

## **CERTIFICATION TO THE TOWN OF CASTLE ROCK**

### **CASTLE OAKS METROPOLITAN DISTRICT NO. 3**

#### **PROPOSED GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS, SERIES 2017 IN THE APPROXIMATE PRINCIPAL AMOUNT OF \$37,210,000**

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 Refunding Bonds, Series 2017 in the estimated aggregate principal amount of \$37,210,000, or such greater or lesser principal amount as is necessary to fully refund all of the District's currently outstanding 2015 and 2016 bonds, generally in accordance with the term sheet, attached hereto and incorporated herein as **Exhibit A** (the "Refunding Bonds"), with an estimated closing date in December 2017. 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 Refunding Bonds are being issued pursuant to Section 32-1-1302, C.R.S. for the purpose of refunding the District's existing general obligation indebtedness and no new general obligation indebtedness is being incurred as part of the Refunding Bonds. The interest rate on the District's outstanding 2015 bonds is 6.25% and the interest rate on the District's outstanding 2016 bonds is 5.50%. The interest rate on the Refunding Bonds is anticipated to be between 5.50-5.75%.

2. 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, provides for a debt service mill levy cap of 55 mills, subject to Gallagher adjustments after January 9, 2001. As a result of such Gallagher adjustments, the District's current debt service mill levy cap is 74.402 mills. For tax collection year 2017, the District imposed a debt service mill levy of 46.000 mills and anticipates a Gallagher adjustment for tax collection year 2018 to 50.855 mills for debt service. The mill levy pledged to the Refunding Bonds will be the same as is currently pledged to the District's 2015 and 2016 outstanding bonds, which is such mills as necessary to pay the principal of and interest on the bonds but not in excess of 55 mills, as adjusted. The financial plan attached as Exhibit B shows a target mill levy of 50.855 and shows the District's ability to repay the Refunding Bonds at that rate. The mill levy pledged to the Refunding Bonds is consistent with the requirements of the District's Service Plan.

3. The District is currently preparing the Preliminary Limited Offering Memorandum ("PLOM") related to the Refunding Bonds, which is anticipated to be available on or about November 28, 2017. In an effort to take advantage of favorable bond market conditions, the District intends to issue the Refunding Bonds before the end of the year. Pursuant to the Town Code, Town Council may waive the review of the PLOM at the District's request. As

such, in order to ensure the District's ability to close on the Refunding Bonds in 2017, the District respectfully requests the Town Council waive the requirement to review the PLOM.

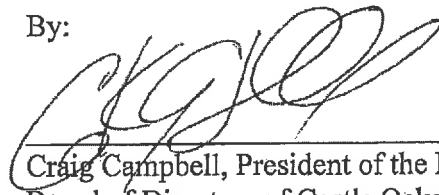
4. The Refunding Bonds are authorized by and in compliance with the District's Service Plan, approved by the Town Council for the Town of Castle Rock on November 22, 2005, as amended by that First Amendment to Service Plan, approved by the Town Council for the Town of Castle Rock on March 17, 2015.

5. The District requests that the Town Council review the proposed financing and waive the requirement to review the PLOM at the December 5, 2017 regular meeting, and provide any comments to the District in accordance with the Town Code. The District also requests the Town execute the attached Acknowledgment at its meeting on December 5, 2017. The District, its Board members and consultants, are available to address any questions or comments the Town may have as it begins its review.

6. Review of the proposed Refunding Bonds, execution of the Acknowledgment, and waiver of the requirement to review the PLOM by the Town Council does not constitute a material modification of the District's Service Plan.

Certified to the Town of Castle Rock as of this 22<sup>nd</sup> day of November, 2017.

By:

A handwritten signature in black ink, appearing to read 'Craig Campbell', written over a horizontal line.

Craig Campbell, President 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 2017 REFUNDING BONDS  
(Term Sheet)**

**Castle Oaks Metropolitan District No.3**  
**Term Sheet**  
**Series 2017 General Obligation Limited Tax Refunding Bonds**  
(as of November 8, 2017)

**Delivery Date:** November 2017

**Sources**

**Par Amount:** \$37,210,000 (estimated)

**Reserve Fund**

**(Series 2015):** \$1,663,750 (estimated)

**Reserve Fund**

**(Series 2016):** \$1,296,231 (estimated)

**Uses**

**Refunding Escrow:** \$35,919,755 (estimated)

**Costs of Issuance:** \$1,099,700 (estimated)

**Debt Service**

**Reserve:** \$1,575,000 (estimated)

**Surplus Deposit:** \$1,575,000 (estimated)

**Structure**

**Final Maturity:** December 1, 2047

**Interest Rate:** 5.50% (estimated rate, actual rate determined at pricing)

**Payment Dates:** Semi-annual interest payments on June 1 and December 1 with principal payments annually on December 1

**Tax Status:** Tax-exempt, Non-AMT, Non-BQ

**Optional**

**Redemption:** Estimated 12/1/2020 at 103 premium (estimated, final optional redemption to be set at pricing)

**Rating:** Non-Rated

**Pledged Revenue:** A senior lien on revenues produced from the minimum required mill levy of 50.855 mills Gallagherized to 7.2% subject to a 74.402 mill levy cap (also Gallagherized), plus specific ownership tax from the debt service mill levy and facility fees of \$4,000 per single family unit and \$1,500 per

multifamily unit. Any amount unpaid at the maturity date will remain outstanding and continue to accrue and compound.

**Surplus Fund:** The District shall be required to levy 50.855 mills gallagherized for debt service until the Surplus Fund is full. To the extent this amount is not needed for current year debt service, it will be deposited to the Surplus Fund. The Surplus Fund will have a maximum size of \$5,581,500 and shall be drawn in the event that current revenue at 50.855 mills gallagherized is insufficient to cover current debt service.

**Additional Debt:** Allowed with majority bondholder consent. Allowed without majority bondholder consent when the District's senior debt to assessed ratio is at or below 50% or for a refunding of this 2017 debt such that debt service is lower in every year.

**Additional Subordinate Debt:** Subordinate bonds may be issued provided that they pay debt service annually only after all payment on senior bonds, that the district is current on senior debt service, and that the bonds are in compliance with the parameters for issuance under any existing subordinate bond documents.

**Events of Default:** It is not an Event of Default if the District misses a payment but has levied the required mill levy.

**Trustee:** UMB

**Title 11 exemption:** \$500,000 denominations

**Title 32 qual.:** Issued to financial institutions or institutional investors

**EXHIBIT B  
TO  
CERTIFICATION TO THE TOWN OF CASTLE ROCK  
FOR  
CASTLE OAKS METROPOLITAN DISTRICT NO. 3 2017 REFUNDING BONDS  
(Financial Plan)**

**CASTLE OAKS METROPOLITAN DISTRICT #3**

Development Projection at 50.855 (target) Mills for Debt Service -- 11/08/2017

Series 2017, G.O. Bonds, Advance Refg of Series 2015 & Series 2016, Non-Rated, 30-yr. Maturity

