AMENDED AND RESTATED FUNDING AND REIMBURSEMENT AGREEMENT
(Operations and Maintenance Costs)

This **RESTATED FUNDING AND REIMBURSEMENT AGREEMENT** is made and entered into as of the 1st day of December, 2005 by and between **VDW METROPOLITAN DISTRICT NO. 1** (the "District"), a quasi-municipal corporation and political subdivision of the State of Colorado and **VDW PROPERTIES, LLC**, a Colorado limited liability company (the "Developer").

RECITALS

WHEREAS, the District was duly and validly created as a quasi-municipal corporation and political subdivision of the State of Colorado together with VDW Metropolitan Districts Nos. 2 and 3 (collectively, the "**Districts**"), in accordance with the provisions of Title 32, Colorado Revised Statutes, and with the power to provide certain public infrastructure improvements and services, including street improvements, storm drainage facilities, street landscaping, signals and signage, water system, sanitary sewer collection systems, park and recreation facilities, mosquito and pest control and other infrastructure within and without its boundaries as specifically defined herein (collectively, the "**Public Infrastructure**"), as authorized pursuant to the Consolidated Service Plan for VDW Metropolitan Districts Nos. 1-3 (the "**Service Plan**") dated March 20, 2002, and as otherwise authorized under applicable law; and

WHEREAS, at the organizational election of the Districts held on May 7, 2002, a majority of eligible electors in the Districts approved the Districts' issuance of indebtedness and the imposition of ad valorem taxes by the Districts for the purpose of repaying such debt; and

WHEREAS, in furtherance of its Service Plan, the District has incurred, and will continue to incur, operations and maintenance costs associated with certain public infrastructure improvements located within its boundaries and within the Districts' boundaries, which costs cannot be paid with proceeds of tax exempt bonds issued by the District; and

WHEREAS, the District intends to issue, from time to time, general obligation bonds (the "**Senior Bonds**") for the purpose of funding the capital infrastructure, but is unable to issue such Senior Bonds at this time and does not presently have financial resources to provide funding for reimbursement of operations and maintenance costs that have been incurred to date, nor for those operations and maintenance costs that are projected to be incurred prior to the anticipated availability of funds; and

WHEREAS, the Districts' financial model, as contained in the Service Plan, currently displays a deficiency in the amount of revenues expected to be generated to pay said operations and maintenance costs, which the District desires to eliminate; and

WHEREAS, the Developer is willing to loan, and has loaned funds to the District in an amount, or in amounts, sufficient to enable the District to pay said operations and maintenance

costs, provided that the District agrees to repay such amounts in accordance with the terms hereof; and

WHEREAS, the District and the Developer have previously executed a "Funding and Reimbursement Agreement" on April 16, 2003 relating to the repayment of funds loaned for District operations and maintenance costs, (the "**Prior Agreement**"); and

WHEREAS, the District and the Developer desire to enter into this Amended and Restated Funding and Reimbursement Agreement (the "**Agreement**") for the purpose of consolidating all understandings and commitments between such parties relating to the funding of operations and maintenance costs of the District, including the Prior Agreement, which Agreement may constitute a refunding of any indebtedness evidenced by the Prior Agreement; and

WHEREAS, in order to further evidence the District's obligation to repay the loaned funds, and induce the Developer's lending of such funds, the District has determined that it is necessary to authorize the issuance of a subordinate promissory note (such initial note and any note subsequently issued by the District to refund a note in accordance with the terms hereof each a "**Subordinate Note**") in a principal amount not to exceed Five Hundred Thousand Dollars ($500,000); and

WHEREAS, the District anticipates repaying moneys advanced by the Developer hereunder, including as evidenced by any Subordinate Notes, with the proceeds of ad valorem taxes or other revenues determined to be available therefore, in accordance with the terms hereof; 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;

