

**FIRST AMENDMENT TO  
AMENDED CONSOLIDATED SERVICE PLAN  
FOR  
CRYSTAL VALLEY METROPOLITAN DISTRICT NOS. 1 AND 2  
TOWN OF CASTLE ROCK, COLORADO**

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## **I. INTRODUCTION**

On October 23, 1986, the District Court in and for Douglas County, Colorado issued an Order and Decree organizing Crystal Valley Metropolitan District Nos. 1 and 2. The Districts were organized for the purpose of, inter alia, financing public improvements for the benefit of the residents, property owners, and taxpayers of the Districts. The Districts were originally organized pursuant to two service plans (the “**Original Service Plans**”) approved by the Town Council (the “**Town Council**”) of Castle Rock (the “**Town**”) in August of 1986. The Original Service Plans were amended and restated in their entirety and replaced by the Amended and Consolidated Service Plan (the “**Service Plan**”), which was approved by the Town Council as of November 21, 2001.

Under the terms of the Service Plan, the Districts’ debt authorization was limited to approximately \$45 million dollars, a portion of which remains unissued as of the date of this First Amendment (approximately \$2,500,000), and the Districts’ debt service mill levy authorization was limited to 40 mills, subject to Gallagher adjustments. Since the date of the Service Plan, Gallagher adjustments have occurred and the permitted debt service mill levy is now 45.940 (the “**Debt Mill Levy Limit**”). The Service Plan incorporated a financial plan (the “**Initial Financial Plan**”) that included projected construction and absorption rates, as well as projected impact fee and property tax revenues for use in servicing debt and other financial obligations of the Districts.

Subsequent to approval of the Service Plan, a significant downturn in market conditions occurred for residential developments, which resulted in decreased assessed valuation and absorption rates within the Districts’ service area and a correlated failure to achieve the impact fee and property tax revenue thresholds projected in the Initial Financial Plan. The decreased revenue realizations in turn adversely impacted the ability of the Districts to discharge their debt obligations as originally projected.

The Districts have been in negotiations for several months regarding a proposed restructuring and reduction of certain of the outstanding subordinate bonds and obligations that exist (the “**Restructuring Transaction**”) such that it is reasonable to expect that such debt can be paid within its terms. In order to proceed with the Restructuring Transaction, the Districts are requesting the modifications to the Service Plan outlined below.

## **II. FIRST AMENDMENT**

The Board of Directors of the District (the “**Board**”) has determined it is in the best interests of the residents, property owners, and taxpayers of the Districts to amend the Service Plan through this First Amendment to the Service Plan (the “**First Amendment**”) in order to (1) increase the permitted debt service mill levy of District No. 2 through a temporary designation of five (5) mills as an additional debt service mill levy, over and above the Debt Mill Levy Limit, for so long as is necessary to repay the promissory note issued to pay for the costs of issuance incurred in connection with the Restructuring Transaction; and (ii) to incorporate a new financing plan as an exhibit to the Service Plan that incorporates the Restructuring Transaction. This First Amendment is intended to be read in conjunction with the Service Plan. Unless the

context indicates otherwise, all capitalized terms shall have the meaning as set forth in the Service Plan.

### **III. AMENDMENTS**

1. Section V, Paragraph B(1) shall be amended and restated in its entirety:

- a. If either District promises to impose an *ad valorem* property tax for the payment of the Bonds (“**General Obligation Bonds**”), the maximum permissible mill levy which such District may covenant to impose for the payment of all such General Obligation Bonds (together with the mill levy pledge on any other general obligation bonds of such District) will be limited to 45.940 mills as of January 1, 2014 (a mill being equal to 1/10 of 1¢ per annum) provided that, the General Obligation Bonds may also provide that in the event the method of calculating assessed valuation is changed after the date of approval of this First Amendment by any change in law, change in method of calculation, or change in the percentage of actual valuation used to determine assessed valuation, the 45.940 mill levy limitation herein provided may be increased or decreased to reflect such changes, such increases or decreases to be determined by the District in good faith so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such determination.

Notwithstanding the limitation contained above, District No. 2 shall be authorized to a temporary designation of five (5) mills as an additional debt service mill levy, over and above the Debt Mill Levy Limit, for an additional (the “**Temporary COI Mill Levy**”) to be pledged toward the payment of debt service on indebtedness to be issued to pay for the costs of issuance, plus interest currently estimated at a rate of 5%, compounding annually, associated with the District No. 2 Series 2014A and 2014B Bonds. The Temporary COI Mill Levy may be imposed for so long as is necessary to repay such indebtedness including any fees incurred for purposes of enforcing collection of the Temporary COI Mill Levy, after which District No. 2’s authorization to impose the Temporary COI Mill Levy shall cease.

2. Exhibit G to the Service Plan is amended, restated, in its entirety and superseded by Exhibit G, which is attached hereto and incorporated herein by reference. The Districts shall not be authorized to issue new general obligation debt without an amendment to this Service Plan to be considered by the Town Council at a hearing thereon. Nothing herein shall prohibit the Districts from pursuing refunding or refinancing of currently outstanding debt obligations or those contemplated as part of the Restructuring Transaction pursuant to the requirements of Title 32 and the Town Ordinance.

