



**Buffalo Highlands Metropolitan District
Commerce City Loan
Term Sheet
\$5,500,000 (est.)
(as of February 26, 2013)**

Characteristics of Loan

Borrower:	Buffalo Highlands Metropolitan District (the “District”)
Lender:	City of Commerce City
Developer:	Buffalo Highlands, LLC
Location:	City of Commerce City in Adams County, Colorado
Principal Amount:	\$5,500,000
Funding Date:	June 1, 2013
Interest Rate:	6% annual interest, calculated on a 360 day basis and calculated on the then outstanding principal and unpaid interest balance on each interest payment date.
Interest Payments:	<p>Interest payments on outstanding principal balance due on June 1 and December 1 of each year so long as any principal amount of the loan is outstanding.</p> <p>On December 1 of each year, any balance in the District’s debt service fund in excess of the December 1 interest payment amount shall be paid to Lender as a principal reduction payment, thereby reducing the outstanding balance.</p>
Final Maturity:	December 1, 2038
Opt. Redemption:	Callable at any time, with payment of all interest and principal
Rating:	Non-Rated
Pledged Revenue:	<ul style="list-style-type: none">• \$1,181/unit Road Impact Fees from development in Buffalo Highlands• Revenue generated from the imposition of a debt service mill levy in an amount not to exceed 50 mills Gallagherized
Structure:	Revenue shall be applied on each June 1 and December 1 to first pay current interest, then accrued interest, then principal.
Purpose and Use of Proceeds:	Proceeds will be used to pay for District eligible expenses related to the

design, construction, and acquisition of public improvements. The following chart provides a break-down of the use of the Loan proceeds:

Project Funds	\$5,385,000.00
Structuring Agent (D.A. Davidson)	\$55,000.00
District Counsel (McGeedy Sisneros, P.C.)	\$25,000.00
Bond Counsel ()	\$25,000.00
City Legal (Sherman & Howard)	\$10,000.00
Total	\$5,500,000.00

Requisition Process: For Loan advances, the District will submit a requisition to Lender providing evidence of eligible public improvements expenses incurred. Such requisition shall be certified in accordance with Section II. D. 2 of the Agreement Among the City of Commerce City, Buffalo Highlands Metropolitan District, Buffalo Highlands, LLC, and C. Larson Family Farms, Inc., for the Construction and Funding of Certain Improvements to 96th Avenue and the Dedication of Certain Lands.

At Closing, an initial advance will be made to the District to pay for transaction expenses specific to the loan.



D.A. Davidson & Co.

member SIPC