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Div of Local Government

Commissioner BYRON moved adoption
of the following Resolution:

**BOARD OF COUNTY COMMISSIONERS
COUNTY OF EAGLE, STATE OF COLORADO**

RESOLUTION No. 2018- 070

**AUTHORIZING THE APPROVAL OF THE SERVICE PLAN FOR THE
TREE FARM METROPOLITAN DISTRICT FILE SD-7689**

WHEREAS, pursuant to the provisions of Title 32, Article 1, Part 2, C.R.S., as amended, the Tree Farm Metropolitan District (hereinafter the "District") filed a Service Plan with the Eagle County Clerk and Recorder on June 22, 2018; and

WHEREAS, the Eagle County Clerk and Recorder on behalf of the Eagle County Board of County Commissioners (hereinafter the "Board") reported the filing to the Division of Local Government on June 26, 2018; and

WHEREAS, on June 26, 2018, the Board referred the Service Plan to the Roaring Fork Valley Regional Planning Commission for its consideration and recommendation; and

WHEREAS, on July 19, 2018, the Roaring Fork Valley Regional Planning Commission held a hearing on the proposed Service Plan and recommended approval of the Plan; and

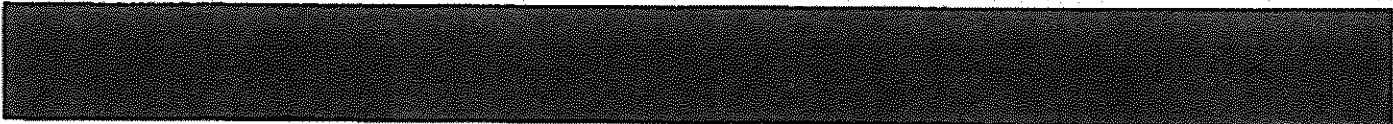
WHEREAS, on July 31, 2018, the recommendation of the Roaring Fork Valley Regional Planning Commission was presented to the Board and the Board set the matter for a public hearing on August 28, 2018; and

WHEREAS, the Eagle County Clerk and Recorder on behalf of the Board reported that the Board set the public hearing for the Service Plan to the Division of Local Government on August 3, 2018; and

WHEREAS, pursuant to the provisions of Title 32, Article 1, Part 2, C.R.S. as amended, the Board held a public hearing on the Service Plan on the 28th day of August, 2018, (hereinafter the "Hearing"); and

WHEREAS, Notice of the Hearing was duly published on August 2, 2018, in the Eagle Valley Enterprise, a newspaper of general circulation within Eagle County, as required by law, and the Aspen Times Daily; and

WHEREAS, on August 6, 2018, Notice of the Hearing was sent to the District, the Division of Local Government, and the governing body of each municipality and



special district which has levied an ad valorem tax within the next preceding tax year and which has boundaries within a radius of three miles of the proposed District; and

WHEREAS, pursuant to the provisions of Title 32, the District caused notice of the hearing to be mailed to each property owner within the District's boundaries; and

WHEREAS, the Board has considered the Service Plan, attached hereto as Exhibit "A", the recommendations of the Roaring Fork Valley Regional Planning Commission and all other testimony and evidence presented at the Hearing; and

WHEREAS, there are currently no other governmental entities, including the County, located in the immediate vicinity of the District that consider it desirable, feasible or practical to undertake the design, acquisition, construction, installation, operation, maintenance and financing of the public improvements for the District (the "Public Improvements"); and

WHEREAS, the District is necessary in order for the Public Improvements to be provided in the most economic manner possible; and

WHEREAS, the District shall have the power and authority to provide, operate and maintain the Public Improvements and shall have the power to provide any and all services within and without the boundaries of the District as such power and authority is described in the Special District Act and other applicable statutes, common law and the Constitution, as all may be amended from time to time, as described in the Service Plan; and

WHEREAS, the proposed Public Improvements will be designed and constructed in such a way as to assure that the Public Improvements standards are compatible with those of the County; and

WHEREAS, the Tree Farm Metropolitan District will undertake the existing and future design, acquisition, construction, installation, operation, maintenance, and financing of the Public Improvements.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF EAGLE, STATE OF COLORADO:

Section 1. That the Board does hereby determine that all of the requirements of Title 32, Article 1, Part 2, C.R.S., as amended, relating to the filing of Service Plan for the District, have been fulfilled and that Notice of the Hearing was given in the time and manner required by law, and that the Board has jurisdiction in the matter.

Section 2. That the Board does hereby find and determine that:

1. There is sufficient existing and projected need for organized service in the area to be served by the District; and

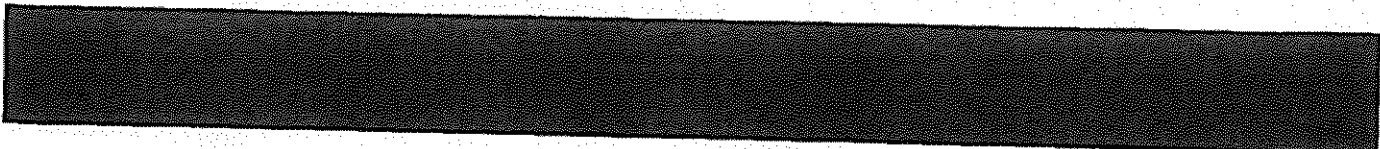
2. The existing service in the area to be served by the proposed District is not adequate for the present and projected need; and
3. The District is capable of providing economic and sufficient service to the area within the District's boundaries; and
4. The area to be included in the District has, or will have the financial ability to discharge the proposed indebtedness on a reasonable basis; and
5. 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 or on a comparable basis; and
6. The facility and service standards of the District are compatible with the facility and service standards of each county within which the District is located and each municipality which is an interested party under C.R.S. § 32-1-204(1), as amended; and
7. The proposal is in substantial compliance with the Eagle County Comprehensive Plan, as amended and adopted pursuant to Section 30-28-106, C.R.S.; and
8. The proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area; and
9. The creation of the District, pursuant to the Service Plan, will be in the best interests of the area proposed to be served.

Section 3. That the Service Plan for the Tree Farm Metropolitan District is hereby approved.

Section 4. That a certified copy of this Resolution be filed in the records of Eagle County and submitted to the District for the purpose of filing with the District Court of Eagle County.

MOVED, READ AND ADOPTED by the Board of County Commissioners of the County of Eagle, State of Colorado, at its regularly scheduled meeting held the 4th day of September, 2018, *nunc pro tunc* to the 28th day of August, 2018.

SIGNATURE PAGE TO FOLLOW





ATTEST:

Regina O'Brien
Regina O'Brien
Clerk to the Board of
County Commissioners

COUNTY OF EAGLE, STATE OF
COLORADO, by and Through Its
BOARD OF COUNTY COMMISSIONERS

By:

Kathy Chandler-Henry
Kathy Chandler-Henry
Chairman

Jill Ryan
Jill Ryan
Commissioner

Jeanne McQueeney
Jeanne McQueeney
Commissioner

Commissioner ~~MA Queeney~~ seconded adoption of the foregoing resolution. The roll having been called, the vote was as follows:

Commissioner Chandler-Henry
Commissioner Ryan
Commissioner McQueeney

Aye
Aye
Aye

This Resolution passed by 3/0 vote of the Board of County Commissioners of the County of Eagle, State of Colorado.

SERVICE PLAN
FOR
TREE FARM METROPOLITAN DISTRICT
EAGLE COUNTY, COLORADO

Prepared

by

Spencer Fane LLP
1700 Lincoln Street, Suite 2000
Denver, CO 80203

June 22, 2018

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Div of Local Government

TABLE OF CONTENTS

I. INTRODUCTION 1

II. PURPOSE OF THE DISTRICT 1

III. DISTRICT FRAMEWORK 2

IV. NEED FOR DISTRICT..... 2

V. LOCATION AND BOUNDARIES 2

VI. ASSESSED VALUATION/PROJECTIONS/LAND USE/POPULATION 2

VII. POWERS AND RESPONSIBILITIES..... 3

VIII. DISTRICT SERVICES, FACILITIES, AND IMPROVEMENTS..... 3

IX. EXISTING AND PROPOSED AGREEMENTS 7

X. FINANCIAL INFORMATION 7

XI. DEVELOPER ADVANCES AND REIMBURSEMENTS 9

XII. ANNUAL REPORT..... 10

XIII. MODIFICATION OF SERVICE PLAN 10

XIV. DISCLOSURE STATEMENT 10

XV. DISSOLUTION..... 10

XVI. DEFINITIONS 11

XVII. STATUTORY FINDINGS AND CONCLUSIONS..... 12

EXHIBITS

- Exhibit A** Vicinity Map
- Exhibit B** Legal Description
- Exhibit C** District Boundary Map
- Exhibit D** Cost of Improvements
- Exhibit E** Map of Improvements
- Exhibit F** Financial Plan

I. INTRODUCTION

This service plan (the “Service Plan”) for the Tree Farm Metropolitan District (the “District”) is for a metropolitan district organized under Title 32 of the Colorado Revised Statutes to serve the public improvement and service needs of the mixed use development known as The Tree Farm (the “Project”). The Project is being developed by Woody Ventures, LLC (the “Developer”). The District is generally located north of State Highway 82 adjacent to the intersection of Willits Drive and Tree Farm Drive (see **Exhibit A**, Vicinity Map) and contains approximately 43.76 acres (see **Exhibit B**, Legal Description, and **Exhibit C**, District Boundary Map).

Pursuant to the requirements of the Control Act, C.R.S. § 32-1-201, *et seq.*, as amended, the following items are included in this Service Plan:

1. A description of the proposed services;
2. A financial plan showing how the proposed services are to be financed, including the proposed operating revenue derived from property taxes for the first budget year of the District, which shall not be materially exceeded except as authorized pursuant to Sections 32-1-207 or 29-1-302, C.R.S.;
3. A preliminary engineering or architectural survey showing how the proposed services are to be provided;
4. A map of the District boundaries and an estimate of the population and valuation for assessment of the District;
5. A general description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of the District are compatible with facility and service standards of the County, and of municipalities and special districts which are interested parties pursuant to Section 32-1-204 (1);
6. A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the District; and
7. 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.

Exhibits A through G, attached hereto, are hereby incorporated into the Service Plan.

II. PURPOSE OF THE DISTRICT

The purpose of the District is to provide public improvements and services for the benefit

of all anticipated inhabitants and taxpayers of the District, either within or without its boundaries. The District also serves to finance and oversee the construction of these public improvements and to provide for ongoing operations and maintenance services.

III. DISTRICT FRAMEWORK

The District will be organized under a single district structure and will be responsible for all aspects of providing the public improvements and services authorized under this Service Plan.

IV. NEED FOR DISTRICT

There are currently no other governmental entities, including the County, located in the immediate vicinity of the District that consider it desirable, feasible, or practicable to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, and ongoing operations of the public improvements needed for the Project. Formation of the District is therefore necessary in order for the public improvements and services required for the Project to be provided in the most economical manner possible.

V. LOCATION AND BOUNDARIES

The District is located north of State Highway 82 adjacent to the intersection of Willits Drive and Tree Farm Drive. A vicinity map is attached hereto as **Exhibit A**. The area of the initial District's boundary encompasses approximately 43.76 acres. A legal description of the District's boundaries is attached hereto as **Exhibit B**. A map of the initial District's boundaries is attached hereto as **Exhibit C**.

It is anticipated that the District's boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to C.R.S. §§ 32-1-401, *et seq.*, and C.R.S. §§ 32-1-501, *et seq.*, as amended. Future inclusion and exclusion areas, if any, are identified in **Exhibit C**. Prior to any inclusions or exclusions that are not identified in **Exhibit C**, the District shall provide forty-five (45) days published notice and written notice to the Board of County Commissioners pursuant to C.R.S. § 32-1-207(3)(b). If, within such forty-five (45) day period, the Board of County Commissioners objects to the inclusion or exclusion, then the inclusion or exclusion shall be prohibited and constitute a material modification of this Service Plan requiring an amendment, pursuant to Section XIII of the Service Plan and C.R.S. § 32-1-207(2).