YEAR	<<<<<<< Residential >>>>>>>				< Platted/Developed Lots >		<<<<<<< Commercial >>>>>>>						Total Collected Assessed Value	Debt Svc Mill Levy [50.855 target] [74.402 Cap]	Total Collections @ 98.0%	S.O. Taxes Collected @ 6%	Total Facility Fees Collected	Total Available Revenue
	Total	Mkt Value	As'ed Value*	As'ed Value	Total Comm'l	Mkt Value	As'ed Value	As'ed Value	Total	Mkt Value	As'ed Value	As'ed Value						
	Res'l Units	Biennial Reasses'mt @ 2.0%	Manual Adj. <sup>1</sup>	Cumulative Market Value	@ 7.20% of Market (2-yr lag)	Cumulative Market Value	@ 29.00% of Market (2-yr lag)	@ 29.00% of Market (2-yr lag)	Biennial Reasses'mt @ 2.0%	Manual Adj. <sup>2</sup>	Cumulative Market Value	@ 29.00% of Market (2-yr lag)						
2014	***							***										
2015	***		0	0		9,163,448	587,560	***	488,000	488,000	163,470	751,030	46,000	33,856	2,031	0	35,888	
2016	17	16,069,444		16,069,444	0	23,340,103	1,233,770	0	779,586	1,267,586	146,400	1,380,170	46,000	62,218	3,733	176,000	241,951	
2017	104	(1,090,876)		66,508,568	0	29,277,237	2,657,400	0		1,267,586	141,520	2,798,920	46,000	126,175	7,571	756,000	889,746	
2018	246	1,330,171	(2,580,342)	190,836,718	1,157,000	25,602,931	6,768,630	0	25,352	1,292,938	367,600	8,293,230	50.855	413,317	24,799	984,000	1,422,116	
2019	245		(2,569,852)	309,098,922	4,788,617	26,679,530	8,490,399	0		1,292,938	367,600	13,646,616	50.855	680,119	40,807	767,500	1,488,426	
2020	314	6,181,978	(3,293,607)	477,056,075	13,740,244	16,443,443	7,424,850	0	25,859	1,318,797	374,952	21,540,046	50.855	1,073,511	64,411	856,000	1,993,921	
2021	189		(1,982,458)	574,998,343	22,255,122	11,702,829	7,737,064	0		1,318,797	374,952	30,367,138	50.855	1,513,434	90,806	356,000	1,960,240	
2022	145	11,499,967	(1,520,933)	660,711,799	34,348,037	6,924,122	4,768,598	0	26,376	1,345,173	382,451	39,499,087	50.855	1,968,552	118,113	217,500	2,304,165	
2023	100		(1,048,919)	703,312,935	41,399,881	5,889,442	3,393,820	0		1,345,173	382,451	45,176,152	50.855	2,251,485	135,089	150,000	2,536,574	
2024	100	14,066,259	(1,048,919)	760,853,331	47,571,250	4,407,708	2,007,995	0	26,903	1,372,076	390,100	49,969,345	50.855	2,490,367	149,422	150,000	2,789,789	
2025	89		(933,538)	800,337,823	50,638,531	0	1,707,938	0		1,372,076	390,100	52,736,570	50.855	2,628,280	157,697	133,500	2,919,477	
2026	0	16,006,756	0	816,344,580	54,781,440	0	1,278,235	0	27,442	1,399,518	397,902	56,457,577	50.855	2,813,727	168,824	0	2,982,551	
2027				816,344,580	57,624,323	0	0			1,399,518	397,902	58,022,225	50.855	2,891,706	173,502		3,065,208	
2028		16,326,892		832,671,471	58,776,810	0	0	27,990		1,427,508	405,860	59,182,670	50.855	2,949,540	176,972		3,126,512	
2029				832,671,471	58,776,810	0	0			1,427,508	405,860	59,182,670	50.855	2,949,540	176,972		3,126,512	
2030		16,653,429		849,324,901	59,952,346	0	0	28,550		1,456,058	413,977	60,366,323	50.855	3,008,531	180,512		3,189,043	
2031				849,324,901	59,952,346	0	0			1,456,058	413,977	60,366,323	50.855	3,008,531	180,512		3,189,043	
2032		16,986,498		866,311,399	61,151,393	0	0	29,121		1,485,179	422,257	61,573,650	50.855	3,068,701	184,122		3,252,823	
2033				866,311,399	61,151,393	0	0			1,485,179	422,257	61,573,650	50.855	3,068,701	184,122		3,252,823	
2034		17,326,228		883,637,627	62,374,421	0	0	29,704		1,514,883	430,702	62,805,123	50.855	3,130,075	187,805		3,317,880	
2035				883,637,627	62,374,421	0	0			1,514,883	430,702	62,805,123	50.855	3,130,075	187,805		3,317,880	
2036		17,672,753		901,310,379	63,621,909	0	0	30,298		1,545,181	439,316	64,061,225	50.855	3,192,677	191,561		3,384,238	
2037				901,310,379	63,621,909	0	0			1,545,181	439,316	64,061,225	50.855	3,192,677	191,561		3,384,238	
2038		18,026,208		919,336,587	64,894,347	0	0	30,904		1,576,084	448,102	65,342,450	50.855	3,256,530	195,392		3,451,922	
2039				919,336,587	64,894,347	0	0			1,576,084	448,102	65,342,450	50.855	3,256,530	195,392		3,451,922	
2040		18,386,732		937,723,319	66,192,234	0	0	31,522		1,607,606	457,064	66,649,299	50.855	3,321,661	199,300		3,520,961	
2041				937,723,319	66,192,234	0	0			1,607,606	457,064	66,649,299	50.855	3,321,661	199,300		3,520,961	
2042		18,754,466		956,477,785	67,516,079	0	0	32,152		1,639,758	466,206	67,982,285	50.855	3,388,094	203,286		3,591,380	
2043				956,477,785	67,516,079	0	0			1,639,758	466,206	67,982,285	50.855	3,388,094	203,286		3,591,380	
2044		19,129,556		975,607,341	68,866,401	0	0	32,795		1,672,553	475,530	69,341,930	50.855	3,455,856	207,351		3,663,208	
2045				975,607,341	68,866,401	0	0			1,672,553	475,530	69,341,930	50.855	3,455,856	207,351		3,663,208	
2046		19,512,147		995,119,488	70,243,729	0	0	33,451		1,706,004	485,040	70,728,769	50.855	3,524,973	211,498		3,736,472	
2047				995,119,488	70,243,729	0	0			1,706,004	485,040	70,728,769	50.855	3,524,973	211,498		3,736,472	
	1,549	227,860,040	(0)			0	438,418	1,267,586					83,540,027		5,012,402	4,546,500	93,098,928	

[1] Adj. to actual/prelim. AV

[\*] RAR @ 7.96% thru 2017

[2] Adj. to actual/prelim. AV; incl PP & SA

**CASTLE OAKS METROPOLITAN DISTRICT #3**

Development Projection at 50.855 (target) Mills for Debt Service -- 11/08/2017

Series 2017, G.O. Bonds, Advance Refg of Series 2015 &amp; Series 2016, Non-Rated, 30-yr. Maturity