**IV. EFFECT OF FIRST AMENDMENT**

Except as specifically amended as set forth above, all other provisions of the Service Plan shall remain in full force and effect. To the extent there are any inconsistencies between this First Amendment and the Service Plan, this First Amendment shall control.

**Exhibit G**

To First Amendment to Amended and Consolidated Service Plan

**Crystal Valley Metropolitan Districts  
Forecasted Statement of Sources  
and Uses of Cash**

**For the Years Ending  
December 31, 2013 through 2050**

To the Board of Directors  
Crystal Valley Metropolitan Districts  
Castle Rock, Colorado

We have compiled the accompanying forecasted statements of sources and uses of cash of the Crystal Valley Metropolitan Districts (Exhibit I), the related forecasted debt service schedules (Exhibits II through V) and the forecasted schedules of absorption, market values, and assessed values (Exhibit VI) for the years ending December 31, 2013 through 2050, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying statements or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**PRELIMINARY DRAFT....SUBJECT TO CHANGE**

April 14, 2014

## Crystal Valley Metropolitan Districts

### Summary of Significant Assumptions and Accounting Policies December 31, 2013 through 2050

The foregoing forecast is based on information provided by the Developer, to the Board of Directors of the District (collectively, the Developer and the District are referred to as "management" herein). Management has relied on a market analysis and absorption forecast provided by King & Associates, Inc. as of December 2011. The foregoing forecast presents, to the best of management's knowledge and belief, the expected cash receipts and disbursements for the forecast period. Accordingly, the forecast reflects management's judgment as of April 14, 2014. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

This forecast represents a combination of the activities of the Crystal Valley Metropolitan Districts No's 1 and 2. District No. 1 currently provides for operations and the repayment of existing debt. District No. 2 collects property taxes from the mill levies it imposes on the properties within District No. 2 and remits the revenues to District No. 1 for operations and repayment of the existing debt of District No. 1. Crystal Valley Metropolitan Districts No.'s 1 and 2 are collectively referred to as ("District") in this forecast.

The purpose of this forecast is to reflect the ability of the District to repay a proposed bond issue totaling \$28,370,000 on May 20, 2014. The proceeds of the bond issue are to be issued to the current subordinate bondholders in exchange for the discharge of all other subordinate debt/ obligations of the District other than the Series 2004A and Series 2004B bonds.

#### Note 1: Ad Valorem Taxes

The primary source of revenue for the District will be the collection of ad valorem taxes. Residential property is forecasted to be assessed at 7.96% of market values. Prior to the construction of a dwelling unit, residential lots are assessed at 29% of market values. The residential development within the District is anticipated to include 2,564 single family detached homes and 911 multi family homes. 543 single family homes were completed prior to January 1, 2012. Market values are forecasted to average 300,000 for single family homes and \$200,000 for multi family homes as of 2012 as detailed in Exhibit VI. Finished lots are projected at 10.00% of finished market values. Market values are projected to inflate at 2% per year. After the construction of a residential dwelling unit, market values are assumed to inflate at 2% biennially.

Commercial property is forecasted to be assessed at 29% of market values. The commercial development within the District is forecasted at 100,000 square feet as indicated in Exhibit VI. Market values are projected to inflate at 2% per year. After the construction of commercial property, market values are assumed to inflate at 2% biennially. The existing recreation center is forecasted to be taxable and it currently has a market value of \$1,785,000.

Property is assumed to be assessed annually as of January 1st. Property included in this forecast is assumed to be assessed on the January 1<sup>st</sup> subsequent to completion. The forecast recognizes the related property taxes as revenue in the subsequent year.



## Crystal Valley Metropolitan Districts

### Summary of Significant Assumptions and Accounting Policies December 31, 2013 through 2050

#### Note 1: Ad Valorem Taxes

The County Treasurer currently charges a 1.5% fee for the collection of property taxes. These charges are reflected in the accompanying forecast as a reduction to the property tax revenue.

The mill levy imposed by the District is proposed to equal 45.940 mills for debt service and up to 10.000 mills for operations. Up to 5.000 of the operating mill levy is proposed to be used as a supplemental debt levy to be pledged to repay a lender for the issuance costs of the Series 2014A Bonds.

The forecast assumes that Specific Ownership Taxes collected on motor vehicle registrations will be 7% of property taxes collected. It is assumed that the portion of the Specific Ownership Taxes attributable to the Debt Service mill levy will be pledged to the Series 2004A, 2004B and 2014A Bonds.

#### Note 2: Development Fees

The District currently imposes a \$2,205 development fee on single family detached homes and a \$1,260 fee on multi-family homes. The remaining commercial property is anticipated to generate \$132,300 in fees which equates to 60 single family equivalents.

#### Note 3: Bond Assumptions

The District's Series 2004A Bonds currently have an outstanding principal balance of \$10,067,823 and carry a coupon rate of 3.36% through December 1, 2018. It is forecasted that the Series 2004A Bonds will be refunded on December 1, 2018 with a coupon rate of 5.50% and will mature on December 1, 2041 as described in Exhibit II. The Series 2004A Bonds are secured by the maximum mill levy on property taxes of 45.940 mills, the specific ownership taxes attributable to the mill levy and a reserve fund of \$600,000.