VI. ASSESSED VALUATION/PROJECTIONS/LAND USE/POPULATION

The current assessed value of property within the initial boundaries of the District is considered to be zero (\$0.00) for the purposes of this Service Plan. The estimated assessed value at full build-out is approximately \$25,337,217, and is expected to be sufficient to reasonably discharge the District's anticipated Debt under the Financial Plan. It is anticipated that the District will include approximately 348 residential units and approximately 135,000 net square feet (NSF) of commercial development. Based upon an estimated 2.4 persons per residence, the population of the District at build-out is expected to be approximately 835 residents.

Approval of this Service Plan by the County does not constitute nor imply approval of the development of a specific area within the District, nor does it constitute or imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached hereto, unless such land use plans have been approved by the Board of County Commissioners as part of a separate development review process.

VII. POWERS AND RESPONSIBILITIES

The District shall have the power and authority to provide the Public Improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is permitted by the Special District Act, this Service Plan, and other applicable statutes, common law, and the Colorado Constitution, subject to the limitations set forth herein.

A. General Powers

The District shall have the authority to construct, operate, and maintain the facilities and services as described in the Special District Act and Section VIII.A of this Service Plan.

B. Miscellaneous Powers

In addition to the powers enumerated above, the District's Board shall have the power and authority:

1. To amend this Service Plan as provided in the Special District Act and in Section XIII of this Service Plan, Modification of Service Plan;
2. To forego, reschedule, or restructure the financing and construction of certain improvements and facilities in order to better accommodate the pace of growth, resource availability, and potential inclusions and exclusions of property within the District;
3. To have and exercise all rights and powers necessary or incidental to, or implied from, the specific powers granted to the District in this Service Plan; and
4. To have and exercise the power of eminent domain, but only as necessary to construct, install, access, relocate or redevelop the Public Improvements identified in this Service Plan. Any other use of eminent domain shall require the District to provide forty-five (45) days published notice and written notice to the Board of County Commissioners pursuant to C.R.S. § 32-1-207(3)(b). If, within such forty-five (45) day period, the Board of County Commissioners objects to the use of eminent domain, then it shall be prohibited and constitute a material modification of this Service Plan requiring an amendment, pursuant to Section XIII of the Service Plan and C.R.S. § 32-1-207(2).

VIII. DISTRICT SERVICES, FACILITIES, AND IMPROVEMENTS

A. Services and Facilities

The District shall have the authority to provide services and public improvements pursuant to the Special District Act, as amended, including but not limited those described in this section, unless otherwise expressly limited herein. In addition, the District shall have the power and authority to contract with other private or governmental entities to provide any or all of the public improvements and services the District is authorized or empowered to provide.

1. Water

The District is located within the boundaries of Mid Valley Metropolitan District. The District shall not have the authority to provide water services or improvements, and shall not duplicate or interfere with any water services or improvements provided by the Mid Valley Metropolitan District.

2. Nonpotable Irrigation Water

The District shall have the power and authority to finance, construct, operate and maintain an irrigation (non-potable) water system as incidental to and in connection with its other public improvement and service powers described herein, including, but not limited to, water rights, water supply, storage, transmission, and distribution systems for irrigation and other public non-potable purposes.

3. Storm Sewer

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for flood and surface drainage improvements, including, but not limited to, culverts, dams, retaining walls, access way inlets, detention and retention ponds, paving, roadside swales, curbs and gutters, disposal works and facilities, water quality facilities, and all necessary and proper equipment, with all necessary, incidental and appurtenant facilities including but not limited to nonpotable irrigation facilities to irrigate and maintain the same, land and easements, together with extensions and improvements thereto.

4. Sanitation and Wastewater Treatment

The District is located within the boundaries of Mid Valley Metropolitan District. The District shall not have the authority to provide sanitation and wastewater treatment services or improvements, and shall not duplicate or interfere with any sanitation and wastewater treatment services or improvements provided by the Mid Valley Metropolitan District.

5. Street Improvements

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for arterial and collector streets and roadway improvements including, but not limited to, bridges, curbs, gutters, culverts, storm sewers and drainage facilities, detention and retention ponds, retaining walls and appurtenances, sidewalks,

paving, lighting, grading, landscaping, streetscaping, placement of underground utilities, snow removal, tunnels, landscape and nonpotable irrigation, and other street improvements, and architectural enhancements to any or all of the above, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

6. Traffic Safety Protection

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for safety protection through traffic control devices and safety controls on streets, as well as such other facilities and improvements as are necessary or prudent, including, but not limited to, signalization at intersections, traffic signs, area identification signs, directional assistance and driver information signs, with all necessary and incidental and appurtenant facilities, and land and easements, together with extensions and improvements thereto. All traffic and safety control devices will be consistent with and in compliance with County rules and regulations.

7. Television Relay and Translation

The District shall have the power and authority to finance, design, construct, install, acquire, operate, and maintain television relay and translator facilities, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

8. Mosquito Control

The District shall have the power and authority to finance, design, construct, acquire, install, operate, maintain, and provide for systems and methods for elimination and control of mosquitoes.

9. Covenant Enforcement and Design Review

The District shall have the power and authority to provide covenant enforcement and design review services subject to the limitations set forth in C.R.S. § 32-1-1004(8), as amended.

10. Security

The District shall have the power and authority to provide security services within the boundaries of the District, subject to the limitations set forth in C.R.S. § 32-1-1004(7), as amended. In no way are this power and authority intended to limit or supplant the responsibility and authority of local law enforcement (i.e., the Eagle County Sheriff's Department) within the boundaries of the District. It is anticipated that the District will enter into and intergovernmental agreement with the Eagle County Sheriff's Department to provide security services within the District.

11. Park and Recreation

The District is located within the boundaries of the Crown Mountain Park and Recreation District. The District shall not have the authority to provide park and recreation services or improvements, and shall not duplicate or interfere with any park and recreation services or improvements provided by the Crown Mountain Park and Recreation District.

12. Fire Protection

The District is located within the boundaries of the Basalt & Rural Fire Protection District. The District is not authorized to provide fire protection services or improvements and shall not duplicate or interfere with any fire protection services or improvements provided by the Basalt & Rural Fire Protection District. The authority to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire hydrants and related fire protection improvements incidental to and in connection with the District's other public improvement and service powers described herein shall not be limited by this subsection.

B. Estimated Costs and Phasing of Improvements

An estimate of the costs of the District's proposed Public Improvements is approximately \$15,498,625 as shown in **Exhibit D**. All descriptions of the Public Improvements proposed to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, the County's requirements, and construction scheduling may require. The District will continue to develop and refine cost estimates contained herein and prepare for issuance of Debt. All construction cost estimates assume construction to applicable local, State, or Federal requirements.

Maps showing the preliminary location of the proposed Public Improvements are attached hereto as **Exhibit E**. Phasing of construction shall be determined by the District to meet the needs of taxpayers within its boundaries. The District shall own, maintain, and replace public improvements constructed, installed, or acquired by the District or shall dedicate such public improvements to such other entity as shall accept dedication, subject to any limitations specified in this Service Plan.

In all instances, the District shall ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the County or other such entity that may have authority over such design and construction. The District shall obtain approval of civil engineering and other plans and any applicable permits for the construction and installation of Public Improvements from the County and/or other appropriate regulatory agencies.

C. Services to be Provided by Other Governmental Entities

The District is located within the boundaries of the Basalt & Rural Fire Protection District. Fire protection services will be provided to the Project by Basalt & Rural Fire Protection District.

The District is also located entirely within the boundaries of the Mid Valley Metropolitan District (“Mid Valley”). It is anticipated that potable water and sanitation and wastewater treatment services will be provided to the Project by Mid Valley, and the Developer and Mid Valley will enter into a water and sanitary sewer facilities and services agreement regarding Mid Valley’s service to the Project whereby all potable water and sanitation and wastewater treatment facilities necessary to connect the Project to Mid Valley’s systems will be constructed by the Developer and dedicated to Mid Valley.

IX. EXISTING AND PROPOSED AGREEMENTS

A. Existing Agreements

None.

B. Proposed Agreements

i. Eagle County Sheriff’s Department

It is anticipated that the District will enter into an intergovernmental agreement with the Eagle County Sheriff’s Department to provide security services within the District.

X. FINANCIAL INFORMATION

A. General

This section describes the nature, basis, and method of funding the District’s Public Improvements. A detailed Financial Plan and statement of assumptions is contained in **Exhibit F**.

B. Financial Plan

The Financial Plan demonstrates that the District has the ability to finance the Public Improvements identified herein, will be capable of discharging the indebtedness on a reasonable basis, and will operate on a sound fiscal basis.

C. Identification of District Revenue

The District will impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of Debt and for operations and maintenance. The District may also rely upon various other revenue sources authorized by law. At the District’s discretion, these may include the power to assess fees, rates, tolls, penalties, or charges as provided for in C.R.S. § 32-1-1001(1), as amended.

In the event of legislation implementing changes in the ratio of actual valuation to assessed valuation for real property, pursuant to Article X, section 3(1)(b) of the Colorado Constitution, the District’s mill levy may be increased or decreased as to all taxable property in

the District to reflect such changes so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes (“Gallagher Adjustment”). If there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement, the District’s mill levy may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith so that to the extent possible, the actual tax revenue generated by the mill levy are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

D. Debt Service Mill Levy

The District is authorized to impose a mill levy to support the debt service of the District as provided in C.R.S. § 32-1-1001, as amended. It is expected that an initial debt service mill levy of 35.000 mills will produce revenue sufficient to support debt service costs through the anticipated bond repayment period (see **Exhibit F**, Financial Plan).

At such time as the District’s Debt is equal to or less than fifty percent (50%) of the District’s assessed valuation, either on the date of issuance or at any time thereafter, the debt service mill levy to be imposed to pay the Debt may be unlimited as to rate, and may be levied at the rate necessary to pay the debt service on such Debt, provided however that under such circumstances the District shall not issue additional Debt that would cause the aggregate Debt to exceed 50% of the District’s then assessed value. For the purposes of the foregoing, the District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in the District’s Debt to assessed valuation ratio.

E. Operations and Maintenance Mill Levy

The District is authorized to impose a mill levy to support the operations and maintenance of District services and public improvements. It is anticipated that an initial operations and maintenance mill levy of 10.000 mills will produce revenue sufficient to support the operations and maintenance of District services and public improvements (see **Exhibit F**, Financial Plan).

F. Public Improvement Fees and Sales Tax

The County’s PUD approval for the Project generally requires that the Project utilize a public improvement fee (“PIF”) or metropolitan district sales tax in order to equalize the effective sales tax levels between the Project in Eagle County and adjacent commercial developments within the Town of Basalt. As a result, in addition to the District’s mill levies and any other fees, rates, tolls, penalties, or charges of the District authorized or described herein, it is anticipated that the Developer will establish one or more public improvement fee covenants (“PIF Covenants”) on the Project, which PIF Covenants may impose a PIF on all taxable sales within the Project (a “Retail PIF”) and/or a PIF on all lodging within the Project (a “Lodging PIF”), and pledge the revenues associated with such PIFs to the District to be utilized by the District as all other legally available revenues. In the alternative, or in conjunction with any PIF

Covenants, the District may impose a sales tax on all taxable sales within the Project consistent with Section 32-1-1106, C.R.S. For the purposes of this Service Plan, the Financing Plan includes projected revenues associated with a proposed 3.0% Retail PIF and a proposed 4.0% Lodging PIF.

