

CERTIFICATION TO THE TOWN OF CASTLE ROCK**CASTLE OAKS METROPOLITAN DISTRICT NO. 3****PROPOSED GENERAL OBLIGATION LIMITED TAX COMPLETION BONDS, SERIES 2015
IN THE AGGREGATE PRINCIPAL AMOUNT OF
\$13,370,000**

In accordance with the provisions of the Town of Castle Rock Municipal Code (the "Town Code"), Section 11.02.110, Castle Oaks Metropolitan District No. 3 (the "District") hereby certifies the following:

1. The District will be undertaking issuance of its proposed General Obligation Limited Tax Completion Bonds, Series 2015 in the aggregate principal amount of \$13,370,000, generally in accordance with the term sheet, attached hereto and incorporated herein as **Exhibit A** (the "2015 Bonds"), with an estimated closing date in December 2015. A detailed financial plan is attached hereto and incorporated herein as **Exhibit B**. The term sheet and financial plan contain the dollar amount of the issue, the interest rate and other financing costs, and the types of revenues pledged, including the amount of the mill levy pledged. The District's Preliminary Offering Memorandum ("PLOM") is anticipated to be posted the first week of December. A draft of the PLOM is attached hereto as **Exhibit C**.

2. The 2015 Bonds are authorized by and in compliance with the District's Service Plan, approved by the Town Council for the Town of Castle Rock on November 22, 2005, as amended by that First Amendment to Service Plan, approved by the Town Council for the Town of Castle Rock on March 17, 2015.

Certified to the Town of Castle Rock as of this 23rd day of November, 2015.

By:



Christian Mathew Janke, Officer of the District
Board of Directors of Castle Oaks Metropolitan
District No. 3

**EXHIBIT A
TO
CERTIFICATION TO THE TOWN OF CASTLE ROCK
FOR
CASTLE OAKS METROPOLITAN DISTRICT NO. 3 2015 BONDS**

(Term Sheet)

**Castle Oaks Metropolitan District #3
General Obligation Limited Tax Bonds
Series 2015 Completion Bonds
Term Sheet
\$13,370,000
(as of 10/29/15)**

Estimated Closing: December 2015

Sources:

2015 Bond Proceeds	\$13,370,000
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Uses:

Project Fund/ Developer Reimbursement	\$9,073,160 (approx.)
Debt Service Reserve Fund	\$1,214,687
Capitalized Interest	\$2,547,353
Costs of Issuance	\$534,800
Total	\$13,370,000

Amortization: 30 years

Maturity: 12/1/2045

Interest Rate : 6.25% (estimated)

Tax-Exempt: Yes, Non-AMT, not BQ

Opt. Redemption: To match Series 2015 bonds already issued (103% on 12/1/20, 102% on 12/1/21, 101% on 12/1/22, 100% on 12/1/23)

Pledged

Revenue: Senior lien on revenues produced from the required mill levy subject to gallagherized 67.2990 mill levy cap and S.O. tax from the debt service mill levy and facility fees of \$4,000 per unit for single family units (and \$1,500 for multi-family). Please note, the completion bond sizing is for the inclusion of District 2 property into District 3 prior to pricing.

Surplus Fund Minimum: \$500,000.00

Surplus Fund Maximum: \$2,000,000.00

Surplus Fund: Prior to the time when the Debt to Assessed Ratio is 55% or less, the district will impose a debt service mill levy each year in an amount sufficient, when combined with moneys in the Surplus Fund in excess of the Minimum Surplus Amount, to pay the debt service of the bonds, but not in excess of 67.2990 mills, and for so long as the Surplus Fund is less than the Maximum Surplus Amount, not less than the minimum mill levy of 46 mills. The Surplus Fund and minimum levy requirement shall be released once the district's debt/assessed value ratio is less than 55%.

Debt Service Guaranty: Guarantor shall fund any shortfall in debt service before any draw on the Debt Service Reserve Fund. Any event of default under the Guaranty shall accelerate the full remaining Guaranty Amount. Funding annual shortfalls shall not reduce the Guaranty Amount.

Guaranty Amount: Equal to the outstanding par amount of the Bonds, less the debt service reserve fund, less 65% of the most recently certified Adjusted Assessed Value. Adjusted Assessed Value shall equal 100% of residential AV plus 100% of commercial AV plus 100% of personal property AV plus 100% of state assessed AV plus 50% of vacant land AV plus 50% of oil & gas AV (plus 50% of any other type of AV not included in this list). This guaranty amount shall reduce as the assessed value increases and/or the Bonds are paid down. The Guaranty Amount shall not increase regardless of subsequent changes in the District's Assessed Value. The estimated Guaranty Amount at issuance will be \$16M. Any draw on the Guaranty shall trigger the creation of a Guaranty Reimbursement Obligation in a like amount, subject to District Service Plan and electoral authorization limitations.

Guaranty Reimbursement Obligation: Upon any payment under the guaranty, a Guaranty Reimbursement Obligation shall be created to be paid from the Trust Estate after payment of the Bonds and funding of relevant Bond funds (Bond Fund, Debt Service Reserve Fund and Surplus Fund).

Guarantor: Starwood Land Ventures, LLC

Guarantor Covenants: Minimum cash and cash equivalents:
 2015-2020 - \$2M
 2021-2022 - 150% of Guaranty Amount

Minimum net worth 300% of Guaranty Amount

Additional Parity Debt: Issued only with the consent of the bondholder and the guarantor.

Subordinate Debt: All Subordinate Debt payable annually on 12/15 only after annual senior payments are made and Reserve Fund are full.