The District's subordinate Series 2004B limited tax bonds have an outstanding balance of \$9,681,000 and carry a coupon rate of 8.00%. The Series 2004B bonds are cash flow bonds with annual payments on December 1. Unpaid interest compounds annually on December 1 at the rate of 8.00%. Payments toward interest and principal can be made provided the Series 2004A bonds are current and the reserve fund for the Series 2004A bonds is \$600,000. Exhibit III reflects the repayment schedule of the Series 2004B bonds.

The District estimates the issuance of the Series 2014A Limited Tax General Obligation Refunding Subordinate Bonds totaling \$28,370,000 on May 20, 2014. The Bonds are forecasted to carry a coupon rate of 5.50% and mature 35 years after issuance or June 1, 2049. The Series 2014A bonds are cash flow bonds with annual payments on December 15. Unpaid interest compounds annually on December 15 at the rate of 5.50%. The Series 2014A Bonds are being issued to defease all the existing debt obligations of the District other than the Series 2004A and 2004B bonds described above. The Series 2014A bonds are subordinate to the Series 2004B bonds and payments can only be made once the Series 2004B bonds are paid in full which is forecasted to occur on December 1, 2024. Exhibit IV reflects the forecasted repayment of principal and interest on the Series 2014A Bonds.

## Crystal Valley Metropolitan Districts

### Summary of Significant Assumptions and Accounting Policies December 31, 2013 through 2050

#### Note 4: Contingent Liability Series 2014B Bonds

The District is issuing \$10,000,000 of Series 2014B Subordinate bonds that carry no interest and are subordinate to the Series 2014A bonds. The Series 2014B bonds fully discharge 35 years after issuance unless there is litigation filed by or through the District against the developer, subordinate bondholders, or current or past Board members challenging the enforceability or terms of the Series 2014A or 2014B bonds. The ability of the District to make any payments under this obligation is not a part of this forecast.

#### Note 5: Issuance Costs

Issuance costs in the approximate amount of \$527,200 are forecasted to be paid by a lender separate and apart from the District. The District has agreed to repay the issuance costs from the imposition of a mill levy of up to 5.000 mills provided the overall mill levy of the District cannot exceed 55.940 mills. The obligation carries an annual interest rate of 5.00% and is payable on December 1 commencing in 2015. As reflected in Exhibit V, the obligation is forecasted to be repaid by December 1, 2019.

#### Note 6: Operating Costs

Operating expenses that are reflected in the General Fund of the district and are currently funded by a mill levy of up to 10.000 mills and are forecasted to be \$100,000 for 2014 and inflate at 1% per annum thereafter. After the repayment of the loan related to the Series 2014A bond issuance cost, it is forecasted that the General Fund mill levy will be able to decrease to approximately 2.000 mills.

#### Note 7: District Improvements

The Capital Project Fund currently has \$1,429,120 in available funds. Should capital improvements be required in excess of the \$1,429,120, they are currently required to be funded by the Developer.



**Crystal Valley Metropolitan Districts  
Forecasted Sources and Uses of Cash  
For the Years Ended December 31, 2013 through 2050**