G. District Expenditures

The estimated cost of the Public Improvements, in current dollars, that are expected to be provided by the District is \$15,498,625, as detailed in **Exhibit D**. It is anticipated that any Public Improvements costs not able to be financed by the District will be borne by the Developer.

The District will require operating funds to plan and cause the Public Improvements contemplated herein to be constructed, operated, and maintained as permitted herein. Such costs are expected to include reimbursement of organizational costs, legal, engineering, accounting, bond issuance costs, and compliance with State budgeting, audit, and reporting, and other administrative and legal requirements. The organizational costs for the District for legal, engineering, surveying, and accounting services are estimated to be \$75,000. The first year's operating budget is estimated to be \$50,000.

H. Debt

1. Maximum Term of Debt

The District may issue Debt only as permitted by statute and the Colorado Constitution. The maximum term of any bond issue shall be thirty (30) years from the original date of issuance, excluding any refunding or refinancing of the same.

2. Maximum Voted Interest Rate and Maximum Underwriting Discount

The interest rate on any Debt is limited to the market rate at the time the Debt is issued. In the event of a default, the maximum voted interest rate on any Debt shall not exceed twelve percent (12%). The maximum underwriting discount shall be five percent (5%). Debt, when issued, shall comply with all relevant requirements of this Service Plan, State law, and Federal law as is then applicable to the issuance of public securities.

XI. DEVELOPER ADVANCES AND REIMBURSEMENTS

The District anticipates receiving initial funding for both capital and ongoing administrative requirements from Developer advances. Such advances may be made to the District subject to the District's obligation to reimburse the same, as may be evidenced by short-term reimbursement agreements or other acceptable agreements or resolutions.

Such advances, which the Board is obligated to appropriate on an annual basis, may be repaid by the District from bond proceeds or other legally available sources of revenue. Developer advances shall be subordinate to the District general obligation bonds and refinancing of the same shall not require County approval.

XII. ANNUAL REPORT

The District shall be responsible for submitting an annual report to the County no later than March 1 of each year in accordance with the procedures set forth in C.R.S. § 32-1-207(3)(c) and (d), as amended.

XIII. MODIFICATION OF SERVICE PLAN

Pursuant to C.R.S. § 32-1-207, as amended, the District shall obtain prior written approval of the County before making any material modification to this Service Plan. Material modifications require a Service Plan amendment and include modifications of a basic or essential nature, including, but not limited to, the following: any addition to the types of services provided by the District; a decrease in the level of services; a decrease in the financial ability of the District to discharge the existing or proposed indebtedness; or a decrease in the existing or projected need for organized service in the area. Inclusion of property that is located in a county or municipality with no other territory within the District may constitute a material modification of the Service Plan.

In the event the District plans to undertake an action which may not be permitted by this Service Plan, it shall be the District's responsibility to contact County staff to seek an administrative determination as to whether the action in question is permitted by the Service Plan. If County staff determines that the action may constitute a material modification, the District shall submit a proposal for action to the Board of County Commissioners. Thereafter, the Board of County Commissioners will determine whether the proposed action constitutes a material modification. If the Board of County Commissioners determines that the proposed action constitutes a material modification, then the action shall be prohibited and constitute a material modification of this Service Plan requiring an amendment, pursuant to this Section XIII of the Service Plan and C.R.S. § 32-1-207(2).

XIV. DISCLOSURE STATEMENT

The District shall provide notice to all purchasers of property in the District regarding the District's authority to levy and collect ad valorem taxes and to impose and collect rates, fees, tolls, and charges, by recording a disclosure statement against the property within the District with the Office of the Eagle County Clerk and Recorder. Such disclosure statement shall also provide information concerning the structure of the Board and summarize how purchasers may participate in the affairs of the Board. The disclosure statement shall be recorded prior to the issuance of Debt by the District.

XV. DISSOLUTION

It shall be mandatory for the District to initiate dissolution proceedings when the District has neither any financial obligations nor operations and maintenance obligations. The District may file a petition in the district court for dissolution when there are no financial obligations or outstanding bonds, or any such financial obligations or outstanding bonds are adequately secured by escrow funds or securities meeting the investment requirements in C.R.S. §§ 24-75-601, *et*

seq., as amended. The District's dissolution shall be subject to approval of a plan of dissolution in the district court of the County, pursuant to C.R.S. § 32-1-704, as amended.

XVI. DEFINITIONS

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

Board: the board of directors of the District

Board of County Commissioners: the Board of County Commissioners of Eagle County, Colorado

Control Act: Part 2 of Title 32 (Special Districts) of the Colorado Revised Statutes (C.R.S.), which outlines review procedures for service plans for a special district

County: Eagle County, Colorado

Debt: any bond, note, debenture, contract, or other multiple-year financial obligation of the District payable in whole or in part from *ad valorem* taxes or other revenues of the District

Developer: the owner of the property proposing development of the project

District: the Tree Farm Metropolitan District

District Boundaries: the boundaries of the area described in the legal description attached hereto as **Exhibit B**

District Boundary Map: the map attached hereto as **Exhibit C**, showing the District's boundaries

Financial Plan: the Financial Plan described in Section X and attached as **Exhibit F**, which describes: (a) how the Public Improvements are expected to be financed; (b) how the Debt is expected to be incurred; and (c) the estimated operating revenue derived from property taxes for the first budget year.

Project: the development or property commonly referred to as The Tree Farm

Public Improvements: the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped, and financed by the District as generally described in the Special District Act to serve the future taxpayers and inhabitants of the District as determined by the Board of the District

Service Plan: the service plan for the District approved by the Board of County Commissioners

Special District Act: C.R.S. § 32-1-101, *et seq.*, as amended

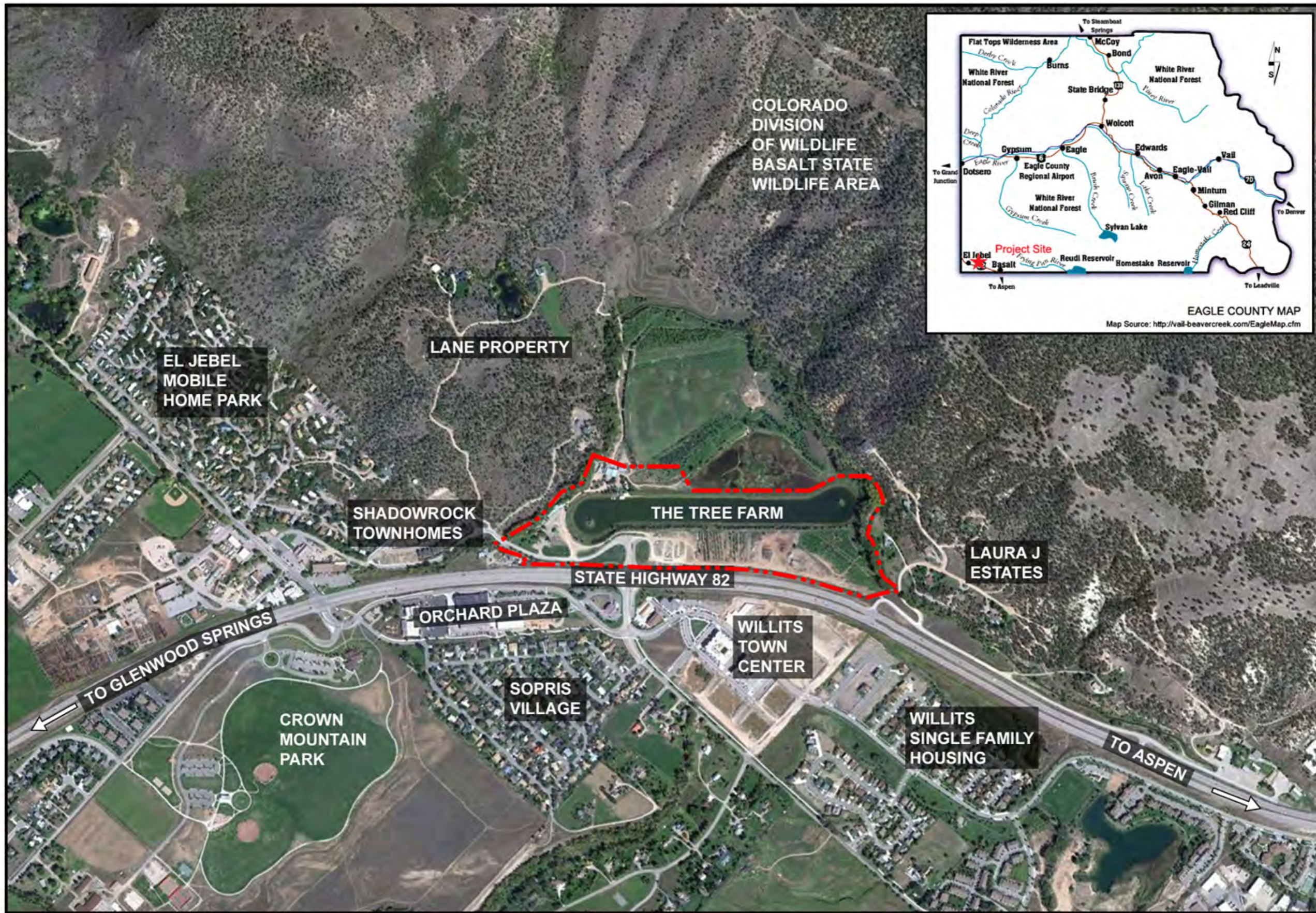
State: the State of Colorado

XVII. STATUTORY FINDINGS AND CONCLUSIONS

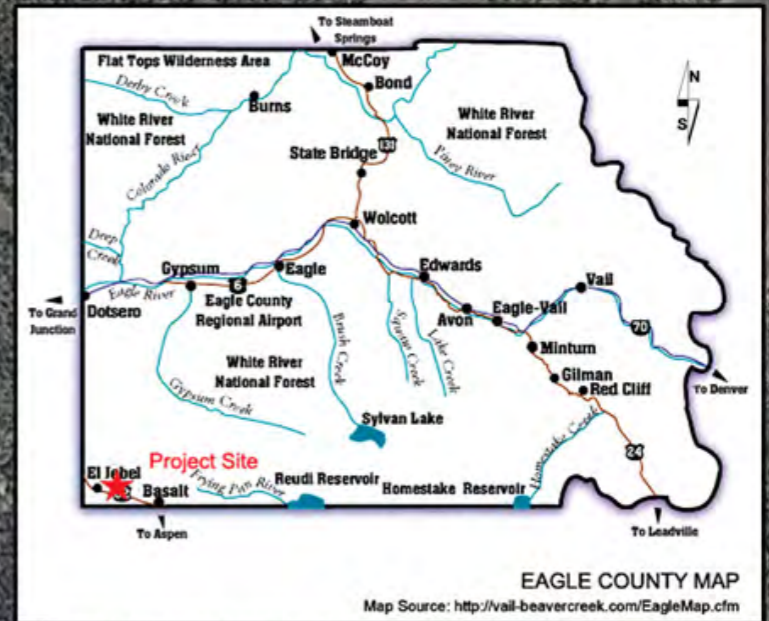
It is submitted that this Service Plan for the District, as required by C.R.S. § 32-1-203, as amended, establishes that:

1. There is sufficient existing and projected need for organized service in the area to be served by the District;
2. The existing service in the area to be served by the District is inadequate for present and projected needs;
3. The District is capable of providing economical and sufficient service to the area within its boundaries;
4. The area to be included in the District has, or will have, the financial ability to discharge the indebtedness on a reasonable basis;
5. Adequate service is not, or 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;
6. The facility and service standards of the District are compatible with the facility and service standards of each county within which the District is to be located and each municipality which is an interested party under C.R.S. § 32-1-204(1), as amended;
7. The proposal is in substantial compliance with the Eagle County Comprehensive Plan, as amended, adopted pursuant to C.R.S. § 30-28-106, as amended;
8. The proposal is in compliance all applicable duly adopted county, regional, or state long-range water quality management plan(s) for the area; and
9. The creation of the District will be in the best interests of the area to be served.

