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January 29, 2015

Douglas County Clerk and Recorder
301 Wilcox St., 1st Floor
Castle Rock, CO 80104

Re: Lanterns Metropolitan District No. 1 (the "District") – Approved First Amended and Restated Service Plan

Dear Clerk:

Section 32-1-306, C.R.S., states, in part, that:

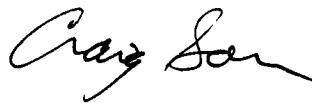
...A copy of the approved service plan of the district shall be delivered to each such county clerk and recorder, who shall retain the service plan as a public record for public inspection...

A copy of the District's original Service Plan was provided to your office in 2002.

Enclosed herewith is the First Amended and Restated Service Plan of the District, which became effective as of September 16, 2014. This document is being provided in order to continue to fulfill the requirements of the statute cited above. Note that the First Amended and Restated Service Plan is to be retained as a public record but **not recorded**. Please contact me with any questions. Thank you.

Very truly yours,

McGEADY SISNEROS, P.C.



Craig Sorensen
Paralegal

Enclosure

FIRST AMENDED AND RESTATED
SERVICE PLAN
FOR
LANTERNS METROPOLITAN DISTRICT NO. 1
(FORMERLY
LANTERNS METROPOLITAN DISTRICT)
(TOWN OF CASTLE ROCK, COLORADO)

Submitted: July 31, 2014
Resubmitted: September 4, 2014
Resubmitted: September 10, 2014
Approved: September 16, 2014

Prepared by: McGEADY SISNEROS, P.C.
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Initials: mmm

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FIRST AMENDED AND RESTATED SERVICE PLAN
FOR
LANTERNS METROPOLITAN DISTRICT NO. 1

I. BACKGROUND

Lanterns Metropolitan District was originally organized pursuant to a Service Plan approved by the Town Council of the Town of Castle Rock, Colorado (the “Town”) on October 13, 2002 (the “Original Service Plan”), to provide public infrastructure and services necessary to develop property within the development known as The Lanterns (the “Development”). Since that date, no development has occurred within the Development.

This First Amended and Restated Service Plan (“Service Plan”) for Lanterns Metropolitan District which, for the purposes of this Service Plan and upon approval of this Service Plan, shall thereafter be referred to as Lanterns Metropolitan District No. 1 (the “District” or “District No. 1”), is being submitted concurrently with Service Plans for Lanterns Metropolitan District No. 2 (“District No. 2”), and Lanterns Metropolitan District No. 3 (“District No. 3” and, together with District Nos. 1 and 2, collectively the “Districts”) in compliance with the Special District Act and Chapter 11 of the Town of Castle Rock Municipal Code (“Municipal Code”).

The following items are included in this Service Plan:

- A. Any information or documentation required under the applicable provisions of the Special District Act;
- B. Changes to information, assumptions or projects furnished in conjunction with the Original Service Plan;
- C. A detailed explanation of the activity, events or conditions which resulted in the necessity of this Service Plan, including what action was taken or alternatives considered, if any, by the District to avoid the action, event or condition;
- D. The impact of the Service Plan on the District’s ability to develop the capital facilities and infrastructure necessary to meet its capital development plan;
- E. The effect of the Service Plan on the District’s ability to retire, as scheduled, its outstanding financial obligations and its ability to issue and market additional indebtedness to finance additional capital expenditures;
- F. A current financial plan for the District reflecting development absorption rates anticipated within the District’s Service Area (as defined herein), projected District annual revenues and expenditures based upon such projected absorption rates, debt issuance and amortization schedules, and a projection of anticipated capital outlays;
- G. The financial impact of the Service Plan on existing residents of the District;

H. An updated five-year capital improvement plan; and

I. What alternatives or options are available to the District if the requested amendment is not approved.

II. SERVICE PLAN PURPOSE

The District is requesting this amendment to its Original Service Plan to: (1) change the scope of public improvements and services the District will be authorized to provide its residents consistent with current development plans and build-out projections; (2) revise the District's Financial Plan to demonstrate the District's ability to finance such improvements and services; and (3) utilize a multiple-district structure to better accommodate development as it occurs. Upon approval by the Town, this Service Plan shall supersede and replace the Original Service Plan in its entirety and the name of the District shall thereafter be Lanterns Metropolitan District No. 1.

A. Events Necessitating the Amendment of the Original Service Plan.

As noted previously, development as anticipated in the Original Service Plan has not occurred, and land use plans have been amended. Additionally, District Nos. 2 and 3, in addition to District No. 1, are being organized to serve property within the Development. Accordingly, amendments to the Original Service Plan as set forth herein are necessary to conform the District's authority to provide for the public infrastructure and services with the updated development plans and build-out projections.

B. Impact on Ability to Develop Capital Facilities.

This Service Plan includes a revised Capital Plan which matches the anticipated public infrastructure needs of the Development. This Service Plan will facilitate the issuance of bonds necessary to finance and construct the public infrastructure for the Development.

C. Effect on Ability to Retire Outstanding Debt.

The District has no outstanding general obligation debt. This Service Plan will facilitate the issuance of Bonds. This Service Plan includes a revised Financial Plan which demonstrates the Districts' ability to finance the necessary public infrastructure for the Development based on the current build-out projections for the Development.

D. Revised Financial Plan.

A revised Financial Plan reflecting development absorption rates, projected annual revenues and expenditures, debt issuances and amortization schedules and a projection of anticipated capital outlays for the construction of improvements and facilities to serve the Development is set forth in **Exhibit B**.

demonstrates that the *ad valorem* property tax revenue received by the District in the preceding fiscal year, if collected in that amount in subsequent years, would be sufficient to make all annual scheduled and projected debt payments (inclusive of "balloon payments"), without use of any other District revenues, such as development fees. Notwithstanding the foregoing, the elimination of the Mill Levy Cap may be authorized by the Town, in its sole discretion, upon the request of the District if the District demonstrates to the Town's satisfaction that the elimination of the Mill Levy Cap will be in the best interests of the District and its residents. Approval for release of the Mill Levy Cap will be evidenced by a resolution of the Town Council approving a Modified Financial Plan to be submitted by the District for review by the Town. Such modification shall not be considered a material modification of the Service Plan, but shall be in furtherance of the District's purposes and authority in the Service Plan as a means by which the Service Plan is implemented by the District for the benefit of the residents and property owners of the District.

Prior to the submission of any request for approval of a Modified Financial Plan as contemplated above, the District shall undertake reasonable efforts to notify residents and property owners within the District of the proposed modification. Publication of notice in the *Douglas County News Press* or similar newspaper generally circulated within the boundaries of the District shall constitute sufficient notice provided that said notice is published on two occasions at least one week apart indicating that the District will hold a board meeting to consider the modification of its Financial Plan to eliminate the Mill Levy Cap. No other notice shall be required of the District or the Town. The process for and the standard of review for such requests shall be as provided in Section 32-1-207, C.R.S., as amended from time to time, and the Castle Rock Municipal Code, as amended from time to time.

E. Operations.

Annual administrative, operational and maintenance expenses are estimated as shown in **Exhibit C** attached hereto. If necessary, however, the District reserves the right to supplement these revenues with additional revenue sources, including fees, rates, tolls and charges as authorized by statute without the need to amend this Service Plan.

The Mill Levy Cap proposed herein for repayment of the bonds does not apply to the District's ability to increase its mill levy as necessary for provision of operation and maintenance services to its taxpayers and service users. There are statutory and constitutional limits on the District's ability to increase its mill levy for provision of operation and maintenance services without an election.

F. Economic Viability.

The Financial Plan illustrates the estimated income and expenses for the District over a thirty-six (36) year period presuming the issuance of three (3) series of senior bonds and one subordinate bond, each maturing within thirty (30) years or less. The analysis reflects a total build-out period of approximately seven (7) years, and a debt service mill levy of fifty-seven and one-half (57.5) mills. The Financial Plan contained in this Service Plan demonstrates the economic viability of the Lanterns Metropolitan District No. 1.

H. An updated five-year capital improvement plan; and

I. What alternatives or options are available to the District if the requested amendment is not approved.

II. SERVICE PLAN PURPOSE

The District is requesting this amendment to its Original Service Plan to: (1) change the scope of public improvements and services the District will be authorized to provide its residents consistent with current development plans and build-out projections; (2) revise the District's Financial Plan to demonstrate the District's ability to finance such improvements and services; and (3) utilize a multiple-district structure to better accommodate development as it occurs. Upon approval by the Town, this Service Plan shall supersede and replace the Original Service Plan in its entirety and the name of the District shall thereafter be Lanterns Metropolitan District No. 1.

A. Events Necessitating the Amendment of the Original Service Plan.

As noted previously, development as anticipated in the Original Service Plan has not occurred, and land use plans have been amended. Additionally, District Nos. 2 and 3, in addition to District No. 1, are being organized to serve property within the Development. Accordingly, amendments to the Original Service Plan as set forth herein are necessary to conform the District's authority to provide for the public infrastructure and services with the updated development plans and build-out projections.

B. Impact on Ability to Develop Capital Facilities.

This Service Plan includes a revised Capital Plan which matches the anticipated public infrastructure needs of the Development. This Service Plan will facilitate the issuance of bonds necessary to finance and construct the public infrastructure for the Development.

C. Effect on Ability to Retire Outstanding Debt.

The District has no outstanding general obligation debt. This Service Plan will facilitate the issuance of Bonds. This Service Plan includes a revised Financial Plan which demonstrates the Districts' ability to finance the necessary public infrastructure for the Development based on the current build-out projections for the Development.

D. Revised Financial Plan.

A revised Financial Plan reflecting development absorption rates, projected annual revenues and expenditures, debt issuances and amortization schedules and a projection of anticipated capital outlays for the construction of improvements and facilities to serve the Development is set forth in **Exhibit B**.

E. Financial Impact on Existing Residents.

The District does not contain any residents at present. Therefore, this Service Plan will not impact existing residents.

F. Updated Capital Plan.

An updated capital improvements plan for the area to be served by the Districts is set forth in **Exhibit B**.

G. Alternatives to Approval of Service Plan Amendments.

If approval for this Service Plan is not granted, the District will not have the legal authority or financial capacity to provide necessary public infrastructure and services to future residents of the Development. The Board of Directors of the District has considered other alternatives to address the needs of the Development and has determined that approval of the amendments to the Original Service Plan as set forth herein will best serve the needs of the future residents and taxpayers of the District.

III. CHANGES TO ORIGINAL SERVICE PLAN

The primary changes to the Original Service Plan are: (1) updates to the capital improvements plan consistent with present land use and development plans; (2) replacement of the original Financial Plan with a revised Financial Plan that demonstrates the Districts' ability to finance public infrastructure for the Development on a coordinated basis; and (3) utilization of a multiple-district structure to better accommodate development as it occurs. Such changes are described in the narrative and new and/or updated Exhibits.

IV. INTRODUCTION

Pursuant to the requirements of Chapter 11 of the Castle Rock Municipal Code and the Special District Control Act, Section 32-1-201, *et seq.*, Colorado Revised Statutes, this Service Plan consists of a financial analysis and an engineering plan showing how the proposed facilities and services of the District will be provided and financed. The following items are addressed in this Service Plan:

- A. description of the proposed services.
- B. A financial plan showing how the proposed services are anticipated to be financed, including the proposed operating revenue derived from property taxes for the first budget year of the District.
- C. A preliminary engineering or architectural survey showing how the proposed services are anticipated to be provided.
- D. Maps and legal descriptions of the District and Service Area boundaries, and an estimate of the population and valuation for assessment of the Service Area.

E. A general description of the facilities anticipated to be constructed and the standards of such construction, including a statement of how the facility and service standards of the District are compatible with facility and service standards of the Town of Castle Rock, Colorado (“Town”) and of any municipalities and special districts which are interested parties pursuant to Section 32-1-204(I), Colorado Revised Statutes.

F. 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 District.

G. A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the District and such other political subdivision, and, if applicable, a form of the agreement is attached hereto.

H. An itemization of any costs which petitioners expect to be assumed by the Town for the construction of public improvements (no such itemization is contemplated at this time).

I. An identification, by name, address, and phone number, of those persons who are the current Board of Directors (the names, addresses and phone numbers of the current Board members are included in **Exhibit D**) attached hereto.

J. The proof of ownership of all properties within the District set forth in **Exhibit E** attached hereto.

K. A copy of any and all proposed enabling, controlling, contractual, and/or operational documents which would affect or be executed by the District, including the form of any intergovernmental agreement (“IGA”) between the District and the Town (draft IGA between the Town and the District is attached hereto as **Exhibit F**).

L. A capital plan for the Service Area which includes the following:

1. a description of the type of capital facilities anticipated to be developed;
2. an estimate of the cost of the proposed facilities; and
3. a pro forma capital expenditure plan correlating expenditures with development.

M. A financial plan (the “**Financial Plan**”) which includes the following:

1. the total amount of debt issuance planned for the five-year period anticipated to commence in 2016;
2. all proposed sources of revenue and projected District expenses, as well as the assumptions upon which they are based, including the

acres (the "Service Area"). A map and legal description of the District's boundaries are attached as **Exhibit A-1** and **Exhibit A-2**, respectively. A map and legal description of the Service Area boundaries, which comprise all property within the Development, are attached as **Exhibit A-3** and **Exhibit A-4**, respectively. A vicinity map is attached hereto as **Exhibit A-5**.

VII. PROPOSED LAND USE/POPULATION PROJECTIONS

The property in the Service Area is zoned for 1,200 single-family units. For purposes of the Financial Plan it is assumed that 1,200 single-family units will be developed within the Development. The Development is now vacant and is not presently served with the facilities and/or services proposed to be provided by the District, nor does the Town nor any other special district have any plans to provide such services within a reasonable time and on a comparable basis. Approval of this Service Plan shall not indicate, implicitly or expressly, that any land use applications now on file with the Town or any land use applications filed in the future will be approved by the Town.

It is anticipated that the District's boundaries will change from time to time as it undergoes inclusions and exclusions pursuant to parts 4 and 5 of Article 1, Title 32, C.R.S., subject to the limitations set forth in Section VIII.E of this Service Plan. The number, scope and terms of inclusions of property within the District will be determined by the Board of Directors of the District to serve development as it occurs within the Service Area and each lot will be included within one of the Districts prior to construction of a home on such lot. The District shall not include within any of its boundaries any property outside of the Service Area without the prior written consent of the Town.

VIII. DESCRIPTION OF PROPOSED SERVICES

The following paragraphs provide a description of the proposed services to be provided by the District.

A. Types of Improvements.

The District shall be authorized to provide for the design, acquisition, construction, installation, and financing of certain water, sanitary and storm sewer, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services within and without the boundaries of the District (collectively, the "Improvements"). This Service Plan describes those Improvements anticipated for construction. The Improvements will benefit the Development. A general description of each type of Improvement and service to be provided by the District follows this paragraph, and the Capital Plan attached as **Exhibit B** lists the Improvements currently planned to be provided relating to each type and the costs in current dollars. An explanation of the methods, basis, and/or assumptions used to prepare the above estimates is also included in the Capital Plan. The Improvements generally depicted and described in the Capital Plan have been presented for illustration only, and the exact design, subphasing of construction and location of the Improvements will be determined at the time of Town Land Use and Public Works approval and such decisions shall not be considered to be a material modification of the Service Plan. In the event that any developer of all or a portion of the property within the Service Area is required

demonstrates that the *ad valorem* property tax revenue received by the District in the preceding fiscal year, if collected in that amount in subsequent years, would be sufficient to make all annual scheduled and projected debt payments (inclusive of "balloon payments"), without use of any other District revenues, such as development fees. Notwithstanding the foregoing, the elimination of the Mill Levy Cap may be authorized by the Town, in its sole discretion, upon the request of the District if the District demonstrates to the Town's satisfaction that the elimination of the Mill Levy Cap will be in the best interests of the District and its residents. Approval for release of the Mill Levy Cap will be evidenced by a resolution of the Town Council approving a Modified Financial Plan to be submitted by the District for review by the Town. Such modification shall not be considered a material modification of the Service Plan, but shall be in furtherance of the District's purposes and authority in the Service Plan as a means by which the Service Plan is implemented by the District for the benefit of the residents and property owners of the District.

Prior to the submission of any request for approval of a Modified Financial Plan as contemplated above, the District shall undertake reasonable efforts to notify residents and property owners within the District of the proposed modification. Publication of notice in the *Douglas County News Press* or similar newspaper generally circulated within the boundaries of the District shall constitute sufficient notice provided that said notice is published on two occasions at least one week apart indicating that the District will hold a board meeting to consider the modification of its Financial Plan to eliminate the Mill Levy Cap. No other notice shall be required of the District or the Town. The process for and the standard of review for such requests shall be as provided in Section 32-1-207, C.R.S., as amended from time to time, and the Castle Rock Municipal Code, as amended from time to time.

E. Operations.

Annual administrative, operational and maintenance expenses are estimated as shown in **Exhibit C** attached hereto. If necessary, however, the District reserves the right to supplement these revenues with additional revenue sources, including fees, rates, tolls and charges as authorized by statute without the need to amend this Service Plan.

The Mill Levy Cap proposed herein for repayment of the bonds does not apply to the District's ability to increase its mill levy as necessary for provision of operation and maintenance services to its taxpayers and service users. There are statutory and constitutional limits on the District's ability to increase its mill levy for provision of operation and maintenance services without an election.

F. Economic Viability.

The Financial Plan illustrates the estimated income and expenses for the District over a thirty-six (36) year period presuming the issuance of three (3) series of senior bonds and one subordinate bond, each maturing within thirty (30) years or less. The analysis reflects a total build-out period of approximately seven (7) years, and a debt service mill levy of fifty-seven and one-half (57.5) mills. The Financial Plan contained in this Service Plan demonstrates the economic viability of the Lanterns Metropolitan District No. 1.

to construct public improvements not specifically identified in the Capital Plan pursuant to an approved development plan or development agreement with the Town (“**Development Agreement**”), the District shall be authorized to finance and construct such public improvements without the necessity to seek an amendment of this Service Plan.

