

RESOLUTION #R- 32-2008

**A RESOLUTION OF THE LOVELAND CITY COUNCIL APPROVING
THE CONSOLIDATED SERVICE PLAN FOR WATERFALL
METROPOLITAN DISTRICTS NOS. 1 AND 2**

WHEREAS, pursuant to Section 32-1-204.5, C.R.S., as amended, the Consolidated Service Plan for Waterfall Metropolitan Districts Nos. 1 and 2 (collectively the "Districts") has been submitted to the City Council (the "City Council") of the City of Loveland, Colorado (the "City"); and

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

WHEREAS, the boundaries of the proposed Districts are wholly contained within the boundaries of the City; and

WHEREAS, notice of the hearing before the City Council for its consideration of the Service Plan was duly published in the *Loveland Reporter-Herald* on February 27, 2008, as required by law, as evidenced by the "Affidavit of Publication," attached hereto as Exhibit B and incorporated herein by reference; and

WHEREAS, notice of the hearing before the City Council was also duly mailed by first class mail, on February 27, 2008, to interested persons, defined as follows: (1) the Colorado Division of Local Government; and (2) the governing body of any municipality or special district which has levied an ad valorem tax within the next preceding tax year, and which has boundaries within a radius of three (3) miles of the proposed Districts' boundaries, as evidenced by the Certificate of Service attached hereto as Exhibit C and incorporated herein by reference; and

WHEREAS, pursuant to the provisions of Title 32, Article 1, C.R.S., as amended, the City Council held a public hearing on the Service Plan for the proposed Districts on March 18, 2008, which hearing was continued and held on April 1, 2008; and

WHEREAS, the City Council has considered the Service Plan, and all other testimony and evidence presented at the hearing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That the hearing before the City Council was open to the public; that all interested parties were heard or had the opportunity to be heard; and that all relevant testimony and evidence submitted to the City Council was considered.

Section 2. That evidence satisfactory to the City Council for finding each of the following was presented at the hearing:

- a. there is sufficient existing and projected need for organized service in the area to be served 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;
- 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;
- e. adequate service is not or will not be available to the area through the City or other existing municipal or quasi-municipal corporations within a reasonable time and on a comparable basis;
- f. the facility and service standards of the proposed Districts are compatible with the facility and service standards of the City;
- g. the proposal is in substantial compliance with any Master Plan adopted by the City pursuant to Section 31-23-206, C.R.S., as amended;
- h. the proposal is in compliance with any duly adopted City, County, regional and State long-range water quality management plans for the area; and
- i. the creation of the proposed Districts will be in the best interest of the area proposed to be served.

Section 3. That the City Council hereby determines that the requirements of Sections 32-1-202 (1), (2) and (3), C.R.S., relating to the filing of the Service Plan for the Districts, and the requirements of Sections 32-1-204 (1) and (1.5), C.R.S., relating to notice of the hearing by City Council, and the requirements of Section 32-1-204.5, C.R.S., relating to the approval by the City Council have been fulfilled in a timely manner.

Section 4. That the City Council hereby approves the Service Plan for the Districts as submitted.

Section 5. That a certified copy of this Resolution shall be filed in the records of the City and the Larimer County Clerk and Recorder, and submitted to the petitioners under the Service Plan for the purpose of filing in the District Court of Larimer County.

Section 6. That the City Council's findings in this Resolution and its approval of the Service Plan are conditioned upon the proponents of the Service Plan having reimbursed the City for all the charges and fees it has incurred with its bond counsel and public finance consultant relating to their review of the Service Plan and creation of the Districts.


Section 7. That the City Council's approval of the Service Plan is further conditioned upon the owners of the real property contained within Waterfall Metropolitan Districts Nos. 1 and 2 (the "Owners") providing to the Loveland City Attorney a mill levy disclosure statement signed by the Owners in a form acceptable to the City Attorney, which statement shall be recorded with the Larimer County Clerk and Recorder, and further conditioned upon an agreement between the City and the Owners, in a form acceptable to the City Manager and City Attorney, requiring the Owners to provide the mill levy disclosure statement to all prospective purchasers of lots in Waterfall Metropolitan Districts Nos. 1 and 2 prior to any purchaser entering into the contract to purchase a lot from the Owners, or their successors and assigns.

Section 8. That nothing herein limits the City's powers with respect to the Districts, the properties within the Districts, or the improvements to be constructed by the Districts.

Section 9. That the City's findings are based solely upon the evidence in the Service Plan and such other evidence 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 results as set forth in the Service Plan.


Section 10. That this Resolution shall be effective as of the date of its adoption.

ADOPTED this 1st day of April, 2008.



Eugene N. Pielin, Mayor

ATTEST:


City Clerk

APPROVED AS TO FORM:



Assistant City Attorney



EXHIBIT A

**Consolidated Service Plan for
Waterfall Metropolitan Districts Nos. 1 and 2**

CONSOLIDATED SERVICE PLAN
FOR
WATERFALL METROPOLITAN DISTRICTS NOS. 1 AND 2

Prepared by

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821 Seventeenth Street, Suite 600

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As submitted to the City of Loveland on March 10, 2008

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I. INTRODUCTION

A. General Overview

1. Scope of Service Plan. This consolidated service plan (“Service Plan”) for Waterfall Metropolitan Districts Nos. 1 and 2, City of Loveland, Larimer County, Colorado, (the “Districts”) constitutes a combined Service Plan for two special districts proposed for organization to serve the needs of a new development known as Boyd Lake Village, in the City of Loveland, Colorado (the “City”) in Larimer County (the “County”). The Districts’ boundaries will contain approximately 41.90 acres for commercial development. Construction is scheduled over the next 10 years with build-out expected to occur in 2017.

A map depicting the Districts’ boundaries is attached hereto and incorporated herein as Exhibit A, and the legal description of the Districts’ boundaries is attached hereto and incorporated herein as Exhibit B.

Considerable public infrastructure will be constructed to provide the required water, wastewater, streets and other improvements needed for the area. This Service Plan addresses the improvements which will be provided by the Districts and demonstrates how the two special districts proposed to serve the development will work in tandem to provide the necessary public improvements.

2. Multiple District Structure. This Service Plan is submitted in accordance with Part 2 of the Special District Act (specifically, § 32-1-202 and § 32-1-204.5, C.R.S.). It defines the powers and authorities of, as well as the limitations and restrictions on, the Districts. The use of a consolidated Service Plan for the Districts will help assure proper coordination of the powers and authorities of the independent Districts and will help avoid confusion regarding the separate, but coordinated, purposes of the Districts which could arise if separate service plans were used. Unless otherwise specifically noted herein, general provisions of this Service Plan apply to all Districts. Where possible, however, specific reference is made to an individual District to help distinguish the powers and authorities of each District. The “Financing Plan” discussed in Section VII refers to a consolidated preliminary financial plan for the Districts which may be used for public improvements for the Districts. Waterfall Metropolitan District No. 1 is referred to herein as “District No. 1” and Waterfall Metropolitan District No. 2 is referred to herein as “District No. 2.”

The Districts will be responsible for managing the construction and operation of facilities and improvements needed for the development until such time as any such facilities may be required to be conveyed to the City pursuant to Section I.A.7 and Section III of this Service Plan. The Districts also will be responsible for providing the funding and tax base needed to support the Financing Plan for capital improvements and for operations.

Various agreements are expected to be executed by the Districts clarifying the nature of the functions and services to be provided by each District. The agreements will be designed to help assure the orderly development of essential services and facilities resulting in a community which will be both an aesthetic and economic asset to the City.

The use of multiple districts to construct, own, and operate the public facilities throughout the development, will create several benefits for the inhabitants of the community, the City and for other affected municipalities. In general, those benefits are: (a) coordinated administration of construction and operation of public improvements, and delivery of those improvements in a timely manner, and (b) assurance that improvements required by the City are constructed in a timely and cost effective manner by which to protect property owners, bondholders, and the City from the risk of development. Each of these concepts is addressed in greater detail in the following paragraphs.

3. Benefits of Multiple District Structure.

a. Coordinated Services. As presently planned, development of the Districts will proceed in phases, each of which will require the extension of public services and facilities. The multiple district structure will assure that the construction and operation of each phase of public facilities will be primarily administered by a single board of directors consistent with a long-term construction and operations program. Use of a multiple district structure for construction of improvements and for management of operations within the development will facilitate a well-planned financing effort through all phases of construction and will assist in assuring coordinated extension of services.

The multiple district structure also will help assure that facilities and services needed for future build-out of the development will be provided when they are needed, and not sooner. Appropriate development agreements between the Districts and the Developer will allow the postponement of financing for improvements which are not needed until well into the future, thereby helping property owners avoid the long term carrying costs associated with financing improvements too early. This, in turn, allows the full costs of public improvements to be allocated over the full build-out of the Districts and helps avoid disproportionate cost burdens being imposed on the early phases of development.

b. Uniform Mill Levy. Allocation of the responsibility for paying Debt, as hereinafter defined, for capital improvements will be managed through development of a unified financing plan for those improvements and through development of an integrated operating plan for long-term operations and maintenance. Use of multiple districts to manage these functions will help assure that no area within the development becomes obligated for more than its share of the costs of capital improvements and operations. Low-density areas will not bear a disproportionate burden of Debt and operating costs, nor will high valued areas bear disproportionate burdens. Intergovernmental agreements between the Districts will assure that mill levies remain reasonably uniform throughout the Districts.

c. Bond Interest Rates. The multiple district structure allows the Districts to coordinate the timing and issuance of Debt in such a way as to assure that improvements required by the City are constructed in conformance with the time and in the manner desired by the City. Consequently, the multiple district structure is less risky and will allow Debt to be issued to finance public improvements at lower rates than if a single special district is organized.

4. Configuration of Districts. In order to implement the multiple district structure, the boundaries of the Districts are carefully configured. District No. 1 will contain approximately 29.56 acres, and District No. 2 will contain approximately 12.34 acres. The “service area” (the area legally permitted to be served) for the Districts will consist of the entire area of the development community, including the property within the Districts’ boundaries. The Districts will have power to impose taxes only within their respective legal boundaries, but will be permitted to provide public services to the entire community as well as to property or individuals outside of the development. The Districts will have power to levy taxes and other charges permitted by law.

At build-out, the development within the boundaries of District No. 1 is anticipated to contain approximately 282,500 square feet of commercial space, and the development within the boundaries of District No. 2 is anticipated to contain approximately 118,500 square feet of commercial space.

All boundary adjustments which add to, or subtract from, the total acreage of the Districts shall be considered a material modification of this Service Plan and shall require the prior written approval of the City Council. No additional approval from the City Council shall be required for boundary adjustments which do not increase or decrease the total acreage of the Districts. Such adjustment shall be effected pursuant to § 32-1-401 and § 32-1-501, *et seq.*, C.R.S.

5. Long-Term District Plan. After all Debt instruments have been issued by the Districts and adequate provision has been made for payment of all of the Districts’ Debt, the electorate of the Districts will have the opportunity to consider either the consolidation of the Districts into a single entity, or the dissolution of one or both Districts in accordance with State law. The Districts will consider consolidation and/or dissolution at the time each District’s Debt has been paid and adequate provision has been made for operation of all of the Districts’ facilities. Additionally, the City may request, and the Districts shall undertake upon such request, initiation of consolidation proceedings in accordance with Title 32, Section 1, Part 6 of the Colorado Revised Statutes. Ultimately, control of these decisions will rest with the electorate in each District. At any time, the City may file an application with the Districts’ Boards pursuant to § 32-1-701(3) C.R.S., or other applicable State law, and the Districts shall thereupon dissolve in a prompt and orderly manner. In such event, the authorized purposes and powers of the Districts shall automatically be curtailed and expressly limited to taking actions reasonably necessary to dissolve. The Boards of Directors of the Districts will be deemed to have agreed with the City to dissolve without election pursuant to § 32-1-704(3)(b) C.R.S., and the Districts shall thereupon dissolve.

6. City Policy. Notwithstanding anything contained herein to the contrary, the Districts shall be subject to and comply with all applicable provisions of the City’s Charter, Code, ordinances, resolutions, rules, regulations, standards and policies (“City Policy”).

7. Dedication of Improvements. The Districts shall, in accordance with City Policy, dedicate, or cause to be dedicated on their behalf, all public improvements customarily dedicated to the City. The Districts acknowledge, however, that the City shall not be required to accept dedication of any such public improvements except in accordance with City Policy. These improvements include, but are not limited to: public water and wastewater improvements, all public

streets and those streets dedicated by plat, storm sewer systems, including inlets and underground pipes within public rights-of-way, all public sidewalks as well as all rights-of-way and easements necessary for access to facilities. Improvements which are to be dedicated to the City shall be designed and constructed in accordance with State and Federal laws, regulations and standards, and in accordance with City Policy. It is anticipated that the Districts shall own and maintain or cause to be maintained all neighborhood parks, all recreational improvements, and any potable or non-potable irrigation systems. However, in accordance with City Policy, and upon agreement by the City and the Districts, the City may accept, but shall not be required to accept, dedication of neighborhood parks, recreational improvements, and potable and non-potable irrigation systems. Any parking lots, parking structures, and other off-street parking facilities shall not be dedicated to the City, but shall be owned, operated, and maintained by the Districts.

Operations and maintenance of those improvements dedicated to the City in accordance with City Policy shall rest with the City, however, the Districts shall maintain all landscaping in the public rights-of-way unless such obligation is expressly accepted by the City. In the event the Districts construct enhanced amenities which exceed City standards under City Policy, the City and the Districts shall agree as to the operation and maintenance of such enhanced amenities prior to the City's acceptance of any such improvements. All park and recreation and landscaping improvements, including waterways and associated landscaping not dedicated to and accepted by the City shall be owned, operated, and maintained by the Districts, either directly or by contract with another entity such as a property owners association.

Storm sewer systems, including inlets and underground pipes within public rights-of-way, shall be conveyed to the City for purposes of reporting on Municipal Separate Storm Sewer System (MS4) Reports. The Districts shall retain such easements as are necessary to operate and maintain landscaping and related improvements associated with such storm drainage and detention areas. The Districts shall further retain such easements as are necessary to operate and maintain all detention ponds, their respective outlet works, water quality components, and outlet pipes from the detention ponds to the point of terminus.

The Districts may, at their sole cost and expense, acquire all property required by the City for the construction of public improvements to be provided by the Districts pursuant to this Service Plan. The Districts may acquire any interests in property, leases and easements necessary to the functions or the operation of the Districts, except that the Districts shall not pay more than fair market value and reasonable settlement costs for any interest in real property and shall not pay for any interest in real property which must otherwise be dedicated for public use or the Districts' use in accordance with any governmental ordinance, regulation, or law and in accordance with City Policy. Accordingly, the Districts shall not purchase from the Developer any interest in real property that is customarily dedicated by developers to the City in accordance with City Policy.

In the event that the City determines that public improvements have been constructed in accordance with City Policy and will be accepted by the City in accordance with City Policy, an initial acceptance letter shall be issued by the City specifying that the public improvements dedicated to the City shall be warranted, by the District or the Developer, for a period of two calendar years from the date of such initial acceptance, or such other warranty period as may be required by City Policy. Should the public improvements conform to the City's specifications

and standards, the City shall issue a "Final Acceptance" form letter to the Districts at the completion of the applicable warranty period. At the City's discretion, dedication of public improvements may take place after the expiration of the applicable warranty period.

Failure of the Districts to comply with these dedication requirements shall be deemed to be a material departure from this Service Plan. Such dedication requirements shall not be amended without the prior written approval of the City Council.

8. Existing Services and Districts. There are currently no other entities in existence in the area of the proposed development which have the ability and/or desire to undertake the design, financing, construction, operation and maintenance of the improvements which are needed for the community. It is also the Developer's understanding that the City does not consider it feasible or practicable to provide the necessary services and facilities for the development, as further described herein. Consequently, use of the Districts is deemed necessary for the provision of public improvements in the development.

In order to minimize the proliferation of new governmental structures and personnel, the Districts intend to utilize existing entities, to the extent possible for operations and maintenance of public improvements. Consequently, while the Districts will finance capital improvements and coordinate the provision of services, they are expected to utilize existing entities and personnel as much as possible. Double taxation will be avoided by the Districts undertaking the necessary capital financing with Debt levies, and existing service providers furnishing day-to-day operations and maintenance with service charges and operating levies. As described above, public improvements, including sanitary sewer and water improvements (other than potable or non-potable irrigation systems), storm drainage, streets, and traffic safety and signalization, will be conveyed to the City by the Districts and subsequent operations and maintenance of these improvements shall rest with the City. Park and recreation improvements may be conveyed to the City or may be owned, operated and maintained by the Districts, as described in greater detail above. The timing for conveyance of the improvements will be developed by mutual agreement between the Districts and the appropriate party as generally described above and in Section V hereof.

9. Property Owner Associations. Certain services may be provided within the Districts by one or more property owner associations expected to be organized as Colorado non-profit organizations comprised of all property owners in the Districts. The associations may provide architectural control services, community organizations, community events and activities, community marketing, animal control, security, recreational amenity maintenance, common area maintenance, and other programs which may be beyond the scope or financial capacity of the Districts.

B. General Financial Information and Assumptions

The 2007 certified assessed valuation of all taxable property within the boundaries of the Districts was approximately \$377,000. At build-out, the total assessed valuation within the Districts is estimated to be approximately \$19,980,830.

The anticipated cost of improvements necessary to provide access to and appropriate services within the Districts are estimated in Exhibit D. Costs are shown for each category of improvements anticipated to be constructed. The Districts may obtain financing for the capital improvements needed for the development through the issuance of Debt instruments by the Districts. General obligation Debt will be payable from revenues derived from ad valorem property taxes and from other sources. At the time Debt instruments are proposed to be issued, alternative financing plans may be employed and be utilized by the Districts as long as such alternative financing plan does not result in any material economic deviation or a change in the risk to property owners.

The Financing Plan demonstrates that the cost of infrastructure described herein can be generated with reasonable mill levies. The figures contained herein depicting costs of infrastructure and operations shall not constitute legal limits on the financial powers of the Districts; provided, however, that the Districts shall not be permitted to issue Debt which is not in compliance with the bond registration and issuance requirements of Colorado law.

C. Contents of Service Plan

This Service Plan consists of a preliminary financial analysis and preliminary engineering plan showing how the facilities and services for the Districts can be provided and financed by the Districts. Numerous items are included in this Service Plan in order to satisfy the requirements of law for formation of special districts. Those items are listed in Exhibit F attached hereto. Each of the requirements of law is satisfied by this Service Plan.

The assumptions contained within this Service Plan were derived from a variety of sources. Information regarding the present status of property within the Districts, as well as the current status and projected future level of similar services was obtained from the Developer. Construction cost estimates were assembled by Connell Resources, Inc. and Pinnacle Consulting Group, Inc., which have experience in the costing and construction of similar facilities. Legal advice in the preparation of this Service Plan was provided by Icenogle Norton, which represents numerous special districts. Preparation of the Financing Plan was provided by Stan Bernstein and Associates, Inc. The owner and Developer of the real property within District No. 1 is Boyd Lake Village, LLC, a real estate development company with experience in residential and commercial development in Northern Colorado. The owner of the property within District No. 2 is Boyd Lake Village East, LLC, an affiliate of the Developer. For purposes of this Service Plan, the term "Developer" shall mean Boyd Lake Village, LLC, its affiliates, and their respective successors and assigns.

D. Modification of Service Plan

This Service Plan has been designed with sufficient flexibility to enable the Districts to provide required services and facilities under evolving circumstances without the need for numerous amendments. While the assumptions upon which this Service Plan are generally based are reflective of current zoning for the property within the Districts, the cost estimates and financing plan are sufficiently flexible to enable the Districts to provide necessary services and facilities without the need to amend this Service Plan as zoning changes. Modification of the general types of services and facilities, and changes in proposed configurations, locations, or dimensions of

various facilities and improvements shall be permitted to accommodate development needs consistent with then current zoning for the property and consistent with City Policy.

II. NEED FOR NEW DISTRICTS AND GENERAL POWERS

A. Need for Metropolitan Districts

The property within the boundaries of District No. 1 currently is undeveloped. The property within the boundaries of District 2 includes certain facilities associated with a water park known as Crystal Rapids. Crystal Rapids is no longer operational, and the Developer is in the process of demolishing all structures located on the site. No other entities exist which will finance the construction of the facilities needed for the Districts. The intergovernmental agreements referred to in Section V hereof will address and define the activities to be undertaken by various entities with regard to public improvements. In order to make the most efficient utilization of existing governmental entities, the Districts may enter into cost share agreements for the financing and construction of certain improvements and for operations and maintenance of certain improvements.

B. General Powers of Districts

Each District will have power and authority to provide the services and facilities described in this Section both within and outside its boundaries in accordance with State law. The powers and authorities of each District will be allocated and further refined in one or more intergovernmental agreements among the Districts, which may be voted upon and approved by their respective electorates. For purposes of the Special District Control Act, such intergovernmental agreements shall not constitute an amendment of this Service Plan; provided that such intergovernmental agreements are consistent with the terms of this Service Plan. The intergovernmental agreements will, however, constitute binding agreements among the Districts regarding implementation of the powers contained in this Service Plan. Any intergovernmental agreement not compliant with the terms of this Service Plan shall be deemed a material modification of this Service Plan, and shall require the prior written approval of the City Council.

The Districts shall have authority to provide the services and facilities listed below, all of which shall be in conformance with City Policy and/or the standards and specifications of other entities which may operate and maintain the completed improvements. In accordance with City Policy, the Districts will obtain City approval of civil engineering plans and a permit from the City for construction and installation of all improvements.

1. Sanitation and Storm Drainage. The design, acquisition, installation, construction, financing, operation, and maintenance of storm or sanitary sewers, or both, flood and surface drainage improvements including but not limited to, culverts, dams, retaining walls, access ways inlets, detention ponds and paving, roadside swales and curb and gutter, wastewater lift stations, force mains and wetwell storage facilities, and all necessary or proper equipment and appurtenances incident thereto, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems. The Districts shall not design, acquire, install, construct, finance, operate or maintain any sewer treatment or disposal works or facilities.

2. Water. The design, acquisition, installation, construction, financing, operation, and maintenance of a complete potable water and non-potable irrigation water system, including but not limited to, water rights, water supply, transmission and distribution systems for domestic and other public or private purposes, together with all necessary and proper water rights, equipment and appurtenances incident thereto which may include, but shall not be limited to, transmission lines, distribution mains and laterals, storage facilities, land and easements, together with extensions of and improvements to said systems. The Districts shall not design, acquire, install, construct, finance, operate or maintain any water well or water treatment or storage works or facilities, other than as may be required in connection with any non-potable irrigation system designed, acquired, installed, constructed, financed, operated or maintained as described in Section III.B.4. of this Service Plan.

3. Streets. The design, acquisition, installation, construction, financing, operation, and maintenance of street and roadway improvements, including but not limited to curbs, gutters, culverts, storm sewers and other drainage facilities, detention ponds, retaining walls and appurtenances, as well as sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, undergrounding of public utilities, snow removal equipment, or tunnels and other street improvements, together with all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities.

4. Traffic and Safety Controls. The design, acquisition, installation, construction, financing, operation, and maintenance of traffic and safety protection facilities and services through traffic and safety controls and devices on arterial streets and highways, as well as other facilities and improvements including but not limited to, signalization at intersections, traffic signs, area identification signs, directional assistance, and driver information signs, together with all necessary, incidental, and appurtenant facilities, land easements, together with extensions of and improvements to said facilities.

5. Parks and Recreation. The design, acquisition, installation, construction, financing, operation, and maintenance of public park and recreation facilities or programs including, but not limited to, grading, soil preparation, sprinkler systems, playfields, bike and hiking trails, pedestrian trails, pedestrian bridges, picnic areas, passive parks, common area landscaping including water features, and weed control, outdoor lighting of all types, community events, and other facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems.

6. Transportation. The design, acquisition, installation, construction, financing, operation, and maintenance of public transportation system improvements, including transportation equipment, park and ride facilities, parking lots, parking structures, roofs, covers, and facilities, including structures for repair, operations and maintenance of such facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems. The Districts shall not design, acquire, install, construct, finance, operate or maintain any system to transport the public by bus, rail, or any other means of conveyance, or any combination thereof, without first entering into an intergovernmental agreement with the City, as required by § 32-1-1004(5), C.R.S.

7. Television Relay and Translator. The design, acquisition, construction, completion, installation, financing, and/or operation and maintenance of television relay and translator facilities, including but not limited to cable television and communication facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities.

8. Mosquito and Pest Control. The design, acquisition, installation, construction, financing, operation, and maintenance of systems and methods for the elimination and control of mosquitoes, rodents and other pests.

9. Security. The Districts shall have the power to furnish security services for any area within the Districts' boundaries. Prior to furnishing any security services, the Districts shall provide written notification to, consult with, and obtain the prior written consent of the City's Chief of Police and any applicable master association or similar body having authority in its charter or declaration to furnish security services within the Districts' boundaries.

10. Covenant Enforcement. The Districts shall have the power to provide covenant enforcement and design review services within the Districts if the Districts and the governing body of a master association or similar body contract for such services, or if the declaration, rules and regulations, or any similar document containing the covenants to be enforced for the area within the Districts name the Districts as the enforcement or design review entity. The Districts shall have the power to provide covenant enforcement and design review services only if revenues used to provide such services are derived from the area in which the service is furnished.

11. Legal Powers. The powers of the Districts will be exercised by their Boards of Directors to the extent necessary to provide the services contemplated in this Service Plan. The foregoing improvements and services, along with all other activities permitted by law, will be undertaken in accordance with, and pursuant to, the procedures and conditions contained in the Special District Act, other applicable statutes, and this Service Plan, as any or all of the same may be amended from time to time.

12. Other. In addition to the powers enumerated above, the Boards of Directors of the Districts shall also have the following authority:

a. To amend this Service Plan as needed, subject to the appropriate statutory procedures, provided that any material modification of this Service Plan shall be made only with the prior written approval of the City Council in accordance with § 32-1-207, C.R.S. Each District shall have the right to amend this Service Plan independent of participation of the other Districts; provided, that a District shall not be permitted to amend those portions of this Service Plan which affect, impair, or impinge upon the rights or powers of another District without such other District's consent; and

b. To forego, reschedule, or restructure the financing and construction of certain improvements and facilities, in order to better accommodate the pace of growth, resource

availability, and potential inclusions of property within the Districts, or if the development of the improvements and facilities would best be performed by another entity; and

c. Except as otherwise limited herein, to exercise all necessary and implied powers under Title 32, C.R.S. in the reasonable discretion of the Boards of Directors of the Districts as necessary to further the exercise of the powers expressly authorized by this Service Plan.

13. Condemnation. Absent the prior written approval of the City Council, the Districts shall not exercise their statutory power of eminent domain and dominant eminent domain for the purpose of condemning any property outside of the Districts' boundaries, including any property owned by the City. Additional approval from the City Council shall not be required prior to the Districts' exercise of their statutory power of eminent domain and dominant eminent domain with respect to property within the Districts' boundaries; provided, however, that the Districts shall not exercise their statutory power of dominant eminent domain to condemn property owned by the City that is located within the Districts' boundaries, without the prior written consent of the City Council.

III. DESCRIPTION OF FACILITIES AND IMPROVEMENTS

The Districts will be permitted to exercise their statutory powers and their respective authority as set forth herein to finance, construct, acquire, operate and maintain the public facilities and improvements described in Section II of this Service Plan either directly or by contract. A depiction of the public improvements and facilities anticipated to be provided by the Districts is set forth in Exhibit C, attached hereto and incorporated herein by this reference. Where appropriate, the Districts will contract with various public and/or private entities to undertake such functions. The Districts also may petition existing governmental entities for inclusion of part or all of the property within the Districts into an existing service area. There are currently no other entities within the boundaries of the proposed Districts providing the following services, nor shall the services provided by the Districts duplicate or interfere with those services provided by the City. Improvements which are to be dedicated to the City shall be designed and constructed in accordance with City Policy and applicable State and Federal laws, regulations and standards.

Detailed information for each type of improvement needed for the Districts is set forth in the following pages. It is important to note that the preliminary layouts contained in this Section and in Exhibit C are conceptual in nature only, and that modifications to the type, configuration, and location of improvements will be necessary as development proceeds. All facilities will be designed in such a way as to assure that the facility and service standards will be compatible with those of the City, and of other municipalities and special districts which may be affected thereby. To the extent required by City Policy, the Districts will issue letters of credit or other surety required by City Policy to the City to provide security for public improvements to be constructed by the Districts.

The following sections contain general descriptions of the contemplated facilities and improvements which will be financed by the Districts.

A. General

Construction of all planned facilities and improvements will be scheduled to allow for proper sizing and phasing to keep pace with the need for service. All descriptions of the specific facilities and improvements to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, requirements of the City, and construction design or scheduling may require. As depicted herein, the majority of capital improvements to be constructed by the Districts are necessary in the initial years of development.

B. General Design Standards

Improvements within the Districts, including without limitation, those specifically listed herein, will be designed and installed by the Districts in conformance with current standards adopted by the Districts and in accordance with City Policy. The intergovernmental agreements discussed in Section V hereof describe the procedures which will be followed to assure compliance with the requirements of this Service Plan.

1. Wastewater System. The sanitary sewer lines will be designed and installed to conform to the current standards and recommendations of the Colorado Department of Health, City Policy, and rules and regulations adopted by the Districts or other affected municipalities and sound engineering judgment.

All major elements of the sanitary sewer lines required for proper operation will be designed, and installed by the Districts. Operations and maintenance of all wastewater facilities will be provided by the Districts, until such facilities are dedicated to the City in accordance with the terms of this Service Plan and City Policy.

2. Storm Drainage.

a. Generally. The Districts plan to install the necessary storm drainage system to serve the development. The proposed elements of the storm drainage system will provide a network of culverts, roadside swales, pipes detention and water quality ponds, inlet and outlet structures, and curb and gutter designed and installed in accordance with City Policy and sound engineering judgment. The Districts will design and install all storm drainage improvements except for specific improvements within individual development parcels which will be designed and installed by individual developers and/or builders.

All major storm drainage facilities will be designed to conform to the standards and recommendations for drainage improvements pursuant to City Policy, the rules and regulations of the Districts and standards of other affected municipalities.

b. Culverts. Culverts will be installed under all roadways that intersect storm drainage channels. Culverts will be designed to pass flows as required by City Policy, and may include headwalls, wing walls, inlet and outlet structures, and riprap protection to enhance their hydraulic capacity and reduce bank or channel erosion.

An overall drainage plan will be developed that will identify the major facilities necessary to convey the storm runoff from the Districts. This plan will include all infrastructure required to convey the flows generated within the Districts. This plan must maintain the flexibility to modify the major drainage facilities as more detailed information is generated during the design of the individual phases. The overall drainage plan will include the utilization of storm sewers, drainage channels, streets, gutters, culverts and ponds.

3. Potable Water System.

a. Overall Plan. The water system will be comprised of a water distribution system consisting of buried water mains, fire hydrants, and related appurtenances located predominately within the Districts' boundaries. When design and construction are finalized, the system will serve each development tract from adjacent streets and roads. All major elements of the water facilities will be designed, and installed by the Districts in accordance with City Policy. Operations and maintenance of all water facilities will be provided by the Districts, until such facilities are dedicated to the City in accordance with the terms of this Service Plan and City Policy.

b. Design Criteria. The proposed domestic potable water distribution system is expected to include pressurized water mains. Water system components will be constructed and installed in accordance with City Policy and applicable standards of all entities with jurisdiction over the Districts. The water system will also be designed based on applicable fire protection requirements.

4. Non-Potable Irrigation Water System

a. District Authority. The Districts shall have the authority, but not the obligation, to provide the design, financing, acquisition, installation, operation, construction, and/or operation and maintenance of a non-potable raw water irrigation system, including but not limited to, water rights, water supply, treatment, storage, transmission and distribution systems for public or private purposes, together with all necessary and proper reservoirs, treatment works and facilities, wells, water rights, equipment and appurtenances incident thereto which may include, but shall not be limited to, transmission lines, distribution mains and laterals, storage facilities, land and easements, together with extensions of and improvements to such facilities and systems within and without the boundaries of the Districts.

b. Overall Plan. The Districts may, in the discretion of their respective Boards of Directors, choose to provide for a non-potable irrigation water system, which may ultimately serve both public and private property. At this time, the Districts have not developed a finance plan which contemplates the provision of a non-potable irrigation water system and the Districts shall not be obligated to provide such a system. If ultimately constructed, the non-potable irrigation water system will be constructed in accordance with City Policy and financed through the Districts to service the greenbelts, open spaces, landscaping and common areas within the Districts. In addition, the Districts may choose to construct and/or finance a non-potable irrigation water system designed to serve individual units within the development. If a non-potable irrigation water system is provided, the Districts shall have the

right to purchase any and all raw water necessary for proper operation of the system from the Developer, or any other entity or individual as the Districts deem appropriate.

