

**SERVICE PLAN
FOR
CANAL AVENUE METROPOLITAN DISTRICT
CITY OF COMMERCE CITY, COLORADO**

Prepared

by

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I. DEFINITIONS

In this Service Plan, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Board: the board of directors of the District.

Bond, Bonds or Debt: bonds or other obligations for the payment of which the District has promised to impose an ad valorem property tax mill levy and/or collect Fee revenue.

City: the City of Commerce City, Colorado.

City Code: the City of Commerce City Revised Municipal Code.

City Council: the City Council of the City of Commerce City, Colorado.

District: the Canal Avenue Metropolitan District.

District Activities IGA: an intergovernmental agreement between the District and the City regarding certain limitations of the District's activities, attached hereto as **Exhibit D**.

District Boundary: the boundary of the original District area described in the District Boundary Map.

District Boundary Map: the map attached hereto as **Exhibit C-1**, describing the District's original boundary.

End User: any owner, or tenant of any owner, of any taxable improvement within the District who is intended to become burdened by the imposition of ad valorem property taxes subject to the Maximum Debt Mill Levy. By way of illustration, a resident homeowner, renter, commercial property owner or commercial tenant is an End User. A business entity that constructs residential or commercial structures is not an End User.

External Financial Advisor: a consultant that: (i) advises 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 with respect to such securities; (ii) is an underwriter, investment banker or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (iii) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Fees: any fee imposed by the District for services, programs or facilities provided by the District, as described in Section V.A.17 below.

Financial Plan: the Financial Plan described in Section VI that describes (i) the manner in which the Public Improvements are to be financed; (ii) the manner in which the Debt is expected to be incurred; and (iii) the estimated operating revenue to be derived from property taxes for the first budget year.

Inclusion Area Boundaries: the boundaries of the area described in the Inclusion Area Boundary Map. [Delete this definition if there is no anticipated inclusion area.]

Maximum Debt Mill Levy: the maximum mill levy the District is permitted to impose for payment of Debt as set forth in Section VI.C below.

Maximum Debt Mill Levy Imposition Term: the maximum term for imposition of a mill levy on a particular property as set forth in Section VI.D below.

Project: the development or property commonly referred to as Canal Avenue Industrial Park.

Public Improvements: a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act, except as specifically limited in Section V below, that benefit the Service Area and serve the future taxpayers and inhabitants of the Service Area as determined by the Board.

Service Area: the property within the District Boundary Map.

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

Service Plan Amendment: an amendment to the Service Plan approved by City Council in accordance with the City Code and applicable state law.

Special District Act: Section 32-1-101, *et seq.*, of the Colorado Revised Statutes, as amended from time to time.

State: the State of Colorado.

Taxable Property: real or personal property within the Service Area subject to ad valorem taxes imposed by the District.

II. PURPOSE AND OBJECTIVES OF DISTRICT

A. Purpose and Intent. The District is an independent unit of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Service Plan, its activities are subject to review by the City only insofar as they may deviate in a material matter from the requirements of the Service Plan. It is intended that the District will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The primary purpose of the District will be to finance the construction of these Public Improvements. The District is not being created to provide ongoing operations and maintenance services other than as specifically set forth in this Service Plan.

B. Need for District. There are currently no other governmental entities, including the City, located in the immediate vicinity of the District 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 District is

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

C. Objective of City Regarding Service Plan.

1. The City's objective in approving the Service Plan is to authorize the District 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 District. All Debt is expected to be repaid by taxes imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term, and at a tax mill levy no higher than the Maximum Debt Mill Levy, and/or repaid by Fees as limited by Section V.A.17.
2. This Service Plan is intended to establish a limited purpose for the District and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with development and regional needs. Operation and maintenance services are allowed through the District Activities IGA, attached hereto as **Exhibit D**.
3. It is the intent of the District 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, and, if the District has been authorized to operate or maintain any part of the Public Improvements under an the District Activities IGA, to retain only the power necessary to impose and collect taxes or Fees to pay for costs associated therewith.
4. The District shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from Fees or from tax revenues collected from a mill levy, which shall not exceed the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term. It is the intent of this Service Plan to assure to the extent possible that no property shall bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy in amount and that no property developed for a residential use shall bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy Imposition Term in duration even under bankruptcy or other unusual situations. Generally, the costs of Public Improvements that cannot be funded within these parameters are not costs to be paid by the District.

III. DISTRICT BOUNDARY

The area of the District Boundary includes approximately ninety (90) acres. A legal description of the District Boundary is attached hereto as **Exhibit A**. A vicinity map is attached hereto as **Exhibit B**. A map of the District Boundary is attached hereto as **Exhibit C-1**.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION

A. The Service Area consists of approximately ninety (90) acres of I-2 zoned medium intensity industrial land. The current assessed valuation of the Service Area is \$3,850 for purposes of this Service Plan and, at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. The population of the District at build-out is estimated to be approximately zero (0) people.

B. Approval of this Service Plan by the City does not imply approval of the development of a specific area within the District, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the District and Service Plan Amendment. The District shall have the power and authority to provide the Public Improvements and related operation and maintenance services within and without the District Boundary as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein.

1. Operations and Maintenance Limitation. The purpose of the District is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements.

a. The District shall dedicate the Public Improvements to the City or other appropriate jurisdiction or owners association in a manner consistent with the approved zoning ordinance or public improvement agreement with the City and other rules and regulations of the City and applicable provisions of the City Code.

b. The District is not authorized to operate or maintain any part of the Public Improvements unless provision therefor has been made pursuant to the District Activities IGA.

c. The District is required and obligated to operate and maintain any park and recreation improvements designed, constructed or financed by the District, unless otherwise specified in the District Activities IGA.

d. Unless otherwise specified in the District Activities IGA, all parks and trails shall be open to the general public free of charge.

2. Fire Protection Limitation. The District is not authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to the District Activities IGA. The authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system shall not be limited by this provision.

3. Television Relay and Translation Limitation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, 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 the District Activities IGA.

4. Telecommunication Facilities. The District agrees that no telecommunication facilities owned, operated or otherwise allowed by the District shall affect the ability of the

City to expand its public safety telecommunication facilities or impair existing telecommunication facilities.

5. Construction Standards Limitation. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction. The District shall obtain the City's approval of civil engineering plans and shall obtain applicable permits for construction and installation of the Public Improvements prior to performing work thereon.

6. Zoning and Land Use Requirements. The District shall be subject to all of the City's zoning, subdivision, building code and other land use requirements.

7. Growth Limitations. The District acknowledges that the City shall not be limited in implementing City Council or voter-approved growth limitations, even though such actions may reduce or delay development within the District and the realization of District revenue.

8. Conveyance. Within ninety (90) days after written notice from the City, the District shall convey to the City, at no cost, any real property owned by the District that is necessary, in the City's sole determination, for any City capital improvement project for transportation, utilities or drainage.

9. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt, the 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 Section 32-1-103(12), C.R.S.) 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.

10. Eminent Domain Limitation. The District shall not exercise the power of eminent domain except as otherwise provided pursuant to the District Activities IGA.

11. Water Rights/Resources Limitation. The District shall not acquire, own, manage, adjudicate or develop water rights or resources except as otherwise provided pursuant to the District Activities IGA or the relevant water district.

12. Inclusion Limitation. The District shall not include within the District Boundary any property outside the Service Area without the prior written consent of the City Council. If

an Inclusion Area is proposed, the District shall not include within the District Boundary any property inside the Inclusion Area Boundaries without the prior written consent of the City Council except upon petition of the fee owner or owners of one hundred percent (100%) of such property as provided in Section 32-1-401(1)(a), C.R.S.

13. Exclusion Limitation. The District shall not exclude from the District Boundary any property within the Service Area without the prior written consent of the City Council. The District shall follow the procedure for exclusion of property as provided in Section 32-1-502, C.R.S.

14. Overlap Limitation. The District shall not consent to the organization of any other district under the Special District Act within the Service Area that will overlap the District Boundary unless the aggregate mill levy for payment of Debt of such proposed district will not at any time exceed the Maximum Debt Mill Levy of the District.

15. Initial Debt Limitation. On or before the effective date of approval by the City of an approved zoning ordinance or public improvement agreement, the District shall not: (a) issue any Debt; (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; or (c) impose or collect any Fees used for the purpose of repayment of Debt.

16. Total Debt Issuance Limitation. The District shall not issue Debt in excess of Thirty Million Dollars (\$30,000,000).

17. Fee Limitation. The District may impose and collect Fees as a source of revenue for repayment of Debt, funding of capital costs, and/or for operations and maintenance. No Fee related to repayment of Debt shall be authorized to be imposed upon or collected from Taxable Property owned or occupied by an End User subsequent to the issuance of a certificate of occupancy for such Taxable Property. Notwithstanding any of the foregoing, the restrictions of this paragraph shall not apply to any Fee imposed upon or collected from Taxable Property for the purpose of funding the operation and maintenance costs of the District.

18. Public Improvements Fee Limitation. The District shall not impose, collect, receive, spend or pledge to any Debt any fee, assessment, tax or charge that is collected by a retailer in the District on the sale of goods or services by such retailer and that is measured by the sales price of such goods or services, except as provided pursuant to the District Activities IGA.

19. Sales and Use Tax. The District shall not invoke or exercise any actual or perceived City sales and use tax exemption.

20. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This Section shall not apply to specific ownership taxes which shall be distributed to and be a revenue source for the District without any limitation.

21. Consolidation Limitation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City.

22. Bankruptcy Limitation.

a. All limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, Maximum Debt Mill Levy Imposition Term and the Fees have been established under the authority of the City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

i. shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

ii. are, together with all other requirements of Colorado 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 nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

b. Any Debt, issued with a pledge or that results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S., and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment. The City shall be entitled to all remedies available at law to enjoin any such actions of the District.