Exhibit A
Vicinity Map



COLORADO
DIVISION
OF WILDLIFE
BASALT STATE
WILDLIFE AREA



EL JEBEL
MOBILE
HOME PARK

LANE PROPERTY

SHADOWROCK
TOWNHOMES

THE TREE FARM

LAURA J
ESTATES

STATE HIGHWAY 82

TO GLENWOOD SPRINGS

ORCHARD PLAZA

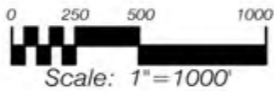
WILLITS
TOWN
CENTER

WILLITS
SINGLE FAMILY
HOUSING

TO ASPEN

CROWN
MOUNTAIN
PARK

SOPRIS
VILLAGE



The Tree Farm -- Site Vicinity Map



Exhibit B
Legal Description

TRACT A -TREE FARM PUD

A TRACT OF LAND SITUATED IN SECTION 2, TOWNSHIP 8 SOUTH, RANGE 87 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF EAGLE, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SECTION 35; THENCE S37°19'54"E A DISTANCE OF 1675.92 FEET TO A POINT IN THE CENTER OF ROBINSON DITCH, THE POINT OF BEGINNING; THENCE LEAVING SAID CENTER OF DITCH S22°30'00"E A DISTANCE OF 266.20 FEET; THENCE S42°30'00"E A DISTANCE OF 408.52 FEET; THENCE S17°30'00"W A DISTANCE OF 212.31 FEET; THENCE S42°30'00"E A DISTANCE OF 890.99 FEET; THENCE S68°32'28"E A DISTANCE OF 254.69 FEET; THENCE S42°30'00"E A DISTANCE OF 209.26 FEET TO A POINT ON THE WESTERLY BOUNDARY OF THE AMENDED PLAT OF LAURA J. ESTATES AS RECORDED IN BOOK 264 ON PAGE 119 IN THE OFFICE OF THE CLERK AND RECORDER OF THE COUNTY OF EAGLE, STATE OF COLORADO; THENCE ALONG SAID WESTERLY BOUNDARY OF LAURA J. ESTATES THE FOLLOWING TWELVE (12) COURSES:

- 1) S11°09'07"E A DISTANCE OF 60.86 FEET;
- 2) S17°15'53"W A DISTANCE OF 79.16 FEET;
- 3) S28°12'53"W A DISTANCE OF 90.82 FEET;
- 4) S82°15'53"W A DISTANCE OF 162.69 FEET;
- 5) S60°06'53"W A DISTANCE OF 135.86 FEET;
- 6) S05°49'07"E A DISTANCE OF 36.83 FEET;
- 7) S24°04'53"W A DISTANCE OF 96.33 FEET;
- 8) S33°15'53"W A DISTANCE OF 80.60 FEET;
- 9) S35°03'53"W A DISTANCE OF 104.58 FEET;
- 10) S09°40'53"W A DISTANCE OF 41.48 FEET;
- 11) S06°46'07"E A DISTANCE OF 134.08 FEET;
- 12) S35°57'53"W A DISTANCE OF 54.31 FEET TO A POINT ON THE EASTERLY LINE OF COLORADO STATE HIGHWAY NO. 82; THENCE LEAVING SAID WESTERLY BOUNDARY OF AMENDED PLAT OF LAURA J. ESTATES, ALONG THE EASTERLY LINE OF SAID COLORADO STATE HIGHWAY NO. 82 THE FOLLOWING NINE (9) COURSES:

- 1) N02°35'48"E A DISTANCE OF 62.12 FEET;
- 2) N57°57'19"W A DISTANCE OF 224.17 FEET;
- 3) N26°10'11"W A DISTANCE OF 260.72 FEET;
- 4) ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 2969.79 FEET AND A CENTRAL ANGLE OF 13°49'34", A DISTANCE OF 716.64 FEET, (CHORD BEARS N31°11'14"W A DISTANCE OF 714.90 FEET)
- 5) N39°29'38"W A DISTANCE OF 213.84 FEET;
- 6) N43°04'19"W A DISTANCE OF 399.20 FEET;
- 7) N40°12'01"W A DISTANCE OF 700.00 FEET;
- 8) N44°40'59"W A DISTANCE OF 127.94 FEET;
- 9) ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 5804.58 FEET AND A CENTRAL ANGLE OF 02°27'59", A DISTANCE OF 249.87 FEET, (CHORD BEARS N41°26'01"W A DISTANCE OF 249.85 FEET); THENCE LEAVING SAID EASTERLY LINE, S86°16'27"E A DISTANCE OF 62.53 FEET; THENCE N19°50'03"W A DISTANCE OF 67.58 FEET; THENCE N26°04'13"W A DISTANCE OF 119.52 FEET; THENCE N10°47'33"W A DISTANCE OF 38.25 FEET; THENCE N05°45'28"W A DISTANCE OF 44.33 FEET; THENCE S72°02'43"E A DISTANCE OF 111.27 FEET TO A POINT ON THE SOUTHERLY BOUNDARY LINE OF A PARCEL OF LAND DESCRIBED IN BOOK 335 ON PAGE 987; THENCE ALONG SAID SOUTHERLY BOUNDARY LINE THE FOLLOWING FOUR (4) COURSES:

- 1) S73°35'34"E A DISTANCE OF 292.72 FEET;
 - 2) N87°40'46"E A DISTANCE OF 252.41 FEET;
 - 3) S65°19'14"E A DISTANCE OF 169.34 FEET;
 - 4) N68°34'11"E A DISTANCE OF 238.80 FEET;
- THE POINT OF BEGINNING. SAID PARCEL CONTAINING 42.907 ACRES MORE OR LESS.



TRUE NORTH
COLORADO

A LAND SURVEYING AND MAPPING COMPANY



WOODY VENTURES, LLC
COUNTY OF EAGLE - STATE OF COLORADO



TRUE NORTH COLORADO, LLC.

A LAND SURVEYING AND MAPPING COMPANY
1118 BENNETT AVENUE
GLENWOOD SPRINGS, COLORADO 81601
(970) 945-1105
www.truenorthcolorado.com

PROJECT NO: 2017-163

DATE: December 5, 2017

DRAWN

RPK

SURVEYED

LDV

SHEET

1 OF 1

SCHOOL PARCEL

A TRACT OF LAND SITUATED IN SECTION 2 OF TOWNSHIP 8 SOUTH, RANGE 87 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF EAGLE, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SECTION 35; THENCE S37°19'54"E A DISTANCE OF 1675.92 FEET TO A POINT IN THE CENTER OF ROBINSON DITCH, THE POINT OF BEGINNING; THENCE ALONG THE CENTER OF SAID DITCH S75°19'33"E A DISTANCE OF 77.90 FEET; THENCE CONTINUING ALONG THE CENTER OF SAID DITCH N76°47'25"E A DISTANCE OF 126.93 FEET; THENCE LEAVING SAID DITCH S42°30'00"E A DISTANCE OF 102.62 FEET; THENCE S47°30'00"W A DISTANCE OF 85.54 FEET; THENCE S28°30'00"W A DISTANCE OF 167.56 FEET; THENCE N42°30'00"W A DISTANCE OF 34.59 FEET; THENCE N22°30'00"W A DISTANCE OF 266.20 FEET TO THE POINT OF BEGINNING; SAID PARCEL OF LAND CONTAINS 0.85 ACRES, MORE OR LESS.



TRUE NORTH
COLORADO

A LAND SURVEYING AND MAPPING COMPANY



WOODY VENTURES, LLC
COUNTY OF EAGLE - STATE OF COLORADO



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PROJECT NO: 2017-163

DRAWN
RPK

SHEET
1 OF 1

DATE: April 11, 2018

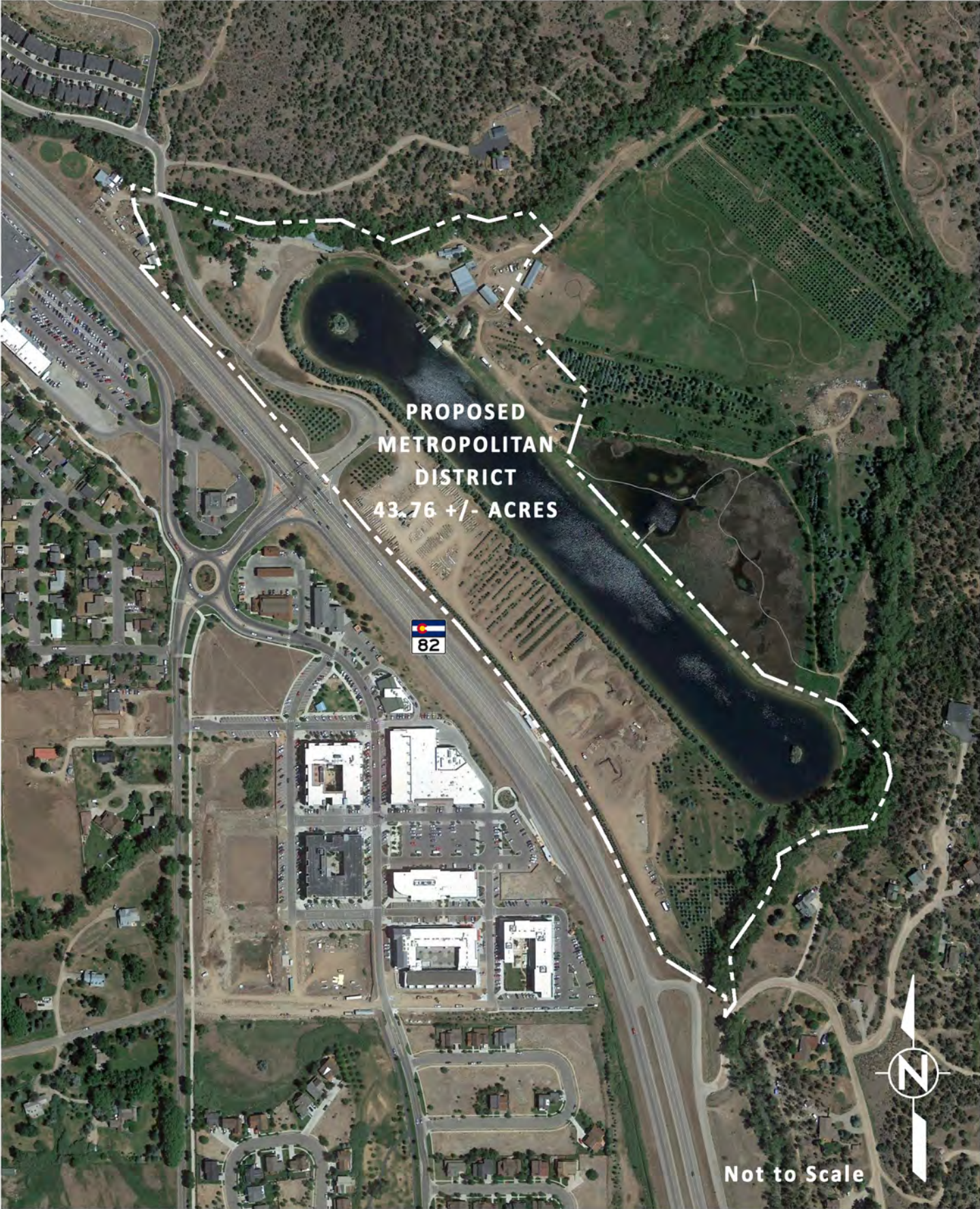
SURVEYED

Exhibit C
District Boundary Map

Proposed Tree Farm Metropolitan District



4/11/18



PROPOSED
METROPOLITAN
DISTRICT
43.76 +/- ACRES



Not to Scale

**Exhibit D
Cost of Improvements**

PUBLIC IMPROVEMENTS (BY CATEGORY)	PROJECTED COST
Tree Farm Drive / Willits Ln Road and SH82 Intersection Improvements	
Tucker ROW/Easement	404,000.00
Engineering and Construction Costs	1,293,403.00
Landscaping	378,294.00
The Tree Farm/Willits RFTA Underpass and Park and Ride Facilities Contribution	
Engineering	52,500.00
Underpass Cost Share	857,500.00
Park and Ride Facilities	340,000.00
Removal of median improvements and installation of right out on SH82	566,733.00
Site Work	
Demolition	226,950.00
Earthwork	604,934.00
Pavement Improvements	
Streets, Sidewalks and Trail	2,566,828.00
Underpass Interconnection Improvements	
Plaza Walls	264,347.00
Underpass Connection	250,558.00
Stormwater Improvements	1,657,080.00
Nonpotable Irrigation Water Improvements	583,259.00
Utility Corridors	502,508.00
Landscape Improvements	2,028,416.00