1. **Water.** The District shall have the power to provide for the design, acquisition, construction, completion, installation, operation and maintenance of a water, transmission and distribution system, which may include, but shall not be limited to, transmission lines, distribution mains and laterals, fire hydrants, irrigation facilities, treatment facilities, storage facilities, water quality ponds, wells or development of other sources of water, pump stations, land and easements, and all necessary, incidental, and appurtenant facilities, together with extensions of and improvements to said system within and without the boundaries of the District provided the improvements comply with the Town’s Master Plan. Following acceptance, any water improvements constructed by the District will be owned, operated and maintained by the Town.

2. **Sanitation.** The District shall have the power to provide for the design, acquisition, construction, completion, installation, operation and maintenance of a complete sanitary sewage collection, transmission, and disposal system which may include, but shall not be limited to, collection mains and laterals, return/reuse piping, lift stations, transmission lines, sludge handling and disposal facilities, and storm sewer, flood and surface drainage facilities and systems, including detention/retention ponds and associated irrigation facilities, and all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said system within and without the boundaries of the District. The sanitary sewer system will be designed to adequately serve the entire Development area.

Upon acceptance by the Town, the sanitation improvements will be owned, operated and maintained by the Town.

3. **Streets.** The District shall have the power to provide for the acquisition, construction, completion, installation and/or operation and maintenance of street improvements, including curbs, gutters, culverts, and other drainage facilities, sidewalks, bike paths and pedestrian ways, bridges, overpasses, interchanges, median islands, paving, lighting, grading, landscaping and irrigation, together with all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the boundaries of the District. The District may supplement the Town’s maintenance as it deems necessary or desirable to benefit its taxpayers and service users. It is anticipated that, following acceptance by the Town, the street improvements will be owned, operated and maintained by the Town.

4. **Safety Protection.** The District shall have the power to provide for the acquisition, construction, completion, installation and/or operation and maintenance of facilities and/or services for a system of traffic and safety controls and devices on streets and highways, including signalization, lighting, signage and striping, together with all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the boundaries of the District. Following acceptance, all safety protection improvements will be transferred to the Town for ownership and maintenance.

into the boundaries of District No. 2 shall comprise not less than one hundred (100) residential units and, if no property is included into the boundaries of District No. 2 on or before December 31, 2020, District No. 2 shall be dissolved, subject to applicable statutory requirements as more specifically set forth in Article XIII.

IX. ASSESSED VALUATION

The property within the Service Area has an assessed valuation as of December 2013, of Two Million One Thousand Dollars (\$2,001,000). The projected build-out for the Service Area is set forth in the Financial Plan set forth in **Exhibit C**. The projected assessed valuation of the property within the Service Area, based upon the land use expectations heretofore noted, is set forth in the Financial Plan. At build-out, the assessed valuation is forecasted to be Fifty Million Five Hundred Four Thousand Four Hundred Twelve Dollars (\$50,504,412).

X. ESTIMATED COSTS OF FACILITIES

The Capital Plan attached hereto as **Exhibit B** includes the estimated costs of the facilities to be constructed, installed and/or acquired to serve the Service Area, a facility map and preliminary drawings for each type of service or facility to be provided to the Service Area.

XI. OPERATION AND MAINTENANCE/ESTIMATED COSTS

Subject to the applicable warranty, the District intends to dedicate certain facilities, constructed or acquired, to the Town for operations and maintenance. The District may also enter into a contract with a homeowners' association whereby the homeowners' association will assume the responsibility for operations and maintenance of certain improvements. The estimated operation and maintenance costs shown on the Financial Plan comprise the anticipated administrative costs of the District and may be modified, without seeking an amendment to this Service Plan, as the District determines is necessary to pay operation and maintenance costs of Public Improvements; provided, however, the District shall not impose a mill levy for operations which when combined with its debt service mill levy, which debt service mill levy is subject to the Mill Levy Cap defined in Section XII.B.1, exceeds 67.5 mills (adjusted to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation, or any mandated tax credit, cut or abatement, so that to the extent possible the actual tax revenues generated by the mill levy and available for debt service, as adjusted, are neither diminished nor enhanced as a result of such determination occurring on or after January 1, 2014). After issuance of debt, which debt is not privately placed with the Developer, the District may not transfer funds derived from its operations mill levy to pay debt service unless the majority of members on the District's Board of Directors are residents of the District. The District may impose a system of fees, rates, tolls, penalties or charges in connection with its provision of services. The District shall be authorized, but not required, to provide covenant enforcement and design review services for the Development in accordance with state law.

XII. FINANCIAL PLAN/PROPOSED INDEBTEDNESS

The Financial Plan shows how the proposed facilities and/or services are anticipated to be financed including the estimated costs of engineering services, legal services, administrative services, proposed indebtedness and estimated proposed maximum interest rates and discounts,

and other major expenses related to this Service Plan and operation of the District. It demonstrates the issuance of the debt and the anticipated repayment based on the projected development in the boundaries of the Service Area. The Financial Plan also demonstrates that, at various projected levels of development, the District has the ability to finance the facilities identified herein and will be capable of discharging the proposed indebtedness on a reasonable basis. The District acknowledges that it is subject to the requirements of and shall comply with Chapter 11.02 of the Castle Rock Municipal Code, including, but not limited to, the requirements of filing the annual reports and obtaining timely service plan amendments when material modifications occur as defined in Section 11.020.060 of the Municipal Code.

A. General.

The provision of facilities by the District and the repayment of its outstanding obligations will be primarily financed by the issuance of general obligation bonds, secured by the *ad valorem* taxing authority of the District and the pledge of fee revenue, with limitations as discussed below. The District will also have the authority to finance the improvements by the issuance of revenue bonds secured by the revenues anticipated herein.

When the issuance of bonds by the District entails pledging its mill levy to the payment of the bonds, the District's obligation to the Bondholders with regard to the mill levy shall be to certify the required mill levy and the Bondholders shall have no other remedy with regard to the mill levy pledge.

The Financial Plan demonstrates the issuance of the debt and the anticipated repayment based on the projected development in the District boundaries. It is anticipated that the first bond issue will occur in 2018. The Financial Plan assumes that, prior to the issuance of bonds, funding will be made available to construct necessary improvements subject to agreements between developer(s) and the District for repayment of any funds advanced for construction of such improvements and/or for acquisition by the District of public improvements constructed by developer(s).

General obligation bonds will mature as determined by the Board of Directors of the District consistent with the applicable law at the time of issuance. The maximum voted interest rate will be eighteen percent (18%) and the maximum underwriter's discount will be five percent (5%). The exact interest rates and discounts will be determined at the time the bonds are sold by the District and will reflect market conditions at the time of sale but shall not exceed the maximum voted interest rate or underwriter's discount. The District may also issue notes, certificates, debentures, or other multiple fiscal year obligations, which issuances shall be subject to the limitations set forth in this Service Plan. In the event the bonds are sold as revenue bonds (without a general obligation pledge of the District) such Bonds shall be issued in the manner provided by Section 32-1-1101 (1) (d), C.R.S., and shall never constitute debt or indebtedness of the District within the meaning of any provision or limitation of the laws of Colorado or the state constitution and shall not constitute nor give rise to a pecuniary liability of the District or charge against its general credit or taxing powers. The exact interest rates, discounts and their form will be determined at the time the bonds are sold by the District, and will reflect market conditions at the time of sale.

Based upon construction cost estimates and financing cost estimates as computed during the preparation of this Service Plan, it is anticipated that a total of Forty-Five Million Dollars (\$45,000,000) of Bonds, defined below, will be issued. The District will have the authority to finance and construct all facilities contemplated herein without the need to seek approval of any modification of this Service Plan, provided the District is not then required to obtain an amendment as required under Section 11.02.060 of the Code. The District anticipates submitting and obtaining electoral approval for general obligation debt in the amount of Fifty Million Dollars (\$50,000,000). The amount of voted authorization exceeds the amount of bonds anticipated to be sold, as shown in the Financial Plan, to allow for unforeseen contingencies and increases in construction costs due to inflation, and to cover all issuance costs, including capitalized interest, reserve funds, discounts, legal fees and other incidental costs of issuance. The District shall not issue any new debt or revenue obligations if a material modification to this Service Plan has occurred under Section 11.02.060 of the Code for which the District has not obtained a conforming amendment. The issuance of any Bond shall count towards the amount of debt authorization limit in this Service Plan except for the issuance of Bonds issued to refund a prior Bond or a contractual pledge of taxes or other revenue from one of the Districts to another District or the Town.

B. Mill Levy.

The District will have a mill levy assessed on all taxable property in the District as a primary source of revenue for repayment of debt service and for operations and maintenance. It is estimated that a debt service mill levy of fifty-seven and one-half (57.5) mills over thirty-five (35) years will produce revenue sufficient to support debt retirement throughout the bond repayment period. In addition, the District may capitalize interest to permit payment of interest during the time lapse between development of taxable properties and the collection of tax levies therefrom to the extent permitted under federal law. Interest income through the reinvestment of construction funds, capitalized interest and annual tax receipts will provide additional funds. These revenue sources should be sufficient to retire the proposed indebtedness if growth occurs as projected; otherwise, if necessary to pay debt service, the District may impose rates, tolls, fees and charges to the extent authorized by the Intergovernmental Agreement without the necessity of amending this Service Plan.

The District may authorize, issue, sell and deliver such bonds, notes, contracts, or other obligations evidencing a borrowing or debt (collectively, “**Bonds**”) as are permitted by law, subject to the following limitations:

1. The District may issue Bonds only if the mill levy pledged for repayment of the Bonds (together with the mill levy pledge on any other obligations of the District) will not exceed 57.5 mills (adjusted to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation, or any mandated tax credit, cut or abatement, so that to the extent possible the actual tax revenues generated by the mill levy and available for debt service, as adjusted, are neither diminished nor enhanced as a result of such determination occurring on or after January 1, 2014) (the “**Mill Levy Cap**”); and
2. The Bonds must qualify as one of the following types of bond issuances:

a. any issue of Bonds registered under the Colorado Municipal Bond Supervision Act; or

b. any issue of general obligation bonds where the total obligation represented by the issue together with any other general obligation of the District does not at the time of issuance exceed the greater of Two Million Dollars (\$2,000,000) or fifty percent (50%) of the valuation for assessment of the taxable property in the District as certified by the assessor; or

c. any issue of Bonds that is rated in one of its four highest rating categories by one or more nationally recognized organizations which regularly rate such obligations; or

d. any issue of Bonds in which infrastructure is in place which has been determined by the Board of the District to be necessary to construct or otherwise provide additional improvements specifically ordered by a federal or state regulatory agency to bring the District into compliance with applicable federal or state laws or regulations for the protection of the public health or the environment if the proceeds raised as a result of such issue are limited solely to the direct and indirect costs of the construction or improvements mandated and are used solely for those purposes; or

e. any issue of Bonds secured as to the payment of the principal and interest on the debt by a letter of credit, line of credit, or other credit enhancement, any of which must be irrevocable and unconditional, issued by a depository institution:

(1) with a net worth of not less than Ten Million Dollars (\$10,000,000) in excess of the obligation created by the issuance of the letter of credit, line of credit, or other credit enhancement;

(2) with the minimum regulatory capital as defined by the primary regulator of such depository institution to meet such obligation; and

(3) where the obligation does not exceed ten percent (10%) of the total capital and surplus of the depository institution, as those terms are defined by the primary regulatory of such depository institution; or

f. any issue of Bonds insured as to the payment of the principal and interest on the debt by a policy of insurance issued by an insurance company authorized to do business as an insurance company in the State of Colorado and authorized for such risk by the insurance commissioner appointed pursuant to Section 10-1-104, C.R.S.; or

g. any issue of Bonds not involving a public offering made exclusively to accredited investors, as that term is defined under sections 3(b) and (4)(2) of the federal "Securities Act of 1933" by regulation adopted thereunder by the securities and exchange commission; or

h. any issue of Bonds made pursuant to an order of a court of competent jurisdiction; or

i. any issue of Bonds which are issued in denominations of not less than Five Hundred Thousand Dollars (\$500,000) each, and in integral multiples of not less than One Thousand Dollars (\$1,000) in excess thereof, provided that in the event a bond is partially redeemed by the District and the unredeemed portion is less than Five Hundred Thousand Dollars (\$500,000), such unredeemed portion of such bond may be issued in the largest possible denomination of less than Five Hundred Thousand Dollars (\$500,000); or

j. any issue of Bonds which are issued to the Developer, subject to remarketing the Bonds pursuant to the limitations set forth herein.

The Financial Plan reflects the aggregate total amount of bonds to be sold by the Districts to finance the completion, construction, acquisition and/or installation of the proposed facilities, including all costs and expenses related to the anticipated bond issuances. Organizational costs of the District, including legal fees, and capitalized engineering costs, may be paid or reimbursed from the proceeds of the bond issues.

The Financial Plan projects the anticipated flow of funds and is based upon estimates of construction and project needs for bond proceeds to finance the Improvements. The District's engineer has evaluated the timing and cost estimate of the Improvements which are necessary to support the proposed absorptions of development as projected in the Financial Plan and has concurred with the assumptions. The Financial Plan sets forth the most reasonable estimate of growth within the Service Area and allows the Board of Directors a measure of flexibility such that the District need not incur debt in excess of what it needs to meet a growing population's demands for facilities and services. The interest rates as set forth in the Financial Plan are based upon the advice of D.A. Davidson & Co. All issuances of general obligation bonds shall be deemed to be in compliance with the Financial Plan so long as the Minimum Criteria, as hereinafter defined, have been met. Minimum Criteria shall mean that the general obligation bonds are: (1) subject to a limited mill levy, if required by this Service Plan; (2) together with other outstanding general obligation bonds, not in excess of the general obligation debt authorization set forth in this Service Plan, as may be amended from time to time; and (3) together with other outstanding general obligation bonds, are not in excess of the general obligation debt authority approved by the District's electorate.

C. Facilities Development Fees.

The District shall have the authority to impose a Facilities Development Fee which shall be in an amount as determined at the discretion of the District Board, but in no event to exceed Two Thousand Dollars (\$2,000) per unit, plus a one percent (1%) cost of living adjustment from January 1, 2016 forward.

D. Modification of Financing Plan.

In the event the District determines that its assessed valuation has reached a level sufficient to enable the District to discharge its indebtedness with reasonable mill levies, it shall be entitled to seek approval from the Town to issue, refund and/or otherwise restructure its outstanding indebtedness to eliminate the Mill Levy Cap. Elimination of the Mill Levy Cap will be authorized by the Town provided the modified financing plan ("**Modified Financial Plan**")

XIII. ANNUAL REPORT

The District shall file an annual report with the Town no later than September 1 of each calendar year. The report shall reflect activity and financial events through the preceding December 31, and shall include the information required by Section 11.02.040, Castle Rock Municipal Code.

XIV. DISSOLUTION

At such time as the District has completed construction of the Improvements provided for in its Service Plan, and upon arrangement for repayment of all of its outstanding debt and other financial obligations and for the adequate provision of services in the District, the District Board will place the question of dissolution of the District before its constituents and will exercise every reasonable effort to process the dissolution of the District in accordance with Colorado Statutes.

XV. CONCLUSION

It is submitted that this First Amended and Restated Service Plan for Lanterns Metropolitan District No. 1 establishes that:

- A. There is sufficient existing and projected need for organized service in the area to be serviced by the District;
- B. The existing service in the area to be served by the District is inadequate for present and projected needs;
- C. The District is capable of providing economical and sufficient service to the area within its boundaries;
- D. The area included in the District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;
- E. Adequate service is not, and will not be, available to the area through the County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;
- F. The facility and service standards of the District are compatible with the facility and service standards of the County within which the District is located and each municipality which is an interested party under Section 32-1-204(1), Colorado Revised Statutes;
- G. The proposal is in compliance with any duly adopted County, regional, or state long-range water quality management plan for the area; and
- H. The creation of the proposed District is in the best interests of the area proposed to be served.