23. Reimbursement Agreement. If the District enters into reimbursement agreements to obtain reimbursements from third-party developers, or adjacent landowners, for costs of improvements that benefit such third-party landowners or adjacent landowners, such agreements shall be in accordance with the applicable city requirements. If a reimbursement agreement exists or is entered into for an improvement financed by the District, any and all resulting reimbursements received for such improvement shall be deposited in the District’s debt service fund and used for the purpose of retiring Debt.

24. Service Plan Amendment Requirement. This Service Plan has been designed with sufficient flexibility to enable the District to provide required services and facilities under evolving circumstances without the need for numerous amendments. Actions of the District that violate the limitations set forth in V.A.1-23 or in VI.B-G shall be deemed to be material modifications to this Service Plan and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the District.

B. Preliminary Engineering Survey.

1. The District is authorized to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance and financing of the Public Improvements within and without the District Boundary, to be more specifically defined in an approved zoning ordinance or applicable public improvement agreement with the City. An estimate of the costs of the Public Improvements that may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed was prepared based upon a preliminary engineering survey and estimates derived from the zoning on the property in the Service Area and is approximately Fourteen Million One Hundred and Eighty-Five Thousand Eight Hundred Dollars (\$14,185,800).

2. All Public Improvements shall be designed in accordance with City standards and shall comply with the requirements of the approved zoning ordinance or applicable public improvement agreement with the City. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

VI. FINANCIAL PLAN

A. General. The District is authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its revenues and by and through the proceeds of Debt to be issued by the District. The Financial Plan for the District shall be to issue such Debt as the District can reasonably pay within the Maximum Debt Mill Levy Imposition Term from revenues derived from the Maximum Debt Mill Levy, Fees and other legally available revenues. The total Debt the District shall be permitted to issue shall not exceed Thirty Million Dollars (\$30,000,000) and shall be permitted to be issued on a schedule and in such year or years as the District determines shall meet the needs of the Financial Plan and phased to serve development as it occurs. All Bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including general ad valorem taxes and Fees to be imposed upon all Taxable Property within the District. The District will also rely upon various other revenue sources authorized by law. Such sources will include the power to assess Fees, rates, tolls, penalties or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount. The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. In the event of a default, the proposed maximum interest rate on any Debt is not expected to exceed eighteen percent (18%). Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

C. Maximum Debt Mill Levy. The “Maximum Debt Mill Levy” shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Debt, and shall be determined as follows:

1. If the total amount of aggregate District Debt exceeds fifty percent (50%) of the District’s assessed valuation, the Maximum Debt Mill Levy shall be fifty (50) mills; provided, however, that if the method of calculating assessed valuation or any

constitutionally mandated tax credit, cut or abatement is changed by law, the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (which determination shall be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

2. If the total amount of aggregate District Debt is equal to or less than fifty percent (50%) of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

3. For purposes of the foregoing, once Debt has been determined to be within Section VI.C.2 above, so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, the District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in the District's Debt to assessed ratio. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

4. To the extent the District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term "District" as used herein shall be deemed to refer to the District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this subsection C.

D. Maximum Debt Mill Levy Imposition Term. The District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed which exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board are residents of the District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101, C.R.S., et seq.

E. Debt Repayment Sources. The District may impose a mill levy on taxable property within the District Boundary as a primary source of revenue for repayment of debt service and for operations and maintenance. The District may also rely upon various other revenue sources authorized by law. At the District's discretion, these may include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time and as limited by Section V.A. 17-18. In no event shall the debt service mill levy in the District exceed the Maximum Debt Mill Levy or the Maximum Debt Mill Levy Imposition Term, except pursuant to the District Activities IGA.

F. Debt Instrument Disclosure Requirement. In the text of each Bond and any other instrument representing and constituting Debt, the District shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond and in the Service Plan for creation of the District.

Similar language describing the limitations in respect of the payment of the principal of 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 District Boundary.

G. Security for Debt. The District 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 District's 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 District in the payment of any such obligation.

H. TABOR Compliance. The District shall comply with Section 20 of Article X of the Colorado Constitution ("TABOR"). In the discretion of the Board, the District 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 the District will remain under the control of the District's Board, and any such entity shall be subject to and bound by all terms, conditions, and limitations of the Service Plan and the District Activities IGA.

I. District Operating Costs.

1. The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the District's organization and initial operations, are anticipated to be One Hundred Thousand Dollars (\$100,000), which will be eligible for reimbursement from Debt proceeds.

2. In addition to the capital costs of the Public Improvements, the District will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained. The first year's operating budget is estimated to be Fifty Thousand Dollars (\$50,000) which is anticipated to be derived from property taxes and other revenues.

3. The Maximum Debt Mill Levy for the repayment of Debt shall not apply to the District's ability to increase its mill levy as necessary for provision of operation and maintenance services to its taxpayers and service users.

VII. ANNUAL REPORT

A. General. The District shall be responsible for submitting an annual report to the Community Development Department within six months of the close of the fiscal year.

B. Reporting of Significant Events. The annual report shall include information as to any of the following:

1. Boundary changes made or proposed to the District Boundary as of December 31 of the prior year.
2. Intergovernmental agreements with other governmental entities either entered into or proposed as of December 31 of the prior year.
3. Copies of the District's rules and regulations, if any, as of December 31 of the prior year.
4. A summary of any litigation that involves the Public Improvements as of December 31 of the prior year.
5. Status of the District's construction of the Public Improvements as of December 31 of the prior year.
6. 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 prior year.
7. The assessed valuation of the District for the current year.
8. Current year budget including a description of the Public Improvements to be constructed in such year.
9. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.
10. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.
11. 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.

VIII. DISSOLUTION

Upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the District agrees to file petitions in the appropriate District Court for dissolution pursuant to applicable State law. In no event shall dissolution occur until the District has provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations as required pursuant to State law.

IX. DISCLOSURE NOTICES

A. Disclosure to Purchasers. The District shall use reasonable efforts and due diligence to cause any home builder or developer of property within the District Boundary to provide to all initial purchasers of property within the District Boundary written notice of disclosure that describes the impact of the District mill levy and fees on each residential property along with the purchase contract. The District shall record such notice of disclosure with the Adams County

Clerk and Recorder at the time the subdivision plat is recorded or, if the subdivision plat has already been filed, provide the City with a copy of the recorded notice of disclosure. The notice of disclosure shall include the maximum mill levy that may be assessed and the associated taxes that may be imposed on the residential property for each year the District is in existence.

B. Disclosure to Potential Residential Buyers. The District shall also use reasonable efforts and due diligence to provide information to potential residential buyers by: (i) furnishing to any developer of property or home builders within the District Boundary information describing the key provisions of the approved District for prominent display at all sales offices; and (ii) inspecting the sales offices within the District Boundary on a quarterly basis to assure the information provided is accurate and prominently displayed. Such information shall include the maximum mill levy and associated taxes and fees that may be imposed on each property for each year the District is in existence as well as the Public Improvements that are or have been paid for by the District.

X. DISTRICT ACTIVITIES IGA

The form of the District Activities IGA, relating to the limitations imposed on the District's activities, is attached hereto as **Exhibit D**. The District shall approve the intergovernmental agreement in the form attached as **Exhibit D** at its first Board meeting after its organizational election. Failure of the District to execute the intergovernmental agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment. The City Council will approve the intergovernmental agreement in the form attached as **Exhibit D**.

XI. CONCLUSION

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

A. There is sufficient existing and projected need for organized service in the area to be serviced by the District.

B. The existing service in the area to be served by the District is inadequate for present and projected needs.

C. The District is capable of providing economical and sufficient service to the area within the District Boundary.

D. The area to be included in the District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

E. Adequate service is not, and will not be, available to the area through the City or county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.

F. The facility and service standards of the District are compatible with the facility and service standards of the City within which the District is to be located and each municipality which is an interested party under Section 32-1-204(1), C.R.S.

G. The proposed District and Service Plan are in substantial compliance with a comprehensive plan adopted pursuant to the City Code.

H. The proposed District and Service Plan are in compliance with any duly adopted City, regional or state long-range water quality management plan for the area.