Trustee: UMB

**EXHIBIT B
TO
CERTIFICATION TO THE TOWN OF CASTLE ROCK
FOR
CASTLE OAKS METROPOLITAN DISTRICT NO. 3 2015 BONDS
(Financial Plan)**



CASTLE OAKS METROPOLITAN DISTRICT #3

Development Projection (w/ PD Amendment; so2.) at 46.00 (target) Mills for Debt Service

Series 2015 & Series 2015 (completion bonds), General Obligation Bonds, Non-Rated w/ Developer Guaranty, 30-yr. Maturities

YEAR	<<<<<<< Residential >>>>>>>>			< Platted/Developed Lots >		<<<<<<<< Commercial >>>>>>>>					Debt Svc		S.O. Taxes		Total	Total	
	Total Res'l Units	Mkt Value Biennial Reasses'mt @ 2.0%	Cumulative Market Value	As'ed Value @ 7.96% of Market (2-yr lag)	Cumulative Market Value	As'ed Value @ 29.00% of Market (2-yr lag)	Total Comm'l Sq. Ft.	Mkt Value Biennial Reasses'mt @ 2.0%	Manual Adj. ¹	Cumulative Market Value	As'ed Value @ 29.00% of Market (2-yr lag)	Total Collected Assessed Value	Mill Levy [46.000 target] [67.289 Cap]	Total Collections @ 98.0%	Collected @ 6%	Total Facility Fees Collected	Total Available Revenue
2014	0		0		2,026,069				563,690	563,690							0
2015	16		6,394,994	0	4,254,379				(58,862)	504,828				0	0	64,000	64,000
2016	72		35,861,490	0	9,083,698	1,233,770	0	10,097	514,924	146,400	1,380,170	46,000	62,218	3,733	288,000	353,951	
2017	156		94,985,783	509,042	12,759,700	1,875,020	0		514,924	146,400	2,530,462	46,000	114,073	6,844	624,000	744,918	
2018	264	1,899,716	199,946,862	2,854,575	12,623,304	2,634,272	0	10,298	525,223	149,328	5,638,175	46,000	254,169	15,250	1,056,000	1,325,419	
2019	264		310,250,867	7,560,868	10,421,876	3,700,313	0		525,223	149,328	11,410,509	46,000	514,386	30,863	1,056,000	1,601,249	
2020	224	6,205,017	411,928,633	15,915,770	8,924,040	3,660,758	0	10,504	535,727	152,315	19,728,843	46,000	889,376	53,363	896,000	1,838,739	
2021	231		498,859,512	24,695,969	5,954,757	3,022,344	0		535,727	152,315	27,870,628	46,000	1,256,408	75,384	924,000	2,255,792	
2022	235	9,977,190	569,357,978	32,789,519	4,970,044	2,587,971	0	10,715	546,442	155,361	35,532,852	46,000	1,601,821	96,109	690,000	2,387,930	
2023	221		623,784,181	39,709,217	0	1,726,880	0		546,442	155,361	41,591,458	46,000	1,874,943	112,497	571,500	2,558,939	
2024	0	12,475,684	636,259,865	45,320,895	0	1,441,313	0	10,929	557,370	158,468	46,920,676	46,000	2,115,184	126,911	0	2,242,095	
2025	0		636,259,865	49,653,221	0	0	0		557,370	158,468	49,811,689	46,000	2,245,511	134,731	0	2,380,242	
2026	0	12,725,197	648,985,062	50,646,285	0	0	0	11,147	568,518	161,637	50,807,923	46,000	2,290,421	137,425	0	2,427,846	
2027			648,985,062	50,646,285	0	0			568,518	161,637	50,807,923	46,000	2,290,421	137,425		2,427,846	
2028		12,979,701	661,964,763	51,659,211	0	0		11,370	579,888	164,870	51,824,081	46,000	2,336,230	140,174		2,476,403	
2029			661,964,763	51,659,211	0	0			579,888	164,870	51,824,081	46,000	2,336,230	140,174		2,476,403	
2030		13,239,295	675,204,059	52,692,395	0	0		11,598	591,486	168,168	52,860,563	46,000	2,382,954	142,977		2,525,931	
2031			675,204,059	52,692,395	0	0			591,486	168,168	52,860,563	46,000	2,382,954	142,977		2,525,931	
2032		13,504,081	688,708,140	53,746,243	0	0		11,830	603,316	171,531	53,917,774	46,000	2,430,613	145,837		2,576,450	
2033			688,708,140	53,746,243	0	0			603,316	171,531	53,917,774	46,000	2,430,613	145,837		2,576,450	
2034		13,774,163	702,482,303	54,821,168	0	0		12,066	615,382	174,962	54,996,129	46,000	2,479,226	148,754		2,627,979	
2035			702,482,303	54,821,168	0	0			615,382	174,962	54,996,129	46,000	2,479,226	148,754		2,627,979	
2036		14,049,646	716,531,949	55,917,591	0	0		12,308	627,690	178,461	56,096,052	46,000	2,528,810	151,729		2,680,539	
2037			716,531,949	55,917,591	0	0			627,690	178,461	56,096,052	46,000	2,528,810	151,729		2,680,539	
2038		14,330,639	730,862,588	57,035,943	0	0		12,554	640,243	182,030	57,217,973	46,000	2,579,386	154,763		2,734,149	
2039			730,862,588	57,035,943	0	0			640,243	182,030	57,217,973	46,000	2,579,386	154,763		2,734,149	
2040		14,617,252	745,479,839	58,176,662	0	0		12,805	653,048	185,671	58,362,333	46,000	2,630,974	157,858		2,788,832	
2041			745,479,839	58,176,662	0	0			653,048	185,671	58,362,333	46,000	2,630,974	157,858		2,788,832	
2042		14,909,597	760,389,436	59,340,195	0	0		13,061	666,109	189,384	59,529,579	46,000	2,683,593	161,016		2,844,609	
2043			760,389,436	59,340,195	0	0			666,109	189,384	59,529,579	46,000	2,683,593	161,016		2,844,609	
2044		15,207,789	775,597,225	60,526,999	0	0		13,322	679,431	193,172	60,720,171	46,000	2,737,265	164,236		2,901,501	
2045			775,597,225	60,526,999	0	0			679,431	193,172	60,720,171	46,000	2,737,265	164,236		2,901,501	
	1,683	169,894,967					0	202,053	504,828				61,087,034	3,665,222	6,169,500	70,921,756	