EXHIBIT A
Maps and Legal Descriptions

EXHIBIT A-1
District Boundary Map

LANTERNS

METROPOLITAN DISTRICT NO. 1

Castle Rock, Colorado

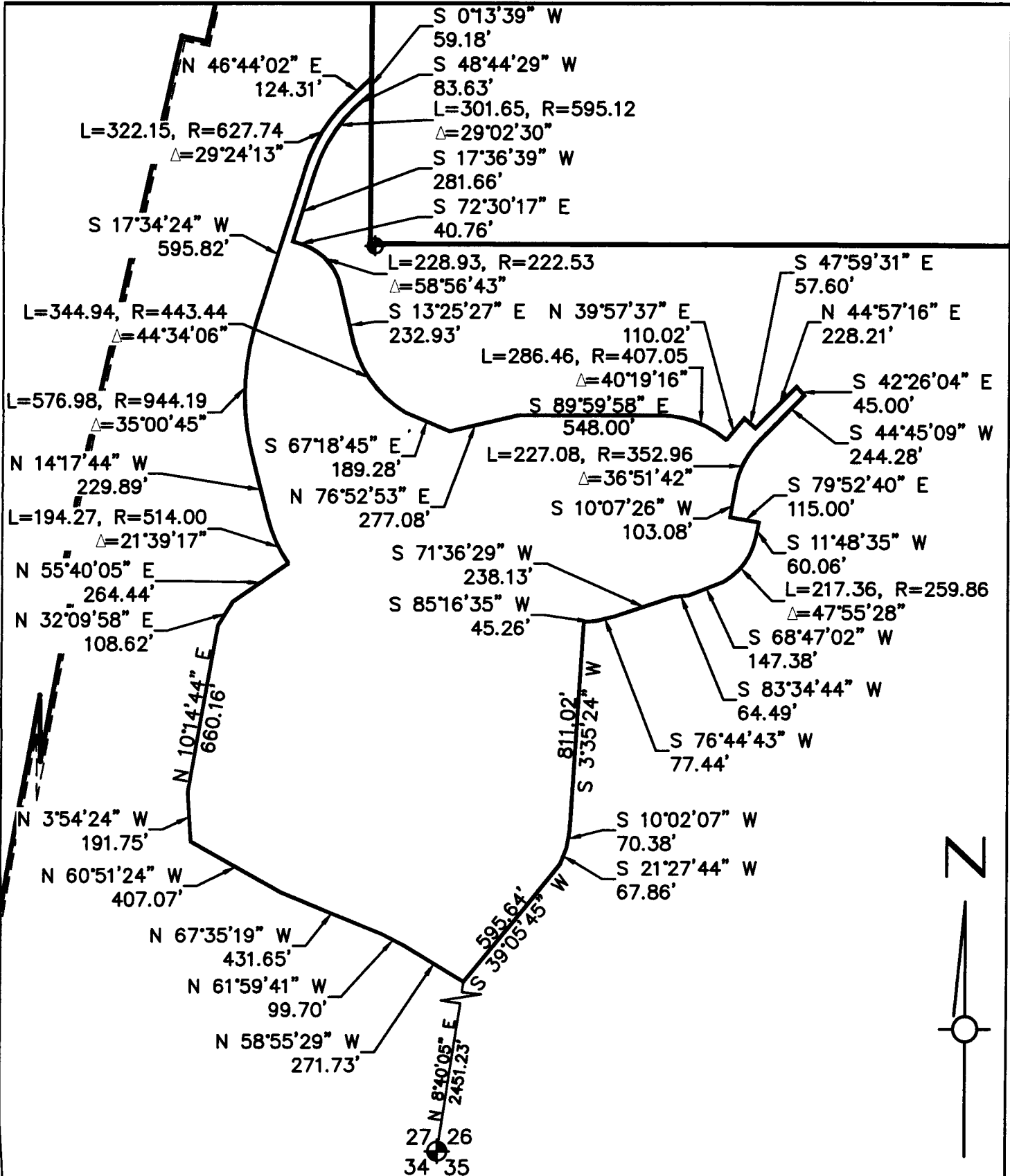


EXHIBIT A-2

Legal Description of District Boundaries

LANTERNS

METROPOLITAN DISTRICT NO. 1

Castle Rock, Colorado

LEGAL DECRPTION:

AN IRREGULAR PARCEL OF LAND LYING IN SECTIONS 26 AND SECTION 27
TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN,
COUNTY OF DOUGLAS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 26;
THENCE N08°40'05"E , 2451.23 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING ALONG N58°55'29"W, 271.73 FEET ;

THENCE N61°59'41"W, 99.70 FEET;

THENCE N67°35'19"W, 431.65 FEET;

THENCE N60°51'24"W, 407.07 FEET;

THENCE N03°54'24"W, 191.75 FEET;

THENCE N10°14'44"E, 660.16 FEET;

THENCE N32°09'58"E, 108.62 FEET;

THENCE N55°40'05"E, 264.44 FEET TO A POINT OF CURVE;

THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 514.00 FEET, A CENTRAL ANGLE
OF 21°39'17" (THE CHORD OF WHICH BEARS N25°07'22"W, 193.11 FEET), 194.27 FEET TO A POINT OF
TANGENT;

THENCE N14°17'44"W ALONG SAID TANGENT, 229.89 FEET TO A POINT OF CURVE;

THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 944.19 FEET, A CENTRAL ANGLE
OF 35°00'45" (THE CHORD OF WHICH BEARS N01°33'02"E, 568.04 FEET), 576.98 FEET TO A POINT OF
TANGENT;

THENCE N17°34'24"E ALONG SAID TANGENT, 595.82 FEET TO A POINT OF CURVE;

THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 627.74 FEET, A CENTRAL ANGLE
OF 29°24'13" (THE CHORD OF WHICH BEARS N32°01'55"E, 318.63 FEET), 322.15 FEET TO A POINT OF
TANGENT;

THENCE N46°44'02"E ALONG SAID TANGENT, 124.31 FEET;

THENCE S00°13'39"W, 59.18 FEET;

THENCE S48°44'29"W, 83.63 FEET TO A POINT OF CURVE;

THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 595.12 FEET, A CENTRAL ANGLE
OF 29°02'30" (THE CHORD OF WHICH BEARS S32°01'36"W, 298.43 FEET), 301.65 FEET TO A POINT OF
TANGENT;

THENCE S17°36'39"W ALONG SAID TANGENT, 281.66 FEET;

THENCE S72°30'17"E, 40.76 FEET TO A POINT OF CURVE;

THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 222.53 FEET, A CENTRAL ANGLE
OF 58°56'43" (THE CHORD OF WHICH BEARS S42°54'03"E, 218.97 FEET), 228.93 FEET TO A POINT OF
TANGENT;

THENCE S13°25'27"E ALONG SAID TANGENT, 232.93 FEET TO A POINT OF CURVE;

THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 443.44 FEET, A CENTRAL ANGLE
OF 44°34'06" (THE CHORD OF WHICH BEARS S37°38'10"E, 336.31 FEET), 344.94 FEET TO A POINT OF
TANGENT;

THENCE S67°18'45"E ALONG SAID TANGENT, 189.28 FEET;

THENCE N76°52'53"E, 277.08 FEET;

THENCE S89°59'58"E, 548.00 FEET TO A POINT OF CURVE;

THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 407.05 FEET, A CENTRAL ANGLE
OF 40°19'16" (THE CHORD OF WHICH BEARS S69°50'20"E, 280.59 FEET), 286.46 FEET TO A POINT
ALONG SAID CURVE;

LANTERNS

METROPOLITAN DISTRICT NO. 1

Castle Rock, Colorado

THENCE N39°57'37"E, 110.02 FEET;
THENCE S47°59'31"E, 57.60 FEET;
THENCE N44°57'16"E, 228.21 FEET;
THENCE S42°26'04"E, 45.00 FEET;
THENCE S44°45'09"W, 244.28 FEET TO A POINT OF CURVE;
THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 352.96 FEET, A CENTRAL ANGLE OF 36°51'42" (THE CHORD OF WHICH BEARS S26°19'18"W, 223.19 FEET), 227.08 FEET TO A POINT OF TANGENT;
THENCE S10°07'26"W ALONG SAID TANGENT, 103.08 FEET;
THENCE S79°52'40"E, 115.00 FEET;
THENCE S11°48'35"W, 60.06 FEET TO A POINT OF CURVE;
THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 259.86 FEET, A CENTRAL ANGLE OF 47°55'28" (THE CHORD OF WHICH BEARS S35°46'19"W, 211.07 FEET), 217.36 FEET TO A POINT OF TANGENT;
THENCE S68°47'02"W ALONG SAID TANGENT, 147.38 FEET;
THENCE S83°34'44"W, 64.49 FEET;
THENCE S71°36'29"W, 238.13 FEET;
THENCE S76°44'43"W, 77.44 FEET;
THENCE S85°16'35"W, 45.26 FEET;
THENCE S03°35'24"W, 811.02 FEET;
THENCE S10°02'07"W, 70.38 FEET;
THENCE S21°27'44"W, 67.86 FEET;

THENCE S39°05'45"W, 595.64 FEET TO THE POINT OF BEGINNING
CONTAINING 3,425,220 SF OR 78.63 ACRES, MORE OR LESS.

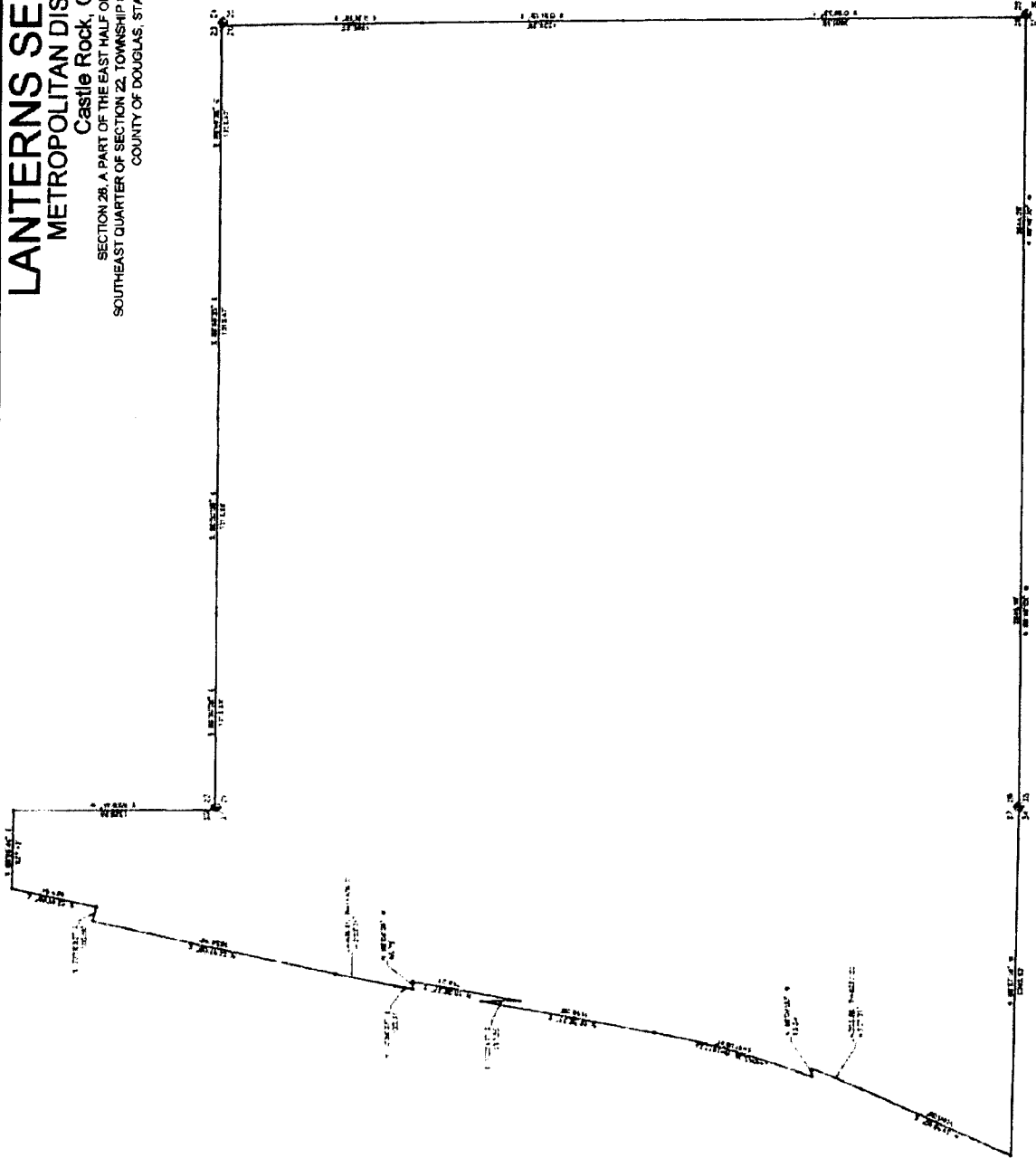
EXHIBIT A-3
Service Area Map

LANTERNS SERVICE AREA

METROPOLITAN DISTRICT NOS. 1-3

Castle Rock, Colorado

SECTION 26, A PART OF THE EAST HALF OF SECTION 27 AND A PART OF THE
SOUTHEAST QUARTER OF SECTION 22, TOWNSHIP 8 SOUTH, RANGE 87 WEST OF THE 8TH P.M.
COUNTY OF DOUGLAS, STATE OF COLORADO



Submitted Date
Revision Dates
THE LANTERNS
Sheet Title: OVERALL SITE INSTALLATION DESCRIPTION
Sheet Number: 1 OF 1

EXHIBIT A-4

Legal Description of Service Area

LANTERNS SERVICE AREA

METROPOLITAN DISTRICT NOS. 1 - 3

Castle Rock, Colorado

LEGAL DESCRIPTION:

SECTION 26, THAT PORTION OF SECTION 27 LYING EAST OF THE EAST RIGHT-OF-WAY LINE OF THE DENVER & RIO GRANDE WESTERN RAILROAD AND THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 22 LYING EAST OF THE EAST RIGHT-OF-WAY LINE OF THE DENVER & RIO GRANDE WESTERN RAILROAD, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO. MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID SECTION 27; THENCE N88°57'18"W ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 27, 2345.42 FEET TO THE EAST RIGHT-OF-WAY LINE OF THE DENVER & RIO GRANDE WESTERN RAILROAD; THENCE ALONG SAID EAST RIGHT-OF-WAY LINE THE FOLLOWING THIRTEEN (13) COURSES:

1. THENCE N24°18'40"E, 1080.09 FEET TO A POINT OF CURVE;
2. THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 6027.22 FEET, A CENTRAL ANGLE OF 03°21'51", 353.89 FEET TO THE NORTH LINE OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 27;
3. THENCE N89°04'00"W ALONG SAID LINE, 53.24 FEET TO A POINT ON A CURVE;
4. THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 5977.22 FEET, A CENTRAL ANGLE OF 10°28'41" (THE CHORD OF WHICH BEARS N15°52'57"E, 1091.57 FEET), 1093.09 FEET TO A POINT OF TANGENT;
5. THENCE N10°38'37"E ALONG SAID TANGENT, 1158.08 FEET TO THE WEST LINE OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 27;
6. THENCE S00°33'47"E ALONG SAID LINE, 257.26 FEET;
7. THENCE N10°38'37"E, 719.23 FEET TO THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 27;
8. THENCE N89°08'38"W ALONG SAID LINE, 50.75 FEET;
9. THENCE N10°38'37"E, 122.51 FEET TO A POINT OF CURVE;
10. THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 11409.21 FEET, A CENTRAL ANGLE OF 02°02'31", 406.61 FEET TO A POINT OF TANGENT;
11. THENCE N12°41'08"E ALONG SAID TANGENT, 1634.70 FEET;
12. THENCE S77°18'52"E, 100.00 FEET;
13. THENCE N12°41'08"E, 567.51 FEET TO THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 22;

THENCE S89°05'49"E ALONG SAID LINE, 527.42 FEET TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 22;

THENCE S00°09'41"W ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 22, 1329.96 FEET TO THE NORTHWEST CORNER OF SAID SECTION 26;

THENCE S89°50'08"E ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 26, 1313.69 FEET TO THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 26;

LANTERNS SERVICE AREA

METROPOLITAN DISTRICT NOS. 1 - 3

Castle Rock, Colorado

THENCE S89°50'08"E ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER OF THE NORTHWEST QUARTER, 1313.69 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 26;

THENCE S89°49'35"E ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 26, 1313.47 FEET TO THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 26;

THENCE S89°49'35"E ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 26, 1313.47 FEET TO THE NORTHEAST CORNER OF SAID SECTION 26;

THENCE S00°31'15"E ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 26, 1325.20 TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 26;

THENCE S00°31'15"E ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, 1325.39 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 26;

THENCE S00°29'22"E ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 26, 2651.16 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 26;

THENCE N89°48'30"W ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 26, 2644.79 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 26;

THENCE N89°49'05"W ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 26, 2645.18 FEET TO THE POINT OF BEGINNING CONTAINING 847.991 ACRES, MORE OR LESS.

EXHIBIT A-5

Vicinity Map

EXHIBIT B

Capital Plan

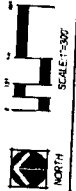
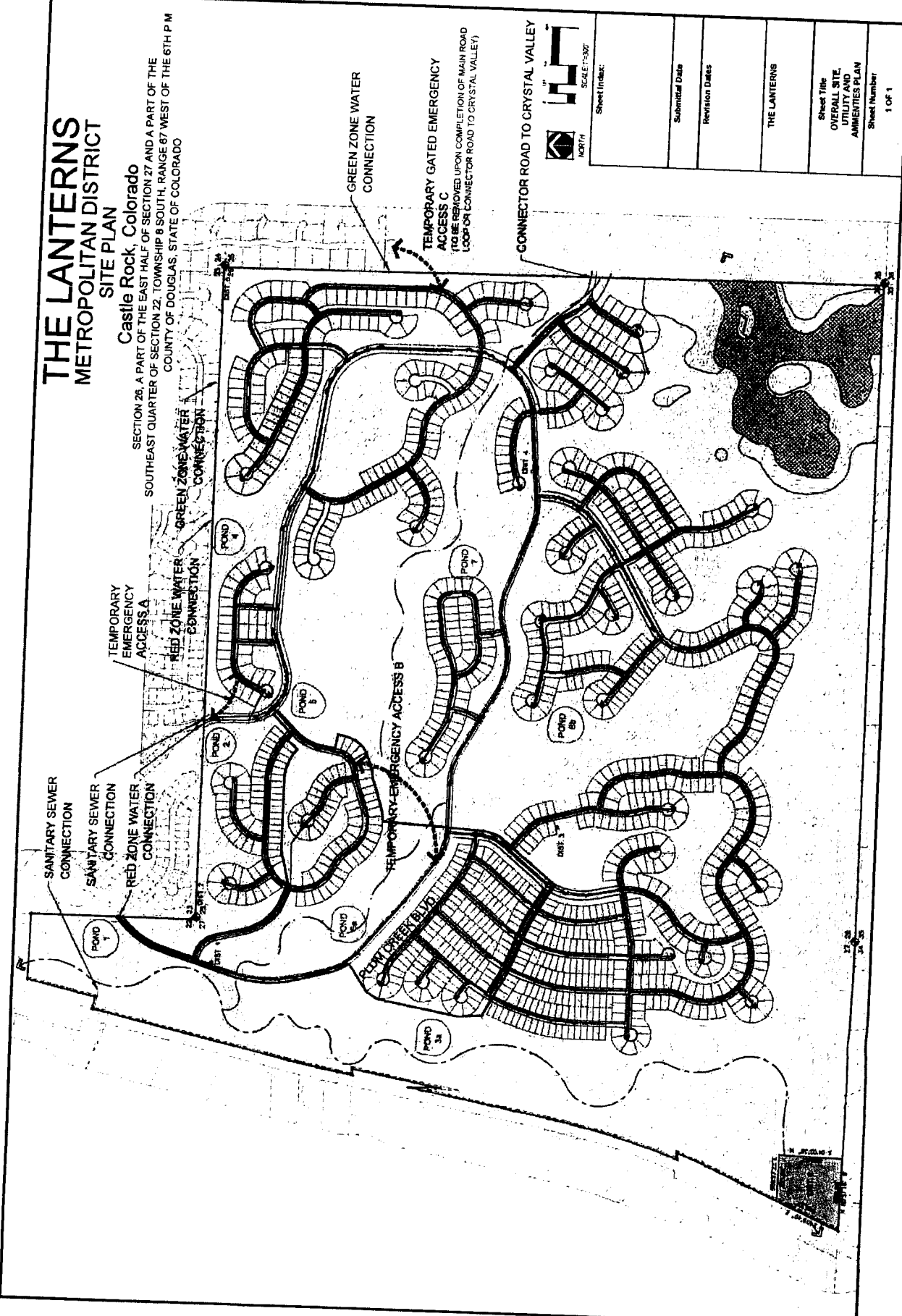
EXHIBIT B-1