I. The creation of the District is in the best interests of the area proposed to be served.

EXHIBIT A

Legal Description

CANAL AVENUE METROPOLITAN DISTRICT

A PARCEL OF LAND LOCATED IN THE SOUTHEAST 1/4 AND IN THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 11, TOWNSHIP 2 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPLE MERIDIAN, COUNTY OF ADAMS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SAID SECTION 11; THENCE NORTH 00 DEGREES 07 MINUTES 12 SECONDS WEST ALONG THE WEST LINE OF SAID EAST 1/2, A DISTANCE OF 60.00 FEET TO THE TRUE POINT OF BEGINNING, WHICH POINT IS ON THE NORTH RIGHT OF WAY LINE OF EAST 104TH AVENUE; THENCE NORTH 00 DEGREES 07 MINUTES 12 SECONDS WEST CONTINUING ALONG THE WEST LINE OF SAID EAST 1/2, A DISTANCE OF 1336.08 FEET TO A POINT ON THE SOUTHEASTERLY RIGHT OF WAY LINE OF INTERSTATE 76; THENCE NORTH 54 DEGREES 41 MINUTES 35 SECONDS EAST ALONG SAID SOUTHEASTERLY RIGHT OF WAY LINE, A DISTANCE OF 2,103.79 FEET TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF COUNTY ROAD, WHICH POINT IS 30.00 FEET SOUTH OF THE NORTH LINE OF THE SOUTHEAST 1/4 OF SAID SECTION 11; THENCE NORTH 89 DEGREES 55 MINUTES 50 SECONDS EAST ALONG SAID SOUTH RIGHT OF WAY LINE, A DISTANCE OF 1,144.12 FEET TO A POINT ON THE NORTHWESTERLY RIGHT OF WAY LINE OF THE O'BRIEN CANAL AS DESCRIBED IN BOOK 35 AT PAGE 112; THENCE SOUTHWESTERLY ALONG SAID NORTHWESTERLY RIGHT OF WAY LINE AND ALONG THE FOLLOWING 5 COURSES AND DISTANCES: SOUTHWESTERLY ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 1,183.45 FEET, A CENTRAL ANGLE OF 38 DEGREES 16 MINUTES 37 SECONDS, AN ARC DISTANCE OF 790.61 FEET, THE CHORD OF SAID CURVE BEARS SOUTH 44 DEGREES 18 MINUTES 18 SECONDS WEST, A DISTANCE OF 775.99 FEET TO THE POINT OF TANGENT OF SAID CURVE; SOUTH 25 DEGREES 10 MINUTES 00 SECONDS WEST 1,600.00 FEET TO A POINT OF CURVE; SOUTHWESTERLY ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 576.62 FEET, A CENTRAL ANGLE OF 36 DEGREES 00 MINUTES 00 SECONDS, AN ARC DISTANCE OF 362.30 FEET, THE CHORD OF SAID CURVE BEARS SOUTH 43 DEGREES 10 MINUTES 00 SECONDS WEST, A DISTANCE OF 356.37 FEET TO THE POINT OF TANGENT OF SAID CURVE; SOUTH 61 DEGREES 10 MINUTES 00 SECONDS WEST, 200.00 FEET TO A POINT OF CURVE; SOUTHWESTERLY ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 320.44 FEET, A CENTRAL ANGLE OF 41 DEGREES 37 MINUTES 32 SECONDS, AN ARC DISTANCE OF 232.80 FEET, THE CHORD OF SAID CURVE BEARS SOUTH 40 DEGREES 21 MINUTES 14 SECONDS WEST, A DISTANCE OF 227.72 FEET TO A POINT ON THE NORTH RIGHT OF WAY LINE OF EAST 104TH AVENUE; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST DEPARTING SAID NORTHWESTERLY CANAL RIGHT OF WAY LINE, A DISTANCE OF 25.70 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST ALONG SAID NORTH RIGHT OF WAY LINE, A DISTANCE OF 20.00 FEET TO A POINT 60.00 FEET NORTH OF THE SOUTH LINE OF THE EAST 1/2 OF SAID SOUTHWEST 1/4; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST CONTINUING ALONG SAID NORTH RIGHT OF WAY LINE, A DISTANCE OF 1,043.58 FEET MORE OR LESS, TO THE TRUE POINT OF BEGINNING, COUNTY OF ADAMS, STATE OF COLORADO.

SUBJECT TO RECEPTION NO. 2011000055465 & BOOK 5756 AT PAGE 41

BASIS FOR BEARINGS:

THE SOUTH LINE OF THE SOUTHWEST ONE-QUARTER OF SECTION 11, TOWNSHIP 2 SOUTH, RANGE 67 WEST IS ASSUMED TO BEAR N90°00'00"W. ALL OTHER BEARINGS ARE RELATIVE THERETO. ALL MONUMENTS EXIST AS SHOWN HEREON.

EXHIBIT B

Vicinity Map

VICINITY MAP CANAL AVENUE PARK



SCALE 1" = 600'

NOTES:

- TRANSPORTATION SYSTEMS:**
- MULTI USE PATH ALONG 104TH AVENUE, EAST OF O'BRIAN CANAL
 - TRAIL ALONG 104TH AVENUE, WEST OF O'BRIAN CANAL
 - FUTURE RAIL ALONG O'BRIAN CANAL AND NORTH EDGE OF THE SITE
 - TRUCK ROUTES IN VICINITY OF THE SITE INCLUDE 104TH AVENUE, I-76, JOULET STREET, HAVANA STREET, PEORIA PARKWAY, PEORIA STREET, HIGHWAY 2.
 - RTD BUS SERVICE IS PROVIDED ALONG 104TH AVENUE.
- FLOODPLAINS:**
- SITE AND ADJACENT LANDS ARE WITHIN AREAS OF MINIMAL FLOOD HAZARD PER FEMA MAP 08001C03384, EFFECTIVE DATE 3/5/2007. NO FLOODPLAINS ARE MAPPED ON THE SITE.
- PUBLIC FACILITIES:**
- WHERE MAJOR PUBLIC FACILITIES ARE WITHIN THE MAPPED AREA.

MAP NOTE:
THIS VICINITY MAP HAS BEEN PREPARED USING MAPPING OBTAINED FROM COMMERCE CITY.



The Sanitas Group
801 MAIN STREET, SUITE 225
LOUISVILLE, CO 80027
303.481.2710

PROJECT NAME:	CANAL AVENUE PARK	PROJECT NUMBER:	B1248
DRAWN BY:	MAA	CHECKED BY:	CCS
ISSUE:	METRO DISTRICT APPLICATION	DATE:	8/1/2018

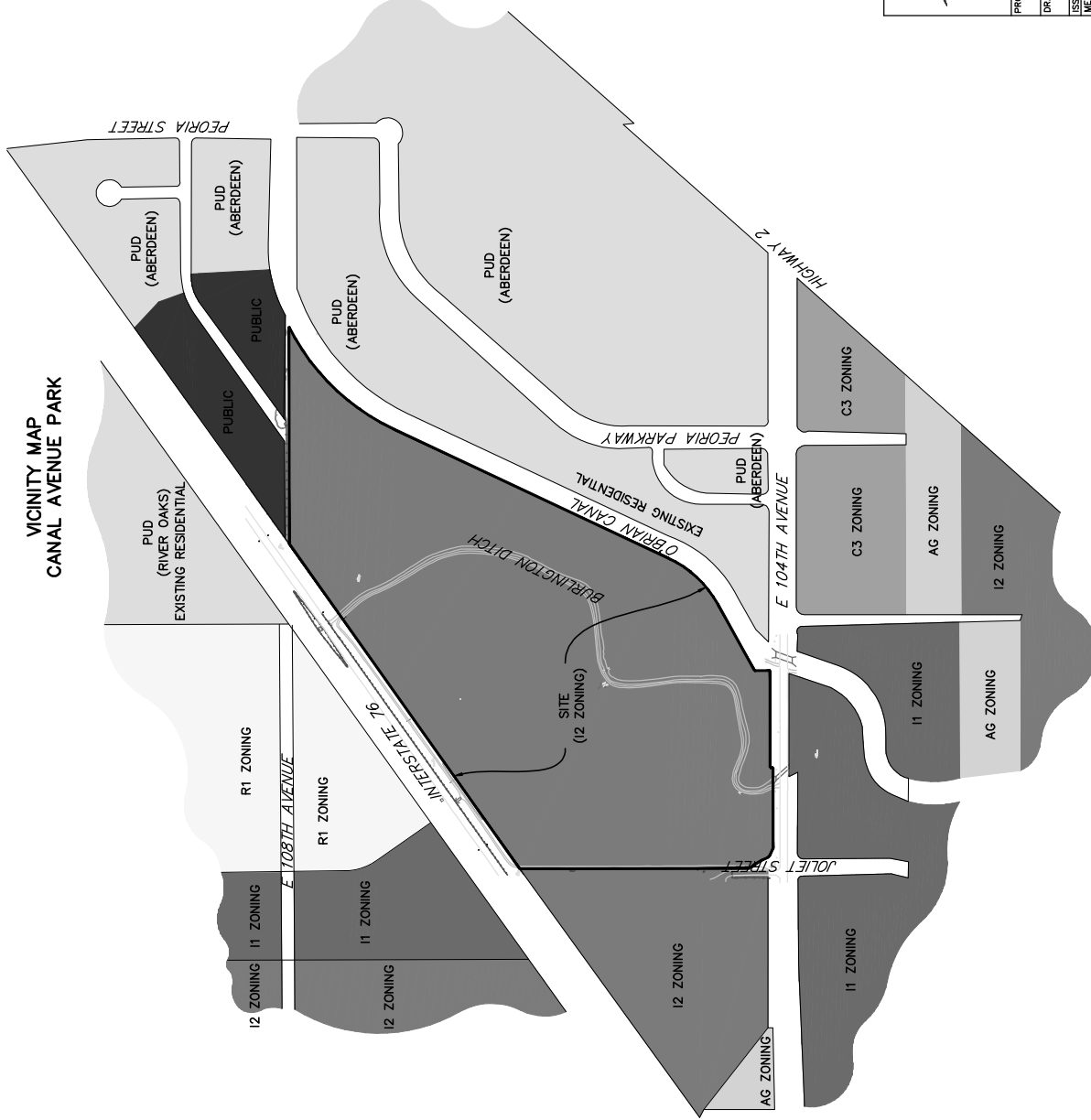


EXHIBIT C

District Boundary Survey

EXHIBIT D

Intergovernmental Agreement

**INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF COMMERCE
CITY AND CANAL AVENUE METROPOLITAN DISTRICT REGARDING
THE SERVICE PLAN FOR THE DISTRICT**

THIS INTERGOVERNMENTAL AGREEMENT (the “IGA”) is made and entered into as of this _____ day of _____, 20____, by and between the CITY OF COMMERCE CITY, a Colorado home rule municipality (the “City”), and the CANAL AVENUE METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”).

WHEREAS, the District was organized to provide the services and exercise the powers more specifically set forth in the District’s Service Plan approved by the City on September 17, 2018 (the “Service Plan”); and

WHEREAS, the Service Plan makes reference to the execution of an intergovernmental agreement between the City and the District, as required by the Commerce City Revised Municipal Code (the “City Code”); and

WHEREAS, the City and the District have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this IGA.