YEAR	Net Available for Debt Svc	Ser. 2015 \$17,800,000 Par [Net \$12.287M] Net Debt Service	Ser. 2016 \$13,370,000 Par [Net \$9.952M] Net Debt Service	Ser. 2017 \$37,210,000 Par [Net \$0.000M] Net Debt Service	Total Net Debt Service	Funds on Hand* Used as Source	Annual Surplus	Surplus Release @ to \$5,581,500	Cumulative Surplus \$5,581,500 Target	Senior Debt/ Assessed Ratio	Senior Debt/ Act'l Value Ratio	Net D/S Coverage @ Target	Net D/S Coverage @ Cap
2014							0		0	0%	0%	n/a	n/a
2015	35,888	\$0			0		35,888		35,888	1290%	44%	n/a	n/a
2016	241,951	0	\$0		0		241,951		277,839	1114%	32%	n/a	n/a
2017	889,746	0	0	\$0	0	\$0	889,746		<b>2,742,585</b>	376%	14%	n/a	n/a
2018	1,422,116	[Ref'd by Ser. '17]	[Ref'd by Ser. '17]	1,893,059	1,893,059		(470,943)		2,271,642	273%	11%	23%	34%
2019	1,488,426			2,046,550	2,046,550		(558,124)		1,713,518	173%	8%	35%	52%
2020	1,993,921			2,046,550	2,046,550		(52,629)		1,660,889	123%	6%	56%	81%
2021	1,960,240			2,046,550	2,046,550		(86,310)	0	1,574,580	94%	6%	78%	115%
2022	2,304,165			2,046,550	2,046,550		257,615	0	1,832,194	82%	5%	102%	149%
2023	2,536,574			2,066,550	2,066,550		470,024	0	2,302,218	74%	5%	115%	169%
2024	2,789,789			2,285,450	2,285,450		504,339	0	2,806,557	70%	5%	116%	169%
2025	2,919,477			2,412,250	2,412,250		507,227	0	3,313,784	65%	4%	115%	169%
2026	2,982,551			2,581,350	2,581,350		401,201	0	3,714,985	62%	4%	116%	169%
2027	3,065,208			2,650,000	2,650,000		415,208	0	4,130,193	60%	4%	116%	169%
2028	3,126,512			2,703,150	2,703,150		423,362	0	4,553,555	58%	4%	116%	169%
2029	3,126,512			2,706,350	2,706,350		420,162	0	4,973,718	56%	4%	116%	169%
2030	3,189,043			2,757,075	2,757,075		431,968	0	5,405,685	54%	4%	116%	169%
2031	3,189,043			2,757,575	2,757,575		431,468	255,653	5,581,500	52%	4%	116%	169%
2032	3,252,823			2,815,325	2,815,325		437,498	437,498	5,581,500	50%	4%	116%	169%
2033	3,252,823			2,817,025	2,817,025		435,798	435,798	5,581,500	47%	3%	115%	169%
2034	3,317,880			2,870,425	2,870,425		447,455	447,455	5,581,500	45%	3%	116%	169%
2035	3,317,880			2,872,500	2,872,500		445,380	445,380	5,581,500	42%	3%	116%	169%
2036	3,384,238			2,925,725	2,925,725		458,513	458,513	5,581,500	40%	3%	116%	169%
2037	3,384,238			2,927,075	2,927,075		457,163	457,163	5,581,500	37%	3%	116%	169%
2038	3,451,922			2,984,025	2,984,025		467,897	467,897	5,581,500	35%	2%	116%	169%
2039	3,451,922			2,988,275	2,988,275		463,647	463,647	5,581,500	31%	2%	116%	169%
2040	3,520,961			3,047,300	3,047,300		473,661	473,661	5,581,500	28%	2%	116%	169%
2041	3,520,961			3,047,800	3,047,800		473,161	473,161	5,581,500	25%	2%	116%	169%
2042	3,591,380			3,107,525	3,107,525		483,855	483,855	5,581,500	22%	2%	116%	169%
2043	3,591,380			3,107,900	3,107,900		483,480	483,480	5,581,500	18%	1%	116%	169%
2044	3,663,208			3,171,675	3,171,675		491,533	491,533	5,581,500	14%	1%	115%	169%
2045	3,663,208			3,170,000	3,170,000		493,208	493,208	5,581,500	10%	1%	116%	169%
2046	3,736,472			3,230,900	3,230,900		505,572	505,572	5,581,500	6%	0%	116%	169%
2047	3,736,472			3,230,525	3,230,525		505,947	6,087,447	0	0%	0%	116%	169%
	93,098,928	0	0	81,313,009	81,313,009	0	11,785,920	13,360,920					

[RApr0915 15nrdgR]

[HJun0716 16nrdgH]

[ENov0817 17narE]

[\*] Estimated balance (tbd)

[\*] Assumes \$1.575M Deposit @ Closing (tbd)

**CASTLE OAKS METROPOLITAN DISTRICT #3**

Operations Revenue and Expense Projection -- 11/08/2017

Series 2017, G.O. Bonds, Advance Refg of Series 2015 & Series 2016, Non-Rated, 30-yr. Maturity

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	751,030	10.000	7,360	442	7,802	56.000
2016	1,380,170	4.000	5,410	325	5,735	50.000
2017	2,798,920	4.000	10,972	658	11,630	50.000
2018	8,293,230	4.422	35,939	2,156	38,096	55.277
2019	13,646,616	4.422	59,138	3,548	62,687	55.277
2020	21,540,046	4.422	93,345	5,601	98,946	55.277
2021	30,367,138	4.422	131,598	7,896	139,494	55.277
2022	39,499,087	4.422	171,172	10,270	181,442	55.277
2023	45,176,152	4.422	195,774	11,746	207,520	55.277
2024	49,969,345	4.422	216,545	12,993	229,538	55.277
2025	52,736,570	4.422	228,537	13,712	242,249	55.277
2026	56,457,577	4.422	244,662	14,680	259,342	55.277
2027	58,022,225	4.422	251,443	15,087	266,529	55.277
2028	59,182,670	4.422	256,472	15,388	271,860	55.277
2029	59,182,670	4.422	256,472	15,388	271,860	55.277
2030	60,366,323	4.422	261,601	15,696	277,297	55.277
2031	60,366,323	4.422	261,601	15,696	277,297	55.277
2032	61,573,650	4.422	266,833	16,010	282,843	55.277
2033	61,573,650	4.422	266,833	16,010	282,843	55.277
2034	62,805,123	4.422	272,170	16,330	288,500	55.277
2035	62,805,123	4.422	272,170	16,330	288,500	55.277
2036	64,061,225	4.422	277,613	16,657	294,270	55.277
2037	64,061,225	4.422	277,613	16,657	294,270	55.277
2038	65,342,450	4.422	283,165	16,990	300,155	55.277
2039	65,342,450	4.422	283,165	16,990	300,155	55.277
2040	66,649,299	4.422	288,829	17,330	306,158	55.277
2041	66,649,299	4.422	288,829	17,330	306,158	55.277
2042	67,982,285	4.422	294,605	17,676	312,282	55.277
2043	67,982,285	4.422	294,605	17,676	312,282	55.277
2044	69,341,930	4.422	300,497	18,030	318,527	55.277
2045	69,341,930	4.422	300,497	18,030	318,527	55.277
2046	70,728,769	4.422	306,507	18,390	324,898	55.277
2047	70,728,769	4.422	306,507	18,390	324,898	55.277
			7,268,481	436,109	7,704,590	

# CASTLE OAKS METROPOLITAN DISTRICT #3

Development Projection -- Buildout Plan (updated 9/6/17)