Mobilization and Construction Requirements	462,625.00
Misc. Site Improvements	322,452.00
Minor Contract Revisions (contingency)	500,000.00
Project Contingency (10% of all projected costs)	1,386,238.7
Insurance and Other Construction Related Expenses (Fees/Add'l Engineering)	250,000.00
TOTAL PROJECTED PUBLIC IMPROVEMENT COSTS	15,498,625.70

Exhibit E
Map of Improvements

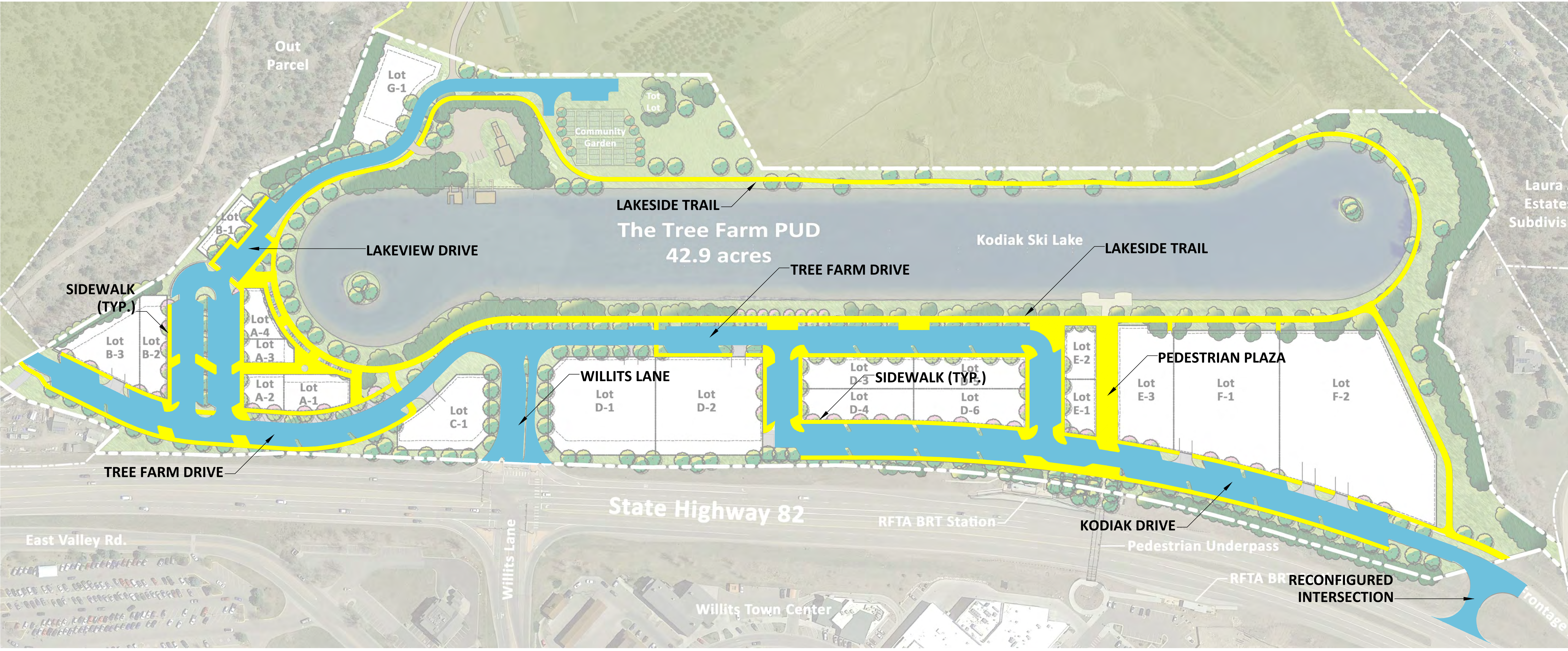
PAVEMENT PUBLIC IMPROVEMENTS

- PEDESTRIAN TRAIL & SIDEWALK IMPROVEMENTS
- STREET PAVEMENT IMPROVEMENTS

Pavements								
22	304-02000	AGGREGATE BASE COURSE (CLASS 2)	TON	15250	\$	27.95	\$	426,237.50
23	304-06008	AGGREGATE BASE COURSE (CLASS 6)	TON	10700	\$	43.40	\$	464,380.00
24	403-34721	HOT MIX ASPHALT (GRADING SX) (75) (PG 58-28)	TON	6815	\$	99.00	\$	674,685.00
25	420-00132	GEOTEXTILE (SEPARATOR) (CLASS 1)	SY	24	\$	4.10	\$	98.40
26	608-00000	CONCRETE SIDEWALK	SY	11350	\$	51.40	\$	583,390.00
27	608-00010	CONCRETE CURB RAMP	SY	350	\$	88.85	\$	31,097.50
28	608-00015	DETECTABLE WARNINGS	SF	350	\$	54.25	\$	18,987.50
29	609-21015	CURB AND GUTTER TYPE 2 (SECTION 1.5B)	LF	13260	\$	20.30	\$	269,178.00
30	609-24003	GUTTER TYPE 2 (3 FOOT)	LF	5570	\$	23.20	\$	129,224.00
Total					\$		\$	2,597,277.90

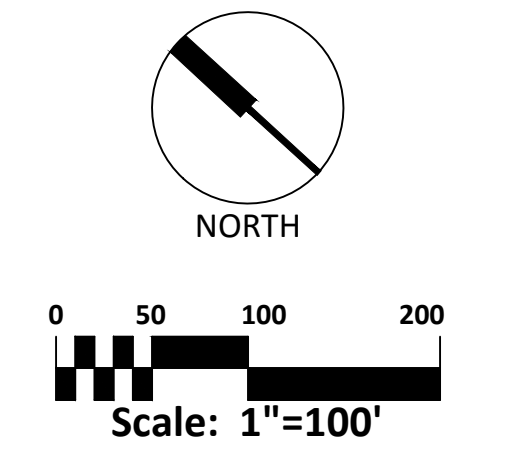
Designed: _____
 Drawn: JF
 Checked by: _____

01-23-18



THE TREE FARM PUD
 401 TREE FARM DRIVE, CARBONDALE, CO 81623
 Public Improvements

LAND WEST
 345 Colorado Ave. #106, Carbondale, Colorado 81623
 970.379.4155
 www.landwestcolorado.com
 Planning | Landscape Architecture
 Development Services



SHEET
01
 Public Improvements

UNDERPASS & RETAINING WALL

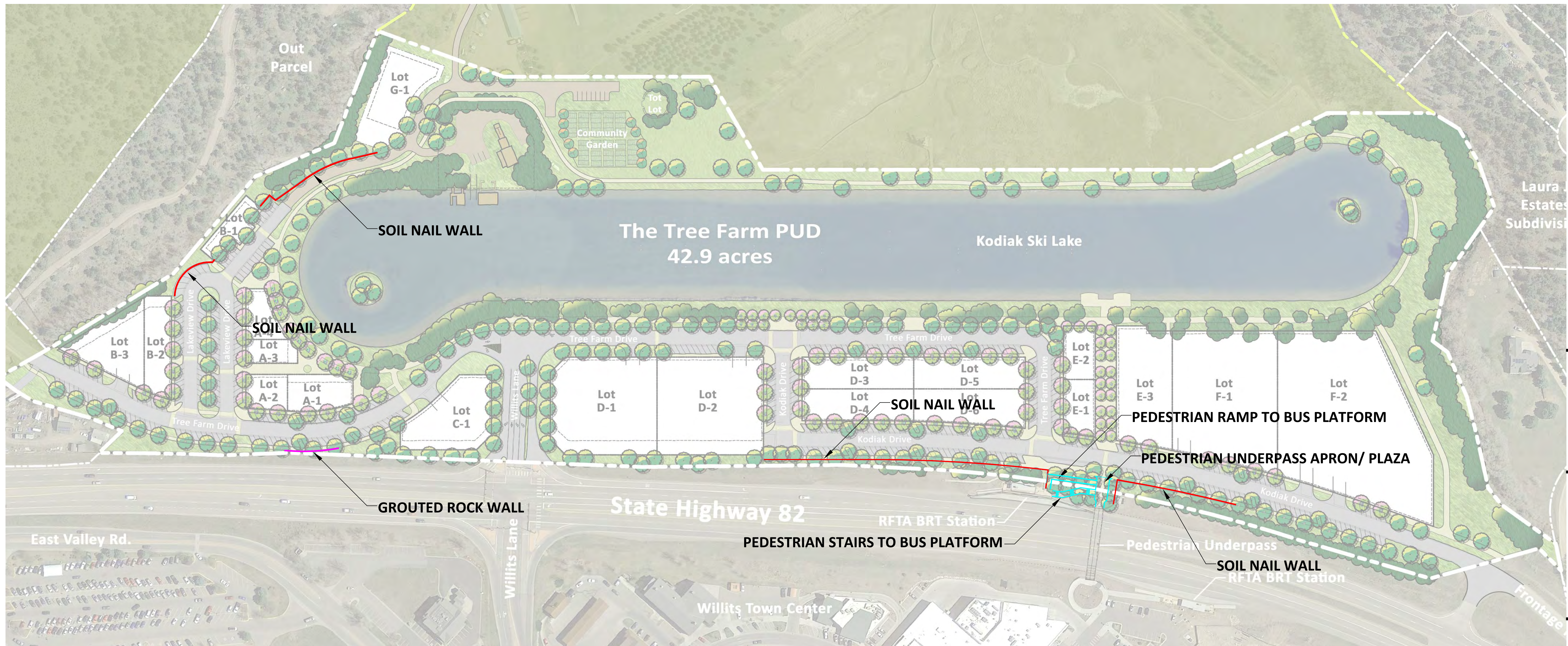
PUBLIC IMPROVEMENTS

- UNDERPASS IMPROVEMENTS
- SOIL NAIL WALL
- GROUTED ROCK WALL

Walls			
31	504-04440	FACING (Sculpted Stained Concrete)	SF 7065 \$ 20.00 \$ 141,300.00
32	504-06400	SOIL NAIL WALL (PERMANENT)	SF 7065 \$ 41.10 \$ 290,371.50
33	504-08150	SOLDIER PILE WALL (PERMANENT)	SF 5684 \$ - \$ -
34	504-08256	GROUTED ROCK WALL	SF 1381 \$ 48.00 \$ 66,288.00
Total			\$ 497,959.50