	Total	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Debt Service Fund</b>													
Beginning cash available	\$ 967,561	\$ 967,561	\$ 1,204,262	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
<b>Revenues</b>													
Property taxes	123,296,941	675,050	696,848	783,168	930,775	1,139,156	1,401,184	1,699,216	2,031,706	2,360,313	2,706,244	3,034,852	3,394,493
Specific ownership taxes	8,640,315	56,783	48,779	54,822	65,154	79,741	98,083	118,945	142,219	165,222	189,437	212,440	237,615
Development / facility fees	5,465,198	10,028	85,995	415,800	415,800	589,050	589,050	622,125	589,050	622,125	589,050	622,125	281,925
Fire fees	95,700	65,700	30,000										
Note proceeds	527,200		527,200										
Interest income	2,189	2,189											
	<u>138,027,543</u>	<u>809,750</u>	<u>1,388,822</u>	<u>1,253,790</u>	<u>1,411,729</u>	<u>1,807,947</u>	<u>2,088,317</u>	<u>2,440,286</u>	<u>2,762,975</u>	<u>3,147,660</u>	<u>3,484,731</u>	<u>3,869,417</u>	<u>3,914,033</u>
<b>Expenditures</b>													
Debt service - Series 2004A	19,461,111	560,074	560,096	560,119	560,142	560,166	546,926	719,208	676,558	675,558	674,008	676,908	673,982
Debt service - Series 2004B	18,915,491	-	892,335	678,923	834,625	1,227,694	1,339,479	1,692,590	2,052,941	2,433,697	2,767,129	3,143,986	1,852,092
Debt service - Series 2014A	91,756,288												1,334,042
Issuance costs	705,094		527,200				177,894						
Paying agent / trustee fees	105,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
County treasurer fees	1,849,304	9,975	10,453	11,748	13,962	17,087	21,018	25,488	30,476	35,405	40,594	45,523	50,917
	<u>132,792,287</u>	<u>573,049</u>	<u>1,993,084</u>	<u>1,253,790</u>	<u>1,411,729</u>	<u>1,807,947</u>	<u>2,088,317</u>	<u>2,440,286</u>	<u>2,762,975</u>	<u>3,147,660</u>	<u>3,484,731</u>	<u>3,869,417</u>	<u>3,914,033</u>
Ending cash available	\$ 6,202,817	\$ 1,204,262	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
Reserve Fund - Series 2004 A		\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
Mill Levy		45.940	45.940	45.940	45.940	45.940	45.940	45.940	45.940	45.940	45.940	45.940	45.940
Total Mill Levy		<u>55.940</u>	<u>55.940</u>	<u>55.940</u>	<u>55.940</u>	<u>55.940</u>	<u>55.940</u>	<u>55.940</u>	<u>47.940</u>	<u>47.940</u>	<u>47.940</u>	<u>47.940</u>	<u>47.940</u>
<b>Calculation of Assessed Valuation</b>													
<b>Market values - residential homes (000's)</b>													
Beginning	152,108	152,108	152,108	161,396	184,796	213,492	271,492	334,922	417,922	509,280	592,280	687,126	770,126
Increases (see Exhibit VI)	788,500		3,000	23,400	25,000	58,000	58,000	83,000	83,000	83,000	83,000	83,000	83,000
Biennial reassessment (1% per annum)	291,380		6,288		3,696		5,430		8,358		11,846		15,403
Ending	<u>1,231,988</u>	<u>152,108</u>	<u>161,396</u>	<u>184,796</u>	<u>213,492</u>	<u>271,492</u>	<u>334,922</u>	<u>417,922</u>	<u>509,280</u>	<u>592,280</u>	<u>687,126</u>	<u>770,126</u>	<u>868,528</u>
Residential assessment ratio		<u>7.96%</u>	<u>7.96%</u>	<u>7.96%</u>	<u>7.96%</u>	<u>7.96%</u>	<u>7.96%</u>	<u>7.96%</u>	<u>7.96%</u>	<u>7.96%</u>	<u>7.96%</u>	<u>7.96%</u>	<u>7.96%</u>
Assessed value - residential (000's)		<u>12,108</u>	<u>12,847</u>	<u>14,710</u>	<u>16,994</u>	<u>21,611</u>	<u>26,660</u>	<u>33,267</u>	<u>40,539</u>	<u>47,146</u>	<u>54,695</u>	<u>61,302</u>	<u>69,135</u>
<b>Market values - residential lots</b>													
Beginning	6,993	6,993	7,293	6,220	6,277	9,444	9,165	11,386	10,974	10,818	10,151	9,994	9,328
Adjustment	(6,993)		(3,113)	(104)	(133)	(279)	(279)	(412)	(412)	(412)	(412)	(412)	(412)
Increase (decrease) residential lots		300	2,040	160	3,300		2,500		255	(255)	255	(255)	255
	<u>(0)</u>	<u>7,293</u>	<u>6,220</u>	<u>6,277</u>	<u>9,444</u>	<u>9,165</u>	<u>11,386</u>	<u>10,974</u>	<u>10,818</u>	<u>10,151</u>	<u>9,994</u>	<u>9,328</u>	<u>9,171</u>
<b>Market values - Commercial (000's)</b>													
Beginning	1,785	1,785	1,785	1,785	1,785	1,821	1,821	1,857	1,857	1,894	4,444	4,533	7,083
Increases (see Exhibit VI)	10,200									2,550		2,550	
Biennial reassessment (1% per annum)	3,277				36		36		37		89		142
		<u>1,785</u>	<u>1,785</u>	<u>1,785</u>	<u>1,821</u>	<u>1,821</u>	<u>1,857</u>	<u>1,857</u>	<u>1,894</u>	<u>4,444</u>	<u>4,533</u>	<u>7,083</u>	<u>7,225</u>
Commercial assessment ratio		<u>29.00%</u>	<u>29.00%</u>	<u>29.00%</u>	<u>29.00%</u>	<u>29.00%</u>	<u>29.00%</u>	<u>29.00%</u>	<u>29.00%</u>	<u>29.00%</u>	<u>29.00%</u>	<u>29.00%</u>	<u>29.00%</u>
Assessed value - commercial (000's)		<u>2,633</u>	<u>2,321</u>	<u>2,338</u>	<u>3,267</u>	<u>3,186</u>	<u>3,841</u>	<u>3,721</u>	<u>3,686</u>	<u>4,233</u>	<u>4,213</u>	<u>4,759</u>	<u>4,755</u>
Total assessed valuation (000's)		<u>14,740</u>	<u>15,169</u>	<u>17,048</u>	<u>20,261</u>	<u>24,797</u>	<u>30,500</u>	<u>36,988</u>	<u>44,225</u>	<u>51,378</u>	<u>58,908</u>	<u>66,061</u>	<u>73,890</u>



**Crystal Valley Metropolitan Districts  
Forecasted Sources and Uses of Cash  
For the Years Ended December 31, 2013 through 2050**

