

# ALEX BROWN CONSULTING

\$3,000,000<sup>1</sup>  
Series 2014A Note  
Copper Ridge Metro District  
Reimbursement Financing #2

## Use of Proceeds

Proceeds will be used to reimburse Northgate Properties for the value of public improvements constructed by Northgate. The specific improvements are recorded on the reimbursement agreement between Northgate and Copper Ridge. The improvements will be conveyed to the District by a Bill of Sale from Northgate to Copper Ridge. A portion of the proceeds will be disbursed at closing to pay for improvements constructed. Additional amounts will be drawn down to fund improvements as projects are completed.

## Draw Down Procedures

The District will be required to submit evidence of the improvements constructed together with an opinion of value from the District's independent engineer. Bond Counsel will be required to review the request to verify all actions are in compliance with the Service Plan and all other applicable laws and regulations.

## Improvement Reimbursement Summary

Northgate Properties has provided detailed cost summaries specifying the work completed and the value of work. Classic Consulting has prepared a report based upon their independent investigation regarding the work completed and its value.

## Security for the Bonds

The Bonds will be secured by a pledge of ad valorem taxes, limited to 50 mills in accordance with the Service Plan, and Public Improvement Fee (PIF) revenue. Public Improvement Fee revenue is produced by a 1% charge against the value of any goods purchased and subject to the City's sales tax.

## Bond Details

Par- \$3,000,000 (preliminary and subject to change)

Denomination- \$500,000

Interest Rate- 4.25%

Maturity- 12/1/2025

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Prepayment option- Bonds may be redeemed on any business day at par plus accrued interest.

Interest payable- 6/1 and 12/1 starting 12/1/2014

Principal payable- 12/1 starting 12/1/2014

Amortization- Sinking fund payment schedule established to create level annual debt payments over the amortization term.

### Disclosure/Investor Letter

No offering document will be prepared for the Bonds. The investor will be given information by the District as requested. The investor will acknowledge their status as an institutional investor purchasing the Bonds without the intent to resell.

### Registration of Bond Issue

The Bonds are expected to be exempt from registration under the Colorado Bond Supervision Act on the basis of the denomination.

### Interest Income

The interest income paid on the bonds will be taxable based upon current federal law, regulations and tax rulings. Refinancing on a tax-exempt basis will be considered when feasible.

### Finance Plan

A plan of finance will be prepared summarizing the current assessed value together with increases attributable to known development within the next two years. The District's certified assessed value for fiscal year 2014 is 6,712,890 and will increase significantly in 2015.

### Additional Bonds

Additional bonds may be issued: (1) if the then certified assessed value when multiplied by 50 mills (0.050) plus historic public improvement fee revenue equal to or greater than 1.25 times maximum future debt service or (2) with the consent of the bondholder.

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