Underpass			
35	601-03000	CLASS D CONCRETE (WALL)	CY 250 \$ 819.00 \$ 204,750.00
36	602-00000	REINFORCING STEEL	LB 9400 \$ 1.32 \$ 12,408.00
37	621-00650	PEDESTRIAN STAIR STRUCTURE (AT BUS STOP)	LS 1 \$ 33,400.00 \$ 33,400.00
Total			\$ 250,558.00

Designed:	
Drawn:	JF
Checked by:	
01-23-18	



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NORTH
 0 50 100 200
 Scale: 1"=100'

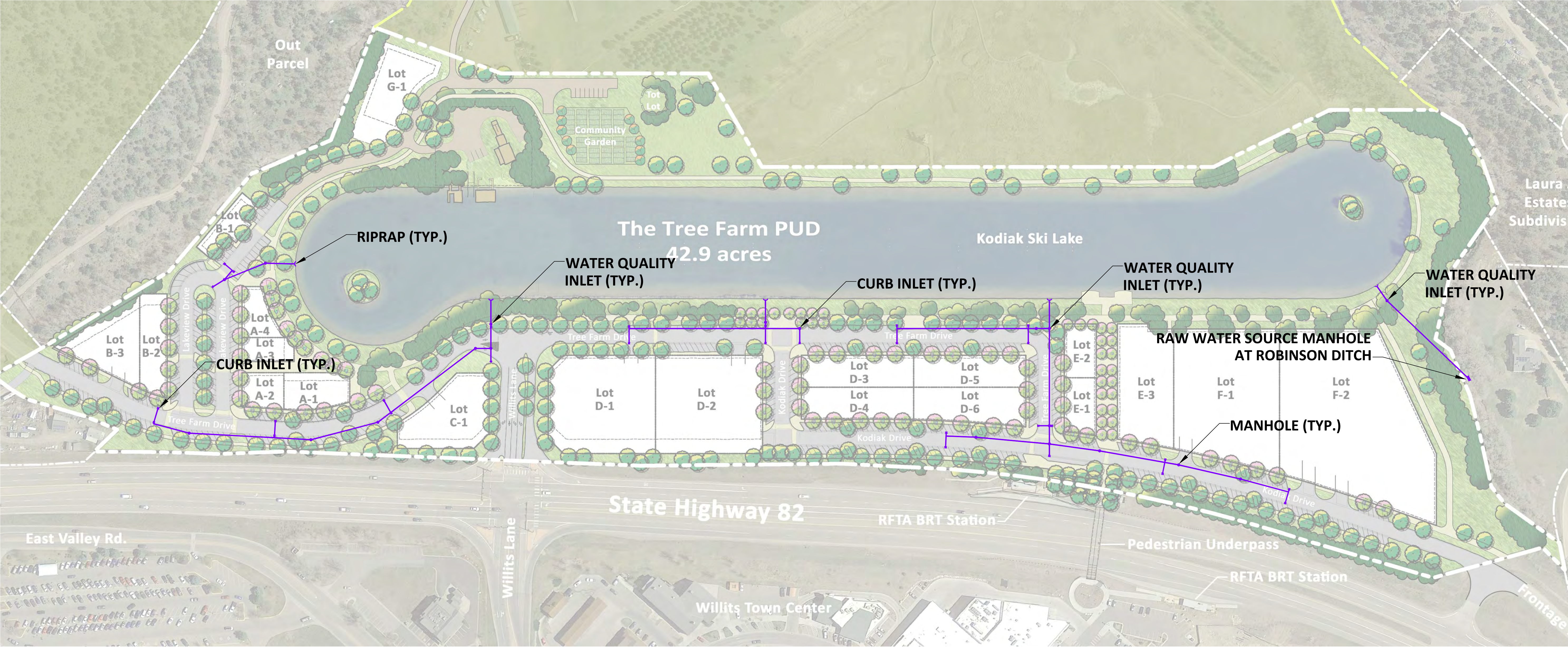
DRAINAGE PUBLIC IMPROVEMENTS

DRAINAGE INFRASTRUCTURE

Drainage							
38	506-00212	RIPRAP (12 INCH)	CY	16	\$	143.00	\$ 2,288.00
39	603-50012	12 INCH PLASTIC PIPE (ADS N12)	LF	322	\$	55.40	\$ 17,838.80
40	603-50015	15 INCH PLASTIC PIPE (ADS N12)	LF	278	\$	58.20	\$ 16,179.60
41	603-50018	18 INCH PLASTIC PIPE (ADS N12)	LF	1995	\$	63.50	\$ 126,682.50
42	603-50024	24 INCH PLASTIC PIPE (ADS N12)	LF	321	\$	120.90	\$ 38,808.90
43	604-19000	INLET SPECIAL (WATER QUALITY TREATMENT)	EACH	5	\$	42,700.00	\$ 213,500.00
44	604-19002	CURB INLET	EACH	29	\$	4,868.00	\$ 141,172.00
45	604-39001	48" DIA. DRAINAGE MANHOLE	EACH	19	\$	3,895.00	\$ 74,005.00
46	604-39002	60" DIA. DRAINAGE MANHOLE	EACH	3	\$	6,615.00	\$ 19,845.00
47	624-20020	18 INCH DRAINAGE PIPE END SECTION (ADS FES)	EACH	2	\$	415.00	\$ 830.00
48	624-00026	24 INCH DRAINAGE PIPE END SECTION (ADS FES)	EACH	2	\$	457.00	\$ 914.00
Total					\$	652,063.80	

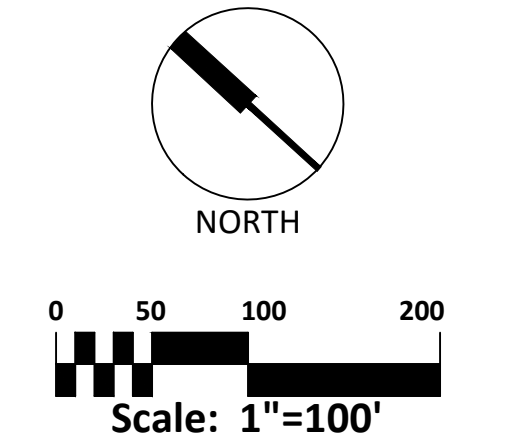
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IRRIGATION WATER IMPROVEMENTS

IRRIGATION WATER INFRASTRUCTURE

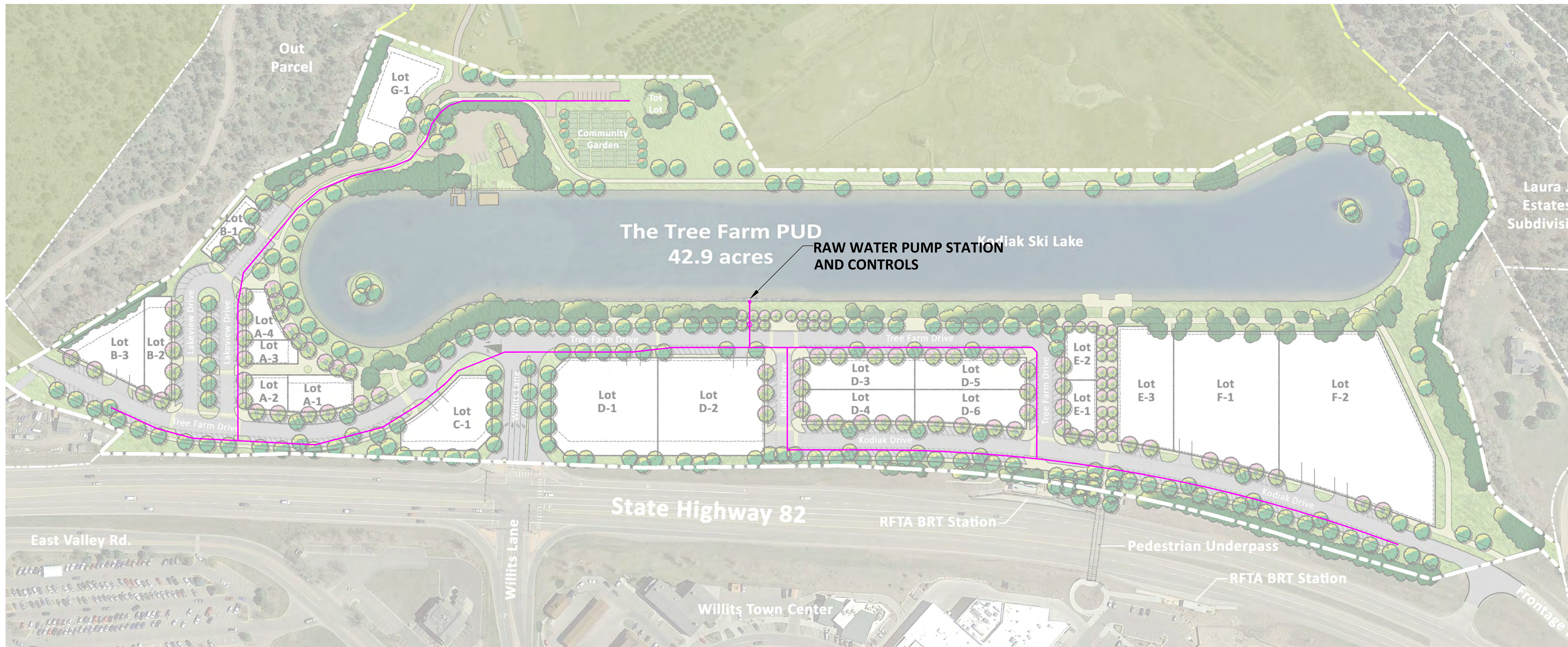
Irrigation Water

66	603-50004	4 INCH PLASTIC PIPE (RAW WATER)
75	622-00750	RAW WATER PUMP STATION

LF	4885	\$	47.75	\$	233,258.75
LS	1	\$	350,000.00	\$	350,000.00
Total		\$	\$		583,258.75

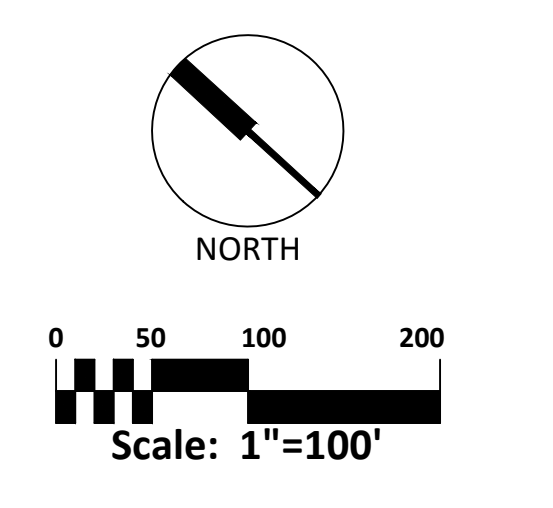
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SHEET
04
 Public Improvements