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
<b>Debt Service Fund</b>													
Beginning cash available	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
<b>Revenues</b>													
Property taxes	3,665,947	3,832,030	3,862,606	3,939,858	3,939,858	4,018,655	4,018,655	4,099,028	4,099,028	4,181,009	4,181,009	4,264,629	4,264,629
Specific ownership taxes	256,616	268,242	270,382	275,790	275,790	281,306	281,306	286,932	286,932	292,671	292,671	298,524	298,524
Development / facility fees	33,075												
Fire fees													
Note proceeds													
Interest income													
	3,955,638	4,100,272	4,132,988	4,215,648	4,215,648	4,299,961	4,299,961	4,385,960	4,385,960	4,473,680	4,473,680	4,563,153	4,563,153
<b>Expenditures</b>													
Debt service - Series 2004A	675,508	676,208	676,082	675,132	673,358	675,758	677,058	677,258	676,358	674,358	676,258	676,782	675,932
Debt service - Series 2004B	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt service - Series 2014A	3,222,141	3,363,584	3,395,967	3,478,418	3,480,192	3,560,923	3,559,623	3,644,217	3,645,117	3,733,607	3,731,707	3,819,402	3,820,252
Issuance costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Paying agent / trustee fees	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
County treasurer fees	54,989	57,480	57,939	59,098	59,098	60,280	60,280	61,485	61,485	62,715	62,715	63,969	63,969
	3,955,638	4,100,272	4,132,988	4,215,648	4,215,648	4,299,961	4,299,961	4,385,960	4,385,960	4,473,680	4,473,680	4,563,153	4,563,153
Ending cash available	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
Reserve Fund - Series 2004 A	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
Mill Levy	45.940	45.940	45.940	45.940	45.940	45.940	45.940	45.940	45.940	45.940	45.940	45.940	45.940
Total Mill Levy	47.940	47.940	47.940	47.940	47.940	47.940	47.940	47.940	47.940	47.940	47.940	47.940	47.940
<b>Calculation of Assessed Valuation</b>													
<b>Market values - residential homes (000's)</b>													
Beginning	868,528	951,528	1,010,659	1,010,659	1,030,872	1,030,872	1,051,490	1,051,490	1,072,519	1,072,519	1,093,970	1,093,970	1,115,849
Increases (see Exhibit VI)	83,000	40,100											
Biennial reassessment (1% per annum)	-	19,031	-	20,213	-	20,617	-	21,030	-	21,450	-	21,879	-
Ending	951,528	1,010,659	1,010,659	1,030,872	1,030,872	1,051,490	1,051,490	1,072,519	1,072,519	1,093,970	1,093,970	1,115,849	1,115,849
Residential assessment ratio	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%
Assessed value - residential (000's)	75,742	80,448	80,448	82,057	82,057	83,699	83,699	85,373	85,373	87,080	87,080	88,822	88,822
<b>Market values - residential lots</b>													
Beginning	9,171	4,214	255	0	0	0	0	0	0	0	0	0	0
Adjustment	(412)	(204)	-										
Increase (decrease) residential lots	(4,545)	(3,755)	(255)	-									
	4,214	255	0	0	0	0	0	0	0	0	0	0	0
<b>Market values - Commercial (000's)</b>													
Beginning	7,225	9,775	9,970	12,520	12,771	12,771	13,026	13,026	13,287	13,287	13,552	13,552	13,824
Increases (see Exhibit VI)	2,550	-	2,550										
Biennial reassessment (1% per annum)	-	195	-	250	-	255	-	261	-	266	-	271	-
	9,775	9,970	12,520	12,771	12,771	13,026	13,026	13,287	13,287	13,552	13,552	13,824	13,824
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	4,057	2,965	3,631	3,704	3,704	3,778	3,778	3,853	3,853	3,930	3,930	4,009	4,009
Total assessed valuation (000's)	79,799	83,414	84,079	85,761	85,761	87,476	87,476	89,226	89,226	91,010	91,010	92,830	92,830



**Crystal Valley Metropolitan Districts  
Forecasted Sources and Uses of Cash  
For the Years Ended December 31, 2013 through 2050**

	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
<b>Debt Service Fund</b>													
Beginning cash available	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,136,005	\$ 6,202,817	\$ 6,202,817
<b>Revenues</b>													
Property taxes	4,349,921	4,349,921	4,436,920	4,436,920	4,525,658	4,525,658	4,616,171	4,616,171	4,708,495	4,708,495	4,802,665	-	-
Specific ownership taxes	304,494	304,494	310,584	310,584	316,796	316,796	323,132	323,132	329,595	329,595	336,187	-	-
Development / facility fees													
Fire fees													
Note proceeds													
Interest income													
	4,654,415	4,654,415	4,747,504	4,747,504	4,842,454	4,842,454	4,939,303	4,939,303	5,038,090	5,038,090	5,138,852	-	-
<b>Expenditures</b>													
Debt service - Series 2004A	673,708	675,108	674,858	1,207,642	-	-	-	-	-	-	-	-	-
Debt service - Series 2004B													
Debt service - Series 2014A	3,912,458	3,911,058	4,003,092	4,070,308	4,771,569	4,771,569	4,867,060	4,867,060	4,964,463	3,828,458	-	-	-
Issuance costs													
Paying agent / trustee fees	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000			
County treasurer fees	65,249	65,249	66,554	66,554	67,885	67,885	69,243	69,243	70,627	70,627	72,040		
	4,654,415	4,654,415	4,747,504	5,347,504	4,842,454	4,842,454	4,939,303	4,939,303	5,038,090	3,902,085	72,040	-	-
Ending cash available	\$ 600,000	\$ 600,000	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,136,005	\$ 6,202,817	\$ 6,202,817
Reserve Fund - Series 2004 A	\$ 600,000	\$ 600,000	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mill Levy	45.940	45.940	45.940	45.940	45.940	45.940	45.940	45.940	45.940	45.940	45.940	-	-
Total Mill Levy	47.940	47.940	47.940	47.940	47.940	47.940	47.940	47.940	47.940	47.940	47.940	2.000	2.000
<b>Calculation of Assessed Valuation</b>													
<b>Market values - residential homes (000's)</b>													
Beginning	1,115,849	1,138,166	1,138,166	1,160,929	1,160,929	1,184,148	1,184,148	1,207,831	1,207,831	1,231,988	1,231,988	1,256,627	1,256,627
Increases (see Exhibit VI)													
Biennial reassessment (1% per annum)	22,317	-	22,763	-	23,219	-	23,683	-	24,157	-	24,640	-	25,133
Ending	1,138,166	1,138,166	1,160,929	1,160,929	1,184,148	1,184,148	1,207,831	1,207,831	1,231,988	1,231,988	1,256,627	1,256,627	1,281,760
Residential assessment ratio	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%
Assessed value - residential (000's)	90,598	90,598	92,410	92,410	94,258	94,258	96,143	96,143	98,066	98,066	100,028	100,028	102,028
<b>Market values - residential lots</b>													
Beginning	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustment													
Increase (decrease) residential lots													
	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Market values - Commercial (000's)</b>													
Beginning	13,824	14,100	14,100	14,382	14,382	14,670	14,670	14,963	14,963	15,262	15,262	15,568	15,568
Increases (see Exhibit VI)													
Biennial reassessment (1% per annum)	276	-	282	-	288	-	293	-	299	-	305	-	311
	14,100	14,100	14,382	14,382	14,670	14,670	14,963	14,963	15,262	15,262	15,568	15,568	15,879
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	4,089	4,089	4,171	4,171	4,254	4,254	4,339	4,339	4,426	4,426	4,515	4,515	4,605
Total assessed valuation (000's)	94,687	94,687	96,581	96,581	98,512	98,512	100,483	100,483	102,492	102,492	104,542	104,542	106,633



