

RESOLUTION 2018-084
OF THE CITY COUNCIL OF THE CITY OF FORT COLLINS
APPROVING THE CONSOLIDATED SERVICE PLAN FOR
WATERS' EDGE METROPOLITAN DISTRICT NOS. 1-5

WHEREAS, Title 32 of the Colorado Revised Statutes ("C.R.S.") authorizes the formation of various kinds of governmental entities to finance and operate public services and infrastructure, including metropolitan districts; and

WHEREAS, in July 2008, the City Council adopted Resolution 2008-069 in which it approved a policy setting forth various guidelines, requirements and criteria concerning the City's review and approval of service plans for metropolitan districts (the "2008 Policy"); and

WHEREAS, on August 21, 2018, City Council adopted Resolution 2018-079 approving the "City of Fort Collins Policy for Reviewing Service Plans for Metropolitan Districts" (the "2018 Policy") setting forth guidelines, requirements and criteria applicable to the City's consideration a metropolitan district service plan to replace and supersede those in the 2008 Policy, except for the fee and notice requirements when they have been satisfied by a service plan applicant under the 2008 Policy before the adoption of the 2018 Policy; and

WHEREAS, pursuant to the provisions of Article 1 of Title 32 of the Colorado Revised Statutes (the "Special District Act"), Waters' Edge Investments LLLP (the "Petitioner") has submitted to the City a Consolidated Service Plan (the "Service Plan") for the Waters' Edge Metropolitan District Nos. 1-5 (each a "District" and collectively the "Districts"); and

WHEREAS, a copy of the Service Plan is attached as Exhibit "A" and incorporated herein by reference; and

WHEREAS, the Districts will be organized to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment and operation and maintenance of certain public improvements, as more specifically described in the Service Plan; and

WHEREAS, the 2008 Policy includes the requirement that the Petitioner must cause notice of the public hearing at which the approval resolution for the Service Plan is to be considered by the City Council, to be mailed by first class mail to the owners of record all property within the proposed Districts and within any inclusion area specifically identified in the Service Plan (the "Property Owners") at least 10 days in advance of the public hearing; and

WHEREAS, in lieu of mailing the notice required in the 2008 Policy, the Petitioner has published and provided actual notice to each of the Property Owners at least 10 days in advance of the City Council's September 4, 2018, public hearing on the Service Plan (the "Public Hearing"), and the Petitioner has secured and provided to the City Clerk before the Public Hearing copies of an "Acknowledgment of Notice" from each of the Property Owners; and

WHEREAS, each of the Property Owners has expressly waived in their respective Acknowledgement of Notice all rights to any additional notice under the 2008 Policy, the 2018 Policy and Resolution 2018-079; and

WHEREAS, at its September 4, 2018 meeting, the City Council conducted the Public Hearing reviewing the Service Plan, the Acknowledgements of Notice and received testimony and evidence and then voted to continue the Public Hearing to its September 18, 2018 meeting, and at that meeting has received additional testimony and evidence; and

WHEREAS, the Special District Act requires that any service plan submitted to the district court for the creation of a metropolitan district must first be approved by resolution of the governing body of the municipality within which the proposed district lies; and

WHEREAS, the City Council wishes to approve the Service Plan for the Districts.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT COLLINS, COLORADO, as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That the City Council hereby determines that the Petitioner has substantially complied with the City's notice requirements in the 2008 Policy, the 2018 Policy and Resolution 2018-079 with regard to the Public Hearing on the Service Plan, and that the Property Owners have each received actual notice of the Public Hearing and expressly waived any further notice of the Public Hearing that might otherwise be required under the 2008 Policy, the 2018 Policy and Resolution 2018-079.

Section 3. That the City Council hereby finds that the Service Plan contains, or sufficiently provides for, the items described in Section 32-1-202(2), C.R.S., and that:

- (a) There is sufficient existing and projected need for organized service in the area to be serviced by the proposed Districts;
- (b) The existing service in the area to be served by the proposed Districts is inadequate for present and projected needs;
- (c) The proposed Districts are capable of providing economical and sufficient service to the area within their proposed boundaries; and
- (d) The area to be included within the proposed Districts has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

Section 4. The City Council's findings are based solely upon the evidence in the Service Plan as presented at the Public Hearing and the City has not conducted any independent investigation of the evidence. The City makes no guarantee as to the financial viability of the Districts or the achievability of the desired results.

Section 5. That the City Council hereby approves the Service Plan.

Section 6. That the City Council's approval of the Service Plan is not a waiver or a limitation upon any power that the City Council is legally permitted to exercise regarding the property within the Districts.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins this 18th day of September, A.D. 2018.



Mayor

ATTEST:



City Clerk



CONSOLIDATED SERVICE PLAN
FOR
WATERS' EDGE METROPOLITAN DISTRICT NOS. 1-5
CITY OF FORT COLLINS, COLORADO

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Submitted On: August 29, 2018

Approved On: September 18, 2018

Table of Contents

INTRODUCTION.....	1
Purpose and Intent	1
Need for Districts	1
Objective of the City regarding Districts’ Service Plan	2
City Approvals	2
DEFINITIONS	2
BOUNDARIES AND LOCATION	6
DESCRIPTION OF PROJECT, PLANNED DEVELOPMENT, PUBLIC BENEFITS & ASSESSED VALUATION	7
Project and Planned Development	7
Public Benefits	7
Assessed Valuation	8
INCLUSION OF LAND IN THE SERVICE AREA	8
DISTRICT GOVERNANCE	9
AUTHORIZED AND PROHIBITED POWERS.....	9
Prohibited Improvements and Services and other Restrictions and Limitations	9
Eminent Domain Restriction	9
Fee Limitation	10
Operations and Maintenance	10
Fire Protection Restriction	10
Public Safety Services Restriction	10
Grants from Governmental Agencies Restriction	10
Golf Course Construction Restriction.....	11
Television Relay and Translation Restriction	11
Potable Water and Wastewater Treatment Facilities	11
Sales and Use Tax Exemption Limitation	11
Sub-district Restriction	11
Initial Debt Limitation	11
Privately Placed Debt Limitation	11
Special Assessments	12

PUBLIC IMPROVEMENTS AND ESTIMATED COSTS	12
Development Standards.....	13
Contracting	13
Land Acquisition and Conveyance	13
Equal Employment and Discrimination	13
FINANCIAL PLAN/PROPOSED DEBT	14
Financial Plan	14
Mill Levies	14
Aggregate Mill Levy Maximum	14
Regional Mill Levy Not Included in Other Mill Levies	14
Operating Mill Levy	14
Gallagher Adjustments	15
Excessive Mill Levy Pledges	15
Refunding Debt	15
Maximum Debt Authorization	15
Maximum Voted Interest Rate and Underwriting Discount	16
Interest Rate and Underwriting Discount Certification.....	16
Disclosure to Purchasers	16
External Financial Advisor.....	17
Disclosure to Debt Purchasers.....	17
Security for Debt	17
TABOR Compliance	17
Districts’ Operating Costs	18
Regional Improvements.....	18
Regional Mill Levy Authority.....	18
Regional Mill Levy Imposition	18
City Notice Regarding Regional Improvements	18
Regional Improvements Authorized Under Service Plan	19
Expenditure of Regional Mill Levy Revenues	19
Intergovernmental Agreement	19
No Intergovernmental Agreement	19

Regional Mill Levy Term.....	19
Completion of Regional Improvements	19
City Authority to Require Imposition	19
Regional Mill Levy Not Included in Other Mill Levies.....	19
Gallagher Adjustment	19
City Fees.....	20
Bankruptcy Limitations	20
Annual Reports and Board Meetings.....	20
General	20
Board Meetings	20
Report Requirements.....	20
Narrative	20
Financial Statements	20
Capital Expenditures	21
Financial Obligations	21
Other Information	21
Reporting of Significant Events	21
Failure to Submit.....	22
Service Plan Amendments.....	22
Material Modifications	22
Dissolution	23
Sanctions	23
Conclusion	23
Resolution of Approval.....	24

EXHIBITS

EXHIBIT A-1	Legal Description of District No. 1 Boundaries
EXHIBIT A-2	Legal Description of District No. 2 Boundaries
EXHIBIT A-3	Legal Description of District No. 3 Boundaries
EXHIBIT A-4	Legal Description of District No. 4 Boundaries
EXHIBIT A-5	Legal Description of District No. 5 Boundaries
EXHIBIT B-1	District No. 1 Boundary Map
EXHIBIT B-2	District No. 2 Boundary Map
EXHIBIT B-3	District No. 3 Boundary Map
EXHIBIT B-4	District No. 4 Boundary Map
EXHIBIT B-5	District No. 5 Boundary Map
EXHIBIT C	Legal Description of Inclusion Area Boundaries
EXHIBIT D	Inclusion Area Boundary Map
EXHIBIT E	Vicinity Map
EXHIBIT F	Legal Description of Annexation Area Boundaries
EXHIBIT G	Annexation Area Boundary Map
EXHIBIT H	Public Improvement Cost Estimates
EXHIBIT I	Public Improvements Maps
EXHIBIT J	Financial Plan
EXHIBIT K	Public Benefits
EXHIBIT L	Disclosure Notice

I. INTRODUCTION

A. Purpose and Intent.

The Districts, which are intended to be independent units of local government separate and distinct from the City, are governed by this Service Plan, the Special District Act and other applicable State law. Except as may otherwise be provided for by State law, City Code or this Service Plan, the Districts' activities are subject to review and approval by the City Council only insofar as they are a material modification of this Service Plan under C.R.S. Section 32-1-207 of the Special District Act.

It is intended that the Districts will provide all or part of the Public Improvements for the Project for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of a portion of these Public Improvements by the issuance of Debt.

It is also intended under this Service Plan that no District shall be authorized to issue any Debt, impose a Debt Mill Levy or impose any Fees for payment on Debt unless and until the delivery of the applicable Public Benefits described in Section IV.B of this Service Plan has been secured in accordance with Section IV.B of this Service Plan.

It is further intended that this Service Plan requires the Districts to pay a portion of the cost of the Regional Improvements, as provided in Section X of this Service Plan, as part of ensuring that those privately-owned properties to be developed in the Districts that benefit from the Regional Improvements pay a reasonable share of the associated costs.

The Districts are not intended to provide ongoing operations and maintenance services except as expressly authorized in this Service Plan.

It is the intent of the Districts to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt, except that if the Districts are authorized in this Service Plan to perform continuing operating or maintenance functions, the Districts shall continue in existence for the sole purpose of providing such functions and shall retain only the powers necessary to impose and collect the taxes or Fees authorized in this Service Plan to pay for the costs of those functions.

It is intended that the Districts shall strictly comply with the provisions of this Service Plan and that the City may enforce any non-compliance with these provisions as provided in Section XVII of this Service Plan.

B. Need for the Districts.

There are currently no other governmental entities, including the City, located in the immediate vicinity of the Districts that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of the Public Improvements needed for the Project. Formation of the Districts is therefore

necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

C. Objective of the City Regarding Districts' Service Plan.

The City's objective in approving this Service Plan is to authorize the Districts to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the Districts, but in doing so, to also establish in this Service Plan the means by which both the Regional Improvements and the Public Benefits will be provided. Except as specifically provided in this Service Plan, all Debt is expected to be repaid by taxes and Fees imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term for residential properties, and at a tax mill levy no higher than the Maximum Debt Mill Levy Fees imposed for the payment of Debt shall be due no later than upon the issuance of a building permit unless a majority of the Board which imposes such a Fee is composed of End Users as provided in Section VII.B.2. Debt which is issued within these parameters and, as further described in the Financial Plan, will insulate property owners from excessive tax and Fee burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

D. City Approvals.

Any provision in this Service Plan requiring "City" or "City Council" approval or consent shall require the City Council's prior written approval or consent exercised in its sole discretion. Any provision in this Service Plan requiring "City Manager" approval or consent shall require the City Manager's prior written approval or consent exercised in the City Manager's sole discretion.

II. DEFINITIONS

In this Service Plan, the following words, terms and phrases which appear in a capitalized format shall have the meaning indicated below, unless the context clearly requires otherwise:

Annexation Area Boundaries: means the boundaries of the area legally described in **Exhibit "F"** and depicted on the Annexation Area Boundary Map.

Annexation Area Boundary Map: means the map attached hereto as **Exhibit "G,"** depicting the property which may be included within a District subject to the limitations set forth in Sections III.C and V of this Service Plan.

Aggregate Mill Levy: means the total mill levy resulting from adding a District's Debt Mill Levy and Operating Mill Levy. A District's Aggregate Mill Levy does not include any Regional Mill Levy that the District may levy.

Aggregate Mill Levy Maximum: means the maximum number of combined mills that each District may levy for its Debt Mill Levy and Operating Mill Levy, at a rate not to exceed the limitation set in Section IX.B.1 of this Service Plan.

Approved Development Plan: means a City-approved development plan or other land-use application required by the City Code for identifying, among other things, public improvements necessary for facilitating the development of property within the Service

Area, which plan shall include, without limitation, any development agreement required by the City Code.

Board or Boards: means the duly constituted board of directors of any of the Districts, or the boards of directors of all of the Districts in the aggregate.

Bond, Bonds or Debt: means bonds, notes or other multiple fiscal year financial obligations for the payment of which a District has promised to impose an ad valorem property tax mill levy, Fees or other legally available revenue. Such terms do not include contracts through which a District procures or provides services or tangible property.

City: means the City of Fort Collins, Colorado, a home rule municipality.

City Code: means collectively the City's Municipal Charter, Municipal Code, Land Use Code and ordinances as all are now existing and hereafter amended.

City Council: means the City Council of the City of Fort Collins, Colorado.

City Manager: means the City Manager of the City of Fort Collins, Colorado.

C.R.S.: means the Colorado Revised Statutes.

Debt Mill Levy: means a property tax mill levy imposed on Taxable Property within a District for the purpose of paying Debt as authorized in this Service Plan, at a rate not to exceed the limitations set in Section IX.B.

Developer: means a person or entity that is the owner of property or owner of contractual rights to property in the Service Area that intends to develop the property.

District: means Waters' Edge Metropolitan District No. 1, Waters' Edge Metropolitan District No. 2, Waters' Edge Metropolitan District No. 3, Waters' Edge Metropolitan District No. 4 and Waters' Edge Metropolitan District No. 5, individually, each organized under and governed by this Service Plan.

District No. 1 Boundaries: means the boundaries of the area legally described in **Exhibit "A-1"** attached hereto and incorporated by reference and as depicted in the District No. 1 Boundary Map.

District No. 2 Boundaries: means the boundaries of the area legally described in **Exhibit "A-2"** attached hereto and incorporated by reference and as depicted in the District No. 2 Boundary Map.

District No. 3 Boundaries: means the boundaries of the area legally described in **Exhibit "A-3"** attached hereto and incorporated by reference and as depicted in the District No. 3 Boundary Map.

District No. 4 Boundaries: means the boundaries of the area legally described in **Exhibit "A-4"** attached hereto and incorporated by reference and as depicted in the District No. 4 Boundary Map.

District No. 5 Boundaries: means the boundaries of the area legally described in **Exhibit "A-5"** attached hereto and incorporated by reference and as depicted in the District No. 5 Boundary Map.

District No. 1 Boundary Map: means the map of the District No. 1 Boundaries attached hereto as **Exhibit “B-1”** and incorporated by reference.

District No. 2 Boundary Map: means the map of the District No. 2 Boundaries attached hereto as **Exhibit “B-2”** and incorporated by reference.

District No. 3 Boundary Map: means the map of the District No. 3 Boundaries attached hereto as **Exhibit “B-3”** and incorporated by reference.

District No. 3 Boundary Map: means the map of the District No. 4 Boundaries attached hereto as **Exhibit “B-4”** and incorporated by reference.

District No. 3 Boundary Map: means the map of the District No. 5 Boundaries attached hereto as **Exhibit “B-5”** and incorporated by reference.

Districts: means Waters’ Edge Metropolitan District No. 1, Waters’ Edge Metropolitan District No. 2, Waters’ Edge Metropolitan District No. 3, Waters’ Edge Metropolitan District No. 4 and Waters’ Edge Metropolitan District No. 5, collectively, organized under and governed by this Service Plan.

End User: means any owner, or tenant of any owner, of any property within the Districts, who is intended to become burdened by the imposition of ad valorem property taxes and/or Fees. By way of illustration, a resident homeowner, renter, commercial property owner or commercial tenant is an End User. A Developer and any person or entity that constructs homes or commercial structures is not an End User.

External Financial Advisor: means a consultant that: (1) is qualified to advise Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (2) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer’s Municipal Market Place or, in the City’s sole discretion, other recognized publication as a provider of financial projections; and (3) is not an officer or employee of the Districts or an underwriter of the Districts’ Debt.

Fees: means the fees, rates, tolls, penalties and charges each District is authorized to impose and collect under this Service Plan.

Financial Plan: means the Financial Plan described in Section IX of this Service Plan which is prepared by D.A. Davidson and Co. in accordance with the requirements of this Service Plan and describes (a) how the Public Improvements are to be financed; (b) how the Debt is expected to be incurred; and (c) the estimated operating revenue derived from property taxes and any Fees for the first budget year through the year in which all of the Districts’ Debt is expected to be defeased or paid in the ordinary course.

Inclusion Area Boundaries: means the boundaries of the property that is anticipated to be added to the District Boundaries after the District organization, which property is legally described in **Exhibit “C”** attached hereto and incorporated by reference and depicted in the map attached hereto as **Exhibit “D”** and incorporated herein by reference.

Maximum Debt Authorization: means the total Debt the Districts are permitted to issue as set forth in Section IX.B.7 of this Service Plan.

Maximum Debt Mill Levy Imposition Term: means the maximum term during which a District's Debt Mill Levy may be imposed on residential property within its boundaries, which shall include residential properties in mixed-use developments. This maximum term shall not exceed forty (40) years from December 31 of the year this Service Plan is approved by City Council.

Operating Mill Levy: means a property tax mill levy imposed on Taxable Property for the purpose of funding District administration, operations and maintenance as authorized in this Service Plan, including, without limitation, repair and replacement of Public Improvements, and imposed at a rate not to exceed the limitations set in Section IX.B of this Service Plan.

Planned Development: means the private development or redevelopment of the properties in the Service Area, commonly referred to as the Waters' Edge development, under an Approved Development Plan.

Project: means the installation and construction of the Public Improvements for the Planned Development.

Public Improvements: means the improvements and infrastructure the Districts are authorized by this Service Plan to fund and construct for the Planned Development to serve the future taxpayers and inhabitants of the Districts, except as specifically prohibited or limited in this Service Plan. Public Improvements shall include, without limitation, the improvements and infrastructure described in **Exhibit "H"** attached hereto and incorporated by reference. Public Improvements do not include Regional Improvements.

Regional Improvements: means any regional public improvement identified by the City, as provided in Section X of this Service Plan, for funding, in whole or part, by a Regional Mill Levy levied by the Districts.

Regional Mill Levy: means the property tax mill tax imposed on Taxable Property for the purpose of planning, designing, acquiring, funding, constructing, installing, relocating and/or redeveloping the Regional Improvements and/or to fund the administration and overhead costs related to the Regional Improvements, as provided in Section X of this Service Plan.

Service Area: means the property collectively within the District No. 1 Boundaries, District No. 2 Boundaries, District No. 3 Boundaries, District No. 4 Boundaries, District No. 5 Boundaries, Inclusion Area Boundaries and any property within the Annexation Area Boundaries which is included into any of the Districts in accordance with this Service Plan.

Special District Act: means Article 1 in Title 32 of the Colorado Revised Statutes, as amended.

Service Plan: means this service plan for the Districts approved by the City Council.

Service Plan Amendment: means a material modification of the Service Plan approved by the City Council in accordance with the Special District Act, this Service Plan and any other applicable law.

State: means the State of Colorado.

Taxable Property: means the real and personal property within the Service Area that will subject to the ad valorem taxes imposed by the Districts.

TABOR: means Colorado's Taxpayer's Bill of Rights in Article X, Section 20 of the Colorado Constitution.

Vicinity Map: means the map attached hereto as **Exhibit "E"** and incorporated by reference depicting the location of the Service Area within the regional area surrounding it.

III. BOUNDARIES AND LOCATION

A. District Boundaries.

The area of the District No. 1 Boundaries includes approximately 0.0574 acres, District No. 2 Boundaries includes approximately 88.354 acres; District No. 3 Boundaries includes approximately 0.0574 acres; District No. 4 Boundaries includes approximately 0.0574 acres and District No. 5 Boundaries includes approximately 0.0574 acres. A legal description and map of the District No. 1 Boundaries are attached hereto as **Exhibit A-1** and **Exhibit B-1**, respectively, a legal description and map of the District No. 2 Boundaries are attached hereto as **Exhibit A-2** and **Exhibit B-2**, respectively, a legal description and map of the District No. 3 Boundaries are attached hereto as **Exhibit A-3** and **Exhibit B-3**, respectively, a legal description and map of the District No. 4 Boundaries are attached hereto as **Exhibit A-4** and **Exhibit B-4**, respectively and a legal description and map of the District No. 5 Boundaries are attached hereto as **Exhibit A-5** and **Exhibit B-5**, respectively. It is anticipated that the Districts' boundaries may expand or contract from time to time as the Districts undertake inclusions or exclusions pursuant to the Special District Act, subject to the limitations set forth in this Service Plan.

B. Inclusion Area Boundaries.

The legal description and boundary map of the Inclusion Area Boundaries are attached hereto as **Exhibit C** and **Exhibit D**, respectfully. All property within the Inclusion Area Boundaries is within the Service Area and may be included into or excluded from any District without the prior approval of the City subject to the limitations of Section V of this Service Plan. The location of the Service Area is further depicted in the Vicinity Map attached as **Exhibit E**.

C. Annexation Area Boundaries.

The legal description and boundary map of the Annexation Area Boundaries are attached hereto as **Exhibit F** and **Exhibit G**, respectfully. The Annexation Area Boundaries are not currently within the boundaries of the City. If, in the future, the City annexes any or all of the Annexation Area Boundaries, and with prior City Manager approval, the then property owner of the annexed property within the Annexation Area Boundaries may petition any of the Districts for inclusion of such property into the boundaries of a District. Upon inclusion of any property within the Annexation Area Boundaries into any of the Districts, in accordance with this Section III.C, such property shall be included within the Service Area.