Anticipated Improvements

THE LANTERNS METROPOLITAN DISTRICT SITE PLAN

Castle Rock, Colorado

SECTION 26, A PART OF THE EAST HALF OF SECTION 27 AND A PART OF THE
SOUTHEAST QUARTER OF SECTION 27, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE 6TH P.M.
COUNTY OF DOUGLAS, STATE OF COLORADO



Sheet Title:	THE LANTERNS
Submitted Date:	
Revision Dates:	
Sheet Title:	OVERALL SITE, UTILITY AND AMENITIES PLAN
Sheet Number:	1 OF 1

EXHIBIT B-2

On-Site Improvements Cost Estimate



**Proposed Public Improvements Cost Estimate
The Lanterns Metropolitan District - Area 1**

13057
July 30, 2014

Item Description	Unit	Unit Cost	Estimated Quantity	Estimated Cost
Roadway				
Mobilization	LS	\$ 5,000.00	1	\$ 5,000.00
Collector	LF	\$ 260.00	2,300	\$ 598,000.00
Local	LF	\$ 220.00	5,190	\$ 1,141,800.00
Lighting	EA	\$ 4,500.00	33	\$ 149,800.00
				\$ 1,894,600.00
Storm Sewer				
Mobilization	LS	\$ 5,000.00	1	\$ 5,000.00
RCP	LF	\$ 95.00	1,700	\$ 161,500.00
FES	EA	\$ 1,100.00	5	\$ 5,500.00
Major Crossing (Box Culvert)	LF	\$ 750.00	150	\$ 112,500.00
Manholes	EA	\$ 2,900.00	7	\$ 20,300.00
Inlets	EA	\$ 3,400.00	20	\$ 68,000.00
Ponds	EA	\$ 25,000.00	2	\$ 50,000.00
Channel Improvements	LF	\$ 40.00	300	\$ 12,000.00
Riprap	EA	\$ 1,850.00	5	\$ 9,250.00
				\$ 444,050.00
Sanitary Sewer				
Mobilization	LS	\$ 5,000.00	1	\$ 5,000.00
PVC Pipe	LF	\$ 50.00	6,500	\$ 325,000.00
Manholes	EA	\$ 2,600.00	22	\$ 57,200.00
Services	EA	\$ 1,000.00	205	\$ 205,000.00
Connect to Existing	EA	\$ 850.00	1	\$ 850.00
Jet & Clean	LF	\$ 1.25	6,500	\$ 8,125.00
Testing	LF	\$ 1.00	6,500	\$ 6,500.00
				\$ 607,675.00
Water				
Mobilization	LS	\$ 5,000.00	1	\$ 5,000.00
Piping	LF	\$ 40.00	7,490	\$ 299,600.00
Fittings	EA	\$ 650.00	30	\$ 19,500.00
Gate Valves	EA	\$ 5,500.00	24	\$ 132,000.00
Air Vac Valve	EA	\$ 3,500.00	3	\$ 10,500.00
Fire Hydrant Assembly's	EA	\$ 4,800.00	12	\$ 57,600.00
Water Services	EA	\$ 1,200.00	205	\$ 246,000.00
Connect to Existing	EA	\$ 800.00	2	\$ 1,600.00
				\$ 771,800.00
Landscaping & Trails				
Monuments & Directional Signage, etc.	LS	\$ 620,000.00	1	\$ 620,000.00
Landscaping	SF	\$ 5.00	320,000	\$ 1,600,000.00
Irrigation	LS	\$ 389,500.00	1	\$ 389,500.00
Trail	LF	\$ 25.00	4,500	\$ 112,500.00
				\$ 2,722,000.00
			Total	\$ 6,440,125.00
			Soft Costs 16%	\$ 1,030,420.00
			Contingencies 10%	\$ 644,012.50
			Overall Total Area 1	\$ 8,114,557.50



**Proposed Public Improvements Cost Estimate
The Lanterns Metropolitan District - Offsite Reimbursements**

13057
July 30, 2014

Item Description	Estimated Cost
Offsite Improvements	
First Ammendment to cost reimbursement Agreement Plumb Creek Pkwy south of Crystal Valley Pkwy Ranch Road south of Crystal Valley Pkwy	\$ 338,951.00
First Amendment to Development and Cost Reimbursement Agreement (Lighting/Landscaping)	\$ 197,480.00
Amendment to Amend and Restated Development and Cost Reimbursement Agreement (Track Bridge) Crystal Valley Metro Dist. No. 1 Reimbursement Payment	\$ 990,086.93
Amendment to Amend and Restated Development and Cost Reimbursement Agreement (Track Bridge) Crystal Valley Metro Dist. No. 1 Accomodation Payment	\$ 360,000.00
Amendment to Amend and Restated Development and Cost Reimbursement Agreement (Track Bridge) Crystal Crossing Metro Dist. Payment	\$ 202,899.25
Interchange in the amount set forth in the Development Agreement	\$ 1,485,993.00
Overall Total Offsite	\$ 3,575,410.18

Overall Total (Areas 1 thru 4 only) **\$ 34,039,010**

Overall Total (Areas 1 thru 4 plus Offsite) **\$ 37,614,420**

EXHIBIT C

Financial Plan

EXHIBIT C-1

Financial Model

LANTERNS METROPOLITAN DISTRICT Nos. 1-3

Development Projection at 57.50 (target) Mills for Debt Service, plus fees

Series 2018, 2021 & 2032 General Obligation Bonds, Non-Rated, 1.20x (with Ser. 2018 Subordinate Bonds)

YEAR	Total New Par: \$38,070,000			Total New Projects: \$32,815,486			Total Net Debt Service	Deposit to Bond Surplus Fund at Closing	Annual Surplus	Surplus Release @ 50% DIA to \$2,000,000	Cumulative Surplus	Senior Debt/Assessed Ratio	Senior Debt/Act'l Value Ratio	Net DIS Coverage @ Cap
	Ser. 2018	Ser. 2021	Ser. 2032	Ser. 2018	Ser. 2021	Ser. 2032								
2014	0	0	0	0	0	0	0	n/a	0	0	0	n/a	0%	n/a
2015	0	0	0	0	0	0	0	n/a	0	0	0	n/a	0%	n/a
2016	0	0	0	0	0	0	0	n/a	0	0	0	n/a	0%	n/a
2017	0	0	0	0	0	0	0	n/a	0	0	0	n/a	0%	n/a
2018	690,653	\$0	\$0	530,380	0	0	530,380	690,653	0	690,653	690,653	103%	0%	213%
2019	1,128,977	530,380	\$3,785,000 Par [Ratg \$5,605 MM]	1,198,890	1,198,890	\$3,785,000 Par [Ratg \$5,605 MM]	1,198,890	598,588	0	1,289,241	1,289,241	73%	4%	133%
2020	1,595,578	1,198,890		2,246,693	1,201,465		2,246,693	850,147	536,078	2,000,000	2,000,000	56%	3%	171%
2021	2,051,611	1,201,465	\$0	2,287,068	1,073,203		2,287,068	269,662	269,662	2,000,000	2,000,000	90%	6%	112%
2022	2,516,355	1,223,490		2,338,143	1,080,453		2,338,143	473,078	460,012	2,000,000	2,000,000	81%	6%	120%
2023	2,757,080	1,248,690		2,386,143	1,098,603		2,386,143	469,028	473,078	2,000,000	2,000,000	79%	6%	120%
2024	2,812,221	1,248,690		2,385,793	1,111,703		2,385,793	482,323	482,323	2,000,000	2,000,000	77%	6%	120%
2025	2,812,221	1,248,690		2,434,343	1,135,928		2,434,343	481,482	481,482	2,000,000	2,000,000	74%	6%	120%
2026	2,868,466	1,273,840		2,434,343	1,135,928		2,434,343	491,792	491,792	2,000,000	2,000,000	73%	6%	120%
2027	2,868,466	1,274,080		2,482,368	1,160,528		2,482,368	501,984	501,984	2,000,000	2,000,000	68%	5%	120%
2028	2,825,835	1,295,540		2,486,568	1,185,728	\$0	2,486,568	497,784	497,784	2,000,000	2,000,000	67%	5%	120%
2029	2,825,835	1,295,540		2,533,843	1,178,628	510,200	2,533,843	(1,469,804)	0	510,196	510,196	67%	5%	120%
2030	2,884,352	1,321,840		3,041,918	1,178,628	460,800	3,041,918	61,452	61,452	0	0	73%	5%	100%
2031	2,884,352	1,321,840		3,041,468	1,206,253	460,800	3,041,468	63,452	63,452	0	0	67%	5%	102%
2032	3,044,039	1,348,115		3,041,468	1,206,678	457,800	3,041,468	125,425	125,425	0	0	63%	5%	104%
2033	3,044,039	1,348,115		3,042,818	1,231,278	404,400	3,042,818	124,200	124,200	0	0	61%	5%	104%
2034	3,104,920	1,376,415		3,040,693	1,255,253	350,200	3,040,693	189,666	189,666	0	0	57%	4%	106%
2035	3,104,920	1,376,990		3,039,318	1,254,353	349,800	3,039,318	191,041	191,041	0	0	55%	4%	108%
2036	3,167,018	1,405,915		3,039,243	1,277,353	298,600	3,039,243	255,723	255,723	0	0	51%	4%	108%
2037	3,167,018	1,406,540		3,039,443	1,282,878	294,200	3,039,443	255,523	255,523	0	0	49%	4%	108%
2038	3,230,359	1,435,240		3,040,318	1,311,753	239,600	3,040,318	320,547	320,547	0	0	45%	3%	111%
2039	3,230,359	1,435,365		3,040,843	1,307,603	241,800	3,040,843	320,022	320,022	0	0	42%	3%	111%
2040	3,284,966	1,463,280		3,041,568	1,332,078	188,600	3,041,568	386,514	386,514	0	0	38%	3%	113%
2041	3,284,966	1,462,365		3,041,393	1,333,528	187,200	3,041,393	388,689	388,689	0	0	35%	3%	113%
2042	3,360,865	1,488,965		3,040,793	1,358,053	130,600	3,040,793	455,851	455,851	0	0	31%	2%	115%
2043	3,360,865	1,491,440		3,043,668	1,356,278	131,000	3,043,668	452,976	452,976	0	0	27%	2%	115%
2044	3,428,082	1,520,890		3,040,043	1,383,303	71,200	3,040,043	526,534	526,534	0	0	23%	2%	117%
2045	3,428,082	1,520,865		3,042,353	2,968,753	73,600	3,042,353	524,223	524,223	0	0	18%	1%	117%
2046	3,496,644	1,552,140		3,040,353	3,028,553	10,800	3,040,353	597,555	597,555	0	0	12%	1%	120%
2047	3,496,644	1,553,390		3,041,768	3,031,368	10,400	3,041,768	596,140	596,140	0	0	8%	1%	120%
2048	3,566,577	1,585,540												
2049	3,566,577	0												
2050	3,637,908	0												
2051	3,637,908	0												
	100,584,759	40,439,210	41,825,594	87,083,004	4,818,200	4,818,200	87,083,004	11,501,755	11,501,755	11,501,755				
	Revenue at 2032	ISSUANCE: \$3,044,039	ISSUANCE: \$3,043,668											



LANTERNS METROPOLITAN DISTRICT Nos. 1-3

Development Projection at 67.50 (target) Mills for Debt Service, plus fees

Cash-Flow Sub. Bonds >>>

YEAR	Surplus Available for Debt Service	Plus Senior Bond Proceeds	Date Bonds Issued	Total Available for Debt Service	Sub Bond Interest on Balance 7.00%	Less Payments Toward Sub Bond Interest	Accrued Interest + Int. on Bal. @ 7.00%	Less Payments Toward Accrued Interest	Balance of Accrued Interest	Date Costs Incurred	Sub Bonds Principal Issued	Less Payments Toward Principal	Total Payments Toward Bonds	Balance of Sub Bond Principal	Surplus Cash Flow to District
2014	\$0				\$0	\$0	\$0	\$0	\$0	12/1/18	\$5,208,000	\$0	\$0	\$5,208,000	\$0
2015	0				364,560	0	364,560	0	364,560	-		0	0	5,208,000	0
2016	0				364,560	0	390,079	0	754,639	-		0	0	5,208,000	0
2017	0				364,560	364,560	52,825	171,516	635,947	-		0	536,076	5,208,000	0
2018	0		12/15/18	0	364,560	269,662	139,414	0	775,362	-		0	269,662	5,208,000	0
2019	0				364,560	364,560	54,275	95,452	734,185	-		0	460,012	5,208,000	0
2020	0				364,560	364,560	51,393	108,518	677,060	-		0	473,078	5,208,000	0
2021	536,076			536,076	364,560	364,560	47,394	104,468	619,985	-		0	469,028	5,208,000	0
2022	269,662			269,662	364,560	364,560	43,399	117,763	545,621	-		0	482,323	5,208,000	0
2023	460,012			460,012	364,560	364,560	38,194	118,113	465,702	-		0	482,673	5,208,000	0
2024	473,078			473,078	364,560	364,560	32,999	126,932	371,369	-		0	491,492	5,208,000	0
2025	469,028			469,028	364,560	364,560	25,996	127,232	270,133	-		0	491,792	5,208,000	0
2026	482,323			482,323	364,560	364,560	18,909	137,424	151,618	-		0	501,984	5,208,000	0
2027	482,673			482,673	364,560	364,560	10,613	133,224	29,007	-		0	497,784	5,208,000	0
2028	491,492			491,492	364,560	364,560	2,030	31,038	0	-		5,208,000	497,784	5,208,000	0
2029	491,792			491,792	364,560	364,560	0	0	0	-		5,208,000	5,604,800	5,208,000	1,202
2030	501,984			501,984	364,560	364,560	0	0	0	-		5,208,000	5,604,800	5,208,000	0
2031	497,784			497,784	364,560	364,560	0	0	0	-		5,208,000	5,604,800	5,208,000	0
2032	0	5,604,800		5,604,800	364,560	364,560	2,030	31,038	29,007	-		5,208,000	5,604,800	5,208,000	0
2033	512,317			512,317	0	0	0	0	0	-		5,208,000	5,604,800	5,208,000	0
2034	61,452			61,452	0	0	0	0	0	-		5,208,000	5,604,800	5,208,000	0
2035	63,452			63,452	0	0	0	0	0	-		5,208,000	5,604,800	5,208,000	0
2036	125,425			125,425	0	0	0	0	0	-		5,208,000	5,604,800	5,208,000	0
2037	124,200			124,200	0	0	0	0	0	-		5,208,000	5,604,800	5,208,000	0
2038	189,666			189,666	0	0	0	0	0	-		5,208,000	5,604,800	5,208,000	0
2039	191,041			191,041	0	0	0	0	0	-		5,208,000	5,604,800	5,208,000	0
2040	255,723			255,723	0	0	0	0	0	-		5,208,000	5,604,800	5,208,000	0
2041	255,523			255,523	0	0	0	0	0	-		5,208,000	5,604,800	5,208,000	0
2042	320,547			320,547	0	0	0	0	0	-		5,208,000	5,604,800	5,208,000	0
2043	320,022			320,022	0	0	0	0	0	-		5,208,000	5,604,800	5,208,000	0
2044	386,514			386,514	0	0	0	0	0	-		5,208,000	5,604,800	5,208,000	0
2045	386,689			386,689	0	0	0	0	0	-		5,208,000	5,604,800	5,208,000	0
2046	455,851			455,851	0	0	0	0	0	-		5,208,000	5,604,800	5,208,000	0
2047	452,976			452,976	0	0	0	0	0	-		5,208,000	5,604,800	5,208,000	0
2048	526,534			526,534	0	0	0	0	0	-		5,208,000	5,604,800	5,208,000	0
2049	524,223			524,223	0	0	0	0	0	-		5,208,000	5,604,800	5,208,000	0
2050	597,555			597,555	0	0	0	0	0	-		5,208,000	5,604,800	5,208,000	0
2051	596,140			596,140	0	0	0	0	0	-		5,208,000	5,604,800	5,208,000	0
	11,501,755	5,604,800		17,106,555	5,103,840	4,279,822	1,271,881	1,271,881	1,271,881		5,208,000	5,208,000	10,759,503	5,153,356	



LANERNS METROPOLITAN DISTRICT Nos. 1-3

Operations Revenue and Expense Projection

YEAR	Total Assessed Value	Oper'n/s Mill Levy	Total Collections @ 98%	S.O. Taxes Collected @ 6%	Total Available For O&M	Total Mills
2014						59.500
2015						59.500
2016	842,423	59.500	37,460	2,248	39,707	59.500
2017	4,333,029	59.500	252,659	15,160	267,818	59.500
2018	11,562,719	2,000	22,663	1,360	24,023	59.500
2019	18,901,030	2,000	37,046	2,223	39,269	59.500
2020	26,712,735	2,000	52,357	3,141	55,498	59.500
2021	34,347,514	2,000	67,321	4,039	71,360	59.500
2022	42,128,123	2,000	82,571	4,954	87,525	59.500
2023	46,158,274	2,000	90,470	5,428	95,898	59.500
2024	47,081,440	2,000	92,280	5,537	97,816	59.500
2025	47,081,440	2,000	92,280	5,537	97,816	59.500
2026	48,023,069	2,000	94,125	5,648	99,773	59.500
2027	48,023,069	2,000	94,125	5,648	99,773	59.500
2028	48,983,530	2,000	96,008	5,760	101,768	59.500
2029	48,983,530	2,000	96,008	5,760	101,768	59.500
2030	49,963,201	2,000	97,928	5,876	103,804	59.500
2031	49,963,201	2,000	97,928	5,876	103,804	59.500
2032	50,962,465	2,000	99,886	5,993	105,880	59.500
2033	50,962,465	2,000	99,886	5,993	105,880	59.500
2034	51,981,714	2,000	101,884	6,113	107,997	59.500
2035	51,981,714	2,000	101,884	6,113	107,997	59.500
2036	53,021,348	2,000	103,922	6,235	110,157	59.500
2037	53,021,348	2,000	103,922	6,235	110,157	59.500
2038	54,081,775	2,000	106,000	6,360	112,360	59.500
2039	54,081,775	2,000	106,000	6,360	112,360	59.500
2040	55,163,411	2,000	108,120	6,487	114,608	59.500
2041	55,163,411	2,000	108,120	6,487	114,608	59.500
2042	56,266,679	2,000	110,283	6,617	116,900	59.500
2043	56,266,679	2,000	110,283	6,617	116,900	59.500
2044	57,392,012	2,000	112,488	6,749	119,238	59.500
2045	57,392,012	2,000	112,488	6,749	119,238	59.500
2046	58,539,853	2,000	114,738	6,884	121,622	59.500
2047	58,539,853	2,000	114,738	6,884	121,622	59.500
2048	59,710,650	2,000	117,033	7,022	124,055	59.500
2049	59,710,650	2,000	117,033	7,022	124,055	59.500
2050	60,904,863	2,000	119,374	7,162	126,536	59.500
2051	60,904,863	2,000	119,374	7,162	126,536	59.500
			3,590,685	215,441	3,806,126	