5. Street System and Traffic Safety

a. General. The Districts propose to construct a street and roadway system to serve the development. The existing and proposed elements of the street system will provide a network of arterial collector or local streets to serve the flow of traffic within the Districts. All facilities, traffic controls, signals and signage will be designed and installed in accordance with City Policy and sound engineering judgment.

b. Streets. Public streets will be designed, located and installed to conform to the standards and recommendations of the Colorado Department of Transportation (where applicable), City Policy and the rules and regulations adopted by the Districts.

Traffic controls and signage may be provided along streets to enhance the flow of traffic within the project. Street lights may be installed by the Districts along collector and local roadways.

c. Landscaping. Landscaping may be installed by the Districts along the roadway rights-of-way and trail easements in accordance with City Policy. The Districts may also install and maintain landscaped highlights along the internal streets and entry features at major entrances. Additional features may be installed and maintained by the Developers of the individual parcels.

d. Signals and Signage. Signals and signage may be installed by the Districts as required by traffic studies, the Districts' rules and regulations, City Policy and the Colorado Department of Transportation. Additional signage may be installed as needed to accommodate development.

6. Park and Recreation

Any park and recreational facilities and/or services that the Districts determine to undertake will be constructed in accordance with plans and specifications approved by the City. All park and recreational facilities will be constructed in accordance with engineering and design requirements appropriate for the surrounding terrain, and shall be compatible with and comply with City Policy or the standards of other local public entities, as applicable.

C. Services of Districts. The Districts will require operating funds to plan and cause the facilities contemplated herein to be completed. Such costs are expected to include reimbursement of organizational costs, legal, engineering, accounting, bond issuance costs and compliance with State reporting and other administrative requirements. The first year's operating budget is estimated to be approximately \$66,000. An overall Financing Plan showing the anticipated operating costs for the first budget year and thereafter, phasing of bond issues, and related matters is attached as Exhibit E. Operating costs may increase depending upon the entity designated responsible for operations and maintenance of the facilities as set forth in

Section III. Notwithstanding the projections set forth in the financing plan such amounts are therefore subject to increase and may be paid from any legally available revenues including but not limited to fees or charges legally imposed by the Districts. Organizational costs and capital costs expended for public infrastructure prior to the date of organization, if any, will be reimbursed to the Developer by the Districts out of their initial revenue sources including bond issue proceeds. The Districts shall be permitted to borrow initial operating funds from private entities until such time as they are able to generate operating revenues from other legally available sources. The Districts may acquire completed improvements from the Developer with bond proceeds. Certain of those improvements will then be conveyed by the Districts to the City. Alternatively, the Developer may dedicate certain improvements directly to the City, with reimbursement to the Developer to come from the Districts.

D. Estimated Cost of Facilities

The estimated cost of the facilities to be constructed, installed and/or acquired by the Districts are shown in Exhibit D and include contingencies, supervision for the administrative oversight process including necessary approvals and construction management for onsite management of ongoing capital construction.

IV. DEVELOPMENT PROJECTIONS

The Developer is targeting several prominent employers as candidates to purchase individual parcels within the Districts' boundaries. In addition, the Developer is targeting several prominent retailers and businesses to locate within the development in property to be leased from the Developer. The absorption rates for Boyd Lake Village are incorporated into the Financing Plan attached hereto.

V. PROPOSED AND EXISTING AGREEMENTS

A. Intergovernmental Agreements

As noted in this Service Plan, one or more intergovernmental agreements may be entered between the Districts which shall facilitate ensuring that the improvements described within this Service Plan are constructed in the manner and at the time contemplated herein. The relationship between the Districts, including the means for approving, financing, constructing, and operating the public services and improvements needed to serve the development, will be established by means of these intergovernmental agreements. The intergovernmental agreements contemplated herein will establish procedures and standards for the approval of the design of facilities, transfer of funds between the Districts, and operation and maintenance of the facilities. These intergovernmental agreements will also provide for coordinated administration of management services for the Districts.

B. Other Agreements/Authority

To the extent practicable, the Districts may enter into additional intergovernmental and private agreements to better ensure long-term provision of the improvements and services and

effective management. Agreements may also be executed with property owner associations and other service providers. All such agreements are authorized pursuant to Colorado Constitution, Article XIV, Section 18 (2)(a) and § 29-1-201, et seq., C.R.S.

VI. OPERATION AND MAINTENANCE COSTS

Estimated costs for operation and maintenance functions are presented in the Financing Plan at Exhibit E.

VII. FINANCIAL PLAN

The Financing Plan demonstrates one method that might be used by the Districts to finance the cost of infrastructure. Due to the support expected to be received from the Developer, the Financing Plan demonstrates that the cost of infrastructure described herein can be provided with reasonable mill levies assuming reasonable increases in assessed valuation and assuming the rate of build-out estimated in the Financing Plan.

A. Debt Limitation. To enable the Districts to finance, construct, operate, and maintain the public improvements contemplated by this Service Plan, it is anticipated that the Districts will incur Debt. For purposes of this Service Plan, "Debt" shall be defined to mean principal on general obligation or revenue bonds, notes, contracts, agreements, certificates of indebtedness, interim certificates or receipts, or other documents or instruments evidencing loans or advances to the Districts. The maximum amount of Debt which may be incurred by the Districts shall be \$18,000,000 ("Debt Limit"); provided, however, that District No. 1 shall not incur Debt in excess of \$12,000,000 and District No. 2 shall not incur Debt in excess of \$6,000,000. Debt may be restructured to accomplish a refunding or reissuance, provided the principal amount of Debt does not exceed the Debt Limit set forth above. Refundings of existing Debt shall not count against the Debt Limit; so as to avoid the "double-counting" of any Debt. The Debt Limit shall not be increased unless first approved in writing by the City Council and as permitted by statute. Any change in Debt Limit shall be considered a material modification of the Service Plan.

B. Approval of Debt Issuance. It is currently anticipated that the Districts will issue Debt in amounts sufficient to permit the Districts to construct all or a portion of the needed facilities. The timing of issuance of Debt may be adjusted from time to time to meet development requirements. Despite the amount of voted Debt authorization by the Districts' electorate, the above Service Plan Debt Limit serves as the ultimate cap for the Debt the Districts shall incur. Prior to the issuance of any Debt in excess of \$100,000, the Districts must provide the City Attorney with an opinion prepared by nationally recognized bond counsel evidencing that the Districts have complied with all Service Plan requirements relating to such Debt. All Debt instruments entered into by the Districts shall provide that the Districts' obligations thereunder shall be discharged forty (40) years after the date such Debt is issued regardless of whether the obligations under such Debt instruments are paid in full.

C. Identification of District Revenue. All Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, including general ad valorem

taxes to be imposed upon all taxable property within the Districts, subject to the following limitations:

1. The maximum mill levy the Districts may impose for the payment of Debt and operations and maintenance expenses shall be 45 mills (“the “Mill Levy Cap”). The Mill Levy Cap shall be subject to adjustment if the laws of the State change with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation changes, or other similar changes occur. In any of these events, the Mill Levy Cap shall be automatically adjusted so that the collective tax liability of property owners within the Districts neither increases nor decreases as a result of any such changes, thereby maintaining a constant level of tax receipts of the Districts and overall tax payments from property owners. The Districts shall not impose or attempt to impose a mill levy on any of the property conveyed or dedicated to the City as provided in this Service Plan. Except as otherwise provided in this Section VII.C.1, the Mill Levy Cap shall not be increased unless first approved in writing by the City Council and as permitted by statute. Any such increase in the Mill Levy Cap shall be considered a material modification of the Service Plan.

2. Any Debt issued by the Districts must be issued in compliance with the requirements of § 32-1-1101(6), C.R.S., and § 11-59-106, C.R.S., as amended. The Districts anticipate issuing Debt that is exempt from registration by virtue of being credit enhanced or issued exclusively to “accredited investors” as such term is defined under Sections 3(b) and (4)(2) of the Federal Securities Act of 1933. This will ensure that appropriate development risk associated with current and future development within Boyd Lake Village remains with the Developer until such time as the assessed valuation within the Districts is sufficient to support the Debt service requirements of the Districts with the imposition of the maximum allowable Mill Levy Cap. It is anticipated that the initial funding for both capital and ongoing administrative requirements of the Districts will be provided by the Developer in the form of advances in exchange for Debt instruments, which will provide for repayment to the Developer from Debt proceeds or other legally available sources of revenue.

In addition to revenues from the Districts’ mill levy, the Districts may receive revenue from specific ownership taxes, Developer advances, interest income, oversizing and reimbursement agreements with the City, fees and charges levied by the Districts, and other legally permissible sources, which may include a one-time “System Development Fee” to be collected on the initial transfer of property within the Districts to persons or entities not affiliated with the Developer. The Districts shall not be authorized to impose or accept revenues derived from any fee on retail sales or any other fee, toll, tax, or charge, the amount of which is calculated in a manner similar to the calculation of a sales or use tax. The foregoing shall not be construed to limit the Districts’ authority to charge a user fee for use of District facilities. The Districts shall have the authority to use all available revenues in any legally permissible manner consistent with the terms of this Service Plan.

In the event the Developer enters into an oversizing and/or reimbursement agreement with the City the following shall apply:

a. If the Districts purchase from the Developer improvements constructed pursuant to an oversizing and/or reimbursement agreement with the City, and the Developer has obtained reimbursement from the City at the time of the Districts' purchase, the purchase price of the improvements to be paid by the Districts shall be the costs of the improvements as certified by the Districts' engineer less the amount of the reimbursement received by the Developer; or

b. If the Districts purchase from the Developer improvements constructed pursuant to an oversizing and/or reimbursement agreement with the City, and the Developer has not yet obtained reimbursement from the City at the time of the Districts' purchase, the purchase price of the improvements to be paid by the Districts shall be the costs of the improvements as certified by the Districts' engineer less the amount of the future reimbursement to which the Developer is entitled; or, in the alternative, the Districts may pay the full costs of the improvements as certified by the Districts' engineer and the Developer shall immediately assign to the Districts any and all rights to reimbursement from the City for said improvements.

D. Security for Debt. The Districts shall not pledge any revenue or property or other assets of the City as security for the indebtedness set forth in the Districts' Financial Plan.

E. Filings with City and Quinquennial Review.

(i) The Districts shall file with the City the following information and documents, promptly after they become available in their final, executed form:

- (a) Audited financial statements of the Districts, to the extent audit financial statements are required by State law;
- (b) Annual Budgets of the Districts;
- (c) Intergovernmental Agreements;
- (d) Resolutions regarding issuance of Debt, including relevant financing documents, credit agreements and official statements;
- (e) Notice of all regular and special meetings of the Districts' Boards of Directors; and
- (f) If requested by the City, copies of minutes of all meetings of the Districts' Boards of Directors.

(ii) Pursuant to § 32-1-1101.5, C.R.S., and at the City's request, the Districts shall submit application for a quinquennial finding of reasonable diligence in every fifth calendar year after the calendar year in which the Districts' ballot issue to incur general obligation indebtedness was approved by its electors. In the event that the City determines that a public hearing is necessary on such application, such hearing shall be held in accordance with § 32-1-1101.5(2)(a), C.R.S., and a determination for continuation of the authority of the Boards of the Districts to issue any remaining authorized general obligation Debt shall be made at that time. At the City's sole discretion, the Districts shall pay an administrative fee for any review required by the City under this Section.

F. Other Financial Information

The balance of the information contained in this Article VII is preliminary in nature. Upon approval of this Service Plan, the Districts will continue to develop and refine cost estimates contained herein and prepare for Debt issuance. All cost estimates will be inflated to then-current dollars at the time of Debt issuance and construction. All construction cost estimates assume construction to applicable local, State or Federal requirements.

In addition to ad valorem property taxes, and in order to offset the expenses of the anticipated construction as well as operations and maintenance, the Districts will also rely upon various other revenue sources authorized by law. These will include the power to assess fees, rates, tolls, penalties, or charges as provided in § 32-1-1001(j), C.R.S., as amended from time to time. It is anticipated that a system of user charges may also be established for any recreation improvements and other improvements not owned and operated by the City.

The Financing Plan does not project any significant accumulation of fund balances which might represent receipt of revenues in excess of expenditures under the TABOR Amendment. To the extent annual revenues of the Districts exceed expenditures in this manner, the Districts will comply with the provisions of TABOR and either refund the excess or obtain voter approval to retain such amounts. Initial spending and revenue limits of the Districts, as well as mill levies, will be established by elections which satisfy TABOR requirements.

The estimated costs of the facilities and improvements to be constructed and installed by the Districts, including the costs of engineering services, legal services, administrative services, initial proposed indebtedness, and other major expenses related to the facilities and improvements to be constructed and installed, are set forth in Exhibit D of this Service Plan. The maximum net effective interest rate on Debt shall be twelve percent (12%). The proposed maximum underwriting discount shall be five percent (5%). The Districts' Debt, when issued, shall mature not more than forty (40) years from date of issuance. The estimated costs of the organization of the Districts, including legal, engineering, administrative and financial services, are expected to be approximately \$121,500. Organizational costs will be reimbursed to the Developer by the Districts out of their initial revenue sources including bond issue proceeds.

G. Enterprises. The Districts' Boards of Directors may not set up enterprises to manage, fund and operate such facilities, services and programs as may qualify for enterprise status using the procedures and criteria provided by Article X, Section 20, Colorado State Constitution without the prior written consent of the City Council. To the extent provided by law, any enterprise created by the Districts will remain under the control of the Boards of Directors of the Districts. Additionally, the Districts and the Boards may not establish 63-20 Corporations without the prior written consent of the City Council.

H. Conservation Trust Fund. The District shall claim no entitlement to funds from the Conservation Trust Fund, the Great Outdoor Colorado Fund or any other grant moneys for which the City may be eligible, without the prior written consent of the City Council.

I. Elections; Other Requirements

All elections will be conducted as provided by the Uniform Election Code of 1992 (as amended) and the TABOR Amendment. The election questions may include TABOR Amendment ballot questions. Thus, the ballot may deal with the following topics (in several questions, but not necessarily using the exact divisions shown here):

1. Approval of new taxes,
2. Approval of maximum operational mill levies,
3. Approval of Debt limits,
4. Approval of property tax revenue limitations, and
5. Approval of total revenue limits.

Ballot issues may be consolidated as approved in Court orders. The City should be assured that the Districts intend to follow both the letter and the spirit of the Special District Act, the Uniform Election Code of 1992, and the TABOR Amendment and any City requirements. Future elections to comply with the TABOR Amendment are anticipated, and may be held as determined by the elected Boards of Directors of the Districts.

VIII. ANNUAL REPORT

A. General.

The Districts shall be responsible for submitting an annual report to the City not later than March 1 of each calendar year that the Districts are in existence.

B. Reporting of Significant Events.

The annual report required by this Section VIII shall include information as to any of the following events that occurred during the preceding calendar year:

- (1) Boundary changes made or proposed.
- (2) Intergovernmental Agreements entered into or proposed to be entered into.
- (3) Changes or proposed changes in the Districts' policies.
- (4) Changes or proposed changes in the Districts' operations.
- (5) Any changes in the financial status of the Districts including revenue projections, or operating costs.
- (6) A summary of any litigation involving the Districts.

- (7) Proposed plans for the year immediately following the year summarized in the annual report.
- (8) Status of the Districts' public improvement construction schedule.
- (9) A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City.

C. Summary of Financial Information.

In addition, the annual report shall include a summary of the following information:

- (1) Assessed value of taxable property within the Districts' boundaries.
- (2) Total acreage of property within the Districts' boundaries.
- (3) The Districts' Debt (stated separately for each class of Debt).
- (4) The Districts' Debt service (stated separately for each class of Debt).
- (5) The Districts' tax revenue.
- (6) Other revenues of the Districts.
- (7) The Districts' public improvements expenditures.
- (8) Other District expenditures.

IX. CONCLUSIONS

It is submitted that this Consolidated Service Plan for Waterfall Metropolitan Districts Nos. 1 and 2, as required by § 32-1-203(2), C.R.S., has established that:

1. There is sufficient existing and projected need for organized service in the area to be served by the proposed Districts;
2. The existing service in the area to be served by the Districts is inadequate for present and projected needs;
3. The proposed Districts are capable of providing economical and sufficient service to the area within their boundaries;
4. The area included in the proposed Districts will have the financial ability to discharge the proposed indebtedness on a reasonable basis;
5. Adequate service is not, and will not be, available to the area through the City, or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;
6. The facility and service standards of the proposed Districts are compatible with the facility and service standards of the City within which the proposed Districts are to be located;
7. The proposal is in substantial compliance with a master plan adopted by the City pursuant to § 31-23-206, C.R.S.;

8. The proposal is in compliance with any duly adopted county, regional, or State long-range water quality management plan for the area; and

9. The creation of the proposed Districts is in the best interests of the area proposed to be served.

Therefore, it is requested that the Loveland City Council, which has jurisdiction to approve this Service Plan by virtue of § 32-1-204.5, et seq., C.R.S., as amended, adopt a resolution which approves this “Consolidated Service Plan for Waterfall Metropolitan Districts Nos. 1 and 2” as submitted.

Respectfully submitted,

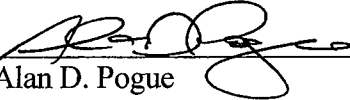
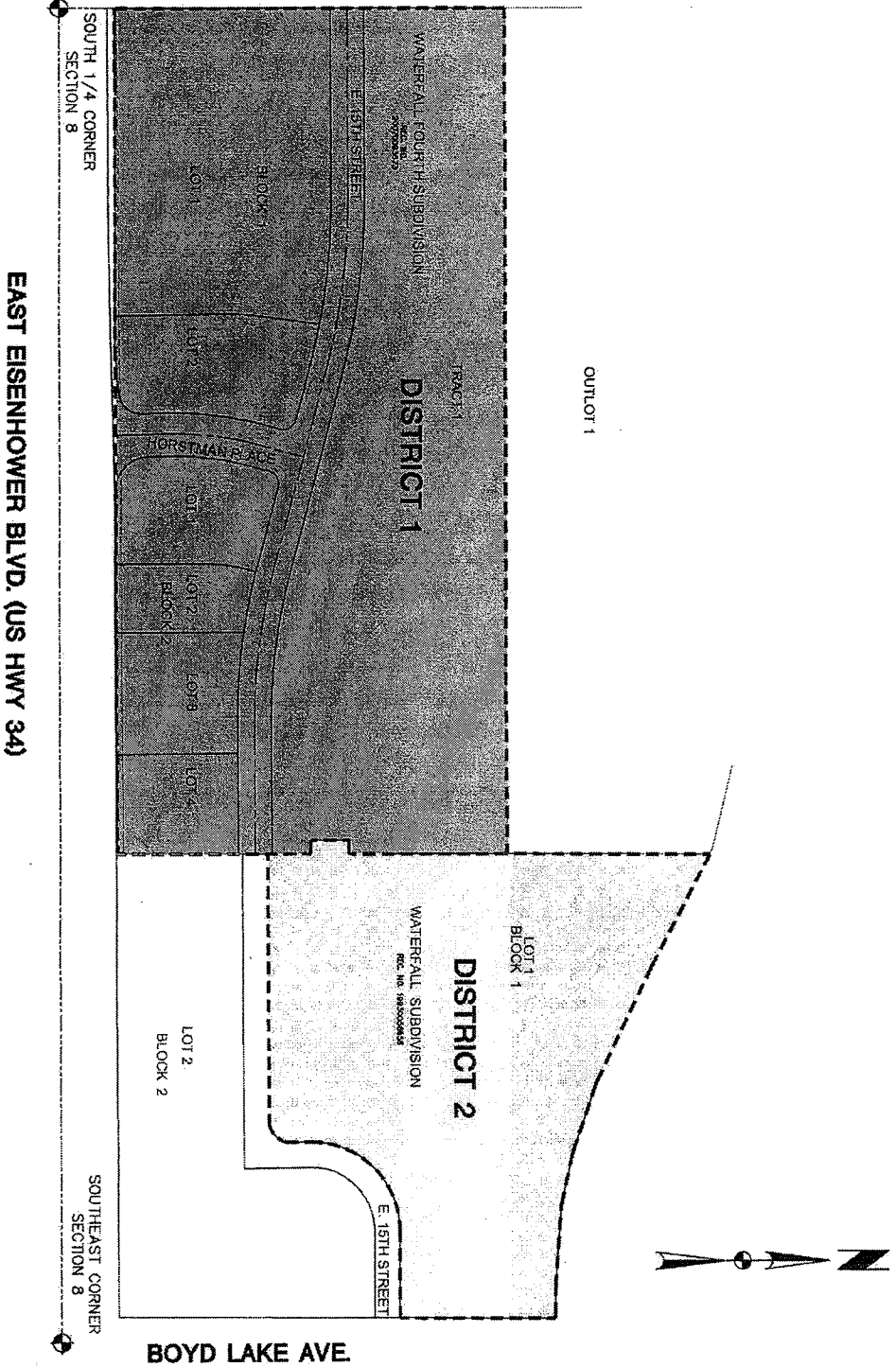
By: 
Alan D. Pogue
ICENOGLÉ ♦ NORTON
SMITH ♦ BLIESZNER ♦ GILIDA ♦ POGUE
A Professional Corporation
Counsel to Proponents of the Districts

EXHIBIT A
Map of Districts

WATERFALL METROPOLITAN DISTRICT NOS. 1 & 2 LOVELAND, COLORADO



EAST EISENHOWER BLVD. (US HWY 34)

SOUTH 1/4 CORNER
SECTION 8

SOUTHEAST CORNER
SECTION 8

BOYD LAKE AVE

EXHIBIT

MAP OF DISTRICT BOUNDARIES

WATERFALL METROPOLITAN
DISTRICT NOS. 1 & 2

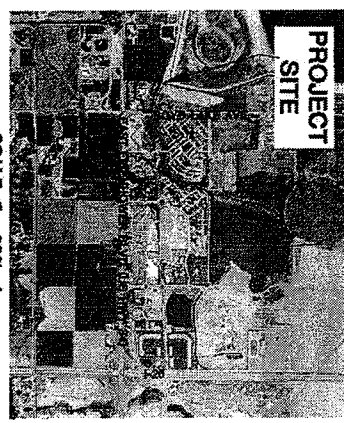
DISTRICTS

DISTRICT ACREAGE

DISTRICT 1 29.56 AC.

DISTRICT 2 12.34 AC.

VICINITY MAP



SCALE: 1" = 200' +/-



TST, INC. CONSULTING ENGINEERS

PREPARED BY: TST, INC. CONSULTING ENGINEERS

748 Whalers Way
Fort Collins, Colorado
Phone: 970.226.0557
Fax: 970.226.0204
Job no. 1097.0001.00
Filename: metro district utility base
MARCH 6, 2008

EXHIBIT B
District Legal Descriptions

A TRACT OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 8, TOWNSHIP 5 NORTH, RANGE 68 WEST, OF THE 6TH P.M.; CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

TRACT 1; LOTS 1 AND 2, BLOCK 1; LOTS 1-4, BLOCK 2; AND THE RIGHT-OF-WAY FOR EAST 15TH STREET AND HORSTMAN PLACE, WATERFALL FOURTH SUBDIVISION RECORDED AT RECEPTION NUMBER 20070093673;

LESS AND EXCEPT THE FOLLOWING TRACT:

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 8, AND CONSIDERING THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 8 TO BEAR N89°40'06"E (ENDS OF SAID LINES MONUMENTED AS SHOWN ON THE WATERFALL FOURTH SUBDIVISION RECORDED AT RECEPTION NUMBER 20070093673, WITH ALL OTHER BEARINGS CONTAINED HEREIN RELATIVE THERETO.

THENCE N72°52'02"E, 1,717.21 FEET TO THE POINT OF BEGINNING;

THENCE N00°13'06"E, 77.00 FEET;

THENCE N89°35'37"E, 27.50 FEET TO A POINT ON THE EASTERLY BOUNDARY LINE OF SAID TRACT 1;

THENCE ALONG SAID EASTERLY BOUNDARY LINE, S00°13'06"W, 77.00 FEET;

THENCE S89°35'37"W, 27.50 FEET TO THE POINT OF BEGINNING.

SAID TRACT CONTAINS 29.56 ACRES MORE OR LESS.



READE COLIN ROSELLES
COLORADO PROFESSIONAL LAND SURVEYOR REGISTRATION NO. 37911
FOR AND ON BEHALF OF TST CONSULTING ENGINEERS

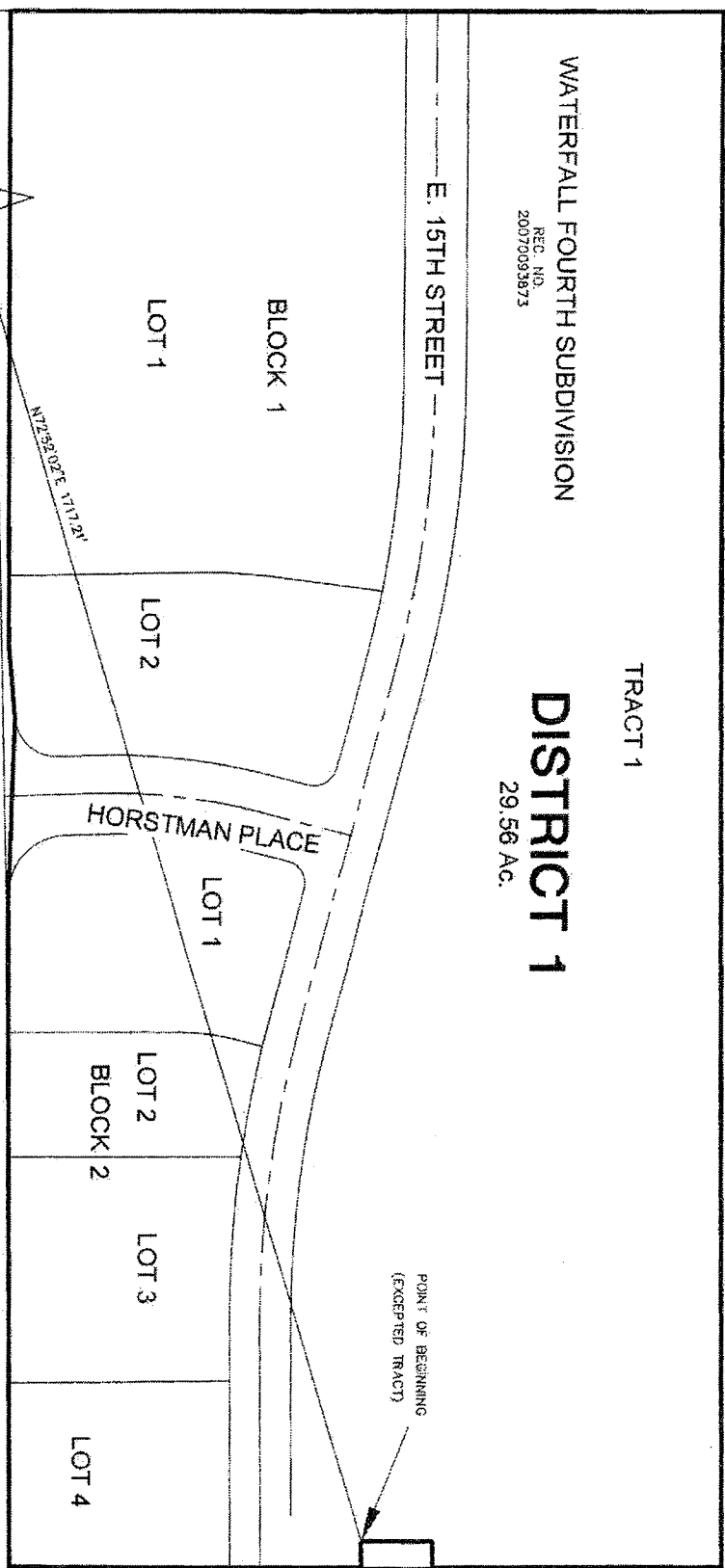
WATERFALL METROPOLITAN DISTRICT NO. 1

MARCH, 2008

WATERFALL FOURTH SUBDIVISION
REC. NO.
20070033873

TRACT 1

DISTRICT 1
29.56 Ac.



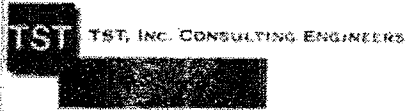
POINT OF COMMENCEMENT TRACTS 1 AND 2 SOUTH 1/4 CORNER SECTION 8

SOUTHEAST CORNER SECTION 8

748 Windsor Way
Fort Collins, Colorado
Phone: 970.226.0257
Fax: 970.226.0264
Job no. 07-2007-100
Drawing No. 07-2007-100
MARCH 6, 2008

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TRACTS OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 8, TOWNSHIP 5 NORTH, RANGE 68 WEST, OF THE 6TH P.M.; CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

LOT 1, BLOCK 1; WATERFALL SUBDIVISION RECORDED AT RECEPTION NUMBER 19930058658;

AND ALSO,

A PORTION OF TRACT 1 WATERFALL FOURTH SUBDIVISION RECORDED AT RECEPTION NUMBER 20070093673 AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 8, AND CONSIDERING THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 8 TO BEAR N89°40'06"E (ENDS OF SAID LINES MONUMENTED AS SHOWN ON SAID WATERFALL FOURTH SUBDIVISION), WITH ALL OTHER BEARINGS CONTAINED HEREIN RELATIVE THERETO.

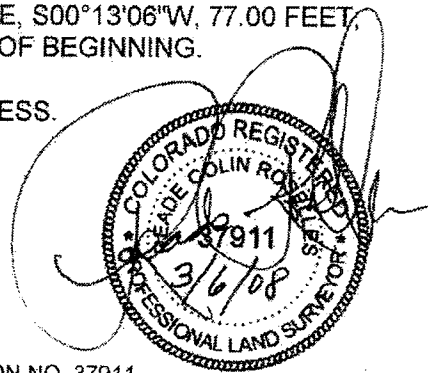
THENCE N72°52'02"E, 1,717.21 FEET TO THE POINT OF BEGINNING;

THENCE N00°13'06"E, 77.00 FEET;

THENCE N89°35'37"E, 27.50 FEET TO A POINT ON THE EASTERLY BOUNDARY LINE OF SAID TRACT 1;

THENCE ALONG SAID EASTERLY BOUNDARY LINE, S00°13'06"W, 77.00 FEET;
THENCE S89°35'37"W, 27.50 FEET TO THE POINT OF BEGINNING.

SAID TRACTS CONTAIN 12.34 ACRES MORE OR LESS.



READE COLIN ROSELLES
COLORADO PROFESSIONAL LAND SURVEYOR REGISTRATION NO. 37911
FOR AND ON BEHALF OF TST CONSULTING ENGINEERS

WATERFALL METROPOLITAN DISTRICT NO. 2

MARCH, 2008

TRACT 1
WATERFALL FOURTH SUBDIVISION
REC. NO.
20070093873

LOT 1
BLOCK 1
DISTRICT 2
12.34 AC.
WATERFALL SUBDIVISION
REC. NO. 1993008858

LOT 4
LOT 2
BLOCK 2

POINT OF BEGINNING

N72°52'02"E 1711.21'

N89°40'06"E (BASIS OF BEARING)

E. 15TH STREET

SOUTHEAST CORNER
SECTION 8

POINT OF
COMMENCEMENT
SOUTH 1/4 CORNER
SECTION 8



748 Windings, Hwy
Fort Collins, Colorado
Phone: 970.226.0257
Fax: 970.226.0264
Job no. 1037-2007100
File no. 1037-2007100
MARCH 8, 2008

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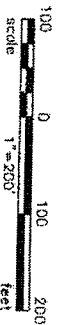
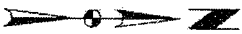
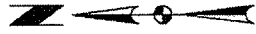


EXHIBIT C
Facilities Diagrams

WATERFALL METROPOLITAN DISTRICT NOS. 1 & 2 LOVELAND, COLORADO

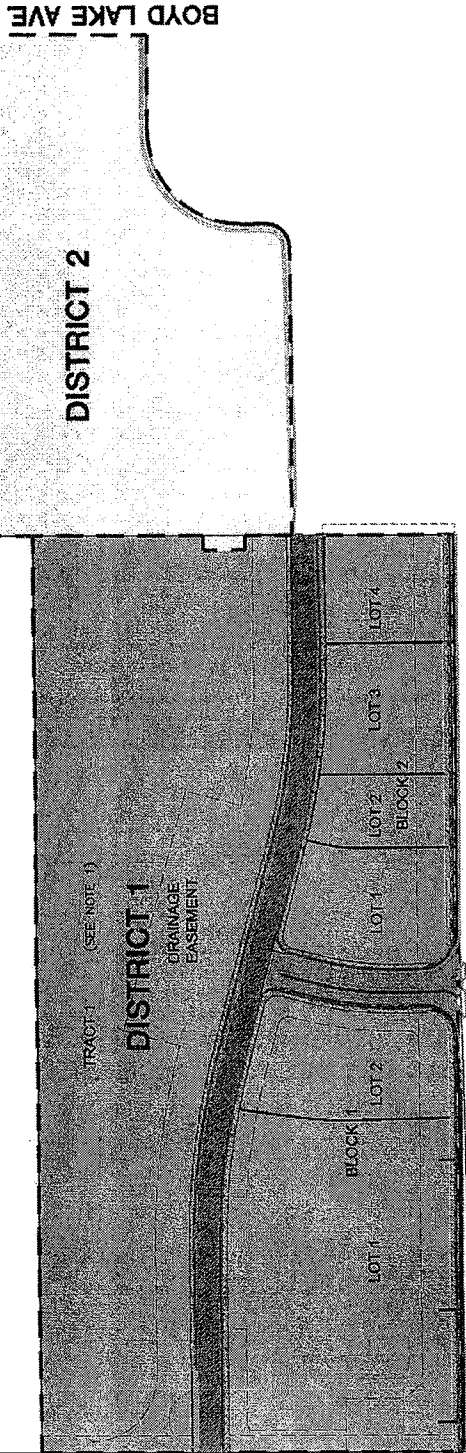


LEGEND

	DISTRICT BOUNDARY
	MINOR COLLECTOR BOULEVARD
	2 LANE ARTERIAL BOULEVARD
	LANDSCAPE AREA
	SIDEWALK

NOTES:
1. TRACT 1 WILL BE DESIGNED AND LANDSCAPED WITH FUTURE PLANS.