Residential Development															
YEAR	<u>DR Horton</u>					<u>Taylor Morrison - Flat Rock</u>					<u>Richmond</u>				
	Incr/(Decr) in					Incr/(Decr) in					Incr/(Decr) in				
	Finished Lot					Finished Lot					Finished Lot				
	# Lots Devel'd	Value @ 10%	# Units Completed [Target 84]	Price Inflated @ 2%	Market Value	# Lots Devel'd	Value @ 10%	# Units 88 target	Price Inflated @ 2%	Market Value	# Lots Devel'd	Value @ 10%	# Units 155 target	Price Inflated @ 2%	Market Value
2014	0	0			0	0	0			0	0	0			0
2015	0	0		\$520,000	0	0	0		\$480,000	0	0	0		\$495,000	0
2016	40	2,080,000		520,000	0	50	2,400,000		480,000	0	4	198,000		495,000	0
2017	44	208,000	40	520,000	20,800,000	38	(576,000)	50	480,000	24,000,000	50	2,277,000	4	495,000	1,980,000
2018	0	(2,288,000)	44	530,400	23,337,600	0	(1,824,000)	38	489,600	18,604,800	50	0	50	504,900	25,245,000
2019	0	0	0	541,008	0	0	0	0	499,392	0	51	49,500	50	514,998	25,749,900
2020	0	0	0	551,828	0	0	0	0	509,380	0	0	(2,524,500)	51	525,298	26,790,196
2021	0	0	0	562,865	0	0	0	0	519,567	0	0	0	0	535,804	0
2022	0	0	0	574,122	0	0	0	0	529,959	0	0	0	0	546,520	0
2023	0	0	0	585,604	0	0	0	0	540,558	0	0	0	0	557,450	0
2024	0	0	0	597,317	0	0	0	0	551,369	0	0	0	0	568,599	0
2025	0	0	0	609,263	0	0	0	0	562,397	0	0	0	0	579,971	0
2026		0	0	621,448	0		0	0	573,644	0		0	0	591,571	0
	84	0	84		44,137,600	88	(0)	88		42,604,800	155	0	155		79,765,096

# CASTLE OAKS METROPOLITAN DISTRICT #3

Development Projection -- Buildout Plan (updated 9/6/17)



YEAR	<u>TriPointe - Ravenwood</u>					<u>Ravenwood - Balance</u>					<u>Sunstone Village</u>				
	Incr/(Decr) in					Incr/(Decr) in					Incr/(Decr) in				
	Finished Lot		# Units	Price		Finished Lot		# Units	Price		Finished Lot		# Units	Price	
	# Lots	Value @	Completed	Inflated @	Market	# Lots	Value @	Completed	Inflated @	Market	# Lots	Value @	Completed	Inflated @	Market
	Devel'd	10%	257 target	2%	Value	Devel'd	10%	109 target	2%	Value	Devel'd	10%	664 target	2%	Value
2014	0	0			0	0	0			0	0	0			0
2015	0	0		\$475,000	0	0	0		\$561,000	0	0	0		\$387,600	0
2016	10	475,000		475,000	0	0	0		561,000	0	0	0		387,600	0
2017	78	3,230,000	10	475,000	4,750,000	36	2,019,600		561,000	0	0	0		387,600	0
2018	70	(380,000)	78	484,500	37,791,000	40	224,400	36	572,220	20,599,920	75	2,907,000		395,352	0
2019	70	0	70	494,190	34,593,300	33	(392,700)	40	583,664	23,346,576	100	969,000	75	403,259	30,244,428
2020	29	(1,947,500)	70	504,074	35,285,166	0	(1,851,300)	33	595,338	19,646,144	100	0	100	411,324	41,132,422
2021	0	(1,377,500)	29	514,155	14,910,503	0	0	0	607,244	0	100	0	100	419,551	41,955,071
2022	0	0	0	524,438	0	0	0	0	619,389	0	100	0	100	427,942	42,794,172
2023	0	0	0	534,927	0	0	0	0	631,777	0	100	0	100	436,501	43,650,055
2024	0	0	0	545,626	0	0	0	0	644,413	0	89	(426,360)	100	445,231	44,523,056
2025	0	0	0	556,538	0	0	0	0	657,301	0	0	(3,449,640)	89	454,135	40,418,031
2026		0	0	567,669	0		0	0	670,447	0		0	0	463,218	0
	257	0	257		127,329,969	109	(0)	109		63,592,640	664	0	664		284,717,235

# CASTLE OAKS METROPOLITAN DISTRICT #3

Development Projection -- Buildout Plan (updated 9/6/17)



## Residential Summary

YEAR	<u>North Basin</u>											Annual Market Value	
	Incr/(Decr) in		# Units	Price		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	of Platted/Developed Lots	
	# Lots Devel'd	Finished Lot Value @ 10%		Inflated @ 2%	Market Value							Adjustment <sup>1</sup>	Adjusted Value
2014	0	0			0	\$0	0	0	0	\$0	\$0	0	0
2015	0	0		\$663,000	0	0	0	0	0	0	0	9,163,448	9,163,448
2016	0	0		663,000	0	0	0	0	0	0	0	9,023,655	14,176,655
2017	0	0		663,000	0	51,530,000	104	0	104	416,000	0	(1,221,466)	5,937,134
2018	10	663,000		676,260	0	125,578,320	246	0	246	984,000	0	(2,976,706)	(3,674,306)
2019	60	3,315,000	10	689,785	6,897,852	120,832,056	160	85	245	640,000	127,500	(2,864,201)	1,076,599
2020	60	0	60	703,581	42,214,854	165,068,782	154	160	314	616,000	240,000	(3,912,787)	(10,236,087)
2021	45	(994,500)	60	717,653	43,059,151	99,924,725	29	160	189	116,000	240,000	(2,368,614)	(4,740,614)
2022	0	(2,983,500)	45	732,006	32,940,251	75,734,423	0	145	145	0	217,500	(1,795,207)	(4,778,707)
2023	0	0	0	746,646	0	43,650,055	0	100	100	0	150,000	(1,034,680)	(1,034,680)
2024	0	0	0	761,579	0	44,523,056	0	100	100	0	150,000	(1,055,374)	(1,481,734)
2025	0	0	0	776,810	0	40,418,031	0	89	89	0	133,500	(958,068)	(4,407,708)
2026		0	0	792,346	0	0	0	0	0	0	0	0	0
	175	0	175		125,112,108	767,259,448	693	839	1,532	2,772,000	1,258,500	0	0

[1] Adj. to actual/prelim. AV

## SOURCES AND USES OF FUNDS

**CASTLE OAKS METROPOLITAN DISTRICT #3  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017  
Advance Refunding of Series 2015 & Series 2016  
50.855 (target) Mills  
Non-Rated, 30-yr. Maturity  
[ Preliminary -- for discussion only ]**

Dated Date	12/28/2017
Delivery Date	12/28/2017

**Sources:**

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Bond Proceeds:	
Par Amount	37,210,000.00
Other Sources of Funds:	
Series 2015 - DSRF	1,663,750.00
Series 2016 - DSRF	1,296,231.00
	2,959,981.00
	40,169,981.00

**Uses:**

<hr/>	
Refunding Escrow Deposits:	
Cash Deposit	0.71
SLGS Purchases	35,919,754.00
	35,919,754.71
Other Fund Deposits:	
Debt Service Reserve Fund	1,575,000.00
Cost of Issuance:	1,099,700.00
Deposit to Surplus Fund (New)	1,575,000.00
Rounding Amount	526.29
	1,575,526.29
	40,169,981.00

[\*] Estimated balance, tbd.