LANTERNS METROPOLITAN DISTRICT Nos. 1-3

Development Projection - Buildout (updated 9/8/14)

Residential Development

YEAR	SFD1				SFD2				SFD3						
	# Lots Devel'd	Incr/(Decr) in Finished Lot Value @ 10%	# Units Completed	Price Inflated @ 2%	Market Value	# Lots Devel'd	Incr/(Decr) in Finished Lot Value @ 10%	# Units Completed	Price Inflated @ 2%	Market Value	# Lots Devel'd	Incr/(Decr) in Finished Lot Value @ 10%	# Units Completed	Price Inflated @ 2%	Market Value
2014	22	974,710	0		0	15	664,575	0		0	13	575,965	0		0
2015	90	3,012,740	9,747,100	\$443,050	9,747,100	58	1,905,115	15	\$443,050	6,645,750	52	1,727,895	13	\$443,050	5,759,650
2016	90	0	40,671,990	451,911	40,671,990	58	0	58	451,911	26,210,838	52	0	52	451,911	23,499,372
2017	90	0	41,485,430	460,949	41,485,430	58	0	58	460,949	26,735,055	52	0	52	460,949	23,969,359
2018	90	0	42,315,138	470,168	42,315,138	58	0	58	470,168	27,269,756	52	0	52	470,168	24,448,747
2019	90	0	43,161,441	479,572	43,161,441	58	0	58	479,572	27,815,151	52	0	52	479,572	24,937,722
2020	68	(974,710)	44,024,670	489,163	44,024,670	43	(664,575)	58	489,163	28,371,454	39	(575,965)	52	489,163	25,436,476
2021	0	(3,012,740)	33,928,346	498,946	33,928,346	0	(1,905,115)	43	498,946	21,454,689	0	(1,727,895)	39	498,946	19,456,904
2022	0	0	0	508,925	0	0	0	0	508,925	0	0	0	0	508,925	0
2023	0	0	0	519,104	0	0	0	0	519,104	0	0	0	0	519,104	0
2024	0	0	0	529,486	0	0	0	0	529,486	0	0	0	0	529,486	0
2025	0	0	0	540,075	0	0	0	0	540,075	0	0	0	0	540,075	0
2026	0	0	0	550,877	0	0	0	0	550,877	0	0	0	0	550,877	0
	540	0	255,334,115			348	0	348		164,502,693	312	(0)	312		147,510,230

LANTERNS METROPOLITAN DISTRICT Nos. 1-3

Development Projection - Buildout (updated 9/9/14)

Residential Summary

YEAR	Total		Value of Platted & Developed Lots	
	Residential Market Value	Total Res'l Units	Adjustment ¹	Adjusted Value
2014	\$0	0	0	2,215,250
2015	22,152,500	50	0	6,645,750
2016	90,382,200	200	0	0
2017	92,189,844	200	0	0
2018	94,033,641	200	0	0
2019	95,914,314	200	0	0
2020	97,832,600	200	0	(2,215,250)
2021	74,841,939	150	0	(6,645,750)
2022	0	0	0	0
2023	0	0	0	0
2024	0	0	0	0
2025	0	0	0	0
2026	0	0	0	0
	<u>567,347,038</u>	<u>1,200</u>	<u>0</u>	<u>0</u>

SOURCES AND USES OF FUNDS

**LANERNS METROPOLITAN DISTRICT Nos. 1-3
 GENERAL OBLIGATION BONDS, SERIES 2018
 57.50 (target) Mills
 Non-Rated, 120x, 30-yr. Maturity
 (Sized on Growth thru. 2018)**

Dated Date 12/01/2018
 Delivery Date 12/01/2018

Sources:

Bond Proceeds:	
Par Amount	19,400,000.00
	<u>19,400,000.00</u>

Uses:

Project Fund Deposits:	
Project Fund	16,625,516.61
Other Fund Deposits:	
Capitalized Interest Fund	533,233.39
Debt Service Reserve Fund	<u>1,555,250.00</u>
	2,088,483.39
Delivery Date Expenses:	
Cost of Issuance	686,000.00
	<u>19,400,000.00</u>

BOND SUMMARY STATISTICS

**LANTERNS METROPOLITAN DISTRICT Nos. 1-3
 GENERAL OBLIGATION BONDS, SERIES 2018
 57.50 (target) Mills
 Non-Rated, 120x, 30-yr. Maturity
 (Sized on Growth thru. 2018)**

Dated Date	12/01/2018
Delivery Date	12/01/2018
First Coupon	06/01/2019
Last Maturity	12/01/2048
Arbitrage Yield	5.500000%
True Interest Cost (TIC)	5.500000%
Net Interest Cost (NIC)	5.500000%
All-In TIC	5.800600%
Average Coupon	5.500000%
Average Life (years)	21.763
Weighted Average Maturity (years)	21.763
Duration of Issue (years)	12.421
Par Amount	19,400,000.00
Bond Proceeds	19,400,000.00
Total Interest	23,221,275.00
Net Interest	23,221,275.00
Bond Years from Dated Date	422,205,000.00
Bond Years from Delivery Date	422,205,000.00
Total Debt Service	42,621,275.00
Maximum Annual Debt Service	3,143,900.00
Average Annual Debt Service	1,420,709.17
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
<hr/>	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Term Bond due 2048	19,400,000.00	100.000	5.500%	21.763	28,324.00
	19,400,000.00			21.763	28,324.00

	TIC	All-In TIC	Arbitrage Yield
Par Value	19,400,000.00	19,400,000.00	19,400,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-686,000.00	
- Other Amounts			
Target Value	19,400,000.00	18,714,000.00	19,400,000.00
Target Date	12/01/2018	12/01/2018	12/01/2018
Yield	5.500000%	5.800600%	5.500000%

BOND DEBT SERVICE

**LANERNS METROPOLITAN DISTRICT Nos. 1-3
GENERAL OBLIGATION BONDS, SERIES 2018
57.50 (target) Mills
Non-Rated, 120x, 30-yr. Maturity
(Sized on Growth thru. 2018)**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2019			533,500.00	533,500.00	
12/01/2019			533,500.00	533,500.00	1,067,000
06/01/2020			533,500.00	533,500.00	
12/01/2020	135,000	5.500%	533,500.00	668,500.00	1,202,000
06/01/2021			529,787.50	529,787.50	
12/01/2021	145,000	5.500%	529,787.50	674,787.50	1,204,575
06/01/2022			525,800.00	525,800.00	
12/01/2022	175,000	5.500%	525,800.00	700,800.00	1,226,800
06/01/2023			520,987.50	520,987.50	
12/01/2023	185,000	5.500%	520,987.50	705,987.50	1,228,975
06/01/2024			515,900.00	515,900.00	
12/01/2024	220,000	5.500%	515,900.00	735,900.00	1,251,800
06/01/2025			509,850.00	509,850.00	
12/01/2025	230,000	5.500%	509,850.00	739,850.00	1,249,700
06/01/2026			503,525.00	503,525.00	
12/01/2026	270,000	5.500%	503,525.00	773,525.00	1,277,050
06/01/2027			498,100.00	498,100.00	
12/01/2027	285,000	5.500%	498,100.00	781,100.00	1,277,200
06/01/2028			488,262.50	488,262.50	
12/01/2028	325,000	5.500%	488,262.50	813,262.50	1,301,525
06/01/2029			479,325.00	479,325.00	
12/01/2029	340,000	5.500%	479,325.00	819,325.00	1,298,650
06/01/2030			469,975.00	469,975.00	
12/01/2030	385,000	5.500%	469,975.00	854,975.00	1,324,850
06/01/2031			459,387.50	459,387.50	
12/01/2031	410,000	5.500%	459,387.50	869,387.50	1,328,775
06/01/2032			448,112.50	448,112.50	
12/01/2032	455,000	5.500%	448,112.50	903,112.50	1,351,225
06/01/2033			435,800.00	435,800.00	
12/01/2033	485,000	5.500%	435,800.00	920,600.00	1,356,200
06/01/2034			422,262.50	422,262.50	
12/01/2034	535,000	5.500%	422,262.50	957,262.50	1,379,525
06/01/2035			407,550.00	407,550.00	
12/01/2035	565,000	5.500%	407,550.00	972,550.00	1,380,100
06/01/2036			392,012.50	392,012.50	
12/01/2036	625,000	5.500%	392,012.50	1,017,012.50	1,409,025
06/01/2037			374,825.00	374,825.00	
12/01/2037	660,000	5.500%	374,825.00	1,034,825.00	1,409,650
06/01/2038			356,675.00	356,675.00	
12/01/2038	725,000	5.500%	356,675.00	1,081,675.00	1,438,350
06/01/2039			336,737.50	336,737.50	
12/01/2039	765,000	5.500%	336,737.50	1,101,737.50	1,438,475
06/01/2040			315,700.00	315,700.00	
12/01/2040	835,000	5.500%	315,700.00	1,150,700.00	1,466,400
06/01/2041			292,737.50	292,737.50	
12/01/2041	880,000	5.500%	292,737.50	1,172,737.50	1,465,475
06/01/2042			268,537.50	268,537.50	
12/01/2042	955,000	5.500%	268,537.50	1,223,537.50	1,492,075
06/01/2043			242,275.00	242,275.00	
12/01/2043	1,010,000	5.500%	242,275.00	1,252,275.00	1,494,550
06/01/2044			214,500.00	214,500.00	
12/01/2044	1,095,000	5.500%	214,500.00	1,309,500.00	1,524,000
06/01/2045			184,387.50	184,387.50	
12/01/2045	1,155,000	5.500%	184,387.50	1,339,387.50	1,523,775
06/01/2046			152,625.00	152,625.00	
12/01/2046	1,250,000	5.500%	152,625.00	1,402,625.00	1,555,250
06/01/2047			118,250.00	118,250.00	
12/01/2047	1,320,000	5.500%	118,250.00	1,438,250.00	1,556,500
06/01/2048			81,950.00	81,950.00	
12/01/2048	2,980,000	5.500%	81,950.00	3,061,950.00	3,143,800
	19,400,000		23,221,275.00	42,621,275.00	42,621,275

NET DEBT SERVICE

**LANTERNS METROPOLITAN DISTRICT Nos. 1-3
 GENERAL OBLIGATION BONDS, SERIES 2018
 57.50 (target) Mills
 Non-Rated, 120x, 30-yr. Maturity
 (Sized on Growth thru. 2018)**

Period Ending	Principal	Interest	Total Debt Service	Capitalized Interest Fund	Debt Service Reserve Fund	Net Debt Service
12/01/2019		1,067,000	1,067,000	-533,500	-3,110.50	530,389.50
12/01/2020	135,000	1,067,000	1,202,000		-3,110.50	1,198,889.50
12/01/2021	145,000	1,059,575	1,204,575		-3,110.50	1,201,464.50
12/01/2022	175,000	1,051,600	1,226,600		-3,110.50	1,223,489.50
12/01/2023	185,000	1,041,975	1,226,975		-3,110.50	1,223,864.50
12/01/2024	220,000	1,031,800	1,251,800		-3,110.50	1,248,689.50
12/01/2025	230,000	1,019,700	1,249,700		-3,110.50	1,246,589.50
12/01/2026	270,000	1,007,050	1,277,050		-3,110.50	1,273,939.50
12/01/2027	285,000	992,200	1,277,200		-3,110.50	1,274,089.50
12/01/2028	325,000	976,525	1,301,525		-3,110.50	1,298,414.50
12/01/2029	340,000	958,650	1,298,650		-3,110.50	1,295,539.50
12/01/2030	385,000	939,950	1,324,950		-3,110.50	1,321,839.50
12/01/2031	410,000	918,775	1,328,775		-3,110.50	1,325,664.50
12/01/2032	455,000	896,225	1,351,225		-3,110.50	1,348,114.50
12/01/2033	485,000	871,200	1,356,200		-3,110.50	1,353,089.50
12/01/2034	535,000	844,525	1,379,525		-3,110.50	1,376,414.50
12/01/2035	565,000	815,100	1,380,100		-3,110.50	1,376,989.50
12/01/2036	625,000	784,025	1,409,025		-3,110.50	1,405,914.50
12/01/2037	660,000	749,650	1,409,650		-3,110.50	1,406,539.50
12/01/2038	725,000	713,350	1,438,350		-3,110.50	1,435,239.50
12/01/2039	765,000	673,475	1,438,475		-3,110.50	1,435,364.50
12/01/2040	835,000	631,400	1,466,400		-3,110.50	1,463,289.50
12/01/2041	880,000	585,475	1,465,475		-3,110.50	1,462,364.50
12/01/2042	955,000	537,075	1,492,075		-3,110.50	1,488,964.50
12/01/2043	1,010,000	484,550	1,494,550		-3,110.50	1,491,439.50
12/01/2044	1,095,000	429,000	1,524,000		-3,110.50	1,520,889.50
12/01/2045	1,155,000	368,775	1,523,775		-3,110.50	1,520,664.50
12/01/2046	1,250,000	305,250	1,555,250		-3,110.50	1,552,139.50
12/01/2047	1,320,000	236,500	1,556,500		-3,110.50	1,553,389.50
12/01/2048	2,980,000	163,900	3,143,900		-1,558,360.50	1,585,539.50
	19,400,000	23,221,275	42,621,275	-533,500	-1,648,565.00	40,439,210.00

BOND SOLUTION

LANERNS METROPOLITAN DISTRICT Nos. 1-3
GENERAL OBLIGATION BONDS, SERIES 2018
57.50 (target) Mills
Non-Rated, 120x, 30-yr. Maturity
(Sized on Growth thru. 2018)

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2019		1,067,000	-536,611	530,390	1,128,977	598,588	212.85818%
12/01/2020	135,000	1,202,000	-3,111	1,198,890	1,595,578	396,689	133.08803%
12/01/2021	145,000	1,204,575	-3,111	1,201,465	2,051,611	850,147	170.75922%
12/01/2022	175,000	1,226,600	-3,111	1,223,490	2,516,355	1,292,865	205.67033%
12/01/2023	185,000	1,226,975	-3,111	1,223,865	2,757,080	1,533,215	225.27656%
12/01/2024	220,000	1,251,800	-3,111	1,248,690	2,812,221	1,563,532	225.21383%
12/01/2025	230,000	1,249,700	-3,111	1,246,590	2,812,221	1,565,632	225.59323%
12/01/2026	270,000	1,277,050	-3,111	1,273,940	2,868,466	1,594,526	225.16500%
12/01/2027	285,000	1,277,200	-3,111	1,274,090	2,868,466	1,594,376	225.13849%
12/01/2028	325,000	1,301,525	-3,111	1,298,415	2,925,835	1,627,421	225.33908%
12/01/2029	340,000	1,298,650	-3,111	1,295,540	2,925,835	1,630,296	225.83914%
12/01/2030	385,000	1,324,950	-3,111	1,321,840	2,984,352	1,662,512	225.77264%
12/01/2031	410,000	1,328,775	-3,111	1,325,665	2,984,352	1,658,687	225.12121%
12/01/2032	455,000	1,351,225	-3,111	1,348,115	3,044,039	1,695,924	225.79974%
12/01/2033	485,000	1,356,200	-3,111	1,353,090	3,044,039	1,690,949	224.96952%
12/01/2034	535,000	1,379,525	-3,111	1,376,415	3,104,920	1,728,505	225.58028%
12/01/2035	565,000	1,380,100	-3,111	1,376,990	3,104,920	1,727,930	225.48609%
12/01/2036	625,000	1,409,025	-3,111	1,405,915	3,167,018	1,761,104	225.26392%
12/01/2037	660,000	1,409,650	-3,111	1,406,540	3,167,018	1,760,479	225.16383%
12/01/2038	725,000	1,438,350	-3,111	1,435,240	3,230,359	1,795,119	225.07453%
12/01/2039	765,000	1,438,475	-3,111	1,435,365	3,230,359	1,794,994	225.05493%
12/01/2040	835,000	1,466,400	-3,111	1,463,290	3,294,966	1,831,676	225.17524%
12/01/2041	880,000	1,465,475	-3,111	1,462,365	3,294,966	1,832,601	225.31767%
12/01/2042	955,000	1,492,075	-3,111	1,488,965	3,360,865	1,871,900	225.71828%
12/01/2043	1,010,000	1,494,550	-3,111	1,491,440	3,360,865	1,869,425	225.34370%
12/01/2044	1,095,000	1,524,000	-3,111	1,520,890	3,428,082	1,907,193	225.39983%
12/01/2045	1,155,000	1,523,775	-3,111	1,520,665	3,428,082	1,907,418	225.43318%
12/01/2046	1,250,000	1,555,250	-3,111	1,552,140	3,496,644	1,944,504	225.27897%
12/01/2047	1,320,000	1,556,500	-3,111	1,553,390	3,496,644	1,943,254	225.09769%
12/01/2048	2,980,000	3,143,900	-1,558,361	1,585,540	3,566,577	1,981,037	224.94405%
	19,400,000	42,621,275	-2,182,065	40,439,210	89,051,712	48,612,502	