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

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

COVENANTS AND AGREEMENTS

1. Loan Amount and Term. The Developer agrees to loan to the District one or more sums of money, not-to-exceed the aggregate of Five Hundred Thousand Dollars ($500,000), which constitutes the maximum amount which may be borrowed hereunder, notwithstanding any payment or prepayment of any portion of such advanced amount pursuant to the terms hereof, unless this Agreement is further supplemented or amended. These funds shall be loaned to the District in one or a series of installments and shall be available to the District as of the effective

date of this Agreement through December 31, 2007, which shall constitute the "**Loan Obligation Termination Date**" of this Agreement. No later than December 1 immediately prior to the then effective Loan Obligation Termination Date, the Developer may agree to renew its obligations hereunder, on an annual basis thereafter, by providing written notice thereof, in which case the Loan Obligation Termination Date shall be amended to the date provided in such notice, which date shall not be earlier than December 31 of the succeeding year.

2. Use of Funds. The District agrees that it shall apply all funds loaned by the Developer hereunder solely to operations and maintenance costs of the District associated with the public facilities described and defined in the Service Plan, and/or for other budgeted general fund expenditures during the term of this Agreement, as set forth from time to time in the annual adopted budget for the District. Said funds may not be used for any other purpose without the prior, written consent of the Developer. The District will budget all or a portion of the aggregate amount which may be borrowed hereunder as "revenue" from year to year, thereby enabling it to appropriate sufficient funds to pay the expenses set forth in its budgets during the term of this Agreement. The District shall prepare and adopt a budget annually for the entirety of the duration of this Agreement, and/or at such other times as may be provided by law, which shall be available to the Developer for inspection, upon reasonable request.

3. Manner for Requesting Loan Advances. The Developer is obligated to promptly loan funds upon proper request from the District, in the specific amounts requested. The procedure for making such a proper request shall be as follows:

A. The District's Board of Directors shall hold monthly public meetings for the purpose of reviewing and authorizing contracts to be executed and/or fees to be incurred by the District, and for authorizing payment therefor. At said meetings, any and all consultants, contract parties, and/or other individuals or entities shall have the opportunity to submit invoices, and/or other notices of payment due, for said review and authorization. In the event that the District's Board of Directors determines that said invoices and/or said notices are consistent with the District's Service Plan and the applicable budget, it shall authorize payment therefor, contingent on the receipt of loan funds from the Developer.

B. Thereafter, the District shall provide the Developer with a written request for loan proceeds, in an amount sufficient to pay said invoices and/or notices of payment, and shall certify that the funds so requested are to be used for purposes permitted under this Agreement and consistent with the Service Plan.

C. Within seven (7) business days of the date of any such written request, the Developer shall loan the requested funds to the District for the payment of said invoices and/or notices of payment. In the event that the District determines that it does not require the total amount of the funds so loaned, or if it receives funds in excess of the amount needed, it shall promptly refund such excess to the Developer.

D. Immediately upon the receipt of funds from the Developer, the District shall notate the same on the Subordinate Note as indicated in paragraph 5 hereof.

4. Obligations Irrevocable; Limited Defenses to Payments. It is understood and agreed by the District and the Developer that their obligations hereunder are absolute, irrevocable, and unconditional except as specifically stated herein, and so long as a loan advance request substantially conforms to the terms and conditions hereof, the Developer agrees that it shall not take any action that would delay payment of any loan made to the District or impair the District's ability to receive additional loans hereunder in a timely manner.

5. Issuance of the Subordinate Note; Recordation of Loan Advances; Interest.

A. Upon execution of this Agreement, the District shall execute and deliver to the Developer a Subordinate Note in substantially the form attached hereto as Exhibit A promptly, subject to the completion of any filings required to be made prior to such delivery in accordance with Section 5(G) hereof. The Subordinate Note shall be repayable only to the extent and in the amount of advances noted on Schedule A thereto, which amount shall not exceed Five Hundred Thousand Dollars ($500,000).