NOW THEREFORE, in consideration of the covenants and mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the parties agree as follows:

1. Definitions. Capitalized terms used herein shall, unless expressly defined in this IGA, have the meaning ascribed to them in and by the Service Plan.
2. Operations and Maintenance. The District shall dedicate the Public Improvements to the City or other appropriate jurisdiction or owners association in a manner consistent with the approved zoning ordinance and public improvement agreement and other rules and regulations of the City and applicable provisions of the City Code. The District shall not operate or maintain any part or all of the Public Improvements without the consent of the City with the exception of park and recreation improvements. The District is required and obligated to operate and maintain park and recreation improvements within the District Boundary, and all parks and trails shall be open to the general public free of charge.

In addition to other maintenance authorized by the City, the District may maintain, cause to be maintained, or otherwise be responsible for all costs, and the City will not be responsible for any such costs, associated with the maintenance, repair, or any other construction of any portion of the Public Improvements dedicated to the City where such maintenance, repair, or other construction requires the consent or approval of the Burlington Ditch Reservoir and Land Company, its successors or assigns.

3. Fire Protection. The District shall not plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services unless this IGA is amended, as herein provided, to make provision therefor. The ability

and authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of a water system shall not be limited by this provision.

4. Television Relay and Translation. With the exception of the installation of conduit as a part of a street construction project, the District shall not plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services unless this IGA is amended, as herein provided, to make provision therefor.

5. Telecommunication Facilities. No telecommunication facilities owned, operated or otherwise allowed by the District shall impair existing telecommunication facilities or affect the ability of the City to expand its public safety telecommunication facilities.

6. Construction Standards Limitation. The District shall ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction. The District shall obtain the City's approval of civil engineering plans and shall obtain applicable permits for construction and installation of the Public Improvements prior to performing any such work.

7. Zoning and Land Use Requirements. The District acknowledges and agrees that it is subject to all of the City's zoning, subdivision, building code and other land use and development requirements.

8. Growth Limitations. The District acknowledges and agrees that the City shall not be limited in implementing City Council or voter approved growth limitations, even though such actions may reduce or delay development within the District and the realization of District revenue.

9. Conveyance. The District shall convey to the City, at no cost to the City, any real property owned by the District that is necessary, in the City's reasonable discretion, for any City capital improvement projects for transportation, utilities or drainage, upon written notification.

10. Issuance of Privately Placed Debt. Prior to the issuance of any privately placed Debt, the 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 Section 32-1-103(12), C.R.S.) 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.

11. Eminent Domain. The District agrees that it shall not use eminent domain powers to acquire any real property unless this IGA is amended, as herein provided, to make provision therefor.

12. Water Rights/Resources. The District shall not acquire, own, manage, adjudicate or develop water rights or resources unless this IGA is amended, as herein provided, to make provision therefor.

13. Inclusion Limitation. The District shall not include within the District Boundary any property outside the Service Area without the prior written consent of the City Council. If an area of inclusion (an "Inclusion Area") is proposed, the District agrees not to include within the District Boundary any property inside the Inclusion Area Boundaries without the prior written consent of the City Council except upon petition of the fee owner or owners of one hundred percent (100%) of such property as provided in Section 32-1-401(1)(a), C.R.S.

14. Exclusion Limitation. The District shall not exclude from the District Boundary any property within the Service Area without the prior written consent of the City Council. The District shall follow the procedure for exclusion of property as provided in Section 32-1-502, C.R.S.

15. Overlap Limitation. The District shall not consent to the organization of any other district organized under the Special District Act within the Service Area that will overlap the District Boundary unless the aggregate mill levy for payment of Debt of such proposed district(s) will not at any time exceed the Maximum Debt Mill Levy of the District.

16. Initial Debt. On or before the effective date of approval by the City of an approved zoning ordinance and/or a public improvement agreement and approval and execution of this IGA, the District shall not: (a) issue any Debt; (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any Fees used for the purpose of repayment of Debt.

17. Total Debt Issuance. The District shall not issue Debt in excess of Thirty Million Dollars (\$30,000,000).

18. Public Improvements Fee Limitation. Unless this IGA is amended, as herein provided, to make provision therefor, the District shall not impose, collect, receive, spend or pledge to any Debt any fee, assessment, tax or charge that is collected by a retailer in the District on the sale of goods or services by such retailer and that is measured by the sales price of such goods or services.

19. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Trust Funds or other funds

available from or through governmental or non-profit entities for which the City is eligible to unless this IGA is amended, as herein provided, to make provision therefor. The District acknowledges and agrees that such monies are often critical to fund improvements to parks, trails and other public amenities and that it is in the best interests of the residents of both the District and the City that the parties not dilute the pool of applicants for such funds. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the district without any limitation.

20. Consolidation. The District shall not file a request with any Court to consolidate with another Title 32 district without prior approval of the City Council as evidenced by a resolution thereon.

21. Service Plan Amendment Requirement. Any actions of the District that violate the limitations set forth in V.A.1-22, V.B., or VI.B-G of the Service Plan shall be deemed to be material modifications to the Service Plan, and the City shall be entitled to all remedies available under State and local law to enjoin such actions.

30. Notices. All notices, demands, requests or other communications hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of the same in person to the address or by courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the District: Canal Avenue Metropolitan District
c/o Seter & Vander Wall
7400 E. Orchard Rd., Suite 3300
Greenwood Village, CO 80111
Attn: Barbara Vander Wall
Phone: 303-770-2700
Fax: 303-770-2701

To the City: City of Commerce City
7887 East 60th Avenue
Commerce City, CO 80022
Attn: Community Development Department
Phone: 303-289-3683
Fax: 303-289-3731

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with United Parcel Service or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice in accordance with the provisions hereof, each party shall have the right from time to time to change its address.

31. Default/Remedies. Upon the occurrence of any event of breach or default by either party, the non-defaulting party shall provide written notice to the party in default. The defaulting party shall immediately proceed to cure or remedy such breach or default, and

in any event, such breach or default shall be cured within fifteen (15) days after receipt of the notice. Following such cure period, the non-defaulting Party shall be entitled to exercise all remedies available by law or in equity, specifically including suits for specific performance and/or monetary damages.

32. Annual and Continued Five Year Review. The District shall submit an annual report to the City in every year following the year in which the Order and Decree creating the District has been issued until the year following the dissolution of the District. Such annual report shall be submitted no later than six (6) months after the close of the District's fiscal year and shall include information as provided by the City Code. The District shall submit an application to the City every five (5) years for a finding of reasonable diligence in accordance with section 32-1-1101.5 of the Special District Act.

33. No City Liability. The City has no obligation whatsoever to construct any improvements that the District is required to construct, or to pay any Debt or liability of the District including any Bonds.

34. General Provisions.

a. Entire Agreement; Binding Effect. Except as expressly provided herein, this IGA contains the entire agreement of the parties relating to the subject matter hereof and may not be modified or amended except by written agreement of the parties. This IGA shall be binding upon, and shall inure to the benefit of, the parties and their respective heirs, personal representatives, successors and assigns.

b. Amendment. This IGA may be amended, modified, changed or terminated in whole or in part only by a written agreement duly authorized and executed by the parties and without amendment to the Service Plan.

c. No Waiver. The waiver of any breach of a term, provision or requirement of this Agreement shall not be construed as or deemed a waiver of any subsequent breach of such term, provision or requirement or of any other term, provision or requirement of this IGA.

d. No Assignment. Neither party shall assign any of its rights or delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent of the other party, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

e. No Third-Party Beneficiaries. It is expressly understood and agreed that enforcement of the terms and conditions of this IGA and all rights of action relating to such enforcement shall be strictly reserved to the parties. It is the express intention of the parties that any person other than the City and the District shall be deemed to be only an incidental beneficiary under this IGA.

f. Governing Law and Venue; Recovery of Costs. This IGA shall be governed by the laws of the State of Colorado. Venue for state court actions shall be in the

17th Judicial District in Adams County, Colorado, and venue for federal court actions shall be in the United States District Court for the District of Colorado. In the event legal action is brought to resolve any dispute among the parties related to this IGA, the prevailing party in such action shall be entitled to recover reasonable court costs and attorney fees from the non-prevailing party.

g. Severability. In the event a court of competent jurisdiction holds any provision of this IGA invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this IGA.

h. Paragraph Headings. Paragraph headings used in this IGA are for convenience of reference and shall in no way control or affect the meaning or interpretation of any provision of this IGA.

i. Counterparts. This IGA may be executed in any number of counterparts, each of which shall be deemed to be an original and all such counterparts taken together shall be deemed to constitute one and the same instrument.

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first set forth above.