SOURCES AND USES OF FUNDS

**LANERNS METROPOLITAN DISTRICT Nos. 1-3
 GENERAL OBLIGATION BONDS, SERIES 2021
 57.50 (target) Mills
 Non-Rated, 120x, 30-yr. Maturity
 (Sized on All Growth)**

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

Sources:

Bond Proceeds:	
Par Amount	18,670,000.00
	<u>18,670,000.00</u>

Uses:

Project Fund Deposits:	
Project Fund	16,189,939.58
Other Fund Deposits:	
Debt Service Reserve Fund	1,823,260.42
Delivery Date Expenses:	
Cost of Issuance	656,800.00
	<u>18,670,000.00</u>

BOND SUMMARY STATISTICS

**LANTERNS METROPOLITAN DISTRICT Nos. 1-3
GENERAL OBLIGATION BONDS, SERIES 2021
57.50 (target) Mills
Non-Rated, 120x, 30-yr. Maturity
(Sized on All Growth)**

Dated Date	12/01/2021
Delivery Date	12/01/2021
First Coupon	06/01/2022
Last Maturity	12/01/2051
Arbitrage Yield	5.500000%
True Interest Cost (TIC)	5.500000%
Net Interest Cost (NIC)	5.500000%
All-In TIC	5.778634%
Average Coupon	5.500000%
Average Life (years)	24.432
Weighted Average Maturity (years)	24.432
Duration of Issue (years)	13.329
Par Amount	18,670,000.00
Bond Proceeds	18,670,000.00
Total Interest	25,088,250.00
Net Interest	25,088,250.00
Bond Years from Dated Date	456,150,000.00
Bond Years from Delivery Date	456,150,000.00
Total Debt Service	43,758,250.00
Maximum Annual Debt Service	4,858,275.00
Average Annual Debt Service	1,458,608.33
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Term Bond due 2051	18,670,000.00	100.000	5.500%	24.432	27,258.20
	18,670,000.00			24.432	27,258.20

	TIC	All-In TIC	Arbitrage Yield
Par Value	18,670,000.00	18,670,000.00	18,670,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-656,800.00	
- Other Amounts			
Target Value	18,670,000.00	18,013,200.00	18,670,000.00
Target Date	12/01/2021	12/01/2021	12/01/2021
Yield	5.500000%	5.778634%	5.500000%

BOND DEBT SERVICE

**LANTERNS METROPOLITAN DISTRICT Nos. 1-3
GENERAL OBLIGATION BONDS, SERIES 2021
57.50 (target) Mills
Non-Rated, 120x, 30-yr. Maturity
(Sized on All Growth)**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2022			513,425.00	513,425.00	
12/01/2022			513,425.00	513,425.00	1,026,850
06/01/2023			513,425.00	513,425.00	
12/01/2023	50,000	5.500%	513,425.00	583,425.00	1,076,850
06/01/2024			512,050.00	512,050.00	
12/01/2024	70,000	5.500%	512,050.00	582,050.00	1,094,100
06/01/2025			510,125.00	510,125.00	
12/01/2025	80,000	5.500%	510,125.00	590,125.00	1,100,250
06/01/2026			507,925.00	507,925.00	
12/01/2026	100,000	5.500%	507,925.00	607,925.00	1,115,850
06/01/2027			505,175.00	505,175.00	
12/01/2027	105,000	5.500%	505,175.00	610,175.00	1,115,350
06/01/2028			502,287.50	502,287.50	
12/01/2028	135,000	5.500%	502,287.50	637,287.50	1,139,575
06/01/2029			498,575.00	498,575.00	
12/01/2029	145,000	5.500%	498,575.00	643,575.00	1,142,150
06/01/2030			494,587.50	494,587.50	
12/01/2030	175,000	5.500%	494,587.50	669,587.50	1,164,175
06/01/2031			489,775.00	489,775.00	
12/01/2031	185,000	5.500%	489,775.00	674,775.00	1,164,550
06/01/2032			484,887.50	484,887.50	
12/01/2032	220,000	5.500%	484,887.50	704,887.50	1,189,375
06/01/2033			478,837.50	478,837.50	
12/01/2033	225,000	5.500%	478,837.50	703,837.50	1,182,275
06/01/2034			472,450.00	472,450.00	
12/01/2034	265,000	5.500%	472,450.00	737,450.00	1,209,900
06/01/2035			465,162.50	465,162.50	
12/01/2035	280,000	5.500%	465,162.50	745,162.50	1,210,325
06/01/2036			457,462.50	457,462.50	
12/01/2036	320,000	5.500%	457,462.50	777,462.50	1,234,925
06/01/2037			448,662.50	448,662.50	
12/01/2037	335,000	5.500%	448,662.50	783,662.50	1,232,325
06/01/2038			439,450.00	439,450.00	
12/01/2038	380,000	5.500%	439,450.00	819,450.00	1,258,900
06/01/2039			429,000.00	429,000.00	
12/01/2039	400,000	5.500%	429,000.00	829,000.00	1,258,000
06/01/2040			418,000.00	418,000.00	
12/01/2040	445,000	5.500%	418,000.00	863,000.00	1,281,000
06/01/2041			405,762.50	405,762.50	
12/01/2041	475,000	5.500%	405,762.50	880,762.50	1,286,525
06/01/2042			392,700.00	392,700.00	
12/01/2042	530,000	5.500%	392,700.00	922,700.00	1,315,400
06/01/2043			378,125.00	378,125.00	
12/01/2043	555,000	5.500%	378,125.00	933,125.00	1,311,250
06/01/2044			362,862.50	362,862.50	
12/01/2044	610,000	5.500%	362,862.50	972,862.50	1,335,725
06/01/2045			346,087.50	346,087.50	
12/01/2045	645,000	5.500%	346,087.50	991,087.50	1,337,175
06/01/2046			328,350.00	328,350.00	
12/01/2046	705,000	5.500%	328,350.00	1,033,350.00	1,361,700
06/01/2047			308,962.50	308,962.50	
12/01/2047	745,000	5.500%	308,962.50	1,053,962.50	1,362,925
06/01/2048			288,475.00	288,475.00	
12/01/2048	810,000	5.500%	288,475.00	1,098,475.00	1,386,950
06/01/2049			266,200.00	266,200.00	
12/01/2049	2,440,000	5.500%	266,200.00	2,706,200.00	2,972,400
06/01/2050			199,100.00	199,100.00	
12/01/2050	2,835,000	5.500%	199,100.00	2,834,100.00	3,033,200
06/01/2051			126,637.50	126,637.50	
12/01/2051	4,605,000	5.500%	126,637.50	4,731,637.50	4,858,275
	18,670,000		25,088,250.00	43,758,250.00	43,758,250

NET DEBT SERVICE

**LANTERNS METROPOLITAN DISTRICT Nos. 1-3
GENERAL OBLIGATION BONDS, SERIES 2021
57.50 (target) Mills
Non-Rated, 120x, 30-yr. Maturity
(Sized on All Growth)**

Period Ending	Principal	Interest	Total Debt Service	Debt Service Reserve Fund	Net Debt Service
12/01/2022		1,026,850	1,026,850	-3,646.52	1,023,203.48
12/01/2023	50,000	1,026,850	1,076,850	-3,646.52	1,073,203.48
12/01/2024	70,000	1,024,100	1,094,100	-3,646.52	1,090,453.48
12/01/2025	80,000	1,020,250	1,100,250	-3,646.52	1,096,603.48
12/01/2026	100,000	1,015,850	1,115,850	-3,646.52	1,112,203.48
12/01/2027	105,000	1,010,350	1,115,350	-3,646.52	1,111,703.48
12/01/2028	135,000	1,004,575	1,139,575	-3,646.52	1,135,928.48
12/01/2029	145,000	997,150	1,142,150	-3,646.52	1,138,503.48
12/01/2030	175,000	989,175	1,164,175	-3,646.52	1,160,528.48
12/01/2031	185,000	979,550	1,164,550	-3,646.52	1,160,903.48
12/01/2032	220,000	969,375	1,189,375	-3,646.52	1,185,728.48
12/01/2033	225,000	957,275	1,182,275	-3,646.52	1,178,628.48
12/01/2034	265,000	944,900	1,209,900	-3,646.52	1,206,253.48
12/01/2035	280,000	930,325	1,210,325	-3,646.52	1,206,678.48
12/01/2036	320,000	914,925	1,234,925	-3,646.52	1,231,278.48
12/01/2037	335,000	897,325	1,232,325	-3,646.52	1,228,678.48
12/01/2038	380,000	878,900	1,258,900	-3,646.52	1,255,253.48
12/01/2039	400,000	858,000	1,258,000	-3,646.52	1,254,353.48
12/01/2040	445,000	836,000	1,281,000	-3,646.52	1,277,353.48
12/01/2041	475,000	811,525	1,286,525	-3,646.52	1,282,878.48
12/01/2042	530,000	785,400	1,315,400	-3,646.52	1,311,753.48
12/01/2043	555,000	756,250	1,311,250	-3,646.52	1,307,603.48
12/01/2044	610,000	725,725	1,335,725	-3,646.52	1,332,078.48
12/01/2045	645,000	692,175	1,337,175	-3,646.52	1,333,528.48
12/01/2046	705,000	656,700	1,361,700	-3,646.52	1,358,053.48
12/01/2047	745,000	617,925	1,362,925	-3,646.52	1,359,278.48
12/01/2048	810,000	576,950	1,386,950	-3,646.52	1,383,303.48
12/01/2049	2,440,000	532,400	2,972,400	-3,646.52	2,968,753.48
12/01/2050	2,635,000	398,200	3,033,200	-3,646.52	3,029,553.48
12/01/2051	4,605,000	253,275	4,858,275	-1,826,906.94	3,031,368.06
	18,670,000	25,088,250	43,758,250	-1,932,656.02	41,825,593.98

BOND SOLUTION

**LANTERNS METROPOLITAN DISTRICT Nos. 1-3
GENERAL OBLIGATION BONDS, SERIES 2021
57.50 (target) Mills
Non-Rated, 120x, 30-yr. Maturity
(Sized on All Growth)**

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2022		1,026,850	-3,647	1,223,490	2,246,693	2,516,355	269,662	112.00262%
12/01/2023	50,000	1,076,850	-3,647	1,223,865	2,297,068	2,757,080	460,012	120.02605%
12/01/2024	70,000	1,094,100	-3,647	1,248,690	2,339,143	2,812,221	473,079	120.22444%
12/01/2025	80,000	1,100,250	-3,647	1,246,590	2,343,193	2,812,221	469,029	120.01664%
12/01/2026	100,000	1,115,850	-3,647	1,273,940	2,386,143	2,868,466	482,323	120.21350%
12/01/2027	105,000	1,115,350	-3,647	1,274,090	2,385,793	2,868,466	482,673	120.23113%
12/01/2028	135,000	1,139,575	-3,647	1,298,415	2,434,343	2,925,835	491,492	120.18993%
12/01/2029	145,000	1,142,150	-3,647	1,295,540	2,434,043	2,925,835	491,792	120.20475%
12/01/2030	175,000	1,164,175	-3,647	1,321,840	2,482,368	2,984,352	501,984	120.22198%
12/01/2031	185,000	1,164,550	-3,647	1,325,665	2,486,568	2,984,352	497,784	120.01892%
12/01/2032	220,000	1,189,375	-3,647	1,348,115	2,533,843	3,044,039	510,196	120.13526%
12/01/2033	225,000	1,182,275	-3,647	1,353,090	2,531,718	3,044,039	512,321	120.23610%
12/01/2034	265,000	1,209,900	-3,647	1,376,415	2,582,668	3,104,920	522,252	120.22141%
12/01/2035	280,000	1,210,325	-3,647	1,376,990	2,583,668	3,104,920	521,252	120.17487%
12/01/2036	320,000	1,234,925	-3,647	1,405,915	2,637,193	3,167,018	529,825	120.09050%
12/01/2037	335,000	1,232,325	-3,647	1,406,540	2,635,218	3,167,018	531,800	120.18050%
12/01/2038	380,000	1,258,900	-3,647	1,435,240	2,690,493	3,230,359	539,866	120.06567%
12/01/2039	400,000	1,258,000	-3,647	1,435,365	2,689,718	3,230,359	540,641	120.10027%
12/01/2040	445,000	1,281,000	-3,647	1,463,290	2,740,643	3,294,966	554,323	120.22601%
12/01/2041	475,000	1,288,525	-3,647	1,462,365	2,745,243	3,294,966	549,723	120.02456%
12/01/2042	530,000	1,315,400	-3,647	1,488,965	2,800,718	3,360,865	560,147	120.00012%
12/01/2043	555,000	1,311,250	-3,647	1,491,440	2,799,043	3,360,865	561,822	120.07193%
12/01/2044	610,000	1,335,725	-3,647	1,520,890	2,852,968	3,428,082	575,114	120.15846%
12/01/2045	645,000	1,337,175	-3,647	1,520,665	2,854,193	3,428,082	573,889	120.10689%
12/01/2046	705,000	1,381,700	-3,647	1,552,140	2,910,193	3,496,644	586,451	120.15162%
12/01/2047	745,000	1,382,925	-3,647	1,553,390	2,912,668	3,496,644	583,976	120.04952%
12/01/2048	810,000	1,386,950	-3,647	1,585,540	2,968,843	3,566,577	597,734	120.13356%
12/01/2049	2,440,000	2,972,400	-3,647		2,968,753	3,566,577	597,823	120.13718%
12/01/2050	2,635,000	3,033,200	-3,647		3,029,553	3,637,908	608,355	120.08068%
12/01/2051	4,605,000	4,658,275	-1,826,907		3,031,368	3,637,908	606,540	120.00880%
	18,670,000	43,758,250	-1,932,656	37,508,467	79,334,060	95,117,939	15,783,878	

EXHIBIT C-2

Mill Levies of Overlapping Entities

CASTLE PINES NORTH MD (Tax District 3277)

Douglas County Government	18.774
Developmental Disabilities	1.000
Douglas County RE-1 School District	48.277
City of Castle Pines	4.500
South Metro Fire Rescue District	9.444
Cherry Creek Basin Water Quality Authority	0.500
Douglas County Libraries	4.029
Urban Drainage & Flood Control District	0.608
Urban Drainage & Flood - South Platte	0.064
Castle Pines North Metropolitan District	<u>41.000</u>

Total 2013 Mill Levy 128.196

CRYSTAL CROSSING MD (Tax District 1420)

Douglas County Government	18.774
Developmental Disabilities	1.000
Douglas County RE-1 School District	48.277
Town of Castle Rock	1.703
Cedar Hill Cemetery Association	0.187
Douglas County Libraries	4.029
Crystal Crossing Metropolitan District	<u>62.230</u>

Total 2013 Mill Levy 136.200

CRYSTAL VALLEY MD NO. 2 (Tax District 2151)

Douglas County Government	18.774
Developmental Disabilities	1.000
Douglas County RE-1 School District	48.277
Town of Castle Rock	1.703
Cedar Hill Cemetery Association	0.187
Douglas County Libraries	4.029
Crystal Valley Metropolitan District No. 2	<u>55.940</u>

Total 2013 Mill Levy 129.910

EXHIBIT D

Board of Directors

Scott L. Carlson
Carlson Associates, Inc.
P.O. Box 247
Eastlake, CO 80614
Phone: 303-457-2966

Kent D. Carlson
Carlson Associates, Inc.
P.O. Box 247
Eastlake, CO 80614
Phone: 303-457-2966

Clay F. Carlson
Carlson Associates, Inc.
P.O. Box 247
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Phone: 303-457-2966

Ryan L. Carlson
Carlson Associates, Inc.
P.O. Box 247
Eastlake, CO 80614
Phone: 303-457-2966

Lonny E. Phelps
Phelps Engineering & Development Services
7200 E. Hampden Ave., Suite 300
Denver, CO 80224
Phone: 303-298-1644

EXHIBIT E
Proof of Ownership

Fidelity National Title Insurance Company
4643 S. Ulster Street, 5th Floor
Denver, CO 80237

RECORD TITLE SEARCH

File No.: OE3
Address:
Effective Date: 07/07/2014

We have searched the records in the Office of the Register of Deeds affecting property located in the County of Douglas, State of Colorado, described as:

See Attached Exhibit A

We have found the conveyance(s) and/or encumbrance(s) listed below.

Record title appears to be vested in:

JEFFERSON 500 LLC, a Colorado limited liability company; and AUSTEN HOLDINGS, LLC, a Colorado limited liability company; and ALCOTT HOLDINGS, LLC, a Colorado limited liability company as their interests appear of record

Subject to the following unreleased liens:

A: None.

The information contained herein is based upon the records of the Register of Deeds in the county in which the land is situated. No search has been made for any instrument (however designated) filed in the office of the Register of Deeds, other than those specifically delineated as "searched", pursuant to the Uniform Commercial Code, or any easements, claims of easements, servitudes, existing water, mineral, oil, gas and exploration rights, liens (of any kind or nature) or rights thereto, covenants, conditions, restrictions or special assessments, or any other types of matters which may be disclosed by public record.

This report is based upon certain information furnished by the party/entity named under "Customer", or their Agent, and said information has been relied upon by the Company to determine the street address and legal description shown herein. The Company assumes no liability for the accuracy of the determination that the street address and/or the legal description searched constitute the same or part of the same premises. The information reported herein is limited to the period during which the current owner has held title, as reflected above, and is provided for the benefit of the Customer herein only. This report is not intended to be, nor shall it be deemed to be, a legal opinion of title or any form of title insurance, and it is agreed to by and between the Customer and the Company that any liability of the Company hereunder for the information provided herein shall be limited to an amount not to exceed the actual amount charged for and collected by the Company for this report.

NOTE: This search contains information from public records and is not to be interpreted as an Opinion of Title, Title Guaranty, Abstract or Title Insurance Policy.