## BOND SUMMARY STATISTICS

**CASTLE OAKS METROPOLITAN DISTRICT #3**  
**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017**  
**Advance Refunding of Series 2015 & Series 2016**  
**50.855 (target) Mills**  
**Non-Rated, 30-yr. Maturity**  
**[ Preliminary -- for discussion only ]**

Dated Date	12/28/2017
Delivery Date	12/28/2017
First Coupon	06/01/2018
Last Maturity	12/01/2047
Arbitrage Yield	5.500375%
True Interest Cost (TIC)	5.663750%
Net Interest Cost (NIC)	5.500000%
All-In TIC	5.743544%
Average Coupon	5.500000%
Average Life (years)	22.320
Weighted Average Maturity (years)	22.320
Duration of Issue (years)	12.655
Par Amount	37,210,000.00
Bond Proceeds	37,210,000.00
Total Interest	45,678,008.75
Net Interest	46,422,208.75
Bond Years from Dated Date	830,509,250.00
Bond Years from Delivery Date	830,509,250.00
Total Debt Service	82,888,008.75
Maximum Annual Debt Service	4,805,525.00
Average Annual Debt Service	2,769,858.27
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	20.000000
Total Underwriter's Discount	20.000000
Bid Price	98.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Term Bond due 2047	37,210,000.00	100.000	5.500%	22.320	04/23/2040	54,326.60
	37,210,000.00			22.320		54,326.60

	TIC	All-In TIC	Arbitrage Yield
Par Value	37,210,000.00	37,210,000.00	37,210,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-744,200.00	-744,200.00	
- Cost of Issuance Expense		-355,500.00	
- Other Amounts			
Target Value	36,465,800.00	36,110,300.00	37,210,000.00
Target Date	12/28/2017	12/28/2017	12/28/2017
Yield	5.663750%	5.743544%	5.500375%

## BOND DEBT SERVICE

**CASTLE OAKS METROPOLITAN DISTRICT #3**  
**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017**  
**Advance Refunding of Series 2015 & Series 2016**  
**50.855 (target) Mills**  
**Non-Rated, 30-yr. Maturity**  
**[ Preliminary -- for discussion only ]**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2018			869,783.75	869,783.75	
12/01/2018			1,023,275.00	1,023,275.00	1,893,058.75
06/01/2019			1,023,275.00	1,023,275.00	
12/01/2019			1,023,275.00	1,023,275.00	2,046,550.00
06/01/2020			1,023,275.00	1,023,275.00	
12/01/2020			1,023,275.00	1,023,275.00	2,046,550.00
06/01/2021			1,023,275.00	1,023,275.00	
12/01/2021			1,023,275.00	1,023,275.00	2,046,550.00
06/01/2022			1,023,275.00	1,023,275.00	
12/01/2022			1,023,275.00	1,023,275.00	2,046,550.00
06/01/2023			1,023,275.00	1,023,275.00	
12/01/2023	20,000	5.500%	1,023,275.00	1,043,275.00	2,066,550.00
06/01/2024			1,022,725.00	1,022,725.00	
12/01/2024	240,000	5.500%	1,022,725.00	1,262,725.00	2,285,450.00
06/01/2025			1,016,125.00	1,016,125.00	
12/01/2025	380,000	5.500%	1,016,125.00	1,396,125.00	2,412,250.00
06/01/2026			1,005,675.00	1,005,675.00	
12/01/2026	570,000	5.500%	1,005,675.00	1,575,675.00	2,581,350.00
06/01/2027			990,000.00	990,000.00	
12/01/2027	670,000	5.500%	990,000.00	1,660,000.00	2,650,000.00
06/01/2028			971,575.00	971,575.00	
12/01/2028	760,000	5.500%	971,575.00	1,731,575.00	2,703,150.00
06/01/2029			950,675.00	950,675.00	
12/01/2029	805,000	5.500%	950,675.00	1,755,675.00	2,706,350.00
06/01/2030			928,537.50	928,537.50	
12/01/2030	900,000	5.500%	928,537.50	1,828,537.50	2,757,075.00
06/01/2031			903,787.50	903,787.50	
12/01/2031	950,000	5.500%	903,787.50	1,853,787.50	2,757,575.00
06/01/2032			877,662.50	877,662.50	
12/01/2032	1,060,000	5.500%	877,662.50	1,937,662.50	2,815,325.00
06/01/2033			848,512.50	848,512.50	
12/01/2033	1,120,000	5.500%	848,512.50	1,968,512.50	2,817,025.00
06/01/2034			817,712.50	817,712.50	
12/01/2034	1,235,000	5.500%	817,712.50	2,052,712.50	2,870,425.00
06/01/2035			783,750.00	783,750.00	
12/01/2035	1,305,000	5.500%	783,750.00	2,088,750.00	2,872,500.00
06/01/2036			747,862.50	747,862.50	
12/01/2036	1,430,000	5.500%	747,862.50	2,177,862.50	2,925,725.00
06/01/2037			708,537.50	708,537.50	
12/01/2037	1,510,000	5.500%	708,537.50	2,218,537.50	2,927,075.00
06/01/2038			667,012.50	667,012.50	
12/01/2038	1,650,000	5.500%	667,012.50	2,317,012.50	2,984,025.00
06/01/2039			621,637.50	621,637.50	
12/01/2039	1,745,000	5.500%	621,637.50	2,366,637.50	2,988,275.00
06/01/2040			573,650.00	573,650.00	
12/01/2040	1,900,000	5.500%	573,650.00	2,473,650.00	3,047,300.00
06/01/2041			521,400.00	521,400.00	
12/01/2041	2,005,000	5.500%	521,400.00	2,526,400.00	3,047,800.00
06/01/2042			466,262.50	466,262.50	
12/01/2042	2,175,000	5.500%	466,262.50	2,641,262.50	3,107,525.00
06/01/2043			406,450.00	406,450.00	
12/01/2043	2,295,000	5.500%	406,450.00	2,701,450.00	3,107,900.00
06/01/2044			343,337.50	343,337.50	
12/01/2044	2,485,000	5.500%	343,337.50	2,828,337.50	3,171,675.00
06/01/2045			275,000.00	275,000.00	
12/01/2045	2,620,000	5.500%	275,000.00	2,895,000.00	3,170,000.00
06/01/2046			202,950.00	202,950.00	
12/01/2046	2,825,000	5.500%	202,950.00	3,027,950.00	3,230,900.00
06/01/2047			125,262.50	125,262.50	
12/01/2047	4,555,000	5.500%	125,262.50	4,680,262.50	4,805,525.00
	37,210,000		45,678,008.75	82,888,008.75	82,888,008.75

## NET DEBT SERVICE

**CASTLE OAKS METROPOLITAN DISTRICT #3**  
**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017**  
**Advance Refunding of Series 2015 & Series 2016**  
**50.855 (target) Mills**  
**Non-Rated, 30-yr. Maturity**  
**[ Preliminary -- for discussion only ]**