CANAL AVENUE METROPOLITAN DISTRICT

By: _____
Its: _____

ATTEST:

By: _____
Its: _____

CITY OF COMMERCE CITY

Brian K. McBroom, City Manager

ATTEST:

Laura J. Bauer, CMC, City Clerk

Approved as to form:

Recommended for approval:

_____, *[Assistant/Deputy]* City Attorney

[Name], Director
Department of Community Development

CANAL AVENUE METROPOLITAN DISTRICT PRELIMINARY CAPITAL PLAN

	Quantity	Unit	Cost/unit	Total cost
80' Industrial Collector Road	5900	LF	\$ 335	\$ 1,976,500
12" Water	9600	LF	\$ 130	\$ 1,248,000
FH	25	EA	\$ 5,000	\$ 125,000
Valve/Bend	50	EA	\$ 250	\$ 12,500
8" Sanitary	5800	LF	\$ 120	\$ 696,000
San MH	20	EA	\$ 6,000	\$ 120,000
San lift station	1	EA	\$ 200,000	\$ 200,000
Storm Main	5800	LF	\$ 200	\$ 1,160,000
Storm MH	20	EA	\$ 6,000	\$ 120,000
Storm Inlet	30	EA	\$ 5,000	\$ 150,000
8x4 box (ditch)	3050	LF	\$ 750	\$ 2,287,500
Earthwork (estimate)	258000	CY	\$ 12	\$ 3,096,000
Erosion Control	80	AC	\$ 6,000	\$ 480,000
Detention/WQ	1	LS	\$ 150,000	\$ 150,000
Subtotal				\$ 11,821,500
Contingency (20%)				\$ 2,364,300
Total				\$ 14,185,800

CANAL AVENUE METROPOLITAN DISTRICT
SUMMARY TABLE
Identifying District and Key Financial Data

Metro District Name	Public Improvements	Debt Limit	Total Debt Capacity	Organization and Operating Reimbursement	First Year Operating and Maintenance
(Location in Service Plan)	Sec. V. B.	Sec. V.A.16	Calculated	Sec. VII.I	Section VII.I
Canal Avenue Metropolitan District	\$14,185,000	\$30,000,000	\$30,000,000	\$100,000	\$50,000
Totals	\$14,185,000	\$30,000,000	\$30,000,000	\$100,000	\$50,000

August 29, 2018

Proposed Canal Avenue Metropolitan District
Attention: Barbara T. Vander Wall
Seter & Vander Wall, P.C.
7400 E. Orchard Road, Suite 3300
Greenwood Village, CO 80111

RE: Canal Avenue Metropolitan District

We have analyzed the bonding capacity for the proposed Canal Avenue Metropolitan District ("the District"). The analysis presented summarizes and presents information provided by the Developer and does not include independently verifying the accuracy of the information or assumptions.

Commercial Plan Assumptions

The following assumptions have been provided by the Developer and form the basis of the commercial analysis.

1. The development is comprised of 734,896 square feet of commercial property; Unit 1 is 64,896 square feet and will be completed in 2021, Units 2-8 are 90,000 square feet and will be completed in 2021, Unit 9 is 135,000 square feet and will be completed in 2022, Unit 10-15 are 60,000 square feet and will be completed in 2024, Unit 16 is 50,000 square feet and will be completed in 2024, Unit 17 is 50,000 and will be completed in 2024, Unit 18 is 50,000 square feet and will be completed in 2026, Unit 19 is 50,000 feet and will be completed in 2026, Unit 20 is 135,000 square feet and will be completed in 2026, and Unit 21 is 50,000 square feet and will be completed in 2027. The base year price is modeled at \$110 per square foot for the commercial lots and the base year price is modeled with a 2% annual inflation rate.
2. The debt service mill levy target is 35.00 mills.
3. It is assumed the operations and maintenance mill levy is 10 mills.

Estimate of Potential Bonding Capacity

1. The District is modeled to issue bonds in December 2021 with a par of \$18,170,000. An interest rate of 5.0% was modeled. At issuance, it is projected that the District will fund \$663,000 in costs of issuance, \$2,725,500 capitalized interest, and \$1,665,000 as a Surplus Fund from bond proceeds. The remaining \$13,116,100 is projected to be deposited to the District's project fund to reimburse the Developer for eligible expenses.
 - a. Specific Ownership Tax revenues have been calculated based on applying a factor of 6.0% to annual property tax revenues.

- b. It is projected that 98% of property taxes levied will be collected and available to the District.
 - c. It is projected that there will be a 6% biennial inflation rate on assessments. The bonding capacity could be higher if the rate of assessment inflation is greater, or conversely lower if the inflation rate is below 6%.
 2. The District is modeled to issue another set of bonds in December 2031 with a par of \$28,835,000. An interest rate of 5.0% was modeled. At issuance, it is projected that the District will fund \$394,175 in costs of issuance, \$17,830,000 to refund the 2021 Bonds, and \$1,305,100 as a Reserve Fund from bond proceeds. The remaining \$10,664,725 is projected to be deposited to the District's project fund to reimburse the Developer for eligible expenses.
 - a. Specific Ownership Tax revenues have been calculated based on applying a factor of 6.0% to annual property tax revenues.
 - b. It is projected that 98% of property taxes levied will be collected and available to the District.
 - c. It is projected that there will be a 6% biennial inflation rate on assessments. The bonding capacity could be higher if the rate of assessment inflation is greater, or conversely lower if the inflation rate is below 6%.
 3. In total, the plan of finance shows \$23,780,825 for infrastructure reimbursements between the two issuances.

Based upon the development assumptions provided and the financial assumptions contained in the attached projected Financing Plan for the proposed Canal Avenue Metropolitan District, the projected revenue is sufficient to retire all Debt referenced in the Financing Plan within the restrictions set forth in the District's Service Plan, including but not limited to the maximum debt mill levies and mill levy imposition terms permitted.

Risk Factors

Risks to Tax Payers:

- Development is slower than anticipated
- Biennial inflation on assessed values is less than 6%
- District imposes maximum mill levy of 50 mills for Debt

The primary risk to tax payers is that the District issues bonds to finance infrastructure and then the absorption of additional property, or its valuation by the Assessor, lags modeled expectations. If that occurs, then the District may need to levy the maximum debt service mill levy of 50 mills and would not be able to reduce the levy until the Bonds are repaid.

Risks to Bondholders:

- Development is slower than anticipated
- Biennial inflation on assessed values is less than 6%
- Assurance of the continuation of development is not assured
- Reliance on Federal Tax Code and State laws governing municipal finance and special districts

The primary risk to Bondholders is the development does not occur as fast as originally projected and that the revenues generated from the Limited Mill Levy (50 mills) are not sufficient to meet the District's financial obligations. These risks are mitigated by funding a capitalized interest and debt service reserve fund at closing. In addition, these bonds are anticipated to be marketed only to sophisticated investors who understand the risks involved in the transaction.

The assumptions disclosed in the Financial Plan are those of the Developer and have not been independently reviewed by D.A. Davidson. Those assumptions identified are believed to be the significant factors in determining financial feasibility; however, they are likely not to be all-inclusive. There will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as projected, and those differences may be material. Key assumptions, including those relating to market values of real property improvements and the build out schedule of such property, are particularly sensitive in terms of the timing necessary to create the tax base for the District. A small variation in these variables, and to their timing, can have a large effect on the forecasted results. There is a high probability that the forecasted results will differ from realized future tax base factors and such variations can be material. Additionally, other key assumptions relating to inflation, assessment ratios, interest rates, and infrastructure, administrative, and operating costs may, and likely will, vary from those projected.

Because D.A. Davidson has not independently evaluated or reviewed the assumptions that the financial model is based upon, we do not vouch for the achievability (and disclaim any opinion) of the information provided. Furthermore, because of the inherent nature of future events, which are subject to change and variation as events and circumstances change, the actual results may vary materially from the results presented here. D.A. Davidson has no responsibility or obligation to update this information or this financial model for events occurring after the date of this report.

Respectfully submitted,

D.A. DAVIDSON & CO. FIXED INCOME CAPITAL MARKETS



Sam Sharp

Managing Director, Public Finance

Development Projection at 35.000 (target) District Mills for Debt Service (SERVICE PLAN) -- 08/02/2018

Series 2031, G.O. Bonds, Pay & Cancel Refg of (proposed) Series 2021+New, 100x, Non-Rated, 30-yr. Maturity

8/2/2018 B CAMD Fin Plan 18

CANAL AVENUE METROPOLITAN DISTRICT

Development Projection at 35,000 (target) District Mills for Debt Service (SERVICE PLAN) – 08/02/2018

Series 2031, G.O. Bonds, Pay & Cancel Refg of (proposed) Series 2021+New, 100x, Non-Rated, 30-yr. Maturity