**Crystal Valley Metropolitan Districts**  
**Forecasted Schedule of General Obligation Debt - Series 2004A**  
**For the Years Ended December 31, 2013 through 2041**

<u>Year</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Annual Total</u>	<u>Outstanding Balance</u>
2013			172,744		10,282,409
2013	214,586	3.360%	172,744	560,074	10,067,823
2014			169,139		10,067,823
2014	221,818	3.360%	169,139	560,096	9,846,005
2015			165,413		9,846,005
2015	229,293	3.360%	165,413	560,119	9,616,712
2016			161,561		9,616,712
2016	237,020	3.360%	161,561	560,142	9,379,692
2017			157,579		9,379,692
2017	245,008	3.360%	157,579	560,166	9,134,684
2018			153,463		9,134,684
2018	240,000	3.360%	153,463	546,926	8,894,684
2019			244,604		8,894,684
2019	230,000	5.500%	244,604	719,208	8,664,684
2020			238,279		8,664,684
2020	200,000	5.500%	238,279	676,558	8,464,684
2021			232,779		8,464,684
2021	210,000	5.500%	232,779	675,558	8,254,684
2022			227,004		8,254,684
2022	220,000	5.500%	227,004	674,008	8,034,684
2023			220,954		8,034,684
2023	235,000	5.500%	220,954	676,908	7,799,684
2024			214,491		7,799,684
2024	245,000	5.500%	214,491	673,982	7,554,684
2025			207,754		7,554,684
2025	260,000	5.500%	207,754	675,508	7,294,684
2026			200,604		7,294,684
2026	275,000	5.500%	200,604	676,208	7,019,684
2027			193,041		7,019,684
2027	290,000	5.500%	193,041	676,082	6,729,684
2028			185,066		6,729,684
2028	305,000	5.500%	185,066	675,132	6,424,684
2029			176,679		6,424,684
2029	320,000	5.500%	176,679	673,358	6,104,684
2030			167,879		6,104,684
2030	340,000	5.500%	167,879	675,758	5,764,684
2031			158,529		5,764,684
2031	360,000	5.500%	158,529	677,058	5,404,684
2032			148,629		5,404,684
2032	380,000	5.500%	148,629	677,258	5,024,684
2033			138,179		5,024,684
2033	400,000	5.500%	138,179	676,358	4,624,684
2034			127,179	-	4,624,684
2034	420,000	5.500%	127,179	674,358	4,204,684
2035			115,629	-	4,204,684
2035	445,000	5.500%	115,629	676,258	3,759,684
2036			103,391	-	3,759,684
2036	470,000	5.500%	103,391	676,782	3,289,684
2037			90,466	-	3,289,684
2037	495,000	5.500%	90,466	675,932	2,794,684
2038			76,854	-	2,794,684
2038	520,000	5.500%	76,854	673,708	2,274,684
2039			62,554	-	2,274,684
2039	550,000	5.500%	62,554	675,108	1,724,684
2040			47,429	-	1,724,684
2040	580,000	5.500%	47,429	674,858	1,144,684
2041			31,479	-	1,144,684
2041	1,144,684	5.500%	31,479	1,207,642	-
	<u>10,282,409</u>		<u>9,178,702</u>	<u>19,461,111</u>	