OUTLOT 1



EAST EISENHOWER BLVD. (US HWY 34)

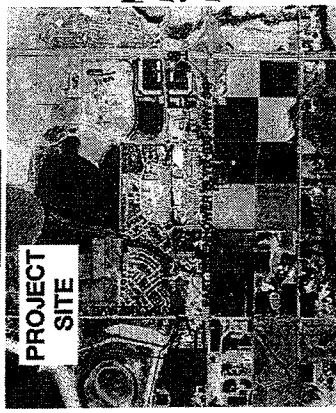
NOTE: IMPROVEMENTS SHOWN ON THIS MAP WERE TAKEN FROM DOCUMENTS PROVIDED TO TST. IT SHOULD ALSO BE NOTED THAT PRIVATE IMPROVEMENTS THAT MAY EXIST ON THE SITE WERE NOT LOCATED AND ARE NOT SHOWN HEREON.

EXHIBIT

LANDSCAPE PLAN

WATERFALL METROPOLITAN
DISTRICT NOS. 1 & 2

VICINITY MAP



PROJECT
SITE

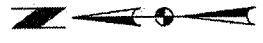
SCALE: T = 200 +/-



TST, INC. CONSULTING ENGINEERS

PREPARED BY:
TST, INC. CONSULTING ENGINEERS
748 Whalers Way
Fort Collins, Colorado
Phone: 970.226.0557
Fax: 970.226.0204
Job no. 1097.0001.00
Filename: metro district utility base
MARCH 6, 2008

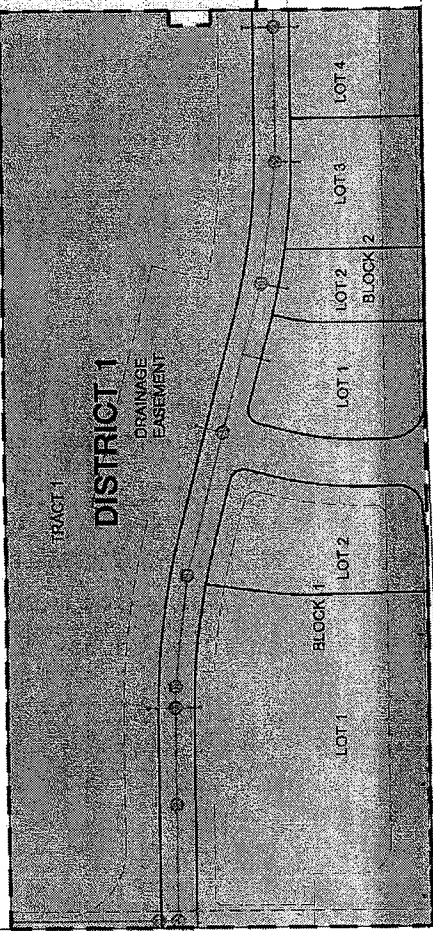
WATERFALL METROPOLITAN DISTRICT NO'S. 1 & 2 LOVELAND, COLORADO



LEGEND

- DISTRICT BOUNDARY - - - - -
- SANITARY SEWER LINE ————●———

OUTLOT 1



EAST EISENHOWER BLVD. (US HWY 34)

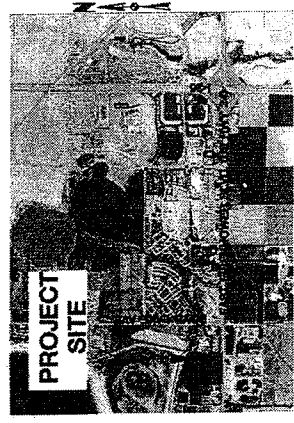
BOYD LAKE AVE

NOTE: UTILITIES SHOWN ON THIS MAP WERE TAKEN FROM DOCUMENTS PROVIDED BY TST AS WELL AS FROM THE CITY OF LOVELAND UTILITY MAP BOOK. IT SHOULD ALSO BE NOTED THAT DRY UTILITIES AND PRIVATE UTILITIES WERE NOT LOCATED AND ARE NOT SHOWN HEREON.

EXHIBIT

- SANITARY SEWER UTILITY PLAN
- WATERFALL METROPOLITAN DISTRICT NOS. 1 & 2

VICINITY MAP



SCALE: 1" = 200' +/-



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Job no. 1097.0001.00
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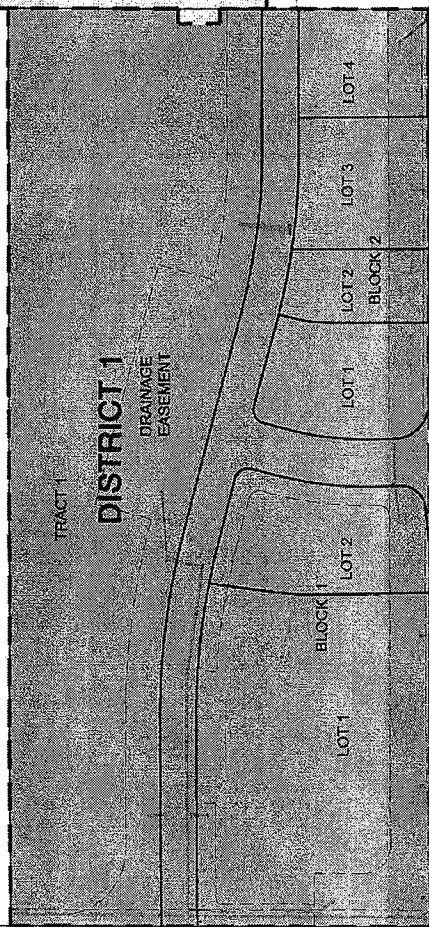
WATERFALL METROPOLITAN DISTRICT NOS. 1 & 2 LOVELAND, COLORADO



LEGEND



OUTLOT 1



EAST EISENHOWER BLVD. (US HWY 34)

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BOYD LAKE AVE

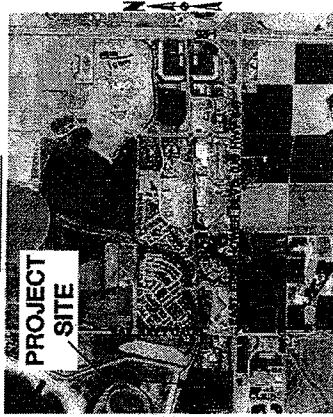
DISTRICT 2

EXHIBIT

STORM SEWER UTILITY PLAN

WATERFALL METROPOLITAN
DISTRICT NOS. 1 & 2

VICINITY MAP



SCALE: T = 200' +/-



TST, INC. CONSULTING ENGINEERS

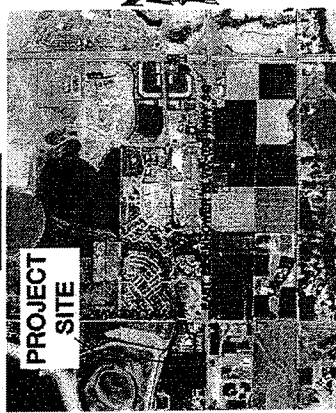
PREPARED BY:
TST, INC. CONSULTING ENGINEERS
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Phone: 970.226.6557
Fax: 970.226.0204
Job no. 1097.0001.00
Filename: metro district utility base
MARCH 6, 2008

EXHIBIT

STREETS PLAN

**WATERFALL METROPOLITAN
DISTRICT NOS. 1 & 2**

VICINITY MAP



SCALE: 1" = 200' +/-



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**PREPARED BY:
TST, INC. CONSULTING ENGINEERS**

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MARCH 6, 2008

**WATERFALL METROPOLITAN
DISTRICT NOS. 1 & 2
LOVELAND, COLORADO**

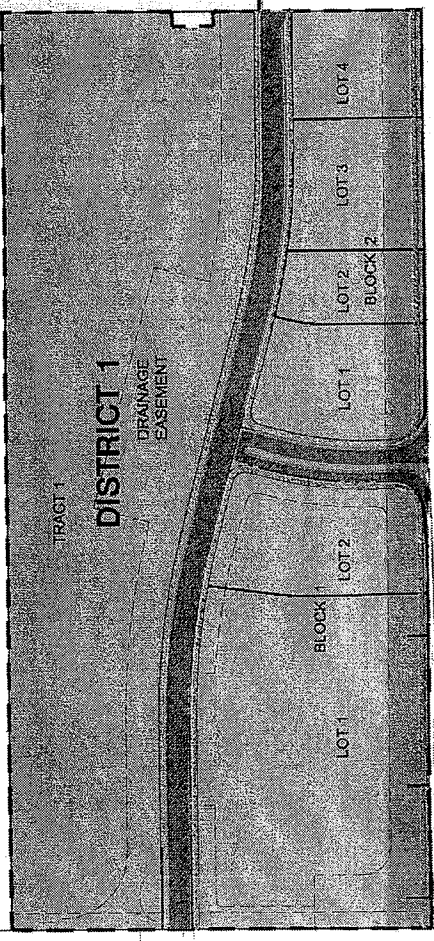


LEGEND

- DISTRICT BOUNDARY
- MINOR COLLECTOR
- 2 LANE ARTERIAL
- SIDEWALK

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OUTLOT 1

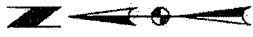


BOYD LAKE AVE

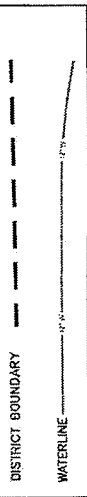
EAST EISENHOWER BLVD. (US HWY 34)

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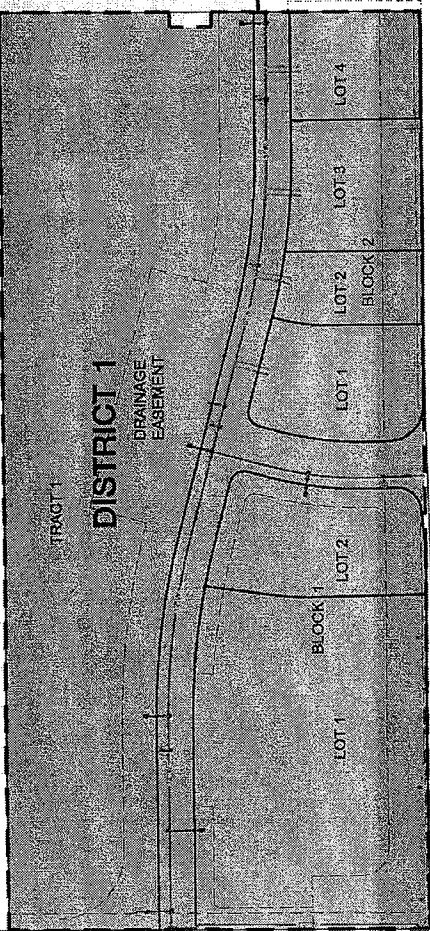
WATERFALL METROPOLITAN DISTRICT NOS. 1 & 2 LOVELAND, COLORADO



LEGEND



OUTLOT 1



EAST EISENHOWER BLVD. (US HWY 34)

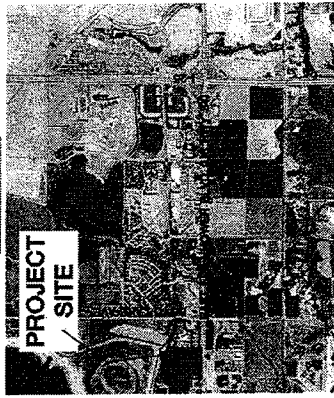
BOYD LAKE AVE

EXHIBIT

WATER UTILITY PLAN

WATERFALL METROPOLITAN
DISTRICT NOS. 1 & 2

VICINITY MAP



SCALE: 1" = 200' +/-

TST

TST, INC. CONSULTING ENGINEERS

**PREPARED BY:
TST, INC. CONSULTING ENGINEERS**

748 Whalers Way
Fort Collins, Colorado
Phone: 970.228.0557
Fax: 970.228.0204
Job no. 1097.0001.00

Filename: metro district utility base
MARCH 6, 2008

NOTE: UTILITIES SHOWN ON THIS MAP WERE TAKEN FROM DOCUMENTS PROVIDED TO TST AS WELL AS FROM THE CITY OF LOVELAND UTILITY MAP BOOK. IT SHOULD ALSO BE NOTED THAT DRY UTILITIES AND PRIVATE UTILITIES WERE NOT LOCATED AND ARE NOT SHOWN HEREON.

EXHIBIT D
Cost Estimates

**Water Fall Metropolitan District No. 1 and No. 2
Preliminary Operation and Maintenance Cost Estimate**

Original Date: 12/22/2009 Revised Date: 1/15/10
Prepared by: Pinpoint Consulting Group, Inc.

	Water Fall Metro District No. 1 & 2 Preliminary Estimate O&M Cost	Water Fall Metro District No. 1 Preliminary Estimate O&M Cost	Water Fall Metro District No. 2 Preliminary Estimate O&M Cost		
Landscaping	\$ 138,115.00	\$ 95,680.50	\$ 41,434.50		
Irrigation Water System	\$ -	\$ -	\$ -		
Parking Lots	\$ 45,492.00	\$ 31,844.40	\$ 13,647.60		
Trails	\$ 4,336.00	\$ 3,385.20	\$ 1,450.80		
Administration	\$ 81,735.00	\$ 57,214.50	\$ 24,520.50		
Capital Improvement Mgmt	\$ 18,600.00	\$ 13,020.00	\$ 5,580.00		
Contingency	\$ 8,000.00	\$ 5,600.00	\$ 2,400.00		
TOTAL	\$ 296,778.00	\$ 207,744.60	\$ 89,033.40		

0.864 \$138,443.00
\$138,115.00
\$376,178.00

total w/o Capital

Water Fall Metropolitan District No. 1 Rating Schedule		Water Fall Metropolitan District No. 2 Rating Schedule		Water Fall Metropolitan District No. 1 Rating Schedule		Water Fall Metropolitan District No. 2 Rating Schedule	
Year	Rate	Year	Rate	Year	Rate	Year	Rate
2007	\$ 38,872.20	2007	\$ 15,922.20	2007	\$ 1,015.56	2007	\$ 28,607.25
2008	\$ 43,340.25	2008	\$ 15,922.20	2008	\$ 1,015.56	2008	\$ 34,326.70
2009	\$ 48,008.30	2009	\$ 15,922.20	2009	\$ 1,692.60	2009	\$ 46,771.60
2010	\$ 52,844.40	2010	\$ 15,922.20	2010	\$ 2,708.16	2010	\$ 57,214.50
2011	\$ 57,844.40	2011	\$ 15,922.20	2011	\$ 3,855.20	2011	\$ 67,214.50
2012	\$ 62,999.50	2012	\$ 15,922.20	2012	\$ 5,150.40	2012	\$ 77,214.50
2013	\$ 68,309.50	2013	\$ 15,922.20	2013	\$ 6,685.20	2013	\$ 87,214.50
2014	\$ 73,774.40	2014	\$ 15,922.20	2014	\$ 8,460.00	2014	\$ 97,214.50
2015	\$ 79,394.40	2015	\$ 15,922.20	2015	\$ 10,475.20	2015	\$ 107,214.50
2016	\$ 85,169.50	2016	\$ 15,922.20	2016	\$ 12,730.40	2016	\$ 117,214.50
2017	\$ 91,099.50	2017	\$ 15,922.20	2017	\$ 15,225.60	2017	\$ 127,214.50
2018	\$ 97,184.40	2018	\$ 15,922.20	2018	\$ 17,960.80	2018	\$ 137,214.50
2019	\$ 103,424.40	2019	\$ 15,922.20	2019	\$ 20,936.00	2019	\$ 147,214.50
2020	\$ 109,824.40	2020	\$ 15,922.20	2020	\$ 24,160.80	2020	\$ 157,214.50

Year	Rate	Year	Rate	Year	Rate	Year	Rate
2007	\$ -	2007	\$ -	2007	\$ -	2007	\$ -
2008	\$ -	2008	\$ -	2008	\$ -	2008	\$ -
2009	\$ -	2009	\$ -	2009	\$ -	2009	\$ -
2010	\$ -	2010	\$ -	2010	\$ -	2010	\$ -
2011	\$ 24,860.70	2011	\$ 4,984.28	2011	\$ 495.24	2011	\$ 14,280.25
2012	\$ 24,860.70	2012	\$ 4,984.28	2012	\$ 675.24	2012	\$ 14,712.30
2013	\$ 24,860.70	2013	\$ 4,984.28	2013	\$ 870.48	2013	\$ 15,164.40
2014	\$ 24,860.70	2014	\$ 4,984.28	2014	\$ 1,080.94	2014	\$ 15,636.50
2015	\$ 24,860.70	2015	\$ 4,984.28	2015	\$ 1,305.84	2015	\$ 16,138.60
2016	\$ 24,860.70	2016	\$ 4,984.28	2016	\$ 1,545.36	2016	\$ 16,670.70
2017	\$ 24,860.70	2017	\$ 4,984.28	2017	\$ 1,800.00	2017	\$ 17,232.80
2018	\$ 24,860.70	2018	\$ 4,984.28	2018	\$ 2,070.00	2018	\$ 17,824.90
2019	\$ 24,860.70	2019	\$ 4,984.28	2019	\$ 2,355.00	2019	\$ 18,447.00
2020	\$ 24,860.70	2020	\$ 4,984.28	2020	\$ 2,655.00	2020	\$ 19,102.10

**Water Fall Metropolitan District No. 1 and No. 2
Preliminary Operation and Maintenance Cost Estimate**

Prepared by: Pirimack Consulting Group Inc

Original Draft 1/28/2008 / Revised Draft 3/5/08

Item #	Activity / Sub-Contractor	Unit	Quantity	Winter		Summer		Annual Total Cost
				Unit Cost	Item Cost	Unit Cost	Item Cost	
	Management							
	Facility Management, District Admin	MN	5	\$2,885.00	\$ 14,425.00	\$3,260.00	\$ 22,820.00	\$ 37,245.00
	Subtotal				\$ 14,425.00		\$ 22,820.00	\$ 37,245.00
	Accounting							
	District Accounting	MN	5	\$820.00	\$ 4,100.00	\$820.00	\$ 5,740.00	\$ 9,840.00
	Audit	LS	0	-	-	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
	Subtotal				\$ 4,100.00		\$ 10,740.00	\$ 14,840.00
	Engineer							
	District General Engineering	LS	1	\$ 1,800.00	\$ 750.00	\$ 800.00	\$ 800.00	\$ 1,550.00
	Subtotal				\$ 750.00		\$ 800.00	\$ 1,550.00
	Legal							
	District General Legal	LS	1	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 16,000.00
	Subtotal				\$ 8,000.00		\$ 8,000.00	\$ 16,000.00
	Board of Directors							
	Director Fees	EA	5	\$ 500.00	\$ 2,500.00	\$ 500.00	\$ 3,500.00	\$ 6,000.00
	Subtotal				\$ 2,500.00		\$ 3,500.00	\$ 6,000.00
	Insurance							
	General Liability / Officer	LS	1	\$ 3,100.00	\$ 3,100.00	Incl.	-	\$ 3,100.00
	Subtotal				\$ 3,100.00		-	\$ 3,100.00
	Miscellaneous							
	Election	LS	1	\$ -	\$ -	\$ -	\$ -	\$ -
	Office	LS	1	\$ -	\$ -	\$ -	\$ -	\$ -
	SDA Dues	LS	1	\$ 2,000.00	\$ 2,000.00	Incl.	-	\$ 2,000.00
	Treasurer's Fees	LS	1	\$ -	\$ -	\$ -	\$ -	\$ -
	Bond Issuance	LS	1	\$ -	\$ -	\$ -	\$ -	\$ -
	Risk Management	LS	1	\$ -	\$ -	\$ -	\$ -	\$ -
	Mosquito Control	LS	0	\$ -	\$ -	\$ -	\$ -	\$ -
	Reserve Fund	LS	1	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 1,000.00
	Subtotal				\$ 2,500.00		\$ 500.00	\$ 3,000.00
	Total Cost				\$ 35,375.00		\$ 46,360.00	\$ 81,735.00

Administration Cost											
Winter											
Summer											
Annual											
Capital Improvements (2015 Yr Build out)											
Administration	M/N	5	\$ 490.00	\$	2,450.00	M/N	7	\$ 490.00	\$	3,430.00	\$ 5,880.00
Accounting	M/N	5	\$ 360.00	\$	1,800.00	M/N	7	\$ 360.00	\$	2,520.00	\$ 4,320.00
Development	M/N	5	\$ 700.00	\$	3,500.00	M/N	7	\$ 700.00	\$	4,900.00	\$ 8,400.00
Administration											
Capital Cost (Developer Reimburse)											
Subtotal				\$	7,750.00				\$	10,850.00	\$ 18,600.00

Winter Season	Spring Season	Summer Season
November February	December March	January
April July October	May August	June September

**Water Fall Metropolitan District No. 1 and No. 2
Preliminary Operation and Maintenance Cost Estimate**

Prepared by: Pinnacle Consulting Group Inc

**Preliminary Operation and Maintenance Cost Estimate
Assumptions**

Original Draft 1/28/2008 / Revised Draft 3/5/08

1. General

The land is calculated as follows

- District 1
 - Gross Land is 29.46 AC (70% of total acreage)
 - Net Land (Less ROW) is 26.31 AC
- District 2
 - Gross Land is 12.34 AC (30% of total acreage)
 - Net Land (Less ROW) is 12.34 AC

2. Landscape

Landscape information was provided by Dando Development and bha design.

- District 1
 - 9 Acres of irrigated landscaping (30% of total gross acreages)
 - 2 Acres of dry land natural area (8% of total gross acreages)
 - 100% of District #2 landscaping will be completed in Summer of 2008.
 - District 2
 - 4 Acres of irrigated landscaping (30% of total gross acreages)
 - 1 Acres of dry land natural area (8% of total gross acreages)
 - 100% of District #3 landscaping will be completed in Summer of 2010.
- The installation contracts will include two years of maintenance paid for by the District.

3. Irrigation

The cost of the irrigation water will not exceed \$1.75 per 1000 gallons.
The total acres irrigated is 13 acres
The annual acre per foot of water is calculated at 2.25 acft

4. Parking Lots

Parking lot information was provided by bha design per the City of Loveland Parking requirements.
District 1 will require a total of 1150 parking spaces
District 2 will require a total of 500 parking spaces
Total of 53,295 Square yards of parking lots

Water Fall Metropolitan District No. 1 and 2
Preliminary Estimated Project Construction Costs

Drafted 1/31/2008 Revised 3/5/08

Construction Estimate (Direct Cost) Prepared by: Connell Resources, Inc.
 Final Estimate Prepared by: Pinnacle Consulting Group Inc.
 Drawings Prepared by: Stantec and TST Engineering

	Water Fall Metropolitan District No. 1 District Capital Costs	Water Fall Metropolitan District No. 2 District Capital Costs	Water Fall Metropolitan District No. 1 and 2 Org and Form Cost	Water Fall Metropolitan District Combined No. 1 and 2 District Capital Costs
District No. 1 Total = 29.56 Acres				
District No. 2 Total = 12.34 Acres				
District No. 1 and 2 Total = 41.9 Acres				
Land				
Land Cost	\$0.00			\$0.00
Raw Water (Potable Water) / Additional Fees	\$0.00			\$0.00
Land Cost	\$0.00	\$0.00	\$0.00	\$0.00
Indirect Construction Costs				
Permits and Fees	\$20,000.00	\$10,000.00		\$30,000.00
Engineering, Design and Const Management	\$1,571,810.84	\$674,677.52		\$2,246,488.36
Planning	\$350,000.00	\$160,000.00		
Engineering	\$430,000.00	\$234,000.00		
Design	\$370,000.00	\$200,000.00		
Engineering during construction	\$32,000.00	\$18,000.00		
As-builts	\$30,000.00	\$16,000.00		
Construction Surveying	\$242,150.79	\$101,898.16		
Material Testing	\$201,782.33	\$84,915.14		
Safety Inspection	\$33,000.00	\$18,000.00		
Construction Management (4% of Direct Cost)	\$322,867.72	\$155,894.22		
Legal and Accounting	\$0.00	\$0.00		\$0.00
Formation and Organization				
Legal			\$65,000.00	\$65,000.00
Engineering (Mapping)			\$20,000.00	\$20,000.00
Financial			\$11,500.00	\$11,500.00
Management / Administrative			\$25,000.00	\$25,000.00
Indirect Cost	\$1,591,810.84	\$684,677.52	\$121,500.00	\$2,397,988.36
Direct Construction Costs				
Removals/Erosion Control/Clear and Grub	\$149,182.53	\$227,301.21		\$376,483.74
Earthwork	\$192,464.88	\$129,839.09		\$322,303.98
General Grading and Excavation	\$192,464.88	\$129,839.09		
Sanitary Sewer	\$287,687.35	\$120,504.48		\$408,191.83
Site Perimeter Drain (Under Drain)	\$0.00	\$0.00		\$0.00
Domestic Water	\$399,787.25	\$180,273.87		\$580,061.11
Storm Sewer	\$740,193.80	\$283,206.98		\$1,023,400.78
Concrete	\$1,103,843.86	\$416,252.08		\$1,520,095.94
Asphalt Paving	\$1,398,496.36	\$703,581.42		\$2,102,077.78
Irrigation System	\$294,131.75	\$89,977.87		\$384,109.61
Raw water and Well Work	\$0.00	\$0.00		\$0.00
*Landscaping	\$983,474.84	\$408,016.13		\$1,391,490.97
*Dry Utilities	\$0.00	\$0.00		\$0.00
Street Signs, Markings and Traffic Control	\$47,776.52	\$20,012.30		\$67,788.81
Miscellaneous (Repairs, clean up and Weather)	\$146,729.81	\$49,168.93		\$195,898.74
*Contingency	\$1,082,489.64	\$613,675.00		\$1,696,164.64
Offsite Improvements	\$958,610.00	\$0.00		\$958,610.00
HWY 34 Improvements	\$665,497.00	\$0.00		\$665,497.00
HWY 34 & County Road 9 Intersection	\$293,113.00	\$0.00		\$293,113.00
Additions and Alternates	\$0.00	\$0.00		
Direct Cost	\$7,784,868.59	\$3,241,809.35	\$0.00	\$11,026,677.94
TOTAL	\$9,376,679.43	\$3,926,486.87	\$121,500.00	\$13,424,666.30

Water Fall Metropolitan District No. 1
Preliminary Estimated Project Construction Costs

Drafted 1/31/2008 Revised 3/5/08

Final Estimate Prepared by: Pinnacle Consulting Group Inc.
 Drawings Prepared by: Stantec and TST Engineering

District No. 1 Total = 29.56 Acres Total Site with 29.46 Commercial Acres	Water Fall Metropolitan District No. 1 Capital Costs	Water Fall Metropolitan District No. 1 Tract 1 Add Capital Costs	Water Fall Metropolitan District No. 1 Org and Form Cost	Water Fall Metropolitan District No. 1 Total District Costs
Land				
Land Cost				
Raw Water (Potable Water) / Additional Fees				
Land Cost	\$0.00	\$0.00	\$0.00	\$0.00
Indirect Construction Costs				
Permits and Fees	\$10,000.00	\$10,000.00		\$20,000.00
Engineering, Design and Const Management	\$1,109,440.84	\$462,370.00		\$1,571,810.84
Planning	\$359,390.00	\$6.00		\$359,396.00
Engineering	\$318,080.00	\$73,000.00		\$391,080.00
Design	\$21,000.00	\$60,000.00		\$81,000.00
Engineering during construction	\$28,140.00	\$5,000.00		\$33,140.00
As-builts	\$120,770.79	\$121,380.00		\$242,150.79
Construction Surveying	\$109,642.33	\$101,150.00		\$210,792.33
Material Testing	\$18,000.00	\$5,000.00		\$23,000.00
Safety Inspection	\$161,027.72	\$161,000.00		\$322,027.72
Construction Management (4% of Direct Cost)	\$0.00	\$0.00		\$0.00
Legal and Accounting				
Formation and Organization				
Legal			\$54,600.00	\$54,600.00
Engineering (Mapping)			\$19,600.00	\$19,600.00
Financial			\$16,100.00	\$16,100.00
Management / Administrative			\$30,100.00	\$30,100.00
Indirect Cost	\$1,119,440.84	\$472,370.00	\$120,400.00	\$1,712,210.84
Direct Construction Costs				
Removals/Erosion Control/Clear and Grub	\$142,754.00	\$6,428.53		\$149,182.53
Earthwork	\$163,088.00	\$29,376.88		\$192,464.88
General Grading and Excavation	\$163,088.00	\$29,376.88		\$192,464.88
Sanitary Sewer	\$151,363.00	\$136,324.35		\$287,687.35
Site Perimeter Drain (Under Drain)	\$0.00	\$0.00		\$0.00
Domestic Water	\$226,438.00	\$173,349.25		\$399,787.25
Storm Sewer	\$355,730.00	\$384,463.80		\$740,193.80
Concrete	\$209,138.00	\$894,705.86		\$1,103,843.86
Asphalt Paving (Tract 1 includes 52,000 SY Parking lot)	\$271,924.00	\$1,126,572.36		\$1,398,496.36
*Irrigation System	\$101,728.00	\$192,403.75		\$294,131.75
Raw water and Well Work	\$0.00	\$0.00		\$0.00
*Landscaping	\$530,000.00	\$453,474.84		\$983,474.84
*Dry Utilities	\$243,045.00	\$43,779.46		\$286,824.46
Street Signs, Markings and Traffic Control	\$25,137.00	\$22,639.52		\$47,776.52
Miscellaneous (Repairs, clean up and Weather)	\$77,200.00	\$69,529.81		\$146,729.81
*Contingency (18% due to Preliminary Plans)	\$569,538.00	\$512,951.64		\$1,082,489.64
Offsite Improvements	\$958,610.00	\$0.00		\$958,610.00
HWY 34 Improvements	\$665,497.00	\$0.00		\$665,497.00
HWY 34 & County Road 9 Intersection	\$293,113.00	\$0.00		\$293,113.00
Additions and Alternates	\$0.00	\$0.00		\$0.00
Direct Cost	\$4,025,693.00	\$4,046,000.05	\$0.00	\$7,784,868.59
TOTAL	\$5,145,133.84	\$4,518,370.06	\$120,400.00	\$9,497,079.43

As-bid Cost per Connell Resources	\$2,662,110.00	\$0.00
*Additional Cost Identified	\$2,483,023.84	\$4,518,370.06
Total Capital Costs(As-bid and Additional Cost)	\$5,145,133.84	\$4,518,370.06
Total Capital Costs(On-site, Off-site and tract 1)	\$9,668,503.89	
Formation Costs		\$120,400.00
Total District Capital Costs w/ Formation	\$9,497,079.43	

Year	% of Construction	Capital Cost Per Year
2006		
2007		
2008	40.00%	\$ 3,798,831.77
2009		
2010	26.00%	\$ 2,469,240.65
2011		
2012	34.00%	\$ 3,229,007.01
2013		
2014		
2015		
	100.00%	\$ 9,497,079.43

Development Cost is based on estimated support to the build out demand

Water Fall Metropolitan District No. 2				
Preliminary Estimated Project Construction Costs				
				Drafted 1/31/2008 Revised 3/5/08
Construction Estimate (Direct Cost) Prepared by: Connell Resources, Inc. and Pinnacle Consulting Group Inc.				
Final Estimate Prepared by: Pinnacle Consulting Group Inc.				
Drawings Prepared by: Stattee and TST Engineering				
District No. 2 Total = 12.34 Acres				
Total Site with 12.34 Commercial Acres				
	Water Fall Metropolitan District No. 2 Capital Costs	Water Fall Metropolitan District No. 2 Future Inclusion	Water Fall Metropolitan District No. 2 Org. and Form Cost	Water Fall Metropolitan District No. 2 Total District Costs
Land				
Land Cost				
Raw Water (Potable Water) / Additional Fees				
Land Cost	\$0.00	\$0.00	\$0.00	\$0.00
Indirect Construction Costs				
Permits and Fees	\$10,000.00			\$10,000.00
Engineering, Design and Const Management	\$674,677.52			\$674,677.52
Planning	\$100,000.00			
Engineering	\$234,000.00			
Design	\$200,000.00			
Engineering during construction	\$18,000.00			
As-builts	\$16,000.00			
Construction Surveying	\$101,898.16			
Material Testing	\$4,915.14			
Safety Inspection	\$8,000.00			
Construction Management (4% of Direct Cost)	\$135,854.22			
Legal and Accounting	\$0.00			\$0.00
Formation and Organization				
Legal			\$23,400.00	\$23,400.00
Engineering (Mapping)			\$8,400.00	\$8,400.00
Financial			\$6,900.00	\$6,900.00
Management / Administrative			\$12,900.00	\$12,900.00
Indirect Cost	\$684,677.52	\$0.00	\$51,600.00	\$736,277.52
Direct Construction Costs				
Removals/Erosion Control/Clear and Grub	\$227,301.21			\$227,301.21
Earthwork	\$129,839.09			\$129,839.09
General Grading and Excavation	\$129,839.09			
Sanitary Sewer	\$120,504.48			\$120,504.48
Site Perimeter Drain (Under Drain)	\$0.00			\$0.00
Domestic Water	\$180,273.87			\$180,273.87
Storm Sewer	\$283,206.98			\$283,206.98
Concrete (Parking Lot)	\$416,252.08			\$416,252.08
Asphalt Paving (Parking Lot)	\$703,581.42			\$703,581.42
Irrigation System	\$89,977.87			\$89,977.87
Raw water and Well Work	\$0.00			\$0.00
Landscaping	\$408,016.13			\$408,016.13
Dry Utilities	\$154,796.14			\$0.00
Street Signs, Markings and Traffic Control	\$20,012.30			\$20,012.30
Miscellaneous (Repairs, clean up and Weather)	\$49,168.93			\$49,168.93
Contingency (18% due to Preliminary Plans)	\$613,675.00			\$613,675.00
Offsite Improvements	\$0.00			\$0.00
HWY 34 Improvements	\$0.00			
HWY 34 & County Road 9 Intersection	\$0.00			
Direct Cost	\$3,396,605.49	\$0.00	\$0.00	\$3,241,809.35
TOTAL	\$4,081,283.02	\$0.00	\$ 51,600.00	\$3,978,086.87

Year	% of Construction	Capital Cost Per Year
2006		
2007		
2008		
2009		
2010	60.00%	\$ 2,386,852.12
2011		
2012	40.00%	\$ 1,591,234.75
2013		
2014		
2015		
2016	100.00%	\$3,978,086.87

11/2/07

0.66

0.40

Development Cost is based on continued support of the built out demand

EXHIBIT E
Financing Plan

Stan Bernstein and Associates, Inc.