YEAR	Net Available for Debt Svc	Ser. 2021 \$18,170,000 Par [Net \$13.116 MM]	Ser. 2031 \$28,835,000 Par [Net \$10.665 MM]	Total Net Debt Service	Funds on Hand Used as Source*	Annual Surplus	Surplus Release @ to \$2,883,500	Cumulative Surplus* \$2,883,500 Target	Debt/ Assessed Ratio	Debt/ Act'l Value Ratio	Cov. of Net DS: @ 35,000 Target
2017											
2018											
2019											
2020											
2021	\$0	\$0		\$0		0		1,665,000	n/a	n/a	0%
2022	17,965	0		0		17,965	0	1,682,965	n/a	n/a	0%
2023	206,305	0		0		206,305	0	1,889,270	3677%	320%	52%
2024	371,569	0		0		371,569	0	2,260,839	49%	32%	49%
2025	390,126	908,500		908,500		(518,374)	0	1,742,466	169%	110%	30%
2026	602,847	908,500		908,500		(305,653)	0	1,436,812	110%	105%	20%
2027	630,102	908,500		908,500		(278,398)	0	1,158,415	105%	69%	19%
2028	964,161	913,500		913,500		50,661	0	1,209,076	68%	64%	18%
2029	1,027,667	978,250		978,250		49,417	0	1,258,493	64%	60%	17%
2030	1,089,327	1,034,750		1,034,750		54,577	0	1,313,070	60%	60%	16%
2031	1,089,327	1,033,250	\$0	1,033,250	\$1,359,000	(1,302,923)	0	10,146	91%	25%	105%
2032	1,154,686		1,153,400	1,153,400		1,286	0	11,433	91%	25%	100%
2033	1,154,686		1,153,400	1,153,400		1,286	0	12,719	86%	23%	100%
2034	1,223,968		1,223,400	1,223,400		568	0	13,287	85%	23%	100%
2035	1,223,968		1,220,600	1,220,600		3,368	0	16,655	80%	22%	100%
2036	1,297,406		1,292,800	1,292,800		4,606	0	21,260	80%	22%	100%
2037	1,297,406		1,297,000	1,297,000		406	0	21,666	75%	21%	100%
2038	1,375,250		1,370,800	1,370,800		4,450	0	26,116	74%	20%	100%
2039	1,375,250		1,371,400	1,371,400		3,850	0	29,966	70%	19%	100%
2040	1,457,765		1,456,600	1,456,600		1,165	0	31,131	69%	19%	100%
2041	1,457,765		1,453,000	1,453,000		4,765	0	35,896	64%	18%	100%
2042	1,545,231		1,544,000	1,544,000		1,231	0	37,127	63%	17%	100%
2043	1,545,231		1,540,800	1,540,800		4,431	0	41,558	58%	16%	100%
2044	1,637,945		1,637,000	1,637,000		945	0	42,503	57%	16%	100%
2045	1,637,945		1,633,600	1,633,600		4,345	0	46,848	53%	14%	100%
2046	1,736,221		1,734,400	1,734,400		1,821	0	48,669	51%	14%	100%
2047	1,736,221		1,735,200	1,735,200		1,021	0	49,691	47%	13%	100%
2048	1,840,395		1,839,800	1,839,800		595	0	50,285	45%	12%	100%
2049	1,840,395		1,839,000	1,839,000		1,395	0	51,680	41%	11%	100%
2050	1,950,818		1,946,800	1,946,800		4,018	0	55,699	39%	11%	100%
2051	1,950,818		1,948,800	1,948,800		2,018	0	57,717	34%	9%	100%
2052	2,067,868		2,064,000	2,064,000		3,868	0	61,585	32%	9%	100%
2053	2,067,868		2,062,800	2,062,800		5,068	0	66,652	28%	8%	100%
2054	2,191,940		2,189,600	2,189,600		2,340	0	68,992	26%	7%	100%
2055	2,191,940		2,189,200	2,189,200		2,740	0	71,731	22%	6%	100%
2056	2,323,456		2,321,400	2,321,400		2,056	0	73,787	19%	5%	100%
2057	2,323,456		2,320,800	2,320,800		2,656	0	76,443	15%	4%	100%
2058	2,462,863		2,462,400	2,462,400		463	0	76,907	12%	3%	100%
2059	2,462,863		2,460,400	2,460,400		2,463	0	79,370	9%	2%	100%
2060	2,610,635		2,610,200	2,610,200		435	0	79,805	5%	1%	100%
2061	2,610,635		2,610,500	2,610,500		135	79,941	0	0%	0%	100%
	60,142,291	6,685,250	53,683,100	60,368,350	1,359,000	(1,585,059)	79,941				

[*] Assumes \$1.665M deposit @ Closing.

[*] Estimated, tbd.

[BJJd3118.31tp21B]

[BJJd3118.21trnsd]

CANAL AVENUE METROPOLITAN DISTRICT

Development Projection -- Buildout Plan (updated 7/31/18)



Commercial Development

	<u>Unit 1</u>					<u>Units 2-8</u>					<u>Unit 9</u>				
	Incr/(Decr) in		Square Ft	per Sq Ft,	Market	Incr/(Decr) in		Square Ft	per Sq Ft,	Market	Incr/(Decr) in		Square Ft	per Sq Ft,	Market
YEAR	SF	Value @	Completed	Inflated @	Value	SF	Value @	Completed	Inflated @	Value	SF	Value @	Completed	Inflated @	Value
	Devel'd	10%	64,896	2%		Devel'd	10%	90,000	2%		Devel'd	10%	135,000	2%	
2017	0	0		\$110.00	\$0	0	0		\$110.00	\$0	0	0		\$110.00	\$0
2018	0	0		110.00	0	0	0		110.00	0	0	0		110.00	0
2019	0	0		112.20	0	0	0		112.20	0	0	0		112.20	0
2020	64,896	713,856		114.44	0	90,000	990,000		114.44	0	0	0		114.44	0
2021	0	(713,856)	64,896	116.73	7,575,497	0	(990,000)	90,000	116.73	10,505,959	135,000	1,485,000		116.73	0
2022	0	0	0	119.07	0	0	0	0	119.07	0	0	(1,485,000)	135,000	119.07	16,074,118
2023	0	0	0	121.45	0	0	0	0	121.45	0	0	0	0	121.45	0
2024	0	0	0	123.88	0	0	0	0	123.88	0	0	0	0	123.88	0
2025	0	0	0	126.36	0	0	0	0	126.36	0	0	0	0	126.36	0
2026	0	0	0	128.88	0	0	0	0	128.88	0	0	0	0	128.88	0
2027	0	0	0	131.46	0	0	0	0	131.46	0	0	0	0	131.46	0
2028	0	0	0	134.09	0	0	0	0	134.09	0	0	0	0	134.09	0
2029	0	0	0	136.77	0	0	0	0	136.77	0	0	0	0	136.77	0
2030	0	0	0	139.51	0	0	0	0	139.51	0	0	0	0	139.51	0
2031	0	0	0	142.30	0	0	0	0	142.30	0	0	0	0	142.30	0
2032	0	0	0	145.14	0	0	0	0	145.14	0	0	0	0	145.14	0
2033	0	0	0	148.05	0	0	0	0	148.05	0	0	0	0	148.05	0
2034	0	0	0	151.01	0	0	0	0	151.01	0	0	0	0	151.01	0
2035	0	0	0	154.03	0	0	0	0	154.03	0	0	0	0	154.03	0
2036	0	0	0	157.11	0	0	0	0	157.11	0	0	0	0	157.11	0
2037	0	0	0	160.25	0	0	0	0	160.25	0	0	0	0	160.25	0
	64,896	0	64,896		7,575,497	90,000	0	90,000		10,505,959	135,000	0	135,000		16,074,118

CANAL AVENUE METROPOLITAN DISTRICT

Development Projection -- Buildout Plan (updated 7/31/18)



YEAR	<u>Units 10-15</u>					<u>Unit 16</u>					<u>Unit 17</u>				
	SF Devel'd	Incr/(Decr) in Finished Lot Value @ 10%	Square Ft Completed 60,000	per Sq Ft, Inflated @ 2%	Market Value	SF Devel'd	Incr/(Decr) in Finished Lot Value @ 10%	Square Ft Completed 50,000	per Sq Ft, Inflated @ 2%	Market Value	SF Devel'd	Incr/(Decr) in Finished Lot Value @ 10%	Square Ft Completed 50,000	per Sq Ft, Inflated @ 2%	Market Value
2017	0	0	0	\$110.00	\$0	0	0	0	\$110.00	\$0	0	0	0	\$110.00	\$0
2018	0	0	0	110.00	0	0	0	0	110.00	0	0	0	0	110.00	0
2019	0	0	0	112.20	0	0	0	0	112.20	0	0	0	0	112.20	0
2020	0	0	0	114.44	0	0	0	0	114.44	0	0	0	0	114.44	0
2021	0	0	0	116.73	0	0	0	0	116.73	0	0	0	0	116.73	0
2022	0	0	0	119.07	0	0	0	0	119.07	0	0	0	0	119.07	0
2023	60,000	660,000	60,000	121.45	0	50,000	550,000	50,000	121.45	0	50,000	550,000	50,000	121.45	0
2024	0	(660,000)	60,000	123.88	7,432,672	0	(550,000)	50,000	123.88	6,193,893	0	(550,000)	50,000	123.88	6,193,893
2025	0	0	0	126.36	0	0	0	0	126.36	0	0	0	0	126.36	0
2026	0	0	0	128.88	0	0	0	0	128.88	0	0	0	0	128.88	0
2027	0	0	0	131.46	0	0	0	0	131.46	0	0	0	0	131.46	0
2028	0	0	0	134.09	0	0	0	0	134.09	0	0	0	0	134.09	0
2029	0	0	0	136.77	0	0	0	0	136.77	0	0	0	0	136.77	0
2030	0	0	0	139.51	0	0	0	0	139.51	0	0	0	0	139.51	0
2031	0	0	0	142.30	0	0	0	0	142.30	0	0	0	0	142.30	0
2032	0	0	0	145.14	0	0	0	0	145.14	0	0	0	0	145.14	0
2033	0	0	0	148.05	0	0	0	0	148.05	0	0	0	0	148.05	0
2034	0	0	0	151.01	0	0	0	0	151.01	0	0	0	0	151.01	0
2035	0	0	0	154.03	0	0	0	0	154.03	0	0	0	0	154.03	0
2036	0	0	0	157.11	0	0	0	0	157.11	0	0	0	0	157.11	0
2037	0	0	0	160.25	0	0	0	0	160.25	0	0	0	0	160.25	0
	60,000	0	60,000		7,432,672	50,000	0	50,000		6,193,893	50,000	0	50,000		6,193,893

CANAL AVENUE METROPOLITAN DISTRICT

Development Projection -- Buildout Plan (updated 7/31/18)