[1] Adj. to actual/prelim AV, incl. PP & SA

CASTLE OAKS METROPOLITAN DISTRICT #3

Development Projection (w/ PD Amendment; so2.) at 46.00 (target) Mills for Debt Service

Series 2015 & Series 2016 (completion bonds), General Obligation Bonds, Non-Rated w/ Developer Guaranty, 30-yr. Maturities

YEAR	Net Available for Debt Svc	Developer Guaranty		Surplus		Developer Gty. 1		Developer Gty.:		Senior	Senior	Net D/S Coverage @ Cap
		Ser. 2015 \$17,800,000 Par [Net \$12.287M]	Ser. 2016 \$13,370,000 Par [Net \$9.073M]	Annual	Release @ 56% D/A	Cumulative	as a % of total	Total	O/S Par less	Debt/ Assessed	Debt/ Act'l Value	
		Net Debt Service	Net Debt Service	Surplus	to \$2,000,000	Surplus Balance \$2,000,000 Target	Year End Debt Outstanding	Adjusted AV*	DSRF less 66% of Total Adj. AV	Ratio	Ratio	
2014	0			n/a		0				n/a	0%	n/a
2015	64,000	\$0	\$0	64,000		64,000	89%	457,250	15,839,037	0%	0%	n/a
2016	353,951	0	0	353,951	0	417,951	89%	763,285	27,795,427	1290%	39%	n/a
2017	744,918	0	0	744,918	0	1,162,869	87%	1,592,952	27,256,144	1232%	29%	n/a
2018	1,325,419	693,649	0	631,770	0	1,794,639	82%	4,321,039	25,482,887	553%	15%	57%
2019	1,601,249	1,109,173	732,278	(240,202)	0	1,554,437	71%	9,560,353	22,077,333	273%	10%	43%
2020	1,838,739	1,109,173	833,196	(103,629)	0	1,450,808	53%	17,898,464	16,657,561	158%	7%	71%
2021	2,255,792	1,109,173	833,196	313,424	0	1,764,232	36%	26,359,456	11,157,916	112%	6%	100%
2022	2,387,930	1,109,173	833,196	445,562	209,794	2,000,000	19%	34,238,866	6,036,300	88%	5%	128%
2023	2,558,939	1,224,173	833,196	501,571	501,571	2,000,000	6%	40,728,018	1,818,351	75%	5%	141%
2024	2,242,095	1,336,985	908,196	(3,086)	0	1,996,914	0%	46,200,020	0	66%	5%	146%
2025	2,380,242	1,387,298	993,508	(564)	0	1,996,350	0%	49,811,689	0	62%	5%	146%
2026	2,427,846	1,413,548	1,018,196	(3,897)	0	1,992,454	0%	50,807,923	0	60%	5%	146%
2027	2,427,846	1,416,985	1,010,696	166	0	1,992,620	0%	50,807,923	0	59%	5%	146%
2028	2,476,403	1,443,860	1,032,883	(340)	0	1,992,280	0%	51,824,081	0	56%	4%	146%
2029	2,476,403	1,442,610	1,037,883	(4,090)	0	1,988,190	0%	51,824,081	0	55%	4%	146%
2030	2,525,931	1,474,798	1,051,633	(499)	0	1,987,691	0%	52,860,563	0	53%	4%	146%
2031	2,525,931	1,473,235	1,053,508	(812)	0	1,986,879	0%	52,860,563	0	51%	4%	146%
2032	2,576,450	1,504,798	1,074,133	(2,481)	0	1,984,399	0%	53,917,774	0	49%	4%	146%
2033	2,576,450	1,502,298	1,077,258	(3,106)	0	1,981,293	0%	53,917,774	0	47%	4%	146%
2034	2,627,979	1,532,610	1,098,821	(3,452)	0	1,977,841	0%	54,996,129	0	44%	3%	146%
2035	2,627,979	1,533,548	1,097,571	(3,139)	0	1,974,702	0%	54,996,129	0	42%	3%	146%
2036	2,680,539	1,561,673	1,119,758	(892)	0	1,973,810	0%	56,096,052	0	39%	3%	146%
2037	2,680,539	1,565,110	1,118,821	(3,392)	0	1,970,418	0%	56,096,052	0	37%	3%	146%
2038	2,734,149	1,595,110	1,141,008	(1,969)	0	1,968,450	0%	57,217,973	0	33%	3%	146%
2039	2,734,149	1,594,798	1,139,758	(406)	0	1,968,043	0%	57,217,973	0	31%	2%	146%
2040	2,788,832	1,625,735	1,166,321	(3,223)	0	1,964,820	0%	58,362,333	0	27%	2%	146%
2041	2,788,832	1,625,735	1,163,821	(723)	0	1,964,097	0%	58,362,333	0	24%	2%	146%
2042	2,844,609	1,656,360	1,188,821	(572)	0	1,963,525	0%	59,529,579	0	21%	2%	146%
2043	2,844,609	1,660,423	1,184,446	(259)	0	1,963,266	0%	59,529,579	0	17%	1%	146%
2044	2,901,501	1,690,423	1,212,258	(1,179)	0	1,962,087	0%	60,720,171	0	13%	1%	146%
2045	2,901,501	0	2,905,383	(3,882)	1,958,205	0	0%	60,720,171	0	6%	0%	146%
	70,921,756	38,392,446	29,859,739	2,669,570	2,669,570							