Financial Planners and Consultants

For Local Governments, Municipal Bond Underwriters, and Real Estate Developers

8400 East Prentice Ave., Penthouse

Greenwood Village, Colorado 80111

Phone: 303-409-7611 Fax: 303-409-7612 Email: Stanplan@Earthlink.net

MEMORANDUM

TO: Kirk Dando, Dando Development and Dando Advisors.
Peggy Dowswell, CPA, Pinnacle Consulting Group, Inc.
Chad Walker, Pinnacle Consulting Group, Inc.

FROM: Stan Bernstein
Amy Bernstein

DATE: February 18, 2008

SUBJECT: Third Draft – Financial Model – Waterfall Metropolitan Districts #1 - #3

INTRODUCTION AND SCOPE

Stan Bernstein and Associates, Inc. has assembled preliminary (for discussion purposes only) Financial Models for Waterfall Metropolitan Districts #1 - #3 based upon key assumptions provided by officials of The Developer and its consultants Pinnacle Consulting Group, Inc. The Financial Models were assembled in order to provide a conceptual understanding of (i) the amount of Limited Tax General Obligation Supported Revenue Bonds that could ultimately be supported by Service District #1 (which would reimburse the Developer for infrastructure capital costs); (ii) and how Service District #1 could fund its General Fund administrative and operating expenditures (as presented on Exhibit I). Detailed land use, values, and buildout assumptions (as well as related assessed valuation estimates) for Financing Districts #2 - #3 were provided by Pinnacle Consulting Group, Inc., and are presented on Schedules 2 - 3. District #1 is organized as the Service District ("Service District #1) and is responsible, through an Intergovernmental Agreement ("IGA") with Waterfall Metropolitan Districts #2 - #3, to construct and operate all public facilities owned by the Districts. Detailed assumed Limited Tax General Obligation Supported Revenue Bond issues for the Service District #1, and related debt service requirements, are presented on Schedule 1.

The Financial Models present, to the best knowledge and belief of the Developer (based upon assumptions provided by the Developer), the District's expected cash position and results of cash receipts and disbursements for the forecast period. Accordingly, the Financial Models reflect the Developer's judgment, as of the date of this report, of the expected conditions within the Districts' boundaries and the Districts' expected course of action. The assumptions disclosed in the Financial Models are those of the Developer and have not been independently reviewed by Stan Bernstein and Associates, Inc.

FUTURE RATES OF RESIDENTIAL AND COMMERCIAL BUILDOUT AND RELATED ASSESSED VALUATION AND BONDING CAPACITY

The financial planning concept is that as the construction of future residential and commercial product occurs within the boundaries of Districts #2 - #3, incremental assessed valuation will generate property tax revenues for each of the Districts.

For financial planning purposes it is assumed that the property tax revenues generated from the 35.0 mills assumed to be levied by Districts #2 and 3 will be transferred to the Service District's General Fund and used to fund administrative and operating expenditures, and debt service payments on Limited Tax General Obligation Supported Revenue Bonds issued by Service District #1.

The following chart summarizes the projected debt issuance from Service District 1:

<u>Issue Date</u>	<u>Gross Amount</u>	<u>Cost of Issuance</u>	<u>Net Proceeds</u>
12/1/2015	\$ 2,800,000	\$ 112,000	\$ 2,688,000
12/1/2018	1,400,000	56,000	1,344,000
Total	<u>4,200,000</u>	<u>168,000</u>	<u>4,032,000</u>

It is assumed that the bonds would be issued at average interest rates of 6.50% and mature serially over a maximum 30-year period. Costs of Bond Issuance (including underwriting, legal, and other fees) have been estimated to be 4.0% of the par amount of the bonds. It is also possible that if buildout rates and assessed valuations lag expectations, and/or if administrative and operating expenditures exceed expectations, the amount of the bonds that could be supported will be less than shown on the previous page, and the timing of the issuance of these bonds will not occur as soon as indicated.

Because these bonds are Limited Tax General Obligation Supported Revenue Bonds it is possible that the above bond issuance amounts could be reduced by approximately 20% depending upon debt service coverage requirements imposed by bond purchasers. The Districts will need authorization for a mill levy cap of at least 42.0 mills in order to provide a mill levy cushion to bond investors.

Memorandum
February 18, 2008
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It is assumed that the net proceeds of the Limited Tax General Obligation Revenue Supported Bonds will be used to reimburse the Developer for a portion of the infrastructure costs expected to be originally funded by the Developer.

SCHEDULES 2 – 3 - DISTRICTS #2 - #3 LAND USE AND RELATED ASSESSED VALUATION

The key assumptions with respect to future commercial buildout, and related assessed valuation buildup, within the boundaries of Districts #2 - #3 are presented in detail on Schedules 2 - 3. These assumptions were provided by officials of the Developer and Pinnacle Consulting Group, Inc. The assessed valuation estimates assume an average annual inflationary increase of approximately 0% for all commercial property.

The Financial Models are based upon a total of 282,321 square feet of commercial space completed by 2017 (District #2); and 118,257 square feet of retail space being completed by the end of 2016 (District #3). The Developer has provided the information contained in Schedules 2 - 3 and believes these assumptions to be reasonable and appropriate to use for financial modeling purposes at this time.

Exhibits III and IV present the estimated revenues and expenditures for Districts #2 - #3.

It is assumed that Districts #2 and #3 will levy 35.0 mills.

Specific Ownership tax revenues are estimated to be approximately 6% of property tax revenue collections.

County Treasurer Property Tax Collection Fees are assumed to be 3.0% of property tax revenue collections.

IGA Payments to District #1 are assumed to be 34.5 mills for both Districts #2 and #3.

SERVICE DISTRICT GENERAL FUND - CASH FLOW – EXHIBIT I, PAGE 1

Exhibit I, page 1, presents the cash flow forecasts for District #1. The primary revenue source consists of IGA property tax transfers from Districts # 2 - #3.

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Service District General Fund expenditures (which were developed by Pinnacle Consulting Group, Inc.) are presented on Exhibit I, and include administration, landscaping, parking, trails, capital improvement management, and a general contingency allowance. All administrative, operating, and maintenance costs have been inflated 3% annually through 2020, and 1% annually thereafter.

EXHIBIT II – DEBT SERVICE FUND, PAGE 5

Exhibit II, page 5, presents the cash flow forecasts for the Series 2014 and Series 2028 Limited Tax General Obligation Supported Revenue Bonds, and demonstrates that the annual debt service requirements can be maintained, and the bonds redeemed, on a reasonable basis.

Interest rates of 6.5% and 30 year amortization have been assumed for all issues

SCHEDULE 4 – CAPITAL PROJECTS FUND, PAGE 23

Schedule 4, page 23, presents the detailed capital infrastructure requirements, the assumed Developer Capital Advances, and the repayment of the Developer Capital Advances from net bond proceeds.

DISCLAIMER AND LIMITATIONS

The assumptions disclosed in the Financial Models are those of the Developer and have not been independently reviewed by Stan Bernstein and Associates, Inc. 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 expected, and those differences may be material. Key assumptions – like those relating to market values of real property improvements and the buildout schedule of such property – are particularly sensitive in terms of the timing necessary to create the tax base for the Districts. 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. Additionally, other key assumptions relating to inflation, assessment ratios, interest rates, debt service coverage requirements, and infrastructure, administrative and operating costs may, and likely will, vary from those assumed.

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February 18, 2008
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DISCLAIMER AND LIMITATIONS

Because Stan Bernstein and Associates, Inc. has not independently evaluated or reviewed the assumptions that the Financial Models are based upon, we do not vouch for the achievability of the information presented on Exhibits I - IV and on Schedules 1 - 4. 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 on Exhibits I - IV and on Schedules 1 - 4. Stan Bernstein and Associates, Inc. has no responsibility or obligation to update this information or these Financial Models for events occurring after the date of this memorandum.

The actual amount of Limited Tax General Obligation Revenue Supported Bonds that could be supported by the Service District #1 will depend on the rate of buildout and the related increases in assessed valuation, interest rates and debt service coverage requirements, and the actual amounts needed to pay for Service District's administrative and operating costs. In the event that Service District's actual operating and administrative expenses are more than anticipated on Exhibit I, the amount of Limited Tax General Obligation Supported Revenue Bonds that could actually be supported by the Districts could be less than shown, and if assessed valuation levels are more than anticipated it could be possible for Service District #1 to issue additional Limited Tax General Obligation Supported Revenue Bonds than shown.

The Financial Models have been assembled for Service Plan submittal purposes only, and are not intended to be used by prospective purchasers, or investors, of Service District #1 future bond issues.

**EXHIBIT I (SERVICE DISTRICT #1)
WATERFALL METROPOLITAN DISTRICT #1
CASH FLOW FORECASTS - GENERAL FUND
FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046**

**WORKING DRAFT
SUBJECT TO REVISION
18-Feb-08
SEE CONSULTANTS' DISCLAIMER**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
KEY ASSUMPTIONS											
INCREMENTAL COMMERCIAL SQ. FT. ADDED - WFMD #2 (SCH. 1)	0	64,147	49,147	24,147	24,147	24,147	24,147	24,147	24,147	24,145	0
CUMULATIVE SQ. FT. - WFMD #2	0	64,147	113,294	137,441	161,588	185,735	209,882	234,029	258,176	282,321	282,321
INCREMENTAL COMMERCIAL SQ. FT. ADDED - WFMD #3 (SCH. 2)	0	0	0	0	23,651	23,651	23,651	23,651	23,653	0	0
CUMULATIVE SQ. FT. - WFMD #3	0	0	0	0	23,651	47,302	70,953	94,604	118,257	118,257	118,257
ASSESSED VALUATION WFMD #2 (SCH. 1)	0	0	500,000	3,599,662	5,951,105	7,055,557	8,160,009	9,264,462	10,468,914	11,673,367	12,877,819
ASSUMED MILL LEVY TRANSFER FROM WFMD #2	0.00	0.00	30.00	34.00	34.50	34.50	34.50	34.50	34.50	34.50	34.50
ASSESSED VALUATION WFMD #3 (SCH. 2)	0	0	0	0	0	500,000	1,579,712	2,659,424	3,739,136	4,818,848	5,998,659
ASSUMED MILL LEVY TRANSFER FROM WFMD #3	0.00	0.00	0.00	0.00	30.00	30.00	30.00	34.00	34.50	34.50	34.50
ASSUMED SYSTEM DEVELOPMENT FEE @ \$0.50/SQ. FT.	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
CASH FLOW REVENUES											
IGA PROPERTY TAX TRANSFERS FROM WFMD #2 @ 34.5 MILLS	0	0	15,000	122,388	205,313	243,417	281,520	319,624	361,178	402,731	444,285
IGA PROPERTY TAX TRANSFERS FROM WFMD #3 @ 34.5 MILLS	0	0	0	0	0	15,000	47,391	90,420	129,000	166,250	203,504
ADDITIONAL IGA PROPERTY TAX TRANSFERS FROM WFMD #2	0	0	0	0	0	0	0	0	0	0	0
SYSTEM DEVELOPMENT FEE	0	32,074	24,574	12,074	23,899	23,899	23,899	23,899	23,900	12,073	0
DEVELOPER OPERATING CONTRIBUTION	120,000	130,000	170,000	130,000	35,000	0	0	0	0	0	0
INTEREST EARNINGS @ 3% OF BEG.FUNDS	0	164	258	416	619	725	736	2,724	2,724	2,724	2,724
TOTAL REVENUES	120,000	162,237	209,632	264,878	264,831	283,040	353,546	436,668	516,802	583,778	650,513
OPERATING EXPENDITURES (3%/YR)											
ADMINISTRATIVE COSTS	32,694	39,233	65,388	81,735	84,187	86,713	89,314	91,993	94,753	97,596	100,524
LANDSCAPING	55,246	69,058	82,869	110,492	124,304	138,115	142,258	146,526	150,922	155,450	160,113
PARKING LOTS	0	22,746	27,295	36,394	40,943	45,492	46,857	48,262	49,710	51,202	52,738
TRAILS	0	1,451	2,418	2,902	3,869	4,352	4,836	4,981	5,131	5,284	5,443
CAPITAL IMPROVEMENT ASSET MANAGEMENT	18,600	18,600	18,600	18,600	0	0	0	0	0	0	0
CONTINGENCY FOR ADMINISTRATION	8,000	8,000	8,000	8,000	8,000	8,000	4,000	4,000	4,000	2,000	0
TOTAL OPERATING EXPENDITURES	114,540	159,087	204,570	258,122	261,302	282,672	287,265	295,763	304,516	311,532	318,818
EXCESS REVENUES OVER EXPENDITURES	5,460	3,150	5,262	6,756	3,529	368	66,281	140,904	212,286	272,246	331,695
TRANSFER OF EXCESS REVENUES TO DEBT SERVICE FUND	0	0	0	0	0	0	0	140,904	212,286	272,246	331,695
BEGINNING FUND BALANCE - JANUARY 1	0	5,460	8,610	13,872	20,627	24,156	24,525	90,806	90,806	90,806	90,806
ENDING FUND BALANCE - DECEMBER 31	5,460	8,610	13,872	20,627	24,156	24,525	90,806	90,806	90,806	90,806	90,806

3% annual increases through 2020; 1% thereafter

The accompanying summary memorandum (and disclaimer) is an integral part of these cash flow forecasts.

**EXHIBIT I (SERVICE DISTRICT #1)
WATERFALL METROPOLITAN DISTRICT #1
CASH FLOW FORECASTS - GENERAL FUND
FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046**

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
KEY ASSUMPTIONS											
INCREMENTAL COMMERCIAL SQ. FT. ADDED - WFMD #2 (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE SQ. FT. - WFMD #2	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321
INCREMENTAL COMMERCIAL SQ. FT. ADDED - WFMD #3 (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE SQ. FT. - WFMD #3	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257
ASSESSED VALUATION WFMD #2 (SCH. 1)	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171
ASSESSED MILL LEVY TRANSFER FROM WFMD #2	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50
ASSESSED VALUATION WFMD #3 (SCH. 2)	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659
ASSUMED MILL LEVY TRANSFER FROM WFMD #3	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50
ASSUMED SYSTEM DEVELOPMENT FEE @ \$0.50/SQ. FT.	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
CASH FLOW											
REVENUES											
IGA PROPERTY TAX TRANSFERS FROM WFMD #2 @ 34.5 MILLS	485,835	485,835	485,835	485,835	485,835	485,835	485,835	485,835	485,835	485,835	485,835
IGA PROPERTY TAX TRANSFERS FROM WFMD #3 @ 34.5 MILLS	203,504	203,504	203,504	203,504	203,504	203,504	203,504	203,504	203,504	203,504	203,504
ADDITIONAL IGA PROPERTY TAX TRANSFERS FROM WFMD #2	0	0	0	0	0	0	0	0	0	0	0
SYSTEM DEVELOPMENT FEE	0	0	0	0	0	0	0	0	0	0	0
DEVELOPER OPERATING CONTRIBUTION	0	0	0	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 3% OF BEG.FUNDS	2,724	2,724	2,724	2,724	2,724	2,724	2,724	2,724	2,724	2,724	2,724
TOTAL REVENUES	692,063	692,063	692,063	692,063	692,063	692,063	692,063	692,063	692,063	692,063	692,063
OPERATING EXPENDITURES (3%/YR)											
ADMINISTRATIVE COSTS	103,539	106,646	107,712	108,789	109,877	110,976	112,086	113,206	114,339	115,482	116,637
LANDSCAPING	164,917	169,864	171,563	173,278	175,011	176,761	178,529	180,314	182,117	183,938	185,778
PARKING LOTS	54,320	55,949	56,509	57,074	57,645	58,221	58,803	59,391	59,985	60,585	61,191
TRAILS	5,806	5,774	5,832	5,891	5,949	6,009	6,069	6,130	6,191	6,253	6,315
CAPITAL IMPROVEMENT ASSET MANAGEMENT	0	0	0	0	0	0	0	0	0	0	0
CONTINGENCY FOR ADMINISTRATION	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENDITURES	328,582	338,234	341,616	345,032	348,492	351,967	355,487	359,042	362,632	366,258	369,921
EXCESS REVENUES OVER EXPENDITURES	363,481	353,829	350,447	347,031	343,580	340,096	336,576	333,021	329,431	325,804	322,142
TRANSFER OF EXCESS REVENUES TO DEBT SERVICE FUND	363,481	353,829	350,447	347,031	343,580	340,096	336,576	333,021	329,431	325,804	322,142
BEGINNING FUND BALANCE - JANUARY 1	90,806	90,806	90,806	90,806	90,806	90,806	90,806	90,806	90,806	90,806	90,806
ENDING FUND BALANCE - DECEMBER 31	90,806	90,806	90,806	90,806	90,806	90,806	90,806	90,806	90,806	90,806	90,806

3% annual increases through 2020; 1% thereafter

The accompanying summary memorandum (and disclaimer) is an integral part of these cash flow forecasts.

**EXHIBIT I (SERVICE DISTRICT #1)
WATERFALL METROPOLITAN DISTRICT #1
CASH FLOW FORECASTS - GENERAL FUND
FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046**

KEY ASSUMPTIONS	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
INCREMENTAL COMMERCIAL SQ. FT. ADDED - WFMD #2 (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE SQ. FT. - WFMD #2	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321
INCREMENTAL COMMERCIAL SQ. FT. ADDED - WFMD #3 (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE SQ. FT. - WFMD #3	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257
ASSESSED VALUATION WFMD #2 (SCH. 1)	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171
ASSUMED MILL LEVY TRANSFER FROM WFMD #2	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50
ASSESSED VALUATION WFMD #3 (SCH. 2)	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659
ASSUMED MILL LEVY TRANSFER FROM WFMD #3	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50
ASSUMED SYSTEM DEVELOPMENT FEE @ \$0.50/SQ. FT.	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
CASH FLOW REVENUES	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
IGA PROPERTY TAX TRANSFERS FROM WFMD #2 @ 34.5 MILLS	485,835	485,835	485,835	485,835	485,835	485,835	485,835	485,835	485,835	485,835	485,835
IGA PROPERTY TAX TRANSFERS FROM WFMD #3 @ 34.5 MILLS	203,504	203,504	203,504	203,504	203,504	203,504	203,504	203,504	203,504	203,504	203,504
ADDITIONAL IGA PROPERTY TAX TRANSFERS FROM WFMD #2	0	0	0	0	0	0	0	0	0	0	0
SYSTEM DEVELOPMENT FEE	0	0	0	0	0	0	0	0	0	0	0
DEVELOPER OPERATING CONTRIBUTION	0	0	0	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 3% OF BEG. FUNDS	2,724	2,724	2,724	2,724	2,724	2,724	2,724	2,724	2,724	2,724	2,724
TOTAL REVENUES	692,063	692,063	692,063	692,063	692,063	692,063	692,063	692,063	692,063	717,063	717,063
OPERATING EXPENDITURES (3%/YR.)											
ADMINISTRATIVE COSTS	117,803	118,981	120,171	121,373	122,586	123,812	125,050	126,301	127,564	128,840	130,128
LANDSCAPING	187,636	189,512	191,407	193,321	195,264	197,207	199,179	201,171	203,182	205,214	207,266
PARKING LOTS	61,803	62,421	63,045	63,676	64,312	64,956	65,605	66,261	66,924	67,593	68,269
TRAILS	6,379	6,442	6,507	6,572	6,638	6,704	6,771	6,839	6,907	6,976	7,046
CAPITAL IMPROVEMENT ASSET MANAGEMENT	0	0	0	0	0	0	0	0	0	0	0
CONTINGENCY FOR ADMINISTRATION	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENDITURES	373,620	377,356	381,130	384,941	388,791	392,679	396,605	400,571	404,577	408,623	412,709
EXCESS REVENUES OVER EXPENDITURES	318,443	314,706	310,933	307,122	303,272	299,384	295,457	291,491	287,486	308,440	304,354
TRANSFER OF EXCESS REVENUES TO DEBT SERVICE FUND	318,443	314,706	310,933	307,122	303,272	299,384	295,457	291,491	287,486	308,440	304,354
BEGINNING FUND BALANCE - JANUARY 1	90,806	90,806	90,806	90,806	90,806	90,806	90,806	90,806	90,806	90,806	90,806
ENDING FUND BALANCE - DECEMBER 31	90,806	90,806	90,806	90,806	90,806	90,806	90,806	90,806	90,806	90,806	90,806

The accompanying summary memorandum (and disclaimer) is an integral part of these cash flow forecasts.

**EXHIBIT I (SERVICE DISTRICT #1)
WATERFALL METROPOLITAN DISTRICT #1
CASH FLOW FORECASTS - GENERAL FUND
FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046**

	2041	2042	2043	2044	2045	2046	TOTALS
KEY ASSUMPTIONS							
INCREMENTAL COMMERCIAL SQ. FT. ADDED - WFMD #2 (SCH. 1)	0	0	0	0	0	0	0
CUMULATIVE SQ. FT. - WFMD #2	282,321	282,321	282,321	282,321	282,321	282,321	282,321
INCREMENTAL COMMERCIAL SQ. FT. ADDED - WFMD #3 (SCH. 2)	0	0	0	0	0	0	0
CUMULATIVE SQ. FT. - WFMD #3	118,257	118,257	118,257	118,257	118,257	118,257	118,257
ASSESSED VALUATION WFMD #2 (SCH. 1)	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171
ASSUMED MILL LEVY TRANSFER FROM WFMD #2	34.50	34.50	34.50	34.50	34.50	34.50	34.50
ASSESSED VALUATION WFMD #3 (SCH. 2)	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659
ASSUMED MILL LEVY TRANSFER FROM WFMD #3	34.50	34.50	34.50	34.50	34.50	34.50	34.50
ASSUMED SYSTEM DEVELOPMENT FEE @ \$0.50/SQ. FT.	0.50	0.50	0.50	0.50	0.50	0.50	0.50
CASH FLOW							
REVENUES							
IGA PROPERTY TAX TRANSFERS FROM WFMD #2 @ 34.5 MILLS	2041	2042	2043	2044	2045	2046	TOTALS
IGA PROPERTY TAX TRANSFERS FROM WFMD #3 @ 34.5 MILLS	485,835	485,835	485,835	485,835	485,835	485,835	15,996,833
ADDITIONAL IGA PROPERTY TAX TRANSFERS FROM WFMD #2	203,504	203,504	203,504	203,504	203,504	203,504	6,349,671
SYSTEM DEVELOPMENT FEE	25,000	25,000	25,000	25,000	25,000	25,000	200,000
DEVELOPER OPERATING CONTRIBUTION	0	0	0	0	0	0	200,289
INTEREST EARNINGS @ 3% OF BEG. FUNDS	0	0	0	0	0	0	585,000
TOTAL REVENUES	2,724	2,724	2,724	2,724	2,724	2,724	90,091
	717,063	717,063	717,063	717,063	717,063	717,063	23,423,884
OPERATING EXPENDITURES (3%/YR)							
ADMINISTRATIVE COSTS	131,429	132,744	134,071	135,412	136,766	138,133	4,254,583
LANDSCAPING	209,339	211,432	213,547	215,682	217,839	220,017	6,735,629
PARKING LOTS	68,952	69,641	70,338	71,041	71,751	72,469	2,200,369
TRAILS	7,116	7,188	7,259	7,332	7,405	7,479	224,246
CAPITAL IMPROVEMENT ASSET MANAGEMENT	0	0	0	0	0	0	74,400
CONTINGENCY FOR ADMINISTRATION	0	0	0	0	0	0	62,000
TOTAL OPERATING EXPENDITURES	416,836	421,005	425,215	429,457	433,761	438,099	13,551,227
EXCESS REVENUES OVER EXPENDITURES	300,227	296,058	291,848	287,596	283,301	278,964	9,872,657
TRANSFER OF EXCESS REVENUES TO DEBT SERVICE FUND	300,227	296,058	291,848	287,596	283,301	278,964	9,781,851
BEGINNING FUND BALANCE - JANUARY 1	90,806	90,806	90,806	90,806	90,806	90,806	0
ENDING FUND BALANCE - DECEMBER 31	90,806	90,806	90,806	90,806	90,806	90,806	90,806

The accompanying summary memorandum (and disclaimer) is an integral part of these cash flow forecasts.

EXHIBIT II (SERVICE DISTRICT #1)
 WATERFALL METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS - DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046

WORKING DRAFT
 SUBJECT TO REVISION
 18-Feb-08
 SEE CONSULTANTS' DISCLAIMER

CASH FLOW

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUES												
TRANSFER FROM GENERAL FUND	0	0	0	0	0	0	0	140,904	212,286	272,246	331,595	363,681
INTEREST EARNINGS @ 3% OF BEG.FUNDS	0	0	0	0	0	0	0	0	4,197	4,302	6,117	9,898
TOTAL REVENUES	0	0	0	0	0	0	0	140,904	216,483	276,548	337,712	373,579
EXPENDITURES												
LTD. TAX G.O. SUPPORTED REVENUE BONDS												
SERIES 2015 LTD TAX G.O. SUPPORT REV BONDS DEBT SERVICE	0	0	0	0	0	0	0	0	212,000	215,050	212,775	215,500
SERIES 2018 LTD TAX G.O. SUPPORT REV BONDS DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	106,000
BOND PAYING AGENT FEES	0	0	0	0	0	0	0	1,000	1,000	1,000	1,000	2,000
TOTAL EXPENDITURES	0	0	0	0	0	0	0	1,000	213,000	216,050	213,775	323,500
EXCESS REVENUES OVER EXPENDITURES	0	0	0	0	0	0	0	139,904	3,483	60,498	124,037	50,079
BEGINNING FUND BALANCE - JANUARY 1	0	0	0	0	0	0	0	0	139,904	143,387	203,885	327,922
ENDING FUND BALANCE - DECEMBER 31	0	0	0	0	0	0	0	139,904	143,387	203,885	327,922	377,940
TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	2,800,000	2,770,000	2,735,000	4,100,000	4,045,000
% OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	19.71%	16.80%	14.57%	20.52%	20.24%
TOTAL ASSESSED VALUE	0	500,000	3,599,652	5,951,105	7,555,557	9,739,721	11,923,886	14,208,050	16,492,214	18,776,478	19,980,831	

The accompanying summary memorandum (and disclaimer) is an integral part of these cash flow forecasts.

EXHIBIT II (SERVICE DISTRICT #1)
 WATERFALL METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS - DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046

CASH FLOW

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
REVENUES											
TRANSFER FROM GENERAL FUND	353,829	350,447	347,031	343,580	340,096	336,576	333,021	329,431	325,804	322,142	318,443
INTEREST EARNINGS @ 3% OF BEG.FUNDS	11,338	12,685	13,949	15,255	16,314	17,286	18,228	19,291	20,181	21,005	21,769
TOTAL REVENUES	<u>365,166</u>	<u>363,142</u>	<u>360,980</u>	<u>358,835</u>	<u>356,409</u>	<u>353,862</u>	<u>351,349</u>	<u>348,722</u>	<u>345,986</u>	<u>343,147</u>	<u>340,212</u>
EXPENDITURES											
LTD. TAX G.O. SUPPORTED REVENUE BONDS											
SERIES 2015 LTD TAX G.O. SUPPORT REV BONDS DEBT SERVICE	212,900	215,300	212,375	214,450	216,200	212,625	214,050	215,150	215,925	216,375	216,500
SERIES 2018 LTD TAX G.O. SUPPORT REV BONDS DEBT SERVICE	105,025	104,050	103,075	107,100	105,800	104,500	103,200	101,900	100,600	99,300	98,000
BOND PAYING AGENT FEES	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL EXPENDITURES	<u>319,925</u>	<u>321,350</u>	<u>317,450</u>	<u>323,550</u>	<u>324,000</u>	<u>319,125</u>	<u>319,250</u>	<u>319,050</u>	<u>318,525</u>	<u>317,675</u>	<u>316,500</u>
EXCESS REVENUES OVER EXPENDITURES	45,243	41,792	43,530	35,286	32,409	34,737	32,099	29,672	27,461	25,472	23,712
BEGINNING FUND BALANCE - JANUARY 1	<u>377,940</u>	<u>423,183</u>	<u>464,575</u>	<u>508,505</u>	<u>543,791</u>	<u>576,201</u>	<u>610,938</u>	<u>643,037</u>	<u>672,709</u>	<u>700,169</u>	<u>725,641</u>
ENDING FUND BALANCE - DECEMBER 31	423,183	464,975	508,505	543,791	576,201	610,938	643,037	672,709	700,169	725,641	749,353
TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	3,990,000	3,930,000	3,870,000	3,800,000	3,725,000	3,650,000	3,570,000	3,485,000	3,395,000	3,300,000	3,200,000
% OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	19.97%	19.67%	19.37%	19.02%	18.64%	18.27%	17.87%	17.44%	16.99%	16.52%	16.02%
TOTAL ASSESSED VALUE	<u>19,980,831</u>	<u>19,980,831</u>	<u>19,980,831</u>	<u>19,980,831</u>	<u>19,980,831</u>	<u>19,980,831</u>	<u>19,980,831</u>	<u>19,980,831</u>	<u>19,980,831</u>	<u>19,980,831</u>	<u>19,980,831</u>

The accompanying summary memorandum (and disclaimer) is an integral part of these cash flow forecasts.