YEAR	<u>Unit 18</u>					<u>Unit 19</u>					<u>Unit 20</u>				
	SF Devel'd	Incr/(Decr) in Finished Lot Value @ 10%	Square Ft Completed 50,000	per Sq Ft, Inflated @ 2%	Market Value	SF Devel'd	Incr/(Decr) in Finished Lot Value @ 10%	Square Ft Completed 50,000	per Sq Ft, Inflated @ 2%	Market Value	SF Devel'd	Incr/(Decr) in Finished Lot Value @ 10%	Square Ft Completed 135,000	per Sq Ft, Inflated @ 2%	Market Value
2017	0	0	0	\$110.00	\$0	0	0	0	\$110.00	\$0	0	0	0	\$110.00	\$0
2018	0	0	0	110.00	0	0	0	0	110.00	0	0	0	0	110.00	0
2019	0	0	0	112.20	0	0	0	0	112.20	0	0	0	0	112.20	0
2020	0	0	0	114.44	0	0	0	0	114.44	0	0	0	0	114.44	0
2021	0	0	0	116.73	0	0	0	0	116.73	0	0	0	0	116.73	0
2022	0	0	0	119.07	0	0	0	0	119.07	0	0	0	0	119.07	0
2023	0	0	0	121.45	0	0	0	0	121.45	0	0	0	0	121.45	0
2024	0	0	0	123.88	0	0	0	0	123.88	0	0	0	0	123.88	0
2025	50,000	550,000	50,000	126.36	0	50,000	550,000	50,000	126.36	0	135,000	1,485,000	135,000	126.36	0
2026	0	(550,000)	50,000	128.88	6,444,127	0	(550,000)	50,000	128.88	6,444,127	0	(1,485,000)	135,000	128.88	17,399,142
2027	0	0	0	131.46	0	0	0	0	131.46	0	0	0	0	131.46	0
2028	0	0	0	134.09	0	0	0	0	134.09	0	0	0	0	134.09	0
2029	0	0	0	136.77	0	0	0	0	136.77	0	0	0	0	136.77	0
2030	0	0	0	139.51	0	0	0	0	139.51	0	0	0	0	139.51	0
2031	0	0	0	142.30	0	0	0	0	142.30	0	0	0	0	142.30	0
2032	0	0	0	145.14	0	0	0	0	145.14	0	0	0	0	145.14	0
2033	0	0	0	148.05	0	0	0	0	148.05	0	0	0	0	148.05	0
2034	0	0	0	151.01	0	0	0	0	151.01	0	0	0	0	151.01	0
2035	0	0	0	154.03	0	0	0	0	154.03	0	0	0	0	154.03	0
2036	0	0	0	157.11	0	0	0	0	157.11	0	0	0	0	157.11	0
2037	0	0	0	160.25	0	0	0	0	160.25	0	0	0	0	160.25	0
	50,000	0	50,000		6,444,127	50,000	0	50,000		6,444,127	135,000	0	135,000		17,399,142

CANAL AVENUE METROPOLITAN DISTRICT

Development Projection -- Buildout Plan (updated 7/31/18)

Commercial Summary										
YEAR	<u>Unit 21</u>									
	SF Devel'd	Incr/(Decr) in Finished Lot Value @ 10%	Square Ft Completed 50,000	per Sq Ft, Inflated @ 2%	Market Value	Total Commercial Market Value	Total Commercial Sq Ft	Value of Platted & Developed Lots Adjustment	Adjusted Value	
2017	0	0	0	\$110.00	\$0	0	0	0	0	
2018	0	0	0	110.00	0	0	0	0	0	
2019	0	0	0	112.20	0	0	0	0	0	
2020	0	0	0	114.44	0	0	0	0	1,703,856	
2021	0	0	0	116.73	0	18,081,456	154,896	0	(218,856)	
2022	0	0	0	119.07	0	16,074,118	135,000	0	(1,485,000)	
2023	0	0	0	121.45	0	0	0	0	1,760,000	
2024	0	0	0	123.88	0	19,820,459	160,000	0	(1,760,000)	
2025	0	0	0	126.36	0	0	0	0	2,585,000	
2026	50,000	550,000	50,000	128.88	0	30,287,395	235,000	0	(2,035,000)	
2027	0	(550,000)	50,000	131.46	6,573,009	6,573,009	50,000	0	(550,000)	
2028	0	0	0	134.09	0	0	0	0	0	
2029	0	0	0	136.77	0	0	0	0	0	
2030	0	0	0	139.51	0	0	0	0	0	
2031	0	0	0	142.30	0	0	0	0	0	
2032	0	0	0	145.14	0	0	0	0	0	
2033	0	0	0	148.05	0	0	0	0	0	
2034	0	0	0	151.01	0	0	0	0	0	
2035	0	0	0	154.03	0	0	0	0	0	
2036	0	0	0	157.11	0	0	0	0	0	
2037	0	0	0	160.25	0	0	0	0	0	
	50,000	0	50,000		6,573,009	90,836,436	734,896	0	0	

SOURCES AND USES OF FUNDS

**CANAL AVENUE METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2021
35.000 (target) Mills
Non-Rated, 105x, 30-yr. Maturity
(Full Growth + 6% Bi-Reassessment Projections)
[Preliminary -- for discussion only]**

Dated Date	12/01/2021
Delivery Date	12/01/2021

Sources:

Bond Proceeds:	
Par Amount	18,170,000.00
	18,170,000.00

Uses:

Project Fund Deposits:	
Project Fund	13,116,100.00
Other Fund Deposits:	
Capitalized Interest Fund	2,725,500.00
Cost of Issuance:	
Other Cost of Issuance	300,000.00
Delivery Date Expenses:	
Underwriter's Discount	363,400.00
Other Uses of Funds:	
Deposit to Surplus Fund	1,665,000.00
	18,170,000.00

SOURCES AND USES OF FUNDS

**CANAL AVENUE METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS, SERIES 2031
Pay & Cancel Refunding of (proposed) Series 2021 + New Money
35.000 (target) Mills
Non-Rated, 100x, 30-yr. Maturity
(Full Growth + 6% Bi-Reassessment Projections)
[Preliminary -- for discussion only]**

Dated Date	12/01/2031
Delivery Date	12/01/2031

Sources:

Bond Proceeds:	
Par Amount	28,835,000.00
Other Sources of Funds:	
Funds on Hand*	1,359,000.00
	30,194,000.00

Uses:

Project Fund Deposits:	
Project Fund	10,664,725.00
Refunding Escrow Deposits:	
Cash Deposit*	17,830,000.00
Other Fund Deposits:	
Debt Service Reserve Fund	1,305,100.00
Cost of Issuance:	
Other Cost of Issuance	250,000.00
Delivery Date Expenses:	
Underwriter's Discount	144,175.00
	30,194,000.00

Note: [*] Estimated balances (tbd)

BOND SUMMARY STATISTICS

**CANAL AVENUE METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS, SERIES 2031
Pay & Cancel Refunding of (proposed) Series 2021 + New Money
35.000 (target) Mills
Non-Rated, 100x, 30-yr. Maturity
(Full Growth + 6% Bi-Reassessment Projections)
[Preliminary -- for discussion only]**

Dated Date	12/01/2031
Delivery Date	12/01/2031
First Coupon	06/01/2032
Last Maturity	12/01/2061
Arbitrage Yield	4.000000%
True Interest Cost (TIC)	4.034689%
Net Interest Cost (NIC)	4.022051%
All-In TIC	4.095419%
Average Coupon	4.000000%
Average Life (years)	22.675
Weighted Average Maturity (years)	22.675
Duration of Issue (years)	14.727
Par Amount	28,835,000.00
Bond Proceeds	28,835,000.00
Total Interest	26,153,200.00
Net Interest	26,297,375.00
Bond Years from Dated Date	653,830,000.00
Bond Years from Delivery Date	653,830,000.00
Total Debt Service	54,988,200.00
Maximum Annual Debt Service	3,915,600.00
Average Annual Debt Service	1,832,940.00
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 2061	28,835,000.00	100.000	4.000%	22.675	08/03/2054	50,172.90
	28,835,000.00			22.675		50,172.90

	TIC	All-In TIC	Arbitrage Yield
Par Value	28,835,000.00	28,835,000.00	28,835,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-144,175.00	-144,175.00	
- Cost of Issuance Expense		-250,000.00	
- Other Amounts			
Target Value	28,690,825.00	28,440,825.00	28,835,000.00
Target Date	12/01/2031	12/01/2031	12/01/2031
Yield	4.034689%	4.095419%	4.000000%

BOND DEBT SERVICE

CANAL AVENUE METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS, SERIES 2031
Pay & Cancel Refunding of (proposed) Series 2021 + New Money
35.000 (target) Mills
Non-Rated, 100x, 30-yr. Maturity
(Full Growth + 6% Bi-Reassessment Projections)
[Preliminary -- for discussion only]

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2032			576,700	576,700	
12/01/2032			576,700	576,700	1,153,400
06/01/2033			576,700	576,700	
12/01/2033			576,700	576,700	1,153,400
06/01/2034			576,700	576,700	
12/01/2034	70,000	4.000%	576,700	646,700	1,223,400
06/01/2035			575,300	575,300	
12/01/2035	70,000	4.000%	575,300	645,300	1,220,600
06/01/2036			573,900	573,900	
12/01/2036	145,000	4.000%	573,900	718,900	1,292,800
06/01/2037			571,000	571,000	
12/01/2037	155,000	4.000%	571,000	726,000	1,297,000
06/01/2038			567,900	567,900	
12/01/2038	235,000	4.000%	567,900	802,900	1,370,800
06/01/2039			563,200	563,200	
12/01/2039	245,000	4.000%	563,200	808,200	1,371,400
06/01/2040			558,300	558,300	
12/01/2040	340,000	4.000%	558,300	898,300	1,456,600
06/01/2041			551,500	551,500	
12/01/2041	350,000	4.000%	551,500	901,500	1,453,000
06/01/2042			544,500	544,500	
12/01/2042	455,000	4.000%	544,500	999,500	1,544,000
06/01/2043			535,400	535,400	
12/01/2043	470,000	4.000%	535,400	1,005,400	1,540,800
06/01/2044			526,000	526,000	
12/01/2044	585,000	4.000%	526,000	1,111,000	1,637,000
06/01/2045			514,300	514,300	
12/01/2045	605,000	4.000%	514,300	1,119,300	1,633,600
06/01/2046			502,200	502,200	
12/01/2046	730,000	4.000%	502,200	1,232,200	1,734,400
06/01/2047			487,600	487,600	
12/01/2047	760,000	4.000%	487,600	1,247,600	1,735,200
06/01/2048			472,400	472,400	
12/01/2048	895,000	4.000%	472,400	1,367,400	1,839,800
06/01/2049			454,500	454,500	
12/01/2049	930,000	4.000%	454,500	1,384,500	1,839,000
06/01/2050			435,900	435,900	
12/01/2050	1,075,000	4.000%	435,900	1,510,900	1,946,800
06/01/2051			414,400	414,400	
12/01/2051	1,120,000	4.000%	414,400	1,534,400	1,948,800
06/01/2052			392,000	392,000	
12/01/2052	1,280,000	4.000%	392,000	1,672,000	2,064,000
06/01/2053			366,400	366,400	
12/01/2053	1,330,000	4.000%	366,400	1,696,400	2,062,800
06/01/2054			339,800	339,800	
12/01/2054	1,510,000	4.000%	339,800	1,849,800	2,189,600
06/01/2055			309,600	309,600	
12/01/2055	1,570,000	4.000%	309,600	1,879,600	2,189,200
06/01/2056			278,200	278,200	
12/01/2056	1,765,000	4.000%	278,200	2,043,200	2,321,400
06/01/2057			242,900	242,900	
12/01/2057	1,835,000	4.000%	242,900	2,077,900	2,320,800
06/01/2058			206,200	206,200	
12/01/2058	2,050,000	4.000%	206,200	2,256,200	2,462,400
06/01/2059			165,200	165,200	
12/01/2059	2,130,000	4.000%	165,200	2,295,200	2,460,400
06/01/2060			122,600	122,600	
12/01/2060	2,365,000	4.000%	122,600	2,487,600	2,610,200
06/01/2061			75,300	75,300	
12/01/2061	3,765,000	4.000%	75,300	3,840,300	3,915,600
	28,835,000		26,153,200	54,988,200	54,988,200