IV. DESCRIPTION OF PROJECT, PLANNED DEVELOPMENT, PUBLIC BENEFITS & ASSESSED VALUATION

A. Project and Planned Development.

The current Developer of the Project and Planned Development is Waters' Edge Investments LLLP. The Development Plan for the Project includes approximately 848 single family residential and multi-family units, a community garden, a community center, a sustainability center, a commercial center and substantial open space and walking trails. The goal of this Project and Planned Development is to create an age-targeted community that allows residents to remain in their homes as long as possible; a segment of the City's population which is currently under-served. The Planned Development is currently intended to reach build out in 2027, with an estimated population of 2,120 persons. In accordance with the Financial Plan, the estimated assessed valuation of the Planned Development in 2023 will be \$14,281,485, and in 2028 will be \$42,985,737.

Approval of this Service Plan by the City Council does not imply approval of the development of any particular land-use for any specific area within the Districts. Any such approval must be contained within an Approved Development Plan.

B. Public Benefits.

In addition to providing a portion of the Public Improvements and Regional Improvements, the organization of the Districts is intended to enable the Project and Planned Development to deliver a number of direct and indirect public benefits, including: (i) Affordable Housing, (ii) Significant Water Reduction of Potable Water, (iii) Enhanced and Expanded Open Space, Parks and Trails, (iv) Rehabilitation of the Windsor No. 8 Ditch, and (v) Delayed Assisted Living. The public benefits to be provided under this Service Plan are specifically described in **Exhibit K** attached hereto and incorporated herein by reference (collectively the "Public Benefits").

This Project and Planned Development will result in an extraordinary community exhibiting the newest aspects of smart growth, included but not limited to, providing housing options to an under-served segment of the City's population, energy and water conservation, reduction in the City's carbon footprint, substantial community services, enhancements to the natural environment and smart and purposeful growth. The Service Area includes approximately 40% open space, incorporating direct access to such open space from each lot through a system of expansive trails to allow bike/pedestrian/scooter access to community parks and other amenities. The Project's planned non-potable water system is designed not just to save potable water supplies, but also reduce overall irrigation uses by approximately 30%. The Planned Development includes single family house designs of 100% single level living, nearly all ranches, and many with stepless entries designed to allow seniors to age-in-place independently and delay re-location to assisted living facilities.

The purpose of the Districts is to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of a portion of the Public Improvements necessary to enable the Project and Planned Development to develop as planned.

Therefore, notwithstanding any provision to the contrary contained in this Service Plan, no District shall be authorized to issue any Debt or to impose a Debt Mill Levy or Fees for the payment of Debt on any Taxable Property unless and until the delivery of the Public Benefits specifically related to the phase of the Planned Development or portion of the Project to be financed with such Debt, Debt Mill Levy or Fees, are secured in a manner approved by the City Council. To satisfy this precondition to the issuance of Debt and to the imposition of the Debt Mill Levy and Fees, delivery of the Public Benefits for each phase of the Project and Planned Development must be secured by the following methods, as applicable:

1. For any portion of the Public Benefits to be provided by one or more of the Districts, each such District must enter into an intergovernmental agreement with the City either (i) agreeing to provide those Public Benefits as a legally enforceable multiple-fiscal year obligation of the District under TABOR, or by (ii) securing performance of that obligation with a surety bond, letter of credit or other surety acceptable to the City, and any such intergovernmental agreement must be approved by the City Council by resolution;
2. For any portion of the Public Benefits to be provided by one or more Developers of the Planned Development, each such Developer must either (i) enter into a development agreement with the City under the Developer's applicable Approved Development Plan, which agreement must legally obligate the Developer to provide those Public Benefits before the City is required to issue building permits and/or certificates of occupancy for structures to be built under the Approved Development Plan for that phase of the Planned Development, or (ii) secure such obligations with a surety bond, letter of credit or other security acceptable to the City, and all such development agreements must be approved by the City Council by resolution; or
3. For any portion of the Public Benefits to be provided in part by one or more of the Districts in the Project and in part by one or more of the Developers in the Planned Development or the Project, an agreement between the City and the affected District(s) and Developers that secures such Public Benefits as legally binding obligations using the methods described in subsections 1 and 2 above, and all such agreements must be approved by the City Council by resolution.

C. Assessed Valuation.

The current assessed valuation of the Service Area is approximately Seven Hundred Thirty-Five Thousand Dollars (\$735,000) and, at build out, is expected to be approximately Forty Three Million Dollars (\$43,000,000). These amounts are expected to be sufficient to reasonably discharge the Debt as demonstrated in the Financial Plan.

V. INCLUSION OF LAND IN THE SERVICE AREA

The Districts shall not add any property to the Service Area without the City Council's prior written approval and in compliance with the Special District Act. The Districts shall be entitled to include within their boundaries any property within the Annexation Area Boundaries with prior approval of the City Manager so long as such property is first annexed into the City, and

the then property owner of property within the Annexation Area Boundaries petitions for inclusion into one of the Districts in accordance with Section III.C of this Service Plan and the Special District Act. Upon inclusion of any property within the Annexation Area Boundaries into a District in accordance with this Service Plan, such property will be included within the Service Area. Once a District has issued Debt, it shall not exclude real property from the District's boundaries without the prior written consent of the City Council.

VI. DISTRICT GOVERNANCE

The Districts' Boards shall be comprised of persons who are a qualified "eligible electors" of the Districts as provided in the Special District Act. It is anticipated that over time, the End Users who are eligible electors will assume direct electoral control of the Districts' Boards as development within the Service Area progresses. The Districts shall not enter into any agreement by which the End Users' electoral control of the Boards is removed or diminished.

VII. AUTHORIZED AND PROHIBITED POWERS

A. General Grant of Powers.

The Districts shall have the power and authority to provide the Public Improvements, the Regional Improvements and related operation and maintenance services, within and without the Service Area, as such powers and authorities are described in the Special District Act, other applicable State law, common law and the Colorado Constitution, subject to the prohibitions, restrictions and limitations set forth in this Service Plan.

If, after the Service Plan is approved, any State law is enacted to grant additional powers or authority to metropolitan districts by amendment of the Special District Act or otherwise, such powers and authority shall be deemed to be a part hereof and available to or exercised by the Districts if the City Council first approves the exercise of such powers or authority by the Districts. Such approval by the City Council shall not constitute a Service Plan Amendment.

B. Prohibited Improvements and Services and other Restrictions and Limitations.

The Districts' powers and authority under this Service Plan to provide Public Improvements and services and to otherwise exercise its other powers and authority under the Special District Act and other applicable State law, are prohibited, restricted and limited as hereafter provided. Failure to comply with these prohibitions, restrictions and limitations shall constitute a material modification under this Service Plan and shall entitle the City to pursue all remedies available at law and in equity as provided in Section XVII of this Service Plan:

1. Eminent Domain Restriction

The Districts shall not exercise their statutory power of eminent domain without first obtaining resolution approval from the City Council. This restriction on the Districts' exercise of the eminent domain power is being voluntarily acquiesced to by the Districts and shall not be interpreted in any way as a limitation on the Districts' sovereign powers and shall not negatively affect the Districts' status as political subdivision of the State as conferred by the Special District Act.

2. Fee Limitation

Any Fees imposed for the repayment of Debt, as authorized by this Service Plan, shall not be imposed by the Districts upon or collected from an End User. In addition, Fees imposed for the payment of Debt shall not be imposed unless and until the requirements for securing the delivery of the relevant portion of the Public Benefits have been satisfied in accordance with Section IV.B of this Service Plan. Notwithstanding any of the foregoing, this Fee limitation shall not apply to any Fee imposed to fund the operation, maintenance, repair or replacement of Public Improvements or the administration of the Districts.

3. Operations and Maintenance

The primary purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance a portion of the Public Improvements. The Districts shall dedicate the Public Improvements to the City or other appropriate jurisdiction or owners' association in a manner consistent with the Approved Development Plan and the City Code, provided that nothing herein requires the City to accept a dedication. Each District is specifically authorized to operate and maintain any part or all of the Public Improvements not otherwise conveyed or dedicated to the City or another appropriate governmental entity. Additionally, the Districts are authorized to operate and maintain any part or all of the Public Improvements not otherwise conveyed or dedicated to the City or another appropriate governmental entity until such time that the Districts dissolve.

4. Fire Protection Restriction

The Districts are not authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, own, operate or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the Poudre Fire Authority. The authority to plan for, design, acquire, construct, install, relocate, redevelop, finance, own, operate or maintain fire hydrants and related improvements installed as part of the water system shall not be limited by this subsection.

5. Public Safety Services Restriction

The Districts are not authorized to provide policing or other security services. However, the Districts may, pursuant to C.R.S. § 32-1-1004(7), as amended, furnish security services pursuant to an intergovernmental agreement with the City.

6. Grants from Governmental Agencies Restriction

The Districts shall not apply for grant funds distributed by any agency of the United States Government or the State without the prior written approval of the City Manager.

This does not restrict the collection of Fees for services provided by the Districts to the United States Government or the State.

7. Golf Course Construction Restriction

Acknowledging that the City has financed public golf courses and desires to coordinate the construction of public golf courses within the City's boundaries, the Districts shall not be authorized to plan, design, acquire, construct, install, relocate, redevelop, finance, own, operate or maintain a golf course unless such activity is pursuant to an intergovernmental agreement with the City.

8. Television Relay and Translation Restriction

The Districts are not authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, own, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to prior written approval from the City Council.

9. Potable Water and Wastewater Treatment Facilities

Acknowledging that the City and other existing special districts operating within the City currently own and operate treatment facilities for potable water and wastewater that are available to provide services to the Service Area, the Districts shall not plan, design, acquire, construct, install, relocate, redevelop, finance, own, operate or maintain such facilities without obtaining the City Council's prior written approval either by intergovernmental agreement or as a Service Plan Amendment.

10. Sales and Use Tax Exemption Limitation

The Districts shall not exercise any City sales and use tax exemption otherwise available to the Districts under the City Code.

11. Sub-district Restriction

The Districts shall not create any sub-district pursuant to the Special District Act without the prior written approval of the City Manager.

12. Privately Placed Debt Limitation

Prior to the issuance of any privately placed Debt, the issuing District shall obtain the certification of an External Financial Advisor substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in C.R.S. Section 32-1-103(12)) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

13. Special Assessments

The Districts shall not impose special assessments without the prior written approval of the City Council.

VIII. PUBLIC IMPROVEMENTS AND ESTIMATED COSTS

Exhibit H summarizes the type of Public Improvements that are projected to be constructed and/or installed by the Districts. The cost, scope, and definition of such Public Improvements may vary over time. The total estimated costs of Public Improvements, as set forth in **Exhibit H**, excluding any improvements paid for by the Regional Mill Levy necessary to serve the Planned Development, are approximately Ninety Eight Million Five Hundred Twelve Thousand Five Hundred Seventy Seven Dollars (\$98,512,577) in Project costs in 2018 dollars as set forth in **Exhibit H**, of which Twenty Eight Million One Hundred Twenty Thousand Two Hundred Fifty Eight Dollars (\$28,120,258) are costs related to “Non-Basic Infrastructure” and which does not include approximately Three Million Four Hundred Seventeen Thousand One Hundred and Five Dollars (\$3,417,105) in “Indirect Costs” of the Planned Development which are necessary to provide a portion of the extraordinary Public Benefits as set forth in **Exhibit L**. The cost estimates are based upon preliminary engineering, architectural surveys, and reviews of the Public Improvements and include all construction cost estimates together with estimates of costs such as land acquisition, engineering services, legal expenses and other associated expenses. Maps of the anticipated location, operation, and maintenance of Public Improvements are attached hereto as **Exhibit I**. Changes in the Public Improvements or costs, which are approved by the City in an Approved Development Plan, shall not constitute a Service Plan Amendment. In addition, the City shall not be bound by this Service Plan in reviewing and approving the Approved Development Plan and the Approved Development Plan shall supersede the Service Plan with regard to the cost, scope and definition of Public Improvements. Provided, however, any agreement approved and entered into under Section IV.B of this Service Plan for the provision of a Public Improvement that is also a Public Benefit, shall supersede both this Service Plan and the applicable Approved Development Plan.

Except as otherwise provided by an agreement approved under Section IV.B of this Service Plan: (i) the design, phasing of construction, location and completion of Public Improvements will be determined by the Districts to coincide with the phasing and development of the Planned Development and the availability of funding sources; (ii) the Districts may, in their discretion, phase the construction, completion, operation, and maintenance of Public Improvements or defer, delay, reschedule, rephase, relocate or determine not to proceed with the construction, completion, operation, and maintenance of Public Improvements, and such actions or determinations shall not

constitute a Service Plan Amendment; and (iii) the Districts shall also be permitted to allocate costs between such categories of the Public Improvements as deemed necessary in its discretion.

The City Code has development standards, contracting requirements and other legal requirements related to the construction and payment of public improvements and related to certain operation activities. Relating to these, the Districts shall comply with the following requirements:

A. Development Standards.

The Districts shall ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City Code and of other governmental entities having proper jurisdiction, as applicable. The Districts directly, or indirectly through any Developer, will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work. Unless waived by the City Council, the Districts shall be required, in accordance with the City Code, to post a surety bond, letter of credit, or other approved development security for any Public Improvements to be constructed by the Districts. Such development security may be released in the City Manager's discretion when the constructing District has obtained funds, through Debt issuance or otherwise, adequate to insure the construction of the Public Improvements, unless such release is prohibited by or in conflict with any City Code provision, State law or any agreement approved and entered into under Section IV.B of this Service Plan. Any limitation or requirement concerning the time within which the City must review the Districts' proposal or application for an Approved Development Plan or other land use approval is hereby waived by the Districts.

B. Contracting.

The Districts shall comply with all applicable State purchasing, public bidding and construction contracting.

C. Land Acquisition and Conveyance.

The purchase price of any land or improvements acquired by the Districts from the Developer shall be no more than the then-current fair market value as confirmed by an independent MAI appraisal for land and by an independent professional engineer for improvements. Land, easements, improvements and facilities conveyed to the City shall be free and clear of all liens, encumbrances and easements, unless otherwise approved by the City Manager prior to conveyance. All conveyances to the City shall be by special warranty deed, shall be conveyed at no cost to the City, shall include an ALTA title policy issued to the City, shall meet the environmental standards of the City and shall comply with any other conveyance prerequisites required in the City Code.

D. Equal Employment and Discrimination.

In connection with the performance of all acts or activities hereunder, the Districts shall not discriminate against any person otherwise qualified with respect to its hiring, discharging, promoting or demoting or in matters of compensation solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, gender identity or gender expression, marital status, or physical or mental disability, and further shall insert the foregoing provision in contracts or subcontracts entered into by the Districts to accomplish the purposes of this Service Plan.

IX. FINANCIAL PLAN/PROPOSED DEBT

This Section IX of the Service Plan describes the nature, basis, method of funding and financing limitations associated with the acquisition, construction, completion, repair, replacement, operation and maintenance of Public Improvements.

A. Financial Plan.

The Districts' Financial Plan, attached as **Exhibit J** and incorporated by reference, reflects the Districts' anticipated schedule for incurring Debt to fund Public Improvements in support of the Project. The Financial Plan also reflects the schedule of all anticipated revenues flowing to the Districts derived from Districts' mill levies, Fees imposed by the Districts, specific ownership taxes, and all other anticipated legally available revenues. The Financial Plan is based on economic, political and industry conditions as they exist presently and reasonable projections and estimates of future conditions. These projections and estimates are not to be interpreted as the only method of implementation of the Districts' goals and objectives but rather a representation of one feasible alternative. Other financial structures may be used so long they are in compliance with this Service Plan. The Financial Plan incorporates all of the provisions of this Section IX.

Based upon the assumptions contained therein, the Financial Plan projects the issuance of Bonds to fund Public Improvements and anticipated Debt repayment based on the development assumptions and absorptions of the property in the Service Area by End Users. The Financial Plan anticipates that the Districts will acquire, construct, and complete all of the Public Improvements needed to serve the Service Area.

The Financial Plan demonstrates that the Districts will have the financial ability to discharge all Debt to be issued as part of the Financial Plan on a reasonable basis. Furthermore, the Districts will secure the certification of an External Financial Advisor who will provide an opinion as to whether such Debt issuances are in the best interest of the Districts at the time of issuance.

B. Mill Levies.

It is anticipated that the Districts will impose a Debt Mill Levy and an Operating Mill Levy on all property within the Service Area. In doing so, the following shall apply:

1. Aggregate Mill Levy Maximum

The Aggregate Mill Levy shall not exceed in any year the Aggregate Mill Levy Maximum, which is fifty (50) mills.

2. Regional Mill Levy Not Included in Other Mill Levies

The Regional Mill Levy shall not be counted against the Aggregate Mill Levy Maximum.

3. Operating Mill Levy

Each District may impose an Operating Mill Levy of up to fifty (50) mills until such District imposes a Debt Mill Levy. Once a District imposes a Debt Mill Levy of any

amount, such District's Operating Mill Levy shall not exceed ten (10) mills at any point.

4. Gallagher Adjustments

In the event the State's method of calculating assessed valuation for the Taxable Property changes after January 1, 2018, or any subsequent constitutionally mandated tax credit, cut or abatement, the Districts' Aggregate Mill Levy, Debt Mill Levy, Operating Mill Levy, and Aggregate Mill Levy Maximum, amounts herein provided may be increased or decreased to reflect such changes; such increases or decreases shall be determined by the District's Board in good faith so that to the extent possible, the actual tax revenues generated by such mill levies, as adjusted, are neither enhanced nor diminished as a result of such change occurring after January 1, 2018. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation will be a change in the method of calculating assessed valuation.

5. Excessive Mill Levy Pledges

Any Debt issued with a mill levy pledge, or which results in a mill levy pledge, that exceeds the Aggregate Mill Levy Maximum or the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan and shall not be an authorized issuance of Debt unless and until such material modification has been approved by a Service Plan Amendment.

6. Refunding Debt

The Maximum Debt Mill Levy Imposition Term may be exceeded for Debt refunding purposes if: (1) a majority of the issuing District's Board is composed of End Users and have voted in favor of a refunding of a part or all of the Debt; or (2) such refunding will result in a net present value savings.

7. Maximum Debt Authorization

The Districts anticipate approximately Ninety Eight Million Five Hundred Twelve Thousand Five Hundred Seventy Seven Dollars (\$98,512,577) in Project costs in 2018 dollars as set forth in **Exhibit H**, of which Twenty Eight Million One Hundred Twenty Thousand Two Hundred Fifty Eight Dollars (\$28,120,258) are costs related to "Non-Basic Infrastructure" and which does not include approximately Three Million Four Hundred Seventeen Thousand One Hundred and Five Dollars (\$3,417,105) in "Indirect Costs" of the Planned Development which are necessary to provide a portion of the extraordinary Public Benefits as set forth in **Exhibit K**. The Districts project to have the ability to issue approximately Forty Nine Million Eight Hundred Sixty Thousand Six Hundred Twenty Five Dollars (49,868,625) in Debt, as set forth in **Exhibit J**, and anticipate issuing approximately Thirty One Million Five Hundred Thousand Dollars (\$31,500,000) in Debt to pay for a portion of the Project costs, which such Debt issuance amount plus any associated and reasonable costs of issuance shall be the

amount of the Maximum Debt Authorization. Intergovernmental Capital Pledge Agreements among two or more of the Districts pledging the collection and payment of property taxes or Fees by one District for the repayment of Debt by a separate issuing District shall not count against the Maximum Debt Authorization. The Districts collectively shall not issue Debt in excess of the Maximum Debt Authorization. In addition, no District shall issue any Debt unless and until delivery of the relevant portion of the Public Benefits have been secured as required in Section IV.B of this Service Plan. Bonds, loans, notes or other instruments which have been refunded shall not count against the Maximum Debt Authorization. The Districts must seek prior resolution approval by the City Council to issue Debt in excess of the Maximum Debt Authorization to pay the actual costs of the Public Improvements set forth in **Exhibit H** plus inflation, contingencies and other unforeseen expenses associated with such Public Improvements. Such approval by the City Council shall not constitute a material modification of this Service Plan requiring a Service Plan Amendment so long as increases are reasonably related to the Public Improvements set forth in **Exhibit H** and any Approved Development Plan.

C. Maximum Voted Interest Rate and Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. The maximum interest rate on any Debt, including any defaulting interest rate, is not permitted to exceed Twelve Percent (12%). The maximum underwriting discount shall be three percent (3%). Debt, when issued, will comply with all relevant requirements of this Service Plan, the Special District Act, other applicable State law and federal law as then applicable to the issuance of public securities.

D. Interest Rate and Underwriting Discount Certification.

The Districts shall retain an External Financial Advisor to provide a written opinion on the market reasonableness of the interest rate on any Debt and any underwriter discount paid by the Districts as part of a Debt financing transaction. The Districts shall provide this written opinion to the City before issuing any Debt based on it.

E. Disclosure to Purchasers.

In order to notify future End Users who are purchasing residential lots or dwellings units in the Service Area that they will be paying, in addition to the property taxes owed to other taxing governmental entities, the property taxes imposed under the Debt Mill Levy, the Operating Mill Levy and possibly the Regional Mill Levy, the Districts shall not be authorized to issue any Debt under this Service Plan until there is included in the Developer's Approved Development Plan provisions that require the following:

1. That the Developer, and its successors and assigns, shall prepare and submit to the City Manager for his approval a disclosure notice in substantially the form attached hereto as **Exhibit L** (the "Disclosure Notice");
2. That when the Disclosure Notice is approved by the City Manager, the Developer shall record the Disclosure Notice in the Larimer County Clerk and Records Office; and

3. That the approved Disclosure Notice shall be provided by the Developer, and by its successors and assigns, to each potential End User purchaser of a residential lot or dwelling unit in the Service Area before that purchaser enters into a written agreement for the purchase and sale of that residential lot or dwelling unit.