EXHIBIT II (SERVICE DISTRICT #1)
 WATERFALL METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS - DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046

CASH FLOW

	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
REVENUES											
TRANSFER FROM GENERAL FUND	314,706	310,893	307,122	303,272	299,384	295,457	291,491	287,486	308,440	304,354	300,227
INTEREST EARNINGS @ 3% OF BEG.FUNDS	22,481	23,146	23,773	24,369	24,942	25,199	25,310	25,437	25,441	26,086	26,808
TOTAL REVENUES	<u>337,187</u>	<u>334,039</u>	<u>330,895</u>	<u>327,642</u>	<u>324,326</u>	<u>320,657</u>	<u>316,801</u>	<u>312,923</u>	<u>333,881</u>	<u>330,439</u>	<u>327,035</u>
EXPENDITURES											
LTD. TAX G.O. SUPPORTED REVENUE BONDS											
SERIES 2015 LTD TAX G.O. SUPPORT REV BONDS DEBT SERVICE	216,300	215,775	214,925	213,750	212,250	215,425	212,950	215,150	216,700	212,600	213,175
SERIES 2018 LTD TAX G.O. SUPPORT REV BONDS DEBT SERVICE	96,700	95,400	94,700	92,800	101,500	99,550	97,600	95,650	93,700	91,750	89,800
BOND PAYING AGENT FEES	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL EXPENDITURES	<u>315,000</u>	<u>313,175</u>	<u>311,025</u>	<u>308,550</u>	<u>315,750</u>	<u>316,975</u>	<u>312,550</u>	<u>312,800</u>	<u>312,400</u>	<u>306,350</u>	<u>304,975</u>
EXCESS REVENUES OVER EXPENDITURES	22,187	20,904	19,870	19,092	8,576	3,682	4,251	123	21,481	24,089	22,060
BEGINNING FUND BALANCE - JANUARY 1	749,353	771,540	792,444	812,314	831,405	839,982	843,664	847,915	848,038	869,519	893,608
ENDING FUND BALANCE - DECEMBER 31	771,540	792,444	812,314	831,405	839,982	843,664	847,915	848,038	869,519	893,608	915,668
TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	3,095,000	2,985,000	2,870,000	2,750,000	2,615,000	2,470,000	2,320,000	2,160,000	1,990,000	1,815,000	1,630,000
% OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	15.49%	14.94%	14.36%	13.76%	13.09%	12.36%	11.61%	10.81%	9.96%	9.08%	8.16%
TOTAL ASSESSED VALUE	<u>19,980,831</u>	<u>19,980,831</u>	<u>19,980,831</u>	<u>19,980,831</u>	<u>19,980,831</u>	<u>19,980,831</u>	<u>19,980,831</u>	<u>19,980,831</u>	<u>19,980,831</u>	<u>19,980,831</u>	<u>19,980,831</u>

The accompanying summary memorandum (and disclaimer) is an integral part of these cash flow forecasts.

EXHIBIT II (SERVICE DISTRICT #1)
 WATERFALL METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS - DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046

CASH FLOW

	2042	2043	2044	2045	2046	TOTALS
REVENUES						
TRANSFER FROM GENERAL FUND	296,058	291,848	287,596	283,301	278,964	9,781,861
INTEREST EARNINGS @ 3% OF BEG.FUNDS	27,470	28,087	28,677	29,107	29,249	627,450
TOTAL REVENUES	<u>323,528</u>	<u>319,936</u>	<u>316,273</u>	<u>312,408</u>	<u>308,213</u>	<u>10,409,301</u>
EXPENDITURES						
LTD. TAX G.O. SUPPORTED REVENUE BONDS						
SERIES 2015 LTD TAX G.O. SUPPORT REV BONDS DEBT SERVICE	213,100	212,375	216,000	223,650	0	6,441,300
SERIES 2018 LTD TAX G.O. SUPPORT REV BONDS DEBT SERVICE	87,850	85,900	83,950	82,000	820,050	3,446,850
BOND PAYING AGENT FEES	2,000	2,000	2,000	2,000	1,000	59,000
TOTAL EXPENDITURES	<u>302,950</u>	<u>300,277</u>	<u>301,954</u>	<u>307,656</u>	<u>821,057</u>	<u>9,947,169</u>
EXCESS REVENUES OVER EXPENDITURES	20,578	19,659	14,319	4,752	(512,844)	462,132
BEGINNING FUND BALANCE - JANUARY 1	915,668	936,246	955,905	970,224	974,977	0
ENDING FUND BALANCE - DECEMBER 31	936,246	955,905	970,224	974,977	462,132	462,132
TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	1,435,000	1,230,000	1,010,000	770,000	0	0
% OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	7.18%	6.16%	5.05%	3.85%	0.00%	
TOTAL ASSESSED VALUE	19,980,831	19,980,831	19,980,831	19,980,831	19,980,831	19,980,831

SCHEDULE 1 (DISTRICT #1)
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2008 - 2046

WORKING DRAFT
 SUBJECT TO REVISION
 18-Feb-08
 SEE CONSULTANTS' DISCLAIMER

SCHEDULE 1 - LTD TAX GENERAL OBLIGATION SUPPORTED REVENUE BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE
12/01/2015 NON-RATED	2,688,000	0	112,000	2,800,000
12/01/2018 NON-RATED	1,344,000	0	56,000	1,400,000
TOTALS	4,032,000	0	168,000	4,200,000

ANNUAL DEBT SERVICE REQUIREMENTS

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
12/01/2015 NON-RATED	0	0	0	0	0	0	0	0	30,000	35,000	35,000	40,000
12/01/2018 NON-RATED	0	0	0	0	0	0	0	0	162,000	160,050	177,775	175,500
TOTAL LTD TAX G.O. SUPPORT REV BONDS OUT @ 12/31	0	0	0	0	0	0	0	2,800,000	2,770,000	2,735,000	2,700,000	2,660,000
12/01/2018 NON-RATED	0	0	0	0	0	0	0	0	0	0	0	15,000
TOTAL LTD TAX G.O. SUPPORT REV BONDS OUT @ 12/31	0	0	0	0	0	0	0	0	0	0	0	91,000
TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	2,800,000	2,770,000	2,735,000	4,100,000	4,045,000

SEE CONSULTANTS REPORT AND DISCLAIMER.

The accompanying summary memorandum (and disclaimer) is an integral part of these cash flow forecasts.

**SCHEDULE 1 (DISTRICT #1)
CASH FLOW FORECAST - BUDGETARY BASIS
DEBT SERVICE FUND
FOR THE YEARS ENDING DECEMBER 31, 2008 - 2046**

**SCHEDULE 1 - LTD TAX GENERAL OBLIGATION SUPPORTED REVENUE BOND ISSUES
AND DEBT SERVICE REQUIREMENTS**

BOND ISSUES

SIZE OF LTD TAX GENERAL OBLIGATION SUPPORTED REVENUE BOND ISSUES			
BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS
12/01/2015 NON-RATED	2,889,000	0	112,000
12/01/2018 NON-RATED	1,844,000	0	56,000
TOTALS	4,733,000	0	168,000
			4,200,000

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2015 NON-RATED	NEW \$ 30 YR	PRINCIPAL INTEREST @ 6.5%	40,000	212,375	212,375	216,200	212,625	214,480	216,200	215,150	216,500	216,375	216,500	2031
		TOTAL DEBT SERVICE	172,900	167,375	164,450	161,200	157,625	154,450	151,200	150,150	148,000	141,375	136,500	85,000
		TOTAL LTD TAX G.O. SUPPORT REV BONDS OUT @ 12/31	2,620,000	2,530,000	2,480,000	2,425,000	2,370,000	2,310,000	2,245,000	2,175,000	2,100,000	2,020,000	1,935,000	
12/01/2018 NON-RATED	NEW \$ 30 YR	PRINCIPAL INTEREST @ 6.5%	15,000	88,075	87,100	85,800	84,500	83,200	81,900	80,600	79,300	78,000	76,700	
		TOTAL DEBT SERVICE	105,025	103,075	107,100	105,800	104,500	103,200	101,900	100,600	99,300	98,000	96,700	
		TOTAL LTD TAX G.O. SUPPORT REV BONDS OUT @ 12/31	1,370,000	1,340,000	1,320,000	1,300,000	1,280,000	1,260,000	1,240,000	1,220,000	1,200,000	1,180,000	1,160,000	
		TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/31	3,990,000	3,870,000	3,800,000	3,725,000	3,650,000	3,570,000	3,485,000	3,395,000	3,300,000	3,200,000	3,095,000	

SEE CONSULTANT'S REPORT AND DISCLAIMER.

**SCHEDULE 1 (DISTRICT #1)
CASH FLOW FORECAST - BUDGETARY BASIS
DEBT SERVICE FUND
FOR THE YEARS ENDING DECEMBER 31, 2008 - 2046**

**SCHEDULE 1 - LTD TAX GENERAL OBLIGATION SUPPORTED REVENUE BOND ISSUES
AND DEBT SERVICE REQUIREMENTS**

BOND ISSUES

BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE
12/01/2015 NON-RATED	2,688,000	0	112,000	2,800,000
12/01/2018 NON-RATED	1,344,000	0	56,000	1,400,000
TOTALS	4,032,000	0	168,000	4,200,000

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2015 NON-RATED	NEW \$	PRINCIPAL	90,000	95,000	100,000	105,000	110,000	115,000	120,000	130,000	140,000	145,000	155,000	165,000	175,000
	30 YR	INTEREST @ 6.5%	126,775	119,925	113,750	107,250	100,425	92,950	84,800	76,000	66,500	56,250	45,250	33,750	21,750
		TOTAL DEBT SERVICE	216,775	214,925	213,750	212,250	211,425	210,950	210,800	210,000	209,000	208,250	207,750	207,250	206,750
		TOTAL LTD TAX G.O. SUPPORT REV BONDS OUT @ 12/31	1,846,000	1,750,000	1,650,000	1,545,000	1,430,000	1,310,000	1,190,000	1,065,000	940,000	815,000	690,000	565,000	440,000
12/01/2018 NON-RATED	NEW \$	PRINCIPAL	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
	30 YR	INTEREST @ 6.5%	75,400	74,100	72,800	71,500	69,550	67,600	65,650	63,700	61,750	59,800	57,850	55,900	53,950
		TOTAL DEBT SERVICE	95,400	94,100	92,800	91,500	89,550	87,600	85,650	83,700	81,750	79,800	77,850	75,900	73,950
		TOTAL LTD TAX G.O. SUPPORT REV BONDS OUT @ 12/31	1,140,000	1,120,000	1,100,000	1,070,000	1,040,000	1,010,000	980,000	950,000	920,000	890,000	860,000	830,000	800,000
		TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/31	2,986,000	2,870,000	2,750,000	2,615,000	2,470,000	2,320,000	2,160,000	1,990,000	1,815,000	1,630,000	1,435,000	1,230,000	

SEE CONSULTANT'S REPORT AND DISCLAIMER.

SCHEDULE 1 (DISTRICT #1)
CASH FLOW FORECAST - BUDGETARY BASIS
DEBT SERVICE FUND
FOR THE YEARS ENDING DECEMBER 31, 2008 - 2046

SCHEDULE 1 - LTD TAX GENERAL OBLIGATION SUPPORTED REVENUE BOND ISSUES
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF LTD TAX GENERAL OBLIGATION SUPPORTED REVENUE BOND ISSUES		GROSS BOND ISSUE	
BOND DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS
12/01/2015 NON-RATED	2,688,000	0	112,000
12/01/2018 NON-RATED	1,344,000	0	56,000
TOTALS	4,032,000	0	168,000

2044	2045	2046	TOTALS
216,000	223,650	0	6,441,300
83,950	82,000	820,050	3,446,850
<u>299,954</u>	<u>305,656</u>	<u>820,057</u>	<u>9,888,150</u>

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2015 NON-RATED	NEW \$ 30 YR INTEREST @ 6.6%	190,000	210,000	0	2,800,000
	TOTAL DEBT SERVICE	26,000	13,650	0	3,641,300
	TOTAL LTD TAX G.O. SUPPORT REV BONDS OUT @ 12/31	<u>216,000</u>	<u>223,650</u>	<u>0</u>	<u>6,441,300</u>
12/01/2018 NON-RATED	NEW \$ 30 YR INTEREST @ 6.6%	30,000	30,000	770,000	1,400,000
	TOTAL DEBT SERVICE	59,950	52,000	50,050	2,046,850
	TOTAL LTD TAX G.O. SUPPORT REV BONDS OUT @ 12/31	<u>89,950</u>	<u>82,000</u>	<u>820,050</u>	<u>3,446,850</u>
	TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/31	<u>800,000</u>	<u>770,000</u>	<u>0</u>	<u>0</u>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

EXHIBIT III (FINANCING DISTRICT #2)
 WATERFALL METROPOLITAN DISTRICT #2
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046

WORKING DRAFT
 SUBJECT TO REVISION
 18-Feb-08
 SEE CONSULTANTS' DISCLAIMER

KEY ASSUMPTIONS
 ASSESSED VALUATION (SCH. 1)
 TOTAL DISTRICT MILL LEVY
 ASSUMED MILL LEVY TRANSFER TO WFMD #1 FOR ADMIN & DEBT SERVICE
 INCREMENTAL SQ. FT. ADDED (SCH. 1)
 CUMULATIVE SQ. FT. (SCH. 1)

CASH FLOW

REVENUES

PROPERTY TAXES
 SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES
 INTEREST EARNINGS @ 3% OF BEGINNING FUNDS
 TOTAL REVENUES

EXPENDITURES

IGA PAYMENT TO WFMD #1 FOR ADMIN AND DEBT @ 34.5 mills
 ADDITIONAL IGA PAYMENT TO WFMD #1 FOR ADMIN. AND DEBT.
 COUNTY TREASURER 3.0% COLLECTION FEE
 ADMINISTRATIVE ALLOWANCE (+2.5% annual increase)
 TOTAL EXPENDITURES

EXCESS REVENUES OVER EXPENDITURES

BEGINNING FUND BALANCE - JANUARY 1

ENDING FUND BALANCE - DECEMBER 31

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
PROPERTY TAXES	0	0	500,000	3,599,652	5,951,105	7,055,557	8,180,009	9,284,462	10,468,914	11,673,367	12,877,819	14,082,171
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	0.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
INTEREST EARNINGS @ 3% OF BEGINNING FUNDS	0.00	0.00	30.00	34.00	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50
TOTAL REVENUES	0	64,147	49,147	24,147	24,147	24,147	24,147	24,147	24,147	24,145	24,145	0
IGA PAYMENT TO WFMD #1 FOR ADMIN AND DEBT @ 34.5 mills	0	0	113,294	137,441	161,588	185,735	209,882	234,029	258,176	282,321	282,321	282,321
ADDITIONAL IGA PAYMENT TO WFMD #1 FOR ADMIN. AND DEBT.	0	0	0	0	0	0	0	0	0	0	0	0
COUNTY TREASURER 3.0% COLLECTION FEE	0	0	17,025	131,168	216,687	256,078	295,473	334,871	377,827	420,787	463,750	506,713
ADMINISTRATIVE ALLOWANCE (+2.5% annual increase)	0	0	17,025	131,168	216,687	256,078	295,473	334,871	377,827	420,787	463,750	506,713
TOTAL EXPENDITURES	0	0	17,025	131,168	216,687	256,078	295,473	334,871	377,827	420,787	463,750	506,713
EXCESS REVENUES OVER EXPENDITURES	0	0	1,525	2,425	4,218	5,928	7,686	9,494	11,508	13,579	15,708	17,897
BEGINNING FUND BALANCE - JANUARY 1	0	0	0	1,525	3,950	8,168	14,096	21,782	31,277	42,785	56,963	72,071
ENDING FUND BALANCE - DECEMBER 31	0	0	1,525	3,950	8,168	14,096	21,782	31,277	42,785	56,963	72,071	89,969

**EXHIBIT III (FINANCING DISTRICT #2)
WATERFALL METROPOLITAN DISTRICT #2
CASH FLOW FORECASTS
FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046**

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
KEY ASSUMPTIONS												
ASSESSED VALUATION (SCH. 1)	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171
TOTAL DISTRICT MILL LEVY	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
ASSUMED MILL LEVY TRANSFER TO WFMD #1 FOR ADMIN & DEBT SERVICE	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50
INCREMENTAL SQ. FT. ADDED (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE SQ. FT. (SCH. 1)	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321
CASH FLOW												
REVENUES												
PROPERTY TAXES	492,876	492,876	492,876	492,876	492,876	492,876	492,876	492,876	492,876	492,876	492,876	492,876
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	29,573	29,573	29,573	29,573	29,573	29,573	29,573	29,573	29,573	29,573	29,573	29,573
INTEREST EARNINGS @ 3% OF BEGINNING FUNDS	2,689	3,248	3,808	4,368	4,964	5,561	6,171	6,794	7,430	8,079	8,743	9,420
TOTAL REVENUES	525,148	525,696	526,256	526,829	527,413	528,010	528,620	529,242	529,878	530,528	531,191	531,868
EXPENDITURES												
IGA PAYMENT TO WFMD #1 FOR ADMIN AND DEBT @ 34.5 mills	485,835	485,835	485,835	485,835	485,835	485,835	485,835	485,835	485,835	485,835	485,835	485,835
ADDITIONAL IGA PAYMENT TO WFMD #1 FOR ADMIN. AND DEBT	0	0	0	0	0	0	0	0	0	0	0	0
COUNTY TREASURER 3.0% COLLECTION FEE	14,786	14,786	14,786	14,786	14,786	14,786	14,786	14,786	14,786	14,786	14,786	14,786
ADMINISTRATIVE ALLOWANCE (+2.5% annual increase)	6,244	6,400	6,560	6,724	6,893	7,065	7,241	7,423	7,608	7,798	7,993	8,193
TOTAL EXPENDITURES	506,866	507,022	507,182	507,346	507,514	507,686	507,863	508,044	508,229	508,419	508,614	508,814
EXCESS REVENUES OVER EXPENDITURES	18,282	18,674	19,075	19,483	19,899	20,324	20,757	21,199	21,649	22,108	22,577	23,054
BEGINNING FUND BALANCE - JANUARY 1	99,969	108,251	126,926	146,000	165,483	185,383	205,706	226,464	247,662	269,311	291,420	313,997
ENDING FUND BALANCE - DECEMBER 31	108,251	126,926	146,000	165,483	185,383	205,706	226,464	247,662	269,311	291,420	313,997	337,051

The accompanying summary memorandum (and disclaimer) is an integral part of these cash flow forecasts.

EXHIBIT III (FINANCING DISTRICT #2)
 WATERFALL METROPOLITAN DISTRICT #2
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046

	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
KEY ASSUMPTIONS												
ASSESSED VALUATION (SCH. 1)	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171
TOTAL DISTRICT MILL LEVY	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
ASSUMED MILL LEVY TRANSFER TO WFMD #1 FOR ADMIN & DEBT SERVICE	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50
INCREMENTAL SQ. FT. ADDED (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE SQ. FT. (SCH. 1)	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321
CASH FLOW												
REVENUES												
PROPERTY TAXES	492,876	492,876	492,876	492,876	492,876	492,876	492,876	492,876	492,876	492,876	492,876	492,876
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	29,573	29,573	29,573	29,573	29,573	29,573	29,573	29,573	29,573	29,573	29,573	29,573
INTEREST EARNINGS @ 3% OF BEGINNING FUNDS	10,112	10,818	11,539	12,275	13,027	13,784	14,578	15,378	16,145	16,961	17,811	18,610
TOTAL REVENUES	532,560	533,266	533,987	534,724	535,475	536,243	537,027	537,827	538,633	539,455	540,281	541,119
EXPENDITURES												
IGA PAYMENT TO WFMD #1 FOR ADMIN AND DEBT @ 34.5 mills	485,835	485,835	485,835	485,835	485,835	485,835	485,835	485,835	485,835	485,835	485,835	485,835
ADDITIONAL IGA PAYMENT TO WFMD #1 FOR ADMIN. AND DEBT	0	0	0	0	0	0	0	0	0	0	0	0
COUNTY TREASURER 3.0% COLLECTION FEE	14,786	14,786	14,786	14,786	14,786	14,786	14,786	14,786	14,786	14,786	14,786	14,786
ADMINISTRATIVE ALLOWANCE (+2.5% annual increase)	8,298	8,608	8,923	9,240	9,570	9,901	10,239	10,582	10,932	11,288	11,650	12,019
TOTAL EXPENDITURES	509,019	509,229	509,444	509,665	509,891	510,123	510,360	510,604	510,853	511,109	511,371	511,640
EXCESS REVENUES OVER EXPENDITURES	23,541	24,037	24,543	25,059	25,585	26,120	26,666	27,223	27,790	28,369	28,959	29,559
BEGINNING FUND BALANCE - JANUARY 1	337,051	360,592	384,629	409,172	434,231	459,816	485,936	512,602	514,825	518,711	520,350	521,769
ENDING FUND BALANCE - DECEMBER 31	360,592	384,629	409,172	434,231	459,816	485,936	512,602	514,825	518,711	520,350	521,769	523,188

The accompanying summary memorandum (and disclaimer) is an integral part of these cash flow forecasts.

EXHIBIT III (FINANCING DISTRICT #2)
 WATERFALL METROPOLITAN DISTRICT #2
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046

	2044	2045	2046	TOTALS
KEY ASSUMPTIONS				
ASSESSED VALUATION (SCH. 1)	14,082,171	14,082,171	14,082,171	
TOTAL DISTRICT MILL LEVY	35.00	35.00	35.00	
ASSUMED MILL LEVY TRANSFER TO WFMD #1 FOR ADMIN & DEBT SERVICE	34.50	34.50	34.50	
INCREMENTAL SQ. FT. ADDED (SCH. 1)	0	0	0	282,321
CUMULATIVE SQ. FT. (SCH. 1)	282,321	282,321	282,321	282,321
CASH FLOW				
REVENUES				
PROPERTY TAXES	492,876	492,876	492,876	16,234,809
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	29,573	29,573	29,573	974,089
INTEREST EARNINGS @ 3% OF BEGINNING FUNDS	15,653	15,689	15,717	289,960
TOTAL REVENUES	538,102	538,137	538,165	17,498,457
EXPENDITURES				
IGA PAYMENT TO WFMD #1 FOR ADMIN AND DEBT @ 34.5 mills	485,835	485,835	485,835	15,988,833
ADDITIONAL IGA PAYMENT TO WFMD #1 FOR ADMIN. AND DEBT	25,000	25,000	25,000	200,000
COUNTY TREASURER 3.0% COLLECTION FEE	14,786	14,786	14,786	487,044
ADMINISTRATIVE ALLOWANCE (+2.5% annual increase)	11,294	11,577	11,866	288,007
TOTAL EXPENDITURES	536,915	537,198	537,467	16,973,885
EXCESS REVENUES OVER EXPENDITURES	1,186	939	678	524,572
BEGINNING FUND BALANCE - JANUARY 1	521,769	522,955	523,894	0
ENDING FUND BALANCE - DECEMBER 31	522,955	523,894	524,572	524,572

**SCHEDULE 2 (FINANCING DISTRICT #2)
WATERFALL METROPOLITAN DISTRICT #2
PROJECTED ASSESSED VALUATION - BUILDOUT
FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2017**

**WORKING DRAFT
SUBJECT TO REVISION
16-Feb-08
SEE CONSULTANTS' DISCLAIMER**

	Planned Number of Sq. Ft.	Average Per Sq. Ft.	Total Gross Volume
Commercial	65,000	172	11,180,000
Medical Offices	217,321	172	37,379,212
Office/Retail	282,321	172	48,559,212
Total Commercial - Incr-em.			282,321
Total Commercial - Cumulat.			48,559,212

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL
Commercial	0	40,000	25,000	0	0	0	0	0	0	0	65,000
Medical Offices	0	24,147	24,147	24,147	24,147	24,147	24,147	24,147	24,147	24,145	217,321
Office/Retail	0	94,147	49,147	24,147	24,147	24,147	24,147	24,147	24,147	24,145	282,321
Total Commercial - Incr-em.	0	94,147	113,294	137,441	161,588	185,735	209,892	234,029	258,176	282,321	282,321
Total Commercial - Cumulat.	0	6,880,000	4,300,000	0	0	0	0	0	0	0	11,180,000
Medical Offices	0	4,153,284	4,153,284	4,153,284	4,153,284	4,153,284	4,153,284	4,153,284	4,153,284	4,152,840	37,379,212
Office/Retail	0	11,033,284	8,486,588	23,639,852	27,793,136	31,946,420	36,099,704	40,252,988	44,406,272	48,559,212	48,559,212
Total Actual Values - Incremental	0	1,985,200	1,247,000	0	0	0	0	0	0	0	3,242,200
Total Actual Values - Cumulative	0	1,204,452	1,204,452	1,204,452	1,204,452	1,204,452	1,204,452	1,204,452	1,204,452	1,204,353	10,899,971
Assessed Values (Commercial @ 29%):	500,000	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	0	0	0	0	0
Medical Offices	500,000	3,089,652	2,351,452	1,104,452	1,104,452	1,104,452	1,204,452	1,204,452	1,204,452	1,204,353	14,082,171
Office/Retail	500,000	3,599,652	5,951,105	7,055,557	8,160,009	9,264,462	10,468,914	11,673,367	12,877,819	14,082,171	14,082,171
Total Assessed Value	500,000	3,599,652	5,951,105	7,055,557	8,160,009	9,264,462	10,468,914	11,673,367	12,877,819	14,082,171	14,082,171
Total Assessed Valuation - Incremental											
Total Assessed Valuation - Cumulative											
Total Assessed Values - Cum. 0% Biennial Net Increases											

Year Assessed Valuation Certified To WFMD #2
Year Taxes Received By WFMD #2

2018
2019

2017
2018

2016
2017

2015
2016

2014
2015

2013
2014

2012
2013

2011
2012

2010
2011

2009
2010

EXHIBIT IV (FINANCING DISTRICT #3)
 WATERFALL METROPOLITAN DISTRICT #3
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046

WORKING DRAFT
 SUBJECT TO REVISION
 18-Feb-08
 SEE CONSULTANTS' DISCLAIMER

KEY ASSUMPTIONS
 ASSESSED VALUATION (SCH. 1)
 TOTAL DISTRICT MILL LEVY
 ASSUMED MILL LEVY TRANSFER TO WFMD #1 FOR ADMIN & DEBT SERVICE
 INCREMENTAL SQ. FT. ADDED (SCH. 1)
 CUMULATIVE SQ. FT. (SCH. 1)

CASH FLOW

REVENUES
 PROPERTY TAXES
 SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES
 INTEREST EARNINGS @ 3% OF BEGINNING FUNDS
 TOTAL REVENUES

EXPENDITURES
 IGA PAYMENT TO WFMD #1 FOR ADMIN AND DEBT
 COUNTY TREASURER 3.0% COLLECTION FEE
 ADMINISTRATIVE ALLOWANCE (+2.5% annual increase)
 TOTAL EXPENDITURES

EXCESS REVENUES OVER EXPENDITURES

BEGINNING FUND BALANCE - JANUARY 1

ENDING FUND BALANCE - DECEMBER 31

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
ASSESSED VALUATION (SCH. 1)	0	0	0	0	0	500,000	1,579,712	2,689,424	3,739,136	4,818,848	5,898,659	5,898,659
TOTAL DISTRICT MILL LEVY	0.00	35.00	35.00	35.00	35.00	35.00	30.00	34.00	34.50	34.50	35.00	35.00
ASSUMED MILL LEVY TRANSFER TO WFMD #1 FOR ADMIN & DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	30.00	30.00	34.00	34.50	34.50	34.50	34.50
INCREMENTAL SQ. FT. ADDED (SCH. 1)	0	0	0	0	0	23,651	23,651	23,651	23,653	0	0	0
CUMULATIVE SQ. FT. (SCH. 1)	0	0	0	0	23,651	47,302	70,953	94,604	118,257	118,257	118,257	118,257
REVENUES	0	0	0	0	0	17,500	55,290	93,090	130,870	168,660	206,453	206,453
PROPERTY TAXES	0	0	0	0	0	1,050	3,317	5,585	7,852	10,120	12,387	12,387
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	0	0	0	0	0	0	46	184	198	221	281	408
INTEREST EARNINGS @ 3% OF BEGINNING FUNDS	0	0	0	0	0	18,550	58,653	98,248	138,821	179,001	219,131	219,248
EXPENDITURES	0	0	0	0	0	15,000	47,391	90,420	129,000	166,250	203,504	203,504
IGA PAYMENT TO WFMD #1 FOR ADMIN AND DEBT	0	0	0	0	0	525	1,659	2,792	3,926	5,060	6,194	6,194
COUNTY TREASURER 3.0% COLLECTION FEE	0	0	0	0	0	1,500	5,000	5,125	5,253	5,384	5,519	5,657
ADMINISTRATIVE ALLOWANCE (+2.5% annual increase)	0	0	0	0	0	17,025	54,050	98,338	138,179	176,694	215,216	215,354
EXCESS REVENUES OVER EXPENDITURES	0	0	0	0	0	1,525	4,603	511	742	2,308	3,914	3,894
BEGINNING FUND BALANCE - JANUARY 1	0	0	0	0	0	0	1,525	6,128	6,639	7,360	9,687	13,601
ENDING FUND BALANCE - DECEMBER 31	0	0	0	0	0	1,525	6,128	6,639	7,360	9,687	13,601	17,495

EXHIBIT IV (FINANCING DISTRICT #3)
 WATERFALL METROPOLITAN DISTRICT #3
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
KEY ASSUMPTIONS												
ASSESSED VALUATION (SCH. 1)	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659
TOTAL DISTRICT MILL LEVY	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
ASSUMED MILL LEVY TRANSFER TO WFMD #1 FOR ADMIN & DEBT SERVICE	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50
INCREMENTAL SQ. FT. ADDED (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE SQ. FT. (SCH. 1)	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257
CASH FLOW												
REVENUES												
PROPERTY TAXES	206,453	206,453	206,453	206,453	206,453	206,453	206,453	206,453	206,453	206,453	206,453	206,453
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	12,387	12,387	12,387	12,387	12,387	12,387	12,387	12,387	12,387	12,387	12,387	12,387
INTEREST EARNINGS @ 3% OF BEGINNING FUNDS	525	641	756	870	983	1,095	1,206	1,314	1,421	1,528	1,629	1,729
TOTAL REVENUES	219,365	219,481	219,596	219,711	219,824	219,935	220,046	220,155	220,261	220,366	220,469	220,570
EXPENDITURES												
IGA PAYMENT TO WFMD #1 FOR ADMIN AND DEBT	203,504	203,504	203,504	203,504	203,504	203,504	203,504	203,504	203,504	203,504	203,504	203,504
COUNTY TREASURER 3.0% COLLECTION FEE	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194
ADMINISTRATIVE ALLOWANCE (+2.5% annual increase)	5,788	5,943	6,092	6,244	6,400	6,560	6,724	6,893	7,065	7,241	7,423	7,608
TOTAL EXPENDITURES	215,495	215,641	215,789	215,942	216,098	216,258	216,422	216,590	216,762	216,939	217,120	217,305
EXCESS REVENUES OVER EXPENDITURES	3,869	3,840	3,807	3,769	3,726	3,678	3,624	3,565	3,499	3,428	3,349	3,264
BEGINNING FUND BALANCE - JANUARY 1	17,495	21,364	25,205	29,012	32,781	36,507	40,184	43,808	47,373	50,872	54,300	57,649
ENDING FUND BALANCE - DECEMBER 31	21,364	25,205	29,012	32,781	36,507	40,184	43,808	47,373	50,872	54,300	57,649	60,913

The accompanying summary memorandum (and disclaimer) is an integral part of these cash flow forecasts.

EXHIBIT IV (FINANCING DISTRICT #3)
 WATERFALL METROPOLITAN DISTRICT #3
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046

	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
KEY ASSUMPTIONS												
ASSESSED VALUATION (SCH. 1)	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659
TOTAL DISTRICT MILL LEVY	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
ASSUMED MILL LEVY TRANSFER TO WFMD #1 FOR ADMIN & DEBT SERVICE	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50
INCREMENTAL SQ. FT. ADDED (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE SQ. FT. (SCH. 1)	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257
CASH FLOW												
REVENUES												
PROPERTY TAXES	206,453	206,453	206,453	206,453	206,453	206,453	206,453	206,453	206,453	206,453	206,453	206,453
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	12,387	12,387	12,387	12,387	12,387	12,387	12,387	12,387	12,387	12,387	12,387	12,387
INTEREST EARNINGS @ 3% OF BEGINNING FUNDS	1,827	1,823	2,015	2,104	2,189	2,271	2,349	2,422	2,491	2,555	2,614	2,657
TOTAL REVENUES	220,666	220,763	220,855	220,944	221,029	221,111	221,189	221,262	221,331	221,395	221,454	221,507
EXPENDITURES												
IGA PAYMENT TO WFMD #1 FOR ADMIN AND DEBT	203,504	203,504	203,504	203,504	203,504	203,504	203,504	203,504	203,504	203,504	203,504	203,504
COUNTY TREASURER 3.0% COLLECTION FEE	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194
ADMINISTRATIVE ALLOWANCE (+2.5% annual increase)	7,798	7,993	8,193	8,398	8,608	8,823	9,044	9,270	9,501	9,739	9,982	10,232
TOTAL EXPENDITURES	217,496	217,691	217,890	218,095	218,305	218,520	218,741	218,967	219,199	219,436	219,680	219,929
EXCESS REVENUES OVER EXPENDITURES	3,172	3,072	2,965	2,849	2,724	2,591	2,448	2,295	2,132	1,959	1,774	1,578
BEGINNING FUND BALANCE - JANUARY 1	60,913	64,085	67,158	70,122	72,971	75,695	78,286	80,734	83,029	85,161	87,120	88,894
ENDING FUND BALANCE - DECEMBER 31	64,085	67,158	70,122	72,971	75,695	78,286	80,734	83,029	85,161	87,120	88,894	90,472

The accompanying summary memorandum (and disclaimer) is an integral part of these cash flow forecasts.