[RApr0915 15nrDgR]

[BOct2915 15nrDgB2]

pv to '16 @ 8%:
587,987

[*] 50% Vacant; 100% Res1 & Comm1

CASTLE OAKS METROPOLITAN DISTRICT #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						
2015						
2016	1,380,170	4.000	5,410	325	5,735	50.000
2017	2,530,462	4.000	9,919	595	10,515	50.000
2018	5,638,175	4.000	22,102	1,326	23,428	50.000
2019	11,410,509	4.000	44,729	2,684	47,413	50.000
2020	19,728,843	4.000	77,337	4,640	81,977	50.000
2021	27,870,628	4.000	109,253	6,555	115,808	50.000
2022	35,532,852	4.000	139,289	8,357	147,646	50.000
2023	41,591,458	4.000	163,039	9,782	172,821	50.000
2024	46,920,676	4.000	183,929	11,036	194,965	50.000
2025	49,811,689	4.000	195,262	11,716	206,978	50.000
2026	50,807,923	4.000	199,167	11,950	211,117	50.000
2027	50,807,923	4.000	199,167	11,950	211,117	50.000
2028	51,824,081	4.000	203,150	12,189	215,339	50.000
2029	51,824,081	4.000	203,150	12,189	215,339	50.000
2030	52,860,563	4.000	207,213	12,433	219,646	50.000
2031	52,860,563	4.000	207,213	12,433	219,646	50.000
2032	53,917,774	4.000	211,358	12,681	224,039	50.000
2033	53,917,774	4.000	211,358	12,681	224,039	50.000
2034	54,996,129	4.000	215,585	12,935	228,520	50.000
2035	54,996,129	4.000	215,585	12,935	228,520	50.000
2036	56,096,052	4.000	219,897	13,194	233,090	50.000
2037	56,096,052	4.000	219,897	13,194	233,090	50.000
2038	57,217,973	4.000	224,294	13,458	237,752	50.000
2039	57,217,973	4.000	224,294	13,458	237,752	50.000
2040	58,362,333	4.000	228,780	13,727	242,507	50.000
2041	58,362,333	4.000	228,780	13,727	242,507	50.000
2042	59,529,579	4.000	233,356	14,001	247,357	50.000
2043	59,529,579	4.000	233,356	14,001	247,357	50.000
2044	60,720,171	4.000	238,023	14,281	252,304	50.000
2045	60,720,171	4.000	238,023	14,281	252,304	50.000
			5,311,916	318,715	5,630,631	

CASTLE OAKS METROPOLITAN DISTRICT #3

Development Projection (w/ PD Amendment; sc2.) -- Buildout Plan (updated 3/18/15)

Residential Development

YEAR	<u>Product 1 (SFD 45')</u>					<u>Product 2 (SFD 50')</u>					<u>Product 3 (SFD 60')</u>				
	Incr/(Decr) in					Incr/(Decr) in					Incr/(Decr) in				
	# Lots	Finished Lot	# Units	Price	Market	# Lots	Finished Lot	# Units	Price	Market	# Lots	Finished Lot	# Units	Price	Market
Devel'd	Value @	Completed	Inflated @	Value	Devel'd	Value @	Completed	Inflated @	Value	Devel'd	Value @	Completed	Inflated @	Value	
	10%	[Target 186]	2%			10%	180 target	2%			10%	194 target	2%		
2014	0	0			0	10	385,781			0	6	253,718			0
2015	0	0		\$335,720	0	42	1,234,499	10	\$385,781	3,857,810	30	1,014,874	6	\$422,864	2,537,184
2016	42	1,410,024		342,434	0	42	0	42	393,497	16,526,858	30	0	30	431,321	12,939,638
2017	42	0	42	349,283	14,669,890	42	0	42	401,367	16,857,395	30	0	30	439,948	13,198,431
2018	42	0	42	356,269	14,963,287	42	0	42	409,394	17,194,543	30	0	30	448,747	13,462,400
2019	42	0	42	363,394	15,262,553	2	(1,543,124)	42	417,582	17,538,434	30	0	30	457,722	13,731,648
2020	18	(805,728)	42	370,662	15,567,804	0	(77,156)	2	425,933	851,867	30	0	30	466,876	14,006,281
2021	0	(604,296)	18	378,075	6,805,354	0	0	0	434,452	0	8	(930,301)	30	476,214	14,286,406
2022	0	0	0	385,637	0	0	0	0	443,141	0	0	(338,291)	8	485,738	3,885,903
2023	0	0	0	393,349	0	0	0	0	452,004	0	0	0	0	495,453	0
2024	0	0	0	401,216	0	0	0	0	461,044	0	0	0	0	505,362	0
2025	0	0	0	409,241	0	0	0	0	470,265	0	0	0	0	515,469	0
2026		0	0	417,426	0		0	0	479,670	0		0	0	525,778	0
	186	(0)	186		67,268,889	180	(0)	180		72,826,907	194	(0)	194		88,047,891