<b>Crystal Valley Metropolitan Districts</b> <b>Forecasted Schedule of Subordinate General Obligation Debt - Series 2004B</b> <b>For the Years Ended December 31, 2012 through 2030</b>
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	8.00%					
Funds Available	Accrued Interest	Principal Paid	Interest Paid	Unpaid Interest	Total Paid	Principal Balance
						9,681,000
12/1/2012	595,919	-	-	595,919	-	9,681,000
12/1/2013	822,154	-		1,418,073	-	9,681,000
12/1/2014	892,335	-	892,335	1,413,664	892,335	9,681,000
12/1/2015	678,923	-	678,923	1,622,314	678,923	9,681,000
12/1/2016	834,625	-	834,625	1,691,954	834,625	9,681,000
12/1/2017	1,227,694	-	1,227,694	1,374,096	1,227,694	9,681,000
12/1/2018	1,339,479	-	1,339,479	919,025	1,339,479	9,681,000
12/1/2019	1,692,590	-	1,692,590	74,437	1,692,590	9,681,000
12/1/2020	2,052,941	1,198,070	854,871	-	2,052,941	8,482,930
12/1/2021	2,433,697	1,755,063	678,634	-	2,433,697	6,727,868
12/1/2022	2,767,129	2,228,900	538,229	-	2,767,129	4,498,968
12/1/2023	3,143,986	2,784,069	359,917	-	3,143,986	1,714,900
12/1/2024	3,186,134	1,714,900	137,192	-	1,852,092	-
12/1/2025	3,222,141	-	-	-	-	-
12/1/2026	3,363,584	-	-	-	-	-
12/1/2027	3,395,967	-	-	-	-	-
12/1/2028	3,478,418	-	-	-	-	-
12/1/2029	3,480,192	-	-	-	-	-
12/1/2030	3,560,923	-	-	-	-	-
	<u>9,234,491</u>	<u>9,681,000</u>	<u>9,234,491</u>		<u>18,915,491</u>	

<b>Crystal Valley Metropolitan Districts</b> <b>Forecasted Schedule of Subordinate General Obligation Debt - Series 2014A</b> <b>For the Years Ended December 31, 2013 through 2049</b>
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	Funds Available	5.50% Accrued Interest	Principal Paid	Interest Paid	Unpaid Interest	Total Paid	Principal Balance
							28,370,000
12/15/2014	-	888,533	-	-	888,533	-	28,370,000
12/15/2015	-	1,609,219	-	-	2,497,752	-	28,370,000
12/15/2016	-	1,697,726	-	-	4,195,478	-	28,370,000
12/15/2017	-	1,791,101	-	-	5,986,580	-	28,370,000
12/15/2018	-	1,889,612	-	-	7,876,191	-	28,370,000
12/15/2019	-	1,993,541	-	-	9,869,732	-	28,370,000
12/15/2020	-	2,103,185	-	-	11,972,917	-	28,370,000
12/15/2021	-	2,218,860	-	-	14,191,778	-	28,370,000
12/15/2022	-	2,340,898	-	-	16,532,675	-	28,370,000
12/15/2023	-	2,469,647	-	-	19,002,323	-	28,370,000
12/15/2024	1,334,042	2,605,478	-	1,334,042	20,273,758	1,334,042	28,370,000
12/15/2025	3,222,141	2,675,407	-	3,222,141	19,727,024	3,222,141	28,370,000
12/15/2026	3,363,584	2,645,336	-	3,363,584	19,008,776	3,363,584	28,370,000
12/15/2027	3,395,967	2,605,833	-	3,395,967	18,218,642	3,395,967	28,370,000
12/15/2028	3,478,418	2,562,375	-	3,478,418	17,302,599	3,478,418	28,370,000
12/15/2029	3,480,192	2,511,993	-	3,480,192	16,334,400	3,480,192	28,370,000
12/15/2030	3,560,923	2,458,742	-	3,560,923	15,232,219	3,560,923	28,370,000
12/15/2031	3,559,623	2,398,122	-	3,559,623	14,070,718	3,559,623	28,370,000
12/15/2032	3,644,217	2,334,240	-	3,644,217	12,760,741	3,644,217	28,370,000
12/15/2033	3,645,117	2,262,191	-	3,645,117	11,377,815	3,645,117	28,370,000
12/15/2034	3,733,607	2,186,130	-	3,733,607	9,830,337	3,733,607	28,370,000
12/15/2035	3,731,707	2,101,019	-	3,731,707	8,199,649	3,731,707	28,370,000
12/15/2036	3,819,402	2,011,331	-	3,819,402	6,391,578	3,819,402	28,370,000
12/15/2037	3,820,252	1,911,887	-	3,820,252	4,483,212	3,820,252	28,370,000
12/15/2038	3,912,458	1,806,927	-	3,912,458	2,377,681	3,912,458	28,370,000
12/15/2039	3,911,058	1,691,122	-	3,911,058	157,745	3,911,058	28,370,000
12/15/2040	4,003,092	1,569,026	2,276,321	1,726,771	-	4,003,092	26,093,679
12/15/2041	4,070,308	1,435,152	2,635,156	1,435,152	-	4,070,308	23,458,524
12/15/2042	4,771,569	1,290,219	3,481,350	1,290,219	-	4,771,569	19,977,174
12/15/2043	4,771,569	1,098,745	3,672,824	1,098,745	-	4,771,569	16,304,349
12/15/2044	4,867,060	896,739	3,970,321	896,739	-	4,867,060	12,334,028
12/15/2045	4,867,060	678,372	4,188,688	678,372	-	4,867,060	8,145,340
12/15/2046	4,964,463	447,994	4,516,469	447,994	-	4,964,463	3,628,871
12/15/2047	4,964,463	199,588	3,628,871	199,588	-	3,828,458	-
12/15/2048	5,066,812	-	-	-	-	-	-
12/15/2049	-	-	-	-	-	-	-
		<u>63,386,288</u>	<u>28,370,000</u>	<u>63,386,288</u>		<u>91,756,288</u>	