Exhibit A

PARCEL ONE:

Section 26, that portion of Section 27 lying East of the East right-of-way line of the Denver & Rio Grande Western Railroad and that portion of the Southeast quarter of the Southeast quarter of Section 22 lying East of the East right-of-way line of The Denver & Rio Grande Western Railroad, Township 8 South, Range 67 West of the Sixth Principal Meridian, County of Douglas, State of Colorado, more particularly described as follows:

Beginning at the Southeast corner of said Section 27;

Thence North 88 degrees 57 minutes 18 seconds West along the South line of the Southeast quarter of said Section 27, 2345.92 feet to the East right-of-way line of the Denver & Rio Grande Western Railroad;

Thence along said East right-of-way line the following thirteen (13) courses:

1. Thence North 24 degrees 18 minutes 40 seconds East, 1080.09 feet to a point of curve;
2. Thence along said curve to the left having a radius of 6027.22 feet, a central angle of 03 degrees 21 minutes 51 seconds, 353.89 feet to the North line of the South half of the Southeast quarter of said Section 27,
3. Thence North 89 degrees 04 minutes 00 seconds West along said line, 53.24 feet to a point on a curve;
4. Thence along said curve to the left having a radius of 5977.22 feet, a central angle of 10 degrees 28 minutes 41 seconds (the chord of which bears North 15 degrees 52 minutes 57 seconds East, 1091.57 feet), 1093.09 feet to a point of tangent;
5. Thence North 10 degrees 38 minutes 37 seconds East along said tangent, 1158.08 feet to the West line of the Southeast quarter of the Northeast quarter of said Section 27;
6. Thence South 00 degrees 33 minutes 47 seconds East along said line, 257.26 feet;
7. Thence North 10 degrees 38 minutes 37 seconds East, 719.23 feet to the South line of the Northeast quarter of the Northeast quarter of said Section 27;
8. Thence North 89 degrees 08 minutes 38 seconds West along said line, 50.75 feet;
9. thence North 10 degrees 38 minutes 37 seconds East, 122.51 feet to a point of curve;
10. Thence along said curve to the right having a radius of 11409.21 feet, a central angle of 02 degrees 02 minutes 31 seconds, 406.61 feet to a point of tangent;
11. Thence North 12 degrees 41 minutes 08 seconds East along said tangent, 1634.70 feet;
12. thence South 77 degrees 18 minutes 52 seconds East, 100.00 feet;
13. Thence North 12 degrees 41 minutes 08 seconds East, 567.51 feet to the North line of the Southeast quarter of the Southeast quarter of said Section 22;

Thence South 89 degrees 05 minutes 49 seconds East along said line, 527.42 feet to the Northeast corner of the Southeast quarter of the Southeast quarter of said Section 22;

Thence South 00 degrees 09 minutes 41 seconds West along the East line of the Southeast quarter of the Southeast quarter of said Section 22, 1329.96 feet to the Northwest corner of said Section 26;

Thence South 89 degrees 50 minutes 08 seconds East along the North line of the Northwest quarter of the Northwest quarter of said Section 26, 1313.69 feet to the Northwest corner of the Northeast quarter of the Northwest quarter of said Section 26;

Thence South 89 degrees 50 minutes 08 seconds East along the North line of said Northeast quarter of the Northwest quarter, 1313.69 feet to the North quarter corner of said Section 26;

Thence South 89 degrees 49 minutes 35 seconds East along the North line of the Northwest quarter of the Northeast quarter of said Section 26, 1313.47 feet to the Northwest corner of the Northeast quarter of the Northeast quarter of said Section 26;

Thence South 89 degrees 49 minutes 35 seconds East along the North line of the Northeast quarter of the Northeast quarter of said Section 26, 1313.47 feet to the Northeast corner of said Section 26;

Thence South 00 degrees 31 minutes 15 seconds East along the East line of the Northeast quarter of the Northeast quarter of said Section 26, 1325.20 feet to the Northeast corner of the Southeast quarter of the Northeast quarter of said Section 26;

Thence South 00 degrees 31 minutes 15 seconds East along the East line of said Southeast quarter of the Northeast quarter, 1325.39 feet to the East quarter corner of said Section 26;

Thence South 00 degrees 29 minutes 22 seconds East along the East line of the Southeast quarter of said Section 26, 2651.16 feet to the Southeast corner of said Section 26;

Thence North 89 degrees 48 minutes 30 seconds West along the South line of the Southeast quarter of said Section 26, 2644.79 feet to the South quarter corner of said Section 26;

Thence North 89 degrees 49 minutes 05 seconds West along the South line of the Southwest quarter of said Section 26, 2645.18 feet to the Point of Beginning.

Excepting therefrom that portion conveyed to the Town of Castle Rock by deed recorded February 13, 2006, under Reception No. 2006012500.

And excepting therefrom the N ½ NE ¼ of said Section 26 as conveyed to East 80 LLC in the Deed recorded July 28, 2000, in Book 1875 at Page 48.

County of Douglas,
State of Colorado.

PARCEL TWO:

The North ½ of the Northeast ¼ of Section 26, township 8 South, Range 67 West of the 6th P.M., County of Douglas, State of Colorado.

EXHIBIT F

Form of Master Intergovernmental Agreement

AMENDED AND RESTATED

MASTER

INTERGOVERNMENTAL

AGREEMENT

TOWN OF CASTLE ROCK

AND

LANTERNS METROPOLITAN DISTRICT NO. 1

TOWN OF CASTLE ROCK/LANTERNS

METROPOLITAN DISTRICT NO. 1

AMENDED AND RESTATED

MASTER INTERGOVERNMENTAL AGREEMENT

DATE: _____, 2014.

PARTIES: **TOWN OF CASTLE ROCK** (Town), a home rule municipal corporation, 100 Wilcox Street, Castle Rock, Colorado 80104.

LANTERNS METROPOLITAN DISTRICT NO. 1, (District), a quasi-municipal corporation and political subdivision of the State of Colorado, c/o McGeady Sisneros, P.C., 450 E. 17th Avenue, Suite 400, Denver, Colorado 80203.

RECITALS:

A. The District was organized by order and decree of the Douglas County District Court for the purpose of developing infrastructure to support the extension of urban services to the Lanterns.

B. As required by the Special District Act and Chapter 11.02 of the Castle Rock Municipal Code, the District has submitted an Amended and Restated Service Plan which was approved by Resolution No. 2014 - _____ of the Castle Rock Town Council on September 16, 2014 (Service Plan). The Service Plan reflects current capital development and financial projections for the District on a consolidated basis. The Council's approval of the Service Plan was conditioned on the District entering into this Master Intergovernmental Agreement, which sets forth, among other things, the parameters of the District's authority to finance and construct public improvements.

C. The constitution and laws of the State of Colorado permit and encourage cooperative efforts by local governmental entities to make the most efficient and effective use of their powers, responsibilities and resources. Due to the fact that the District's boundaries are entirely located within the Town limits, and the Town provides municipal services within the District's boundaries, the limitations and restrictions on the exercise by the District of the powers and duties granted it under the Special District Act are appropriate and necessary to protect the health, safety and welfare of the residents and citizens of the Town, including the current and future residents of the Lanterns.

COVENANTS:

THEREFORE, in consideration of these mutual promises, the parties agree and covenant as follows:

ARTICLE 1.
DEFINITIONS

1.01 Defined Terms. Unless the context expressly indicates to the contrary, the following words when capitalized in the text shall have the meanings indicated:

Agreement: this Amended and Restated Master Intergovernmental Agreement, which supersedes and replaces in its entirety that certain Master Intergovernmental Agreement by and between the Town and the District, dated September 2, 2004, and any amendments and supplements to this Agreement.

Availability of Service or Facilities Charges: those charges permitted to be assessed by the District pursuant to §32-1-1006(1)(h), C.R.S., as amended from time to time.

Bonds: bonds, refunding bonds, notes, certificates, debentures, contracts or other evidence of indebtedness or borrowing issued or incurred by the District pursuant to law.

Charter: the Home Rule Charter of the Town, as amended.

Code: the Castle Rock Municipal Code, as amended.

C.R.S.: the Colorado Revised Statutes, as amended.

Development Agreement: the Amended and Restated Lanterns Development Agreement dated _____, 2014, recorded _____, 2014 at Reception No. _____ of the Records.

Development Exactions: the fees and charges imposed by Town under the Town Regulations on development, including per unit charges for capital plant investment, such as System Development Fees.

District: The Lanterns Metropolitan District No. 1, the legal boundaries of which are described in the attached *Exhibit 1*.

Facilities: the infrastructure prescribed by Town Regulations necessary to furnish Municipal Services to the Lanterns, as further identified in the Service Plan.

Facilities Development Fees: those fees to be imposed and collected by the District for connection to Facilities constructed by the District, and for the right to use other Facilities of the District.

Financial Plan: the financing plan designated as Exhibit C to the Service Plan.

Lanterns: the Lanterns PD.

Municipal Services: police and fire protection, water and wastewater, stormwater drainage and detention, parks and recreation, transportation and street maintenance, general

administrative services including code enforcement and any other service provided by Town within the municipality under its police powers.

Plans: the plans, documents, drawings and specifications prepared by or for the District for construction, installation or acquisition of any of the Facilities.

Records: the public records of the Douglas County Clerk and Recorder.

SDO: the Special District Oversight ordinance codified in Chapter 11.02 of the Code.

Service Charges: the periodic charges imposed by the Town pursuant to Town Regulations, and billed to ultimate consumers of service provided by the Town to cover the costs of providing such services.

Service Plan: the Amended and Restated Service Plan for the District approved by Town Council Resolution No. 2014-_____ on September 16, 2014.

Special District Act: Article 1, Title 32, C.R.S.

System Development Fees: the charges imposed by Town under Town Regulations as a condition to the right to connect to the municipal water and wastewater system, for the purpose of recovering Town's pro rata capital cost of water or wastewater facilities dedicated to allow such connection.

Town: the Town of Castle Rock, a home rule municipal corporation.

Town Regulations: the Charter, ordinances, resolutions, rules and regulations of the Town, including the Code and the provisions of all zoning, subdivision, public works and building codes, as the same may be amended from time to time, applied on a Town-wide basis. Reference to Town Regulations shall mean the Town Regulations in effect at the time of application.

Certain other terms are defined in the text of the Agreement and shall have the meaning indicated.

1.02 Cross-Reference. Any reference to a section or article number, with or without further description, shall mean such section or article in this Agreement.

ARTICLE 2. **FACILITIES DEVELOPMENT AND MAINTENANCE**

2.01 Construction of Facilities. District has the authority to construct and finance the Facilities. The District shall not have the authority to provide other infrastructure without the prior written consent of the Town. The Facilities shall be constructed pursuant to the standards

and procedures set forth in the Service Plan, Development Agreement, and the Town Regulations.

2.02 Ownership and Maintenance. Except as provided in the Service Plan or as otherwise allowed by the Town, the District shall convey the Facilities to the Town for operation and maintenance by the Town. Upon acceptance of the Facilities, Town shall operate maintain, repair and/or replace the Facilities, in order to provide Municipal Services to the Lanterns. However, this Agreement shall not restrict or impair the Town from conveying Facilities to a regional authority or other governmental or quasi-governmental agency or authority, provided an equivalent level of maintenance and operation of such Facilities at an equivalent cost is guaranteed by Town, and the Town obtains an opinion of a bond attorney with a nationally-recognized expertise in the area of municipal bonds indicating that the conveyance will not adversely affect the tax-exempt status of any outstanding Bonds of the District.

2.03 Surety. In recognition of the quasi-municipal nature of the District and its financial and taxing powers, District may satisfy the requirements under the Town Regulations for posting of financial guarantees to assure the construction and warranty obligations for Facilities by establishing a cash escrow (Escrow) in accordance with the following:

- (a) the Escrow shall be established with a title insurance company or financial institution;
- (b) the construction Escrow deposit shall be in the amount prescribed by the Town Regulations;
- (c) District may make progress payments to its contractors from the Escrow construction deposit, provided Town approves the draw request, which approval shall not be unreasonably withheld;
- (d) the construction Escrow deposit may not be drawn down below the amount required for the warranty surety under the Town Regulations;
- (e) the Escrow agreement shall authorize the Town to access the Escrow deposit in the event of a default by District for the purpose of undertaking completion or remediation work on the Facilities as more specifically provided under the applicable SIA; and
- (f) the Escrow deposit remaining after expiration of the warranty period and application to remedy unmet warranty obligations, if any, shall be returned to the District.

In the event that alternative surety arrangements are authorized in the Town Regulations, such provisions shall be available to the District, notwithstanding the above requirements.

ARTICLE 3.
DEVELOPMENT FEES

3.01 Town Fees. Town will impose and collect Development Exactions within the District in accordance with the Town Regulations.

3.02 Charges by District. District shall have the right to impose Availability of Service or Facility Charges and Facilities Development Fees (collectively, District Fees), provided that the imposition of District Fees shall not in any manner impair or limit the imposition or collection by Town of any Development Exactions within the Lanterns. District shall collect District Fees directly from the builder or developer. District shall have the authority to impose a Facilities Development Fee which shall be in an amount as determined at the discretion of the District Board, but in no event to exceed Two Thousand Dollars (\$2,000) per unit, plus a one percent (1%) cost of living adjustment from January 1, 2016 forward. District shall have no right to impose any Service Charges; provided, however, nothing herein shall be construed or interpreted as prohibiting the District from imposing and collecting fees for the use of recreation or other Facilities that the District is authorized to own and operate pursuant to the Service Plan. Nothing in this section shall preclude or impair the District's ability to collect *ad valorem* property taxes, or to collect and impose any other rate, fee, tax, penalty or charge or other source of revenue, which is identified for utilization and application in the Financial Plan.

ARTICLE 4.
BOND ISSUANCE

4.01 Bonds. District shall not issue Bonds, except upon compliance with the following conditions:

- (a) the Bonds are issued in accordance with the applicable provisions and restrictions of the Service Plan, the Special District Act, and other applicable provisions of the laws of the State of Colorado; and
- (b) the District is not then required to obtain a Service Plan amendment under either the Special District Act or the SDO (i.e., as of the date of issuance there has not been a material modification to the Service Plan, as amended).

ARTICLE 5.
SERVICE PLAN COMPLIANCE

5.01 Generally. The Service Plan contains certain responsibilities, restrictions and limitations on the District which may not be separately set forth in this Agreement. Performance of the Service Plan by the District is an implied covenant of this Agreement, for which the default and remedies of section 8.05 shall be applicable in the same manner as if expressly set forth in this Agreement.

5.02 Service Plan Amendment. The authorization to the District under the terms of the Service Plan and this Agreement is given by Town on reliance upon certain development and financial assumptions and projections in the Service Plan. Although these projections and assumptions are based upon the best information available at this time, such assumptions and projections may prove to be materially inaccurate. Accordingly, a Service Plan amendment shall be submitted by the District to the Town for Town review and approval when required under the SDO and Special District Act.

5.03 Town Review. Annually, not later than the date the District is required to submit the annual report under the SDO, the District shall furnish to the Town an accounting of all actual revenues and expenses, and accumulated reserves for the preceding calendar year, in substantially the same format as the Financial Plan, such that Town can compare the experience of the District with the projections in the Financial Plan. Town shall have access to District's financial statements, accounting records and other supporting documentation, upon written demand, and at such reasonable times, for the purpose of auditing the financial reports submitted by District.

5.04 Statutory Review. The review of the Service Plan and the approval of this Agreement shall constitute the first quinquennial review of the District's reasonable diligence. The second statutory review of District's applications for the quinquennial finding of reasonable diligence under the Special District Act shall take place in 2020, to be completed not later than July 1, 2020.

ARTICLE 6.
LIMITATIONS ON DISTRICT'S POWERS

6.01 **Restrictions on Expansion of District's Powers.** The parties acknowledge that the District was permitted by the Town to be organized solely for the purpose of providing, acquiring, constructing, installing and completing the Facilities and providing or causing to be provided the services authorized pursuant to this Agreement and described in the Service Plan, and for no other purpose. The District shall not engage in any activity, purpose, service or function except as stated in this Agreement and in the Service Plan or as reasonably required for the District to accomplish such purposes, responsibilities and obligations. Town shall not interfere with the exercise by District of any of their lawful powers except as the exercise thereof is specifically limited by this Agreement and the Service Plan.

6.02 **Extraterritorial Authority.** District will not engage in any service or activity outside its boundaries (as the same may be modified, from time to time, in accordance with the Service Plan), except as such Facility, service or activity is described in the Service Plan or is necessary to the provision of Facilities or services within its boundaries, or where the District has obtained the Town's prior approval.

6.03 **Change of District Boundaries.** The District shall not include any additional territory outside the boundaries of the Lanterns to be included within the District boundaries without first obtaining Town approval, or unless otherwise authorized in the Service Plan.

ARTICLE 7.
TOWN RESERVED POWERS

7.01 **Generally.** As a general purpose municipal corporation, the Town adopts and administers policies, rules and regulations, principally through the Town Regulations (Town Policies). The approval of the Service Plan or this Agreement shall in no manner restrict the Town Council from applying Town Policies within the Lanterns (even though Town Policies may have an effect of limiting or delaying development or making development more costly to the landowner and/or District), provided the Town Policy is:

- (a) a lawful exercise of the Town's police powers; and

- (b) not in contravention of express covenants of the Development Agreement, the Service Plan or this Agreement.

7.02 No Claims. The District shall have no legal or equitable claim against the Town as a result of the Town taking or imposing any of the following actions if otherwise a lawful exercise of the Town's powers:

- (a) imposing new Development Exactions or increasing (or decreasing) the levels of existing Development Exactions; or
- (b) exercise of its right of eminent domain to acquire private properties in the District for public purposes upon the payment of just compensation therefore.

ARTICLE 8.
GENERAL PROVISIONS

8.01 Dissolution of District. At such time as all Facilities contemplated under this Agreement and the Service Plan have been acquired, constructed, installed and completed, and upon payment of all Bonds of the District, or provision having been made for such payment, and a plan for continuation of services provided by the District, the District shall, subject to applicable statutory provisions, be dissolved. At the time of such dissolution, all Facilities not previously conveyed to Town shall be so conveyed. Nothing contained in this section shall be deemed to specify an exclusive method for accomplishing dissolution; provided that any such dissolution shall comply with the applicable provisions of the Colorado Special District Act.

8.02 Additional Warranties. The parties warrant that each has the full right, power and authority to enter into, perform, and observe this Agreement. District disavows as obligor or obligee, any provision or term of any contract or indenture between the District and any other special district, which is in contravention of the provision of this Agreement, and District stipulates that any such intergovernmental agreement shall be subordinate and subject to the provisions of this Agreement.