B. Upon receipt of each loan advance from the Developer, the District shall complete the appropriate information in Schedule "A" of the Subordinate Note, showing the amount of funds received, the date of receipt, the total principal amount accumulated under the Subordinate Note, and shall execute the appropriate space acknowledging its receipt of such loan advance. The District and the Developer acknowledge that the initial Subordinate Note shall have an initial balance of $213,796.00, representing prior advances made by the Developer, from January 1, 2003 through November 30, 2005.

C. Each Subordinate Note issued hereunder shall bear simple interest as to each loan advance made hereunder at the rate of Eight and One-Half Percent Per Annum (8.5%), Simple Interest, from the date such loan advance is made to the District, regardless of when such advance is noted on Schedule "A" to the earlier of the maturity date or date of redemption thereof. Said interest shall be payable upon maturity of any Subordinate Note. If a Subordinate Note, or any portion thereof, is redeemed prior to its maturity date, then the interest that accrued on the principal amount so redeemed, must be paid upon redemption; for purposes of the foregoing, interest shall be deemed to have accrued up to and including the date of redemption. Following any repayment in whole or in part of a Subordinate Note, loan advances shall continue to be made and noted on a Subordinate Note in accordance with the provisions hereof, provided that the total of all loan advances made hereunder, regardless of whether prepaid, shall not exceed Five Hundred Thousand Dollars ($500,000).

D. The terms of this Agreement may be used to construe the intent of the District and the Developer in connection with the issuance of any Subordinate Note, and shall be read as nearly as possible to make the provisions of any Subordinate Note and this Agreement fully effective. Should any irreconcilable conflict arise between the terms of this Agreement and the terms of any Subordinate Note, the terms of such Subordinate Note shall prevail.

E. If, for any reason, a Subordinate Note is determined to be invalid or unenforceable (except in the case of fraud by the Developer in connection therewith), the District shall issue a new promissory note to the Developer that is legally enforceable. Said new

promissory note must evidence the District's obligation to repay all amounts loaned under this Agreement, with interest.

F. The District shall cause such filings to be made with the Colorado State Securities Commissioner as may be necessary to claim the exemption from the registration requirements of C.R.S. § 11-59-106 in accordance with C.R.S. § 11-59-110, and any regulations promulgated thereunder, and shall make such filings as it deems necessary to comply with the provisions of C.R.S. § 32-1-1604.

G. Interest shall accrue on all outstanding amounts due on any Subordinate Note issued pursuant to this Agreement; however, all interest must be paid during the calendar year in which it accrues. No interest shall be carried forward to the next calendar year.

6. Terms of Repayment; Mill Levy Pledge.

A. Any loan advanced hereunder shall be repaid in accordance with the terms of the Subordinate Note on which the amount of such advance is notated and the terms provided herein. The initial Subordinate Note shall have a maturity date of December 31, 2007. If the District lacks sufficient funds to pay such Subordinate Note in full on that date, the District hereby agrees to issue a new Subordinate Note to the Developer to refund the existing Subordinate Note, which new Subordinate Note shall be in an amount equal to the outstanding principal of the Subordinate Note to be refunded, and shall have a maturity date of December 31, 2008. Similarly, until such time as the District is able to pay in full the amount of any Subordinate Note then outstanding and any interest due thereon, and no further advances are to be made hereunder, the District shall issue a new Subordinate Note to refund any existing Subordinate Note which, at the date of its maturity, remains unpaid. Each new Subordinate Note issued by the District shall reflect all outstanding principal on the Subordinate Note being refunded and all unpaid accrued interest to date. The District's agreement to issue additional Subordinate Notes to refund any Subordinate Note remaining unpaid at its maturity constitutes a multiple fiscal year obligation under the State of Colorado Constitution, is authorized pursuant to a vote of the eligible electors of the District and shall not be subject to annual appropriation.