Period Ending	Principal	Interest	Total Debt Service	Debt Service Reserve Fund	Net Debt Service
12/01/2018		1,893,058.75	1,893,058.75		1,893,058.75
12/01/2019		2,046,550.00	2,046,550.00		2,046,550.00
12/01/2020		2,046,550.00	2,046,550.00		2,046,550.00
12/01/2021		2,046,550.00	2,046,550.00		2,046,550.00
12/01/2022		2,046,550.00	2,046,550.00		2,046,550.00
12/01/2023	20,000	2,046,550.00	2,066,550.00		2,066,550.00
12/01/2024	240,000	2,045,450.00	2,285,450.00		2,285,450.00
12/01/2025	380,000	2,032,250.00	2,412,250.00		2,412,250.00
12/01/2026	570,000	2,011,350.00	2,581,350.00		2,581,350.00
12/01/2027	670,000	1,980,000.00	2,650,000.00		2,650,000.00
12/01/2028	760,000	1,943,150.00	2,703,150.00		2,703,150.00
12/01/2029	805,000	1,901,350.00	2,706,350.00		2,706,350.00
12/01/2030	900,000	1,857,075.00	2,757,075.00		2,757,075.00
12/01/2031	950,000	1,807,575.00	2,757,575.00		2,757,575.00
12/01/2032	1,060,000	1,755,325.00	2,815,325.00		2,815,325.00
12/01/2033	1,120,000	1,697,025.00	2,817,025.00		2,817,025.00
12/01/2034	1,235,000	1,635,425.00	2,870,425.00		2,870,425.00
12/01/2035	1,305,000	1,567,500.00	2,872,500.00		2,872,500.00
12/01/2036	1,430,000	1,495,725.00	2,925,725.00		2,925,725.00
12/01/2037	1,510,000	1,417,075.00	2,927,075.00		2,927,075.00
12/01/2038	1,650,000	1,334,025.00	2,984,025.00		2,984,025.00
12/01/2039	1,745,000	1,243,275.00	2,988,275.00		2,988,275.00
12/01/2040	1,900,000	1,147,300.00	3,047,300.00		3,047,300.00
12/01/2041	2,005,000	1,042,800.00	3,047,800.00		3,047,800.00
12/01/2042	2,175,000	932,525.00	3,107,525.00		3,107,525.00
12/01/2043	2,295,000	812,900.00	3,107,900.00		3,107,900.00
12/01/2044	2,485,000	686,675.00	3,171,675.00		3,171,675.00
12/01/2045	2,620,000	550,000.00	3,170,000.00		3,170,000.00
12/01/2046	2,825,000	405,900.00	3,230,900.00		3,230,900.00
12/01/2047	4,555,000	250,525.00	4,805,525.00	1,575,000	3,230,525.00
	37,210,000	45,678,008.75	82,888,008.75	1,575,000	81,313,008.75

## SUMMARY OF BONDS REFUNDED

**CASTLE OAKS METROPOLITAN DISTRICT #3**  
**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017**  
**Advance Refunding of Series 2015 & Series 2016**  
**50.855 (target) Mills**  
**Non-Rated, 30-yr. Maturity**  
**[ Preliminary -- for discussion only ]**

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Ser 2015 NR DG, 6.25%, 2044 mat (callable 12/1/20 @ 103):					
TERM44	12/01/2023	6.250%	115,000.00	12/01/2020	103.000
	12/01/2024	6.250%	235,000.00	12/01/2020	103.000
	12/01/2025	6.250%	300,000.00	12/01/2020	103.000
	12/01/2026	6.250%	345,000.00	12/01/2020	103.000
	12/01/2027	6.250%	370,000.00	12/01/2020	103.000
	12/01/2028	6.250%	420,000.00	12/01/2020	103.000
	12/01/2029	6.250%	445,000.00	12/01/2020	103.000
	12/01/2030	6.250%	505,000.00	12/01/2020	103.000
	12/01/2031	6.250%	535,000.00	12/01/2020	103.000
	12/01/2032	6.250%	600,000.00	12/01/2020	103.000
	12/01/2033	6.250%	635,000.00	12/01/2020	103.000
	12/01/2034	6.250%	705,000.00	12/01/2020	103.000
	12/01/2035	6.250%	750,000.00	12/01/2020	103.000
	12/01/2036	6.250%	825,000.00	12/01/2020	103.000
	12/01/2037	6.250%	880,000.00	12/01/2020	103.000
	12/01/2038	6.250%	965,000.00	12/01/2020	103.000
	12/01/2039	6.250%	1,025,000.00	12/01/2020	103.000
	12/01/2040	6.250%	1,120,000.00	12/01/2020	103.000
	12/01/2041	6.250%	1,190,000.00	12/01/2020	103.000
	12/01/2042	6.250%	1,295,000.00	12/01/2020	103.000
	12/01/2043	6.250%	1,380,000.00	12/01/2020	103.000
	12/01/2044	6.250%	3,160,000.00	12/01/2020	103.000
			17,800,000.00		
6/7/16: Ser 16 NR DG Compl Bonds, 5.50% to yld 5.00%, 2045 mat, \$13.370M par, 2045 mat, FINAL PR:					
TERM45	12/01/2023	5.500%	90,000.00	12/01/2020	103.000
	12/01/2024	5.500%	180,000.00	12/01/2020	103.000
	12/01/2025	5.500%	190,000.00	12/01/2020	103.000
	12/01/2026	5.500%	220,000.00	12/01/2020	103.000
	12/01/2027	5.500%	230,000.00	12/01/2020	103.000
	12/01/2028	5.500%	265,000.00	12/01/2020	103.000
	12/01/2029	5.500%	280,000.00	12/01/2020	103.000
	12/01/2030	5.500%	310,000.00	12/01/2020	103.000
	12/01/2031	5.500%	330,000.00	12/01/2020	103.000
	12/01/2032	5.500%	365,000.00	12/01/2020	103.000
	12/01/2033	5.500%	385,000.00	12/01/2020	103.000
	12/01/2034	5.500%	425,000.00	12/01/2020	103.000
	12/01/2035	5.500%	450,000.00	12/01/2020	103.000
	12/01/2036	5.500%	495,000.00	12/01/2020	103.000
	12/01/2037	5.500%	520,000.00	12/01/2020	103.000
	12/01/2038	5.500%	570,000.00	12/01/2020	103.000
	12/01/2039	5.500%	600,000.00	12/01/2020	103.000
	12/01/2040	5.500%	655,000.00	12/01/2020	103.000
	12/01/2041	5.500%	695,000.00	12/01/2020	103.000
	12/01/2042	5.500%	755,000.00	12/01/2020	103.000
	12/01/2043	5.500%	790,000.00	12/01/2020	103.000
	12/01/2044	5.500%	860,000.00	12/01/2020	103.000
	12/01/2045	5.500%	3,710,000.00	12/01/2020	103.000
			13,370,000.00		
			31,170,000.00		

## ESCROW REQUIREMENTS

**CASTLE OAKS METROPOLITAN DISTRICT #3  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017  
Advance Refunding of Series 2015 & Series 2016  
50.855 (target) Mills  
Non-Rated, 30-yr. Maturity  
[ Preliminary -- for discussion only ]**

Dated Date                      12/28/2017  
Delivery Date                12/28/2017

**Ser 2015 NR DG, 6.25%, 2044 mat (callable 12/1/20 @ 103)**

Period Ending	Interest	Principal Redeemed	Redemption Premium	Total
06/01/2018	556,250.00			556,250.00
12/01/2018	556,250.00			556,250.00
06/01/2019	556,250.00			556,250.00
12/01/2019	556,250.00			556,250.00
06/01/2020	556,250.00			556,250.00
12/01/2020	556,250.00	17,800,000.00	534,000.00	18,890,250.00
	3,337,500.00	17,800,000.00	534,000.00	21,671,500.00

## ESCROW REQUIREMENTS

**CASTLE OAKS METROPOLITAN DISTRICT #3  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017  
Advance Refunding of Series 2015 & Series 2016  
50.855 (target) Mills  
Non-Rated, 30-yr. Maturity  
[ Preliminary -- for discussion only ]**

Dated Date                      12/28/2017  
Delivery Date                12/28/2017

**6/7/16: Ser 16 NR DG Compl Bonds, 5.50% to yld 5.00%, 2045 mat, \$13.370M par, 2045 mat, FINAL PR**

Period Ending	Interest	Principal Redeemed	Redemption Premium	Total
06/01/2018	367,675.00			367,675.00
12/01/2018	367,675.00			367,675.00
06/01/2019	367,675.00			367,675.00
12/01/2019	367,675.00			367,675.00
06/01/2020	367,675.00			367,675.00
12/01/2020	367,675.00	13,370,000.00	401,100.00	14,138,775.00
	2,206,050.00	13,370,000.00	401,100.00	15,977,150.00