CASTLE OAKS METROPOLITAN DISTRICT #3

Development Projection (w/ PD Ammendment; sc2.) -- Buildout Plan (updated 3/18/15)

YEAR	<u>Product 4 (Luxury SFD 70')</u>					<u>Product 5 (Semi-Custom SFD 70')</u>					<u>Product 6 (Luxury Patio SFD 60')</u>				
	Incr/(Decr) in					Incr/(Decr) in					Incr/(Decr) in				
	# Lots	Finished Lot	# Units	Price	Market	# Lots	Finished Lot	# Units	Price	Market	# Lots	Finished Lot	# Units	Price	Market
Devel'd	Value @	Completed	Inflated @	Value	Devel'd	Value @	Completed	Inflated @	Value	Devel'd	Value @	Completed	Inflated @	Value	
	10%	53 target	2%			10%	53 target	2%			10%	70 target	2%		
2014	0	0			0	0	0			0	0			0	
2015	0	0		\$510,451	0	0	0	\$621,324	0	0	0		\$602,261	0	
2016	0	0		520,660	0	0	0	633,750	0	0	0		614,306	0	
2017	0	0		531,073	0	15	931,986	646,425	0	15	903,392		626,592	0	
2018	18	918,812		541,695	0	18	186,397	15 659,354	9,890,310	18	180,678	15	639,124	9,586,863	
2019	18	0	18	552,529	9,945,514	18	0	18 672,541	12,105,739	18	0	18	651,907	11,734,320	
2020	17	(51,045)	18	563,579	10,144,425	2	(994,118)	18 685,992	12,347,854	18	0	18	664,945	11,969,007	
2021	0	(867,767)	17	574,851	9,772,462	0	(124,265)	2 699,712	1,399,423	1	(1,023,844)	18	678,244	12,208,387	
2022	0	0	0	586,348	0	0	0	0 713,706	0	0	(60,226)	1	691,809	691,809	
2023	0	0	0	598,075	0	0	0	0 727,980	0	0	0	0	705,645	0	
2024	0	0	0	610,036	0	0	0	0 742,540	0	0	0	0	719,758	0	
2025	0	0	0	622,237	0	0	0	0 757,390	0	0	0	0	734,153	0	
2026		0	0	634,682	0		0	0 772,538	0		0	0	748,836	0	
	53	0	53		29,862,402	53	(0)	53	35,743,327	70	(0)	70		46,190,385	

CASTLE OAKS METROPOLITAN DISTRICT #3

Development Projection (w/ PD Amendment; sc2.) -- Buildout Plan (updated 3/18/15)

YEAR	<u>Product 7 (Sr. Patio SFD 60')</u>					<u>Product 8 (Sr. Duplex 45')</u>					<u>TH (D#2)</u>				
	Incr/(Decr) in					Incr/(Decr) in					Incr/(Decr) in				
	# Lots	Finished Lot	# Units	Price	Market	# Lots	Finished Lot	# Units	Price	Market	# Lots	Finished Lot	# Units	Price	Market
Devel'd	Value @	Completed	Inflated @	Value	Devel'd	Value @	572 target	Inflated @	Value	Devel'd	Value @	80 target	Inflated @	Value	
	10%	70 target	2%			10%		2%			10%		2%		
2014	0	0			0	0	0		0	0	0	0		0	
2015	0	0		\$329,511	0	0	0	\$288,565	0	0	0	0	\$200,000	0	
2016	42	1,383,946		336,101	0	0	0	294,336	0	0	0	0	204,000	0	
2017	28	(461,315)	42	342,823	14,398,576	92	2,654,798	300,223	0	0	0	0	208,080	0	
2018	0	(922,631)	28	349,680	9,791,032	96	115,426	306,227	28,172,929	0	0	0	212,242	0	
2019	0	0	0	356,673	0	96	0	312,352	29,985,795	0	0	0	216,486	0	
2020	0	0	0	363,807	0	96	0	318,599	30,585,511	50	1,000,000	0	220,816	0	
2021	0	0	0	371,083	0	96	0	324,971	31,197,222	30	(400,000)	50	225,232	11,261,624	
2022	0	0	0	378,505	0	96	0	331,470	31,821,166	0	(600,000)	30	229,737	6,892,114	
2023	0	0	0	386,075	0	0	(2,770,224)	338,100	32,457,589	0	0	0	234,332	0	
2024	0	0	0	393,796	0	0	0	344,862	0	0	0	0	239,019	0	
2025	0	0	0	401,672	0	0	0	351,759	0	0	0	0	243,799	0	
2026		0	0	409,706	0		0	358,794	0		0	0	248,675	0	
	70	(0)	70		24,189,608	572	0	572	184,220,213	80	0	80		18,153,738	

CASTLE OAKS METROPOLITAN DISTRICT #3

Development Projection (w/ PD Amendment; sc2.) -- Buildout Plan (updated 3/18/15)