EXHIBIT IV (FINANCING DISTRICT #3)
 WATERFALL METROPOLITAN DISTRICT #3
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046

	<u>2044</u>	<u>2045</u>	<u>2046</u>	<u>TOTALS</u>
KEY ASSUMPTIONS				
ASSESSED VALUATION (SCH. 1)	5,898,659	5,898,659	5,898,659	
TOTAL DISTRICT MILL LEVY	35.00	35.00	35.00	
ASSUMED MILL LEVY TRANSFER TO WFMD #1 FOR ADMIN & DEBT SERVICE	34.50	34.50	34.50	
INCREMENTAL SQ. FT. ADDED (SCH. 1)	0	0	0	
CUMULATIVE SQ. FT. (SCH. 1)	118,257	118,257	118,257	118,257
				<u>118,257</u>
CASH FLOW				
REVENUES				
PROPERTY TAXES	206,453	206,453	206,453	
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	12,387	12,387	12,387	
INTEREST EARNINGS @ 3% OF BEGINNING FUNDS	2,714	2,755	2,790	
TOTAL REVENUES	221,554	221,595	221,630	
				<u>6,890,420</u>
EXPENDITURES				
IGA PAYMENT TO WFMD #1 FOR ADMIN AND DEBT	203,504	203,504	203,504	
COUNTY TREASURER 3.0% COLLECTION FEE	6,194	6,194	6,194	
ADMINISTRATIVE ALLOWANCE (+2.5% annual increase)	10,488	10,750	11,019	
TOTAL EXPENDITURES	220,186	220,447	220,718	
				<u>6,798,517</u>
EXCESS REVENUES OVER EXPENDITURES	1,368	1,148	914	93,903
BEGINNING FUND BALANCE - JANUARY 1	90,472	91,841	92,989	0
ENDING FUND BALANCE - DECEMBER 31	91,841	92,989	93,903	93,903

SCHEDULE 3 (FINANCING DISTRICT #3)
 WATERFALL METROPOLITAN DISTRICT #3
 PROJECTED ASSESSED VALUATION - BUILDOUT
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2017

WORKING DRAFT
 SUBJECT TO REVISION
 18-Feb-08
 SEE CONSULTANTS' DISCLAIMER

Commercial	Planned Number of Sqr. Ft.	Average Price Per Sq. Ft.	Total Gross Unit Volume
Office	118,257	172	20,340,204
Total Commercial - Increm.	118,257	172	20,340,204
Total Commercial - Cumulat.	118,257		20,340,204

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL
Office	0	0	0	0	23,651	23,651	23,651	23,651	23,653	0	118,257
Total Commercial - Increm.	0	0	0	0	23,651	23,651	23,651	23,651	23,653	0	118,257
Total Commercial - Cumulat.	0	0	0	0	23,651	47,302	70,953	94,604	118,257	118,257	118,257
Office	0	0	0	0	4,067,972	4,067,972	4,067,972	4,067,972	4,068,316	0	20,340,204
Total Actual Values - Incremental	0	0	0	0	4,067,972	4,067,972	4,067,972	4,067,972	4,068,316	0	20,340,204
Total Actual Values - Cumulative	0	0	0	0	4,067,972	8,135,944	12,203,916	16,271,888	20,340,204	20,340,204	20,340,204
Office	0	0	0	0	1,179,712	1,179,712	1,179,712	1,179,712	1,179,812	0	5,898,659
Total Assessed Value	0	0	0	0	1,179,712	1,179,712	1,179,712	1,179,712	1,179,812	0	5,898,659
Total Assessed Valuation Vacant Land	0	0	0	500,000	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	0	0
Total Assessed Valuation - Incremental	0	0	0	500,000	1,079,712	1,079,712	1,079,712	1,079,712	1,079,812	0	5,898,659
Total Assessed Valuation - Cumulative	0	0	0	500,000	1,579,424	2,659,136	3,738,848	4,818,560	5,898,659	5,898,659	5,898,659
Total Assessed Values - Cum. 0% Biennial Net Increases	0	0	0	500,000	1,579,424	2,659,136	3,738,848	4,818,560	5,898,659	5,898,659	5,898,659

Year Assessed Valuation Certified To WFMD #3
 Year Taxes Received By WFMD #3

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Office	0	0	0	2013	2014	2014	2015	2016	2017	2018	2019
Total Assessed Value	0	0	0	2013	2014	2014	2015	2016	2017	2018	2019
Total Assessed Valuation Vacant Land	0	0	0	500,000	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	0	0
Total Assessed Valuation - Incremental	0	0	0	500,000	1,079,712	1,079,712	1,079,712	1,079,712	1,079,812	0	0
Total Assessed Valuation - Cumulative	0	0	0	500,000	1,579,424	2,659,136	3,738,848	4,818,560	5,898,659	5,898,659	5,898,659
Total Assessed Values - Cum. 0% Biennial Net Increases	0	0	0	500,000	1,579,424	2,659,136	3,738,848	4,818,560	5,898,659	5,898,659	5,898,659

The accompanying summary memorandum (and disclaimer) is an integral part of these cash flow forecasts.

SCHEDULE 4
 WATERFALL METROPOLITAN DISTRICTS #1 - #3
 CAPITAL EXPENDITURES
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2019

WORKING DRAFT
 SUBJECT TO REVISION
 18-Feb-08
 SEE CONSULTANTS' DISCLAIMER

CAPITAL EXPENDITURES: (Source: Pinnacle Consulting Group, Inc.)	TOTALS	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	TOTALS
INDIRECT CONSTRUCTION COSTS														
PERMITS AND FEES	30,000	0	0	0	0	0	0	0	0	0	0	0	0	0
ENGINEERING AND DESIGN	2,246,488	0	0	0	0	0	0	0	0	0	0	0	0	30,000
SUBTOTAL INDIRECT CONSTRUCTION COSTS	2,276,488	0	0	0	0	0	0	0	0	0	0	0	0	2,246,488
FORMATION AND ORGANIZATION														
LEGAL	65,000	0	0	0	0	0	0	0	0	0	0	0	0	65,000
ENGINEERING	20,000	0	0	0	0	0	0	0	0	0	0	0	0	20,000
FINANCIAL	11,500	0	0	0	0	0	0	0	0	0	0	0	0	11,500
MANAGEMENT/ADMINISTRATIVE	25,000	0	0	0	0	0	0	0	0	0	0	0	0	25,000
SUBTOTAL FORMATION AND ORGANIZATION	121,500	0	0	0	0	0	0	0	0	0	0	0	0	121,500
DIRECT CONSTRUCTION COSTS														
REMOVALS	376,484	0	0	0	0	0	0	0	0	0	0	0	0	376,484
EARTHWORK	322,304	0	0	0	0	0	0	0	0	0	0	0	0	322,304
SANITARY SEWER	408,192	0	0	0	0	0	0	0	0	0	0	0	0	408,192
SITE PERIMETER DRAIN	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DOMESTIC WATER	580,061	0	0	0	0	0	0	0	0	0	0	0	0	580,061
STORM SEWER	1,023,401	0	0	0	0	0	0	0	0	0	0	0	0	1,023,401
CONCRETE	1,520,096	0	0	0	0	0	0	0	0	0	0	0	0	1,520,096
ASPHALT PAVING	2,102,078	0	0	0	0	0	0	0	0	0	0	0	0	2,102,078
IRRIGATION SYSTEM	384,110	0	0	0	0	0	0	0	0	0	0	0	0	384,110
RAW WATER AND WELL WORK	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LANDSCAPING	1,391,491	0	0	0	0	0	0	0	0	0	0	0	0	1,391,491
DRY UTILITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0
STREET SIGNS, MARKING AND TRAFFIC CONTROL	67,789	0	0	0	0	0	0	0	0	0	0	0	0	67,789
MISCELLANEOUS	195,899	0	0	0	0	0	0	0	0	0	0	0	0	195,899
CONTINGENCY	1,696,165	0	0	0	0	0	0	0	0	0	0	0	0	1,696,165
OFFSITE IMPROVEMENTS	958,610	0	0	0	0	0	0	0	0	0	0	0	0	958,610
SUBTOTAL DIRECT CONSTRUCTION COSTS	11,026,678	0	0	0	0	0	0	0	0	0	0	0	0	11,026,678
TOTAL CAPITAL EXPENDITURES BY YEAR	13,424,666	5,369,867	2,684,933	0	2,684,933	2,684,933	0	0	0	0	0	0	0	13,424,666
TOTAL CAPITAL EXPEND BY YEAR WITH 3% ANNUAL INFLAT	14,091,163	5,369,867	2,765,481	0	2,933,899	3,021,916	0	0	0	0	0	0	0	14,091,163
CAPITAL EXPENDITURE FUNDING SOURCES:														
DEVELOPER CAPITAL LOANS	4,032,000	5,369,867	2,765,481	0	2,933,899	3,021,916	0	0	0	0	0	0	(10,059,163)	4,032,000
REPAYMENT OF DEVELOPER CAPITAL LOANS	(4,032,000)	0	0	0	0	0	0	0	(2,688,000)	0	0	(1,344,000)	0	(4,032,000)
NET G.O. SUPPORTED REVENUE BOND PROCEEDS	4,032,000	0	0	0	0	0	0	0	2,688,000	0	0	1,344,000	0	4,032,000
DEVELOPER PERMANENT CONTRIBUTION	10,059,163	0	0	0	0	0	0	0	0	0	0	0	0	10,059,163
TOTAL CAPITAL EXPENDITURE FUNDING SOURCES	14,091,163	5,369,867	2,765,481	0	2,933,899	3,021,916	0	0	0	0	0	0	0	14,091,163
EXCESS FUNDING SOURCES OVER CAPITAL EXPENDITURES		0	0	0	0	0	0	0	0	0	0	0	0	0
FUND BALANCE - JANUARY 1		0	0	0	0	0	0	0	0	0	0	0	0	0
FUND BALANCE - DECEMBER 31		0	0	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE DEVELOPER CAPITAL LOANS OUTSTANDING (w/o interest)		5,369,867	8,135,348	8,135,348	11,069,247	14,091,163	14,091,163	14,091,163	11,409,163	11,403,163	11,403,163	10,059,163	(0)	10,059,163

The accompanying summary memorandum (and disclaimer) is an integral part of these cash flow forecasts.

EXHIBIT F
Statutory Contents of this Service Plan

1. A description of the proposed services;
2. A financial plan showing how the proposed services are to be financed;
3. A preliminary engineering or architectural survey showing how the proposed services are to be provided;
4. A map of the proposed Districts' boundaries and an estimate of the population and valuation for assessment of the proposed Districts;
5. A general description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of the proposed Districts are compatible with facility and service standards of the City and of municipalities and special districts which are interested parties pursuant to §32-1-204(1), C.R.S.;
6. A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the proposed Districts;
7. A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the proposed Districts and such other political subdivisions;
8. Information satisfactory to establish that each of the following criteria as set forth in §32-1-203, C.R.S., has been met:
 - a. That there is sufficient existing and projected need for organized service in the area to be served by the proposed Districts;
 - b. That the existing service in the area to be served by the proposed Districts is inadequate for the present and projected needs;
 - c. That the proposed Districts are capable of providing economical and sufficient service to the area within their boundaries;
 - d. That the area to be included in the proposed Districts has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;
 - e. That adequate service is not, or will not be, available to the area through the City, other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

f. That the facility and service standards of the proposed Districts are compatible with the facility and service standards of the City within which the proposed Districts are to be located;

g. The proposal is in substantial compliance with any master plan adopted pursuant to § 31-23-206, C.R.S.;

h. That the proposal is in compliance with any duly adopted city, county, regional, or State long-range water quality management plan for the area; and

i. That the creation of the proposed Districts will be in the best interests of the area proposed to be served.

EXHIBIT B

Affidavit of Publication

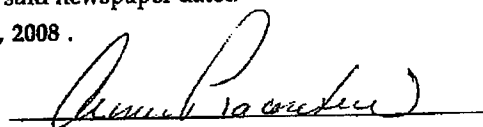
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REPORTER-HERALD

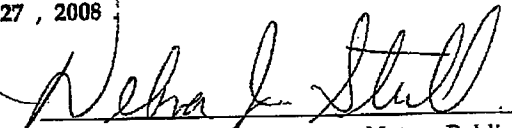
State of Colorado
County of Larimer

I, the undersigned agent, do solemnly swear that the DAILY REPORTER-HERALD is a daily newspaper published in the City of Loveland, County of Larimer, State of Colorado, and which has general circulation therein and in parts of Larimer and Weld Counties; that said newspaper has been continuously and uninterruptedly published for a period of more than six months next prior to the first publication of the annexed legal notice of advertisement, that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a daily newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado; that a copy of each number of said newspaper, in which said notice of advertisement was published, was transmitted by mail or carrier to each of the subscribers of said newspaper, according to the accustomed mode of business in this office.

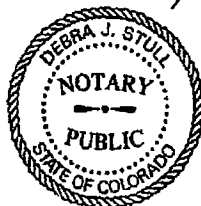
That the annexed legal notice or advertisement was published in the regular and entire edition of said daily newspaper once; and that one publication of said notice was in the issue of said newspaper dated
February 27, 2008.


Agent

Subscribed and sworn to before me this day of
February 27, 2008


Notary Public

FEE \$ 67.20



MY COMMISSION EXPIRES
OCTOBER 30, 2011
201 E. 5TH ST.
LOVELAND,
COLORADO 80537

STATE OF COLORADO,
CITY OF LOVELAND
NOTICE OF PUBLIC
HEARING
IN RE THE ORGAN-
IZATION OF WATERFALL
METROPOLITAN DIS-
TRICTS NOS. 1-3, CITY OF
LOVELAND, STATE OF
COLORADO
PUBLIC NOTICE IS
HEREBY GIVEN that there
has been filed with the City
of Loveland, Colorado, a
Consolidated Service Plan
and related documents for
proposed special districts to
be known as Waterfall
Metropolitan Districts Nos. 1
- 3 (the "Districts"). A map
of the Districts and the
Consolidated Service Plan
are on file in the office of the
City Clerk, 500 East Third
Street, Suite 230, Loveland,
Colorado, and are available
for public inspection. The
Districts are generally lo-
cated at the intersection of
Boyd Lake Avenue and US
Highway 34. They consist of
approximately 41.90 acres
for primarily commercial
development. The Districts
will provide for the financ-
ing, construction, acquisition
and installation of streets,
traffic and safety signals,
sewer, water, and parks and
recreation facilities within
the boundaries of the Dis-
tricts. A mill levy cap of 45
mills is proposed for the Dis-
tricts, subject to certain
adjustment and release
provisions.
NOTICE IS HEREBY FUR-
THER GIVEN that the
Loveland City Council,
Larimer County, State of
Colorado, will hold a public
hearing at or about 4:30 p.m.
on March 18, 2008 in the City
Council Chambers, 500 East
Third Street, Loveland, Colo-
rado, for the purpose of
considering the Consolidated
Service Plan and to form a
basis for adopting a
Resolution approving, dis-
approving or conditionally
approving the Consolidated
Service Plan for Waterfall
Metropolitan Districts Nos. 1
- 3. All protests and objec-
tions must be submitted in
writing to the City Council
for the City of Loveland at or
prior to the public hearing or
any continuance or
postponement thereof in or-
der to be considered.
NOTICE IS FURTHER
GIVEN that pursuant to Sec-
tion 32-1-203(3.5), C.R.S., as
amended, the owner of real
property within the Districts
may file a petition with the
City Council for the City of
Loveland stating reasons
why said property should not
be included in the Districts
and requesting that such real
property be excluded from
the Districts. Such petition
may be filed no later than ten
(10) days prior to the public
hearing on the service plan,
but the City of Loveland shall
not be limited in its action
with respect to exclusion of
territory based upon such re-
quest. Any request for exclu-
sion shall be acted upon be-
fore final action of the City
Council for the City of
Loveland under Section
32-1-205, C.R.S. All protests
and objections to the pro-
posed Districts shall be
deemed to be waived unless
presented at the time and in
the manner specified by the
City of Loveland.
BY ORDER OF CITY COUN-
CIL FOR THE CITY OF
LOVELAND, STATE OF
COLORADO
Publish:
Loveland Daily
Reporter-Herald
February 27, 2008

EXHIBIT C

Certificate of Service

STATE OF COLORADO, CITY OF LOVELAND

CERTIFICATION OF MAILING NOTICE OF HEARING AND PUBLICATION

IN RE THE ORGANIZATION OF THE WATERFALL METROPOLITAN DISTRICTS NOS.
1 & 2, CITY OF LOVELAND, STATE OF COLORADO

IT IS HEREBY CERTIFIED by the undersigned, as follows:

1. That the City Council of Loveland, Larimer County, Colorado, did set a public hearing for Tuesday, the 18th day of March, 2008, at 6:30 p.m., at 500 East Third Street, Loveland, Colorado 80537, considering the Consolidated Service Plan and related documents for the proposed special districts to be known as the Waterfall Metropolitan Districts Nos. 1 & 2 (the "Districts").
2. That, as a part of said action, directions were given that copies of the Notice of Public Hearing be mailed, by first class mail, not more than thirty days nor less than twenty days prior to said hearing, to interested persons, defined as follows: (1) the owners of record of all property within the proposed Title 32 Districts as such owners of record are listed in the Larimer County Assessor's records; (2) the Division of Local Government; and (3) the governing body of any municipality or special district which has levied an ad valorem tax within the next preceding tax year, and which has boundaries within a radius of three (3) miles of the proposed districts' boundaries.
3. That in compliance with said directions, a copy of the Notice, attached as Exhibit A, was deposited in the United States first class mail on February 27, 2008, to owners of record of all property within the proposed Title 32 Districts; the Division of Local Government; and the governing body of any municipalities and special district which has levied an ad valorem tax within the next preceding tax year and which has boundaries within a three (3) mile radius of the proposed Districts' boundaries, as per the listings attached as Exhibit B.
4. That, as a part of said action, directions were given that the Notice of Public Hearing be published one time in a newspaper of general circulation within the proposed Districts.
5. That in compliance with said directions, a copy of the Notice, attached as Exhibit A, was published on February 27, 2008 in *The Daily Reporter-Herald*, attached as Exhibit C.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of February, 2008.

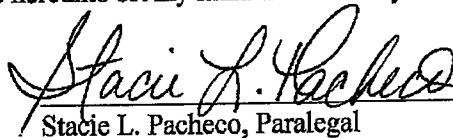

Stacie L. Pacheco, Paralegal

EXHIBIT A
NOTICE OF PUBLIC HEARING

STATE OF COLORADO, CITY OF LOVELAND

NOTICE OF PUBLIC HEARING

IN RE THE ORGANIZATION OF WATERFALL METROPOLITAN DISTRICTS NOS. 1 – 3, CITY OF LOVELAND, STATE OF COLORADO

PUBLIC NOTICE IS HEREBY GIVEN that there has been filed with the City of Loveland, Colorado, a Consolidated Service Plan and related documents for proposed special districts to be known as Waterfall Metropolitan Districts Nos. 1 – 3 (the "Districts"). A map of the Districts and the Consolidated Service Plan are on file in the office of the City Clerk, 500 East Third Street, Suite 230, Loveland, Colorado, and are available for public inspection. The Districts are generally located at the intersection of Boyd Lake Avenue and US Highway 34. They consist of approximately 41.90 acres for primarily commercial development. The Districts will provide for the financing, construction, acquisition and installation of streets, traffic and safety signals, sewer, water, and parks and recreation facilities within the boundaries of the Districts. A mill levy cap of 45 mills is proposed for the Districts, subject to certain adjustment and release provisions.

NOTICE IS HEREBY FURTHER GIVEN that the Loveland City Council, Larimer County, State of Colorado, will hold a public hearing at or about 6:30 p.m. on March 18, 2008 in the City Council Chambers, 500 East Third Street, Loveland, Colorado, for the purpose of considering the Consolidated Service Plan and to form a basis for adopting a Resolution approving, disapproving or conditionally approving the Consolidated Service Plan for Waterfall Metropolitan Districts Nos. 1 – 3. All protests and objections must be submitted in writing to the City Council for the City of Loveland at or prior to the public hearing or any continuance or postponement thereof in order to be considered.

NOTICE IS FURTHER GIVEN that pursuant to Section 32-1-203(3.5), C.R.S., as amended, the owner of real property within the Districts may file a petition with the City Council for the City of Loveland stating reasons why said property should not be included in the Districts and requesting that such real property be excluded from the Districts. Such petition may be filed no later than ten (10) days prior to the public hearing on the service plan, but the City of Loveland shall not be limited in its action with respect to exclusion of territory based upon such request. Any request for exclusion shall be acted upon before final action of the City Council for the City of Loveland under Section 32-1-205, C.R.S. All protests and objections to the proposed Districts shall be deemed to be waived unless presented at the time and in the manner specified by the City of Loveland.

**BY ORDER OF CITY COUNCIL FOR THE CITY
OF LOVELAND, STATE OF COLORADO**

EXHIBIT B

Property Owners within the Boundaries of the District(s)
Division of Local Government
Taxing Entities within a 3-mile radius of the Boundaries of the District(s)

Property Owners within the Boundaries of the District(s)

Boyd Lake Village, LLC
2314 East 13th Street
Loveland, CO 80537

Division of Local Government:

Division of Local Government
Department of Local Affairs
1313 Sherman Street, Room 521
Denver, CO 80203

Taxing Entities within a 3-mile radius of the Boundaries of the District(s)

Larimer County
P.O. Box 1190
Fort Collins, CO 80522

Larimer County Pest Control
P.O. Box 1190
C/O Larimer County
Fort Collins, CO 80522

Loveland Rural Fire Protection District
C/O Gregory A. White, Esq.
1423 West 29th Street
Loveland, CO 80538

Northern Colorado Water Conservancy District
Mr. Eric Wilkinson
220 Water Avenue
Berthoud, CO 80513-9245

Thompson R2-J School District
535 North Douglas
Loveland, CO 80537

Thompson Valley Health Services District
C/O DeGood, Ball, Easley, Et Al
P.O. Box 657
Loveland, CO 80539-0657

City of Loveland
500 East Third Street
Loveland, CO 80537

Loveland General Improvement District No. 1
500 East Third Street
Loveland, CO 80537

Centerra Metropolitan Districts Nos. 1 – 4
C/O Alan D. Pogue
Icenogle, Norton, Smith, Blieszner,
Gilida & Pogue PC
821 Seventeenth Street, Suite 600
Denver, CO 80202

Little Thompson Water District
835 East Highway 56
Drawer G
Berthoud, CO 80531

US 34/Crossroads Corridor Renewal Plan
City of Loveland-Long Range Plng.
500 East Third Street
Loveland, CO 80537

South Fort Collins Sanitation District
5150 Snead Drive
Fort Collins, CO 80525-3764

Loveland Downtown Development Authority
500 East Third Street
Loveland, CO 80537

BLK 41 – Finleys Add URP
City of Loveland
500 East Third Street
Loveland, CO 80537

Fort Collins – Loveland Water District
5150 Snead Drive
Fort Collins, CO 80525-3764

VDW Metropolitan Districts Nos. 2 & 3
C/O Alan D. Pogue
Icenogle, Norton, Smith, Blieszner,
Gilida & Pogue PC
821 Seventeenth Street, Suite 600
Denver, CO 80202

Loveland Urban Renewal Authority
C/O Matt Robenalt
Loveland Long Range Planning Division
500 East Third Street
Loveland, CO 80537

The Lakes at Centerra Metropolitan
Districts Nos. 1 – 3
C/O Alan D. Pogue
Icenogle, Norton, Smith, Blieszner,
Gilida & Pogue PC
821 Seventeenth Street, Suite 600
Denver, CO 80202

EXHIBIT C
AFFIDAVIT OF PUBLICATION

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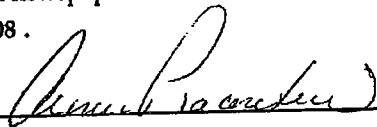
AFFIDAVIT OF PUBLICATION

REPORTER-HERALD

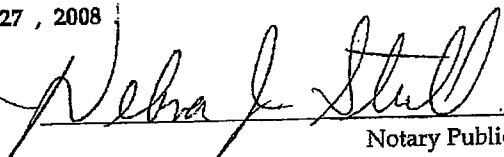
State of Colorado
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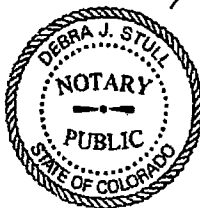
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Notary Public

FEE \$ 67.20



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OCTOBER 30, 2011
201 E. 5TH ST.
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BY ORDER OF CITY COUN-
CIL FOR THE CITY OF
LOVELAND, STATE OF
COLORADO
Publish:
Loveland Daily
Reporter-Herald
February 27, 2008

Stan Bernstein and Associates, Inc.

Financial Planners and Consultants

For Local Governments, Municipal Bond Underwriters, and Real Estate Developers

8400 East Prentice Ave., Penthouse

Greenwood Village, Colorado 80111

Phone: 303-409-7611 Fax: 303-409-7612 Email: Stanplan@Earthlink.net

MEMORANDUM

TO: Kirk Dando, Dando Development and Dando Advisors.
Peggy Dowswell, CPA, Pinnacle Consulting Group, Inc.
Chad Walker, Pinnacle Consulting Group, Inc.

FROM: Stan Bernstein
Amy Bernstein

DATE: March 8, 2008

SUBJECT: Fifth Draft – Financial Model – Waterfall Metropolitan Districts #1 - #3

INTRODUCTION AND SCOPE

Stan Bernstein and Associates, Inc. has assembled preliminary (for discussion purposes only) Financial Models for Waterfall Metropolitan Districts #1 - #2 based upon key assumptions provided by officials of The Developer and its consultants Pinnacle Consulting Group, Inc. The Financial Models were assembled in order to provide a conceptual understanding of (i) the amount of Limited Tax General Obligation Supported Revenue Bonds that could ultimately be supported by Financing Districts #1 and #2 (which would reimburse the Developer for infrastructure capital costs); (ii) and how each of the Districts could fund its administrative and operating expenditures. Detailed land use, values, and buildout assumptions (as well as related assessed valuation estimates) for financing Districts #1 and #2 were provided by Pinnacle Consulting Group, Inc., and are presented on Schedules 2 and 5. Detailed assumed Limited Tax General Obligation Bond issues for the Financing Districts #1 and #2, and related debt service requirements, are presented on Schedules 1 and 4.

The Financial Models present, to the best knowledge and belief of the Developer (based upon assumptions provided by the Developer), the District's expected cash position and results of cash receipts and disbursements for the forecast period. Accordingly, the Financial Models reflect the Developer's judgment, as of the date of this report, of the expected conditions within the Districts' boundaries and the Districts' expected course of action. The assumptions disclosed in the Financial Models are those of the Developer and have not been independently reviewed by Stan Bernstein and Associates, Inc.

FUTURE RATES OF COMMERCIAL BUILDOUT AND RELATED ASSESSED VALUATION AND BONDING CAPACITY

The financial planning concept is that as the construction of future commercial product occurs within the boundaries of Districts #1 and #2, incremental assessed valuation will generate property tax revenues for each of the Districts.

For financial planning purposes it is assumed that a portion of the property tax revenues generated from the 35.0 mills assumed to be levied by Districts #1 and #2 will be used to fund administrative and operating expenditures (identified by Pinnacle Consulting Group, Inc.). Property tax revenues not used to fund administrative and operating expenses will be available to make annual interest and principal payments on outstanding Limited Tax General Obligation Bonds.

The following chart summarizes the projected debt issuance:

<u>Financing District #1</u>		<u>Financing District #2</u>	
<u>Issue Date</u>	<u>Gross Bond Issue</u>	<u>Issue Date</u>	<u>Gross Bond Issue</u>
12/1/2015	\$ 2,400,000	12/1/2017	\$ 1,300,000
12/1/2018	1,000,000		
Total	<u>3,400,000</u>	Total	<u>1,300,000</u>

It is assumed that the bonds would be issued at average interest rates of 6.50% and mature serially over a maximum 30-year period. Costs of Bond Issuance (including underwriting, legal, and other fees) have been estimated to be 4.0% of the par amount of the bonds. It is also possible that if buildout rates and assessed valuations lag expectations, and/or if administrative and operating expenditures exceed expectations, the amount of the bonds that could be supported will be less than shown on the previous page, and the timing of the issuance of these bonds will not occur as soon as indicated.

Because these bonds are Limited Tax General Obligation Supported Revenue Bonds it is possible that the above bond issuance amounts could be reduced by approximately 20% depending upon debt service coverage requirements imposed by bond purchasers. The Districts will need authorization for a mill levy cap of at least 42.0 mills in order to provide a mill levy cushion to bond investors.

It is assumed that the net proceeds of the Limited Tax General Obligation Revenue Supported Bonds will be used to reimburse the Developer for a portion of the infrastructure costs expected to be originally funded by the Developer.

SCHEDULES 2 AND 5 - DISTRICTS #1 AND #2 LAND USE AND RELATED ASSESSED VALUATION

The key assumptions with respect to future commercial buildout, and related assessed valuation buildup, within the boundaries of Districts #1 and #2 are presented in detail on Schedules 2 and 5. These assumptions were provided by officials of the Developer and Pinnacle Consulting Group, Inc. The assessed valuation estimates assume an average annual inflationary increase of approximately 0% for all commercial property.

The Financial Models are based upon a total of 282,321 square feet of commercial space completed by 2017 (District #1); and 118,257 square feet of retail space being completed by the end of 2016 (District #2). The Developer has provided the information contained in Schedules 2 and 5 and believes these assumptions to be reasonable and appropriate to use for financial modeling purposes at this time.

FINANCING DISTRICT #1 – CASH FLOW – EXHIBIT I

Exhibit I presents the estimated revenues and expenditures for Financing District #1.

The primary revenue source consists of property tax revenues generated from a 35.0 mill levy. Other sources of revenue include specific ownership tax revenues (estimated to be 6.0% of property tax revenues per Pinnacle Consulting Group, Inc.) and interest earnings.

District #1 expenditures (which were developed by Pinnacle Consulting Group, Inc.) are presented on Exhibit I, and include administration, landscaping, parking, trails, capital improvement management, and a general contingency allowance. All administrative, operating, and maintenance costs have been inflated 3% annually through 2020, and 1% annually thereafter. County Treasurer Property Tax Collection Fees are assumed to be 3.0% of property tax revenue collections.

The annual debt service requirements relating to the Series 2015 and 2018 Limited Tax General Obligation Bonds are also presented on this Exhibit (and are shown in detail on Schedule 1). Average interest rates of 6.5% and up to 30-year amortization have been assumed.

Schedule 3, the Capital Projects Fund for Financing District 1, presents the infrastructure cost estimates as well as the funding sources.

FINANCING DISTRICT #2 – CASH FLOW – EXHIBIT II

Exhibit II presents the estimated revenues and expenditures for Financing District #2.

The primary revenue source consists of property tax revenues generated from a 35.0 mill levy. Other sources of revenue include specific ownership tax revenues (estimated to be 6.0% of property tax revenues per Pinnacle Consulting Group, Inc.) and interest earnings.

District #2 expenditures (which were developed by Pinnacle Consulting Group, Inc.) are presented on Exhibit I, and include administration, landscaping, parking, trails, capital improvement management, and a general contingency allowance. All administrative, operating, and maintenance costs have been inflated 3% annually through 2020, and 1% annually thereafter. County Treasurer Property Tax Collection Fees are assumed to be 3.0% of property tax revenue collections.

The annual debt service requirements relating to the Series 2017 Limited Tax General Obligation Bonds are also presented on this Exhibit (and are shown in detail on Schedule 1). Average interest rates of 6.5% and up to 30-year amortization have been assumed.

Schedule 6, the Capital Projects Fund for Financing District 2, presents the infrastructure cost estimates as well as the funding sources.

DISCLAIMER AND LIMITATIONS

The assumptions disclosed in the Financial Models are those of the Developer and have not been independently reviewed by Stan Bernstein and Associates, Inc. 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 expected, and those differences may be material. Key assumptions – like those relating to market values of real property improvements and the buildout schedule of such property – are particularly sensitive in terms of the timing necessary to create the tax base for the Districts. 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. Additionally, other key assumptions relating to inflation, assessment ratios, interest rates, debt service coverage requirements, and infrastructure, administrative and operating costs may, and likely will, vary from those assumed.

DISCLAIMER AND LIMITATIONS

Because Stan Bernstein and Associates, Inc. has not independently evaluated or reviewed the assumptions that the Financial Models are based upon, we do not vouch for the achievability of the information presented on Exhibits I - II and on Schedules 1 - 6. 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 on Exhibits I - II and on Schedules 1 - 6. Stan Bernstein and Associates, Inc. has no responsibility or obligation to update this information or these Financial Models for events occurring after the date of this memorandum.

The actual amount of Limited Tax General Obligation Bonds that could be supported by Financing Districts #1 and #2 will depend on the rate of buildout and the related increases in assessed valuation, interest rates and debt service coverage requirements, and the actual amounts needed to pay for District administrative and operating costs. In the event that actual operating and administrative expenses are more than anticipated on Exhibits I and II, the amount of Limited Tax General Obligation Bonds that could actually be supported by the Districts could be less than shown, and if assessed valuation levels are more than anticipated it could be possible for the Districts to issue additional Limited Tax General Obligation Bonds than shown.