F. External Financial Advisor.

An External Financial Advisor shall be retained by the Districts to provide a written opinion as to whether any Debt issuance is in the best interest of the issuing District once the total amount of Debt issued by the Districts exceeds Five Million Dollars (\$5,000,000). The External Financial Advisor is to provide advice to the issuing District's Board regarding the proposed terms and whether Debt conditions are reasonable based upon the status of development within the District, the projected tax base increase in the District, the security offered and other considerations as may be identified by the Advisor. The issuing District shall include in the transcript of any Bond transaction, or other appropriate financing documentation for related Debt instrument, a signed letter from the External Financial Advisor providing an official opinion on the structure of the Debt, stating the Advisor's opinion that the cost of issuance, sizing, repayment term, redemption feature, couponing, credit spreads, payment, closing date, and other material transaction details of the proposed Debt serve the best interest of the issuing District.

Debt shall not be undertaken by the Districts if found to be unreasonable by the External Financial Advisor.

G. Disclosure to Debt Purchasers.

Any Debt of the Districts shall set forth a statement in substantially the following form:

“By acceptance of this instrument, the owner of this Debt agrees and consents to all of the limitations with respect to the payment of the principal and interest on this Debt contained herein, in the resolution of the District authorizing the issuance of this Debt and in the Service Plan of the District. This Debt is not and cannot be a Debt of the City of Fort Collins”

Similar language describing the limitations with respect to the payment of the principal and interest on Debt set forth in this Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, a Developer of property within the Service Area.

H. Security for Debt.

The Districts shall not pledge any revenue or property of the City as security for the indebtedness set forth in this Service Plan. Approval of this Service Plan shall not be construed as a guarantee by the City of payment of any of the Districts' obligations; nor shall anything in the Service Plan be construed so as to create any responsibility or liability on the part of the City in the event of default by the Districts in the payment of any such obligations.

I. TABOR Compliance.

The Districts shall comply with the provisions of TABOR. In the discretion of the Districts' Boards, the Districts may set up other qualifying entities to manage, fund, construct and operate

facilities, services, and programs. To the extent allowed by law, any entity created by a District will remain under the control of the District's Board.

J. Districts' Operating Costs.

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the Districts' organization and initial operations, are anticipated to be \$200,000, which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the Districts will require operating funds for administration and to plan and cause the Public Improvements to be operated and maintained. The first year's operating budget is estimated to be \$100,000.

Ongoing administration, operations and maintenance costs may be paid from property taxes collected through the imposition of an Operating Mill Levy as set forth in Section IX.B.3 of this Service Plan, as well as other revenues legally available to the Districts.

X. REGIONAL IMPROVEMENTS

The Districts shall be authorized to provide for the planning, design, acquisition, funding, construction, installation, relocation, redevelopment, administration and overhead costs related to the provision of Regional Improvements. At the discretion of the City, the Districts shall impose a Regional Improvement Mill Levy on all property within the Districts' boundaries under the following terms:

A. Regional Mill Levy Authority.

The Districts shall seek the authority to impose an additional Regional Mill Levy of five (5) mills as part of the Districts' initial TABOR election. The Districts shall also seek from the electorate in that election the authority under TABOR to enter into an intergovernmental agreement with the City obligating the Districts to pay as a multiple-fiscal year obligation the proceeds from the Regional Mill Levy to the City. Obtaining voter-approval of the Regional Mill Levy and this intergovernmental agreement shall be a precondition to the Districts issuing any Debt and imposing the Operating Mill Levy, the Debt Mill Levy and any Fees for the repayment of Debt under this Service Plan.

B. Regional Mill Levy Imposition.

The Districts shall each impose the Regional Mill Levy at a rate not to exceed five (5) mills within one year of receiving written notice from the City Manager to the Districts requesting the imposition of the Regional Mill Levy and stating the mill rate to be imposed.

C. City Notice Regarding Regional Improvements.

Such notice from the City shall provide a description of the Regional Improvements to be constructed and an analysis explaining how the Regional Improvements will be beneficial to property owners within the Service Area. The City shall make a good faith effort to require that planned developments that (i) are adjacent to the Service Area and (ii) will benefit from the Regional Improvement also impose a Regional Mill Levy, to the extent possible.

D. Regional Improvements Authorized Under Service Plan.

If the Districts are so notified by the City Manager, the Regional Improvements shall be considered public improvements that the Districts would otherwise be authorized to design, construct, install re-design, re-construct, repair or replace pursuant to this Service Plan and applicable law.

E. Expenditure of Regional Mil Levy Revenues.

Revenue collected through the imposition of the Regional Mill Levy shall be expended as follows:

1. Intergovernmental Agreement

If the City and the Districts have executed an intergovernmental agreement concerning the Regional Improvements, then the revenue from the Regional Mill Levy shall be used in accordance with such agreement; or

2. No Intergovernmental Agreement

If no intergovernmental agreement exists between the Districts and the City, then all revenue from the Regional Mill Levy shall be paid to the City, for use by the City in the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of Regional Improvements which benefit the End Users of the Districts as prioritized and determined by the City.

F. Regional Mill Levy Term.

The imposition of the Regional Mill Levy shall not exceed a term of twenty-five (25) years from December 31 of the tax collection year after which the Regional Mill Levy is first imposed.

G. Completion of Regional Improvements.

All Regional Improvements shall be completed prior to the end of the twenty-five (25) year Regional Mill Levy term.

H. City Authority to Require Imposition.

The City's authority to require the initiation of the imposition of a Regional Mill Levy shall expire fifteen (15) years after December 31st of the year in which a District first imposes a Debt Mill Levy.

I. Regional Mill Levy Not Included in Other Mill Levies.

The Regional Mill Levy imposed shall not be applied toward the calculation of the Aggregate Mill Levy Maximum.

J. Gallagher Adjustment.

In the event the method of calculating assessed valuation is changed after January 1, 2018, or any subsequent constitutionally mandated tax credit, cut or abatement, the Regional Mill Levy may be increased or shall be decreased to reflect such changes; such increases or decreases shall be determined by the District's Board in good faith so that to the extent possible, the actual tax revenues generated by the Regional Mill Levy, as adjusted, are neither enhanced nor diminished as a result of such change occurring after January 1, 2018. For purposes of the foregoing, a change

in the ratio of actual valuation to assessed valuation will be a change in the method of calculating assessed valuation

XI. CITY FEES

The Districts shall pay all applicable City fees as required by the City Code.

XII. BANKRUPTCY LIMITATIONS

All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Aggregate Mill Levy Maximum, Maximum Debt Mill Levy Imposition Term and Fees, have been established under the authority of the City in the Special District Act to approve this Service Plan. It is expressly intended that by such approval such limitations: (i) shall not be set aside for any reason, including by judicial action, absent a Service Plan Amendment; and (ii) are, together with all other requirements of State law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable non-bankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

XIII. ANNUAL REPORTS AND BOARD MEETINGS

A. General.

Each of the Districts shall be responsible for submitting an annual report to the City Clerk no later than September 1st of each year following the year in which the Order and Decree creating the Districts have been issued. The Districts may file a consolidated annual report. The annual report may be made available to the public on the City’s website.

B. Board Meetings.

Each of the Districts’ Boards shall hold at least one public board meeting in three of the four quarters of each calendar year, beginning in the first full calendar year after the Districts’ creation. Notice for each of these meetings shall be given in accordance with the requirements of the Special District Act and other applicable State Law. This meeting requirement shall not apply until there is at least one End User of property within the District. Also, this requirement shall no longer apply when a majority of the directors on the District’s Board are End Users.

C. Report Requirements.

Unless waived in writing by the City Manager, each of the Districts’ annual reports must include the following:

1. Narrative

A narrative summary of the progress of the District in implementing its Service Plan for the report year.

2. Financial Statements

Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the District for the report year including a statement of financial condition (i.e., balance sheet) as

of December 31 of the report year and the statement of operation (i.e., revenue and expenditures) for the report year.

3. Capital Expenditures

Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of improvements in the report year.

4. Financial Obligations

Unless disclosed within a separate schedule to the financial statements, a summary of financial obligations of the District at the end of the report year, including the amount of outstanding Debt, the amount and terms of any new District Debt issued in the report year, the total assessed valuation of all Taxable Property within the Service Area as of January 1 of the report year and the current total District mill levy pledged to Debt retirement in the report year.

5. Board Contact Information

The names and contact information of the current directors on the District's Board, any District manager and the attorney for the District shall be listed in the report. The District's current office address, phone number, email address and any website address shall also be listed in the report.

6. Other Information

Any other information deemed relevant by the City Council or deemed reasonably necessary by the City Manager.

D. Reporting of Significant Events.

The annual report of each District shall also include information as to any of the following that occurred during the report year:

1. Boundary changes made or proposed to the District's boundaries as of December 31 of the report year.
2. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the report year.
3. Copies of the District's rules and regulations, if any, or substantial changes to the District's rules and regulations as of December 31 of the report year.
4. A summary of any litigation which involves the District's Public Improvements as of December 31 of the report year.
5. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the report year.
6. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.

7. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

E. Failure to Submit.

In the event the annual report is not timely received by the City Clerk or is not fully responsive, notice of such default shall be given to the District's Board at its last known address. The failure of the District to file the annual report within forty-five (45) days of the mailing of such default notice by the City Clerk may constitute a material modification of the Service Plan, at the discretion of the City Manager.

XIV. SERVICE PLAN AMENDMENTS

This Service Plan is general in nature and does not include specific detail in some instances. The Service Plan has been designed with sufficient flexibility to enable the Districts to provide required improvements, services and facilities under evolving circumstances without the need for numerous amendments. Modification of the general types of improvements and facilities making up the Public Improvements, and changes in proposed configurations, locations or dimensions of the Public Improvements, shall be permitted to accommodate development needs provided such Public Improvements are consistent with the then-current Approved Development Plans for the Project and any agreement approved by City Council pursuant to Section IV.B of this Service Plan. Any action of one or more of the Districts, which is a material modification of this Service Plan requiring a Service Plan Amendment as provided in Section XV of this Service Plan or that is a violation or breach of any other provision of this Service Plan, shall be deemed to be a material modification to this Service Plan unless otherwise expressly provided in this Service Plan. All other departures from the provisions of this Service Plan shall be considered on a case-by-case basis as to whether such departures are a material modification under this Service Plan or the Special District Act.

XV. MATERIAL MODIFICATIONS

Material modifications to this Service Plan may be made only in accordance with C.R.S. Section 32-1-207 as a Service Plan Amendment. No modification shall be required for an action of the Districts that does not materially depart from the provisions of this Service Plan, unless otherwise provided in this Service Plan.

Departures from the Service Plan by any of the Districts that constitute a material modification requiring a Service Plan Amendment include, without limitation:

1. Actions or failures to act that create materially greater financial risk or burden to the taxpayers of any of the Districts;
2. Performance of a service or function, construction of an improvement, or acquisition of a major facility that is not closely related to an improvement, service, function or facility authorized in the Service Plan;
3. Failure to perform a service or function, construct an improvement or acquire a facility required by the Service Plan; and
4. Failure to comply with any of the preconditions, prohibitions, limitations and restrictions of this Service Plan.

XVI. DISSOLUTION

Upon independent determination by the City Council that the purposes for which any District was created have been accomplished, the District shall file a petition in district court for dissolution as provided in the Special District Act. In no event shall dissolution occur until such District has provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations as required pursuant to the Special District Act or any other applicable State law.

In addition, if within three (3) years from the date of the City Council’s approval of this Service Plan no agreement contemplated under Section IV.B of this Service Plan has been entered into by the City with any of the Districts and/or any Developer, despite the parties conducting good faith negotiations attempting to do so, the City may opt to pursue the remedies available to it under C.R.S. Section 32-1-701(3) in order to compel the Districts to dissolve in a prompt and orderly manner. In such event: (i) the limited purposes and powers of the Districts, as authorized herein, shall automatically terminate and be expressly limited to taking only those actions that are reasonably necessary to dissolve; (ii) the Board of Directors of each of the Districts will be deemed to have agreed with the City regarding its dissolution without an election pursuant to C.R.S. §32-1-704(3)(b); (iii) the Districts shall take no action to contest or impede the dissolution of the Districts and shall affirmatively and diligently cooperate in securing the final dissolution of the Districts, and (iv) subject to the statutory requirements of the Special District Act, the Districts shall thereupon dissolve.

XVII. SANCTIONS

Should any of the Districts undertake any act without obtaining prior City Council approval or consent or City Manager approval or consent under this Service Plan that constitutes a material modification to this Service Plan requiring a Service Plan Amendment as provided herein or under the Special Districts Act, or that violates or is in breach of any provision of this Service Plan, the City Council may impose one (1) or more of the following sanctions, as it deems appropriate:

1. Exercise any applicable remedy under the Special District Act;
2. Withhold the issuance of any permit, authorization, acceptance or other administrative approval, or withhold any cooperation, necessary for the District’s development or construction or operation of improvements or provision of services;
3. Exercise any legal remedy under the terms of any intergovernmental agreement under which the District is in default; or
4. Exercise any other legal and equitable remedy available under the law, including seeking prohibitory and mandatory injunctive relief against the District, to ensure compliance with the provisions of the Service Plan or applicable law.

XVIII. CONCLUSION

It is submitted that this Service Plan, as required by C.R.S. Section 32-1-203(2), establishes that:

1. There is sufficient existing and projected need for organized service in the Service Area to be served by the Districts;

2. The existing service in the Service Area to be served by the Districts is inadequate for present and projected needs;
3. The Districts are capable of providing economical and sufficient service to the Service Area; and
4. The Service Area does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

XIX. RESOLUTION OF APPROVAL

The Districts agree to incorporate the City Council's resolution approving this Service Plan, including any conditions imposed by the City Council on such approval, into the copy of the Service Plan presented to the District Court for and in Larimer County, Colorado.

EXHIBIT A-1

Legal Description of District No. 1 Boundaries

WATERS' EDGE METROPOLITAN DISTRICT NO. 1

A parcel of land, located in the Southwest Quarter (SW1/4) of Section Twenty-nine (29), Township 8 North (T.8N.), Range Sixty-Eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), City of Fort Collins, County of Larimer, State of Colorado and being more particularly described as follows:

COMMENCING at the Southwest corner of said Section 29 and assuming the West line of Section 29 as bearing North 00°28'06" East being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/2011, a distance of 2638.33 feet and with all other bearings contained herein relative thereto;

THENCE North 00°28'06" East along said West line a distance of 1705.41 feet to the extension of centerline of Morningstar Way;

THENCE South 89°31'52" East along said extension a distance of 30.00 feet to the East Right-of-Way line of Turnberry Road;

THENCE continuing along said extension South 89°31'52" East a distance of 24.00 feet to the POINT OF BEGINNING;

THENCE North 00°28'06" East a distance of 50.00 feet;

THENCE South 89°31'52" East a distance of 50.00 feet;

THENCE South 00°28'06" West a distance of 50.00 feet;

THENCE North 89°31'52" West a distance of 50.00 feet to the POINT OF BEGINNING.;

Said described parcel of land contains 2,500 Square Feet or 0.057 Acres, more or less (±).

SURVEYOR'S STATEMENT

I, Steven Parks, a Colorado Licensed Professional Land Surveyor do hereby state that this Parcel Description was prepared under my personal supervision and checking, and that it is true and correct to the best of my knowledge and belief.



Steven Parks - on behalf of King Surveyors
Colorado Licensed Professional
Land Surveyor #38348

KING SURVEYORS
650 East Garden Drive
Windsor, Colorado 80550
(970) 686-5011

EXHIBIT A-2

Legal Description of District No. 2 Boundaries

WATERS' EDGE METROPOLITAN DISTRICT NO. 2

A parcel of land, located in the South Half (S1/2) of Section Thirty (30), Township 8 North (T.8N.), Range Sixty-Eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), City of Fort Collins, County of Larimer, State of Colorado and being more particularly described as follows:

Lots 1 through 345 and Tracts AA, BB, A, B, C, D, E, F, G, H, I, J, K, K-1, K-2, L, L-1, L-2, M, M-1, M-2, N, O, P, Q, R, S, T, U, V, W, X, Y and Z of Waters Edge as recorded July 19, 2010 as Reception No. 20100041008 of the records of the Larimer County Clerk and Recorder, located in the South Half (S1/2) of Section Thirty (30), Township Eight North (T.8N.), Range Sixty-eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), City of Fort Collins, County of Larimer, State of Colorado.

Said described parcel of land contains 88.126 acres, more or less.

SURVEYOR'S STATEMENT

I, Steven Parks, a Colorado Licensed Professional Land Surveyor do hereby state that this Parcel Description was prepared under my personal supervision and checking, and that it is true and correct to the best of my knowledge and belief.



Steven Parks - on behalf of King Surveyors
Colorado Licensed Professional
Land Surveyor #38348

KING SURVEYORS
650 East Garden Drive
Windsor, Colorado 80550
(970) 686-5011

EXHIBIT A-3

Legal Description of District No. 3 Boundaries

WATERS' EDGE METROPOLITAN DISTRICT NO. 3

A parcel of land, located in the Southwest Quarter (SW1/4) of Section Twenty-nine (29), Township 8 North (T.8N.), Range Sixty-Eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), City of Fort Collins, County of Larimer, State of Colorado and being more particularly described as follows:

COMMENCING at the Southwest corner of said Section 29 and assuming the West line of Section 29 as bearing North 00°28'06" East being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/2011, a distance of 2638.33 feet and with all other bearings contained herein relative thereto;

THENCE North 00°28'06" East along said West line a distance of 1705.41 feet to the extension of centerline of Morningstar Way;

THENCE South 89°31'52" East along said extension a distance of 30.00 feet to the East Right-of-Way line of Turnberry Road;

THENCE continuing along said extension South 89°31'52" East a distance of 24.00 feet to the POINT OF BEGINNING;

THENCE South 89°31'52" East a distance of 50.00 feet;

THENCE South 00°28'06" West a distance of 50.00 feet;

THENCE North 89°31'52" West a distance of 50.00 feet;

THENCE North 00°28'06" East a distance of 50.00 feet to the POINT OF BEGINNING;

Said described parcel of land contains 2,500 Square Feet or 0.057 Acres, more or less (±).

SURVEYOR'S STATEMENT

I, Steven Parks, a Colorado Licensed Professional Land Surveyor do hereby state that this Parcel Description was prepared under my personal supervision and checking, and that it is true and correct to the best of my knowledge and belief.



Steven Parks - on behalf of King Surveyors
Colorado Licensed Professional
Land Surveyor #38348

KING SURVEYORS
650 East Garden Drive
Windsor, Colorado 80550
(970) 686-5011

EXHIBIT A-4

Legal Description of District No. 4 Boundaries

WATERS' EDGE METROPOLITAN DISTRICT NO. 4

A parcel of land, located in the Southwest Quarter (SW1/4) of Section Twenty-nine (29), Township 8 North (T.8N.), Range Sixty-Eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), City of Fort Collins, County of Larimer, State of Colorado and being more particularly described as follows:

COMMENCING at the Southwest corner of said Section 29 and assuming the West line of Section 29 as bearing North 00°28'06" East being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/2011, a distance of 2638.33 feet and with all other bearings contained herein relative thereto;

THENCE North 00°28'06" East along said West line a distance of 1705.41 feet to the extension of centerline of Morningstar Way;

THENCE South 89°31'52" East along said extension a distance of 30.00 feet to the East Right-of-Way line of Turnberry Road;

THENCE continuing along said extension South 89°31'52" East a distance of 74.00 feet to the POINT OF BEGINNING;

THENCE North 00°28'06" East a distance of 50.00 feet;

THENCE South 89°31'52" East a distance of 50.00 feet;

THENCE South 00°28'06" West a distance of 50.00 feet;

THENCE North 89°31'52" West a distance of 50.00 feet to the POINT OF BEGINNING;

Said described parcel of land contains 2,500 Square Feet or 0.057 Acres, more or less (±).

SURVEYOR'S STATEMENT

I, Steven Parks, a Colorado Licensed Professional Land Surveyor do hereby state that this Parcel Description was prepared under my personal supervision and checking, and that it is true and correct to the best of my knowledge and belief.



Steven Parks - on behalf of King Surveyors
Colorado Licensed Professional
Land Surveyor #38348

KING SURVEYORS
650 East Garden Drive
Windsor, Colorado 80550
(970) 686-5011

EXHIBIT A-5

Legal Description of District No. 5 Boundaries

WATERS' EDGE METROPOLITAN DISTRICT NO. 5

A parcel of land, located in the Southwest Quarter (SW1/4) of Section Twenty-nine (29), Township 8 North (T.8N.), Range Sixty-Eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), City of Fort Collins, County of Larimer, State of Colorado and being more particularly described as follows:

COMMENCING at the Southwest corner of said Section 29 and assuming the West line of Section 29 as bearing North 00°28'06" East being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/2011, a distance of 2638.33 feet and with all other bearings contained herein relative thereto;

THENCE North 00°28'06" East along said West line a distance of 1705.41 feet to the extension of centerline of Morningstar Way;

THENCE South 89°31'52" East along said extension a distance of 30.00 feet to the East Right-of-Way line of Turnberry Road;

THENCE continuing along said extension South 89°31'52" East a distance of 74.00 feet to the POINT OF BEGINNING;

THENCE South 89°31'52" East a distance of 50.00 feet;

THENCE South 00°28'06" West a distance of 50.00 feet;

THENCE North 89°31'52" West a distance of 50.00 feet;

THENCE North 00°28'06" East a distance of 50.00 feet to the POINT OF BEGINNING;

Said described parcel of land contains 2,500 Square Feet or 0.057 Acres, more or less (±).