YEAR	<u>MF (D#2)</u>					Residential Summary						Annual Market Value		
	# Lots Devel'd	Incr/(Decr) in Finished Lot		# Units Completed	Price Inflated @ 2%	Market Value	Total Residential Market Value	Total SFD+TH	Total MF	Total Res'l Units	Total SFD/TH Facility Fees @ \$4,000/unit	Total MF Facility Fees @ \$1,500/unit	Adjustment ¹	Adjusted Value
		Value @ 10%	225 target											
2014	0	0			0	\$0	0	0	0	0	\$0	\$0	2,026,069	2,026,069
2015	0	0		\$150,000	0	6,394,994	16	0	16	64,000	0	0	1,588,811	2,228,310
2016	0	0		153,000	0	29,466,496	72	0	72	288,000	0	0	(38,166)	2,211,207
2017	0	0		156,060	0	59,124,292	156	0	156	624,000	0	0	(175,858)	2,618,112
2018	0	0		159,181	0	103,061,364	264	0	264	1,056,000	0	0	(352,859)	3,676,002
2019	0	0		162,365	0	110,304,004	264	0	264	1,056,000	0	0	(615,079)	(136,396)
2020	0	0		165,612	0	95,472,749	224	0	224	896,000	0	0	(658,303)	(2,201,427)
2021	100	1,500,000		168,924	0	86,930,879	231	0	231	924,000	0	0	(569,789)	(1,497,837)
2022	125	375,000	100	172,303	17,230,285	60,521,276	135	100	235	540,000	150,000	0	(518,811)	(2,969,283)
2023	0	(1,875,000)	125	175,749	21,968,613	54,426,203	96	125	221	384,000	187,500	0	(361,196)	(984,713)
2024	0	0	0	179,264	0	0	0	0	0	0	0	0	(324,820)	(4,970,044)
2025	0	0	0	182,849	0	0	0	0	0	0	0	0	0	0
2026	0	0	0	186,506	0	0	0	0	0	0	0	0	0	0
	225	0	225		39,198,898	605,702,258	1,458	225	1,683	5,832,000	337,500	0	0	(0)

[1] adj to actual/prelim AV; incl Ag.



SOURCES AND USES OF FUNDS

**CASTLE OAKS METROPOLITAN DISTRICT #3
GENERAL OBLIGATION BONDS, SERIES 2015
Wrap proposed '15s, Max. size @ 46.00 (target) Mills
Non-Rated w/ Developer Guaranty, 2045 Final Maturity
(Full Development Projections - w/ PD Amendment)
[Preliminary -- for discussion only]**

Dated Date	12/22/2015
Delivery Date	12/22/2015

Sources:

Bond Proceeds:	
Par Amount	13,370,000.00
	13,370,000.00

Uses:

Project Fund Deposits:	
Project Fund	9,073,159.60
Other Fund Deposits:	
Capitalized Interest Fund	2,547,352.90
Debt Service Reserve Fund	1,214,687.50
	3,762,040.40
Delivery Date Expenses:	
Cost of Issuance	534,800.00
	13,370,000.00



BOND SUMMARY STATISTICS

**CASTLE OAKS METROPOLITAN DISTRICT #3
GENERAL OBLIGATION BONDS, SERIES 2015
Wrap proposed '15s, Max. size @ 46.00 (target) Mills
Non-Rated w/ Developer Guaranty, 2045 Final Maturity
(Full Development Projections - w/ PD Amendment)
[Preliminary -- for discussion only]**

Dated Date	12/22/2015
Delivery Date	12/22/2015
First Coupon	06/01/2016
Last Maturity	12/01/2045
Arbitrage Yield	6.250398%
True Interest Cost (TIC)	6.250398%
Net Interest Cost (NIC)	6.250000%
All-In TIC	6.589791%
Average Coupon	6.250000%
Average Life (years)	24.328
Weighted Average Maturity (years)	24.328
Duration of Issue (years)	12.539
Par Amount	13,370,000.00
Bond Proceeds	13,370,000.00
Total Interest	20,329,067.71
Net Interest	20,329,067.71
Bond Years from Dated Date	325,265,083.33
Bond Years from Delivery Date	325,265,083.33
Total Debt Service	33,699,067.71
Maximum Annual Debt Service	4,122,500.00
Average Annual Debt Service	1,125,490.71
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 2045	13,370,000.00	100.000	6.250%	24.328	18,049.50
	13,370,000.00			24.328	18,049.50

	TIC	All-In TIC	Arbitrage Yield
Par Value	13,370,000.00	13,370,000.00	13,370,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-534,800.00	
- Other Amounts			
Target Value	13,370,000.00	12,835,200.00	13,370,000.00
Target Date	12/22/2015	12/22/2015	12/22/2015
Yield	6.250398%	6.589791%	6.250398%