## ESCROW DESCRIPTIONS

**CASTLE OAKS METROPOLITAN DISTRICT #3  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017  
Advance Refunding of Series 2015 & Series 2016  
50.855 (target) Mills  
Non-Rated, 30-yr. Maturity  
[ Preliminary -- for discussion only ]**

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate	Total Cost
Dec 28, 2017:							
SLGS	Certificate	06/01/2018	06/01/2018	666,052	1.290%	1.290%	666,052.00
SLGS	Certificate	12/01/2018	12/01/2018	616,848	1.500%	1.500%	616,848.00
SLGS	Note	06/01/2019	06/01/2018	625,417	1.560%	1.560%	625,417.00
SLGS	Note	12/01/2019	06/01/2018	630,295	1.610%	1.610%	630,295.00
SLGS	Note	06/01/2020	06/01/2018	635,368	1.670%	1.670%	635,368.00
SLGS	Note	12/01/2020	06/01/2018	32,745,774	1.730%	1.730%	32,745,774.00
				35,919,754			35,919,754.00

### SLGS Summary

SLGS Rates File	08NOV17
Total Certificates of Indebtedness	1,282,900.00
Total Notes	34,636,854.00
Total original SLGS	35,919,754.00

## ESCROW STATISTICS

**CASTLE OAKS METROPOLITAN DISTRICT #3  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017  
Advance Refunding of Series 2015 & Series 2016  
50.855 (target) Mills  
Non-Rated, 30-yr. Maturity  
[ Preliminary -- for discussion only ]**

Escrow	Total Escrow Cost	Modified Duration (years)	PV of 1 bp change	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
DSRF	2,959,981.00	2.712	802.69	1.724128%	1.724128%	2,674,940.35	285,040.65	
BP	32,959,773.71	2.712	8,938.11	1.724128%	1.724128%	29,785,809.10	3,173,964.54	0.07
	35,919,754.71		9,740.81			32,460,749.45	3,459,005.19	0.07

Delivery date 12/28/2017  
Arbitrage yield 5.500375%

## PRIOR BOND DEBT SERVICE

**CASTLE OAKS METROPOLITAN DISTRICT #3**  
**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017**  
**Advance Refunding of Series 2015 & Series 2016**  
**50.855 (target) Mills**  
**Non-Rated, 30-yr. Maturity**  
**[ Preliminary -- for discussion only ]**

**Ser 2015 NR DG, 6.25%, 2044 mat (callable 12/1/20 @ 103)**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2018			556,250.00	556,250.00	
12/01/2018			556,250.00	556,250.00	1,112,500.00
06/01/2019			556,250.00	556,250.00	
12/01/2019			556,250.00	556,250.00	1,112,500.00
06/01/2020			556,250.00	556,250.00	
12/01/2020			556,250.00	556,250.00	1,112,500.00
06/01/2021			556,250.00	556,250.00	
12/01/2021			556,250.00	556,250.00	1,112,500.00
06/01/2022			556,250.00	556,250.00	
12/01/2022			556,250.00	556,250.00	1,112,500.00
06/01/2023			556,250.00	556,250.00	
12/01/2023	115,000	6.250%	556,250.00	671,250.00	1,227,500.00
06/01/2024			552,656.25	552,656.25	
12/01/2024	235,000	6.250%	552,656.25	787,656.25	1,340,312.50
06/01/2025			545,312.50	545,312.50	
12/01/2025	300,000	6.250%	545,312.50	845,312.50	1,390,625.00
06/01/2026			535,937.50	535,937.50	
12/01/2026	345,000	6.250%	535,937.50	880,937.50	1,416,875.00
06/01/2027			525,156.25	525,156.25	
12/01/2027	370,000	6.250%	525,156.25	895,156.25	1,420,312.50
06/01/2028			513,593.75	513,593.75	
12/01/2028	420,000	6.250%	513,593.75	933,593.75	1,447,187.50
06/01/2029			500,468.75	500,468.75	
12/01/2029	445,000	6.250%	500,468.75	945,468.75	1,445,937.50
06/01/2030			486,562.50	486,562.50	
12/01/2030	505,000	6.250%	486,562.50	991,562.50	1,478,125.00
06/01/2031			470,781.25	470,781.25	
12/01/2031	535,000	6.250%	470,781.25	1,005,781.25	1,476,562.50
06/01/2032			454,062.50	454,062.50	
12/01/2032	600,000	6.250%	454,062.50	1,054,062.50	1,508,125.00
06/01/2033			435,312.50	435,312.50	
12/01/2033	635,000	6.250%	435,312.50	1,070,312.50	1,505,625.00
06/01/2034			415,468.75	415,468.75	
12/01/2034	705,000	6.250%	415,468.75	1,120,468.75	1,535,937.50
06/01/2035			393,437.50	393,437.50	
12/01/2035	750,000	6.250%	393,437.50	1,143,437.50	1,536,875.00
06/01/2036			370,000.00	370,000.00	
12/01/2036	825,000	6.250%	370,000.00	1,195,000.00	1,565,000.00
06/01/2037			344,218.75	344,218.75	
12/01/2037	880,000	6.250%	344,218.75	1,224,218.75	1,568,437.50
06/01/2038			316,718.75	316,718.75	
12/01/2038	965,000	6.250%	316,718.75	1,281,718.75	1,598,437.50
06/01/2039			286,562.50	286,562.50	
12/01/2039	1,025,000	6.250%	286,562.50	1,311,562.50	1,598,125.00
06/01/2040			254,531.25	254,531.25	
12/01/2040	1,120,000	6.250%	254,531.25	1,374,531.25	1,629,062.50
06/01/2041			219,531.25	219,531.25	
12/01/2041	1,190,000	6.250%	219,531.25	1,409,531.25	1,629,062.50
06/01/2042			182,343.75	182,343.75	
12/01/2042	1,295,000	6.250%	182,343.75	1,477,343.75	1,659,687.50
06/01/2043			141,875.00	141,875.00	
12/01/2043	1,380,000	6.250%	141,875.00	1,521,875.00	1,663,750.00
06/01/2044			98,750.00	98,750.00	
12/01/2044	3,160,000	6.250%	98,750.00	3,258,750.00	3,357,500.00
	17,800,000		22,761,562.50	40,561,562.50	40,561,562.50

## PRIOR BOND DEBT SERVICE

### CASTLE OAKS METROPOLITAN DISTRICT #3 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017

Advance Refunding of Series 2015 & Series 2016

50.855 (target) Mills

Non-Rated, 30-yr. Maturity

[ Preliminary -- for discussion only ]