SURVEYOR'S STATEMENT

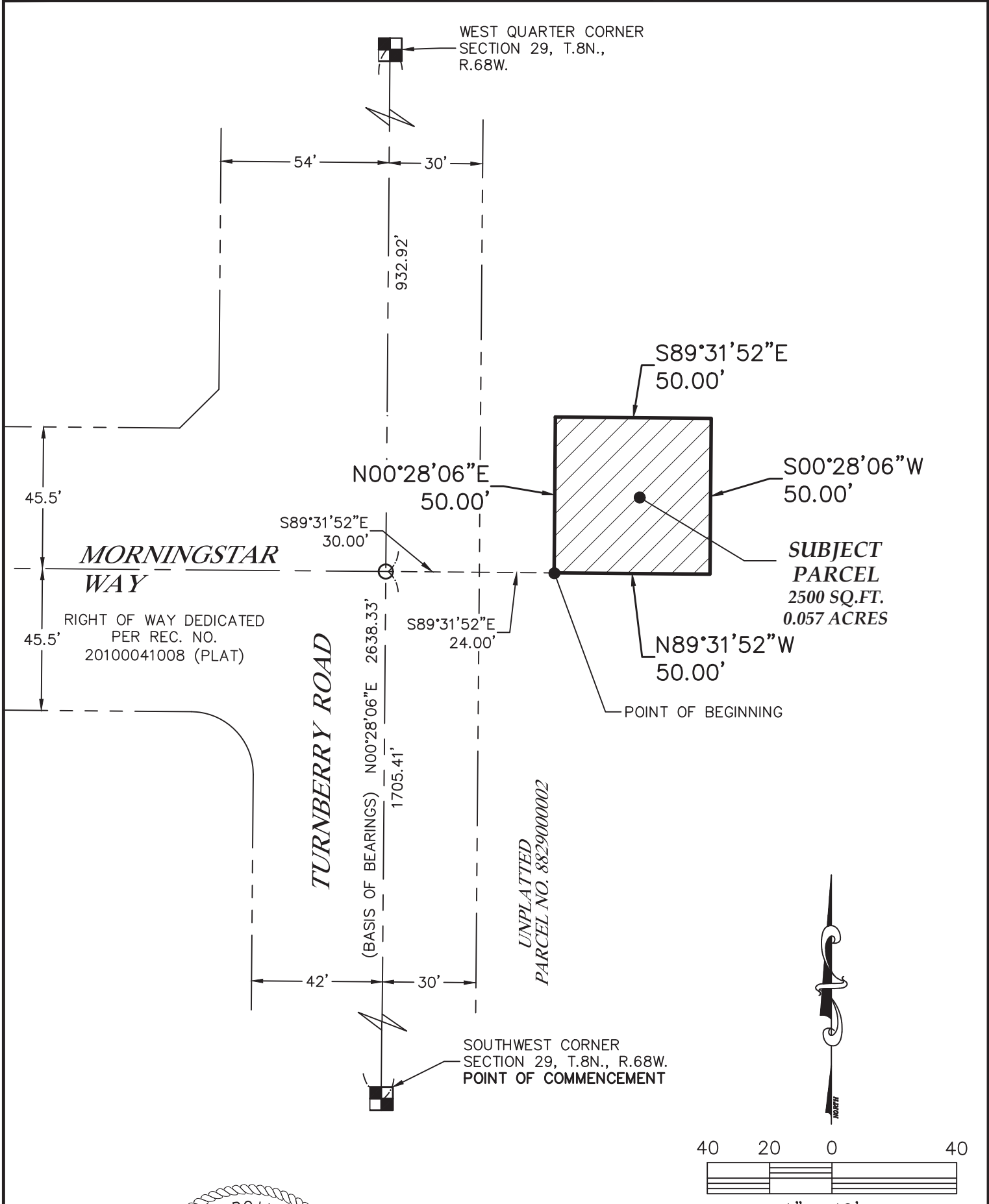
I, Steven Parks, a Colorado Licensed Professional Land Surveyor do hereby state that this Parcel Description was prepared under my personal supervision and checking, and that it is true and correct to the best of my knowledge and belief.



Steven Parks - on behalf of King Surveyors
Colorado Licensed Professional
Land Surveyor #38348

KING SURVEYORS
650 East Garden Drive
Windsor, Colorado 80550
(970) 686-5011

EXHIBIT B-1
District No. 1 Boundary Map



PRELIMINARY

COLORADO LICENSED
STEVEN PARKS
#38348
PROFESSIONAL LAND SURVEYOR

Steven Parks – On Behalf Of King Surveyors
Colorado Licensed Professional
Land Surveyor #38348

NOTICE: According to Colorado law you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon. (13-80-105 C.R.S. 2012)

NOTE: This exhibit drawing is not intended to be a monumented land survey. It's sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supersedes the exhibit drawing.

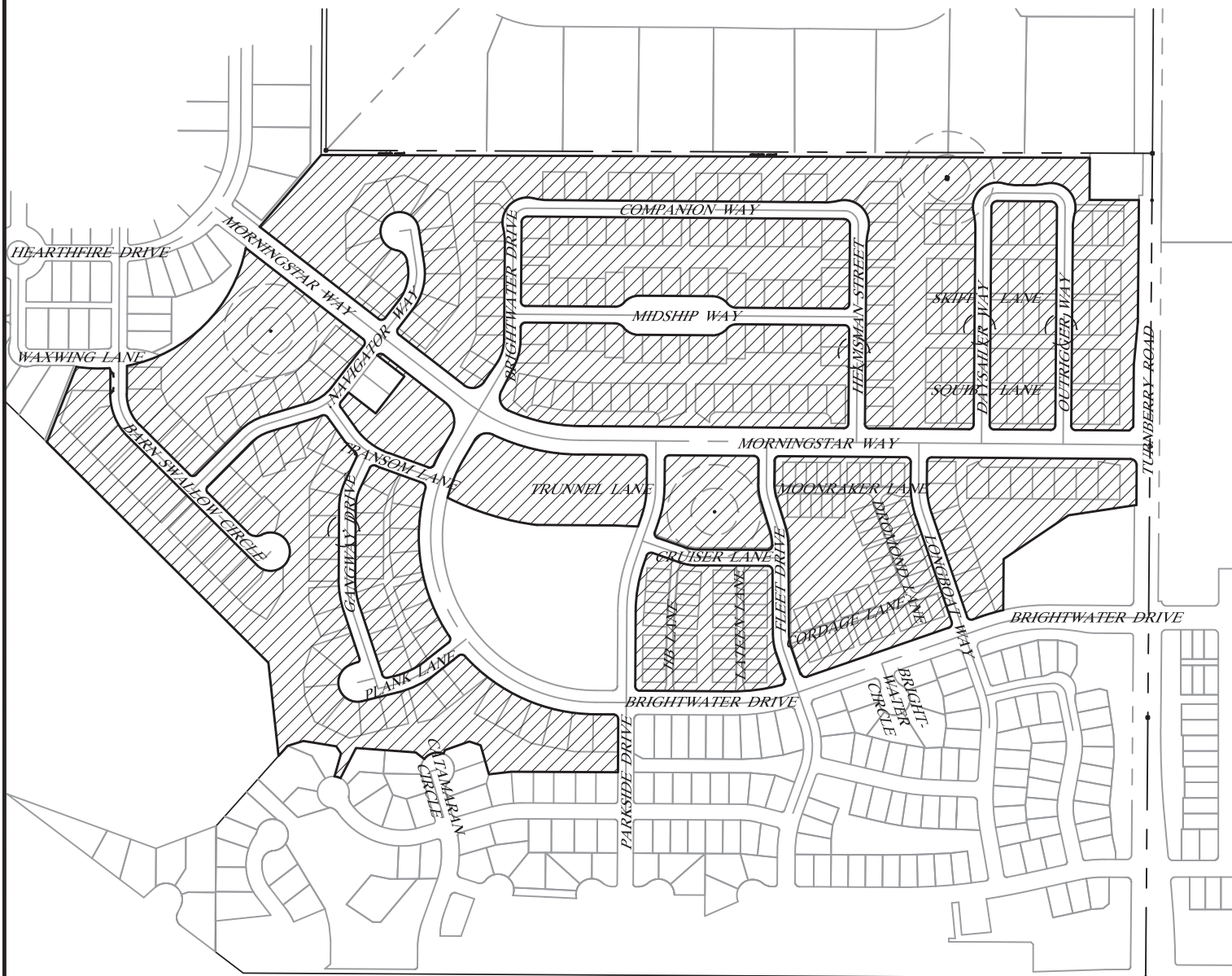


KING SURVEYORS

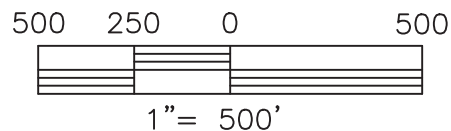
650 E. Garden Drive | Windsor, Colorado 80550
phone: (970) 686-5011 | fax: (970) 686-5821
email: contact@KingSurveyors.com

PROJECT NO: 2015374-B
DATE: 7/20/2017
CLIENT: WATERS EDGE EAST, LLC
DWG: 2015374-B-EXH-D1-PARCEL
DRAWN: MM **CHECKED:** SP

EXHIBIT B-2
District No. 2 Boundary Map



NOTE: This exhibit drawing is not intended to be a
monumented land survey.

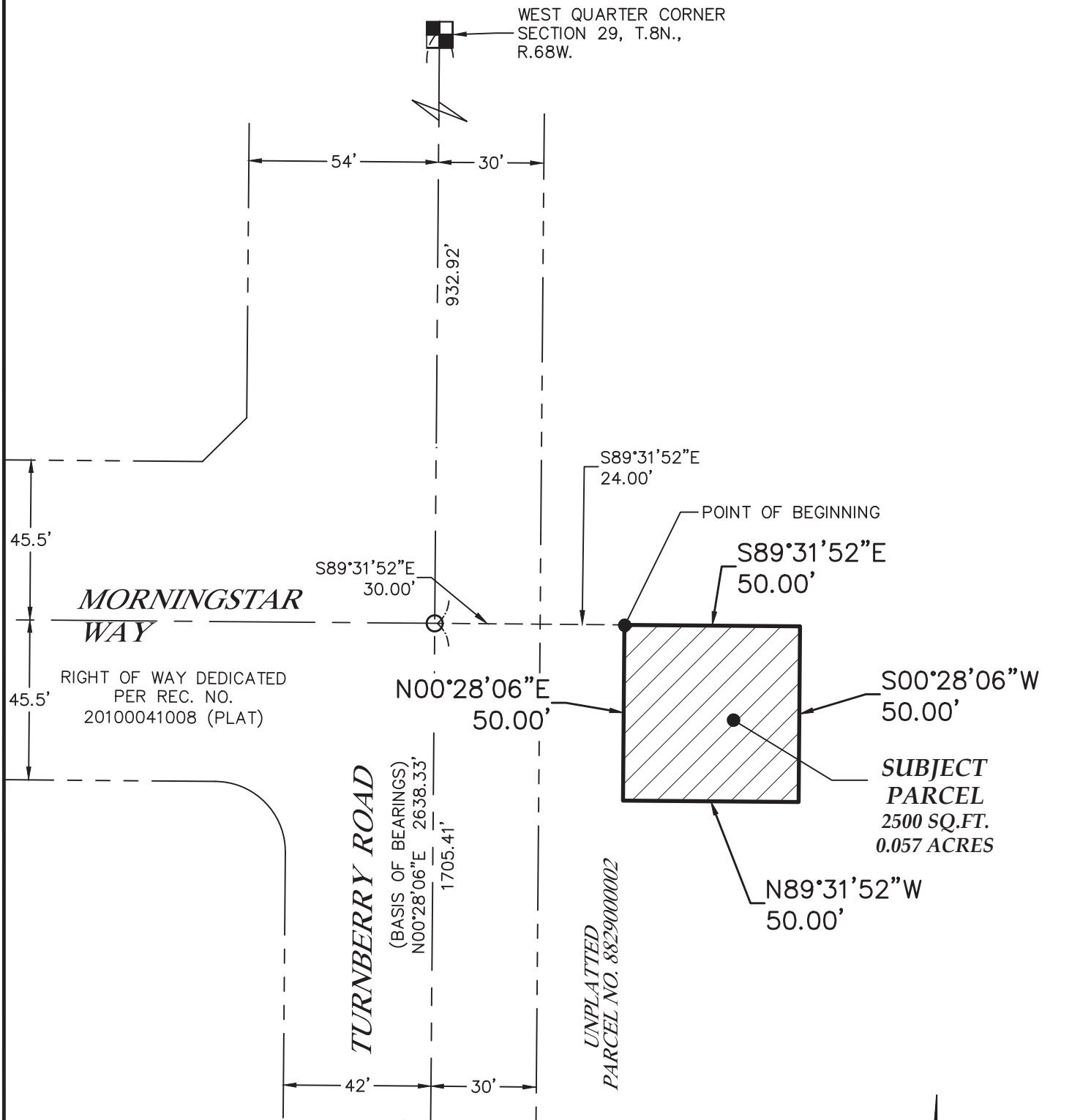


KING SURVEYORS

650 E. Garden Drive | Windsor, Colorado 80550
phone: (970) 686-5011 | fax: (970) 686-5821
email: contact@KingSurveyors.com

PROJECT NO: 2015374-B
DATE: 7/20/2017
CLIENT: WATERS EDGE EAST, LLC
DWG: 2015374-B-EXH-D2-OVERALL BD
DRAWN: MM **CHECKED:** SP

EXHIBIT B-3
District No. 3 Boundary Map



Steven Parks – On Behalf Of King Surveyors
 Colorado Licensed Professional
 Land Surveyor #38348

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NOTICE: According to Colorado law you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon. (13-80-105 C.R.S. 2012)

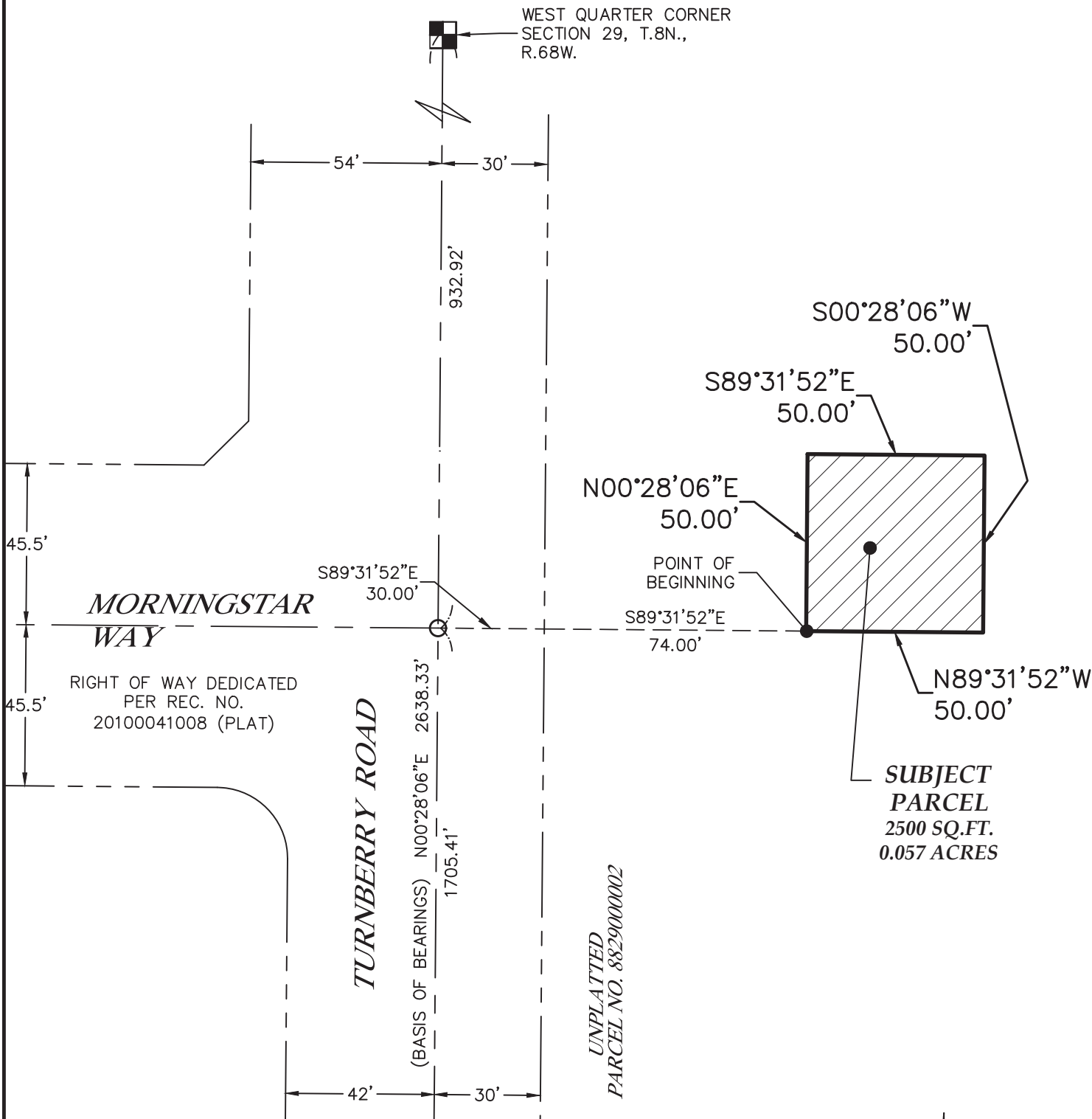


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PROJECT NO: 2015374-B
DATE: 7/20/2017
CLIENT: WATERS EDGE EAST, LLC
DWG: 2015374-B-EXH-D3-PARCEL
DRAWN: MM **CHECKED:** SP

EXHIBIT B-4
District No. 4 Boundary Map

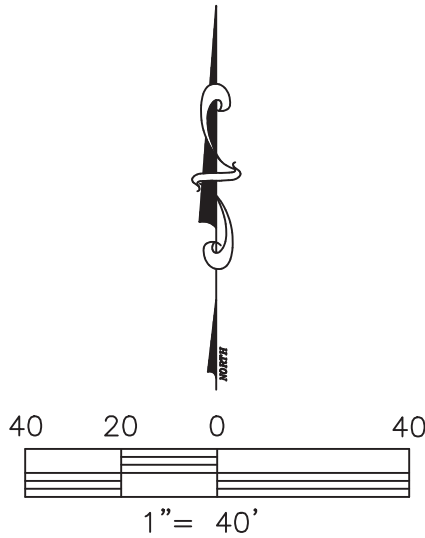


UNPLATTED PARCEL NO. 8829000002

SUBJECT PARCEL
2500 SQ.FT.
0.057 ACRES



Steven Parks – On Behalf Of King Surveyors
Colorado Licensed Professional
Land Surveyor #38348



NOTE: This exhibit drawing is not intended to be a monumented land survey. It's sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supersedes the exhibit drawing.

NOTICE: According to Colorado law you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon. (13-80-105 C.R.S. 2012)

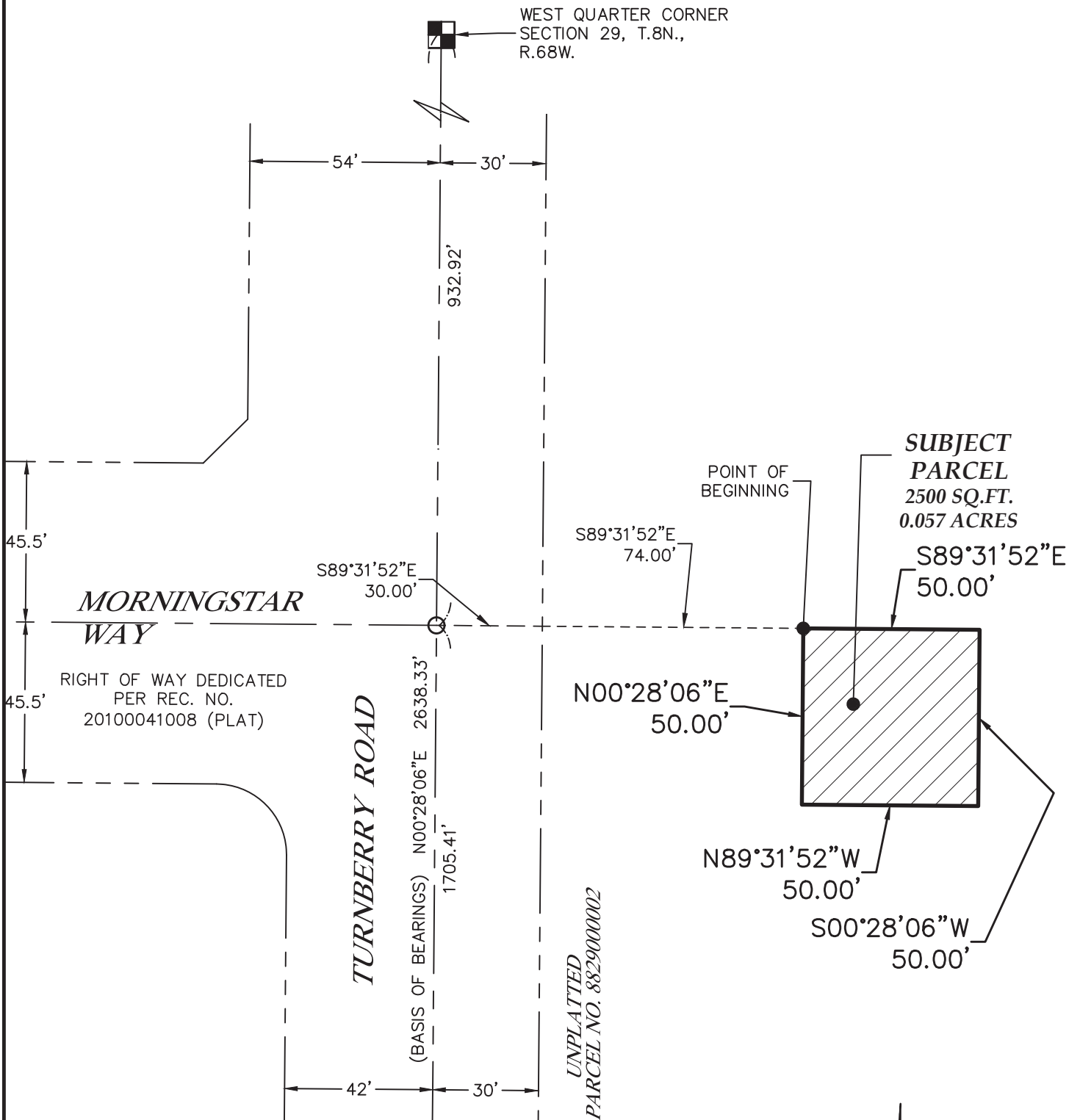


KING SURVEYORS

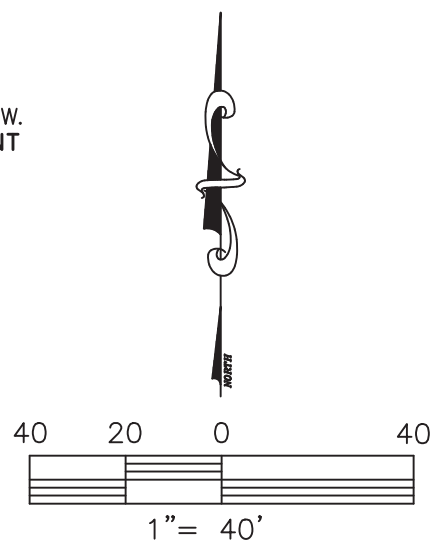
650 E. Garden Drive | Windsor, Colorado 80550
phone: (970) 686-5011 | fax: (970) 686-5821
email: contact@KingSurveyors.com

PROJECT NO: 2015374-B
DATE: 7/20/2017
CLIENT: WATERS EDGE EAST, LLC
DWG: 2015374-B-EXH-D4-PARCEL
DRAWN: MM **CHECKED:** SP

EXHIBIT B-5
District No. 5 Boundary Map



Steven Parks – On Behalf Of King Surveyors
 Colorado Licensed Professional
 Land Surveyor #38348



NOTE: This exhibit drawing is not intended to be a monumented land survey. It's sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supersedes the exhibit drawing.