BOND DEBT SERVICE

**CASTLE OAKS METROPOLITAN DISTRICT #3
GENERAL OBLIGATION BONDS, SERIES 2015
Wrap proposed '15s, Max. size @ 46.00 (target) Mills
Non-Rated w/ Developer Guaranty, 2045 Final Maturity
(Full Development Projections - w/ PD Amendment)
[Preliminary -- for discussion only]**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2016			369,067.71	369,067.71	
12/01/2016			417,812.50	417,812.50	786,880.21
06/01/2017			417,812.50	417,812.50	
12/01/2017			417,812.50	417,812.50	835,625.00
06/01/2018			417,812.50	417,812.50	
12/01/2018			417,812.50	417,812.50	835,625.00
06/01/2019			417,812.50	417,812.50	
12/01/2019			417,812.50	417,812.50	835,625.00
06/01/2020			417,812.50	417,812.50	
12/01/2020			417,812.50	417,812.50	835,625.00
06/01/2021			417,812.50	417,812.50	
12/01/2021			417,812.50	417,812.50	835,625.00
06/01/2022			417,812.50	417,812.50	
12/01/2022			417,812.50	417,812.50	835,625.00
06/01/2023			417,812.50	417,812.50	
12/01/2023			417,812.50	417,812.50	835,625.00
06/01/2024			417,812.50	417,812.50	
12/01/2024	75,000	6.250%	417,812.50	492,812.50	910,625.00
06/01/2025			415,468.75	415,468.75	
12/01/2025	165,000	6.250%	415,468.75	580,468.75	995,937.50
06/01/2026			410,312.50	410,312.50	
12/01/2026	200,000	6.250%	410,312.50	610,312.50	1,020,625.00
06/01/2027			404,062.50	404,062.50	
12/01/2027	205,000	6.250%	404,062.50	609,062.50	1,013,125.00
06/01/2028			397,656.25	397,656.25	
12/01/2028	240,000	6.250%	397,656.25	637,656.25	1,035,312.50
06/01/2029			390,156.25	390,156.25	
12/01/2029	260,000	6.250%	390,156.25	650,156.25	1,040,312.50
06/01/2030			382,031.25	382,031.25	
12/01/2030	290,000	6.250%	382,031.25	672,031.25	1,054,062.50
06/01/2031			372,968.75	372,968.75	
12/01/2031	310,000	6.250%	372,968.75	682,968.75	1,055,937.50
06/01/2032			363,281.25	363,281.25	
12/01/2032	350,000	6.250%	363,281.25	713,281.25	1,076,562.50
06/01/2033			352,343.75	352,343.75	
12/01/2033	375,000	6.250%	352,343.75	727,343.75	1,079,687.50
06/01/2034			340,625.00	340,625.00	
12/01/2034	420,000	6.250%	340,625.00	760,625.00	1,101,250.00
06/01/2035			327,500.00	327,500.00	
12/01/2035	445,000	6.250%	327,500.00	772,500.00	1,100,000.00
06/01/2036			313,593.75	313,593.75	
12/01/2036	495,000	6.250%	313,593.75	808,593.75	1,122,187.50
06/01/2037			298,125.00	298,125.00	
12/01/2037	525,000	6.250%	298,125.00	823,125.00	1,121,250.00
06/01/2038			281,718.75	281,718.75	
12/01/2038	580,000	6.250%	281,718.75	861,718.75	1,143,437.50
06/01/2039			263,593.75	263,593.75	
12/01/2039	615,000	6.250%	263,593.75	878,593.75	1,142,187.50
06/01/2040			244,375.00	244,375.00	
12/01/2040	680,000	6.250%	244,375.00	924,375.00	1,168,750.00
06/01/2041			223,125.00	223,125.00	
12/01/2041	720,000	6.250%	223,125.00	943,125.00	1,166,250.00
06/01/2042			200,625.00	200,625.00	
12/01/2042	790,000	6.250%	200,625.00	990,625.00	1,191,250.00
06/01/2043			175,937.50	175,937.50	
12/01/2043	835,000	6.250%	175,937.50	1,010,937.50	1,186,875.00
06/01/2044			149,843.75	149,843.75	
12/01/2044	915,000	6.250%	149,843.75	1,064,843.75	1,214,687.50
06/01/2045			121,250.00	121,250.00	
12/01/2045	3,880,000	6.250%	121,250.00	4,001,250.00	4,122,500.00
	13,370,000		20,329,067.71	33,699,067.71	33,699,067.71



NET DEBT SERVICE

**CASTLE OAKS METROPOLITAN DISTRICT #3
GENERAL OBLIGATION BONDS, SERIES 2015
Wrap proposed '15s, Max. size @ 46.00 (target) Mills
Non-Rated w/ Developer Guaranty, 2045 Final Maturity
(Full Development Projections - w/ PD Amendment)
[Preliminary -- for discussion only]**

Period Ending	Principal	Interest	Total Debt Service	Debt Service Reserve Fund	Capitalized Interest Fund	Net Debt Service
12/01/2016		786,880.21	786,880.21		-786,880.21	
12/01/2017		835,625.00	835,625.00		-835,625.00	
12/01/2018		835,625.00	835,625.00		-835,625.00	
12/01/2019		835,625.00	835,625.00	-1,214.69	-102,131.94	732,278.37
12/01/2020		835,625.00	835,625.00	-2,429.38		833,195.62
12/01/2021		835,625.00	835,625.00	-2,429.38		833,195.62
12/01/2022		835,625.00	835,625.00	-2,429.38		833,195.62
12/01/2023		835,625.00	835,625.00	-2,429.38		833,195.62
12/01/2024	75,000	835,625.00	910,625.00	-2,429.38		908,195.62
12/01/2025	165,000	830,937.50	995,937.50	-2,429.38		993,508.12
12/01/2026	200,000	820,625.00	1,020,625.00	-2,429.38		1,018,195.62
12/01/2027	205,000	808,125.00	1,013,125.00	-2,429.38		1,010,695.62
12/01/2028	240,000	795,312.50	1,035,312.50	-2,429.38		1,032,883.12
12/01/2029	260,000	780,312.50	1,040,312.50	-2,429.38		1,037,883.12
12/01/2030	290,000	764,062.50	1,054,062.50	-2,429.38		1,051,633.12
12/01/2031	310,000	745,937.50	1,055,937.50	-2,429.38		1,053,508.12
12/01/2032	350,000	726,562.50	1,076,562.50	-2,429.38		1,074,133.12
12/01/2033	375,000	704,687.50	1,079,687.50	-2,429.38		1,077,258.12
12/01/2034	420,000	681,250.00	1,101,250.00	-2,429.38		1,098,820.62
12/01/2035	445,000	655,000.00	1,100,000.00	-2,429.38		1,097,570.62
12/01/2036	495,000	627,187.50	1,122,187.50	-2,429.38		1,119,758.12
12/01/2037	525,000	596,250.00	1,121,250.00	-2,429.38		1,118,820.62
12/01/2038	580,000	563,437.50	1,143,437.50	-2,429.38		1,141,008.12
12/01/2039	615,000	527,187.50	1,142,187.50	-2,429.38		1,139,758.12
12/01/2040	680,000	488,750.00	1,168,750.00	-2,429.38		1,166,320.62
12/01/2041	720,000	446,250.00	1,166,250.00	-2,429.38		1,163,820.62
12/01/2042	790,000	401,250.00	1,191,250.00	-2,429.38		1,188,820.62
12/01/2043	835,000	351,875.00	1,186,875.00	-2,429.38		1,184,445.62
12/01/2044	915,000	299,687.50	1,214,687.50	-2,429.38		1,212,258.12
12/01/2045	3,880,000	242,500.00	4,122,500.00	-1,217,116.88		2,905,383.12
	13,370,000	20,329,067.71	33,699,067.71	-1,279,066.07	-2,560,262.15	29,859,739.49