B. The District shall repay when due any amounts owed hereunder, as evidenced by any Subordinate Note, from any legally available revenues of the District, including fees, rates, tolls charges and revenues resulting from the imposition of ad valorem taxes, net of any current operating and maintenance costs of the District. The District hereby agrees to certify a mill levy or to cause VDW Metropolitan Districts Nos. 2 and 3, or any combination thereof, to certify a mill levy sufficient to pay, when due, any payments of principal or interest due on any Subordinate Note, subject to any restrictions provided in the District's Service Plan and electoral authorization; *provided, however, that any such repayment is subject to the terms and conditions of, and such repayment obligations shall be subordinate to, the Senior Bonds and the provisions of any bond resolution, indenture or any other document related thereto; and further provided that any mill levy certified by the District for the purpose of repaying advances made hereunder shall not exceed 40 mills.* The Subordinate Note must be paid in full by the District prior to payment of any other obligation thereof which may have a

claim on any District revenues which are otherwise available for payment of the Subordinate Note, other than current District operation and maintenance expenses.

C. Any Subordinate Note may be prepaid in whole at any time without redemption premium or other penalty, but with interest accrued to the date of prepayments on the principal amount prepaid. Any and all prepayments shall first be applied to accrued and unpaid interest and then to principal.

D. A failure to make a payment of principal of or interest on the Subordinate Note shall not cause or permit acceleration thereof; rather, the Subordinate Note shall continue to bear interest at the rate specified therefor, without interest on accrued, unpaid interest.

E. The Developer agrees to acknowledge any payment of a Subordinate Note as provided on Schedule B to such Subordinate Note.

7. Termination.

A. The Developer's obligations to loan funds to the District in accordance with this Agreement shall terminate on December 31, 2007, except to the extent loan requests have been made to the Developer that are pending by this termination date, in which case said pending request(s) will be honored notwithstanding the passage of the termination date.

B. The District's obligations hereunder shall terminate at the earlier of the repayment in full of Five Hundred Thousand Dollars ($500,000) due as evidenced under the Subordinate Note (or such lesser amount advanced hereunder if it is determined by the District that no further advances shall be required hereunder) or forty years from the execution date hereof; provided that the District shall continue to be obligated to pay any amounts then owing under any Subordinate Note issued and outstanding hereunder in accordance with the terms thereof.

8. Accredited Investor Representation. The Developer 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.

9. Tax Covenant. In the event that the District is advised by nationally recognized bond counsel that payments of all or any portion of interest on the Subordinate Note may be excluded from gross income of the holder thereof for federal income tax purposes upon compliance with certain procedural requirements and restrictions that are not inconsistent with the intended uses of funds contemplated herein and are not overly burdensome to the District, the District agrees to take all action reasonably necessary to satisfy the applicable provisions of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder, in accordance with written instructions of nationally recognized bond counsel. The Developer acknowledges that no representations or warranties whatsoever have been made by the District or its Board of Directors as to the treatment for federal or state income tax purposes of any interest payable hereunder.

10. Time Is of the Essence. Time is of the essence hereof; provided, however, that if the last day permitted or otherwise determined for the performance of any required act 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.

11. Notices and Place for Payments. 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 via First Class U.S. Mail, or sent via First Class U.S. Mail, postage prepaid and return receipt requested, and addressed to the parties at the information set forth below. Notice shall be considered given delivered personally, sent by facsimile with a hard copy sent immediately thereafter via First Class U.S. Mail, 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.

If to the District: VDW Metropolitan District No. 1
2725 Rocky Mountain Avenue, #200
Loveland, CO 80538
Attn: Peggy Dowswell

With a copy to: Alan D. Pogue, Esq.
White, Bear & Ankele Professional Corporation
1805 Shea Center Drive, Suite 100
Highlands Ranch, CO 80129

If to the Developer: VDW Properties, LLC
2725 Rocky Mountain Avenue, #200
Loveland, Colorado 80538
Attn: Douglas L. Hill

12. Amendments. This Agreement may not be amended, modified, or changed, in whole or in part, without a written agreement executed by both the District and the Developer.