NOTICE: According to Colorado law you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon. (13-80-105 C.R.S. 2012)



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650 E. Garden Drive | Windsor, Colorado 80550
 phone: (970) 686-5011 | fax: (970) 686-5821
 email: contact@KingSurveyors.com

PROJECT NO: 2015374-B
DATE: 7/20/2017
CLIENT: WATERS EDGE EAST, LLC
DWG: 2015374-B-EXH-D5-PARCEL
DRAWN: MM **CHECKED:** SP

EXHIBIT C

Legal Description of Inclusion Area Boundaries

WATERS' EDGE METROPOLITAN DISTRICT INCLUSION AREA

A parcel of land, located in Section Twenty-nine (29), Township 8 North (T.8N.), Range Sixty-Eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), City of Fort Collins, County of Larimer, State of Colorado and being more particularly described as follows:

All that portion of Section 29 including Lind Property, Second Filing, Final Plat Recorded January 18, 2007 as Reception No. 20070004594, according to County of Larimer Records, excepting therefrom the following parcels:

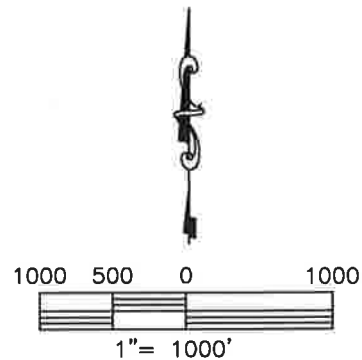
- (1.) That portion of Section 29 lying east of the centerline of the W.P. Elder Reservoir Outlet Canal.
- (2.) Water's Edge Metropolitan Districts 1, 3, 4 and 5.
- (3.) All of that tract of land known as Lind Property, Final Plat Recorded December 2, 2003 as Reception No. 258077, according to County of Larimer records.

EXHIBIT D
Inclusion Area Boundary Map



NOTE: This exhibit drawing is not intended to be a monumented land survey.

AERIAL PHOTOGRAPHY TAKEN FROM GOOGLE EARTH 2017.

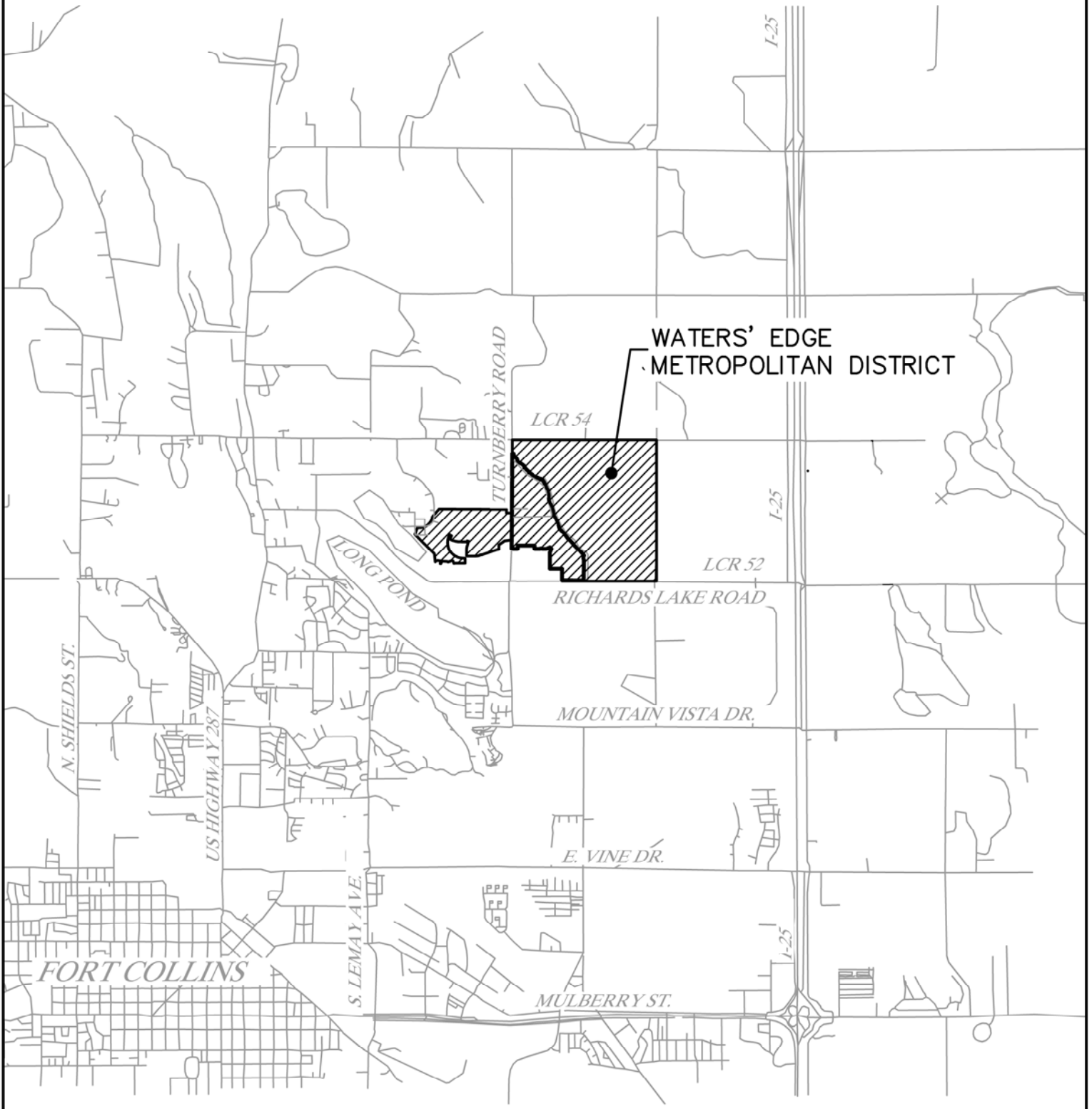


KING SURVEYORS

650 E. Garden Drive | Windsor, Colorado 80550
phone: (970) 686-5011 | fax: (970) 686-5821
www.kingsurveyors.com

PROJECT NO: 2015374-B
DATE: 7/27/2015
CLIENT: WATERS EDGE INV.
DWG: 2015374-BEXH-INCLUSION AREA
DRAWN: MM **CHECKED:** SIP

EXHIBIT E
Vicinity Map



WATERS' EDGE
METROPOLITAN DISTRICT

LCR 54

LCR 52

RICHARDS LAKE ROAD

MOUNTAIN VISTA DR.

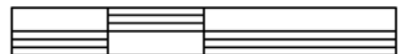
E. VINE DR.

MULBERRY ST.

FORT COLLINS



5000 2500 0 5000



1" = 5000'



KING SURVEYORS

650 E. Garden Drive | Windsor, Colorado 80550
phone: (970) 686-5011 | fax: (970) 686-5821
www.kingsurveyors.com

PROJECT NO: 2015374-B
DATE: 7/28/2017
CLIENT: WATERS EDGE INV.
DWG: 2015374-BEXH-VICINITY MAP
DRAWN: MM **CHECKED:** SIP

EXHIBIT F

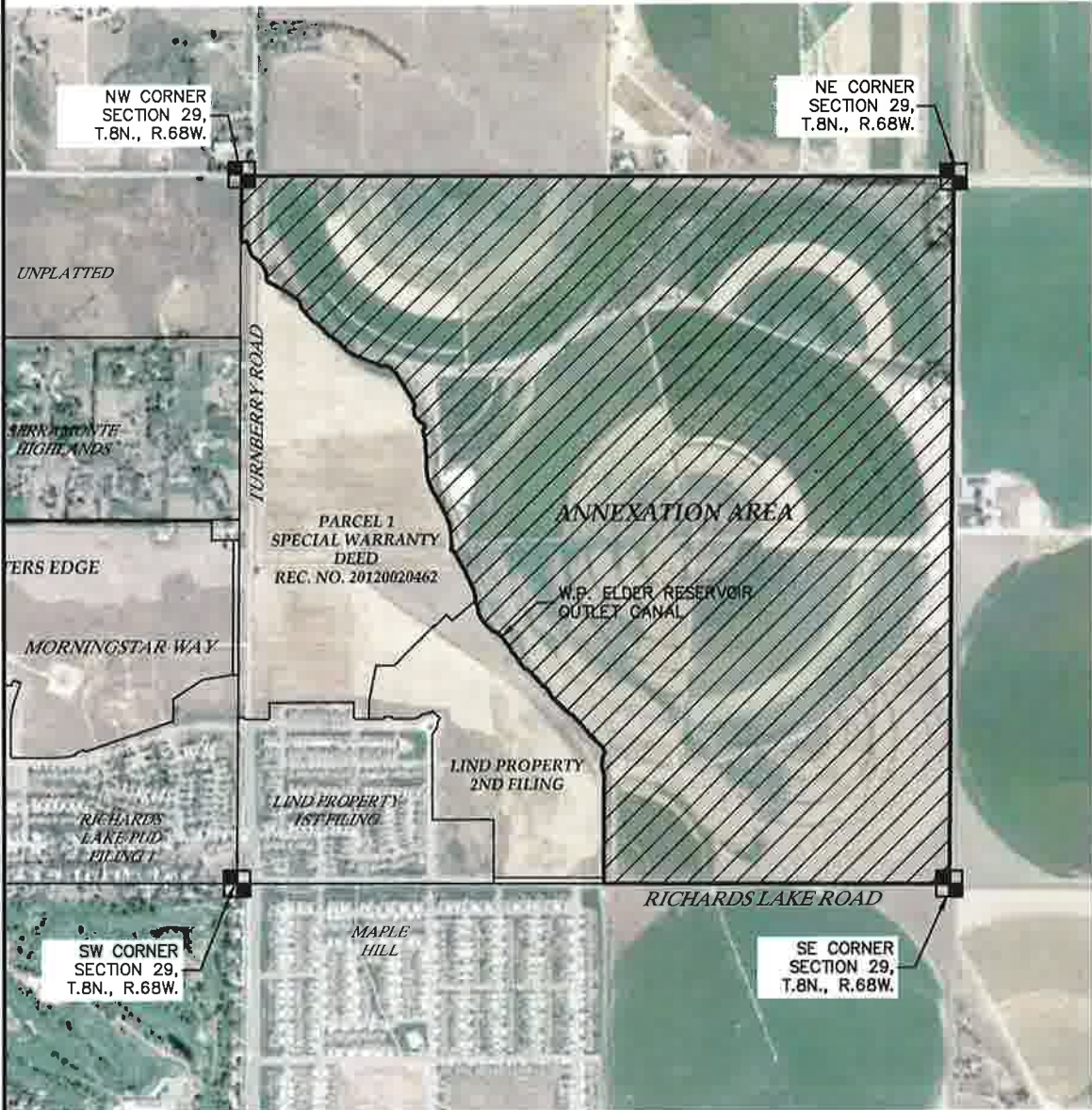
Legal Description of Annexation Area Boundaries

WATERS' EDGE METROPOLITAN DISTRICT ANNEXATION AREA

A parcel of land, located in Section Twenty-nine (29), Township 8 North (T.8N.), Range Sixty-Eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), City of Fort Collins, County of Larimer, State of Colorado and being more particularly described as follows:

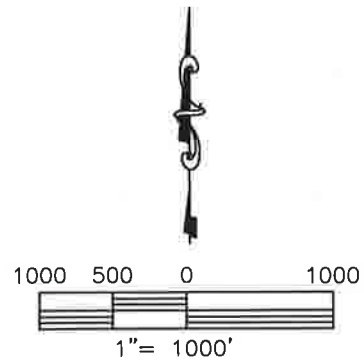
All that portion of Section 29 except that portion lying west of the centerline of the W.P. Elder Reservoir Outlet Canal, Township 8 North, Range 68 West of the Sixth P.M., City of Fort Collins, County of Larimer, State of Colorado.

EXHIBIT G
Annexation Area Boundary Map



NOTE: This exhibit drawing is not intended to be a monumented land survey.

AERIAL PHOTOGRAPHY TAKEN FROM GOOGLE EARTH 2017.



KING SURVEYORS

650 E. Garden Drive | Windsor, Colorado 80550
phone: (970) 686-5011 | fax: (970) 686-5821
www.kingsurveyors.com

PROJECT NO: 2015374-B
DATE: 7/27/2015
CLIENT: WATERS EDGE INV.
DWG: 2015374-BEXH-ANNEX AREA
DRAWN: MM **CHECKED:** SIP

EXHIBIT H

Public Improvement Cost Estimates

EXHIBIT H

INFRASTRUCTURE PRELIMINARY DEVELOPMENT PLAN

Description of Phase I Public Infrastructure and Estimated Costs

<u>Descriptions</u>	<u>Units</u>	<u>Unit Type</u>	<u>Unit Cost</u>	<u>Total Cost Estimates</u>
<u>Non-Basic</u>				
<u>Non-potable Water System</u>				
Irrigation System				
Non-potable pump station	1		\$585,000	\$585,000
Irrigation Distribution System	1		\$1,972,270	\$1,972,270
Open Space Irrigation System	1		\$548,230	<u>\$548,230</u>
Total Irrigation System				\$3,105,500
<u>Open Space, Parks and Recreation</u>				
Sustainability Center (composting, solar farm, charging for electric mowers)	1		\$ 1,500,000	\$1,500,000
Plantings				
Turfgrass Sod	185,600	sf	\$0.50	\$92,800
Dryland Grass Seeding	769,120	sf	\$0.06	\$46,147
Dryland Grass Seeding (buffer)	150,700	sf	\$0.06	\$9,042
Steel Edging	10,900	lf	\$2.80	\$30,520
Weed Barrier Fabric	203,600	sf	\$0.20	\$40,720
Rock Mulch	203,600	sf	\$1.40	\$285,040
Crusher Fines Paths	7,100	sf	\$2.25	\$15,975
Plant Materials				
Shade Trees	540		\$375	\$202,500
Ornamental Tress	691		\$250	\$172,750
Evergreen Trees	319		\$310	\$98,890
Junipers	148		\$200	\$29,600
Fruit Trees	232		\$75	\$17,400
Shrubs				
Deciduous shrubs	3,750		\$40	\$150,000
Evergreen shrubs	609		\$50	\$30,450
Ornamental grass (5 gal)	2,433		\$22	\$53,526
Ornamental grass (1 gal)	2,160		\$15	\$32,400
Boulders	35	tons	\$175	\$6,125
Total Plantings				<u>\$1,313,885</u>
Site Furnishings				
Benches	10		\$1,000	\$10,000
Open Space Arbor	12		\$2,500	\$30,000
Patio with Fire Pit	2		\$4,500	\$9,000
Patio w/fountain	2		\$5,000	\$10,000
Median Arbor	2		\$2,500	\$5,000
Arbor Structure and Seat Wall	4		\$6,000	<u>\$24,000</u>

EXHIBIT H

INFRASTRUCTURE PRELIMINARY DEVELOPMENT PLAN

Description of Phase I Public Infrastructure and Estimated Costs

Total Site Furnishings			\$88,000
Top Soil, Fine Grading & Prep			
Soil prep for seed and sod areas	389,200 sf	\$0.16	\$62,272
Soil prep for dryland seed	688,510 sf	\$0.13	<u>\$89,506</u>
Total Soil Prep			\$151,778
Masonry			
Neighbor Entry Columns	12	\$3,500	\$42,000
Primary Entry Monument	1	\$24,000	\$24,000
Sculpture	1	\$60,000	<u>\$60,000</u>
Total Masonry			\$126,000
Less 1/2 of Plantings, Site Furnishings, Top Soil and Masonry			<u>(\$839,832)</u>
Total Open Space, Parks and Recreation			\$2,339,832
Total Cost Estimates - Non-Basic			\$5,445,332
Plus allowance @18% for design, engineering, etc.		18%	980,160
Plus Construction Management		3.40%	185,141
Contingency		20%	<u>1,322,127</u>
Total - Non-Basic			\$7,932,759
 <u>Basic</u>			
<u>Phase 1 & 2 Lots (209 lots)</u>			
Allocation (50%) of Overlot Grading			\$ 752,500
General conditions, removals, erosion control & earthwork			1,437,151
Sanitary Sewer			1,584,628
Storm Drain			1,266,319
Waterline			1,524,885
Retaining walls			1,033,982
Utility Sleeving			127,500
Concrete Flatwork			1,961,008
Base Course and Paving			2,396,827
Traffic Control			<u>109,700</u>
Sub-total Phases 1 & 2			\$ 12,194,500

EXHIBIT H

INFRASTRUCTURE PRELIMINARY DEVELOPMENT PLAN

Description of Phase I Public Infrastructure and Estimated Costs

Phase 3 Lots (38 lots)

General conditions, removals, erosion control & earthwork			219,501
Storm Drain			17,706
Waterline			183,890
Utility Sleeving			10,000
Concrete Flatwork			178,235
Base Course and Paving			182,568
Traffic Control			3,100
Sub-total Phase 3			<u>\$ 795,000</u>

Phases 4 & 5 Lots (130 townhome and condo lots)

General conditions, removals, erosion control & earthwork			551,201
Sanitary Sewer			334,441
Storm Drain			95,177
Waterline			304,626
Concrete Flatwork			410,862
Base Course and Paving			612,561
Traffic Control			35,450
Sub-total Phases 4 & 5			<u>\$ 2,344,318</u>

Open Space, Parks and Recreation

Artisan Workshop/Inventors Center	1	\$3,500,000	\$3,500,000
Open Space Fencing			
Rail Fence	20,580 lf	\$20	\$411,600
Courtyard Gates	50	\$600	<u>\$30,000</u>
Total Fencing			\$441,600
Plus 1/2 of Plantings, Site Furnishings, Top Soil and Masonry			\$839,832
Sub-total Open Space, Parks and Rec.			<u>\$4,781,432</u>

Total Cost Estimates -Basic \$ 20,115,250

Plus allowance @18% for design, engineering, etc. 18% \$3,620,745

Plus Construction Management 3.40% \$683,918

Contingency 20% \$4,883,983

EXHIBIT H

INFRASTRUCTURE PRELIMINARY DEVELOPMENT PLAN

Description of Phase I Public Infrastructure and Estimated Costs

Total - Basic	\$29,303,896
Grand Total Phase I	\$37,236,655

EXHIBIT H

INFRASTRUCTURE PRELIMINARY DEVELOPMENT PLAN

Description of Phase II Public Infrastructure and Estimated Costs

<u>Descriptions</u>	<u>Units</u>	<u>Unit Type</u>	<u>Unit Cost</u>	<u>Total Cost Estimates</u>
<u>Non-Basic</u>				
<u>Non-potable Water System</u>				
Total Irrigation System				\$2,611,000
<u>Open Space, Parks and Recreation</u>				
Senior Activities Center	1		\$7,000,000	\$7,000,000
Rehabilitate Windsor No 8 Ditch	1		\$ 2,000,000	\$2,000,000
Total Plantings				\$1,531,000
Total Site Furnishings				\$103,000
Top Soil, Fine Grading & Prep				\$177,000
Total Masonry				\$147,000
Total Retaining Walls - Open Space				\$542,000
Less 1/2 of Plantings, and Top Soil, Site Furnishings & Masonry				(979,000)
Total Parks and Recreation				<u>\$10,521,000</u>
Plus allowance @18% for design, engineering, etc.			18% \$	2,363,760
Plus Construction Management			3.40% \$	446,488
Contingency			20% \$	<u>3,188,450</u>
Grand Total Non-Basic				\$ 19,130,698

* Phase II is 1.165 times larger than Phase I so Phase II cost estimates are calculated at 1.165 of Phase I estimates.

EXHIBIT H

INFRASTRUCTURE PRELIMINARY DEVELOPMENT PLAN

Description of Phase II Public Infrastructure and Estimated Costs

Basic

Estimated Phase II lots (471 lots)

Allocation (50%) of Overlot Grading	\$	1,693,000
General conditions, removals, erosion control & earthwork		3,234,000
Sanitary Sewer		3,565,000
Storm Drain		2,849,000
Waterline		3,431,000
Retaining walls		2,326,000
Utility Sleeving		287,000
Concrete Flatwork		4,412,000
Base Course and Paving		5,393,000
Traffic Control		247,000
Total Open Space Fencing		\$514,000
Plus 1/2 of Plantings, and Top Soil, Site Furnishings & Masonry (basic portion)		979,000
Sub-total Phase II Basic	\$	<u>28,930,000</u>

Note: Since Phase II is not platted, cost estimates are factored in relationship to the bids for Phases 1 and 2, in Phase I.