BOND SOLUTION

**CASTLE OAKS METROPOLITAN DISTRICT #3
GENERAL OBLIGATION BONDS, SERIES 2015
Wrap proposed '15s, Max. size @ 46.00 (target) Mills
Non-Rated w/ Developer Guaranty, 2045 Final Maturity
(Full Development Projections - w/ PD Amendment)
[Preliminary -- for discussion only]**

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2016		786,880	-786,880			65,951	65,951	
12/01/2017		835,625	-835,625			120,918	120,918	
12/01/2018		835,625	-835,625	693,649	693,649	269,419	-424,230	38.84085%
12/01/2019		835,625	-103,347	1,109,173	1,841,451	545,249	-1,296,202	29.60974%
12/01/2020		835,625	-2,429	1,109,173	1,942,368	942,739	-999,629	48.53554%
12/01/2021		835,625	-2,429	1,109,173	1,942,368	1,331,792	-610,576	68.56539%
12/01/2022		835,625	-2,429	1,109,173	1,942,368	1,697,930	-244,438	87.41547%
12/01/2023		835,625	-2,429	1,224,173	2,057,368	1,987,439	-69,929	96.60106%
12/01/2024	75,000	910,625	-2,429	1,336,985	2,245,181	2,242,095	-3,086	99.86257%
12/01/2025	165,000	995,938	-2,429	1,387,298	2,380,806	2,380,242	-564	99.97631%
12/01/2026	200,000	1,020,625	-2,429	1,413,548	2,431,743	2,427,846	-3,897	99.83976%
12/01/2027	205,000	1,013,125	-2,429	1,416,985	2,427,681	2,427,846	166	100.00683%
12/01/2028	240,000	1,035,313	-2,429	1,443,860	2,476,743	2,476,403	-340	99.98628%
12/01/2029	260,000	1,040,313	-2,429	1,442,610	2,480,493	2,476,403	-4,090	99.83512%
12/01/2030	290,000	1,054,063	-2,429	1,474,798	2,526,431	2,525,931	-499	99.98024%
12/01/2031	310,000	1,055,938	-2,429	1,473,235	2,526,743	2,525,931	-812	99.96788%
12/01/2032	350,000	1,076,563	-2,429	1,504,798	2,578,931	2,576,450	-2,481	99.90381%
12/01/2033	375,000	1,079,688	-2,429	1,502,298	2,579,556	2,576,450	-3,106	99.87961%
12/01/2034	420,000	1,101,250	-2,429	1,532,610	2,631,431	2,627,979	-3,452	99.86883%
12/01/2035	445,000	1,100,000	-2,429	1,533,548	2,631,118	2,627,979	-3,139	99.88069%
12/01/2036	495,000	1,122,188	-2,429	1,561,673	2,681,431	2,680,539	-892	99.96673%
12/01/2037	525,000	1,121,250	-2,429	1,565,110	2,683,931	2,680,539	-3,392	99.87362%
12/01/2038	580,000	1,143,438	-2,429	1,595,110	2,736,118	2,734,149	-1,969	99.92805%
12/01/2039	615,000	1,142,188	-2,429	1,594,798	2,734,556	2,734,149	-406	99.98514%
12/01/2040	680,000	1,168,750	-2,429	1,625,735	2,792,056	2,788,832	-3,223	99.88456%
12/01/2041	720,000	1,166,250	-2,429	1,625,735	2,789,556	2,788,832	-723	99.97407%
12/01/2042	790,000	1,191,250	-2,429	1,656,360	2,845,181	2,844,609	-572	99.97991%
12/01/2043	835,000	1,186,875	-2,429	1,660,423	2,844,868	2,844,609	-259	99.99089%
12/01/2044	915,000	1,214,688	-2,429	1,690,423	2,902,681	2,901,501	-1,179	99.95937%
12/01/2045	3,880,000	4,122,500	-1,217,117		2,905,383	2,901,501	-3,882	99.86639%
	13,370,000	33,699,068	-3,839,328	38,392,446	68,252,186	64,752,256	-3,499,930	

**EXHIBIT C
TO
CERTIFICATION TO THE TOWN OF CASTLE ROCK
FOR
CASTLE OAKS METROPOLITAN DISTRICT NO. 3 2015 BONDS
(Preliminary Offering Memorandum)**