<b>Crystal Valley Metropolitan Districts</b> <b>Repayment of Lender Note for Series 2014 Issuance Costs</b> <b>For the Years Ended December 31, 2014 through 2019</b>
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<u>Date</u>	<u>Available From 5.00 mills</u>	<u>5.00% Interest</u>	<u>Principal</u>	<u>Total Payment</u>	<u>Balance</u>
5/20/2014					527,200
12/1/2015	89,837	40,443	45,000	85,443	482,200
12/1/2016	106,769	24,110	80,000	104,110	402,200
12/1/2017	130,672	20,110	110,000	130,110	292,200
12/1/2018	160,729	14,610	145,000	159,610	147,200
12/1/2019	194,916	7,360	147,200	154,560	-
12/1/2020		-	-	-	-
12/1/2021		-	-	-	-
		<u>106,633</u>	<u>527,200</u>	<u>633,833</u>	

**Crystal Valley Metropolitan Districts  
Forecasted Schedules of Absorption  
and Market Values  
For the Years Ended December 31, 2013 through 2025**

**Schedule of Absorption**

Property Description	SFE (1)	Prior Years	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
<b>Units Absorbed</b>																	
<b>Residential</b>																	
Prior SFD's	100%	543															543
Single Family	100%		10	78	50	160	160	210	210	210	210	210	210	210	93		2,021
Multi Family	100%		-		50	50	50	100	100	100	100	100	100	100	61		911
		<b>543</b>	<b>10</b>	<b>78</b>	<b>100</b>	<b>210</b>	<b>210</b>	<b>310</b>	<b>310</b>	<b>310</b>	<b>310</b>	<b>310</b>	<b>310</b>	<b>310</b>	<b>154</b>	<b>-</b>	<b>3,475</b>
<b>Commercial square feet</b>																	
										25,000		25,000		25,000		25,000	100,000
<b>Finished Lots</b>																	
<b>Residential</b>																	
Prior SFD's																	
Single Family		10	68	(28)	110	-	50	-	-	-	-	-	-	(117)	(93)		-
Multi Family				50			50							(39)	(61)		-
		<b>10</b>	<b>68</b>	<b>22</b>	<b>110</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(156)</b>	<b>(154)</b>	<b>-</b>	<b>-</b>

**Development Fees**

Residential	2,205.00			85,995	352,800	352,800	463,050	463,050	463,050	463,050	463,050	463,050	463,050	463,050	205,065		4,238,010	
Multi Family	1,260.00				63,000	63,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	76,860		1,084,860	
Commercial per SFD	2,205.00									33,075		33,075		33,075		33,075	132,300	
				<b>85,995</b>	<b>415,800</b>	<b>415,800</b>	<b>589,050</b>	<b>589,050</b>	<b>622,125</b>	<b>589,050</b>	<b>622,125</b>	<b>589,050</b>	<b>622,125</b>	<b>589,050</b>	<b>622,125</b>	<b>281,925</b>	<b>33,075</b>	<b>5,455,170</b>

**Schedule of Market Values**

Property Description	Market Value		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
<b>Residential</b>																	
Prior SFD's	339,500	184,348,500															184,348,500
Single Family	300,000		3,000,000	23,400,000	15,000,000	48,000,000	48,000,000	63,000,000	63,000,000	63,000,000	63,000,000	63,000,000	63,000,000	63,000,000	27,900,000		606,300,000
Multi Family	200,000				10,000,000	10,000,000	10,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	12,200,000		182,200,000
			<b>3,000,000</b>	<b>23,400,000</b>	<b>25,000,000</b>	<b>58,000,000</b>	<b>58,000,000</b>	<b>83,000,000</b>	<b>83,000,000</b>	<b>83,000,000</b>	<b>83,000,000</b>	<b>83,000,000</b>	<b>83,000,000</b>	<b>83,000,000</b>	<b>40,100,000</b>	<b>-</b>	<b>972,848,500</b>
<b>Finished Lots</b>																	
<b>Residential</b>																	
Prior SFD's	N/A																
Single Family	30,000	300,000	2,040,000	(840,000)	3,300,000	-	1,500,000	-	-	-	-	-	-	(3,510,000)	(2,790,000)		-
Multi Family	20,000			1,000,000			1,000,000							(780,000)	(1,220,000)		-
Commercial per square foot	10.20								255,000	(255,000)	255,000	(255,000)	255,000	(255,000)	255,000	(255,000)	-
		<b>300,000</b>	<b>2,040,000</b>	<b>160,000</b>	<b>3,300,000</b>	<b>-</b>	<b>2,500,000</b>	<b>-</b>	<b>255,000</b>	<b>(255,000)</b>	<b>255,000</b>	<b>(255,000)</b>	<b>255,000</b>	<b>(4,545,000)</b>	<b>(3,755,000)</b>	<b>(255,000)</b>	<b>-</b>
<b>Commercial per square foot</b>	102.00																
										2,550,000		2,550,000		2,550,000		2,550,000	10,200,000