Plus allowance @18% for design, engineering, etc.	18%	\$	5,207,400
Plus Construction Management	3.40%	\$	983,620
Contingency	20%	\$	<u>7,024,204</u>
Total Basic - Phase II		\$	42,145,224
Grand Total Phase II		\$	61,275,922

* Phase II is 1.165 times larger than Phase I so Phase II cost estimates are calculated at 1.165 of Phase I estimates.

Grand Total Phases I and II	\$	98,512,577
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EXHIBIT I
Public Improvement Maps

EXHIBIT E INFRASTRUCTURE PRELIMINARY DEVELOPMENT PLAN PHASE 1

55' LANDSCAPE BUFFER

COMMUNITY CENTER
POOL
ARTISAN/WORKSHOP/
INVENTORS CENTER
**COMMUNITY GARDENS
AND ORCHARD**

PLUGGED AND
ABANDONED OIL
WELL

PLUGGED AND
ABANDONED OIL
WELL

PLUGGED AND
ABANDONED OIL
WELLS

CITY PARK
6 ACRES

BEACH FRONT

RICHARDS LAKE

SUSTAINABILITY CENTER
COMPOST COLLECTION
CHARGING OF ELECTRIC MOWERS
AND COLLECTION VEHICLES
LAND FOR SOLAR FARM

NON-POTABLE IRRIGATION
OPEN SPACE PLANTINGS

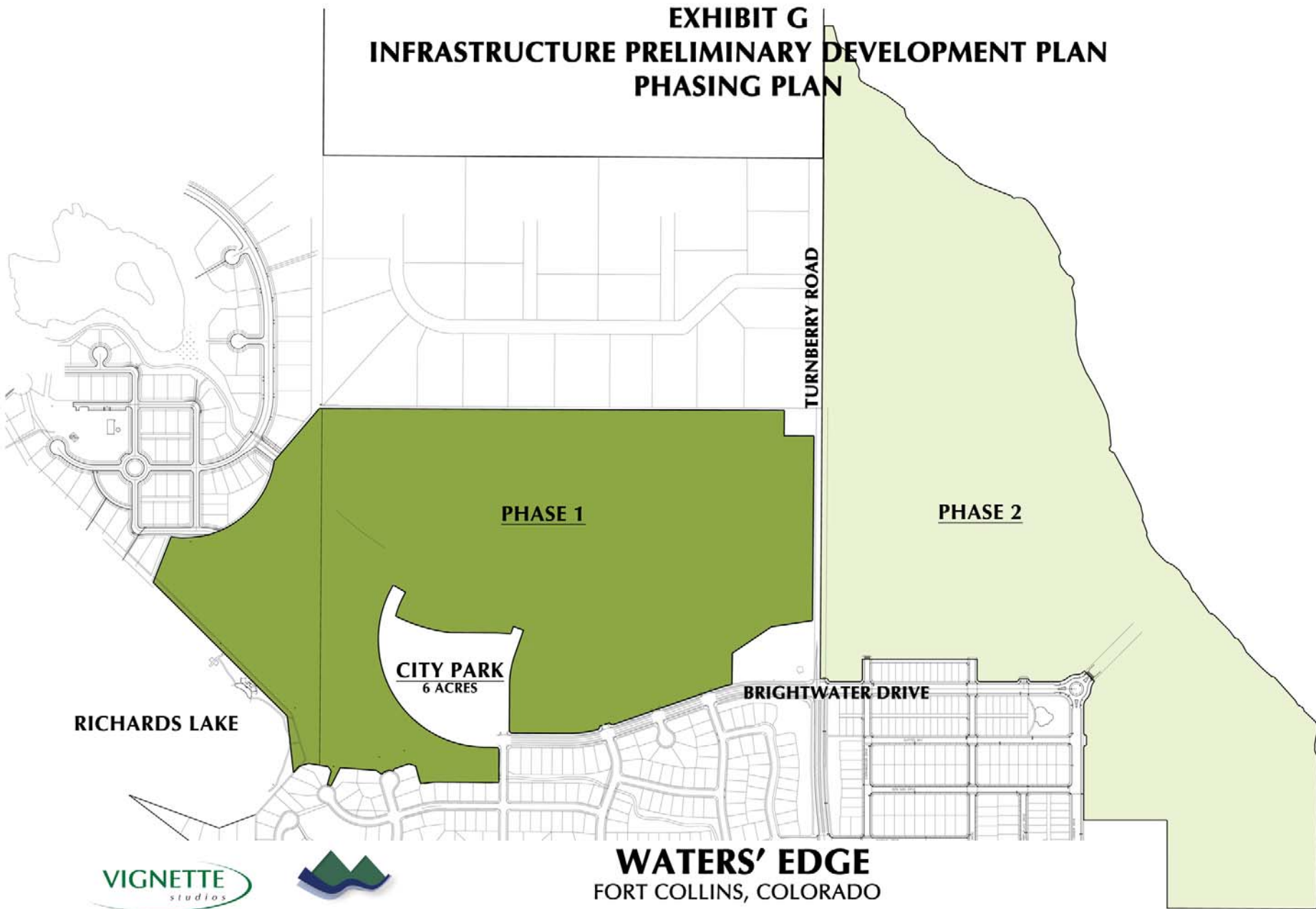
WATERS' EDGE
FORT COLLINS, COLORADO

VIGNETTE
studios

JULY 24, 2017



**EXHIBIT G
INFRASTRUCTURE PRELIMINARY DEVELOPMENT PLAN
PHASING PLAN**



RICHARDS LAKE

**CITY PARK
6 ACRES**

BRIGHTWATER DRIVE

TURNBERRY ROAD

RICHARDS LAKE ROAD

**WATERS' EDGE
FORT COLLINS, COLORADO**



JULY 24, 2017



EXHIBIT J
Financial Plan

WATERS' EDGE METROPOLITAN DISTRICTS

Development Projection at 40.000 (target) Mills for Debt Service, plus fees – Service Plan

Series 2029, G.O. Bonds, Pay & Cancel Refg of (proposed) Series 2019 + New Money, Assumes Investment Grade, 100x, 30-yr. Maturity

YEAR	<<<<<<< Residential >>>>>>>>			< Platted/Developed Lots >		<<<<<<<<< Commercial >>>>>>>>			Total Assessed Value	District D/S Mill Levy [40,000 Target] [40,000 Cap]	District D/S Mill Levy Collections @ 98%	District S.O. Taxes Collected @ 6%	Total Facility Fees Collections	Total Available Revenue	
	Total Res'l Units	Mkt Value Biennial Reasses'tmt @ 6.0%	Cumulative Market Value	As'ed Value* @ 7.20% of Market (2-yr lag)	Cumulative Market Value	As'ed Value of Market @ 29.00% (2-yr lag)	Total Comm'l Sq. Ft.	Mkt Value Biennial Reasses'tmt @ 6.0%							Cumulative Market Value
2016	0		0		0	0		0		0				\$0	0
2017	0		0		0	0		0		0				0	0
2018	0	0	0		4,356,166	0	0	0		0	\$0	40,000	0	0	0
2019	84		44,432,891	0	6,063,733	0	0	0		0	0	40,000	0	0	252,000
2020	109	2,665,973	110,185,943	0	6,063,733	1,263,288	0	0		0	1,263,288	40,000	49,521	2,971	342,500
2021	109		174,534,762	3,199,168	5,913,733	1,758,483	0	0		0	4,957,651	40,000	194,340	11,660	342,500
2022	108	10,472,086	249,018,996	7,933,388	5,963,733	1,758,483	0	0		0	9,691,870	40,000	379,921	22,795	340,000
2023	105		309,343,023	12,566,503	5,463,733	1,714,983	20,000			5,520,404	0	40,000	559,834	33,590	332,500
2024	105	18,560,581	389,434,112	17,929,368	5,963,733	1,729,483	0	331,224		5,851,628	0	40,000	770,627	46,238	332,500
2025	105		452,195,230	22,272,698	4,932,550	1,584,483	20,000			11,595,057	1,600,917	40,000	997,957	59,877	332,500
2026	92	27,131,714	537,119,625	28,039,256	2,582,083	1,729,483	0	695,703		12,290,760	1,696,972	40,000	1,233,456	74,007	284,250
2027	31		559,014,713	32,558,057	0	1,430,439	30,000			21,253,954	3,362,566	40,000	1,464,162	87,850	77,500
2028	0	33,540,883	592,555,596	38,672,613	0	748,804	0	1,275,237		22,529,192	3,564,320	40,000	1,685,041	101,102	0
2029	0		592,555,596	40,249,059	0	0	0			22,529,192	6,163,647	40,000	1,819,378	109,163	0
2030	0	35,553,336	628,108,932	42,664,003	0	0	0	1,351,751		23,880,943	6,533,466	40,000	1,928,541	115,712	0
2031	0		628,108,932	42,664,003	0	0	0			23,880,943	6,533,466	40,000	1,928,541	115,712	0
2032	0	37,686,536	665,795,468	45,223,843	0	0	0	1,432,857		25,313,800	6,925,473	40,000	2,044,253	122,655	0
2033	0		665,795,468	45,223,843	0	0	0			25,313,800	6,925,473	40,000	2,044,253	122,655	0
2034	0	39,947,728	705,743,196	47,937,274	0	0	0	1,518,828		26,832,628	7,341,002	40,000	2,166,908	130,015	0
2035	0		705,743,196	47,937,274	0	0	0			26,832,628	7,341,002	40,000	2,166,908	130,015	0
2036	0	42,344,592	748,087,787	50,813,510	0	0	0	1,609,958		28,442,585	7,781,462	40,000	2,296,923	137,815	0
2037			748,087,787	50,813,510	0	0	0			28,442,585	7,781,462	40,000	2,296,923	137,815	0
2038		44,885,267	792,973,055	53,862,321	0	0	0	1,706,555		30,149,140	8,248,350	40,000	2,434,738	146,084	0
2039			792,973,055	53,862,321	0	0	0			30,149,140	8,248,350	40,000	2,434,738	146,084	0
2040		47,578,383	840,551,438	57,094,060	0	0	0	1,808,948		31,958,089	8,743,251	40,000	2,580,823	154,849	0
2041			840,551,438	57,094,060	0	0	0			31,958,089	8,743,251	40,000	2,580,823	154,849	0
2042		50,433,086	890,984,524	60,519,704	0	0	0	1,917,485		33,875,574	9,267,846	40,000	2,735,672	164,140	0
2043			890,984,524	60,519,704	0	0	0			33,875,574	9,267,846	40,000	2,735,672	164,140	0
2044		53,459,071	944,443,596	64,150,886	0	0	0	2,032,534		35,908,109	9,823,916	40,000	2,899,812	173,989	0
2045			944,443,596	64,150,886	0	0	0			35,908,109	9,823,916	40,000	2,899,812	173,989	0
2046		56,666,616	1,001,110,211	67,999,939	0	0	0	2,154,487		38,062,595	10,413,351	40,000	3,073,801	184,428	0
2047			1,001,110,211	67,999,939	0	0	0			38,062,595	10,413,351	40,000	3,073,801	184,428	0
2048		60,066,613	1,061,176,824	72,079,935	0	0	0	2,283,756		40,346,351	11,038,153	40,000	3,258,229	195,494	0
2049			1,061,176,824	72,079,935	0	0	0			40,346,351	11,038,153	40,000	3,258,229	195,494	0
2050		63,670,609	1,124,847,433	76,404,731	0	0	0	2,420,781		42,767,132	11,700,442	40,000	3,453,723	207,223	0
2051			1,124,847,433	76,404,731	0	0	0			42,767,132	11,700,442	40,000	3,453,723	207,223	0
2052		67,490,846	1,192,338,280	80,989,015	0	0	0	2,566,028		45,333,160	12,402,468	40,000	3,660,946	219,657	0
2053			1,192,338,280	80,989,015	0	0	0			45,333,160	12,402,468	40,000	3,660,946	219,657	0
2054		71,540,297	1,263,878,576	85,848,356	0	0	0	2,719,990		48,053,149	13,146,616	40,000	3,880,603	232,836	0
2055			1,263,878,576	85,848,356	0	0	0			48,053,149	13,146,616	40,000	3,880,603	232,836	0
2056		75,832,715	1,339,711,291	90,999,257	0	0	0	2,883,189		50,936,338	13,935,413	40,000	4,113,439	246,806	0
2057			1,339,711,291	90,999,257	0	0	0			50,936,338	13,935,413	40,000	4,113,439	246,806	0
2058		80,382,677	1,420,093,968	96,459,213	0	0	0	3,056,180		53,992,518	14,771,538	40,000	4,360,245	261,615	0
2059			1,420,093,968	96,459,213	0	0	0			53,992,518	14,771,538	40,000	4,360,245	261,615	0
	848	919,909,610					70,000	33,765,492				98,931,551	5,935,893	2,636,250	107,503,694

[*] RAR @ 7.96% thru 2017

WATERS' EDGE METROPOLITAN DISTRICTS

Development Projection at 40.000 (target) Mills for Debt Service, plus fees -- Service Plan

Series 2029, G.O. Bonds, Pay & Cancel Refg of (proposed) Series 2019 + New Money, Assumes Investment Grade, 100x, 30-yr. Maturity

YEAR	Net Available for Debt Svc	Series 2019	Ser. 2029	Total Net Debt Service	Funds on Hand* Used as Source	Annual Surplus	Surplus	Cumulative Surplus	Senior Debt/ Assessed Ratio	Senior Debt/ Act'l Value Ratio	Cov. of Net DS: @ 40.000 Target	Cov. of Net DS: @ 40.000 Cap
		\$33,535,000 Par [Net \$24.449 MM]	\$50,330,000 Par [Net \$19.204 MM]				Release @ to \$5,033,000					
2016	0						n/a					
2017	0						n/a	0	n/a	n/a	0.0%	0.0%
2018	0						n/a	0	n/a	n/a	0.0%	0.0%
2019	252,000	\$0				252,000		252,000	2655%	29%	0.0%	0.0%
2020	394,992	0		0		394,992	0	646,992	676%	19%	0.0%	0.0%
2021	548,500	0		0		548,500	0	1,195,492	346%	13%	0.0%	0.0%
2022	742,717	0		0		742,717	0	1,938,209	235%	10%	0.0%	0.0%
2023	925,924	1,676,750		1,676,750		(750,826)	0	1,187,383	171%	8%	55.2%	55.2%
2024	1,149,365	1,676,750		1,676,750		(527,385)	0	659,998	132%	7%	68.5%	68.5%
2025	1,390,335	1,676,750		1,676,750		(286,415)	0	373,583	107%	6%	82.9%	82.9%
2026	1,591,713	1,676,750		1,676,750		(85,037)	0	288,546	90%	6%	94.9%	94.9%
2027	1,629,511	1,676,750		1,676,750		(47,239)	0	241,307	78%	5%	97.2%	97.2%
2028	1,786,143	1,781,750		1,781,750		4,393	0	245,701	72%	5%	100.2%	100.2%
2029	1,928,541	1,926,500	\$0	1,926,500	245,000	(242,959)	0	2,741	0%	0%	100.1%	100.1%
2030	2,044,253	[Ref'd by ser. '29]	2,013,200	2,013,200		31,053	0	33,795	102%	8%	101.5%	101.5%
2031	2,044,253		2,043,200	2,043,200		1,053	0	34,848	96%	7%	100.1%	100.1%
2032	2,166,908		2,162,000	2,162,000		4,908	0	39,756	96%	7%	100.2%	100.2%
2033	2,166,908		2,166,000	2,166,000		908	0	40,665	90%	7%	100.0%	100.0%
2034	2,296,923		2,294,600	2,294,600		2,323	0	42,988	90%	7%	100.1%	100.1%
2035	2,296,923		2,292,800	2,292,800		4,123	0	47,110	84%	6%	100.2%	100.2%
2036	2,434,738		2,430,600	2,430,600		4,138	0	51,249	84%	6%	100.2%	100.2%
2037	2,434,738		2,432,400	2,432,400		2,338	0	53,587	78%	6%	100.1%	100.1%
2038	2,580,823		2,578,400	2,578,400		2,423	0	56,010	77%	6%	100.1%	100.1%
2039	2,580,823		2,577,800	2,577,800		3,023	0	59,032	72%	5%	100.1%	100.1%
2040	2,735,672		2,731,200	2,731,200		4,472	0	63,504	70%	5%	100.2%	100.2%
2041	2,735,672		2,732,400	2,732,400		3,272	0	66,776	65%	5%	100.1%	100.1%
2042	2,899,812		2,897,200	2,897,200		2,612	0	69,388	64%	5%	100.1%	100.1%
2043	2,899,812		2,899,000	2,899,000		812	0	70,201	58%	4%	100.0%	100.0%
2044	3,073,801		3,069,000	3,069,000		4,801	0	75,002	57%	4%	100.2%	100.2%
2045	3,073,801		3,070,400	3,070,400		3,401	0	78,402	52%	4%	100.1%	100.1%
2046	3,258,229		3,254,600	3,254,600		3,629	0	82,032	50%	4%	100.1%	100.1%
2047	3,258,229		3,254,200	3,254,200		4,029	0	86,061	45%	3%	100.1%	100.1%
2048	3,453,723		3,451,200	3,451,200		2,523	0	88,583	42%	3%	100.1%	100.1%
2049	3,453,723		3,452,600	3,452,600		1,123	0	89,706	38%	3%	100.0%	100.0%
2050	3,660,946		3,655,800	3,655,800		5,146	0	94,852	35%	3%	100.1%	100.1%
2051	3,660,946		3,657,600	3,657,600		3,346	0	98,198	30%	2%	100.1%	100.1%
2052	3,880,603		3,880,600	3,880,600		3	0	98,201	27%	2%	100.0%	100.0%
2053	3,880,603		3,875,800	3,875,800		4,803	0	103,004	23%	2%	100.1%	100.1%
2054	4,113,439		4,111,800	4,111,800		1,639	0	104,643	20%	1%	100.0%	100.0%
2055	4,113,439		4,108,800	4,108,800		4,639	0	109,282	16%	1%	100.1%	100.1%
2056	4,360,245		4,355,800	4,355,800		4,445	0	113,728	12%	1%	100.1%	100.1%
2057	4,360,245		4,357,600	4,357,600		2,645	0	116,373	8%	1%	100.1%	100.1%
2058	4,621,860		4,618,400	4,618,400		3,460	0	119,834	4%	0%	100.1%	100.1%
2059	4,621,860		4,617,600	4,617,600		4,260	124,094	0	0%	0%	100.1%	100.1%
	107,503,694	12,092,000	95,042,600	107,134,600		124,094	124,094					

[FJul3018 19nspF1] [FJul3018 29ig19nF1]

WATERS' EDGE METROPOLITAN DISTRICTS

Operations Revenue and Expense Projection

YEAR	Total Assessed Value	Oper'ns Mill Levy	Total Collections @ 98%	S.O. Tax Collections @ 98%	Total Available For O&M	Total Mills
2016						
2017						
2018	0	10.000	0	0	0	50.000
2019	0	10.000	0	0	0	50.000
2020	1,263,288	10.000	12,380	12,133	24,513	50.000
2021	4,957,651	10.000	48,585	47,613	96,198	50.000
2022	9,691,870	10.000	94,980	93,081	188,061	50.000
2023	14,281,485	10.000	139,959	137,159	277,118	50.000
2024	19,658,850	10.000	192,657	188,804	381,460	50.000
2025	25,458,097	10.000	249,489	244,500	493,989	50.000
2026	31,465,711	10.000	308,364	302,197	610,561	50.000
2027	37,351,062	10.000	366,040	358,720	724,760	50.000
2028	42,985,737	10.000	421,260	412,835	834,095	50.000
2029	46,412,706	10.000	454,845	445,748	900,592	50.000
2030	49,197,468	10.000	482,135	472,492	954,628	50.000
2031	49,197,468	10.000	482,135	472,492	954,628	50.000
2032	52,149,317	10.000	511,063	500,842	1,011,905	50.000
2033	52,149,317	10.000	511,063	500,842	1,011,905	50.000
2034	55,278,276	10.000	541,727	530,893	1,072,620	50.000
2035	55,278,276	10.000	541,727	530,893	1,072,620	50.000
2036	58,594,972	10.000	574,231	562,746	1,136,977	50.000
2037	58,594,972	10.000	574,231	562,746	1,136,977	50.000
2038	62,110,670	10.000	608,685	596,511	1,205,195	50.000
2039	62,110,670	10.000	608,685	596,511	1,205,195	50.000
2040	65,837,311	10.000	645,206	632,302	1,277,507	50.000
2041	65,837,311	10.000	645,206	632,302	1,277,507	50.000
2042	69,787,549	10.000	683,918	670,240	1,354,158	50.000
2043	69,787,549	10.000	683,918	670,240	1,354,158	50.000
2044	73,974,802	10.000	724,953	710,454	1,435,407	50.000
2045	73,974,802	10.000	724,953	710,454	1,435,407	50.000
2046	78,413,290	10.000	768,450	753,081	1,521,531	50.000
2047	78,413,290	10.000	768,450	753,081	1,521,531	50.000
2048	83,118,088	10.000	814,557	798,266	1,612,823	50.000
2049	83,118,088	10.000	814,557	798,266	1,612,823	50.000
2050	88,105,173	10.000	863,431	846,162	1,709,593	50.000
2051	88,105,173	10.000	863,431	846,162	1,709,593	50.000
2052	93,391,483	10.000	915,237	896,932	1,812,168	50.000
2053	93,391,483	10.000	915,237	896,932	1,812,168	50.000
2054	98,994,972	10.000	970,151	950,748	1,920,898	50.000
2055	98,994,972	10.000	970,151	950,748	1,920,898	50.000
2056	104,934,671	10.000	1,028,360	1,007,793	2,036,152	50.000
2057	104,934,671	10.000	1,028,360	1,007,793	2,036,152	50.000
2058	111,230,751	10.000	1,090,061	1,068,260	2,158,321	50.000
2059	111,230,751	10.000	1,090,061	1,068,260	2,158,321	50.000
			24,732,888	24,238,230	48,971,118	

SOURCES AND USES OF FUNDS

**WATER'S EDGE METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2019
40.000 (target) Mills
Non-Rated, 100x, 30-yr. Maturity
(SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)
[Preliminary -- for discussion only]**

