04

*[Signature]*  
Authorized Signatory