13. Severability. If any clause or provision of this Agreement is adjudged invalid and/or unenforceable by a court of competent jurisdiction or by operation of any law, such clause or provision shall not affect the validity of this Agreement as a whole, but shall be severed herefrom, leaving the remaining Agreement intact and enforceable.

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

15. Assignment. This Agreement may not be assigned prior to the loaning of the funds contemplated herein without the prior, written consent of both the District and the Developer; except that this Agreement may be assigned without said written consent to a purchaser of all or a substantial portion of that property within the District owned by the

Developer as of the date hereof, or to a purchaser of a majority interest in the Developer. Any attempted assignment in violation of this provision shall be immediately void and of no effect.

16. Authority. By execution hereof, the District and the Developer represent and warrant that their respective representatives signing hereunder have full power and authority to execute this Agreement and to bind the respective party to the terms hereof.

17. Effect on Prior Agreement.

A. This Agreement, and any Subordinate Note, when issued, constitute and represent the entire, integrated agreement between the District and the Developer with respect to the matters set forth herein and hereby supersedes any and all prior negotiations, representations, agreements or arrangements of any kind with respect to those matters, whether written or oral, including the Prior Agreement. This Agreement shall become effective upon the date of full execution hereof. The Prior Agreement is hereby terminated and shall be of no further force or effect.

B. The Developer and the District each hereby waives any claims available to it as a result of any failure by the other party to perform any covenant or condition, or to otherwise comply with the provisions of the Prior Agreement.

18. Legal Existence. The District will maintain its legal identity and existence so long as any of the loan amounts contemplated herein remain outstanding. The foregoing statement shall apply unless, by operation of law, another legal entity succeeds to the liabilities and rights of the District hereunder without materially adversely affecting the Developer's privileges and rights under this Agreement.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY.]

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

VDW METROPOLITAN DISTRICT NO. 1

By: _____
Douglas L. Hill, President

ATTEST:

_____
Secretary

STATE OF COLORADO)
) ss.
COUNTY OF Larimer)

The foregoing Agreement was acknowledged before me on this 26th day of January, 2006, by Douglas L. Hill as President and Daniel Herlihey as Secretary of VDW Metropolitan District No. 1.

WITNESS my hand and official seal.

My Commission expires: June 6, 2009

_____
Notary Public

PALMER ANNE HAVINS NOTARY PUBLIC STATE OF COLORADO
My Comm. Expires June 6, 2009

VDW PROPERTIES, LLC
a Colorado Limited Liability Company

By: McWhinney Real Estate Services, Inc.,
a Colorado Corporation, Manager

By: Douglas L. Hill
Its: Chief Operating Officer

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The foregoing instrument was acknowledged before me this 26th day of January, 2006, by Douglas L. Hill, as Chief Operating Officer of McWhinney Real Estate Services, Inc., a Colorado Corporation, as Manager of VDW PROPERTIES, LLC, a Colorado Limited Liability Company.

Witness my hand and official seal.

My Commission Expires: June 6, 2009

Notary Public

PALMER ANNE HAVINS NOTARY PUBLIC STATE OF COLORADO
My Comm. Expires June 6, 2009

VDW\AGRTS\DAEmdc0931111705
0605.0402

EXHIBIT A

FORM OF SUBORDINATE PROMISSORY NOTE

THIS NOTE HAS BEEN DELIVERED WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR OTHER FEDERAL OR STATE SECURITIES LAWS, IN RELIANCE ON THE AVAILABILITY OF AN APPROPRIATE EXEMPTION FROM REGISTRATION OTHERWISE REQUIRED. THIS NOTE SHALL NOT BE TRANSFERRED, WHETHER OR NOT FOR CONSIDERATION, EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY OTHER APPLICABLE FEDERAL OR STATE LAW.

THIS NOTE MAY BE SOLD OR TRANSFERRED ONLY TO 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.