Dated Date 12/01/2019
Delivery Date 12/01/2019

Sources:

Bond Proceeds:	
Par Amount	33,535,000.00
	33,535,000.00

Uses:

Project Fund Deposits:	
Project Fund	24,449,310.42
Other Fund Deposits:	
Capitalized Interest Fund	5,030,250.00
Debt Service Reserve Fund	3,084,739.58
	8,114,989.58
Cost of Issuance:	
Other Cost of Issuance	300,000.00
Delivery Date Expenses:	
Underwriter's Discount	670,700.00
	33,535,000.00

BOND SUMMARY STATISTICS

WATER'S EDGE METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2019 40.000 (target) Mills

Non-Rated, 100x, 30-yr. Maturity
(SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)
[Preliminary -- for discussion only]

Dated Date	12/01/2019
Delivery Date	12/01/2019
First Coupon	06/01/2020
Last Maturity	12/01/2049
Arbitrage Yield	5.000000%
True Interest Cost (TIC)	5.148087%
Net Interest Cost (NIC)	5.000000%
All-In TIC	5.215746%
Average Coupon	5.000000%
Average Life (years)	24.153
Weighted Average Maturity (years)	24.153
Duration of Issue (years)	13.931
Par Amount	33,535,000.00
Bond Proceeds	33,535,000.00
Total Interest	40,498,750.00
Net Interest	41,169,450.00
Bond Years from Dated Date	809,975,000.00
Bond Years from Delivery Date	809,975,000.00
Total Debt Service	74,033,750.00
Maximum Annual Debt Service	6,536,250.00
Average Annual Debt Service	2,467,791.67
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	20.000000
Total Underwriter's Discount	20.000000
Bid Price	98.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Term Bond due 2049	33,535,000.00	100.000	5.000%	24.153	01/25/2044	51,979.25
	33,535,000.00			24.153		51,979.25

	TIC	All-In TIC	Arbitrage Yield
Par Value	33,535,000.00	33,535,000.00	33,535,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-670,700.00	-670,700.00	
- Cost of Issuance Expense		-300,000.00	
- Other Amounts			
Target Value	32,864,300.00	32,564,300.00	33,535,000.00
Target Date	12/01/2019	12/01/2019	12/01/2019
Yield	5.148087%	5.215746%	5.000000%

BOND DEBT SERVICE

**WATER'S EDGE METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2019**

40.000 (target) Mills

Non-Rated, 100x, 30-yr. Maturity

(SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)

[Preliminary -- for discussion only]

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2020			838,375	838,375	
12/01/2020			838,375	838,375	1,676,750
06/01/2021			838,375	838,375	
12/01/2021			838,375	838,375	1,676,750
06/01/2022			838,375	838,375	
12/01/2022			838,375	838,375	1,676,750
06/01/2023			838,375	838,375	
12/01/2023			838,375	838,375	1,676,750
06/01/2024			838,375	838,375	
12/01/2024			838,375	838,375	1,676,750
06/01/2025			838,375	838,375	
12/01/2025			838,375	838,375	1,676,750
06/01/2026			838,375	838,375	
12/01/2026			838,375	838,375	1,676,750
06/01/2027			838,375	838,375	
12/01/2027			838,375	838,375	1,676,750
06/01/2028			838,375	838,375	
12/01/2028	105,000	5.000%	838,375	943,375	1,781,750
06/01/2029			835,750	835,750	
12/01/2029	255,000	5.000%	835,750	1,090,750	1,926,500
06/01/2030			829,375	829,375	
12/01/2030	385,000	5.000%	829,375	1,214,375	2,043,750
06/01/2031			819,750	819,750	
12/01/2031	400,000	5.000%	819,750	1,219,750	2,039,500
06/01/2032			809,750	809,750	
12/01/2032	545,000	5.000%	809,750	1,354,750	2,164,500
06/01/2033			796,125	796,125	
12/01/2033	570,000	5.000%	796,125	1,366,125	2,162,250
06/01/2034			781,875	781,875	
12/01/2034	730,000	5.000%	781,875	1,511,875	2,293,750
06/01/2035			763,625	763,625	
12/01/2035	765,000	5.000%	763,625	1,528,625	2,292,250
06/01/2036			744,500	744,500	
12/01/2036	945,000	5.000%	744,500	1,689,500	2,434,000
06/01/2037			720,875	720,875	
12/01/2037	990,000	5.000%	720,875	1,710,875	2,431,750
06/01/2038			696,125	696,125	
12/01/2038	1,185,000	5.000%	696,125	1,881,125	2,577,250
06/01/2039			666,500	666,500	
12/01/2039	1,245,000	5.000%	666,500	1,911,500	2,578,000
06/01/2040			635,375	635,375	
12/01/2040	1,460,000	5.000%	635,375	2,095,375	2,730,750
06/01/2041			598,875	598,875	
12/01/2041	1,535,000	5.000%	598,875	2,133,875	2,732,750
06/01/2042			560,500	560,500	
12/01/2042	1,775,000	5.000%	560,500	2,335,500	2,896,000
06/01/2043			516,125	516,125	
12/01/2043	1,865,000	5.000%	516,125	2,381,125	2,897,250
06/01/2044			469,500	469,500	
12/01/2044	2,130,000	5.000%	469,500	2,599,500	3,069,000
06/01/2045			416,250	416,250	
12/01/2045	2,240,000	5.000%	416,250	2,656,250	3,072,500
06/01/2046			360,250	360,250	
12/01/2046	2,535,000	5.000%	360,250	2,895,250	3,255,500
06/01/2047			296,875	296,875	
12/01/2047	2,660,000	5.000%	296,875	2,956,875	3,253,750
06/01/2048			230,375	230,375	
12/01/2048	2,990,000	5.000%	230,375	3,220,375	3,450,750
06/01/2049			155,625	155,625	
12/01/2049	6,225,000	5.000%	155,625	6,380,625	6,536,250
	33,535,000		40,498,750	74,033,750	74,033,750

NET DEBT SERVICE

WATER'S EDGE METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2019 40.000 (target) Mills

Non-Rated, 100x, 30-yr. Maturity
(SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)
[Preliminary -- for discussion only]

Period Ending	Principal	Interest	Total Debt Service	Debt Service Reserve Fund	Capitalized Interest Fund	Net Debt Service
12/01/2020		1,676,750	1,676,750		1,676,750	
12/01/2021		1,676,750	1,676,750		1,676,750	
12/01/2022		1,676,750	1,676,750		1,676,750	
12/01/2023		1,676,750	1,676,750			1,676,750.00
12/01/2024		1,676,750	1,676,750			1,676,750.00
12/01/2025		1,676,750	1,676,750			1,676,750.00
12/01/2026		1,676,750	1,676,750			1,676,750.00
12/01/2027		1,676,750	1,676,750			1,676,750.00
12/01/2028	105,000	1,676,750	1,781,750			1,781,750.00
12/01/2029	255,000	1,671,500	1,926,500			1,926,500.00
12/01/2030	385,000	1,658,750	2,043,750			2,043,750.00
12/01/2031	400,000	1,639,500	2,039,500			2,039,500.00
12/01/2032	545,000	1,619,500	2,164,500			2,164,500.00
12/01/2033	570,000	1,592,250	2,162,250			2,162,250.00
12/01/2034	730,000	1,563,750	2,293,750			2,293,750.00
12/01/2035	765,000	1,527,250	2,292,250			2,292,250.00
12/01/2036	945,000	1,489,000	2,434,000			2,434,000.00
12/01/2037	990,000	1,441,750	2,431,750			2,431,750.00
12/01/2038	1,185,000	1,392,250	2,577,250			2,577,250.00
12/01/2039	1,245,000	1,333,000	2,578,000			2,578,000.00
12/01/2040	1,460,000	1,270,750	2,730,750			2,730,750.00
12/01/2041	1,535,000	1,197,750	2,732,750			2,732,750.00
12/01/2042	1,775,000	1,121,000	2,896,000			2,896,000.00
12/01/2043	1,865,000	1,032,250	2,897,250			2,897,250.00
12/01/2044	2,130,000	939,000	3,069,000			3,069,000.00
12/01/2045	2,240,000	832,500	3,072,500			3,072,500.00
12/01/2046	2,535,000	720,500	3,255,500			3,255,500.00
12/01/2047	2,660,000	593,750	3,253,750			3,253,750.00
12/01/2048	2,990,000	460,750	3,450,750			3,450,750.00
12/01/2049	6,225,000	311,250	6,536,250	3,084,739.58		3,451,510.42
	33,535,000	40,498,750	74,033,750	3,084,739.58	5,030,250	65,918,760.42

BOND SOLUTION

WATER'S EDGE METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2019 40.000 (target) Mills

Non-Rated, 100x, 30-yr. Maturity
(SERVICE PLAN: Full Growth + 6.00% Bi-Reassessment Projections)
[Preliminary -- for discussion only]

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2020		1,676,750	-1,676,750		52,492	52,492	
12/01/2021		1,676,750	-1,676,750		206,000	206,000	
12/01/2022		1,676,750	-1,676,750		402,717	402,717	
12/01/2023		1,676,750		1,676,750	593,424	-1,083,326	35.39134%
12/01/2024		1,676,750		1,676,750	816,865	-859,885	48.71713%
12/01/2025		1,676,750		1,676,750	1,057,835	-618,915	63.08841%
12/01/2026		1,676,750		1,676,750	1,307,463	-369,287	77.97604%
12/01/2027		1,676,750		1,676,750	1,552,011	-124,739	92.56069%
12/01/2028	105,000	1,781,750		1,781,750	1,786,143	4,393	100.24658%
12/01/2029	255,000	1,926,500		1,926,500	1,928,541	2,041	100.10593%
12/01/2030	385,000	2,043,750		2,043,750	2,044,253	503	100.02462%
12/01/2031	400,000	2,039,500		2,039,500	2,044,253	4,753	100.23306%
12/01/2032	545,000	2,164,500		2,164,500	2,166,908	2,408	100.11127%
12/01/2033	570,000	2,162,250		2,162,250	2,166,908	4,658	100.21544%
12/01/2034	730,000	2,293,750		2,293,750	2,296,923	3,173	100.13833%
12/01/2035	765,000	2,292,250		2,292,250	2,296,923	4,673	100.20386%
12/01/2036	945,000	2,434,000		2,434,000	2,434,738	738	100.03033%
12/01/2037	990,000	2,431,750		2,431,750	2,434,738	2,988	100.12289%
12/01/2038	1,185,000	2,577,250		2,577,250	2,580,823	3,573	100.13862%
12/01/2039	1,245,000	2,578,000		2,578,000	2,580,823	2,823	100.10949%
12/01/2040	1,460,000	2,730,750		2,730,750	2,735,672	4,922	100.18024%
12/01/2041	1,535,000	2,732,750		2,732,750	2,735,672	2,922	100.10692%
12/01/2042	1,775,000	2,896,000		2,896,000	2,899,812	3,812	100.13164%
12/01/2043	1,865,000	2,897,250		2,897,250	2,899,812	2,562	100.08844%
12/01/2044	2,130,000	3,069,000		3,069,000	3,073,801	4,801	100.15643%
12/01/2045	2,240,000	3,072,500		3,072,500	3,073,801	1,301	100.04234%
12/01/2046	2,535,000	3,255,500		3,255,500	3,258,229	2,729	100.08383%
12/01/2047	2,660,000	3,253,750		3,253,750	3,258,229	4,479	100.13766%
12/01/2048	2,990,000	3,450,750		3,450,750	3,453,723	2,973	100.08615%
12/01/2049	6,225,000	6,536,250	-3,084,740	3,451,510	3,453,723	2,212	100.06410%
	33,535,000	74,033,750	-8,114,990	65,918,760	63,593,256	-2,325,504	

SOURCES AND USES OF FUNDS

**WATER'S EDGE METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2029
Pay & Cancel Refunding of (proposed) Series 2019 + New Money
40.000 (target) Mills**

**Assumes Investment Grade, 100x, 30-yr. Maturity
(SERVICE PLAN: Full Growth + 6% Bi-Reassessment Projections)
[Preliminary -- for discussion only]**

Dated Date	12/01/2029
Delivery Date	12/01/2029

Sources:

<hr/>	
Bond Proceeds:	
Par Amount	50,330,000.00
Other Sources of Funds:	
Funds on Hand*	245,000.00
Series 2019 - DSRF	3,084,740.00
	3,329,740.00
<hr/>	
	53,659,740.00

Uses:

<hr/>	
Project Fund Deposits:	
Project Fund	19,203,715.00
Refunding Escrow Deposits:	
Cash Deposit*	34,004,375.00
Cost of Issuance:	
Other Cost of Issuance	200,000.00
Delivery Date Expenses:	
Underwriter's Discount	251,650.00
<hr/>	
	53,659,740.00

[*] Estimated balances, (tbd).

BOND SUMMARY STATISTICS

**WATER'S EDGE METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2029
Pay & Cancel Refunding of (proposed) Series 2019 + New Money
40.000 (target) Mills**

**Assumes Investment Grade, 100x, 30-yr. Maturity
(SERVICE PLAN: Full Growth + 6% Bi-Reassessment Projections)
[Preliminary -- for discussion only]**

Dated Date	12/01/2029
Delivery Date	12/01/2029
First Coupon	06/01/2030
Last Maturity	12/01/2059
Arbitrage Yield	4.000000%
True Interest Cost (TIC)	4.035174%
Net Interest Cost (NIC)	4.000000%
All-In TIC	4.063305%
Average Coupon	4.000000%
Average Life (years)	22.210
Weighted Average Maturity (years)	22.210
Duration of Issue (years)	14.524
Par Amount	50,330,000.00
Bond Proceeds	50,330,000.00
Total Interest	44,712,600.00
Net Interest	44,964,250.00
Bond Years from Dated Date	1,117,815,000.00
Bond Years from Delivery Date	1,117,815,000.00
Total Debt Service	95,042,600.00
Maximum Annual Debt Service	4,618,400.00
Average Annual Debt Service	3,168,086.67
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Term Bond due 2059	50,330,000.00	100.000	4.000%	22.210	02/16/2052	87,574.20
	50,330,000.00			22.210		87,574.20

	TIC	All-In TIC	Arbitrage Yield
Par Value	50,330,000.00	50,330,000.00	50,330,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-251,650.00	-251,650.00	
- Cost of Issuance Expense		-200,000.00	
- Other Amounts			
Target Value	50,078,350.00	49,878,350.00	50,330,000.00
Target Date	12/01/2029	12/01/2029	12/01/2029
Yield	4.035174%	4.063305%	4.000000%

BOND DEBT SERVICE

WATER'S EDGE METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2029
Pay & Cancel Refunding of (proposed) Series 2019 + New Money
40.000 (target) Mills
Assumes Investment Grade, 100x, 30-yr. Maturity
(SERVICE PLAN: Full Growth + 6% Bi-Reassessment Projections)
[Preliminary -- for discussion only]

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2030			1,006,600	1,006,600	
12/01/2030			1,006,600	1,006,600	2,013,200
06/01/2031			1,006,600	1,006,600	
12/01/2031	30,000	4.000%	1,006,600	1,036,600	2,043,200
06/01/2032			1,006,000	1,006,000	
12/01/2032	150,000	4.000%	1,006,000	1,156,000	2,162,000
06/01/2033			1,003,000	1,003,000	
12/01/2033	160,000	4.000%	1,003,000	1,163,000	2,166,000
06/01/2034			999,800	999,800	
12/01/2034	295,000	4.000%	999,800	1,294,800	2,294,600
06/01/2035			993,900	993,900	
12/01/2035	305,000	4.000%	993,900	1,298,900	2,292,800
06/01/2036			987,800	987,800	
12/01/2036	455,000	4.000%	987,800	1,442,800	2,430,600
06/01/2037			978,700	978,700	
12/01/2037	475,000	4.000%	978,700	1,453,700	2,432,400
06/01/2038			969,200	969,200	
12/01/2038	640,000	4.000%	969,200	1,609,200	2,578,400
06/01/2039			956,400	956,400	
12/01/2039	665,000	4.000%	956,400	1,621,400	2,577,800
06/01/2040			943,100	943,100	
12/01/2040	845,000	4.000%	943,100	1,788,100	2,731,200
06/01/2041			926,200	926,200	
12/01/2041	880,000	4.000%	926,200	1,806,200	2,732,400
06/01/2042			908,600	908,600	
12/01/2042	1,080,000	4.000%	908,600	1,988,600	2,897,200
06/01/2043			887,000	887,000	
12/01/2043	1,125,000	4.000%	887,000	2,012,000	2,899,000
06/01/2044			864,500	864,500	
12/01/2044	1,340,000	4.000%	864,500	2,204,500	3,069,000
06/01/2045			837,700	837,700	
12/01/2045	1,395,000	4.000%	837,700	2,232,700	3,070,400
06/01/2046			809,800	809,800	
12/01/2046	1,635,000	4.000%	809,800	2,444,800	3,254,600
06/01/2047			777,100	777,100	
12/01/2047	1,700,000	4.000%	777,100	2,477,100	3,254,200
06/01/2048			743,100	743,100	
12/01/2048	1,965,000	4.000%	743,100	2,708,100	3,451,200
06/01/2049			703,800	703,800	
12/01/2049	2,045,000	4.000%	703,800	2,748,800	3,452,600
06/01/2050			662,900	662,900	
12/01/2050	2,330,000	4.000%	662,900	2,992,900	3,655,800
06/01/2051			616,300	616,300	
12/01/2051	2,425,000	4.000%	616,300	3,041,300	3,657,600
06/01/2052			567,800	567,800	
12/01/2052	2,745,000	4.000%	567,800	3,312,800	3,880,600
06/01/2053			512,900	512,900	
12/01/2053	2,850,000	4.000%	512,900	3,362,900	3,875,800
06/01/2054			455,900	455,900	
12/01/2054	3,200,000	4.000%	455,900	3,655,900	4,111,800
06/01/2055			391,900	391,900	
12/01/2055	3,325,000	4.000%	391,900	3,716,900	4,108,800
06/01/2056			325,400	325,400	
12/01/2056	3,705,000	4.000%	325,400	4,030,400	4,355,800
06/01/2057			251,300	251,300	
12/01/2057	3,855,000	4.000%	251,300	4,106,300	4,357,600
06/01/2058			174,200	174,200	
12/01/2058	4,270,000	4.000%	174,200	4,444,200	4,618,400
06/01/2059			88,800	88,800	
12/01/2059	4,440,000	4.000%	88,800	4,528,800	4,617,600
	50,330,000		44,712,600	95,042,600	95,042,600

NET DEBT SERVICE

**WATER'S EDGE METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2029
Pay & Cancel Refunding of (proposed) Series 2019 + New Money
40.000 (target) Mills**

**Assumes Investment Grade, 100x, 30-yr. Maturity
(SERVICE PLAN: Full Growth + 6% Bi-Reassessment Projections)
[Preliminary -- for discussion only]**

Period Ending	Principal	Interest	Total Debt Service	Net Debt Service
12/01/2030		2,013,200	2,013,200	2,013,200
12/01/2031	30,000	2,013,200	2,043,200	2,043,200
12/01/2032	150,000	2,012,000	2,162,000	2,162,000
12/01/2033	160,000	2,006,000	2,166,000	2,166,000
12/01/2034	295,000	1,999,600	2,294,600	2,294,600
12/01/2035	305,000	1,987,800	2,292,800	2,292,800
12/01/2036	455,000	1,975,600	2,430,600	2,430,600
12/01/2037	475,000	1,957,400	2,432,400	2,432,400
12/01/2038	640,000	1,938,400	2,578,400	2,578,400
12/01/2039	665,000	1,912,800	2,577,800	2,577,800
12/01/2040	845,000	1,886,200	2,731,200	2,731,200
12/01/2041	880,000	1,852,400	2,732,400	2,732,400
12/01/2042	1,080,000	1,817,200	2,897,200	2,897,200
12/01/2043	1,125,000	1,774,000	2,899,000	2,899,000
12/01/2044	1,340,000	1,729,000	3,069,000	3,069,000
12/01/2045	1,395,000	1,675,400	3,070,400	3,070,400
12/01/2046	1,635,000	1,619,600	3,254,600	3,254,600
12/01/2047	1,700,000	1,554,200	3,254,200	3,254,200
12/01/2048	1,965,000	1,486,200	3,451,200	3,451,200
12/01/2049	2,045,000	1,407,600	3,452,600	3,452,600
12/01/2050	2,330,000	1,325,800	3,655,800	3,655,800
12/01/2051	2,425,000	1,232,600	3,657,600	3,657,600
12/01/2052	2,745,000	1,135,600	3,880,600	3,880,600
12/01/2053	2,850,000	1,025,800	3,875,800	3,875,800
12/01/2054	3,200,000	911,800	4,111,800	4,111,800
12/01/2055	3,325,000	783,800	4,108,800	4,108,800
12/01/2056	3,705,000	650,800	4,355,800	4,355,800
12/01/2057	3,855,000	502,600	4,357,600	4,357,600
12/01/2058	4,270,000	348,400	4,618,400	4,618,400
12/01/2059	4,440,000	177,600	4,617,600	4,617,600
	50,330,000	44,712,600	95,042,600	95,042,600

SUMMARY OF BONDS REFUNDED

**WATER'S EDGE METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2029
Pay & Cancel Refunding of (proposed) Series 2019 + New Money
40.000 (target) Mills**

**Assumes Investment Grade, 100x, 30-yr. Maturity
(SERVICE PLAN: Full Growth + 6% Bi-Reassessment Projections)
[Preliminary -- for discussion only]**