LANDSCAPE PUBLIC IMPROVEMENTS

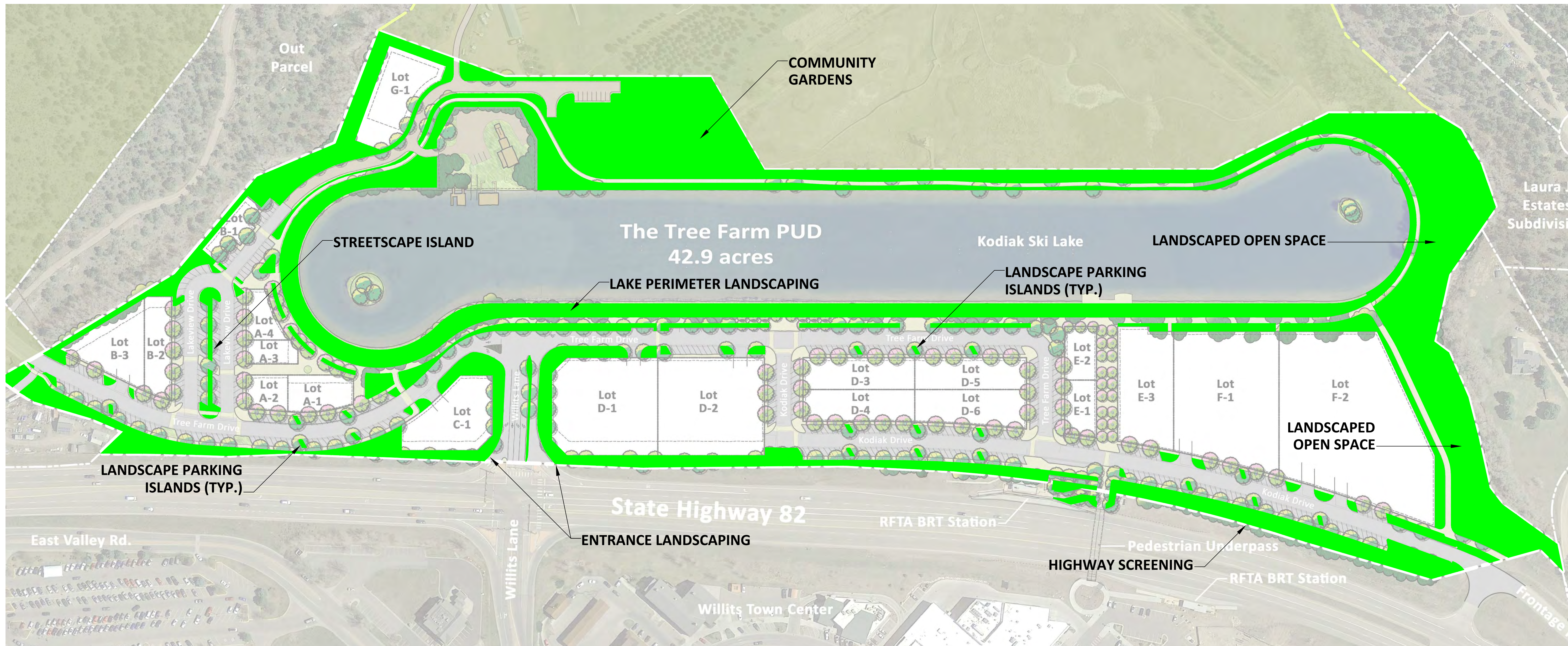
 LANDSCAPE PUBLIC IMPROVEMENT AREAS

Landscaping

97	214-10000	Mobilization/Supervision/Equipment	LS	1	\$ 35,000.00	\$35,000.00
97	214-10000	Trees and Protective Fencing	LS	1	\$ 248,075.00	\$248,075.00
97	214-10000	Shrubs, Perennials & Ground Covers	LS	1	\$ 134,765.00	\$134,765.00
97	214-10000	Playground Equipment	LS	1	\$ 37,500.00	\$37,500.00
97	214-10000	Community Garden (TBD)	LS	1	\$ -	\$0.00
97	214-10000	Soil Mix and Project Close Out	LS	1	\$ 34,000.00	\$34,000.00
97	214-10000	Site Furnishings	LS	1	\$ 220,000.00	\$220,000.00
98	623-09900	SPRINKLER SYSTEM	LS	1	\$ 190,360.00	\$190,360.00
		Contingency - 10%	LS	1	\$ 123,700.00	\$123,700.00
Total						\$1,023,400.00

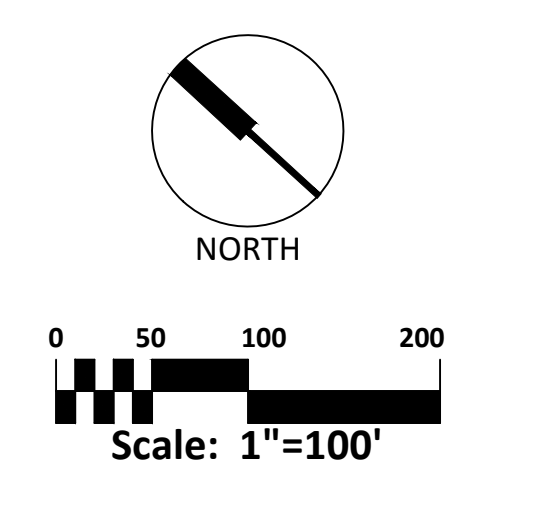
Designed: _____
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05
 Public Improvements

Exhibit F
Financial Plan



Summary of Financing Assumptions

May 10, 2018

Tree Farm Metropolitan District Financial Plan Service Plan Submission Numbers

We have prepared the following Financial Plan for the initial formation of the Tree Farm Metropolitan District. This Financial Plan is based upon development information that has been provided to us by the Geronimo Ventures, LLC ("District Organizer").

Based upon the assumptions below, the Financial Plan demonstrates that the District has the ability to finance a significant portion of the public improvements identified within the Service Plan and will be capable of discharging that indebtedness on a reasonable basis. It is anticipated that the District will impose a mill levy on all taxable property within its boundaries and this mill levy will be used as the primary source of revenue for repayment of this debt and for operations and maintenance. In addition to this mill levy it is anticipated that the District will levy a 3% public improvement fee on taxable retail sales ("PIF") and 4% public improvement fee on lodging.

This forecast is based upon certain assumptions with facts and circumstances as we know them today and sets forth a reasonable estimate of growth within the development. Since events and circumstances frequently do not occur as expected there will usually be differences between the forecasted and actual results.

The following is a summary of the assumptions used in preparation of the Financial Plan.

Financial Plan Assumptions

District Development Valuation:

Total Residential Apartment (MR) Units Built	234
Average Market Value Per Unit	\$400,000
Total Residential Apartment (Afford) Units Built	48
Average Market Value Per Unit	\$275,000
Total Residential Condo Units Built (MR)	34
Average Market Value Per Unit	\$500,000
Total Residential Condo Units Built (Afford)	10
Average Market Value Per Unit	\$350,175
Total Residential Townhome Units Built	22
Average Market Value Per Unit	\$750,000
Total Hotel Square Feet Built	60,551
Average Market Value Per Square Foot	\$300
Total Restaurant/Retail Square Feet Built	52,041
Average Market Value Per Square Foot	\$450
Total Office Square Feet Built	22,303
Average Market Value Per Square Foot	\$300

	Construction Cost Annual Inflation	2018-2025 = 2%
	Reappraisal Appreciation	2% Biennial
	Total District Market Value at Full Build out	\$192,076,289
	Total District Assessed Value at Full Build out	\$25,337,217

Absorption Summary:

	50% Build-Out Reached	~6 Years
	Full Build-Out Reached	~8 Years

District Mill Levies:

	Anticipated Mill Levy for Debt	35.000
	Anticipated Mill Levy for O&M	10.000

District Public Improvement Fee:

	Anticipated PIF for Retail Sales	3.0%
	Anticipated PIF for Lodging	4.0%

District Debt:

	Estimated Bond Interest Rate	6.00%
	Bond Issuance Years	2020 & 2022
	Anticipated Bond Term	30 Years
	Debt Capacity	\$17,635,000
	Net Project Funds	\$14,467,720

As we've described above the financing plan proposes an ultimate build-out over the next 6 years with a mix of multifamily residential, retail and commercial property development. The model assumes 35 debt service mills for the residential and 35 debt service mills for the commercial property. The District also receives public improvement fees and specific ownership taxes to support the Districts' debt service payments. As a result of the financial modeling, the bonding capacity of the District is \$17,635,000. It is anticipated that the District will issue debt at the appropriate time as the capital markets will allow based on the buildout at that point in time.

All of the revenues pledged to debt service are dependent solely upon the timely build-out at the projected market and assessed values per unit. Based upon the assumptions contained therein and its professional opinion, the Tree Farm Metropolitan District is expected to retire all Debt referenced in the Financial Plan within the restrictions set forth in the Service Plan. The forecasted absorption schedule is based upon certain assumptions with facts and circumstances as we know them today and sets forth a reasonable estimate of growth within the development. Since events and circumstances frequently do not occur as expected there will usually be differences between the forecasted and actual results. RBC Capital Market believes this financial plan to be reasonable based on the information provided to us and our financial assumptions. The issuance of the bonds will be based upon market conditions at the time of sale. The assumptions as defined above should be viewed in conjunction with the attached Financial Plan.

Sincerely,

Tom Wendelin
Director

Michael Persichitte
Vice President

RBC CAPITAL MARKETS

Tree Farm Metropolitan District
Service Plan Financing Numbers
2018 Current Developer Projections
2% Biennial Reappraisal & 1% Sales Growth

Financing Summary

Sources and Uses

Sources	2020	2022	Total
Par Amount	6,000,000	11,635,000	17,635,000
Premium/(Discount)			
Other			-
Total Sources	6,000,000	11,635,000	17,635,000

Uses	2020	2022	Total
Project Fund	4,518,611	9,949,109	14,467,720
Debt Service Reserve Fund	461,389	894,711	1,356,100
Capitalized Interest	900,000	558,480	1,458,480
Issuance Costs - 2%	120,000	232,700	352,700
Total Uses	6,000,000	11,635,000	17,635,000

Debt Service Summary

Stated Term	30 Yrs
Estimated Interest Rate	6.00%
Principal	17,635,000
Interest	21,432,900
Total Principal & Interest	39,067,900
Less: Capitalized Interest (Principal & Earnings @ 0%)	(1,458,480)
Less: Debt Service Reserve Fund (Principal & Earnings @ 0%)	(1,356,100)
Net Debt Service	36,253,320
Maximum Annual Net Debt Service	1,356,100

Other Information

District D/S Mill Levy	35.000
District O&M Mill Levy	10.000
Total District Mill Levy	45.000
Commercial Assessment %	29.00%
Residential Assessment %	7.20%
PIF Rate - Lodging	4.00%
PIF Rate - Restaurant & Retail	3.00%
Minimum Coverage Requirement	1.30
Actual Coverage at Stabilization (2026)	1.30
Property Tax Revenue %	52%
PIF Revenue %	48%

**Tree Farm Metropolitan District
Service Plan Financing Numbers
2018 Current Developer Projections
2% Biennial Reappraisal & 1% Sales Growth**