VDW METROPOLITAN DISTRICT NO. 1
REVENUE AND LIMITED TAX OBLIGATION
SUBORDINATE PROMISSORY NOTE

PRINCIPAL AMOUNT:	Up To Five Hundred Thousand Dollars ($500,000)
INTEREST RATE:	Eight and One-Half Percent Per Annum (8.5%), Simple Interest
DATED:	As of December 1, 2005
REGISTERED OWNER:	VDW Properties, LLC ("Developer")
MATURITY DATE:	December 31, 2007

VDW Metropolitan District No. 1, a body corporate, politic and a political subdivision organized under the laws of the State of Colorado, for the value received, hereby promises to pay, but solely and only from the sources hereinafter described, the principal sum stated above (or such lesser amount as may be shown as advanced hereunder as set forth in Schedule "A" attached hereto) together with interest at the rate stated above, which interest shall accrue on said principal sum from and after the date hereof to the maturity date hereof, in lawful money of the United States of America to the registered owner named above, or registered assigns, on the maturity date stated above unless this Note shall be prepaid in full, in which case on such payment date.

In any case where the date of maturity of interest on or principal of this Note or the date fixed for prepayment hereof shall be a Saturday or Sunday, a legal holiday or a day on which banking institutions in the city of payment are authorized by law to close, then payment of interest or principal or prepayment price shall be made on the immediately following business day with the same force and effect as if made on the date of maturity or the date fixed for prepayment. This Note may be prepaid in whole at any time without redemption premium or

other penalty, but with interest accrued on the principal amount prepaid, up to and including the date of prepayment. Any and all prepayments shall first be applied to accrued, unpaid interest, then to the principal. This Note shall be paid in full from the sources hereinafter described prior to the payment of any other obligation of VDW Metropolitan District No. 1 which may have a claim on any revenues thereof that would otherwise be available for the payment of this Note, other than current operation and maintenance expenses of the District.

This Note is executed pursuant to, and is secured by, the Amended and Restated Funding and Reimbursement Agreement between the District and the Developer dated December 1, 2005, the terms of which are hereby incorporated by reference, and has been executed and delivered to pay for certain indebtedness incurred on its behalf as set forth therein. Pursuant to said Amended and Restated Funding and Reimbursement Agreement, VDW Metropolitan District No. 1 is obligated to repay both the principal amount of this Note, and any and all interest accrued thereon, from the sources and in the manner specified therein, including revenues resulting from the imposition of a limited ad valorem tax levy not in excess of 40 mills, and further provided that interest must be paid in the year in which it accrues, and interest may not carry over from one year to the next.

VDW Metropolitan District No. 1 and the Developer agree that upon each loan advance received pursuant to said Amended and Restated Funding and Reimbursement Agreement, VDW Metropolitan District No. 1 shall complete the appropriate information in Schedule "A" of this Note as contemplated therein. Any payments on the Note shall be evidenced on Schedule "B" hereto.

The obligation of VDW Metropolitan District No. 1 to levy ad valorem taxes to provide for the payment of this Note is subject to restrictions provided in the District's Service Plan, electoral authority of the District, the provisions of any bond resolution, indenture or other document related to the District's issuance of bonds now or hereafter, and any applicable laws. **In no event shall a mill levy of VDW Metropolitan District No. 1 in excess of 40 mills be levied for the repayment of this Note.**

Neither the Board of Directors of VDW Metropolitan District No. 1, nor any person executing this Note, shall be personally liable hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This Note is issued pursuant to and in full compliance with the Constitution and laws of the State of Colorado. All issues arising hereunder shall be governed by the laws of Colorado.

This Note is issued pursuant to the Supplemental Public Securities Act, Section 11-57-201, et seq, C.R.S., as amended.