The Financial Models have been assembled for Service Plan submittal purposes only, and are not intended to be used by prospective purchasers, or investors, of the Districts future bond issues.

EXHIBIT I (FINANCING DISTRICT #1)
 WATERFALL METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046

WORKING DRAFT
 SUBJECT TO REVISION
 8-Mar-08
 SEE CONSULTANTS' DISCLAIMER

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
KEY ASSUMPTIONS												
ASSESSED VALUATION (SCH. 2)	0	0	500,000	3,599,652	5,951,105	7,055,557	8,160,009	9,264,462	10,468,914	11,673,367	12,877,819	14,082,171
TOTAL DISTRICT MILL LEVY	0.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
INCREMENTAL SQ. FT. ADDED (SCH. 2)	0	64,147	49,147	24,147	24,147	24,147	24,147	24,147	24,147	24,145	0	0
CUMULATIVE SQ. FT. (SCH. 2)	0	64,147	113,294	137,441	161,588	185,735	209,882	234,029	258,176	282,321	282,321	282,321
ASSUMED SYSTEM DEVELOPMENT FEE @ \$0.50/SQ. FT.	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
CASH FLOW												
REVENUES												
PROPERTY TAXES	0	0	17,500	125,988	208,289	246,944	285,600	324,256	366,412	408,568	450,724	492,876
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	0	0	1,050	7,559	12,497	14,817	17,136	19,455	21,985	24,514	27,043	29,573
SYSTEM DEVELOPMENT FEE	0	32,074	24,574	12,074	12,074	12,074	12,074	12,074	12,074	12,073	0	0
DEVELOPER OPERATING CONTRIBUTION	90,000	90,000	105,000	40,000	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 3% OF BEGINNING FUNDS	0	123	242	381	407	934	2,694	5,805	10,020	10,047	11,063	12,950
TOTAL REVENUES	90,000	122,197	148,366	186,002	233,267	274,769	317,504	361,590	410,491	455,202	488,851	535,399
EXPENDITURES												
COUNTY TREASURER 3.0% COLLECTION FEE	0	0	525	3,780	6,249	7,408	8,568	9,728	10,992	12,257	13,522	14,786
ADMINISTRATIVE COSTS	28,607	34,329	45,772	57,215	58,931	60,699	62,520	64,395	66,327	68,317	70,367	72,478
LANDSCAPING	38,672	48,340	58,008	77,344	96,681	99,581	102,568	105,645	108,815	112,079	115,442	118,905
PARKING LOTS	0	15,922	19,107	25,476	31,844	32,800	33,784	34,797	35,841	36,916	38,024	39,163
TRAILS	0	1,016	1,493	2,008	3,385	3,487	3,591	3,699	3,810	3,924	4,042	4,163
CAPITAL IMPROVEMENT ASSET MANAGEMENT	13,020	13,020	13,020	13,020	13,020	6,510	0	0	0	0	0	0
CONTINGENCY FOR ADMINISTRATION	5,600	5,600	5,600	5,600	5,600	5,600	2,800	2,800	2,800	2,800	2,800	2,800
TOTAL EXPENDITURES	85,899	118,227	143,724	185,142	215,710	216,085	213,831	221,065	228,586	236,294	244,196	252,297
FUNDS AVAILABLE FOR DEBT SERVICE	4,101	3,970	4,641	860	17,557	58,684	103,673	140,525	181,905	218,908	244,655	283,102

3% annual increases through
 2020, 1% thereafter

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
LTD G.O. BONDS DEBT SERVICE												
SERIES 2015 G.O. BONDS DEBT SERVICE	0	0	0	0	0	0	0	0	181,000	184,375	182,425	185,475
SERIES 2018 G.O. BONDS DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	85,000
TOTAL LIMITED G.O. BONDS DEBT SERVICE	0	0	0	0	0	0	0	0	181,000	184,375	182,425	270,475
EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	4,101	3,970	4,641	860	17,557	58,684	103,673	140,525	905	34,533	62,230	12,627
LTD. G.O. BONDS ISSUED	0	0	0	0	0	0	0	2,400,000	0	0	1,000,000	0
COSTS OF BOND ISSUANCE @4%	0	0	0	0	0	0	0	96,000	0	0	40,000	0
TRANSFER OF NET BOND PROCEEDS & CASH TO CAPITAL PROJECTS FUND	0	0	0	0	0	0	0	2,304,000	0	0	960,000	0
EXCESS TRANSFERS IN EXCESS OF BOND PROCEEDS	0	0	0	0	0	0	0	0	0	0	0	0
BEGINNING FUND BALANCE - JANUARY 1	0	4,101	8,070	12,712	13,572	31,129	89,812	193,485	334,010	334,915	369,448	431,677
ENDING FUND BALANCE - DECEMBER 31	4,101	8,070	12,712	13,572	31,129	89,812	193,485	334,010	334,915	369,448	431,677	444,305

The accompanying summary memorandum (and disclaimer) is an integral part of these cash flow forecasts.

EXHIBIT I (FINANCING DISTRICT #1)
 WATERFALL METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046

KEY ASSUMPTIONS	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ASSESSED VALUATION (SCH. 2)	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171
TOTAL DISTRICT MILL LEVY	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
INCREMENTAL SQ. FT. ADDED (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE SQ. FT. (SCH. 2)	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321
ASSUMED SYSTEM DEVELOPMENT FEE @ \$0.50/SQ. FT.	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50

CASH FLOW	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
REVENUES												
PROPERTY TAXES	492,876	492,876	492,876	492,876	492,876	492,876	492,876	492,876	492,876	492,876	492,876	492,876
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	29,573	29,573	29,573	29,573	29,573	29,573	29,573	29,573	29,573	29,573	29,573	29,573
SYSTEM DEVELOPMENT FEE	0	0	0	0	0	0	0	0	0	0	0	0
DEVELOPER OPERATING CONTRIBUTION	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 3% OF BEGINNING FUNDS	13,329	13,615	13,729	13,899	13,978	14,120	14,028	14,012	13,926	13,924	14,010	14,035
TOTAL REVENUES	<u>535,778</u>	<u>536,064</u>	<u>536,177</u>	<u>536,348</u>	<u>536,426</u>	<u>536,568</u>	<u>536,476</u>	<u>536,461</u>	<u>536,374</u>	<u>536,373</u>	<u>536,459</u>	<u>536,484</u>
EXPENDITURES												
COUNTY TREASURER 3.0% COLLECTION FEE	14,786	14,786	14,786	14,786	14,786	14,786	14,786	14,786	14,786	14,786	14,786	14,786
ADMINISTRATIVE COSTS	74,652	75,398	76,152	76,914	77,683	78,460	79,245	80,037	80,837	81,646	82,462	83,287
LANDSCAPING	122,472	123,697	124,934	126,183	127,445	128,719	130,006	131,307	132,620	133,946	135,285	136,638
PARKING LOTS	40,340	40,743	41,150	41,562	41,977	42,397	42,821	43,249	43,682	44,119	44,560	45,006
TRAILS	4,288	4,331	4,374	4,418	4,462	4,507	4,552	4,598	4,644	4,690	4,737	4,784
CAPITAL IMPROVEMENT ASSET MANAGEMENT	0	0	0	0	0	0	0	0	0	0	0	0
CONTINGENCY FOR ADMINISTRATION	2,800	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	<u>259,338</u>	<u>258,956</u>	<u>261,397</u>	<u>263,863</u>	<u>266,354</u>	<u>268,870</u>	<u>271,411</u>	<u>273,977</u>	<u>276,569</u>	<u>279,187</u>	<u>281,831</u>	<u>284,501</u>
FUNDS AVAILABLE FOR DEBT SERVICE	<u>276,440</u>	<u>277,108</u>	<u>274,780</u>	<u>272,484</u>	<u>270,072</u>	<u>267,699</u>	<u>265,066</u>	<u>262,484</u>	<u>259,805</u>	<u>257,186</u>	<u>254,628</u>	<u>251,983</u>

3% annual increases through
 2020; 1% thereafter

LTD G.O. BONDS DEBT SERVICE	183,200	185,925	183,325	185,725	182,800	184,875	181,625	183,375	184,300	185,900	181,675	182,450
SERIES 2015 G.O. BONDS DEBT SERVICE	83,700	87,400	85,775	84,150	82,525	85,900	83,950	82,000	75,050	68,425	72,125	70,500
SERIES 2018 G.O. BONDS DEBT SERVICE	266,900	273,325	269,100	269,875	265,325	270,775	265,575	265,375	259,850	254,325	253,800	252,950
TOTAL LIMITED G.O. BONDS DEBT SERVICE	<u>533,800</u>	<u>546,650</u>	<u>538,200</u>	<u>539,750</u>	<u>530,650</u>	<u>541,550</u>	<u>531,150</u>	<u>530,750</u>	<u>519,200</u>	<u>508,650</u>	<u>507,600</u>	<u>505,900</u>
EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	<u>9,540</u>	<u>3,783</u>	<u>5,680</u>	<u>2,609</u>	<u>4,747</u>	<u>(3,076)</u>	<u>(509)</u>	<u>(2,891)</u>	<u>(45)</u>	<u>2,861</u>	<u>828</u>	<u>(967)</u>
LTD. G.O. BONDS ISSUED	0	0	0	0	0	0	0	0	0	0	0	0
COSTS OF BOND ISSUANCE @4%	0	0	0	0	0	0	0	0	0	0	0	0
TRANSFER OF NET BOND PROCEEDS & CASH TO CAPITAL PROJECTS FUND	0	0	0	0	0	0	0	0	0	0	0	0
EXCESS TRANSFERS IN EXCESS OF BOND PROCEEDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
BEGINNING FUND BALANCE - JANUARY 1	<u>444,305</u>	<u>453,844</u>	<u>457,628</u>	<u>463,308</u>	<u>465,917</u>	<u>470,664</u>	<u>467,588</u>	<u>467,079</u>	<u>464,188</u>	<u>464,143</u>	<u>467,005</u>	<u>467,833</u>
ENDING FUND BALANCE - DECEMBER 31	<u>453,844</u>	<u>457,628</u>	<u>463,308</u>	<u>465,917</u>	<u>470,664</u>	<u>467,588</u>	<u>467,079</u>	<u>464,188</u>	<u>464,143</u>	<u>467,005</u>	<u>467,833</u>	<u>466,865</u>

EXHIBIT I (FINANCING DISTRICT #1)
 WATERFALL METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046

KEY ASSUMPTIONS	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
ASSESSED VALUATION (SCH. 2)	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171	14,082,171
TOTAL DISTRICT MILL LEVY	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
INCREMENTAL SQ. FT. ADDED (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE SQ. FT. (SCH. 2)	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321
ASSUMED SYSTEM DEVELOPMENT FEE @ \$0.50/SQ. FT.	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
CASH FLOW												
REVENUES												
PROPERTY TAXES	492,876	492,876	492,876	492,876	492,876	492,876	492,876	492,876	492,876	492,876	492,876	492,876
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	29,573	29,573	29,573	29,573	29,573	29,573	29,573	29,573	29,573	29,573	29,573	29,573
SYSTEM DEVELOPMENT FEE	0	0	0	0	0	0	0	0	0	0	0	0
DEVELOPER OPERATING CONTRIBUTION	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 3% OF BEGINNING FUNDS	14,006	14,080	14,111	14,254	14,364	14,447	14,512	14,568	14,622	14,535	14,319	14,141
TOTAL REVENUES	536,455	536,529	536,559	536,703	536,812	536,896	536,961	537,016	537,071	536,963	536,768	536,589
EXPENDITURES												
COUNTY TREASURER 3.0% COLLECTION FEE	14,786	14,786	14,786	14,786	14,786	14,786	14,786	14,786	14,786	14,786	14,786	14,786
ADMINISTRATIVE COSTS	84,120	84,961	85,810	86,669	87,535	88,411	89,295	90,188	91,090	92,000	92,920	93,850
LANDSCAPING	138,004	139,385	140,778	142,186	143,608	145,044	146,495	147,959	149,439	150,933	152,443	153,967
PARKING LOTS	45,456	45,910	46,369	46,833	47,301	47,774	48,252	48,735	49,222	49,714	50,211	50,713
TRAILS	4,832	4,880	4,929	4,979	5,028	5,079	5,129	5,181	5,233	5,285	5,338	5,391
CAPITAL IMPROVEMENT ASSET MANAGEMENT	0	0	0	0	0	0	0	0	0	0	0	0
CONTINGENCY FOR ADMINISTRATION	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	287,198	289,922	292,674	295,453	298,259	301,094	303,957	306,849	309,769	312,719	315,698	318,708
FUNDS AVAILABLE FOR DEBT SERVICE	249,256	246,607	243,886	241,250	238,553	235,802	233,004	230,168	227,302	224,264	221,069	217,881
LTD G.O. BONDS DEBT SERVICE												
SERIES 2015 G.O. BONDS DEBT SERVICE	182,900	183,025	182,825	182,300	181,450	185,275	183,450	181,300	183,825	185,700	181,925	182,825
SERIES 2018 G.O. BONDS DEBT SERVICE	63,875	62,575	56,275	55,300	54,325	48,350	47,700	47,050	46,400	45,750	45,100	44,450
TOTAL LIMITED G.O. BONDS DEBT SERVICE	246,775	245,600	239,100	237,600	235,775	233,625	231,150	228,350	230,225	231,450	227,025	227,275
EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	2,481	1,007	4,786	3,650	2,778	2,177	1,854	1,818	(2,923)	(7,186)	(5,956)	(9,394)
LTD. G.O. BONDS ISSUED												
COSTS OF BOND ISSUANCE @4%	0	0	0	0	0	0	0	0	0	0	0	0
TRANSFER OF NET BOND PROCEEDS & CASH TO CAPITAL PROJECTS FUND	0	0	0	0	0	0	0	0	0	0	0	0
EXCESS TRANSFERS IN EXCESS OF BOND PROCEEDS	0	0	0	0	0	0	0	0	0	0	0	0
BEGINNING FUND BALANCE - JANUARY 1	466,865	469,347	470,353	475,139	478,789	481,567	483,744	485,598	487,415	484,492	477,306	471,351
ENDING FUND BALANCE - DECEMBER 31	469,347	470,353	475,139	478,789	481,567	483,744	485,598	487,415	484,492	477,306	471,351	461,957

3% annual increases through 2020; 1% thereafter

EXHIBIT I (FINANCING DISTRICT #1)
 WATERFALL METROPOLITAN DISTRICT #1
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046

<u>KEY ASSUMPTIONS</u>	<u>2044</u>	<u>2045</u>	<u>2046</u>	<u>TOTALS</u>
ASSESSED VALUATION (SCH. 2)	14,082,171	14,082,171	14,082,171	
TOTAL DISTRICT MILL LEVY	35.00	35.00	35.00	
INCREMENTAL SQ. FT. ADDED (SCH. 2)	0	0	0	282,321
CUMULATIVE SQ. FT. (SCH. 2)	282,321	282,321	282,321	282,321
ASSUMED SYSTEM DEVELOPMENT FEE @ \$.50/SQ. FT.	0.50	0.50	0.50	

CASH FLOW

<u>REVENUES</u>	<u>2044</u>	<u>2045</u>	<u>2046</u>	<u>TOTALS</u>
PROPERTY TAXES	492,876	492,876	492,876	16,234,809
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	29,573	29,573	29,573	974,089
SYSTEM DEVELOPMENT FEE	0	0	0	141,161
DEVELOPER OPERATING CONTRIBUTION	0	0	0	325,000
INTEREST EARNINGS @ 3% OF BEGINNING FUNDS	13,859	13,489	12,298	432,898
TOTAL REVENUES	536,307	535,938	534,747	18,107,956

EXPENDITURES

COUNTY TREASURER 3.0% COLLECTION FEE	14,786	14,786	14,786	487,044
ADMINISTRATIVE COSTS	94,788	95,736	96,683	2,990,795
LANDSCAPING	155,507	157,062	158,633	4,856,775
PARKING LOTS	51,221	51,733	52,250	1,586,976
TRAILS	5,445	5,489	5,554	167,687
CAPITAL IMPROVEMENT ASSET MANAGEMENT	0	0	0	71,610
CONTINGENCY FOR ADMINISTRATION	0	0	0	53,200
TOTAL EXPENDITURES	321,747	324,816	327,917	10,214,087

3% annual increases through
2020, 1% thereafter

FUNDS AVAILABLE FOR DEBT SERVICE

LTD G.O. BONDS DEBT SERVICE	214,560	211,121	206,830	7,893,869
SERIES 2015 G.O. BONDS DEBT SERVICE	183,075	207,675	0	5,526,500
SERIES 2018 G.O. BONDS DEBT SERVICE	43,800	43,150	197,500	1,948,100
TOTAL LIMITED G.O. BONDS DEBT SERVICE	228,675	250,825	197,500	7,474,600

EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE

LTD. G.O. BONDS ISSUED	(12,315)	(39,704)	9,330	419,269
COSTS OF BOND ISSUANCE @4%	0	0	0	3,400,000
TRANSFER OF NET BOND PROCEEDS & CASH TO CAPITAL PROJECTS FUND	0	0	0	136,000
EXCESS TRANSFERS IN EXCESS OF BOND PROCEEDS	0	0	0	3,264,000

BEGINNING FUND BALANCE - JANUARY 1

BEGINNING FUND BALANCE - JANUARY 1	461,957	449,643	409,939	0
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ENDING FUND BALANCE - DECEMBER 31

ENDING FUND BALANCE - DECEMBER 31	449,643	409,939	419,269	419,269
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SCHEDULE 1 (DISTRICT #1)
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2008 - 2046

WORKING DRAFT
 SUBJECT TO REVISION
 8-Mar-08
 SEE CONSULTANTS' DISCLAIMER

SCHEDULE 1 - LTD TAX GENERAL OBLIGATION SUPPORTED REVENUE BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	OTHER BOND ISSUE	GROSS BOND ISSUE
12/01/2015 NON-RATED	2,304,000	0	96,000	2,400,000	2,400,000
12/01/2018 NON-RATED	960,000	0	40,000	1,000,000	1,000,000
TOTAL \$	3,264,000	0	136,000	3,400,000	3,400,000

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

BOND ISSUE DATE	NEW \$ 30 YR PRINCIPAL INTEREST @ 6.5%	TOTAL LTD TAX G.O. SUPPORTED REVENUE BONDS OUT @
12/01/2015 NON-RATED	0	0
12/01/2018 NON-RATED	0	0
TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/31	0	0

ANNUAL DEBT SERVICE REQUIREMENTS

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
12/01/2015 NON-RATED	0	0	0	0	0	0	0	0	181,000	184,375	182,425	185,475
12/01/2018 NON-RATED	0	0	0	0	0	0	0	0	0	0	0	85,000
TOTAL \$	0	0	0	0	0	0	0	0	181,000	184,375	182,425	270,475
12/01/2015 NON-RATED	0	0	0	0	0	0	0	0	25,000	30,000	30,000	35,000
12/01/2018 NON-RATED	0	0	0	0	0	0	0	0	158,000	154,375	152,425	150,475
TOTAL \$	0	0	0	0	0	0	0	0	181,000	184,375	182,425	185,475
TOTAL LTD TAX G.O. SUPPORTED REVENUE BONDS OUT @	0	0	0	0	0	0	0	2,400,000	2,375,000	2,345,000	2,315,000	2,280,000
12/01/2018 NON-RATED	0	0	0	0	0	0	0	0	0	0	0	20,000
12/01/2015 NON-RATED	0	0	0	0	0	0	0	0	0	0	0	65,000
TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0	85,000
TOTAL LTD TAX G.O. SUPPORTED REVENUE BONDS OUT @	0	0	0	0	0	0	0	0	2,375,000	2,345,000	2,315,000	2,280,000

SEE CONSULTANTS REPORT AND DISCLAIMER.

SCHEDULE 1 (DISTRICT #1)
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2008 - 2046

SCHEDULE 1 - LTD TAX GENERAL OBLIGATION SUPPORTED REVENUE BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE
12/01/2015 NON-RATED	2,304,000	0	96,000	2,400,000
12/01/2018 NON-RATED	960,000	0	40,000	1,000,000
TOTALS	3,264,000	0	136,000	3,400,000

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2015 NON-RATED	NEW \$	PRINCIPAL	35,000
	30 YR	INTEREST @ 6.5%	40,000
		TOTAL DEBT SERVICE	75,000
		TOTAL LTD TAX G.O. SUPPORT REVENUE BONDS OUT @ .	2,245,000
12/01/2018 NON-RATED	NEW \$	PRINCIPAL	20,000
	30 YR	INTEREST @ 6.5%	62,400
		TOTAL DEBT SERVICE	82,400
		TOTAL LTD TAX G.O. SUPPORT REVENUE BONDS OUT @ .	980,000
		TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/31	3,205,000

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
12/01/2015 NON-RATED	183,200	185,925	183,325	185,725	182,800	184,875	181,525	183,375	184,800	185,900	181,675	182,450
12/01/2018 NON-RATED	83,700	87,400	85,775	84,150	82,525	85,900	83,950	82,000	75,050	68,425	72,125	70,500
TOTALS	266,900	273,325	269,100	269,875	265,325	270,775	265,475	265,375	259,850	254,325	253,800	252,950
12/01/2015 NON-RATED	35,000	40,000	40,000	45,000	45,000	50,000	50,000	55,000	60,000	65,000	65,000	70,000
	148,200	145,925	143,325	140,725	137,800	134,875	131,525	128,375	124,800	120,900	116,675	112,450
	183,200	185,925	183,325	185,725	182,800	184,875	181,525	183,375	184,800	185,900	181,675	182,450
	2,245,000	2,205,000	2,165,000	2,120,000	2,075,000	2,025,000	1,975,000	1,920,000	1,860,000	1,795,000	1,730,000	1,660,000
12/01/2018 NON-RATED	20,000	25,000	25,000	25,000	25,000	30,000	30,000	30,000	25,000	20,000	25,000	25,000
	63,700	62,400	60,775	59,150	57,525	55,900	53,950	52,000	50,050	48,425	47,125	45,500
	83,700	87,400	85,775	84,150	82,525	85,900	83,950	82,000	75,050	68,425	72,125	70,500
	980,000	935,000	910,000	885,000	860,000	830,000	800,000	770,000	745,000	725,000	700,000	675,000
	3,205,000	3,140,000	3,075,000	3,005,000	2,935,000	2,855,000	2,775,000	2,690,000	2,605,000	2,520,000	2,430,000	2,335,000

SEE CONSULTANT'S REPORT AND DISCLAIMER.

SCHEDULE 1 (DISTRICT #1)
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2008 - 2046

SCHEDULE 1 - LTD TAX GENERAL OBLIGATION SUPPORTED REVENUE BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE
12/01/2015 NON-RATED	2,304,000	0	96,000	2,400,000
12/01/2018 NON-RATED	960,000	0	40,000	1,000,000
TOTALS	3,264,000	0	136,000	3,400,000

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2015 NON-RATED	NEW \$	PRINCIPAL	
	30 YR	INTEREST @ 6.5%	
		TOTAL DEBT SERVICE	
		TOTAL LTD TAX G.O. SUPPORT REVENUE BONDS OUT @	
12/01/2018 NON-RATED	NEW \$	PRINCIPAL	
	30 YR	INTEREST @ 6.5%	
		TOTAL DEBT SERVICE	
		TOTAL LTD TAX G.O. SUPPORT REVENUE BONDS OUT @	
		TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/31	

	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
	182,900	183,025	182,825	182,300	181,450	185,275	183,450	181,300	183,825	185,700	181,925	182,825
	63,875	62,575	56,275	55,300	54,325	48,350	47,700	47,050	46,400	45,750	45,100	44,450
	246,775	245,600	239,100	237,600	235,775	233,625	231,150	228,350	230,225	231,450	227,025	227,277
	75,000	80,000	85,000	90,000	95,000	105,000	110,000	115,000	125,000	135,000	140,000	150,000
	107,900	103,025	97,825	92,300	86,450	80,275	73,450	66,300	58,825	50,700	41,925	32,825
	182,900	183,025	182,825	182,300	181,450	185,275	183,450	181,300	183,825	185,700	181,925	182,825
	1,585,000	1,505,000	1,420,000	1,330,000	1,235,000	1,130,000	1,020,000	905,000	780,000	645,000	505,000	355,000
	20,000	20,000	15,000	15,000	15,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	43,875	42,575	41,275	40,300	39,325	36,350	37,700	37,050	36,400	35,750	35,100	34,450
	63,875	62,575	56,275	55,300	54,325	48,350	47,700	47,050	46,400	45,750	45,100	44,450
	655,000	635,000	620,000	605,000	590,000	580,000	570,000	560,000	550,000	540,000	530,000	520,000
	2,240,000	2,140,000	2,040,000	1,935,000	1,825,000	1,710,000	1,590,000	1,465,000	1,330,000	1,185,000	1,035,000	875,000

SEE CONSULTANT'S REPORT AND DISCLAIMER.

SCHEDULE 1 (DISTRICT #1)
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2008 - 2046

SCHEDULE 1 - LTD TAX GENERAL OBLIGATION SUPPORTED REVENUE BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE
12/01/2015 NON-RATED	2,304,000	0	96,000	2,400,000
12/01/2018 NON-RATED	960,000	0	40,000	1,000,000
TOTALS	3,264,000	0	136,000	3,400,000

2044	2045	2046	TOTALS
183,075	207,675	0	5,526,500
43,800	43,150	197,500	1,948,100
226,875	250,825	197,500	7,474,600

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2015 NON-RATED	NEW \$ 30 YR	PRINCIPAL INTEREST @ 6.5%	0	2,400,000
	TOTAL DEBT SERVICE		0	3,126,500
	TOTAL LTD TAX G.O. SUPPORT REVENUE BONDS OUT @		0	5,526,500

12/01/2018 NON-RATED	NEW \$ 30 YR	PRINCIPAL INTEREST @ 6.5%	10,000	665,000
	TOTAL DEBT SERVICE		33,150	1,283,100
	TOTAL LTD TAX G.O. SUPPORT REVENUE BONDS OUT @		43,800	1,948,100
	TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/31		510,000	335,000
			500,000	335,000

SEE CONSULTANTS REPORT AND DISCLAIMER.

SCHEDULE 2 (FINANCING DISTRICT #1)
 WATERFALL METROPOLITAN DISTRICT #1
 PROJECTED ASSESSED VALUATION - BUILDOUT
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2017

WORKING DRAFT
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Commercial	Planned Number of Sq. Ft.	Average Per Sq. Ft. Price	Total Gross Volume
Medical Offices	65,000	172	11,180,000
Office/Retail	217,321	172	37,379,212
Total Commercial - Incrsem.	282,321	172	48,559,212
Total Commercial - Cumulat.	282,321		48,559,212

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL
Medical Offices	0	40,000	25,000	0	0	0	0	0	0	0	65,000
Office/Retail	0	24,147	24,147	24,147	24,147	24,147	24,147	24,147	24,147	24,145	217,321
Total Commercial - Incrsem.	0	64,147	49,147	24,147	24,147	24,147	24,147	24,147	24,147	24,145	282,321
Total Commercial - Cumulat.	0	64,147	113,294	137,441	161,588	185,735	209,882	234,029	258,176	282,321	282,321
Medical Offices	0	6,880,000	4,300,000	0	0	0	0	0	0	0	11,180,000
Office/Retail	0	4,153,284	4,153,284	4,153,284	4,153,284	4,153,284	4,153,284	4,153,284	4,153,284	4,152,940	37,379,212
Total Actual Values - Incremental	0	11,033,284	8,453,284	4,153,284	4,153,284	4,153,284	4,153,284	4,153,284	4,153,284	4,152,940	48,559,212
Total Actual Values - Cumulative	0	11,033,284	19,486,568	23,639,852	27,793,136	31,946,420	36,099,704	40,252,988	44,406,272	48,559,212	48,559,212
Medical Offices	0	1,985,200	1,247,000	0	0	0	0	0	0	0	3,242,200
Office/Retail	0	1,204,452	1,204,452	1,204,452	1,204,452	1,204,452	1,204,452	1,204,452	1,204,452	1,204,353	10,889,971
Total Assessed Value	0	3,189,652	2,451,452	1,204,452	1,204,452	1,204,452	1,204,452	1,204,452	1,204,452	1,204,353	14,082,171
Total Assessed Valuation Vacant Land	500,000	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	0	0	0	0	0
Total Assessed Valuation - Incremental	500,000	3,089,652	2,351,452	1,104,452	1,104,452	1,104,452	1,204,452	1,204,452	1,204,452	1,204,353	14,082,171
Total Assessed Valuation - Cumulative	500,000	3,589,652	5,951,105	7,055,557	8,160,009	9,264,462	10,468,914	11,673,367	12,877,819	14,082,171	14,082,171
Total Assessed Values - Cum. 0% Biennial Net Increases	500,000	3,589,652	5,951,105	7,055,557	8,160,009	9,264,462	10,468,914	11,673,367	12,877,819	14,082,171	14,082,171

Year Assessed Valuation Certified To WFMD #1
 Year Taxes Received By WFMD #1

2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019

SCHEDULE 3
 WATERFALL METROPOLITAN DISTRICTS #1
 CAPITAL EXPENDITURES
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2019

WORKING DRAFT
 SUBJECT TO REVISION
 8-Mar-08
 SEE CONSULTANTS' DISCLAIMER

CAPITAL EXPENDITURES: (Source: Pinnacle Consulting Group, Inc.)	TOTALS	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
INDIRECT CONSTRUCTION COSTS											
PERMITS AND FEES	20,000	0	0	0	0	0	0	0	0	0	0
ENGINEERING AND DESIGN	1,571,811	0	0	0	0	0	0	0	0	0	0
SUBTOTAL INDIRECT CONSTRUCTION COSTS	<u>1,591,811</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FORMATION AND ORGANIZATION											
LEGAL	65,000	0	0	0	0	0	0	0	0	0	0
ENGINEERING	20,000	0	0	0	0	0	0	0	0	0	0
FINANCIAL	11,500	0	0	0	0	0	0	0	0	0	0
MANAGEMENT/ADMINISTRATIVE	25,000	0	0	0	0	0	0	0	0	0	0
SUBTOTAL FORMATION AND ORGANIZATION	<u>121,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
DIRECT CONSTRUCTION COSTS											
REMOVALS	149,183	0	0	0	0	0	0	0	0	0	0
EARTHWORK	192,465	0	0	0	0	0	0	0	0	0	0
SANITARY SEWER	287,687	0	0	0	0	0	0	0	0	0	0
SITE PERIMETER DRAIN	0	0	0	0	0	0	0	0	0	0	0
DOMESTIC WATER	399,787	0	0	0	0	0	0	0	0	0	0
STORM SEWER	740,194	0	0	0	0	0	0	0	0	0	0
CONCRETE	1,103,844	0	0	0	0	0	0	0	0	0	0
ASPHALT PAVING	1,398,496	0	0	0	0	0	0	0	0	0	0
IRRIGATION SYSTEM	294,132	0	0	0	0	0	0	0	0	0	0
RAW WATER AND WELL WORK	0	0	0	0	0	0	0	0	0	0	0
LANDSCAPING	983,475	0	0	0	0	0	0	0	0	0	0
DRY UTILITIES	0	0	0	0	0	0	0	0	0	0	0
STREET SIGNS, MARKING AND TRAFFIC CONTROL	47,777	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS	146,730	0	0	0	0	0	0	0	0	0	0
CONTINGENCY	1,082,490	0	0	0	0	0	0	0	0	0	0
OFFSITE IMPROVEMENTS	958,610	0	0	0	0	0	0	0	0	0	0
SUBTOTAL DIRECT CONSTRUCTION COSTS	<u>7,784,869</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL CAPITAL EXPENDITURES BY YEAR	<u>9,498,179</u>	<u>3,799,272</u>	<u>1,899,636</u>	<u>0</u>	<u>1,899,636</u>	<u>1,899,636</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
CAPITAL EXPENDITURE FUNDING SOURCES:											
DEVELOPER CAPITAL LOANS	3,264,000	3,799,272	1,899,636	0	1,899,636	1,899,636	0	0	0	0	0
REPAYMENT OF DEVELOPER CAPITAL LOANS	(3,264,000)	0	0	0	0	0	0	0	(2,304,000)	0	0
NET G.O. SUPPORTED REVENUE BOND PROCEEDS	3,264,000	0	0	0	0	0	0	0	2,304,000	0	0
DEVELOPER PERMANENT CONTRIBUTION	6,234,179	0	0	0	0	0	0	0	0	0	0
TOTAL CAPITAL EXPENDITURE FUNDING SOURCES	<u>9,498,179</u>	<u>3,799,272</u>	<u>1,899,636</u>	<u>0</u>	<u>1,899,636</u>	<u>1,899,636</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS FUNDING SOURCES OVER CAPITAL EXPENDITURES		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE - JANUARY 1		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE - DECEMBER 31		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
CUMULATIVE DEVELOPER CAPITAL LOANS OUTSTANDING (w/o interest)		<u>3,799,272</u>	<u>5,698,908</u>	<u>5,698,908</u>	<u>7,598,544</u>	<u>9,498,179</u>	<u>9,498,179</u>	<u>9,498,179</u>	<u>7,194,179</u>	<u>7,194,179</u>	<u>7,194,179</u>

SCHEDULE 3
 WATERFALL METROPOLITAN DISTRICTS #1
 CAPITAL EXPENDITURES
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2019

CAPITAL EXPENDITURES: (Source: Pinnacle Consulting Group, Inc.)	2018	2019	TOTALS
INDIRECT CONSTRUCTION COSTS			
PERMITS AND FEES	0	0	0
ENGINEERING AND DESIGN	0	0	20,000
SUBTOTAL INDIRECT CONSTRUCTION COSTS	0	0	1,571,811
FORMATION AND ORGANIZATION			
LEGAL	0	0	65,000
ENGINEERING	0	0	20,000
FINANCIAL	0	0	11,500
MANAGEMENT/ADMINISTRATIVE	0	0	25,000
SUBTOTAL FORMATION AND ORGANIZATION	0	0	121,500
DIRECT CONSTRUCTION COSTS			
REMOVALS	0	0	149,183
EARTHWORK	0	0	192,465
SANITARY SEWER	0	0	287,687
SITE PERIMETER DRAIN	0	0	0
DOMESTIC WATER	0	0	399,787
STORM SEWER	0	0	740,194
CONCRETE	0	0	1,103,844
ASPHALT PAVING	0	0	1,398,496
IRRIGATION SYSTEM	0	0	294,132
RAW WATER AND WELL WORK	0	0	0
LANDSCAPING	0	0	983,475
DRY UTILITIES	0	0	0
STREET SIGNS, MARKING AND TRAFFIC CONTROL	0	0	47,777
MISCELLANEOUS	0	0	146,730
CONTINGENCY	0	0	1,082,490
OFFSITE IMPROVEMENTS	0	0	958,610
SUBTOTAL DIRECT CONSTRUCTION COSTS	0	0	7,784,869
TOTAL CAPITAL EXPENDITURES BY YEAR	0	0	9,498,179
CAPITAL EXPENDITURE FUNDING SOURCES:			
DEVELOPER CAPITAL LOANS	0	(6,234,179)	3,254,000
REPAYMENT OF DEVELOPER CAPITAL LOANS	(960,000)	0	(3,254,000)
NET G.O. SUPPORTED REVENUE BOND PROCEEDS	960,000	0	3,254,000
DEVELOPER PERMANENT CONTRIBUTION	0	6,234,179	6,234,179
TOTAL CAPITAL EXPENDITURE FUNDING SOURCES	0	0	9,498,179
EXCESS FUNDING SOURCES OVER CAPITAL EXPENDITURES	0	0	0
FUND BALANCE - JANUARY 1	0	0	0
FUND BALANCE - DECEMBER 31	0	0	0
CUMULATIVE DEVELOPER CAPITAL LOANS OUTSTANDING (w/o interest)	6,234,179	0	0

The accompanying summary memorandum (and disclaimer) is an integral part of these cash flow forecasts.