**6/7/16: Ser 16 NR DG Compl Bonds, 5.50% to yld 5.00%, 2045 mat, \$13.370M par, 2045 mat, FINAL PR**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2018			367,675.00	367,675.00	
12/01/2018			367,675.00	367,675.00	735,350
06/01/2019			367,675.00	367,675.00	
12/01/2019			367,675.00	367,675.00	735,350
06/01/2020			367,675.00	367,675.00	
12/01/2020			367,675.00	367,675.00	735,350
06/01/2021			367,675.00	367,675.00	
12/01/2021			367,675.00	367,675.00	735,350
06/01/2022			367,675.00	367,675.00	
12/01/2022			367,675.00	367,675.00	735,350
06/01/2023			367,675.00	367,675.00	
12/01/2023	90,000	5.500%	367,675.00	457,675.00	825,350
06/01/2024			365,200.00	365,200.00	
12/01/2024	180,000	5.500%	365,200.00	545,200.00	910,400
06/01/2025			360,250.00	360,250.00	
12/01/2025	190,000	5.500%	360,250.00	550,250.00	910,500
06/01/2026			355,025.00	355,025.00	
12/01/2026	220,000	5.500%	355,025.00	575,025.00	930,050
06/01/2027			348,975.00	348,975.00	
12/01/2027	230,000	5.500%	348,975.00	578,975.00	927,950
06/01/2028			342,650.00	342,650.00	
12/01/2028	265,000	5.500%	342,650.00	607,650.00	950,300
06/01/2029			335,362.50	335,362.50	
12/01/2029	280,000	5.500%	335,362.50	615,362.50	950,725
06/01/2030			327,662.50	327,662.50	
12/01/2030	310,000	5.500%	327,662.50	637,662.50	965,325
06/01/2031			319,137.50	319,137.50	
12/01/2031	330,000	5.500%	319,137.50	649,137.50	968,275
06/01/2032			310,062.50	310,062.50	
12/01/2032	365,000	5.500%	310,062.50	675,062.50	985,125
06/01/2033			300,025.00	300,025.00	
12/01/2033	385,000	5.500%	300,025.00	685,025.00	985,050
06/01/2034			289,437.50	289,437.50	
12/01/2034	425,000	5.500%	289,437.50	714,437.50	1,003,875
06/01/2035			277,750.00	277,750.00	
12/01/2035	450,000	5.500%	277,750.00	727,750.00	1,005,500
06/01/2036			265,375.00	265,375.00	
12/01/2036	495,000	5.500%	265,375.00	760,375.00	1,025,750
06/01/2037			251,762.50	251,762.50	
12/01/2037	520,000	5.500%	251,762.50	771,762.50	1,023,525
06/01/2038			237,462.50	237,462.50	
12/01/2038	570,000	5.500%	237,462.50	807,462.50	1,044,925
06/01/2039			221,787.50	221,787.50	
12/01/2039	600,000	5.500%	221,787.50	821,787.50	1,043,575
06/01/2040			205,287.50	205,287.50	
12/01/2040	655,000	5.500%	205,287.50	860,287.50	1,065,575
06/01/2041			187,275.00	187,275.00	
12/01/2041	695,000	5.500%	187,275.00	882,275.00	1,069,550
06/01/2042			168,162.50	168,162.50	
12/01/2042	755,000	5.500%	168,162.50	923,162.50	1,091,325
06/01/2043			147,400.00	147,400.00	
12/01/2043	790,000	5.500%	147,400.00	937,400.00	1,084,800
06/01/2044			125,675.00	125,675.00	
12/01/2044	860,000	5.500%	125,675.00	985,675.00	1,111,350
06/01/2045			102,025.00	102,025.00	
12/01/2045	3,710,000	5.500%	102,025.00	3,812,025.00	3,914,050
	13,370,000		16,099,600.00	29,469,600.00	29,469,600

## BOND SOLUTION

**CASTLE OAKS METROPOLITAN DISTRICT #3  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017  
Advance Refunding of Series 2015 & Series 2016  
50.855 (target) Mills  
Non-Rated, 30-yr. Maturity  
[ Preliminary -- for discussion only ]**

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2018		1,893,059		1,893,059	438,116	-1,454,943	23.14330%
12/01/2019		2,046,550		2,046,550	720,926	-1,325,624	35.22640%
12/01/2020		2,046,550		2,046,550	1,137,921	-908,629	55.60193%
12/01/2021		2,046,550		2,046,550	1,604,240	-442,310	78.38755%
12/01/2022		2,046,550		2,046,550	2,086,665	40,115	101.96011%
12/01/2023	20,000	2,066,550		2,066,550	2,386,574	320,024	115.48589%
12/01/2024	240,000	2,285,450		2,285,450	2,639,789	354,339	115.50413%
12/01/2025	380,000	2,412,250		2,412,250	2,785,977	373,727	115.49287%
12/01/2026	570,000	2,581,350		2,581,350	2,982,551	401,201	115.54228%
12/01/2027	670,000	2,650,000		2,650,000	3,065,208	415,208	115.66823%
12/01/2028	760,000	2,703,150		2,703,150	3,126,512	423,362	115.66182%
12/01/2029	805,000	2,706,350		2,706,350	3,126,512	420,162	115.52506%
12/01/2030	900,000	2,757,075		2,757,075	3,189,043	431,968	115.66761%
12/01/2031	950,000	2,757,575		2,757,575	3,189,043	431,468	115.64663%
12/01/2032	1,060,000	2,815,325		2,815,325	3,252,823	437,498	115.53989%
12/01/2033	1,120,000	2,817,025		2,817,025	3,252,823	435,798	115.47017%
12/01/2034	1,235,000	2,870,425		2,870,425	3,317,880	447,455	115.58846%
12/01/2035	1,305,000	2,872,500		2,872,500	3,317,880	445,380	115.50496%
12/01/2036	1,430,000	2,925,725		2,925,725	3,384,238	458,513	115.67176%
12/01/2037	1,510,000	2,927,075		2,927,075	3,384,238	457,163	115.61841%
12/01/2038	1,650,000	2,984,025		2,984,025	3,451,922	467,897	115.68007%
12/01/2039	1,745,000	2,988,275		2,988,275	3,451,922	463,647	115.51555%
12/01/2040	1,900,000	3,047,300		3,047,300	3,520,961	473,661	115.54362%
12/01/2041	2,005,000	3,047,800		3,047,800	3,520,961	473,161	115.52467%
12/01/2042	2,175,000	3,107,525		3,107,525	3,591,380	483,855	115.57043%
12/01/2043	2,295,000	3,107,900		3,107,900	3,591,380	483,480	115.55648%
12/01/2044	2,485,000	3,171,675		3,171,675	3,663,208	491,533	115.49757%
12/01/2045	2,620,000	3,170,000		3,170,000	3,663,208	493,208	115.55860%
12/01/2046	2,825,000	3,230,900		3,230,900	3,736,472	505,572	115.64802%
12/01/2047	4,555,000	4,805,525	-1,575,000	3,230,525	3,736,472	505,947	115.66144%
	37,210,000	82,888,009	-1,575,000	81,313,009	88,316,843	7,003,835	

**ACKNOWLEDGEMENT OF THE TOWN OF CASTLE ROCK  
IN CONNECTION WITH  
  
CASTLE OAKS METROPOLITAN DISTRICT NO. 3  
PROPOSED GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS, SERIES 2017  
  
IN THE APPROXIMATE PRINCIPAL AMOUNT OF  
\$37,210,000**

The Town of Castle Rock (the “Town”) hereby acknowledges that it has received the information submitted by Castle Oaks Metropolitan District No. 3 (the “District”) in connection with the District’s proposed General Obligation Limited Tax Refunding Bonds, Series 2017 in the estimated aggregate principal amount of \$37,210,000, or such greater or lesser principal amount as is necessary to fully refund all of the District’s currently outstanding bonds.

The Town further acknowledges that such information has been submitted pursuant to Section 11.02.110 of the Town Code and that the Town hereby deems the submittal sufficient with no further information required for the Town’s review under the Town Code.

The Town has reviewed the District’s submission regarding the proposed financing and has no comments thereon.

**TOWN OF CASTLE ROCK**

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_