THIS NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE DISTRICT AND SHALL BE PAYABLE SOLELY FROM CERTAIN REVENUES SPECIFIED IN THE AMENDED AND RESTATED FUNDING AND REIMBURSEMENT AGREEMENT. THIS NOTE SHALL NOT CONSTITUTE A DEBT OR OBLIGATION OF THE STATE OF COLORADO OR LARIMER COUNTY, COLORADO. THE DEVELOPER SHALL

HAVE NO RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE STATE OF COLORADO OR LARIMER COUNTY TO PAY THIS NOTE OR THE INTEREST THEREON, NOR TO ENFORCE PAYMENT OF THE SAME AGAINST THE PROPERTY OF THE STATE OF COLORADO OR LARIMER COUNTY, NOR SHALL THIS NOTE CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE STATE OF COLORADO OR LARIMER COUNTY.

BY ITS ACCEPTANCE HEREOF, THE DEVELOPER ACKNOWLEDGES THAT VDW METROPOLITAN DISTRICT NO. 1 AND ITS OFFICERS, ATTORNEYS, EMPLOYEES OR AGENTS NEITHER MAKE, NOR HAVE MADE, ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE PROPER TREATMENT FOR FEDERAL, STATE AND/OR LOCAL INCOME TAX PURPOSES OF THE INTEREST PAYABLE HEREUNDER.

VDW Metropolitan District No. 1 waives demand, presentment, and notice of dishonor and protest with respect to any payment due hereunder. No waiver of any payment or other right under this Note shall operate as a waiver of any other payment or right, including right of offset. If the Developer enforces this Note upon default, VDW Metropolitan District No. 1 shall pay, or reimburse, the Developer for reasonable expenses incurred in the collection hereof or in the realization of any security hereof, including reasonable attorney's fees.

Notwithstanding any provision herein, or in any instrument now or hereafter securing the obligation of VDW Metropolitan District No. 1 specified herein, the total liability for payments in the nature of interest shall not exceed the limit now imposed by the usury laws of the State of Colorado. By signing in the space provided below, VDW Metropolitan District No. 1 hereby acknowledges and agrees that this Note shall be irrevocable for all purposes and shall be binding upon VDW Metropolitan District No. 1, its respective permitted successors and assigns. This Note may not be terminated orally, but only by payments in full or by a written discharge signed by the party who is the owner and holder of this Note at the time enforcement of any discharge is sought.

This Note shall not be transferable, negotiable, or otherwise payable to any party other than the Developer without the consent of VDW Metropolitan District No. 1, which may be denied for any reason.

It is hereby certified, recited and declared that all conditions, acts and things required to exist or occur by the Constitution or statutes of the State of Colorado, currently exist and either occurred prior to, or in connection with, the issuance of this Note.

IN WITNESS WHEREOF, VDW Metropolitan District No. 1 has caused this Note to be executed in its name and on its behalf by its President, an imprint of its seal affixed hereon and by attestation via the signature of its Secretary.

VDW METROPOLITAN DISTRICT NO. 1

(S E A L)

By: _____
President

ATTEST:

_____
Secretary

SCHEDULE "A"

PRINCIPAL RECEIVED BY MAKER

INITIAL PRINCIPAL AS OF _____, 2005	INITIAL INTEREST AS OF _____, 2005	INITIAL BALANCE AS OF _____, 2005	SIGNATURE OF AUTHORIZED REPRESENTATIVE OF MAKER

RECEIPT DATE	PRINCIPAL AMOUNT RECEIVED	BALANCE OF PRINCIPAL AMOUNT RECEIVED	SIGNATURE OF AUTHORIZED REPRESENTATIVE OF MAKER

SCHEDULE "B"

PAYMENTS BY MAKER

PAYMENT DATE	AMOUNT PAID	BALANCE OF AMOUNT PAID	SIGNATURE OF AUTHORIZED REPRESENTATIVE PAYEE

VDW PROPERTIES, LLC
a Colorado Limited Liability Company

_____

By: _____

Its: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing Agreement was acknowledged before me on this ____ day of _____, 2005, by _____, _____ of VDW Properties, LLC.

WITNESS my hand and official seal.

My Commission expires: _____

_____

Notary Public

VDW\AGRTS\DAEmdc0931111705
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