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
7/30/18: Ser 19 NR SP, 5.00%, 100x, 40mls, FG+6% BiRE:					
TERM49	12/01/2030	5.000%	385,000.00	12/01/2029	100.000
	12/01/2031	5.000%	400,000.00	12/01/2029	100.000
	12/01/2032	5.000%	545,000.00	12/01/2029	100.000
	12/01/2033	5.000%	570,000.00	12/01/2029	100.000
	12/01/2034	5.000%	730,000.00	12/01/2029	100.000
	12/01/2035	5.000%	765,000.00	12/01/2029	100.000
	12/01/2036	5.000%	945,000.00	12/01/2029	100.000
	12/01/2037	5.000%	990,000.00	12/01/2029	100.000
	12/01/2038	5.000%	1,185,000.00	12/01/2029	100.000
	12/01/2039	5.000%	1,245,000.00	12/01/2029	100.000
	12/01/2040	5.000%	1,460,000.00	12/01/2029	100.000
	12/01/2041	5.000%	1,535,000.00	12/01/2029	100.000
	12/01/2042	5.000%	1,775,000.00	12/01/2029	100.000
	12/01/2043	5.000%	1,865,000.00	12/01/2029	100.000
	12/01/2044	5.000%	2,130,000.00	12/01/2029	100.000
	12/01/2045	5.000%	2,240,000.00	12/01/2029	100.000
	12/01/2046	5.000%	2,535,000.00	12/01/2029	100.000
	12/01/2047	5.000%	2,660,000.00	12/01/2029	100.000
	12/01/2048	5.000%	2,990,000.00	12/01/2029	100.000
	12/01/2049	5.000%	6,225,000.00	12/01/2029	100.000
			33,175,000.00		

ESCROW REQUIREMENTS

**WATER'S EDGE METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2029
Pay & Cancel Refunding of (proposed) Series 2019 + New Money
40.000 (target) Mills**

**Assumes Investment Grade, 100x, 30-yr. Maturity
(SERVICE PLAN: Full Growth + 6% Bi-Reassessment Projections)
[Preliminary -- for discussion only]**

Dated Date 12/01/2029
Delivery Date 12/01/2029

7/30/18: Ser 19 NR SP, 5.00%, 100x, 40mls, FG+6% BiRE

Period Ending	Interest	Principal Redeemed	Total
12/01/2029	829,375.00	33,175,000.00	34,004,375.00
	829,375.00	33,175,000.00	34,004,375.00

PRIOR BOND DEBT SERVICE

WATER'S EDGE METROPOLITAN DISTRICT GENERAL OBLIGATION REFUNDING BONDS, SERIES 2029 Pay & Cancel Refunding of (proposed) Series 2019 + New Money 40.000 (target) Mills

Assumes Investment Grade, 100x, 30-yr. Maturity
(SERVICE PLAN: Full Growth + 6% Bi-Reassessment Projections)
[Preliminary -- for discussion only]

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2029			829,375	829,375	
06/01/2030			829,375	829,375	
12/01/2030	385,000	5.000%	829,375	1,214,375	2,873,125
06/01/2031			819,750	819,750	
12/01/2031	400,000	5.000%	819,750	1,219,750	2,039,500
06/01/2032			809,750	809,750	
12/01/2032	545,000	5.000%	809,750	1,354,750	2,164,500
06/01/2033			796,125	796,125	
12/01/2033	570,000	5.000%	796,125	1,366,125	2,162,250
06/01/2034			781,875	781,875	
12/01/2034	730,000	5.000%	781,875	1,511,875	2,293,750
06/01/2035			763,625	763,625	
12/01/2035	765,000	5.000%	763,625	1,528,625	2,292,250
06/01/2036			744,500	744,500	
12/01/2036	945,000	5.000%	744,500	1,689,500	2,434,000
06/01/2037			720,875	720,875	
12/01/2037	990,000	5.000%	720,875	1,710,875	2,431,750
06/01/2038			696,125	696,125	
12/01/2038	1,185,000	5.000%	696,125	1,881,125	2,577,250
06/01/2039			666,500	666,500	
12/01/2039	1,245,000	5.000%	666,500	1,911,500	2,578,000
06/01/2040			635,375	635,375	
12/01/2040	1,460,000	5.000%	635,375	2,095,375	2,730,750
06/01/2041			598,875	598,875	
12/01/2041	1,535,000	5.000%	598,875	2,133,875	2,732,750
06/01/2042			560,500	560,500	
12/01/2042	1,775,000	5.000%	560,500	2,335,500	2,896,000
06/01/2043			516,125	516,125	
12/01/2043	1,865,000	5.000%	516,125	2,381,125	2,897,250
06/01/2044			469,500	469,500	
12/01/2044	2,130,000	5.000%	469,500	2,599,500	3,069,000
06/01/2045			416,250	416,250	
12/01/2045	2,240,000	5.000%	416,250	2,656,250	3,072,500
06/01/2046			360,250	360,250	
12/01/2046	2,535,000	5.000%	360,250	2,895,250	3,255,500
06/01/2047			296,875	296,875	
12/01/2047	2,660,000	5.000%	296,875	2,956,875	3,253,750
06/01/2048			230,375	230,375	
12/01/2048	2,990,000	5.000%	230,375	3,220,375	3,450,750
06/01/2049			155,625	155,625	
12/01/2049	6,225,000	5.000%	155,625	6,380,625	6,536,250
	33,175,000		24,565,875	57,740,875	57,740,875

BOND SOLUTION

**WATER'S EDGE METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2029
Pay & Cancel Refunding of (proposed) Series 2019 + New Money
40.000 (target) Mills**

**Assumes Investment Grade, 100x, 30-yr. Maturity
(SERVICE PLAN: Full Growth + 6% Bi-Reassessment Projections)
[Preliminary -- for discussion only]**

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2030		2,013,200	2,013,200	2,044,253	31,053	101.54248%
12/01/2031	30,000	2,043,200	2,043,200	2,044,253	1,053	100.05155%
12/01/2032	150,000	2,162,000	2,162,000	2,166,908	4,908	100.22703%
12/01/2033	160,000	2,166,000	2,166,000	2,166,908	908	100.04194%
12/01/2034	295,000	2,294,600	2,294,600	2,296,923	2,323	100.10123%
12/01/2035	305,000	2,292,800	2,292,800	2,296,923	4,123	100.17982%
12/01/2036	455,000	2,430,600	2,430,600	2,434,738	4,138	100.17026%
12/01/2037	475,000	2,432,400	2,432,400	2,434,738	2,338	100.09613%
12/01/2038	640,000	2,578,400	2,578,400	2,580,823	2,423	100.09396%
12/01/2039	665,000	2,577,800	2,577,800	2,580,823	3,023	100.11725%
12/01/2040	845,000	2,731,200	2,731,200	2,735,672	4,472	100.16373%
12/01/2041	880,000	2,732,400	2,732,400	2,735,672	3,272	100.11975%
12/01/2042	1,080,000	2,897,200	2,897,200	2,899,812	2,612	100.09016%
12/01/2043	1,125,000	2,899,000	2,899,000	2,899,812	812	100.02802%
12/01/2044	1,340,000	3,069,000	3,069,000	3,073,801	4,801	100.15643%
12/01/2045	1,395,000	3,070,400	3,070,400	3,073,801	3,401	100.11077%
12/01/2046	1,635,000	3,254,600	3,254,600	3,258,229	3,629	100.11150%
12/01/2047	1,700,000	3,254,200	3,254,200	3,258,229	4,029	100.12381%
12/01/2048	1,965,000	3,451,200	3,451,200	3,453,723	2,523	100.07310%
12/01/2049	2,045,000	3,452,600	3,452,600	3,453,723	1,123	100.03252%
12/01/2050	2,330,000	3,655,800	3,655,800	3,660,946	5,146	100.14077%
12/01/2051	2,425,000	3,657,600	3,657,600	3,660,946	3,346	100.09148%
12/01/2052	2,745,000	3,880,600	3,880,600	3,880,603	3	100.00008%
12/01/2053	2,850,000	3,875,800	3,875,800	3,880,603	4,803	100.12392%
12/01/2054	3,200,000	4,111,800	4,111,800	4,113,439	1,639	100.03986%
12/01/2055	3,325,000	4,108,800	4,108,800	4,113,439	4,639	100.11291%
12/01/2056	3,705,000	4,355,800	4,355,800	4,360,245	4,445	100.10206%
12/01/2057	3,855,000	4,357,600	4,357,600	4,360,245	2,645	100.06071%
12/01/2058	4,270,000	4,618,400	4,618,400	4,621,860	3,460	100.07492%
12/01/2059	4,440,000	4,617,600	4,617,600	4,621,860	4,260	100.09226%
	50,330,000	95,042,600	95,042,600	95,163,952	121,352	

EXHIBIT K
Public Benefits

EXHIBIT K
“PUBLIC BENEFITS”

Affordable Housing:

Waters’ Edge commitment to affordable housing for seniors is a different way to look at the subject. The City’s Affordable Housing Strategic Plan dated October 6, 2015 states: *There is also a need for 55+ for-sale communities* (page 44). The Plan recognizes the need for housing for seniors to forestall the move to independent living or assisted living.

Additionally, Waters’ Edge commits to providing, in our second phase (Waters’ Edge East), that at least 10% of the housing units in that phase will be affordable defined at 80% of area median income. Some units may meet that standard in our first phase including auxiliary dwelling units planned in our courtyard product. These housing units will be guaranteed to remain affordable, as defined above, for at least twenty years.

Likely we will use the land trust or land bank model while determining if Low-Income Housing Tax Credits can assist with affordable rental units.

For 10% of Phase II’s estimated 471 lots @ \$7,254 (taken from Thrive’s cost estimate from Stapleton) = **\$3,417,105**

Significant Reduction in Potable Water:

Non-potable water system: This system is essential to be able to affordably create and maintain the project’s expansive natural areas. The non-potable system will be operated by the metropolitan districts and supply all irrigation water to the natural areas and private lots. Cost to the consumer will be lower and water savings will be increased because of comprehensive management, including on private lots.

Our non-potable water system, which requires management by a district, not an HOA, will reduce water consumption by 55% benefiting the residents by lower operating costs and benefiting recreation and agriculture in Northern Colorado. The system will also allow liquefied fertilization which, while saving residents’ money, also reduces the runoff of fertilizers to our natural drainages and streams.

Traditional non-native and high-water use landscaping would require 158 acre feet of irrigation per year according to estimates from Hines Inc. Water planning, smart engineering, and successful performance management can reduce that to 87 acre feet during the initial grow-in period then down to 65 acre feet after the native grasses are established. Controlling the irrigation by the metro district’s contractor is essential to realizing these water savings.

Enhanced and Expanded Open Space, Parks and Trails:

Enhanced and Expanded trail system and natural areas: Promotes walking/cycling and scooter use while discouraging vehicle use; green spaces and enhanced vegetation promote carbon sequestration. Waters' Edge West is designed with nearly 40% open space, double nearby subdivisions:

	<u>Maple Hill</u>	<u>Richard's Lake</u>	<u>Waters' Edge</u>
Gross Area	154.79 acres	114.45 acres	108.45 acres
Open Space	30.47 acres	21.54 acres	40.11 acres*
% of Open Space	19.7%	18.8%	37.0%

*Includes the 36.64 acres of open space in the approved site plan plus the 3.47 acres of oil wells since all those have been plugged and abandoned and the land incorporated into open space.

Waters' Edge, with open space adjacent to nearly every lot and an interconnected trail system, will be a friendly place for pedestrians, bicyclists and even electric scooters. The mixed-use community design, with significant public spaces, multiple housing types, on-site recreation and a small commercial center exemplifies smart growth.

Enhanced Landscaping: Vegetative landscape will be focused on creating a quality environment for humans and wildlife with native species; ongoing stewardship will be performed by the proposed metropolitan districts. There will be edible plants (for both humans and wildlife) throughout the community. Within the double open space, plantings and site furnishings also substantially exceed the norm. These planting designs are in the approved site plans and subject to the fully executed Development Agreement.

Rehabilitation of the Windsor #8 Ditch will feature:

The existing ditch is 6,208 feet long along the eastern boundary of Phase II and is best described as an aesthetic and environmental disaster. The rehabilitation will involve the entire reach of the ditch and will include:

- Creation of wetlands to improve water quality and provide habitat for wildlife
- Trails to link the region
- Transformation of an eyesore to a high-quality useful community natural area
- Improved storm water retention

OTHER EXTRAORDINARY BENEFITS OF THE PROJECT

Waters' Edge will support the needs of the City's residents, the surrounding community, and the City's stated missions and objectives. Enabling the Districts to finance a portion of the "basic" Public Improvements is essential to offset the higher costs associated with delivering public benefit and extraordinary development outcomes.

POLICY OBJECTIVES

Environmental Sustainability Outcomes

- Waters' Edge community design is focused on reducing off-site travel of its residents, reducing greenhouse gas emissions.
- Our planned Sustainability Center will teach by example using solar power to charge electric lawn mowers and community buildings while exhibiting the capped oil well pump – the "new energy economy" vs. the old. Reduced greenhouse gases and reduced noise from lawn maintenance equipment is one goal for the Center.
- Waters' Edge resiliency is strengthened by incorporating the latest design of Low Impact Development with bioretention facilities and permeable pavement systems.
- Waters' Edge commits that houses built in the community will include enhanced building standards for water and energy conservation outcomes. 65% of lots are solar oriented in Waters' Edge Phase I.
- Five oil and gas wells, three of which were in operation, were purchased, plugged and abandoned under the oversight of the developer's experts, City staff and the Colorado Oil and Gas Conservation Commission. The COGCC has certified the plugging and abandonment of these wells which went beyond the specifications and protocol of the Commission. The developer paid \$709,924 for acquiring and P&A'ing these wells to eliminate this environmental issue for Waters' Edge residents and the surrounding neighborhoods. The mineral rights holder has relinquished all rights to use the surface in Waters' Edge Second Filing leaving over 10,000 bbl of oil in the ground.

Critical Public Infrastructure

- Waters' Edge is contributing to regional transportation needs with construction of a traffic signal at Turnberry and Country Club Road and a \$250,000 contribution to resolving the vexing intersection at Timberline and Vine. The Waters' Edge districts will also participate in the Regional Improvement Mill Levy which will contribute over \$4.3 million to regional improvements.

Smart Growth Management

- Waters' Edge promotes social interaction through development design, creating gathering places that attract people and facilitate connections. These include strategically placed benches, fire pits and arbors in the abundant open space, community gardens, some with edible plants and a community kitchen.

- Reducing the need for off-site travel benefits the residents, by reducing costs and hassles, and benefits the planet by reducing greenhouse gases.
- The community design will encourage healthier living patterns which is one of our primary goals.

Other plans, which have not yet been fully designed or approved by the City, and will be subject to site planning requirements of the City and, ultimately, Development Agreements or intergovernmental agreements:

- Health, Wellness and Senior Activity Center:

This walkable facility, planned for the second phase in Waters Edge, will be the gathering place for the community. A focal point in the town center, it will be a community center with spaces to gather, work, recreate, volunteer, and enjoy social, educational, creative, and cultural activities. The Center will include a large multi-purpose room, community kitchen, arts and crafts room and business office spaces. A swimming pool will be included as will therapy pools. We expect to provide examination and treatment rooms where visiting health care providers could address those ailments that affect seniors the most like hearing loss and neuropathy.

The grounds for the Center are expected to be approximately three acres with walking paths and outdoor sport courts including the very popular pickle ball. We expect to request a variance to limit parking since we have planned the Center to be accessed by walking, biking, ridesharing and other alternative forms of transportation.

The building is expected to be approximately 4,000 to 5,000 square feet in size with an inviting design to encourage greater use and set the standard for the town center. Preliminary cost estimates are \$7 million including site work.

The Center will reduce the community's carbon footprint by reducing car travel to the existing Senior Center of 8 miles and travel to existing recreation of 4.5 miles.

The metro district will operate the Center and will program the facilities to ensure opportunities for social connections through classes, activities and events which will be open to the general public in addition to district residents.

- The Waters' Edge Sustainability Center, located on two acres around the site of three former oil and gas wells, is intended to display that old energy economy in juxtaposition to the new with a solar array charging electric lawn maintenance equipment and vehicle charging stations.

Approximately \$1.5 million will be used to finance and construct this Center. This facility will be owned and operated by the metro district and will be available for use by the general public in addition to district residents.

The Center will be both a functioning center as well an educational center. Kitchen and landscape waste will be collected on the site and a solar array and charging facilities for electric vehicles and mowers will be located to provide clean energy for the community. The carbon reduction from these provisions is significant: The U.S. Environmental Protection Agency (EPA) estimates that 5 percent of air pollution is attributable to annual spills from gasoline powered lawn mowers. Curbside pick-up of compost throughout the community by electric vehicles for use in the landscape reduces the amount of driving offsite, further reducing the carbon footprint.

The old energy economy will be demonstrated with the old, detached pump jack that has been left on the property. The three plugged and abandoned wells will be memorialized with placards with historical records of pumping and estimates of the greenhouse gases generated from the use of those carbons.

The new energy economy will be demonstrated with the solar charging, composting and will be recognized with signs proclaiming the difference between the use of carbon vs. renewable energy on the ecosystem. And the use of electric lawn maintenance equipment will provide a very real reduction in emissions since the small gas engines on trimmers, blowers and mowers are notorious high polluters, especially the two-stroke engines used for leaf blowers and related devices.

- Community Kitchen: Will be used to educate the community on nutrition, healthy eating and sustainable agriculture.
- Greenhouses and aquaponics facility: Additional elements of urban agriculture.

INDIRECT COSTS AND ENHANCED DEVELOPMENT OUTCOMES

Enabling the Districts to finance a portion of the “basic” Public Improvements is essential to offset the higher costs associated with delivering public benefit and extraordinary development outcomes. We posit that a community designed to allow seniors to stay in Fort Collins and stay in their homes longer provides a public benefit.

Indirect Costs: Necessary extraordinary developer and builder costs associated with delivering public benefits/extraordinary development outcomes that will not be incurred by the Districts and will not be approved in the Districts’ Public Improvement Cost Estimates.

Affordable Housing Subsidy. For 10% of Phase II’s estimated 471 lots @ \$7,254 (taken from Thrive’s cost estimate from Stapleton) = **\$3,417,105**

SUMMARY

Waters' Edge Investments asks the City of Fort Collins to be its partner in developing an *innovative* and *exceptional* community by supporting and approving metropolitan districts to provide the infrastructure, amenities and services described herein. We believe that the features that the proposed districts will provide or will allow by offsetting other costs are truly *extraordinary* and in sync with many of the City's important initiatives as well as the major themes of City Plan: "Innovate – Sustain – Connect".

This community cannot be achieved without the financing and operating opportunities afforded by metropolitan districts. If the City wants this type of development, and wants to achieve its stretch goals, it must be willing to give extraordinary developments the tools to achieve those outcomes.

EXHIBIT L
Disclosure Notice



NOTICE OF INCLUSION IN A RESIDENTIAL METROPOLITAN DISTRICT AND POSSIBLE PROPERTY TAX CONSEQUENCES

Legal description of the property and address:

(Insert legal description and property address).

This property is located in the following metropolitan district:

(Insert District Name).

In addition to standard property taxes identified on the next page, this property is subject to a metropolitan district mill levy (another property tax) of up to:

(Insert mill levy maximum).

Based on the property's inclusion in the metropolitan district, an average home sales price of \$300,000 could result in ADDITIONAL annual property taxes up to:

(Insert amount).

The next page provides examples of estimated total annual property taxes that could be due on this property, first if located outside the metropolitan district and next if located within the metropolitan district. **Note: property that is not within a metropolitan district would not pay the ADDITIONAL amount.**

The metropolitan district board can be reached as follows:

(Insert contact information).

You may wish to consult with: (1) the Larimer County Assessor's Office, to determine the specific amount of metropolitan district taxes currently due on this property; and (2) the metropolitan district board, to determine the highest possible amount of metropolitan district property taxes that could be assessed on this property.

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Residential Property With \$300,000 Actual Value Without the District

<u>Taxing Entity</u>	Mill Levies (2017**)	Annual tax levied
Insert entity	Insert amount	\$ Insert amount
Larimer County	Insert amount	\$ Insert amount
City of Fort Collins	Insert amount	\$ Insert amount
Insert entity	Insert amount	\$ Insert amount
Insert entity	Insert amount	\$ Insert amount
Insert entity	Insert amount	\$ Insert amount
TOTAL:	Insert total	\$ Insert amount

**Annual Tax Levied on Residential Property With \$300,000 Actual Value With the District
(Assuming Maximum District Mill Levy)**

<u>Taxing Entity</u>	Mill Levies (2017**)	Annual tax levied
Insert District Name	Insert amount	\$ Insert amount
Insert entity	Insert amount	\$ Insert amount
Larimer County	Insert amount	\$ Insert amount
City of Fort Collins	Insert amount	\$ Insert amount
Insert entity	Insert amount	\$ Insert amount
Insert entity	Insert amount	\$ Insert amount
Insert entity	Insert amount	\$ Insert amount
TOTAL:	Insert total	\$ Insert total

**This estimate of mill levies is based upon mill levies certified by the Larimer County Assessor's Office in December 20__ for collection in 20__, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Larimer County Assessor's Office to obtain accurate and current information.

FINANCIAL HEALTH OF METROPOLITAN DISTRICT

Financial information for (Insert District Name Here) as of (Insert Date of Last Annual Report Here):

	Notes	Amount
Total Assessed Value	Insert Notes	Insert Amount
Current Mill Levy & Annual Revenue	Insert Mill	Insert Amount
Current Debt Mill Levy & Annual Revenue	Insert Mill	Insert Amount
Outstanding Debt	Insert Term	Insert Amount
Anticipated Payoff Year	Insert Notes	Insert Amount

Additional information regarding (Insert District Name Here) financial health and formation can be found at the City of Fort Collins website, available at: fcgov.com.

In addition, the Colorado Department of Local Affairs may have the following materials available:

- Audited Financial Statements
- Annual Budget
- Annual Report on the Service Plan
- Certification of Election Results
- Certification of Tax Levies
- Notice of Authorization of General Obligation Debt
- Notice of Issuance of General Obligation Debt
- Transparency – Notice to Electors

Available at:

<https://dola.colorado.gov/lgis/lgFinances.jsf>

Or

Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203
(303) 864-7720
Fax: (303) 864-0751

OR

Contact the District at:

_____ Metropolitan District _____

_____ [Address] _____

_____ [Address] _____

_____ [Phone] _____

_____ [Fax] _____

_____ [Email] _____