NET DEBT SERVICE

**CANAL AVENUE METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS, SERIES 2031
Pay & Cancel Refunding of (proposed) Series 2021 + New Money
35.000 (target) Mills
Non-Rated, 100x, 30-yr. Maturity
(Full Growth + 6% Bi-Reassessment Projections)
[Preliminary -- for discussion only]**

Period Ending	Principal	Interest	Total Debt Service	Debt Service Reserve Fund	Net Debt Service
12/01/2032		1,153,400	1,153,400		1,153,400
12/01/2033		1,153,400	1,153,400		1,153,400
12/01/2034	70,000	1,153,400	1,223,400		1,223,400
12/01/2035	70,000	1,150,600	1,220,600		1,220,600
12/01/2036	145,000	1,147,800	1,292,800		1,292,800
12/01/2037	155,000	1,142,000	1,297,000		1,297,000
12/01/2038	235,000	1,135,800	1,370,800		1,370,800
12/01/2039	245,000	1,126,400	1,371,400		1,371,400
12/01/2040	340,000	1,116,600	1,456,600		1,456,600
12/01/2041	350,000	1,103,000	1,453,000		1,453,000
12/01/2042	455,000	1,089,000	1,544,000		1,544,000
12/01/2043	470,000	1,070,800	1,540,800		1,540,800
12/01/2044	585,000	1,052,000	1,637,000		1,637,000
12/01/2045	605,000	1,028,600	1,633,600		1,633,600
12/01/2046	730,000	1,004,400	1,734,400		1,734,400
12/01/2047	760,000	975,200	1,735,200		1,735,200
12/01/2048	895,000	944,800	1,839,800		1,839,800
12/01/2049	930,000	909,000	1,839,000		1,839,000
12/01/2050	1,075,000	871,800	1,946,800		1,946,800
12/01/2051	1,120,000	828,800	1,948,800		1,948,800
12/01/2052	1,280,000	784,000	2,064,000		2,064,000
12/01/2053	1,330,000	732,800	2,062,800		2,062,800
12/01/2054	1,510,000	679,600	2,189,600		2,189,600
12/01/2055	1,570,000	619,200	2,189,200		2,189,200
12/01/2056	1,765,000	556,400	2,321,400		2,321,400
12/01/2057	1,835,000	485,800	2,320,800		2,320,800
12/01/2058	2,050,000	412,400	2,462,400		2,462,400
12/01/2059	2,130,000	330,400	2,460,400		2,460,400
12/01/2060	2,365,000	245,200	2,610,200		2,610,200
12/01/2061	3,765,000	150,600	3,915,600	1,305,100	2,610,500
	28,835,000	26,153,200	54,988,200	1,305,100	53,683,100

SUMMARY OF BONDS REFUNDED

**CANAL AVENUE METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS, SERIES 2031
Pay & Cancel Refunding of (proposed) Series 2021 + New Money
35.000 (target) Mills
Non-Rated, 100x, 30-yr. Maturity
(Full Growth + 6% Bi-Reassessment Projections)
[Preliminary -- for discussion only]**

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
8/2/18: Ser 21 NR LF, 5.00%, 100x, 35mls, SRVC PLAN, 6% BiRE:					
TERM51	12/01/2032	5.000%	205,000.00	12/01/2031	100.000
	12/01/2033	5.000%	215,000.00	12/01/2031	100.000
	12/01/2034	5.000%	295,000.00	12/01/2031	100.000
	12/01/2035	5.000%	305,000.00	12/01/2031	100.000
	12/01/2036	5.000%	390,000.00	12/01/2031	100.000
	12/01/2037	5.000%	410,000.00	12/01/2031	100.000
	12/01/2038	5.000%	505,000.00	12/01/2031	100.000
	12/01/2039	5.000%	530,000.00	12/01/2031	100.000
	12/01/2040	5.000%	635,000.00	12/01/2031	100.000
	12/01/2041	5.000%	670,000.00	12/01/2031	100.000
	12/01/2042	5.000%	785,000.00	12/01/2031	100.000
	12/01/2043	5.000%	825,000.00	12/01/2031	100.000
	12/01/2044	5.000%	955,000.00	12/01/2031	100.000
	12/01/2045	5.000%	1,000,000.00	12/01/2031	100.000
	12/01/2046	5.000%	1,145,000.00	12/01/2031	100.000
	12/01/2047	5.000%	1,205,000.00	12/01/2031	100.000
	12/01/2048	5.000%	1,365,000.00	12/01/2031	100.000
	12/01/2049	5.000%	1,430,000.00	12/01/2031	100.000
	12/01/2050	5.000%	1,605,000.00	12/01/2031	100.000
	12/01/2051	5.000%	3,355,000.00	12/01/2031	100.000
			17,830,000.00		

ESCROW REQUIREMENTS

**CANAL AVENUE METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS, SERIES 2031
Pay & Cancel Refunding of (proposed) Series 2021 + New Money
35.000 (target) Mills
Non-Rated, 100x, 30-yr. Maturity
(Full Growth + 6% Bi-Reassessment Projections)
[Preliminary -- for discussion only]**

Dated Date	12/01/2031
Delivery Date	12/01/2031

8/2/18: Ser 21 NR LF, 5.00%, 100x, 35mls, SRVC PLAN, 6% BiRE

Period Ending	Principal Redeemed	Total
12/01/2031	17,830,000.00	17,830,000.00
	17,830,000.00	17,830,000.00

PRIOR BOND DEBT SERVICE

**CANAL AVENUE METROPOLITAN DISTRICT
GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS, SERIES 2031
Pay & Cancel Refunding of (proposed) Series 2021 + New Money
35.000 (target) Mills
Non-Rated, 100x, 30-yr. Maturity
(Full Growth + 6% Bi-Reassessment Projections)
[Preliminary -- for discussion only]**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2032			445,750	445,750	
12/01/2032	205,000	5.000%	445,750	650,750	1,096,500
06/01/2033			440,625	440,625	
12/01/2033	215,000	5.000%	440,625	655,625	1,096,250
06/01/2034			435,250	435,250	
12/01/2034	295,000	5.000%	435,250	730,250	1,165,500
06/01/2035			427,875	427,875	
12/01/2035	305,000	5.000%	427,875	732,875	1,160,750
06/01/2036			420,250	420,250	
12/01/2036	390,000	5.000%	420,250	810,250	1,230,500
06/01/2037			410,500	410,500	
12/01/2037	410,000	5.000%	410,500	820,500	1,231,000
06/01/2038			400,250	400,250	
12/01/2038	505,000	5.000%	400,250	905,250	1,305,500
06/01/2039			387,625	387,625	
12/01/2039	530,000	5.000%	387,625	917,625	1,305,250
06/01/2040			374,375	374,375	
12/01/2040	635,000	5.000%	374,375	1,009,375	1,383,750
06/01/2041			358,500	358,500	
12/01/2041	670,000	5.000%	358,500	1,028,500	1,387,000
06/01/2042			341,750	341,750	
12/01/2042	785,000	5.000%	341,750	1,126,750	1,468,500
06/01/2043			322,125	322,125	
12/01/2043	825,000	5.000%	322,125	1,147,125	1,469,250
06/01/2044			301,500	301,500	
12/01/2044	955,000	5.000%	301,500	1,256,500	1,558,000
06/01/2045			277,625	277,625	
12/01/2045	1,000,000	5.000%	277,625	1,277,625	1,555,250
06/01/2046			252,625	252,625	
12/01/2046	1,145,000	5.000%	252,625	1,397,625	1,650,250
06/01/2047			224,000	224,000	
12/01/2047	1,205,000	5.000%	224,000	1,429,000	1,653,000
06/01/2048			193,875	193,875	
12/01/2048	1,365,000	5.000%	193,875	1,558,875	1,752,750
06/01/2049			159,750	159,750	
12/01/2049	1,430,000	5.000%	159,750	1,589,750	1,749,500
06/01/2050			124,000	124,000	
12/01/2050	1,605,000	5.000%	124,000	1,729,000	1,853,000
06/01/2051			83,875	83,875	
12/01/2051	3,355,000	5.000%	83,875	3,438,875	3,522,750
	17,830,000		12,764,250	30,594,250	30,594,250