Development Summary - Property Tax

Area	Description	Include	Property Type	Start Date	Open Date	Mos.	Full AV Tax Year	Full AV Collect Year	Sq Ft or Units	Market Value per Sq Ft or Unit	Market Value	7.20% R 29.00% C Assessed Value	2020/2022 Collect AV % Complete	2021/2023 Collect AV % Complete	2022/2024 Collect AV % Complete	2023/2025 Collect AV % Complete	2024/2026 Collect AV % Complete	2025/2027 Collect AV % Complete
All Phases of Development																		
Phase 1	Apartments - Market Rate	Yes	Residential	Jan-20	Jul-21	18	Dec-21	2023	164	400,000	65,600,000	4,723,200	25%	100%	100%	100%	100%	100%
Phase 1	Apartments - Affordable	Yes	Residential	Jan-20	Jul-21	18	Dec-21	2023	27	275,000	7,425,000	534,600	25%	100%	100%	100%	100%	100%
Phase 2	Hotel	Yes	Commercial	Aug-20	Feb-22	18	Dec-22	2024	60,551	300	18,165,300	5,267,937	5%	50%	100%	100%	100%	100%
Phase 2	Restaurant & Retail	Yes	Commercial	Jan-22	Jul-23	18	Dec-23	2025	9,847	450	4,431,105	1,285,020			25%	100%	100%	100%
Phase 2	Office	Yes	Commercial	Jan-22	Jul-23	18	Dec-23	2025	4,220	300	1,266,030	367,149			25%	100%	100%	100%
Phase 2	Apartments - Market Rate	Yes	Residential	Jan-22	Jul-23	18	Dec-23	2025	70	400,000	28,000,000	2,016,000			25%	100%	100%	100%
Phase 2	Apartments - Affordable	Yes	Residential	Jan-22	Jul-23	18	Dec-23	2025	13	275,000	3,575,000	257,400			25%	100%	100%	100%
Phase 2	Residential - Affordable School	Yes	Residential	Jan-22	Jul-23	18	Dec-23	2025	8	275,000	2,200,000	158,400			25%	100%	100%	100%
Phase 2	Restaurant & Retail	Yes	Commercial	Jan-22	Jul-23	18	Dec-23	2025	27,203	450	12,241,152	3,549,934			25%	100%	100%	100%
Phase 2	Office	Yes	Commercial	Jan-22	Jul-23	18	Dec-23	2025	11,658	300	3,497,472	1,014,267			25%	100%	100%	100%
Phase 3	Townhomes - For Sale	Yes	Residential	Jan-23	Jul-24	18	Dec-24	2026	22	750,000	16,500,000	1,188,000				25%	100%	100%
Phase 3	Loft Condos - Affordable	Yes	Residential	Jan-23	Jul-24	18	Dec-24	2026	10	350,175	3,501,750	252,126				25%	100%	100%
Phase 3	Loft Condos - For Sale	Yes	Residential	Jan-23	Jul-24	18	Dec-24	2026	34	500,000	17,000,000	1,224,000				25%	100%	100%
Phase 3	Restaurant & Retail	Yes	Commercial	Jan-23	Jul-24	18	Dec-24	2026	14,991	450	6,746,040	1,956,352				25%	100%	100%
Phase 3	Office	Yes	Commercial	Jan-23	Jul-24	18	Dec-24	2026	6,425	300	1,927,440	558,958				25%	100%	100%
	Land Value	Yes	Land								10,000,000	2,900,000	100%	55%	40%	20%	0%	0%
Commercial Total									134,895	358	48,274,539	13,999,616	263,397	2,633,969	6,958,470	12,355,397	14,565,201	14,565,201
Residential Total									348	413,223	143,801,750	10,353,726	1,314,450	5,257,800	5,983,065	8,522,744	10,772,017	10,772,017
Development Total											192,076,289	24,353,342	1,577,847	7,891,769	12,941,535	20,878,141	25,337,217	25,337,217
Land Total									-	-	10,000,000	2,900,000	2,900,000	1,595,000	1,183,200	591,600	-	-
Grand Total											202,076,289	27,253,342	4,477,847	9,486,769	14,124,735	21,469,741	25,337,217	25,337,217
D/S Mill Levy Revenue @ 35.000 Mills												156,725	332,037	494,366	751,441	886,803	886,803	
O&M Mill Levy Revenue @ 10.000 Mills												44,778	94,868	141,247	214,697	253,372	253,372	
Commercial Reappraisal Change																2.00%	2.00%	
Cumulative Commercial Reappraisal Change												100.00%	100.00%	102.00%	102.00%	104.04%	104.04%	
Residential Reappraisal Change																2.00%	2.00%	
Cumulative Residential Reappraisal Change												100.00%	100.00%	102.00%	102.00%	104.04%	104.04%	
Land Reappraisal Change																2.00%	2.00%	
Cumulative Land Reappraisal Change												100.00%	100.00%	102.00%	102.00%	104.04%	104.04%	

Tree Farm Metropolitan District
 Service Plan Financing Numbers
 2018 Current Developer Projections
 2% Biennial Reappraisal & 1% Sales Growth

Development Summary - PIF Sales

Phase	Description	Include	Property Type	Start Date	Open Date	Net Sq Ft	Sales per Sq Ft	Taxable %	Taxable Sales	PIF Rate %	PIF Revenue	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026
All Phases of Development																		
Phase 2	Hotel	Yes	Commercial	Aug-20	Feb-22	60,551	58	100%	3,511,958	7.00%	245,837			80%	100%	100%	100%	100%
Phase 2	Restaurant & Retail	Yes	Commercial	Jan-22	Jul-23	9,847	350	100%	3,446,415	3.00%	103,392				50%	100%	100%	100%
Phase 2	Restaurant & Retail	Yes	Commercial	Jan-22	Jul-23	27,203	350	100%	9,520,896	3.00%	285,627				50%	100%	100%	100%
Phase 3	Restaurant & Retail	Yes	Commercial	Jan-23	Jul-24	14,991	350	100%	5,246,920	3.00%	157,408					50%	100%	100%
PIF Sales - Hotel						60,551	58		3,511,958		245,837	-	-	2,809,566	3,547,078	3,582,548	3,618,374	3,654,558
PIF Sales - Restaurant & Retail						52,041	350		18,214,231		546,427	-	-	-	6,548,492	15,904,145	18,766,140	18,953,802
PIF Sales - Total						112,592	193		21,726,189		792,264	-	-	2,809,566	10,095,570	19,486,694	22,384,514	22,608,359
PIF Revenue												-	-	196,670	444,750	727,903	816,270	824,433
Sales Growth Rate															1.00%	1.00%	1.00%	1.00%
Cumulative Sales Growth Rate												100.00%	100.00%	100.00%	101.00%	102.01%	103.03%	104.06%

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Debt Service Summary

Senior - Series 2020												
Date	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Principal		-	-	-	85,000	90,000	100,000	105,000	110,000	115,000	125,000	130,000
Coupon			6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Interest		360,000	360,000	360,000	360,000	354,900	349,500	343,500	337,200	330,600	323,700	316,200
Total P+I	-	360,000	360,000	360,000	445,000	444,900	449,500	448,500	447,200	445,600	448,700	446,200
CAPI		(360,000)	(360,000)	(180,000)	-	-	-	-	-	-	-	-
DSR		-	-	-	-	-	-	-	-	-	-	-
Net D/S		-	-	180,000	445,000	444,900	449,500	448,500	447,200	445,600	448,700	446,200

Senior - 2022												
Date	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Principal				-	-	35,000	140,000	160,000	190,000	210,000	235,000	255,000
Coupon				6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Interest				698,100	698,100	698,100	696,000	687,600	678,000	666,600	654,000	639,900
Total P+I			-	698,100	698,100	733,100	836,000	847,600	868,000	876,600	889,000	894,900
CAPI				(314,145)	(244,335)	-	-	-	-	-	-	-
DSR				-	-	-	-	-	-	-	-	-
Net D/S		-	-	383,955	453,765	733,100	836,000	847,600	868,000	876,600	889,000	894,900

Senior - Total												
Date	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Principal	-	-	-	-	85,000	125,000	240,000	265,000	300,000	325,000	360,000	385,000
Coupon			6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Interest	-	360,000	360,000	1,058,100	1,058,100	1,053,000	1,045,500	1,031,100	1,015,200	997,200	977,700	956,100
Total P+I		360,000	360,000	1,058,100	1,143,100	1,178,000	1,285,500	1,296,100	1,315,200	1,322,200	1,337,700	1,341,100
CAPI	-	(360,000)	(360,000)	(494,145)	(244,335)	-	-	-	-	-	-	-
DSR	-	-	-	-	-	-	-	-	-	-	-	-
Net D/S		-	-	563,955	898,765	1,178,000	1,285,500	1,296,100	1,315,200	1,322,200	1,337,700	1,341,100

Tree Farm Metropolitan District
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Debt Service Summary

Senior - Series 2020												
Date	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Principal	140,000	145,000	155,000	165,000	175,000	185,000	195,000	210,000	220,000	235,000	250,000	265,000
Coupon	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Interest	308,400	300,000	291,300	282,000	272,100	261,600	250,500	238,800	226,200	213,000	198,900	183,900
Total P+I	448,400	445,000	446,300	447,000	447,100	446,600	445,500	448,800	446,200	448,000	448,900	448,900
CAPI	-	-	-	-	-	-	-	-	-	-	-	-
DSR	-	-	-	-	-	-	-	-	-	-	-	-
Net D/S	448,400	445,000	446,300	447,000	447,100	446,600	445,500	448,800	446,200	448,000	448,900	448,900

Senior - 2022												
Date	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Principal	280,000	300,000	320,000	335,000	355,000	380,000	400,000	420,000	450,000	475,000	505,000	535,000
Coupon	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Interest	624,600	607,800	589,800	570,600	550,500	529,200	506,400	482,400	457,200	430,200	401,700	371,400
Total P+I	904,600	907,800	909,800	905,600	905,500	909,200	906,400	902,400	907,200	905,200	906,700	906,400
CAPI	-	-	-	-	-	-	-	-	-	-	-	-
DSR	-	-	-	-	-	-	-	-	-	-	-	-
Net D/S	904,600	907,800	909,800	905,600	905,500	909,200	906,400	902,400	907,200	905,200	906,700	906,400

Senior - Total												
Date	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Principal	420,000	445,000	475,000	500,000	530,000	565,000	595,000	630,000	670,000	710,000	755,000	800,000
Coupon	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Interest	933,000	907,800	881,100	852,600	822,600	790,800	756,900	721,200	683,400	643,200	600,600	555,300
Total P+I	1,353,000	1,352,800	1,356,100	1,352,600	1,352,600	1,355,800	1,351,900	1,351,200	1,353,400	1,353,200	1,355,600	1,355,300
CAPI	-	-	-	-	-	-	-	-	-	-	-	-
DSR	-	-	-	-	-	-	-	-	-	-	-	-
Net D/S	1,353,000	1,352,800	1,356,100	1,352,600	1,352,600	1,355,800	1,351,900	1,351,200	1,353,400	1,353,200	1,355,600	1,355,300

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Debt Service Summary

Senior - Series 2020												
Date	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	Totals
Principal	280,000	295,000	315,000	330,000	350,000	375,000	855,000	-	-	-	-	6,000,000
Coupon	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	-	-	-	-	
Interest	168,000	151,200	133,500	114,600	94,800	73,800	51,300	-	-	-	-	7,609,500
Total P+I	448,000	446,200	448,500	444,600	444,800	448,800	906,300	-	-	-	-	13,609,500
CAPI	-	-	-	-	-	-	-	-	-	-	-	(900,000)
DSR	-	-	-	-	-	-	(461,389)	-	-	-	-	(461,389)
Net D/S	448,000	446,200	448,500	444,600	444,800	448,800	444,911	-	-	-	-	12,248,111

Senior - 2022												
Date	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	Totals
Principal	565,000	600,000	635,000	680,000	720,000	755,000	1,700,000	-	-	-	-	11,635,000
Coupon	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	-	-	-	-	
Interest	339,300	305,400	269,400	231,300	190,500	147,300	102,000	-	-	-	-	13,823,400
Total P+I	904,300	905,400	904,400	911,300	910,500	902,300	1,802,000	-	-	-	-	25,458,400
CAPI	-	-	-	-	-	-	-	-	-	-	-	(558,480)
DSR	-	-	-	-	-	-	(894,711)	-	-	-	-	(894,711)
Net D/S	904,300	905,400	904,400	911,300	910,500	902,300	907,289	-	-	-	-	24,005,209

Senior - Total												
Date	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	Totals
Principal	845,000	895,000	950,000	1,010,000	1,070,000	1,130,000	2,555,000	-	-	-	-	17,635,000
Coupon	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	-	-	-	-	
Interest	507,300	456,600	402,900	345,900	285,300	221,100	153,300	-	-	-	-	21,432,900
Total P+I	1,352,300	1,351,600	1,352,900	1,355,900	1,355,300	1,351,100	2,708,300	-	-	-	-	39,067,900
CAPI	-	-	-	-	-	-	-	-	-	-	-	(1,458,480)
DSR	-	-	-	-	-	-	(1,356,100)	-	-	-	-	(1,356,100)
Net D/S	1,352,300	1,351,600	1,352,900	1,355,900	1,355,300	1,351,100	1,352,200	-	-	-	-	36,253,320