EXHIBIT II (FINANCING DISTRICT #2)
 WATERFALL METROPOLITAN DISTRICT #2
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046

WORKING DRAFT
 SUBJECT TO REVISION
 8-Mar-08
 SEE CONSULTANTS' DISCLAIMER

KEY ASSUMPTIONS	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
ASSESSED VALUATION (SCH. 4)	0	0	0	0	0	500,000	1,579,712	2,659,424	3,739,136	4,818,848	5,898,659	5,898,659
TOTAL DISTRICT MILL LEVY	0.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
INCREMENTAL SQ. FT. ADDED (SCH. 4)	0	0	0	0	23,651	23,651	23,651	23,651	23,651	0	0	0
CUMULATIVE SQ. FT. (SCH. 4)	0	0	0	0	23,651	47,302	70,953	94,604	118,257	118,257	118,257	118,257
ASSUMED SYSTEM DEVELOPMENT FEE @ \$0.50/SQ. FT.	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
CASH FLOW												
REVENUES												
PROPERTY TAXES	0	0	0	0	0	17,500	55,290	93,080	130,870	168,660	206,453	206,453
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	0	0	0	0	0	1,050	3,317	5,585	7,852	10,120	12,387	12,387
SYSTEM DEVELOPMENT FEE	0	0	0	0	11,826	11,826	11,826	11,826	11,827	0	0	0
DEVELOPER OPERATING CONTRIBUTION	7,500	15,000	35,000	70,000	60,000	60,000	20,000	0	0	0	0	0
INTEREST EARNINGS @ 3% OF BEGINNING FUNDS	0	12	61	149	262	238	296	369	935	2,606	5,059	5,684
TOTAL REVENUES	7,500	15,012	35,061	70,149	72,088	90,613	90,729	110,859	151,483	181,385	223,899	224,524
EXPENDITURES												
COUNTY TREASURER 3.0% COLLECTION FEE	0	0	0	0	0	525	1,659	2,792	3,926	5,060	6,194	6,194
ADMINISTRATIVE COSTS	5,885	11,770	19,616	24,521	25,256	26,014	26,794	27,598	28,426	29,279	30,157	31,062
LANDSCAPING	0	0	0	24,861	24,861	41,435	42,678	43,958	45,277	46,635	48,034	49,475
PARKING LOTS	0	0	4,094	10,918	13,648	14,057	14,479	14,913	15,360	15,821	16,296	16,785
TRAILS	0	435	435	870	1,161	1,451	1,494	1,539	1,585	1,633	1,682	1,732
CAPITAL IMPROVEMENT ASSET MANAGEMENT	0	0	5,580	2,790	5,580	2,790	0	0	0	0	0	0
CONTINGENCY FOR ADMINISTRATION	1,200	1,200	2,400	2,400	2,400	1,200	1,200	1,200	1,200	1,200	1,200	1,200
TOTAL EXPENDITURES	7,085	13,405	32,126	66,360	72,905	88,671	86,304	92,001	95,774	99,628	103,562	106,448
FUNDS AVAILABLE FOR DEBT SERVICE	415	1,607	2,935	3,789	(817)	1,942	2,425	18,858	55,709	81,758	120,336	118,076
LTD G.O. BONDS DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	99,500	98,525
SERIES 2017 G.O. BONDS DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
SERIES G.O. BONDS DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL LIMITED G.O. BONDS DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	99,500	98,525
EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	415	1,607	2,935	3,789	(817)	1,942	2,425	18,858	55,709	81,758	20,836	19,551
LTD. G.O. BONDS ISSUED	0	0	0	0	0	0	0	0	0	1,300,000	0	0
COSTS OF BOND ISSUANCE @4%	0	0	0	0	0	0	0	0	0	52,000	0	0
TRANSFER OF NET BOND PROCEEDS & CASH TO CAPITAL PROJECTS FUND	0	0	0	0	0	0	0	0	0	1,248,000	0	0
EXCESS TRANSFERS IN EXCESS OF BOND PROCEEDS	0	0	0	0	0	0	0	0	0	0	0	0
BEGINNING FUND BALANCE - JANUARY 1	0	415	2,022	4,957	8,746	7,929	9,871	12,297	31,155	86,864	168,621	189,458
ENDING FUND BALANCE - DECEMBER 31	415	2,022	4,957	8,746	7,929	9,871	12,297	31,155	86,864	168,621	189,458	209,009
TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	1,300,000	1,285,000	1,270,000
% OF OUTSTANDING LTD. G.O. BONDS/ASSESSED VALUATION	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	22.04%	21.78%	21.53%

3% annual increases through
 2020; 1% thereafter

**EXHIBIT II (FINANCING DISTRICT #2)
WATERFALL METROPOLITAN DISTRICT #2
CASH FLOW FORECASTS
FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046**

KEY ASSUMPTIONS

ASSESSED VALUATION (SCH. 4)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
TOTAL DISTRICT MILL LEVY	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659
INCREMENTAL SQ. FT. ADDED (SCH. 4)	35,00	35,00	35,00	35,00	35,00	35,00	35,00	35,00	35,00	35,00	35,00	35,00
CUMULATIVE SQ. FT. (SCH. 4)	0	0	0	0	0	0	0	0	0	0	0	0
	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257
	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50

ASSUMED SYSTEM DEVELOPMENT FEE @ \$0.50/SQ. FT.

CASH FLOW

REVENUES	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
PROPERTY TAXES	206,453	206,453	206,453	206,453	206,453	206,453	206,453	206,453	206,453	206,453	206,453	206,453
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	12,387	12,387	12,387	12,387	12,387	12,387	12,387	12,387	12,387	12,387	12,387	12,387
SYSTEM DEVELOPMENT FEE	0	0	0	0	0	0	0	0	0	0	0	0
DEVELOPER OPERATING CONTRIBUTION	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 3% OF BEGINNING FUNDS	6,270	6,815	7,260	7,726	8,215	8,725	9,108	9,519	9,959	10,278	10,632	11,021
TOTAL REVENUES	225,111	225,655	226,100	226,567	227,055	227,566	227,949	228,360	228,799	229,118	229,472	229,861

EXPENDITURES	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
COUNTY TREASURER 3.0% COLLECTION FEE	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194
ADMINISTRATIVE COSTS	31,994	32,314	32,637	32,963	33,293	33,626	33,962	34,302	34,645	34,991	35,341	35,694
LANDSCAPING	50,959	51,469	51,983	52,503	53,028	53,559	54,094	54,635	55,182	55,733	56,291	56,854
PARKING LOTS	17,288	17,461	17,636	17,812	17,990	18,170	18,352	18,535	18,721	18,908	19,097	19,288
TRAILS	1,784	1,802	1,820	1,838	1,857	1,875	1,894	1,913	1,932	1,951	1,971	1,991
CAPITAL IMPROVEMENT ASSET MANAGEMENT	0	0	0	0	0	0	0	0	0	0	0	0
CONTINGENCY FOR ADMINISTRATION	1,200	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	109,419	109,239	110,270	111,311	112,362	113,423	114,496	115,579	116,673	117,777	118,893	120,020

3% annual increases through 2020; 1% thereafter

FUNDS AVAILABLE FOR DEBT SERVICE	115,691	116,415	115,830	115,256	114,693	114,142	113,453	112,781	112,127	111,341	110,579	109,841
LTD G.O. BONDS DEBT SERVICE	97,550	101,575	100,275	98,975	97,675	101,375	99,750	98,125	101,500	99,550	97,600	100,650
SERIES 2017 G.O. BONDS DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
SERIES G.O. BONDS DEBT SERVICE	97,550	101,575	100,275	98,975	97,675	101,375	99,750	98,125	101,500	99,550	97,600	100,650
TOTAL LIMITED G.O. BONDS DEBT SERVICE	18,141	14,840	15,555	16,281	17,018	12,767	13,703	14,656	10,627	11,791	12,979	9,191

EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
LTD. G.O. BONDS ISSUED	0	0	0	0	0	0	0	0	0	0	0	0
COSTS OF BOND ISSUANCE @4%	0	0	0	0	0	0	0	0	0	0	0	0
TRANSFER OF NET BOND PROCEEDS & CASH TO CAPITAL PROJECTS FUND	0	0	0	0	0	0	0	0	0	0	0	0
EXCESS TRANSFERS IN EXCESS OF BOND PROCEEDS	0	0	0	0	0	0	0	0	0	0	0	0

BEGINNING FUND BALANCE - JANUARY 1	209,009	227,150	241,991	257,546	273,827	290,845	303,612	317,315	331,971	342,598	354,388	367,367
ENDING FUND BALANCE - DECEMBER 31	227,150	241,991	257,546	273,827	290,845	303,612	317,315	331,971	342,598	354,388	367,367	376,558
TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	1,255,000	1,235,000	1,215,000	1,195,000	1,175,000	1,150,000	1,125,000	1,100,000	1,070,000	1,040,000	1,010,000	975,000
% OF OUTSTANDING LTD. G.O. BONDS/ASSESSED VALUATION	21.28%	20.94%	20.60%	20.26%	19.92%	19.50%	19.07%	18.65%	18.14%	17.63%	17.12%	16.53%

The accompanying summary memorandum (and disclaimer) is an integral part of these cash flow forecasts.

EXHIBIT II (FINANCING DISTRICT #2)
 WATERFALL METROPOLITAN DISTRICT #2
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046

KEY ASSUMPTIONS

ASSESSED VALUATION (SCH. 4)	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
TOTAL DISTRICT MILL LEVY	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659	5,898,659
INCREMENTAL SQ. FT. ADDED (SCH. 4)	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
CUMULATIVE SQ. FT. (SCH. 4)	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257	118,257
ASSUMED SYSTEM DEVELOPMENT FEE @ \$0.50/SQ. FT.	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50

CASH FLOW

REVENUES	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
PROPERTY TAXES	206,453	206,453	206,453	206,453	206,453	206,453	206,453	206,453	206,453	206,453	206,453	206,453
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	12,387	12,387	12,387	12,387	12,387	12,387	12,387	12,387	12,387	12,387	12,387	12,387
SYSTEM DEVELOPMENT FEE	0	0	0	0	0	0	0	0	0	0	0	0
DEVELOPER OPERATING CONTRIBUTION	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 3% OF BEGINNING FUNDS	11,297	11,615	11,826	12,087	12,249	12,467	12,594	12,636	12,750	12,788	12,757	12,663
TOTAL REVENUES	<u>230,137</u>	<u>230,455</u>	<u>230,667</u>	<u>230,827</u>	<u>231,089</u>	<u>231,306</u>	<u>231,435</u>	<u>231,477</u>	<u>231,591</u>	<u>231,628</u>	<u>231,597</u>	<u>231,503</u>

EXPENDITURES

COUNTY TREASURER 3.0% COLLECTION FEE	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194	6,194
ADMINISTRATIVE COSTS	36,051	36,412	36,776	37,144	37,515	37,890	38,269	38,652	39,038	39,429	39,823	40,221
LANDSCAPING	57,422	57,996	58,576	59,162	59,754	60,351	60,955	61,564	62,180	62,802	63,430	64,064
PARKING LOTS	19,481	19,678	19,873	20,071	20,272	20,475	20,679	20,886	21,095	21,306	21,519	21,734
TRAILS	2,011	2,031	2,051	2,072	2,092	2,113	2,134	2,156	2,177	2,199	2,221	2,243
CAPITAL IMPROVEMENT ASSET MANAGEMENT	0	0	0	0	0	0	0	0	0	0	0	0
CONTINGENCY FOR ADMINISTRATION	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	<u>121,159</u>	<u>122,308</u>	<u>123,469</u>	<u>124,642</u>	<u>125,827</u>	<u>127,023</u>	<u>128,231</u>	<u>129,452</u>	<u>130,684</u>	<u>131,929</u>	<u>133,186</u>	<u>134,456</u>

3% annual increases through
 2020; 1% thereafter

FUNDS AVAILABLE FOR DEBT SERVICE

LTD G.O. BONDS DEBT SERVICE	108,978	108,147	107,197	106,285	105,262	104,285	103,203	102,025	100,907	99,699	98,410	97,047
SERIES 2017 G.O. BONDS DEBT SERVICE	98,375	101,100	98,500	100,900	97,975	100,050	101,800	98,225	99,650	100,750	101,525	96,975
SERIES G.O. BONDS DEBT SERVICE	98,375	101,100	98,500	100,900	97,975	100,050	101,800	98,225	99,650	100,750	101,525	96,975
TOTAL LIMITED G.O. BONDS DEBT SERVICE	<u>205,728</u>	<u>210,347</u>	<u>204,197</u>	<u>208,085</u>	<u>201,212</u>	<u>204,385</u>	<u>206,803</u>	<u>200,475</u>	<u>209,950</u>	<u>211,200</u>	<u>211,575</u>	<u>194,000</u>

EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE

LTD G.O. BONDS ISSUED	0	0	0	0	0	0	0	0	0	0	0	0
COSTS OF BOND ISSUANCE @4%	0	0	0	0	0	0	0	0	0	0	0	0
TRANSFER OF NET BOND PROCEEDS & CASH TO CAPITAL PROJECTS FUND	0	0	0	0	0	0	0	0	0	0	0	0
EXCESS TRANSFERS IN EXCESS OF BOND PROCEEDS	<u>10,603</u>	<u>7,047</u>	<u>8,697</u>	<u>5,385</u>	<u>7,287</u>	<u>4,235</u>	<u>1,403</u>	<u>3,800</u>	<u>1,257</u>	<u>(1,051)</u>	<u>(3,115)</u>	<u>72</u>

BEGINNING FUND BALANCE - JANUARY 1

BEGINNING FUND BALANCE - JANUARY 1	376,558	387,161	394,208	402,906	408,291	415,578	419,813	421,216	425,016	426,273	425,222	422,108
ENDING FUND BALANCE - DECEMBER 31	<u>387,161</u>	<u>394,208</u>	<u>402,906</u>	<u>408,291</u>	<u>415,578</u>	<u>419,813</u>	<u>421,216</u>	<u>425,016</u>	<u>426,273</u>	<u>425,222</u>	<u>422,108</u>	<u>422,180</u>

TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31

TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	940,000	900,000	860,000	815,000	770,000	720,000	665,000	610,000	550,000	485,000	415,000	345,000
% OF OUTSTANDING LTD. G.O. BONDS/ASSESSED VALUATION	<u>15.94%</u>	<u>15.26%</u>	<u>14.58%</u>	<u>13.82%</u>	<u>13.05%</u>	<u>12.21%</u>	<u>11.27%</u>	<u>10.34%</u>	<u>9.32%</u>	<u>8.22%</u>	<u>7.04%</u>	<u>5.85%</u>

The accompanying summary memorandum (and disclaimer) is an integral part of these cash flow forecasts.

EXHIBIT II (FINANCING DISTRICT #2)
 WATER-FALL METROPOLITAN DISTRICT #2
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2046

KEY ASSUMPTIONS	2044	2045	2046	TOTALS
ASSESSED VALUATION (SCH. 4)	5,898,659	5,898,659	5,898,659	17,696,017
TOTAL DISTRICT MILL LEVY	35.00	35.00	35.00	105.00
INCREMENTAL SQ. FT. ADDED (SCH. 4)	0	0	0	0
CUMULATIVE SQ. FT. (SCH. 4)	118,257	118,257	118,257	354,771

ASSUMED SYSTEM DEVELOPMENT FEE @ \$0.50/SQ. FT. 0.50 0.50 0.50

CASH FLOW	2044	2045	2046	TOTALS
REVENUES	2044	2045	2046	TOTALS
PROPERTY TAXES	206,453	206,453	206,453	6,452,538
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	12,387	12,387	12,387	387,152
SYSTEM DEVELOPMENT FEE	0	0	0	59,129
DEVELOPER OPERATING CONTRIBUTION	0	0	0	267,500
INTEREST EARNINGS @ 3% OF BEGINNING FUNDS	12,665	12,616	12,522	306,732
TOTAL REVENUES	231,506	231,456	231,362	7,473,051

EXPENDITURES	2044	2045	2046	TOTALS
COUNTY TREASURER 3.0% COLLECTION FEE	6,194	6,194	6,194	193,576
ADMINISTRATIVE COSTS	40,623	41,030	41,440	1,272,451
LANDSCAPING	64,705	65,352	66,005	1,937,820
PARKING LOTS	21,952	22,171	22,393	669,214
TRAILS	2,266	2,288	2,311	69,012
CAPITAL IMPROVEMENT ASSET MANAGEMENT	0	0	0	16,740
CONTINGENCY FOR ADMINISTRATION	0	0	0	20,400
TOTAL EXPENDITURES	135,739	137,034	138,343	4,179,214

3% annual increases through
 2020; 1% thereafter

FUNDS AVAILABLE FOR DEBT SERVICE	95,767	94,421	93,019	3,293,637
LTD G.O. BONDS DEBT SERVICE	97,425	97,550	97,350	2,880,775
SERIES 2017 G.O. BONDS DEBT SERVICE	0	0	0	0
SERIES G.O. BONDS DEBT SERVICE	97,425	97,550	97,350	2,880,775
TOTAL LIMITED G.O. BONDS DEBT SERVICE	1,658	(3,129)	(4,331)	413,062

EXCESS REVENUES OVER EXPENDITURES AND DEBT SERVICE	0	0	0	1,300,000
LTD. G.O. BONDS ISSUED	0	0	0	52,000
COSTS OF BOND ISSUANCE @4%	0	0	0	1,248,000
TRANSFER OF NET BOND PROCEEDS & CASH TO CAPITAL PROJECTS FUND	0	0	0	0
EXCESS TRANSFERS IN EXCESS OF BOND PROCEEDS	0	0	0	0

BEGINNING FUND BALANCE - JANUARY 1	422,180	420,522	417,393	0
ENDING FUND BALANCE - DECEMBER 31	420,522	417,393	413,062	413,062
TOTAL LTD. G.O. BONDS OUTSTANDING @ 12/31	270,000	190,000	105,000	105,000
% OF OUTSTANDING LTD. G.O. BONDS/ASSESSED VALUATION	4.56%	3.22%	3.22%	0

SCHEDULE 4 (DISTRICT #2)
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2008 - 2046

WORKING DRAFT
 SUBJECT TO REVISION
 8-Mar-08
 SEE CONSULTANTS' DISCLAIMER

SCHEDULE 4 - LTD TAX GENERAL OBLIGATION SUPPORTED REVENUE BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE
12/01/2017 NON-RATED	1,248,000	0	52,000	1,300,000
12/01/2018 NON-RATED	0	0	0	0
TOTALS	1,248,000	0	52,000	1,300,000

ANNUAL DEBT SERVICE REQUIREMENTS

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
12/01/2017 NON-RATED	0	0	0	0	0	0	0	0	0	0	0	0
12/01/2018 NON-RATED	0	0	0	0	0	0	0	0	0	0	99,500	99,525
TOTALS	0	0	0	0	0	0	0	0	0	0	99,500	99,525

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2017 NON-RATED	NEW \$	PRINCIPAL	0
	30 YR	INTEREST @ 6.5%	0
		TOTAL DEBT SERVICE	0
		TOTAL LTD TAX G.O. SUPPORT REVENUE BONDS OUT @	0
12/01/2018 NON-RATED	NEW \$	PRINCIPAL	0
	30 YR	INTEREST @ 6.5%	0
		TOTAL DEBT SERVICE	0
		TOTAL LTD TAX G.O. SUPPORT REVENUE BONDS OUT @	0
		TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/31	0

SEE CONSULTANTS REPORT AND DISCLAIMER.

SCHEDULE 4 (DISTRICT #2)
 CASH FLOW FORECAST - BUDGETARY BASIS
 DEBT SERVICE FUND
 FOR THE YEARS ENDING DECEMBER 31, 2008 - 2046

SCHEDULE 4 - LTD TAX GENERAL OBLIGATION SUPPORTED REVENUE BOND ISSUES
 AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

TABLE OF LTD TAX GENERAL OBLIGATION SUPPORTED REVENUE BOND ISSUES									
BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE	2044	2045	2046	TOTALS	
12/01/2017 NON-RATED	1,248,000	0	52,000	1,300,000	97,425	97,550	97,350	2,880,775	0
12/01/2018 NON-RATED	0	0	0	0	0	0	0	0	0
TOTALS	1,248,000	0	52,000	1,300,000	97,425	97,550	97,350	2,880,775	0

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2017 NON-RATED	NEW \$	PRINCIPAL	85,000	1,195,000
	30 YR	INTEREST @ 6.5%	12,350	1,685,775
		TOTAL DEBT SERVICE	97,350	2,880,775
		TOTAL LTD TAX G.O. SUPPORT REVENUE BONDS OUT @	105,000	105,000
12/01/2018 NON-RATED	NEW \$	PRINCIPAL	0	0
	30 YR	INTEREST @ 6.5%	0	0
		TOTAL DEBT SERVICE	0	0
		TOTAL LTD TAX G.O. SUPPORT REVENUE BONDS OUT @	0	0
		TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/31	190,000	105,000

SEE CONSULTANTS REPORT AND DISCLAIMER.

SCHEDULE 5 (FINANCING DISTRICT #2)
 WATERFALL METROPOLITAN DISTRICT #2
 PROJECTED ASSESSED VALUATION - BUILDOUT
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2017

WORKING DRAFT
 SUBJECT TO REVISION
 8-Mar-08
 SEE CONSULTANTS' DISCLAIMER

	Planned Number of Sq. Ft.	Average Price Per Sq. Ft.	Total Gross Unit Volume
Commercial			
Office	118,257	172	20,340,204
Total Commercial - Increm.	118,257	172	20,340,204
Total Commercial - Cumulat.	118,257		20,340,204

Actual Values:

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL
Office	0	0	0	0	23,651	23,651	23,651	23,651	23,653	0	118,257
Total Actual Values - Incremental	0	0	0	0	23,651	23,651	23,651	23,651	23,653	0	118,257
Total Actual Values - Cumulative	0	0	0	0	4,067,972	8,135,944	12,203,916	16,271,888	20,340,204	20,340,204	20,340,204

Assessed Values (Commercial @ 29%):

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL
Office	0	0	0	0	1,179,712	1,179,712	1,179,712	1,179,712	1,179,812	0	5,898,659
Total Assessed Value	0	0	0	0	1,179,712	1,179,712	1,179,712	1,179,712	1,179,812	0	5,898,659
Total Assessed Valuation Vacant Land	0	0	0	500,000	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	0	0
Total Assessed Valuation - Incremental	0	0	0	500,000	1,079,712	1,079,712	1,079,712	1,079,712	1,079,812	0	5,898,659
Total Assessed Valuation - Cumulative	0	0	0	500,000	1,579,712	2,659,424	3,739,136	4,818,848	5,898,659	5,898,659	5,898,659
Total Assessed Values - Cum. 0% Biennial Net Increases	0	0	0	500,000	1,579,712	2,659,424	3,739,136	4,818,848	5,898,659	5,898,659	5,898,659

Year Assessed Valuation Certified To WFMD #2
 Year Taxes Received By WFMD #2

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Year Assessed Valuation Certified To WFMD #2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Year Taxes Received By WFMD #2	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	

SCHEDULE 6
 WATERFALL METROPOLITAN DISTRICTS #2
 CAPITAL EXPENDITURES
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2019

WORKING DRAFT
 SUBJECT TO REVISION
 8-Mar-08
 SEE CONSULTANTS' DISCLAIMER

CAPITAL EXPENDITURES: (Source: Pinnacle Consulting Group, Inc.)	TOTALS	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
INDIRECT CONSTRUCTION COSTS											
PERMITS AND FEES	10,000	0	0	0	0	0	0	0	0	0	0
ENGINEERING AND DESIGN	674,678	0	0	0	0	0	0	0	0	0	0
SUBTOTAL INDIRECT CONSTRUCTION COSTS	684,678	0	0	0	0	0	0	0	0	0	0
FORMATION AND ORGANIZATION											
LEGAL	0	0	0	0	0	0	0	0	0	0	0
ENGINEERING	0	0	0	0	0	0	0	0	0	0	0
FINANCIAL	0	0	0	0	0	0	0	0	0	0	0
MANAGEMENT/ADMINISTRATIVE	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL FORMATION AND ORGANIZATION	0	0	0	0	0	0	0	0	0	0	0
DIRECT CONSTRUCTION COSTS											
REMOVALS	227,301	0	0	0	0	0	0	0	0	0	0
EARTHWORK	129,839	0	0	0	0	0	0	0	0	0	0
SANITARY SEWER	120,504	0	0	0	0	0	0	0	0	0	0
SITE PERIMETER DRAIN	0	0	0	0	0	0	0	0	0	0	0
DOMESTIC WATER	180,274	0	0	0	0	0	0	0	0	0	0
STORM SEWER	283,207	0	0	0	0	0	0	0	0	0	0
CONCRETE	416,252	0	0	0	0	0	0	0	0	0	0
ASPHALT PAVING	703,581	0	0	0	0	0	0	0	0	0	0
IRRIGATION SYSTEM	89,978	0	0	0	0	0	0	0	0	0	0
RAW WATER AND WELL WORK	0	0	0	0	0	0	0	0	0	0	0
LANDSCAPING	408,016	0	0	0	0	0	0	0	0	0	0
DRY UTILITIES	0	0	0	0	0	0	0	0	0	0	0
STREET SIGNS, MARKING AND TRAFFIC CONTROL	20,012	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS	49,169	0	0	0	0	0	0	0	0	0	0
CONTINGENCY	613,675	0	0	0	0	0	0	0	0	0	0
OFFSITE IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL DIRECT CONSTRUCTION COSTS	3,241,809	0	0	0	0	0	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES BY YEAR	<u>3,926,487</u>	<u>1,570,595</u>	<u>785,297</u>	<u>0</u>	<u>785,297</u>	<u>785,297</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
CAPITAL EXPENDITURE FUNDING SOURCES:											
DEVELOPER CAPITAL LOANS	1,248,000	1,570,595	785,297	0	785,297	785,297	0	0	0	0	0
REPAYMENT OF DEVELOPER CAPITAL LOANS	(1,248,000)	0	0	0	0	0	0	0	0	0	(1,248,000)
NET G.O. SUPPORTED REVENUE BOND PROCEEDS	1,248,000	0	0	0	0	0	0	0	0	0	1,248,000
DEVELOPER PERMANENT CONTRIBUTION	2,678,487	0	0	0	0	0	0	0	0	0	0
TOTAL CAPITAL EXPENDITURE FUNDING SOURCES	<u>3,926,487</u>	<u>1,570,595</u>	<u>785,297</u>	<u>0</u>	<u>785,297</u>	<u>785,297</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS FUNDING SOURCES OVER CAPITAL EXPENDITURES											
		0	0	0	0	0	0	0	0	0	0
FUND BALANCE - JANUARY 1		0	0	0	0	0	0	0	0	0	0
FUND BALANCE - DECEMBER 31		0	0	0	0	0	0	0	0	0	0
CUMULATIVE DEVELOPER CAPITAL LOANS OUTSTANDING (w/o interest)		<u>1,570,595</u>	<u>2,355,892</u>	<u>2,355,892</u>	<u>3,141,189</u>	<u>3,926,487</u>	<u>3,926,487</u>	<u>3,926,487</u>	<u>3,926,487</u>	<u>3,926,487</u>	<u>2,678,487</u>

The accompanying summary memorandum (and disclaimer) is an integral part of these cash flow forecasts.

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 WATERFALL METROPOLITAN DISTRICTS #2
 CAPITAL EXPENDITURES
 FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2019

CAPITAL EXPENDITURES: (Source: Pinnacle Consulting Group, Inc.)	2018	2019	TOTALS
INDIRECT CONSTRUCTION COSTS			
PERMITS AND FEES	0	0	0
ENGINEERING AND DESIGN	0	0	10,000
SUBTOTAL INDIRECT CONSTRUCTION COSTS	0	0	674,678
			<u>684,678</u>
FORMATION AND ORGANIZATION			
LEGAL	0	0	0
ENGINEERING	0	0	0
FINANCIAL	0	0	0
MANAGEMENT/ADMINISTRATIVE	0	0	0
SUBTOTAL FORMATION AND ORGANIZATION	0	0	0
DIRECT CONSTRUCTION COSTS			
REMOVALS	0	0	227,301
EARTHWORK	0	0	129,839
SANITARY SEWER	0	0	120,504
SITE PERIMETER DRAIN	0	0	0
DOMESTIC WATER	0	0	180,274
STORM SEWER	0	0	283,207
CONCRETE	0	0	416,252
ASPHALT PAVING	0	0	703,581
IRRIGATION SYSTEM	0	0	89,978
RAW WATER AND WELL WORK	0	0	0
LANDSCAPING	0	0	408,016
DRY UTILITIES	0	0	0
STREET SIGNS, MARKING AND TRAFFIC CONTROL	0	0	20,012
MISCELLANEOUS	0	0	49,169
CONTINGENCY	0	0	613,675
OFFSITE IMPROVEMENTS	0	0	0
SUBTOTAL DIRECT CONSTRUCTION COSTS	0	0	<u>3,241,809</u>
TOTAL CAPITAL EXPENDITURES BY YEAR	0	0	<u>3,926,487</u>
CAPITAL EXPENDITURE FUNDING SOURCES:			
DEVELOPER CAPITAL LOANS	0	(2,678,487)	1,248,000
REPAYMENT OF DEVELOPER CAPITAL LOANS	0	0	(1,248,000)
NET G.O. SUPPORTED REVENUE BOND PROCEEDS	0	0	1,248,000
DEVELOPER PERMANENT CONTRIBUTION	0	<u>2,678,487</u>	<u>2,678,487</u>
TOTAL CAPITAL EXPENDITURE FUNDING SOURCES	0	0	<u>3,926,487</u>
EXCESS FUNDING SOURCES OVER CAPITAL EXPENDITURES	0	0	0
FUND BALANCE - JANUARY 1	0	0	0
FUND BALANCE - DECEMBER 31	0	0	0
CUMULATIVE DEVELOPER CAPITAL LOANS OUTSTANDING (w/o interest)	<u>2,678,487</u>		<u>(0)</u>

The accompanying summary memorandum (and disclaimer) is an integral part of these cash flow forecasts.