8.03 Instruments of Further Assurance. The Town and the District covenant that they will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and

delivered such acts, instruments and transfers as may reasonably be required for the performance of their obligations hereunder.

8.04 Default and Remedies. In the event either party alleges that the other is in default of this Agreement, the non-defaulting party shall first notify the defaulting party in writing of such default and specify the exact nature of the default in such notice. The defaulting party shall have twenty (20) working days from receipt of such notice within which to cure such default before the non-defaulting party may exercise any of its remedies hereunder; provided that:

- (a) such default is capable of being cured;
- (b) the defaulting party has commenced such cure within said 20-day period; and
- (c) the defaulting party diligently prosecutes such cure to completion.

If such default is not of a nature that can be cured in such twenty (20) day period, corrective action must be commenced within such period by the defaulting party and thereafter diligently pursued. In addition to specific remedies provided elsewhere in the Agreement, upon default, the non-defaulting party shall have the right to take whatever action at law or in equity appears necessary or desirable to enforce the performance and observation of any obligation, agreement or covenant of the defaulting party under this Agreement, or to collect the monies then due and thereafter to become due. In any such legal action, the prevailing party shall be entitled to recover its reasonable attorney's fees and litigation costs from the other party.

8.05 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, addressed as follows:

If to Town:

Town of Castle Rock
Attn: Town Attorney
100 Wilcox Street
Castle Rock, CO 80104

If to District:

Lanterns Metropolitan District No. 1
c/o McGeady Sisneros, P.C.
450 E. 17th Ave., Suite 400
Denver, CO 80203

8.06 No Liability of Town. Town shall have no obligation whatsoever to repay any debt or liability of the District, including the Bonds.

8.07 Notice of Meetings. The District shall submit a copy of a written notice of every regular or special meeting of the District to the Town Clerk at least three days prior to such meeting.

8.08 Assignment. No transfer or assignment of this Agreement or of any rights hereunder shall be made by either party without the prior written consent of the other, which consent shall not be unreasonably withheld.

8.09 Amendments. This Agreement may be amended only in writing upon consent of the parties. Amendments shall be approved by resolution of the Town Council of the Town and the resolution of the Board of Directors of the District.

8.10 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

8.11 No Waiver. The waiver or delay of enforcement of one or more terms of this Agreement shall not constitute a waiver of the remaining terms. The waiver or delay in enforcement regarding any breach of this Agreement shall not constitute a waiver of any terms of the Agreement.

8.12 Entire Agreement. This Agreement contains the entire agreement of the parties concerning the subject matter and supersedes all prior conversations, proposals, negotiations, understandings, and agreements, whether written or oral.

8.13 No Third Party Beneficiary. This Agreement is made solely for the benefit of the parties and no other parties or persons are intended beneficiaries.

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TOWN OF CASTLE ROCK

Paul Donahue, Mayor

ATTEST:

Sally A. Misare, Town Clerk

Approved as to form:

Robert J. Slentz, Town Attorney

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
20____, by Sally A. Misare, as Town Clerk and Ray Waterman as Mayor of the Town of Castle
Rock, Colorado

Witness my hand and official seal.

My commission expires: _____

Notary Public

BOND SOLUTION

**LANTERNS METROPOLITAN DISTRICT Nos. 1-3
 GENERAL OBLIGATION BONDS, SERIES 2021
 57.50 (target) Mills
 Non-Rated, 120x, 30-yr. Maturity
 (Sized on All Growth)**

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2022		1,026,850	-3,647	1,223,490	2,246,893	2,516,355	269,662	112.00262%
12/01/2023	50,000	1,076,850	-3,647	1,223,865	2,297,068	2,757,080	460,012	120.02605%
12/01/2024	70,000	1,094,100	-3,647	1,248,690	2,339,143	2,812,221	473,079	120.22444%
12/01/2025	80,000	1,100,250	-3,647	1,246,590	2,343,193	2,812,221	469,029	120.01684%
12/01/2026	100,000	1,115,850	-3,647	1,273,940	2,386,143	2,868,466	482,323	120.21350%
12/01/2027	105,000	1,115,350	-3,647	1,274,090	2,385,793	2,868,466	482,673	120.23113%
12/01/2028	135,000	1,139,575	-3,647	1,298,415	2,434,343	2,925,835	491,492	120.18993%
12/01/2029	145,000	1,142,150	-3,647	1,295,540	2,434,043	2,925,835	491,792	120.20475%
12/01/2030	175,000	1,164,175	-3,647	1,321,840	2,482,368	2,984,352	501,984	120.22198%
12/01/2031	185,000	1,164,550	-3,647	1,325,665	2,486,568	2,984,352	497,784	120.01892%
12/01/2032	220,000	1,189,375	-3,647	1,348,115	2,533,843	3,044,039	510,196	120.13526%
12/01/2033	225,000	1,182,275	-3,647	1,353,090	2,531,718	3,044,039	512,321	120.23610%
12/01/2034	265,000	1,209,900	-3,647	1,376,415	2,582,668	3,104,920	522,252	120.22141%
12/01/2035	280,000	1,210,325	-3,647	1,376,990	2,583,668	3,104,920	521,252	120.17487%
12/01/2036	320,000	1,234,925	-3,647	1,405,915	2,637,193	3,167,018	529,825	120.09050%
12/01/2037	335,000	1,232,325	-3,647	1,406,540	2,635,218	3,167,018	531,800	120.18050%
12/01/2038	380,000	1,258,900	-3,647	1,435,240	2,690,493	3,230,359	539,866	120.06567%
12/01/2039	400,000	1,258,000	-3,647	1,435,365	2,689,718	3,230,359	540,641	120.10027%
12/01/2040	445,000	1,281,000	-3,647	1,483,290	2,740,643	3,294,966	554,323	120.22601%
12/01/2041	475,000	1,286,525	-3,647	1,482,365	2,745,243	3,294,966	549,723	120.02456%
12/01/2042	530,000	1,315,400	-3,647	1,488,965	2,800,718	3,360,865	560,147	120.00012%
12/01/2043	555,000	1,311,250	-3,647	1,491,440	2,799,043	3,360,865	561,822	120.07193%
12/01/2044	610,000	1,335,725	-3,647	1,520,890	2,852,968	3,428,082	575,114	120.15846%
12/01/2045	645,000	1,337,175	-3,647	1,520,665	2,854,193	3,428,082	573,889	120.10689%
12/01/2046	705,000	1,361,700	-3,647	1,552,140	2,910,193	3,496,644	586,451	120.15162%
12/01/2047	745,000	1,362,925	-3,647	1,553,390	2,912,668	3,496,644	583,976	120.04952%
12/01/2048	810,000	1,386,950	-3,647	1,585,540	2,968,843	3,566,577	597,734	120.13356%
12/01/2049	2,440,000	2,972,400	-3,647		2,968,753	3,566,577	597,823	120.13718%
12/01/2050	2,635,000	3,033,200	-3,647		3,029,553	3,637,908	608,355	120.08068%
12/01/2051	4,605,000	4,858,275	-1,826,907		3,031,368	3,637,908	606,540	120.00880%
	18,670,000	43,758,250	-1,932,656	37,508,467	79,334,060	95,117,939	15,783,878	

BOND SOLUTION

**LANTERNS METROPOLITAN DISTRICT Nos. 1-3
GENERAL OBLIGATION BONDS, SERIES 2032
Pay & Cancel Refunding of Ser. 2018 Subordinate Bonds
Non-Rated, 2051 Final Maturity**

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2033	360,000	510,200	2,531,718	3,041,918	3,044,039	2,121	100.06973%
12/01/2034	325,000	460,800	2,582,668	3,043,468	3,044,039	571	100.01876%
12/01/2035	335,000	457,800	2,583,668	3,041,468	3,044,039	2,571	100.08453%
12/01/2036	295,000	404,400	2,637,193	3,041,593	3,044,039	2,446	100.08042%
12/01/2037	310,000	407,600	2,635,218	3,042,818	3,044,039	1,221	100.04013%
12/01/2038	265,000	350,200	2,690,493	3,040,693	3,044,039	3,346	100.11004%
12/01/2039	275,000	349,600	2,689,718	3,039,318	3,044,039	4,721	100.15533%
12/01/2040	235,000	298,600	2,740,643	3,039,243	3,044,039	4,796	100.15780%
12/01/2041	240,000	294,200	2,745,243	3,039,443	3,044,039	4,596	100.15121%
12/01/2042	195,000	239,600	2,800,718	3,040,318	3,044,039	3,721	100.12239%
12/01/2043	205,000	241,800	2,799,043	3,040,843	3,044,039	3,196	100.10510%
12/01/2044	160,000	188,600	2,852,968	3,041,568	3,044,039	2,471	100.08124%
12/01/2045	165,000	187,200	2,854,193	3,041,393	3,044,039	2,646	100.08700%
12/01/2046	115,000	130,600	2,910,193	3,040,793	3,044,039	3,246	100.10675%
12/01/2047	120,000	131,000	2,912,668	3,043,668	3,044,039	371	100.01219%
12/01/2048	65,000	71,200	2,968,843	3,040,043	3,044,039	3,996	100.13145%
12/01/2049	70,000	73,600	2,968,753	3,042,353	3,044,039	1,685	100.05540%
12/01/2050	10,000	10,800	3,029,553	3,040,353	3,044,039	3,685	100.12122%
12/01/2051	10,000	10,400	3,031,368	3,041,768	3,044,039	2,271	100.07466%
	3,755,000	4,818,200	52,964,863	57,783,063	57,836,740	53,678	

BOND SOLUTION

**LANTERNS METROPOLITAN DISTRICT Nos. 1-3
GENERAL OBLIGATION BONDS, SERIES 2021
57.50 (target) Mills
Non-Rated, 120x, 30-yr. Maturity
(Sized on All Growth)**

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2022		1,026,850	-3,647	1,223,490	2,246,693	2,518,355	269,662	112.00282%
12/01/2023	50,000	1,076,850	-3,647	1,223,865	2,297,068	2,757,080	460,012	120.02605%
12/01/2024	70,000	1,094,100	-3,647	1,248,690	2,339,143	2,812,221	473,079	120.22444%
12/01/2025	80,000	1,100,250	-3,647	1,246,590	2,343,193	2,812,221	469,029	120.01664%
12/01/2026	100,000	1,115,850	-3,647	1,273,940	2,386,143	2,868,466	482,323	120.21350%
12/01/2027	105,000	1,115,350	-3,647	1,274,090	2,385,793	2,868,466	482,673	120.23113%
12/01/2028	135,000	1,139,575	-3,647	1,298,415	2,434,343	2,925,835	491,492	120.18993%
12/01/2029	145,000	1,142,150	-3,647	1,295,540	2,434,043	2,925,835	491,792	120.20475%
12/01/2030	175,000	1,164,175	-3,647	1,321,840	2,482,368	2,984,352	501,984	120.22198%
12/01/2031	185,000	1,164,550	-3,647	1,325,665	2,486,568	2,984,352	497,784	120.01892%
12/01/2032	220,000	1,189,375	-3,647	1,348,115	2,533,843	3,044,039	510,196	120.13526%
12/01/2033	225,000	1,182,275	-3,647	1,353,090	2,531,718	3,044,039	512,321	120.23610%
12/01/2034	265,000	1,209,900	-3,647	1,376,415	2,582,668	3,104,920	522,252	120.22141%
12/01/2035	280,000	1,210,325	-3,647	1,376,990	2,583,668	3,104,920	521,252	120.17487%
12/01/2036	320,000	1,234,925	-3,647	1,405,915	2,637,193	3,167,018	529,825	120.09050%
12/01/2037	335,000	1,232,325	-3,647	1,406,540	2,635,218	3,167,018	531,800	120.18050%
12/01/2038	380,000	1,258,900	-3,647	1,435,240	2,690,493	3,230,359	539,866	120.06567%
12/01/2039	400,000	1,258,000	-3,647	1,435,365	2,689,718	3,230,359	540,641	120.10027%
12/01/2040	445,000	1,281,000	-3,647	1,483,290	2,740,643	3,294,966	554,323	120.22601%
12/01/2041	475,000	1,286,525	-3,647	1,482,365	2,745,243	3,294,966	549,723	120.02456%
12/01/2042	530,000	1,315,400	-3,647	1,488,965	2,800,718	3,360,865	560,147	120.00012%
12/01/2043	555,000	1,311,250	-3,647	1,491,440	2,799,043	3,360,865	561,822	120.07193%
12/01/2044	610,000	1,335,725	-3,647	1,520,890	2,852,968	3,428,082	575,114	120.15846%
12/01/2045	645,000	1,337,175	-3,647	1,520,665	2,854,193	3,428,082	573,889	120.10689%
12/01/2046	705,000	1,361,700	-3,647	1,552,140	2,910,193	3,496,844	586,451	120.15162%
12/01/2047	745,000	1,362,925	-3,647	1,553,390	2,912,668	3,496,844	583,976	120.04952%
12/01/2048	810,000	1,386,950	-3,647	1,585,540	2,968,843	3,566,577	597,734	120.13356%
12/01/2049	2,440,000	2,972,400	-3,647		2,968,753	3,566,577	597,823	120.13718%
12/01/2050	2,635,000	3,033,200	-3,647		3,029,553	3,637,908	608,355	120.08068%
12/01/2051	4,605,000	4,658,275	-1,828,907		3,031,368	3,637,908	606,540	120.00880%
	18,670,000	43,758,250	-1,932,656	37,508,467	79,334,060	95,117,939	15,783,878	

SOURCES AND USES OF FUNDS

**LANERNS METROPOLITAN DISTRICT Nos. 1-3
 GENERAL OBLIGATION BONDS, SERIES 2032
 Pay & Cancel Refunding of Ser. 2018 Subordinate Bonds
 Non-Rated, 2051 Final Maturity**

Dated Date 12/01/2032
 Delivery Date 12/01/2032

Sources:

Bond Proceeds:	
Par Amount	3,755,000.00
Other Sources of Funds:	
Release of Senior Surplus Fund Balance	2,000,000.00
	5,755,000.00

Uses:

Project Fund Deposits:	
Refund Ser. 2018 Subs Principal & Accrued Int	5,604,800.00
Delivery Date Expenses:	
Cost of Issuance	150,200.00
	5,755,000.00

BOND SUMMARY STATISTICS

**LANTERNS METROPOLITAN DISTRICT Nos. 1-3
 GENERAL OBLIGATION BONDS, SERIES 2032
 Pay & Cancel Refunding of Ser. 2018 Subordinate Bonds
 Non-Rated, 2051 Final Maturity**

Dated Date	12/01/2032
Delivery Date	12/01/2032
First Coupon	06/01/2033
Last Maturity	12/01/2051
Arbitrage Yield	4.000000%
True Interest Cost (TIC)	4.000000%
Net Interest Cost (NIC)	4.000000%
All-In TIC	4.709419%
Average Coupon	4.000000%
Average Life (years)	7.079
Weighted Average Maturity (years)	7.079
Duration of Issue (years)	5.939
Par Amount	3,755,000.00
Bond Proceeds	3,755,000.00
Total Interest	1,063,200.00
Net Interest	1,063,200.00
Bond Years from Dated Date	26,580,000.00
Bond Years from Delivery Date	26,580,000.00
Total Debt Service	4,818,200.00
Maximum Annual Debt Service	510,200.00
Average Annual Debt Service	253,589.47
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Term Bond due 2051	3,755,000.00	100.000	4.000%	7.079	4,994.15
	3,755,000.00			7.079	4,994.15

	TIC	All-In TIC	Arbitrage Yield
Par Value	3,755,000.00	3,755,000.00	3,755,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-150,200.00	
- Other Amounts			
Target Value	3,755,000.00	3,604,800.00	3,755,000.00
Target Date	12/01/2032	12/01/2032	12/01/2032
Yield	4.000000%	4.709419%	4.000000%

BOND DEBT SERVICE

**LANTERNS METROPOLITAN DISTRICT Nos. 1-3
 GENERAL OBLIGATION BONDS, SERIES 2032
 Pay & Cancel Refunding of Ser. 2018 Subordinate Bonds
 Non-Rated, 2051 Final Maturity**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2033			75,100	75,100	
12/01/2033	360,000	4.000%	75,100	435,100	510,200
06/01/2034			67,900	67,900	
12/01/2034	325,000	4.000%	67,900	392,900	460,800
06/01/2035			61,400	61,400	
12/01/2035	335,000	4.000%	61,400	396,400	457,800
06/01/2036			54,700	54,700	
12/01/2036	295,000	4.000%	54,700	349,700	404,400
06/01/2037			48,800	48,800	
12/01/2037	310,000	4.000%	48,800	358,800	407,600
06/01/2038			42,600	42,600	
12/01/2038	265,000	4.000%	42,600	307,600	350,200
06/01/2039			37,300	37,300	
12/01/2039	275,000	4.000%	37,300	312,300	349,600
06/01/2040			31,800	31,800	
12/01/2040	235,000	4.000%	31,800	266,800	298,600
06/01/2041			27,100	27,100	
12/01/2041	240,000	4.000%	27,100	267,100	294,200
06/01/2042			22,300	22,300	
12/01/2042	195,000	4.000%	22,300	217,300	239,600
06/01/2043			18,400	18,400	
12/01/2043	205,000	4.000%	18,400	223,400	241,800
06/01/2044			14,300	14,300	
12/01/2044	160,000	4.000%	14,300	174,300	188,600
06/01/2045			11,100	11,100	
12/01/2045	165,000	4.000%	11,100	176,100	187,200
06/01/2046			7,800	7,800	
12/01/2046	115,000	4.000%	7,800	122,800	130,600
06/01/2047			5,500	5,500	
12/01/2047	120,000	4.000%	5,500	125,500	131,000
06/01/2048			3,100	3,100	
12/01/2048	65,000	4.000%	3,100	68,100	71,200
06/01/2049			1,800	1,800	
12/01/2049	70,000	4.000%	1,800	71,800	73,600
06/01/2050			400	400	
12/01/2050	10,000	4.000%	400	10,400	10,800
06/01/2051			200	200	
12/01/2051	10,000	4.000%	200	10,200	10,400
	3,755,000		1,063,200	4,818,200	4,818,200