

GVR METROPOLITAN DISTRICT

RESOLUTION NO. 05-21-08

**A RESOLUTION AFFECTING THE APPLICATION OF DISTRICT POLICIES
RELATING TO SYSTEM DEVELOPMENT CHARGES**

WHEREAS, the GVR Metropolitan District (“District”) is a quasi-municipal corporation and political subdivision of the State of Colorado and a duly organized and existing special district pursuant to Title 32, Colorado Revised Statutes; and

WHEREAS, pursuant to Sections 32-1-1001(1)(j) and 32-1-1006(1)(g), C.R.S., the District is authorized to assess fees for the provision of water and sanitation improvements; and

WHEREAS, the District has imposed and modified its System Development Charges (SDC, a.k.a. SDF) pursuant to numerous resolutions including Resolution No. 1996-11-20, as later modified by Resolution Nos. 08-15-01(B), 04-19-06(B) and 09-12-07(A); and

WHEREAS, the District has historically applied its System Development Charges to all residential and commercial development occurring within the District’s boundaries; and

WHEREAS, on May 9, 2008 the District entered into a Mutual Release and Settlement Agreement with Oakwood Homes, LLC to effect a complete termination, release and settlement of disputes concerning that certain Infrastructure Construction and SDF Credit Agreement dated July 8, 1997, by which, among other things, the District agreed to waive the imposition and collection of SDCs against residential development by Oakwood Homes on or after January 1, 2007 in return for good and valuable consideration, including prevention of potential litigation; and

WHEREAS, the Board of Directors (“Board”) of the District hereby finds and determines that the application of its policies concerning the imposition of SDCs against all residential development other than residential development by Oakwood Homes, LLC and its affiliates is appropriate and necessary to the function and operation of the District and to comply with the terms of the Mutual Release and Settlement Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the GVR Metropolitan District as follows:

1. **Application of System Development Charges.** In accordance with paragraph 4 of the Mutual Release and Settlement Agreement with Oakwood Homes, LLC, the Board hereby modifies its application of System Development Charge Policies

as of January 1, 2007 to limit such application to residential development proposed or constructed by entities other than Oakwood Homes, LLC or its affiliates; affiliates defined for the purposes herein and the Mutual Release and Settlement Agreement as any entity which, by virtue of direct or indirect ownership interests is controlled by, controls, or is under common control by Oakwood Homes, LLC, or any entity in which oakwood Homes, LLC or any such other affiliate has a material ownership interest. The Board shall continue to apply its System Development Charge Policies to all other residential development within its boundaries, and to all commercial development, including commercial development proposed or constructed by Oakwood Homes, LLC or its affiliates.

2. **Waiver of Prior Claims.** In accordance with paragraph 4(c) of the Mutual Release and Settlement Agreement with Oakwood Homes, LLC, the Board hereby waives and disclaims any right to the imposition or collection of SDCs that became due from but have not been paid by Oakwood Homes, LLC or its affiliates, together with any interest, late fees, penalties or other charges, imposed upon residential development proposed or constructed by Oakwood Homes, LLC or its affiliates prior to May 9, 2008.

3. **Severability.** If any part, section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining provisions.

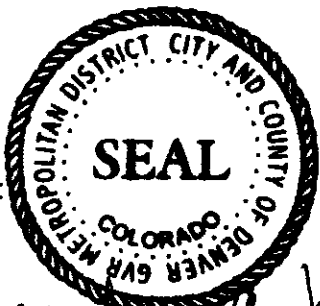
4. **Effective Date.** This Resolution shall take effect and be enforced immediately upon its approval by the District Board. District staff and legal counsel are directed to make necessary revisions to District policies to effect the changes approved herein.

ADOPTED by a vote of four (4) in favor and one (1) opposed, this 21st day of May, 2008.

GVR Metropolitan District

By /s/ [Signature]
T. Stone, President

Attest:



/s/ [Signature]
Marlene A. Martin, Secretary